



中航國際控股股份有限公司  
AVIC INTERNATIONAL HOLDINGS LIMITED

(Stock Code 股份代號 : 0161)

2016

ANNUAL REPORT

年度報告



# 公司基本信息 Basic Information of the Company

上市交易所：香港聯合交易所有限公司  
股票簡稱：中航國際控股  
股份代碼：00161  
網址：www.avic161.com

## 執行董事

吳光權先生(擔任董事長至2017年2月15日  
並於2017年2月15日辭任)  
劉洪德先生(由2017年2月15日起擔任董事長)  
賴偉宣先生 副董事長  
由鐘先生 副董事長  
潘林武先生(於2017年2月15日辭任)  
周春華女士(於2017年2月15日委任)  
陳宏良先生  
劉軍先生

## 獨立非執行董事

黃慧玲女士  
鄔煒先生  
魏煒先生

## 監事

曹江先生 主席  
梁赤先生  
劉永澤先生  
楊喜先生

## 公司秘書

鍾思均先生

## 審核委員會

黃慧玲女士 主席  
鄔煒先生  
魏煒先生

## 薪酬委員會

魏煒先生 主席  
劉洪德先生  
陳宏良先生  
黃慧玲女士  
鄔煒先生

## 提名委員會

鄔煒先生 主席  
劉洪德先生  
陳宏良先生  
黃慧玲女士  
魏煒先生

## 公司法定地址

中國深圳市福田區  
深南中路  
中航苑航都大廈25層

## 香港主要營業地址

香港皇后大道中29號  
華人行16樓1603室

## H股股份過戶登記處

(以作股票轉讓)  
香港證券登記公司  
香港灣仔  
皇后大道東183號  
合和中心  
17樓1712-1716室

## 獨立核數師

羅兵咸永道會計師事務所

## 法律顧問(香港法律)

龍炳坤、楊永安律師行

## 主要銀行

中國銀行  
中國農業銀行  
中國工商銀行  
上海銀行

Listing stock exchange: The Stock Exchange of Hong Kong Limited  
Stock short name: AVIC IHL  
Stock Code: 00161  
Website: www.avic161.com

## EXECUTIVE DIRECTORS

Mr. Wu Guang Quan (chairman until 15 February 2017 and  
resigned on 15 February 2017)  
Mr. Liu Hong De (chairman since 15 February 2017)  
Mr. Lai Wei Xuan, vice chairman  
Mr. You Lei, vice chairman  
Mr. Pan Lin Wu (resigned on 15 February 2017)  
Ms. Zhou Chun Hua (appointed on 15 February 2017)  
Mr. Chen Hong Liang  
Mr. Liu Jun

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling  
Mr. Wu Wei  
Mr. Wei Wei

## SUPERVISORS

Mr. Cao Jiang, chairman  
Mr. Liang Chi  
Mr. Liu Yong Ze  
Mr. Yang Xi

## COMPANY SECRETARY

Mr. Zhong Si Jun

## AUDIT COMMITTEE

Ms. Wong Wai Ling, chairman  
Mr. Wu Wei  
Mr. Wei Wei

## REMUNERATION COMMITTEE

Mr. Wei Wei, chairman  
Mr. Liu Hong De  
Mr. Chen Hong Liang  
Ms. Wong Wai Ling  
Mr. Wu Wei

## NOMINATION COMMITTEE

Mr. Wu Wei, chairman  
Mr. Liu Hong De  
Mr. Chen Hong Liang  
Ms. Wong Wai Ling  
Mr. Wei Wei

## LEGAL ADDRESS OF THE COMPANY

Level 25, Hangdu Building, Catic Zone,  
Shennan Road Central,  
Futian Dist., Shenzhen, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1603, 16/F, China Building,  
29 Queen's Road Central, Hong Kong

## STOCK-H SHARE REGISTRAR (FOR STOCK TRANSFER)

Hong Kong Registrars Limited  
Shops 1712-1716, 17th Floor,  
Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong

## INDEPENDENT AUDITOR

PricewaterhouseCoopers

## LEGAL ADVISER AS TO HONG KONG LAWS

LOONG & YEUNG

## PRINCIPAL BANKS

Bank of China  
Agricultural Bank of China  
Industrial and Commercial Bank of China  
Bank of Shanghai



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# Financial Highlights

## RESULTS SUMMARY

(For the year ended 31 December 2016)

(RMB'000)	2016	2015	2014	2013	2012
<b>Revenue and profit:</b>					
Revenue	<b>33,007,917</b>	34,350,511	33,960,290	37,262,006	31,252,572
Profit before taxation	<b>1,797,895</b>	1,555,792	1,825,396	1,945,055	1,448,543
Profit after taxation*	<b>1,287,972</b>	1,683,491	1,258,394	1,676,495	1,266,241
Profit attributable to:					
Owners of the Company	<b>806,066</b>	1,212,308	642,026	1,028,670	969,839
Non-controlling interests	<b>481,906</b>	471,183	616,368	647,825	295,539
Basic earnings per share attributable to owners of the Company (RMB)	<b>0.67</b>	1.03	0.55	0.90	0.85
Diluted earnings per share attributable to owners of the Company (RMB)	<b>0.41</b>	0.62	0.34	0.54	0.51
Dividends per share attributable to the owners of the Company (RMB)	<b>0.10</b>	0.20	0.10	–	–

\* Profit after taxation includes profit/(loss) from discontinued operations.

## ASSETS SUMMARY

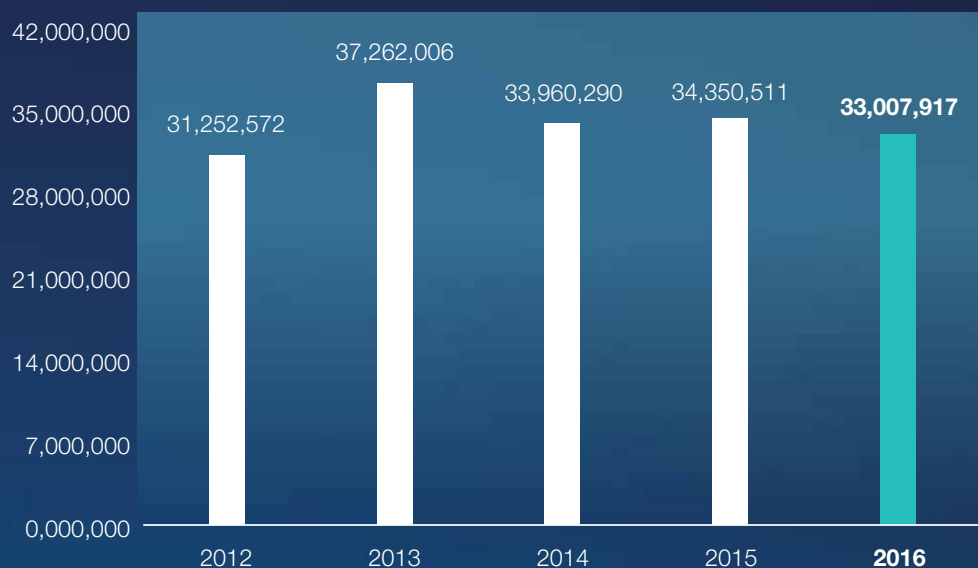
(As at 31 December 2016, consolidated)

(RMB'000)	2016	2015	2014	2013	2012
Total assets	<b>64,780,737</b>	64,626,108	57,807,672	50,863,909	43,713,280
Total liabilities	<b>39,414,224</b>	40,284,992	39,389,575	37,063,464	31,564,512
Total equity	<b>25,366,513</b>	24,341,116	18,418,097	13,800,445	12,148,768
Equity attributable to owners of the Company	<b>12,039,247</b>	11,539,763	9,648,260	8,824,929	7,838,847
Non-controlling interests	<b>13,327,266</b>	12,801,353	8,769,837	4,975,516	4,309,921
Basic net assets per share attributable to owners of the Company (RMB)	<b>10.32</b>	9.90	8.69	7.94	7.06
Diluted net assets per share attributable to owners of the Company (RMB)	<b>6.12</b>	5.86	5.05	4.61	4.10

## Financial Highlights

### REVENUE

RMB'000



### PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RMB'000



# Chairman's Statement

It is my honor to present the 2016 annual report of AVIC International Holdings Limited (the "Company") on behalf of the board of directors of the Company, to the shareholders, business partners and supporters of the Company and its subsidiaries (together the "Group").

During the year, the Group recorded consolidated revenue of approximately RMB33,007,917,000, representing a decrease of approximately 5.75% over the previous year of RMB35,021,139,000 (including the revenue of the discontinued operations). The profit attributable to owners of the Company was approximately RMB806,066,000, representing a decrease of approximately 33.51% over the previous year of RMB1,212,308,000.

2016 was a year when global macro-economy had been experiencing a complex situation and aggravating uncertainties. Fluctuation in exchange rates was intensified while geo-political risks burst out frequently. The recovery pace of economy was slow. China's economic development was under severe downward pressure and effective market demand continued to deteriorate. Facing the severe economic conditions in both China and overseas, the Group actively implemented the State's overall strategy of supply-side structural reform. By closely embracing the strategic principles of "Reform and Innovation, Reinforcing Execution and Focusing on Value Growth", the Group firmly deepened the advancement of strategic transformation, pushed forward the business restructuring and industrial upgrading, expedited the innovation of business models and mechanism reformation, in order to achieve significant enhancement in operational efficiency and effectiveness of various business sectors. Electronic high technology business has seized the market opportunities to cultivate core customers. The FPD



business has reached national leading standard in technology while the PCB business has optimized its ordering structure and significantly improved its operating capability. The retails and consumer products business has boosted the integration of online and offline operations, accelerated the optimization of products and channels and devoted great effort on upgrading the sales efficiency in single store. The real estate business focused on enhancing aviation infrastructure construction professionalism and project development. The trading and logistics business strove towards professionalism. Its professional capability continued to upgrade while the key projects have been running smoothly.

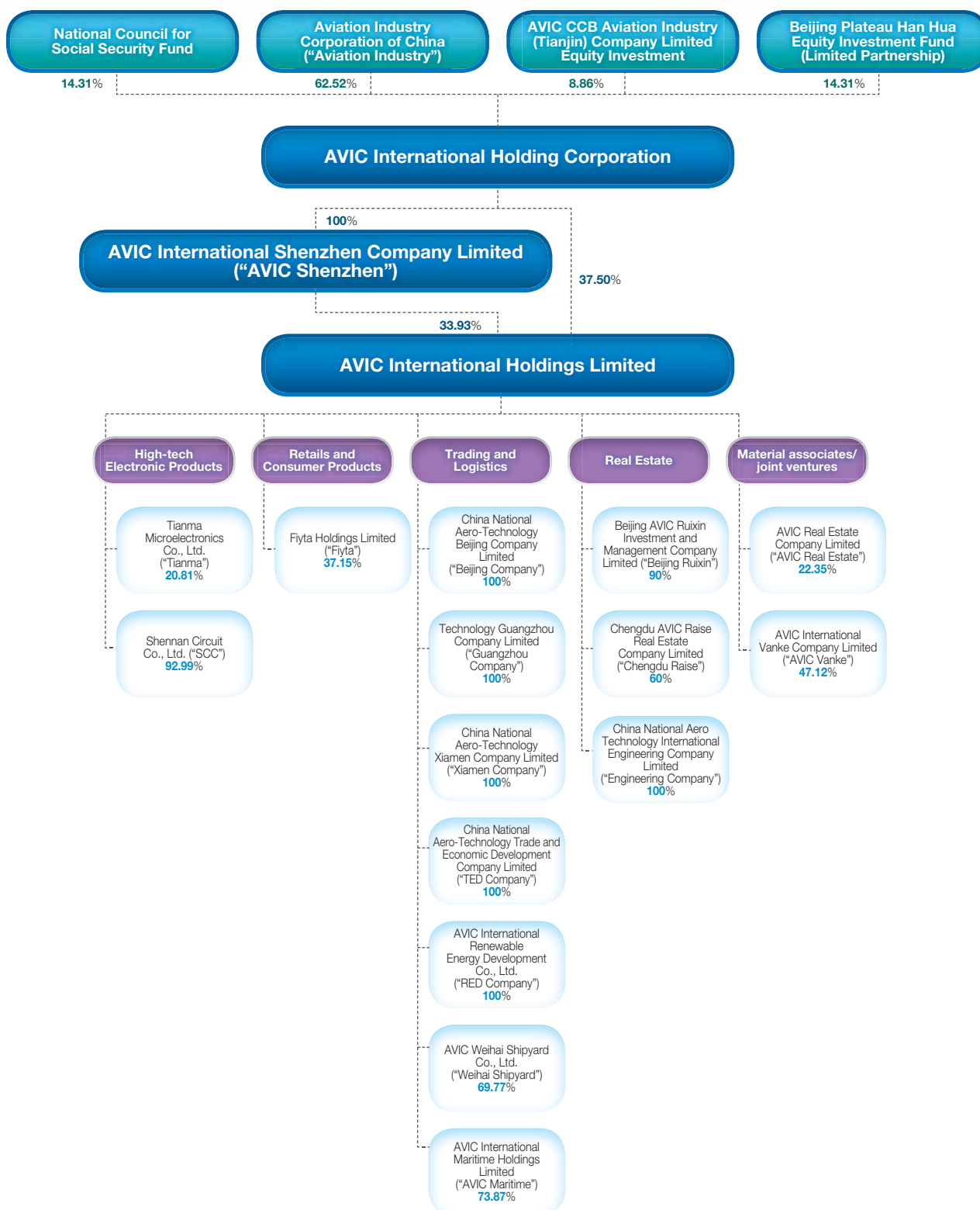
Looking forward to the year of 2017, while facing the re-adjustment of global economy, China's economy is still under higher downward pressure. In response to various adverse factors and challenges from China and overseas, the Group will deepen the advancement of strategic transformation, speed up business focus and core business settings and continue to optimize the business structure and resource allocation while setting innovation as motivation target and improve our management structure and systems and mechanisms. We will continue to promote innovation of commercial models and mechanism reformation, strengthen our profit management and value creation. We will put larger effort on problem solving and risk management and control, while speeding up the linkages with capital market in order to pursue value growth.

Aligning with our commitment, we will continue to move forward. On the way of transformation and innovation, we will put in more efforts, face challenges, embrace opportunities and achieve our mission. Last but not least, on behalf of the Board, I would like to express my heartfelt gratitude to all the staff for their devotion and dedication, to all our shareholders, business partners and people from all walks of life for their full support. We will continue to dedicate ourselves to creating better returns for our shareholders, customers and staff of the Group.



# Management Discussion and Analysis

## CORPORATE ORGANIZATION CHART





## BUSINESS REVIEW

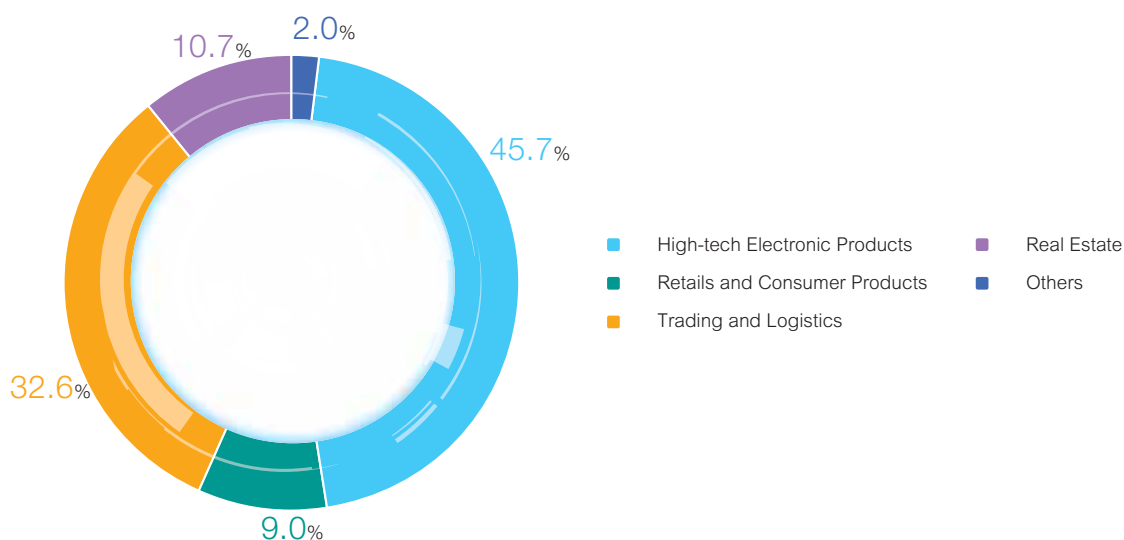
The consolidated revenue and profit contributions of the Company in its consolidated results for the year ended 31 December 2016 (the “Reporting Period” or the “Year”) were primarily derived from the following business sections and subsidiaries:

Business sections	Name of subsidiaries	Percentage of equity interests held by the Company	Principal activities
High-tech Electronic Products	Tian Ma Microelectronics Co., Ltd. (“Tianma”)	20.81%	Manufacture and sales of flat panel displays and modules (“FPD”)
	Shennan Circuit Co., Ltd. (“SCC”)	92.99%	Manufacture and sales of printed circuit boards and packaging substrate (“PCB”)
Retails and Consumer Products	Fiyta Holdings Limited (“Fiyta”)	37.15%	Manufacture of middle to high-end wrist watches and chain store sales of luxury watches
Real Estate	Beijing AVIC Ruixin Investment and Management Company Limited (“Beijing Ruixin”)	90%	Mainly engages in residential premises development business and industrial property development
	Chengdu AVIC Raise Real Estate Company Limited (“Chengdu Raise”)	60%	Mainly engages in residential premises development business and industrial property development
	China National Aero-Technology International Engineering Company Limited (“Engineering Company”)	100%	Mainly engages in general contracting of international engineering construction and general contracting of domestic construction engineering

## BUSINESS REVIEW *(continued)*

Business sections	Name of subsidiaries	Percentage of equity interests held by the Company	Principal activities
Trading and Logistics	China National Aero-Technology Beijing Company Limited ("Beijing Company")	100%	Mechatronics engineering and machinery vehicles, etc.
	AVIC International Maritime Holdings Limited ("AVIC Maritime")	73.87%	Ship engineering
	AVIC Weihai Shipyard Co., Ltd. ("Weihai Shipyard")	69.77%	Ship construction
	China National Aero-Technology Guangzhou Company Limited ("Guangzhou Company")	100%	Trading and logistics of medical facilities and bitumen engineering
	China National Aero-Technology Xiamen Company Limited ("Xiamen Company")	100%	Trading and logistics of stone materials
	China National Aero-Technology Trade and Economic Development Company Limited ("TED Company")	100%	Tendering agency and automated control service
	AVIC International Renewable Energy Development Co., Ltd. ("RED Company")	100%	Sales and purchase of energy-saving equipment, energy-saving management and construction of power stations

## 2016 TURNOVER COMPOSITION BY BUSINESS SECTIONS



## **BUSINESS REVIEW** *(continued)*

### **Summary of Performance**

2016 was a year when global macro-economy had been experiencing a complex situation along with greater uncertainties, severe fluctuation and frequent geo-political risks, and the economic recovery had been running slowly while domestic economy was under increasing downward pressure. The efficient market demands continued with a lingering weakness. Facing the severe economic situation both in People's Republic of China (the "PRC" or "China") and abroad, the Group had been pushing the supply-side structural reform forward proactively which was in line with China's overall strategies with strategic theme of "Reform and Innovation, Reinforcing execution and Focusing on Value Growth", firmly establishing strategic transformation, accelerating the adjustment of business structure and industry upgrading and speeding up the innovation of commercial models and mechanism reform. The efficiency and effectiveness of some business operation had been significantly improved.

During the year ended 31 December 2016, the Group recorded a consolidated revenue of approximately RMB33,007,917,000, representing a decrease of approximately 5.75% over the previous year of approximately RMB35,021,139,000 (including the revenue of the discontinued operations). The profit after taxation was approximately RMB1,287,972,000, representing a decrease of approximately 23.49% as compared with approximately RMB1,683,491,000 of last year.

### **High-tech Electronic Products**

As for the business of high-tech electronic products, the Group engages in research and development (R&D), design, production, sales and service of FPD and PCB products mainly through its subsidiaries, such as Tianma and SCC. The business of high-tech electronic products of the year has seized the market opportunities to reinforce the precise operation continuously and strive to improve the operating profits. During the year ended 31 December 2016, the Group's turnover generated from high-tech electronic products section was approximately RMB15,094,917,000, representing an increase of 9.16% as compared with the same period of last year, and the profit after taxation was approximately RMB871,209,000, representing an increase of 20.80% as compared with the same period of last year.



## **BUSINESS REVIEW** *(continued)*

### **High-tech Electronic Products** *(continued)*

#### **(1) FPD**

Tianma focuses on the display business and its products include small-to-medium size flat panel displays (FPD) and display modules, which is mainly applied in professional areas including e-commerce, industrial control and medical treatment. Meanwhile, we are also engaged in the new display markets of 3D LED monitors and intelligent wearable devices proactively.

During the Reporting Period, Tianma continued to optimize its product structure and rapidly increased the product proportion of medium-and-high end smartphones. The display monitor sales for professional areas, such as automotive and medical treatment, have experienced a rapid growth, while the intelligent wearable devices had been put into mass production successfully. The R&D of key technologies and core products has made a smooth progress. Low temperature polycrystalline silicon (低温多晶硅) (“LTPS”) in-cell and active matrix organic light emitting diode (主动矩阵有机发光二极管面板) (“AMOLED”) have achieved its mass production while we have completed the development of flexible technology platform. The customer structure continued its optimization and the ratio of high marginal customers and large customers continued to increase. The main factory of product line project of the Wuhan 6th generation of AMOLED has reached its caps in advance, which created the quickest construction in the industry. Tianma has proactively promoted the share issuance for asset acquisitions and fund-raising.

In 2016, the advanced technologies of Tianma have been named with national awards in the industry, which boosted our brand popularity in the capital market and marked our solid leading position in the industry.

#### **(2) PCB**

SCC mainly engages in producing PCB products which comprise the R&D, manufacture and sales of middle-to-high end multi-layer PCB products and packaging substrate. They are mainly used in high technology fields such as telecommunication, aeronautics and astronautics, medical services and industrial control.

During the Reporting Period, SCC has grasped the opportunities in the industry to focus on the markets with quality customers and emphasised on developing key customers and reinforced the precise operation continuously to reach a historic height in its operating results. PCB business segment maintained a stable delivery with high production. During the year of 2016, we have focused on the professional markets including mass telecommunication, motor vehicles, servers, optical connection, avionics, rigid-flex and thick copper. The purchase orders in the market have significantly increased. The productivity of Wuxi factory has successfully made a large climb. The optimisation of purchase order structure and production line of electric fitting business has achieved with significant efficiency. The output values of telecommunication and medical treatment increased rapidly and profit margin continues to increase. The customer exploration of packaging substrate business was in a proactive progress with a gradual shift to semi-conductor supply chain, and it has engaged with the leading customers in MIC area.

In 2016, SCC has continued to promote the spin-off and IPO in the Shenzhen Stock Exchange of the PRC. It completed the examination for approval by The Stock Exchange of Hong Kong Limited and SASAC, and submitted the filing information to CSRC.



## **BUSINESS REVIEW** *(continued)*

### **Retails and Consumer Products**

The retails and consumer products section of the Group engages in the R&D and brand operation of middle to high-end watches and chain sales of prestigious watches through its subsidiary, Fiyta. For the year ended 31 December 2016, the turnover generated from the retail and consumer products section of the Group amounted to approximately RMB2,965,074,000, representing a decrease of approximately 4.85%, as compared with the same period of last year. The profit after taxation was approximately RMB191,321,000, representing an increase of 26.37% as compared with the same period of last year.

In 2016, the high-end consumption in China continued its depression. Fiyta has proactively promoted the innovation of commercial model, accelerated the production and channel optimisation and alternation. The distribution channel sales of Fiyta's watch have increased in proportion while the amounts of overseas internet spots and selling scale have achieved a rapid growth. Harmony continued to promote the improvements of channel structure and product structure, while devoting great effort on upgrading the sales efficiency in single store. Fiyta have strived to promote the online-and-offline integration by setting e-commerce and technical service business as our breakthrough point, which continued to make a vigorous growth in e-commerce business. During the Reporting Period, Fiyta has entered into exclusive authorisation agreement with Beijing Watch and accelerated the coordinated development with Beijing Watch.





## **BUSINESS REVIEW** *(continued)*

### **Real Estate**

The Group engages in real estate development business through its subsidiaries Chengdu Raise and Beijing Ruixin, and engages in overseas engineering contracting and overseas development through Engineering Company. During the year of 2016, the real estate business section of the Group recorded a turnover of approximately RMB3,544,146,000, representing a decrease of approximately 0.52% as compared with the same period of the previous year. The profit after taxation was approximately RMB21,011,000, representing a decrease of approximately 95.45% as compared with the same period of the previous year. Profit after taxation comprises losses on investments from the jointly controlled entity and the associate, AVIC Vanke Company Limited (中航萬科有限公司) ("AVIC Vanke") and AVIC Real Estate Company Limited (中航地產股份有限公司) ("AVIC Real Estate") of approximately RMB222,154,000 in total.

#### **(1) Real Estate Development**

The domestic real estate development projects of the Group are mainly involved in commercial complexes in small to medium cities. In 2016, Chengdu Raise and Beijing Ruixin have accelerated the project developments and sales payment return, in which businesses have made a smooth progress.

#### **(2) Engineering Contracting**

The engineering contracting business of the Group mainly comprises contracting of international and domestic construction projects, which accelerated the shifting of overseas aviation infrastructure construction and services. During the Reporting Period, the engineering contracting projects of the Group have continued to maintain a positive momentum in development. The Group entered into 32 contracts with a total contract sum of approximately RMB5.4 billion. Engineering Company has put a large effort on upgrading the professionalism of aviation infrastructure construction business. There were 2 newly-executed aviation projects, and the Hangar Project in Ethiopia (埃塞俄比亞機庫項目) has been successfully completed for delivery.

## **BUSINESS REVIEW** *(continued)*

### **Trading and Logistics**

The Group engages in mechatronics engineering, ship engineering, tendering agency and energy management through its subsidiaries such as Beijing Company, AVIC Maritime, Weihai Shipyard, Guangzhou Company, Xiamen Company, TED Company and RED Company. For the year ended 31 December 2016, the Group's turnover generated from trading and logistics business was approximately RMB10,745,852,000, representing a decrease of approximately 18.83% compared with the previous year. The profit after taxation for the year was approximately RMB29,685,000, and the loss after taxation for 2015 was approximately RMB22,017,000.

#### **(1) Ship Engineering**

In 2016, the ship engineering business of the Group accelerated the optimisation of product structure, reinforced the control on cost expenditure, which have made a significant improvement in operating results. During the year of 2016, 23 new ships were signed, among which, 15 ships were in effect. Orders on hand accumulated to 50 ships. We were also awarded with contracts of high-end Ro-Pax ships consecutively, which optimised the order structure significantly. We have firmly promoted the optimisation of technological processes, upgrading of supply chain management and precise production and further consolidate the business agreement with Deltamarin Oy. The Group has completed delivery of 25 ships during the year of 2016, which ensure delivery on schedule of projects on hand.

#### **(2) Mechatronics Engineering**

The mechatronics engineering business of the Group mainly engages in engineering, procurement and construction (EPC) of fundamental facilities in and outside China, such as cement, petroleum, electricity stations and bitumen. In 2016, the mechatronics engineering business of the Group strengthened project exploration and execution, deepened the promotion of innovation in commercial model and continued to enhance the professional capabilities of EPC business. The first project in Venezuela and project in Malaysia of the mechatronics engineering business have been delivered. The second project in Venezuela has been progressing under orders. The Group have cultivated the markets of countries under the “the Belt and Road” deeply, which has continued to increase our brand influence. The bitumen business has put a large effort in handling the adverse impact of price depression in bulk consumer goods, such as petrol. We have strived to improve our raw material supply of bitumen. Both expansion of modified bitumen species and project delivery have achieved a proactive progress.



## BUSINESS PROSPECTS

In 2017, the global economy will be positioned to a re-adjustment of balancing and the economy in China will have greater downward pressure. Facing various external and internal adverse factors and challenges, the Group will deeply promote the strategic transformation, speed up the business consolidation and setting of core businesses, continue the optimisation of business structure and resource deployment with reformation and innovation as our motivation, improve management structure and system progress organisation, continue to promote innovation of commercial model and reformation of systems and mechanisms, enhance the profit management and value creation, strengthen the problem-solving and risk prevention and control, accelerate the connection of capital markets and pursue the value growth.

### High-tech Electronic Products

#### (1) **FPD**

Smart home devices driven by “Internet +” and the technology of wearable devices have become a trend of mobile smart terminal sector. The technology of internet has driven the continuous growth of demand for professional display sectors, such as automotive display, medical display, smart house and intelligent industries. The growing trend of large screen, high resolution and integration of touch screen has become the next focus point of growth. In 2017, Tianma will grasp the market opportunities, deeply cultivate the mobile smart terminal and professional display market, optimise the product structure and customer structure, enhance the development of strategic customers, accelerate the R&D and mass production of key technology and focused products, such as IN-CELL and AMOLED, match the markets with technology optimisation production lines. We will emphasise the emerging strategic markets to expand our integrated modules and speed up the upgrading of overall capabilities of solutions. We will continue to promote the construction of the Wuhan 6th generation of AMOLED and strive to complete the reorganisation of material assets and related financing.

#### (2) **PCB**

The PCB business of the Group will focus on the theme of “grab the market, enhance the technology and optimise the operation” as strategies to continue the expansion of shares in core markets, such as telecommunication and medical industry control. We will accelerate to enter into new markets of automotive electronics and optical connection. The Group will maintain the strategy of large customers, deepen the strategic cooperation with international leading customers and vigorously develop the new strategic customers with high growth capabilities. We will keep close to the market hotspots and customers’ demands and accelerate the promotion of new products and new project development. We will maintain our technological leading path, integrate our core technological capabilities and create an integrated cross-sector modules and products. We will continue to promote the construction of professional product lines, upgrade our product technological capabilities and will orderly promote the smart production. In 2017, SCC will promote the project of Nantong infrastructure construction orderly and accelerate the progress IPO in Shenzhen Stock Exchange of the PRC.



## **BUSINESS PROSPECTS** *(continued)*

### **Retails and Consumer Products**

The retails and consumer products business of the Group will maintain a business model of “Products + Channels” to speed up the output growth of single stores and structure optimisation of products and channels, so as to further increase our domestic market share and promote our internationalisation development orderly. We will deeply promote the innovation establishment of commercial models, speed up the business development of e-commerce and technological services. We will reinforce the synergies between channels and brand, as well as supporting platform and first-tier websites and strengthen the building of synergies.

### **Real Estate**

#### **(1) Real Estate Development**

It is expected that the real estate industry will experience greater destocking pressure in 2017. The real estate business of the Group will put a large effort on promotion of destocking in real estate in China and overseas and sales payment return, while striving to launch the business reorganisation of real estate development.

#### **(2) Engineering Contracting**

It is expected that the Group will grasp the market opportunities in the key regions under the “Belt and Road” and African region and speed up the project expansion and execution of international engineering construction projects, in particular the aviation infrastructure projects, in 2017. We will integrate the social resources, speed up the improvement of professional abilities in design consultation of aviation infrastructure, facility construction and operation and maintenance. We will reinforce the project execution and control, promote precise management and cost and risk control, ensure the delivery on schedule and accelerate the expansion of space for profit making.

### **Trading and Logistics**

The trading and logistics business will focus on the core markets and key businesses, leverage our channeling advantages and business experience to speed up our development of professionalism.

#### **(1) Ship Engineering**

The ship engineering business of the Group will continue to optimise its product structure and increase the pace of obtaining purchase orders with high additional values and high technology. We will upgrade our key technological capabilities and consolidate the corporation with Detlamarin Oy to contribute for the synergies of R&D and design. We will upgrade the management of supply chain, management of self-owned shipyards and manufacturing capability, strengthen the single-ship operational cost control, ensure the delivery of ships on schedule and continuously make advancements for our result improvement.

#### **(2) Mechatronics Engineering**

The mechatronics engineering business of the Group will focus on the core industries and core regions, deeply promote the individual market researches, and speed up the project expansion and execution, as well as the upgrading of professionalism. We will further explore the optimised mode of business development, accelerate the business transformation and put full effort to boost our operating results.

# Profile of Directors and Supervisors

## EXECUTIVE DIRECTORS

**Mr. Liu Hong De**, aged 56, was appointed as an executive director and chairman of the Board of the Company on 15 February 2017. Mr. Liu is a Ph.D in management science and engineering of Harbin Engineering University (哈爾濱工程大學) and a professorate senior engineer. He enjoys the special government allowance of the State Council. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu is currently the chairman of the board of directors of AVIC International Holding Corporation (中國航空技術國際控股有限公司) ("AVIC International"), the chairman of the board of directors of AVIC International Holding (HK) Limited (中國航空工業國際控股(香港)有限公司) ("中航工業國際") (the shares of which are listed and trade on the Stock Exchange with stock code: 232), as well as a supervisor of Aviation Industry Corporation of China (中國航空工業集團公司) ("Aviation Industry"). Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dongan Engine Corporation (哈爾濱東安發動機公司), the general manager and the chairman of the board of directors of Harbin Dongan Auto Engine Co., Ltd. (哈爾濱東安汽車動力股份有限公司) (the shares of which are listed and traded on the Shanghai Stock Exchange), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Co., Ltd. (哈爾濱航空工業(集團)有限公司), the chairman of the board of directors of Jiangxi Changhe Automobile Co., Ltd. (江西昌河汽車股份有限公司) (the shares of which are listed and traded on the Shanghai Stock Exchange), the general manager of AVIC Automobile Industry Corporation (中國航空汽車工業總公司), the deputy general manager of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (the shares of which are listed and traded on the Stock Exchange with stock code: 2357), the head of the corporate cultural department of China Aviation Industry Corporation II (中國航空工業第二集團公司), the head of the corporate cultural department of Aviation Industry, and the vice executive chairman of the trade union of Aviation Industry.

**Mr. Wu Guang Quan**, aged 54, senior accountant and a MBA of Tongji University (同濟大學). Mr. Wu acted as an executive director and the chairman of AVIC INT'L, the Chairman of AVIC International, the chairman of AVIC Shenzhen and executive director and the chairman of the Company. Mr. Wu joined AVIC Shenzhen in 1982. He was appointed as an executive director of the Company in 2003 and resigned on 15 February 2017.

**Mr. Lai Wei Xuan**, aged 53, senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University, is now the Chief Executive Officer, and director of AVIC International, executive director and vice chairman of the Company. Mr. Lai also serves as executive director of AVIC INT'L, which is listed on the Stock Exchange. Mr. Lai joined AVIC Shenzhen in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the Chairman of Fiyta, the deputy chairman of Tianma, both of which are the subsidiaries of the Company and the shares of which are listed and traded on the Shenzhen Stock Exchange ("Shenzhen Stock Exchange"), and the chairman of Rainbow Department Store Co., Ltd. (天虹商場股份有限公司) ("Rainbow Department Store"), a joint stock limited company established in the PRC the shares of which are currently listed on the Shenzhen Stock Exchange and approximately 43.40% of its equity interest was owned by AVIC Shenzhen, a controlling shareholder of the Company. Mr. Lai has rich experience in finance and operation management, and once acted as an executive Director from 2004 to 2012. He was appointed as an executive Director of the Company again in 2014.

**Mr. You Lei**, aged 48, senior engineer, MBA of Tongji University (同濟大學) and MBA of China Europe International Business School, is now holding the positions of the director of AVIC International, chairman of the board of directors of AVIC Shenzhen, executive director and vice chairman of the Company, and the chairman of SCC (subsidiary of the Company). Mr. You had acted as vice president of AVIC International, president of AVIC Shenzhen and chairman of the board of directors of Tianma (the shares of which are listed on the Shenzhen Stock Exchange). Mr. You joined AVIC Shenzhen in 1991 and the Group in 1997. He has rich experience in enterprise operation and administration, and was appointed as an executive Director in 2003.

## EXECUTIVE DIRECTORS *(continued)*

**Ms. Zhou Chun Hua**, aged 51, was appointed as an executive director of the Company on 15 February 2017. She is a professorate senior accountant, EMBA of Cheung Kong Graduate School of Business. Ms. Zhou has extensive working experience in the areas of financial management, capital operation, audit supervision and risk management. Ms. Zhou was appointed as the deputy general manager and the chief accountant of AVIC International in December 2016. She is currently a director of AVIC International and an executive director of AVIC INT'L. Before that, she was the assistant to manager and vice chief accountant of Shenyang Liming Aero-Engine Group Corporation Ltd. (瀋陽黎明航空發動機集團有限公司), the director, deputy general manager and chief accountant of AVIC Beijing Keeven Aviation Instrument Co., Ltd. (中航工業北京青雲航空儀表有限公司), the deputy manager of the audit department of Aviation Industry and the deputy general manager and chief accountant of AVIC Electromechanical Systems Company Limited (中航機電系統有限公司) as well as a director, deputy general manager and chief accountant of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司, the shares of which are listed and traded on the Shenzhen Stock Exchange).

**Mr. Pan Lin Wu**, aged 53, is master of engineering in Beijing Aviation and Astronautics University (北京航空航天大學). He is now holding the position of an executive director and vice chairman of AVIC INT'L. He served as the chief accountant at China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International the director and deputy chairman of the board of directors of AVIC United States Company (中航國際美國公司), vice president, the chief financial officer of AVIC International and executive director of the Company. Mr. Pan was appointed as an executive director of the Company in 2012, and resigned on 15 February 2017.

**Mr. Chen Hong Liang**, aged 49, holds the master degree in business administration from Tongji University (同濟大學). He is currently the chairman of the board of directors of Tianma, a subsidiary of the Company, the shares of which are listed and traded on the Shenzhen Stock Exchange. Mr. Chen acted as vice president of AVIC International and vice president of AVIC Shenzhen. Mr. Chen has extensive experience in administration and human resources management. He was appointed as an executive Director of the Company in 2012.

**Mr. Liu Jun**, aged 55, holds a bachelor degree in engineering from Beijing Aviation College (北京航空學院). He is currently the vice president of AVIC International. He joined China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International, in 1989. Between 1990 and 1993, he was seconded to station at AVIC Germany. He served as the general manager of Beijing Company, a subsidiary of the Company. He has rich experience in operation management and was appointed as an executive Director in 2012.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Wong Wai Ling**, aged 55, received a bachelor degree of arts from the University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a certified public accountant in Hong Kong since June 1991 and has become a fellow member of the Association of Chartered Certified Accountants and a fellow member of Hong Kong Institute of Certified Public Accountants since May 1995 and February 2001, respectively. Ms. Wong has over twenty years of experience in accounting and auditing and mainly provides independent judgments towards the Company's strategies, performance, resources and industry practices. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993. She is currently an independent non-executive director and chairlady of the audit committee of China Ruifeng Renewable Energy Holdings Limited (a company the shares of which listed on the Main Board of the Stock Exchange, stock code: 527) and Overseas Chinese Town (Asia) Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3366), and she is also an independent non-executive director, chairlady of the audit committee and chairlady of the remuneration committee of Yongsheng Advanced Materials Company Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3608) and appointed as a non-executive director of Hin Sang Group Holding Co. Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 6893). Ms. Wong was once a executive director of Tonking New Energy Group Holdings Ltd. (formerly known as JC Group Holdings Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8326) and the independent non-executive director of Glory Flame Holdings Ltd. (the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8059), and resigned on 18 October 2016 and 22 March 2016 respectively. Ms. Wong was appointed as an independent non-executive Director of the Company in 2008.

**Mr. Wu Wei**, aged 44, holds the bachelor of arts from Columbia University, U.S.A. majoring in economy and industrial engineering. He is now a partner of Maison Capital Co., Ltd. ("Maison Capital") and had served as the director of CITIC Securities International Company Limited and responsible for private equity fund business. He has over 15-year's experience in enterprise investment and investment bank, and worked in Deutsche Bank Asia, Henderson Global Investors Asian Fund and Lehman Brothers Asia Limited. He was appointed as an independent non-executive Director of the Company in 2009.

**Mr. Wei Wei**, aged 52, holds a master degree in business administration from Tsinghua University and a doctorate degree in management science and engineering from Huazhong University of Science & Technology. He is also an associate professor in Peking University HSBC Business School. Mr. Wei is currently an independent non-executive director of Telling Telecommunication Holding Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 000829). Mr. Wei was also an independent non-executive director of Skyworth Digital Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 751), Zhangzidao Group Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002069), Changyuan Group Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 600525) and ZTE Corporation (the shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange, stock code: 000063 and 763 respectively). He was also the associate professor of the Department of Management Engineering in Xinjiang Institute of Technology, deputy dean of the Institute of Economics and Administration in Xinjiang University and postdoctorate in China Centre for Economics Research, Peking University. Mr. Wei was appointed as an independent non-executive Director of the Company in 2014.



## SUPERVISORS

**Mr. Cao Jiang**, aged 60, graduated from Zhengzhou Institute of Aeronautical Industry Management. Mr. Cao is currently the vice president of AVIC International. He had worked as the general manager and the chairman of the board of directors of China Aviation Supply and Marketing Corporation (中國航空工業供銷有限公司). He was appointed as a supervisor of the Company in 2014.

**Mr. Liang Chi**, aged 57, registered PRC lawyer and a real estate valuer, holds a bachelor of laws from Sun Yat-sen University. He is currently a lawyer of Guangdong Junyan Law Firm (廣東君言律師事務所). Mr. Liang has over 30 years of experience in legal works and had served as an independent director of the fourth and the fifth session of the board of directors of Shenzhen Deren Electronics Co., Ltd (深圳市得潤電子股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Shenzhen stock code: 002055). Mr. Liang was appointed as the supervisor of the Company in 2015.

## SUPERVISORS (continued)

**Mr. Liu Yong Ze**, aged 67, holds a doctorate degree of management from Dongbei University of Finance and Economics. He is currently a professor of the School of Accountancy of Dongbei University of Finance and Economics and the director of China Internal Control Research Center (中國內部控制研究中心), as well as the vice chairman of the Accounting Society of China (中國會計學會). He was the Dean of the School of Accountancy of Dongbei University of Finance Economics, an independent director of Dalian Port (PDA) Company Limited (大連港股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601880) and the Stock Exchange (stock code: 2880), and Jinzhou Port Co., Ltd. (錦州港股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600190). Mr. Liu is currently an independent director of Luenmei Quantum Co., Ltd. (聯美量子股份有限公司, formerly known as Luenmei Holding Co., Ltd.), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600167), Dalian Huarui Heavy Industry Group Co., Ltd. (大連華銳重工集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002204), Dalian Thermal Power Co., Ltd. (大連熱電股份有限公司), the shares of which are listed on Shanghai Stock Exchange (stock code: 600719) and Shenzhen Keybridge Communications Co., Ltd. (深圳鍵橋通訊技術股份有限公司), the shares of which are listed on Shenzhen Stock Exchange (stock code: 002316). Mr. Liu was appointed as the supervisor of the Company in 2015.

**Mr. Yang Xi**, aged 57, an intermediate economist, is a graduate of Urumqi University of Finance and Economics. He is currently the assistant to the manager of the administration department of the Company. Mr. Yang had served as the general manager of the Beijing branch of CATIC Property Management Co., Ltd (中航物業管理有限公司), the deputy general manager of Grand Skylight Hotel of Beijing (北京凱迪克格蘭雲天大酒店) and the general manager of Grand Skylight International Hotel Guanlan of Shenzhen (深圳觀瀾格蘭雲天國際酒店). Mr. Yang was appointed as the supervisor of the Company in 2015.

## COMPANY SECRETARY

**Mr. Zhong Si Jun**, aged 41, was a senior economist and he holds a master degree of Management from Northwestern Polytechnical University. He currently serves as director of Fiyta, AVIC Real Estate, Tianma and Rainbow Department, as well as the director of AVIC Maritime, which is listed in the Singapore Exchange Limited ("Singapore Exchange"). Mr. Zhong had served as the secretary of the board in Shanghai Tianma and the deputy manager of operating management department of the Company. In 2015, he was appointed as the company secretary of the Company.

## 1. CORPORATE GOVERNANCE PRACTICES

Throughout the financial year ended 31 December 2016, the Company had complied with the Company Law of the PRC and the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), faithfully performed the obligations required by the applicable Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "Code"). The Company has also directed its daily activities in strict compliance with various established corporate governance systems and reviewed from time to time its operations and management conducts, adhered to good principles of corporate governance, improved the transparency and independence of company operation, enhanced its corporate governance standards on an on-going basis, ensured a stable development of the Company and strived for maximization of shareholders' value. The Company, by complying with the principles and requirements set out in the Code, has formulated relevant system, regulations, procedures and plans to maintain good communication between shareholders and the Board, encouraged shareholders to attend annual general meeting and other general meetings and enabled shareholders to understand the application of relevant principles.

Except the code provision A.2.1 of the Code, during the period from 1 January 2016 to 31 December 2016, the Company had adopted and complied with the code provisions of the revised Corporate Governance Code set out in the Appendix 14 of the revised Listing Rules and effective from 1 January 2016.

Details of the deviation from the above code provision A.2.1 is set out in the following section headed "4. Chairman and Chief Executive".

## 2. SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules of the Stock Exchange as its own code of conduct in respect of securities transactions.

The Company, having made specific enquiries with all directors of the Company (the "Directors") and supervisors of the Company (the "Supervisors"), confirmed that, during the year ended 31 December 2016, Directors of the Issuer and Supervisors had complied with the required standards of dealing in securities specified in the Model Code and relevant conduct code of its own in respect of any securities transactions by the Directors.

## 3. BOARD

### The composition of the Board

In the 2014 annual general meeting of the Company held on 18 June 2015, the seventh session of the Board was formed through end-of-term election in accordance with the articles of association of the Company. The term of the Directors (including independent non-executive Directors) is 3 years and will end at the 2017 annual general meeting of the Company to be held in 2018.

On 15 February 2017, an extraordinary general meeting was held by the Company to approve the appointments of Mr. Liu Hong De and Ms. Zhou Chun Hua as the executive Directors of the Company, with the term commencing from 15 February 2017 to the date of the 2017 annual general meeting of the Company to be held in 2018. At the date of the Board election, Mr. Liu Hong De was elected as the Chairman of the Board of the Company.

The Board of the Company comprises a total of 9 Directors, including 6 executive Directors, namely, Mr. Liu Hong De (Chairman), Mr. Lai Wei Xuan (Vice Chairman), Mr. You Lei (Vice Chairman), Ms. Zhou Chun Hua, Mr. Chen Hong Liang and Mr. Liu Jun; and 3 independent non-executive Directors, namely, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei.

### 3. BOARD *(continued)*

#### The structure balance of the Board and Independence of Directors

The composition, experience and balance of skills of the Board are regularly reviewed to ensure that the mix of skills and experience is appropriate to meet the needs of the Group. The Nomination Committee will review the structure and composition of the Board from time to time, including gender, age, years of services and number of external independent directors), to ensure that the Board has balanced structure and independence of Directors.

#### Details and attendance of meetings of Board and Committees

The numbers and attendance of general meetings, Board meetings and meetings of other committees held throughout the financial year 31 December 2016 are as follows, in which each director attended all meetings in person with no alternate director being appointed:

Board	General Meeting (including annual general meeting and extraordinary general meeting)	Board		Audit Committee	Remuneration Committee	Nomination Committee
	Attendance/ number of meetings	Attendance/ number of meetings	Attendance Rate	Attendance/ number of meetings	Attendance/ number of meetings	Attendance/ number of meetings
<b>Executive Directors</b>						
Wu Guang Quan (Resigned)	1/2	11/18	61%		1/3	1/3
Lai Wei Xuan	2/2	18/18	100%			
You Lei	1/2	18/18	100%			
Pan Lin Wu (Resigned)	1/2	17/18	94%			
Chen Hong Liang	2/2	18/18	100%		3/3	3/3
Liu Jun	1/2	15/18	83%			
<b>Independent non-executive Directors</b>						
Wong Wai Ling	1/2	18/18	100%	2/2	3/3	3/3
Wu Wei	1/2	18/18	100%	2/2	3/3	3/3
Wei Wei	1/2	18/18	100%	2/2	3/3	3/3

### 3. **BOARD** *(continued)*

#### **Responsibility of the Board and the management**

The Board is responsible for instituting the overall target, policies, internal control and risk management system of the Group, and assessing and monitoring the performance of senior management. In addition, the Board also supervises the detailed matters which may affect the equities of all shareholders, such as financial status, human resources, investment and financing, the transaction activities which are notifiable as defined in the Listing Rules, risk management strategy and solutions on the management of significant risks and exercises its management and decision-making powers authorized under the articles of association or in general meetings in terms of capital reconstructing. Details of the responsibilities and powers of the Board in terms of the Company's development strategies and management as well as its responsibilities and powers to supervise and monitor the Company's development and operation are set out in the articles of association of the Company.

The Directors shall be elected at the shareholders' general meeting and serve for a term of 3 years. A Director may serve consecutive terms if be re-elected upon the expiration of his term. Except the retired directors and the candidate recommended by the board of directors, commencing on the second day after the dispatch of the notice of the meeting appointed for election of director(s) by the Company, a shareholder is entitled to lodge a notice in writing to the Company to nominate Directors, the period for lodgment of such notice shall be 10 days. Subject to the relevant laws and administrative regulations, any Director (including directors acting as the manager or other senior management officers) with an unexpired term of office may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation pursuant to any contract). The board of directors shall be accountable to the shareholders' general meeting and shall have the following duties and powers:

- (1) to be responsible for convening shareholders' general meeting and to report its work at the shareholders' general meeting;
- (2) to execute the resolutions passed at the shareholders' general meeting;
- (3) to determine the business plans and investment proposals of the Company;
- (4) to prepare the annual financial budget and final accounts of the Company;
- (5) to prepare the plans for profit distribution and loss recovery for the Company;
- (6) to prepare proposals for increasing or reducing the registered capital of the Company, and proposals for the issue of debenture;
- (7) to draw up proposal for merger, separation or dissolution of the Company;
- (8) to decide on the set-up of the internal management structure of the Company;



### 3. **BOARD** *(continued)*

#### **Responsibility of the Board and the management** *(continued)*

- (9) to appoint or dismiss the manager and to appoint or dismiss vice-manager, the chief financial officer in accordance with the recommendations of the manager and to determine their remuneration packages;
- (10) to set up the basic management system of the Company;
- (11) to draw up proposal for amending the articles of association of the Company;
- (12) to draw up proposal for material acquisition and disposal;
- (13) subject to the requirements of relevant laws, regulations, rules and the articles of association of the Company, exercise the Company's powers of fund-raising and borrowing, and determine pledge, leasing, subcontract or transfer of assets of the Company, and to authorize a manager to exercise powers within the scope hereof; and
- (14) subject to the requirements of relevant laws, regulations, and within the scope of authority delegated by shareholders in general meeting, to perform other functions.

Except for the matters provided for in paragraphs (6), (7), (11) and (12) which require approval of more than two-thirds of the Directors, the remaining matters as contained in the preceding paragraphs shall be approved by a simple majority of the Directors.

As the Company is an investment holding company, the executive Directors exercise the function of the management of the Company and all projects of the Company will be reviewed and approved by the Board. The responsibilities of each executive Director are as follow:

Mr. Liu Hong De: responsible for overall operation of the Company;

Mr. Lai Wei Xuan: assisting the chairman for daily operation; responsible for operation management, review of strategic investment;

Mr. You Lei: responsible for high-tech electronic products segment and assisting in strategic planning;

Ms. Zhou Chun Hua: responsible for financial management, finance and strategic investment and capital operation;

Mr. Chen Hong Liang: responsible for human resources, legal issues, audit, inspection and supervision;

Mr. Liu Jun: responsible for international expansion, foreign issues, overseas institution management and responsible for trading and logistics segment.

### 3. BOARD *(continued)*

#### Compliance of the Directors

There is no non-compliance with Rule 3.10(1) and (2) and Rule 3.10A of the Listing Rules by the Directors during the year ended 31 December 2016. None of the independent non-executive Directors did not comply with one or more independence assessment guidelines set out in Rule 3.13 of the Listing Rules, and none of the members of the Board had any financial, business, family or other material/related relationship with each other during the year ended 31 December 2016.

#### Directors' training

Each newly appointed Director is provided with necessary introduction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The company secretary of the Company also provides Directors with updates on the latest development of and amendments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

In addition, all Directors are encouraged to participate in continuous professional development so as to develop and refresh their knowledge and skills. From the effective date of the Revised Code at 1 January 2016, the Company has arranged internal trainings for Directors, including legal compliance trainings, seminars and information access. A summary of training received by the Directors for the year ended 31 December 2016 according to the records provided by the Directors to the Company is as follows:

	Legal Compliance Training (2016.3.28)	Legal Compliance Training (2016.8.26)
<b>Executive Directors:</b>		
Liu Hong De (Chairman)		
Wu Guang Quan (Resigned)	✓	✓
Lai Wei Xuan (Vice Chairman)	✓	✓
You Lei (Vice Chairman)	✓	✓
Zhou Chun Hua		
Pan Lin Wu (Resigned)	✓	✓
Chen Hong Liang	✓	✓
Liu Jun	✓	✓
<b>Independent non-executive Directors:</b>		
Wong Wai Ling	✓	✓
Wu Wei	✓	✓
Wei Wei	✓	✓

#### 4. CHAIRMAN AND CHIEF EXECUTIVE

In the 2014 annual general meeting of the Company held on 18 June 2015, the seventh session of the Board was formed through end-of-term election in accordance with the articles of association of the Company. Mr. Wu Guang Quan was re-elected as chairman of the Board (Chairman), with a term of 3 years which will end at the date of 2017 annual general meeting of the Company to be held in 2018.

On 15 February 2017, an extraordinary general meeting was held by the Company to approve the appointment of Mr. Liu Hong De as the executive Director of the Company, and at the Board meeting held on 15 February 2017, Mr. Liu Hong De was elected as the Chairman of the Board of the Company, with the term commencing from 15 February 2017 to the date of the 2017 annual general meeting of the Company to be held in 2018.

In accordance with code provision A.2.1 of the Code, roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The responsibility of the chairman and the chief executive should be clearly established and set out in writing. During the year ended 31 December 2016, as the Company is engaged in investment holding, the executive Directors exercise the function of the management of the Company and the Company did not appoint any chief executive. The executive Director and Chairman of the Company, Mr. Liu Hong De and the Board hold meeting regularly to consider major matters that influence the operation of the Group. The Board considers that this structure will not impair the balance of authority and rights between the Board and the management of the Company. Each executive Director being assigned with different functions will complement the role of the Chairman. The Board believes that this structure is beneficial to establishing a stable and consistent leadership, which will enable effective operation of the Group.

#### 5. NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei. The number of independent non-executive Directors is in compliance with the provision of the Listing Rules, among which, Ms. Wong Wai Ling is a qualified accountant with extensive experience in accounting and finance. The Company has received the confirmation letters in respect of independence from each of the independent non-executive Directors during the year ended 31 December 2016 pursuant to Rule 3.13 of the Listing Rules, and considers that all the independent non-executive Directors comply with the requirements of independence according to Rule 3.13 of the Listing Rules.

Under Code Provision A.4.3, 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 Ms. Wong Wai Ling has been serving as an independent non-executive director of the Company for more than nine years, the Board considers that Ms. Wong is a person of integrity and independent in judgement and character. She is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of her independent judgement. The Board considers that Ms. Wong meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and is of the view that her independence is not affected by her long service with the Company. Hence, the Board considered Ms. Wong as independent and should be re-elected at the AGM.

## 6. SUBCOMMITTEES OF THE BOARD

The Board established three committees, namely audit committee, remuneration committee and nomination committee. The roles and responsibilities of each committee are as follow:

### (1) Audit Committee

The Board of the Company has established the audit committee to fulfill the functions of reviewing the financial reporting and monitoring the effectiveness and objectiveness of the internal control system, risk management and auditing procedure. The terms of reference of the Audit Committee were published on the websites of the Stock Exchange and the Company on 29 December 2015.

The Audit Committee comprises all independent non-executive Directors, namely Ms. Wong Wai Ling, Mr. Wu Wei, and Mr. Wei Wei, of which Ms. Wong Wai Ling acts as the chairman of the audit committee. She is a qualified accountant with extensive experience in accounting and finance.

The Audit Committee met twice on 17 March 2016 and 19 August 2016 respectively, to discuss (1) the resolution related to the auditor's report, results announcement and report of the directors of the Company for the year of 2015; (2) the resolution related to the review of the connected transactions of the Company; (3) the resolution related to the enhancement of corporate governance and internal control of the Company; (4) the resolution related to the unaudited interim financial statements and interim result announcement of the Company for the six months ended 30 June 2016; (5) the resolution related to the corporate governance and the internal control of the Company and director's report the first half of 2016. The Audit Committee provided recommendation to the Board regarding the above matters for its approval. Please refer to the table of attendance records in the paragraph headed "3. Board – Details of meetings and attendance" in this Corporate Governance Report for the attendance of the meetings held by the Audit Committee for the year ended 31 December 2016.

### (2) Remuneration Committee

The Board has established the remuneration committee to fulfill the functions of providing recommendations to the Board in the aspects of the performance, engagement, remuneration and award of each executive Director, and drawing up the overall remuneration policy. The details of the terms of reference of Remuneration Committee were published on the websites of the Stock Exchange and the Company on 28 March 2012.

For the period from 1 January 2016 to 31 December 2016, Remuneration Committee comprises Mr. Wu Guang Quan, the then executive Director of the Company, Mr. Chen Hong Liang and independent non-executive Directors, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, of which independent non-executive Director Mr. Wei Wei acts as the chairman.

## 6. SUBCOMMITTEES OF THE BOARD *(continued)*

### (2) Remuneration Committee *(continued)*

The Remuneration Committee of the Company met on 17 March 2016 to discuss (1) the resolution related to the remuneration policy for Directors and senior management of the Company for the year of 2015; (2) the resolution related to the procedure of formulating the remuneration policy of the Company. The chairman of the Remuneration Committee reported that, the remuneration of the executive directors should be assessed and determined according to the operation results of the Company during the year and the accomplishment of the operational and management targets. The fixed remuneration policy is adopted for the independent directors of the Company. The Remuneration Committee adopted the model stated in paragraph B.1.2(c)(ii) of the Code as its terms of reference where the Remuneration Committee shall make recommendations to the Board on the remuneration packages of executive Directors. In addition, the Remuneration Committee of the Company held meetings on 13 December 2016 and 28 December 2016, respectively, to discuss the remuneration welfare and director service contracts of Ms. Zhou Chun Hua and Mr. Liu Hong De, executive directors who were proposed to be appointed, and recommend the Board of the Company to adopt director service contracts of Ms. Zhou Chun Hua and Mr. Liu Hong De and to execute the contracts with them. The Remuneration Committee provided recommendation to the Board regarding the above matters for its approval. Please refer to the table of attendance records in the paragraph headed “3. Board – Details of meetings and attendance” in this Corporate Governance Report for the attendance of the meetings held by the Remuneration Committee for the year ended 31 December 2016.

### (3) Nomination Committee

The Board has set up the nomination committee which is responsible for reviewing the structure, size and composition of the Board and providing recommendations as to the proposed changes in the Board according to the corporate strategy of the Company. The Nomination Committee will identify suitable candidates for directorship by taking into consideration their qualifications, experience, integrity and potential contribution to the Company, as well as assess the independence of the independent non-executive Directors pursuant to the requirements stipulated in Rule 3.13 of the Listing Rules.

For the period from 1 January 2016 to 31 December 2016, the Nomination Committee comprises Mr. Wu Guang Quan, the then executive Director of the Company, Mr. Chen Hong Liang and independent non-executive Directors, namely, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, of which independent non-executive Director Mr. Wu Wei acts as the chairman.

During the year ended 31 December 2016, the Nomination Committee held a meeting on 17 March 2016 to review (1) the structure, size and composition of the Board (including their skills, knowledge and experience); (2) the appointment or re-appointment or succession of Directors; (3) the independence of the independent non-executive Directors; and (4) the Board’s diversity policy. On 13 December 2016, nomination committee meeting was held for the proposal of appointment of Ms. Zhou Chun Hua as the executive Director of the Company; on 28 December 2016, Nomination Committee meeting was held for the proposal of appointment of Mr. Liu Hong De as the executive Director of the Company. Please refer to the table of attendance records in the paragraph headed “3. Board – Details of meetings and attendance” in this Corporate Governance Report for the details of meetings and attendance of the meetings held by the Nomination Committee for the year ended 31 December 2016.



## 6. SUBCOMMITTEES OF THE BOARD *(continued)*

### (4) Corporate Governance

The corporate governance functions performed by the Board include the following:

- (a) Formulate and review the corporate governance policy and practice of the Company;
- (b) Review and monitor the training and continuous professional development of the Directors and the senior management;
- (c) Review and monitor the policy and practice of the Company regarding its compliance with laws and regulatory requirements;
- (d) Formulate, review and monitor the code of conduct and compliance handbook applicable to the employees and the Directors; and
- (e) Review whether the Company has complied with Appendix 14 of the Listing Rules (Corporate Governance Code and Corporate Governance Report).

During the year ended 31 December 2016, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

## 7. AUDITOR'S REMUNERATION

The aggregate remuneration paid/payable to the external auditors in relation to their audit and audit related services provided to the Group for the year ended 31 December 2016 is set out as follows:

Type of services	Amount of remuneration (RMB: '000)
Audit services	6,000
Audit related services	
Review on the continuing connected transactions	600
Review on the preliminary result announcement	400
Total	7,000

The expense shown in this table is based on the year of contract instead of year of cash payment.

## **8. DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

All of the Directors acknowledged their responsibility for preparing the accounts and the consolidated financial statements of the Company for the year ended 31 December 2016. The Board was responsible for preparing the financial statements of the Company and the Group with assistance of the financial and accounting departments. The Board prepared the financial statements in accordance with International Financial Reporting Standards. Appropriate accounting policies have also been used and applied consistently. The Board has regularly reviewed and monitored the financial reporting procedures, risk management, internal control system and recommendation of external auditors and its appointment, retirement and removal (if any) and reviewed the effectiveness of the internal control system of the Group for the year ended 31 December 2016. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to operate as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements. The audit committee of the Company is of the view that the selection and appointment of external auditors met the actual requirement of the Company and its audit and non-audit services can truly reflect the financial condition of the Company.

## **9. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND ASSESSMENT OF THE BOARD**

The aggregate basic salaries and allowance paid to executive Directors by the Company were RMB0; and each executive Director is subject to the annual bonus from the Board according to the remuneration policies of the Group.

The aggregate remuneration amount paid to independent non-executive Directors was RMB480,000 for the year.

## **10. COMPANY SECRETARY**

The company secretary (the "Company Secretary") of the Company, Mr. Zhong Si Jun, is a full-time employee of the Company and is familiar with the Company's day-to-day affairs. The Company Secretary reports to the chairman and is responsible for providing recommendation on governance matters to the Board. For the year ended 31 December 2016, the Company Secretary confirmed that he has satisfied the requirements in respect of professional training under Rule 3.29 of the Listing Rules.

## 11. RIGHTS OF SHAREHOLDERS

Two or more shareholders who collectively hold 10% or more of the voting shares at the proposed meeting may make a proposal to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with same content in same format and define the meeting agenda. The Board shall convene such meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares held shall be calculated as of the date when the written request was put forward by the shareholders.

In case the Board fails to give a notice of convening such meeting within thirty days after receipt of the aforesaid written request, the shareholders who put forward the request may convene such a meeting within four months after receipt of the request by the Board, and the procedures shall be the same as those for convening a general meeting by the Board where possible.

### **Inquiry to the Board**

For any inquiry to the Board, please contact the Company directly at 25/F, Hangdu Building, Catic Zone, Shennan Road Central, Futian District, Shenzhen, Guangdong Province, China, telephone: 86-755-83793891; fax: 0755-83790228.

### **Proposals at General Meeting**

When the Company convenes an annual general meeting, shareholder(s) who hold five percent or more of the Company's total shares carrying voting rights shall be entitled to make new proposals to the Company in writing. Where such proposals contain matters within purview of the general meeting, the Company shall include such matters in the agenda of the general meeting. However, the proposal should be delivered to the Company within thirty days from the dispatch date of the notice of such meeting. The contact information of the Company is the same as above.

### **Communication with Shareholders**

The annual general meeting is the primary channel to communicate with shareholders of the Company. The chairman of the general meeting proposes separate resolutions for each issue to be considered. During the year of 2016, the chairmen of the Board, audit committee members, remuneration committee members, nomination committee members and external auditors had attended the annual general meeting to answer shareholders' questions.

According to the articles of association of the Company (the "Articles"), the notice of the annual general meeting shall be given to shareholders at least forty-five days before the meeting. The chairman of the annual general meeting exercises his power under the Articles to put each proposed resolution to the vote by way of conducting a poll. The rules and procedures of the vote will be clearly explained by the chairman of the meeting before the commencement of the meeting, and the results of the meeting will be announced on both the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.

## 12. CHANGE IN CONSTITUTIONAL DOCUMENTS

Amendments have been approved by the way of special resolutions in the annual general meeting of the Company held on 18 June 2015. On 20 July 2016, the Company has obtained the registration of amendments to the Articles from the Industry and Commerce Bureau of Shenzhen.

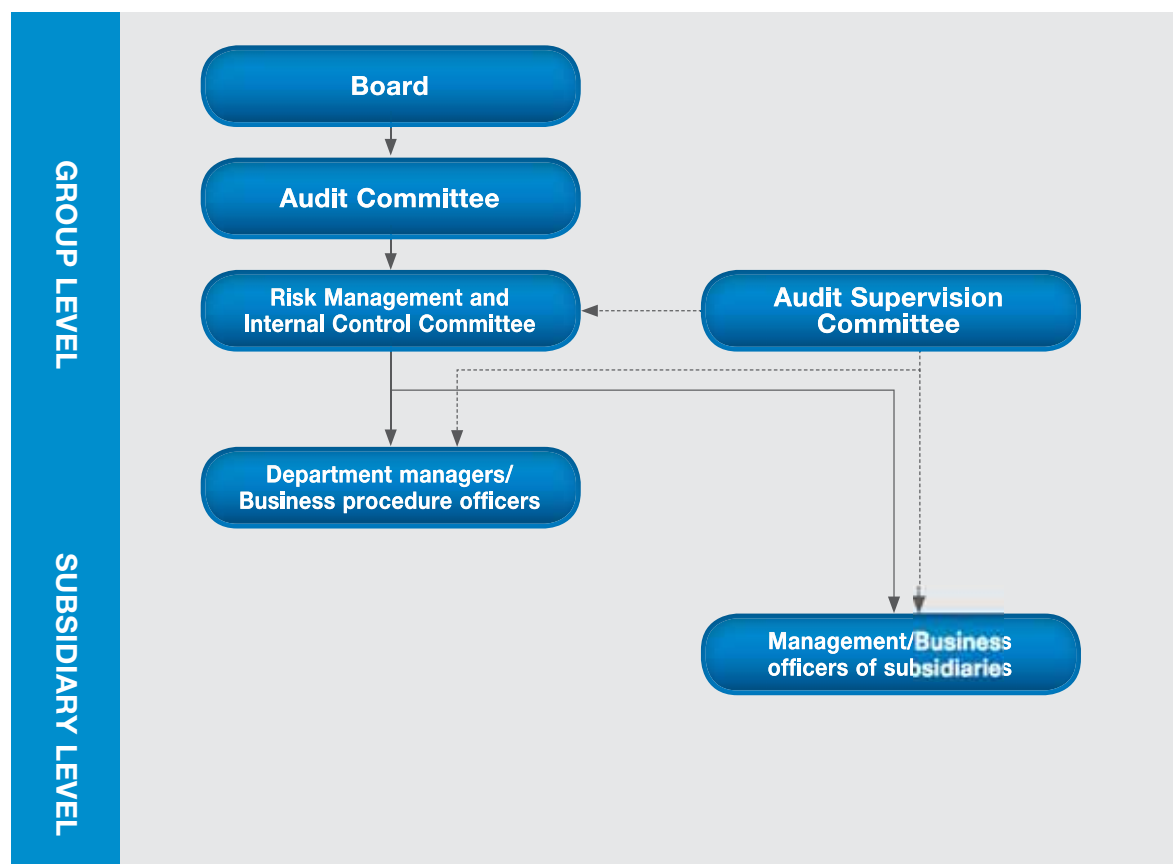
For the year ended 31 December 2016, the Company has not made any amendments to Articles.

## 13. RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that a comprehensive set of risk management and internal control systems plays an essential role in achieving the Group's strategic goals, and it is fully responsible for maintaining a robust risk management and internal control systems, and reviewing their effectiveness and safeguarding the shareholders' investments and company's assets. In this regard, the Company has established risk management and internal control systems. A well-established risk management and internal control systems is designed to manage, rather than eliminate, the risk of failing to achieve business objectives, and is only capable of providing reasonable, not absolute assurance.

### Risk management structure of the Group

In order to optimize the risk management system and internal control systems, and upgrade the management level and the capability of risk precaution of the Group, the Group has fully implemented the division management of risks. Risk management organizational structure is a 3-tier framework, comprising of the Board and its Audit Committee, Risk Management and Internal Control Committee, Risk Management Executives (the detail of which is set out as follows).



### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### Board

- ✓ Approving risk management solutions and reports, including corporate risk management overall objectives, risk preference, risk tolerance, risk management strategies and significant risk management solutions, judgment standards or mechanism for, significant decisions, significant risks, significant events and significant business procedures, risk management measures and risk management review assessment and audit reports
- ✓ Performing risk management for significant decision-making, approving risk management reports of significant decision-making and performing decision-making for efficient risk control
- ✓ Strengthening the trainings of corporate risk management culture, including delegation of resolutions, approval of rewards and punishments and regulations of performance assessments

#### The Audit Committee

- ✓ Reviewing the setting of risk management authority and its responsibilities and fundamental systems of risk management
- ✓ Listening to the risk management reports by the management and regularly reviewing the risk management and internal control systems
- ✓ Overseeing the risk management of corporate management and implementation of internal control systems

#### Risk Management and Internal Control Committee

- ✓ Promoting the establishment of risk management system to determine the setting of risk management authority and its responsibilities
- ✓ Regularly reviewing and overseeing the related policies, systems, procedures and condition of corporate risk management, including risk management strategies and significant risk management solutions, judgment standards or mechanism for, significant decisions, significant risks, significant events and significant business procedures, corporate risk management plans, report of risk management department for risk management condition, report of assessment result of risk management works and risk management review assessment and audit reports
- ✓ Providing risk management advices for significant decision-making, reviewing and submitting risk management reports for significant decision-making and providing recommendations of risk solutions
- ✓ Supervising the training of overall risk management culture of the Company
- ✓ Regularly give the risk management report to Audit Committee



### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### **Audit Supervision Department**

- ✓ Organizing and arranging each functional department to commence the identification and assessment works of significant risks in business level, and having consolidated analysis of above information to formulate a risk management report in business level and various risk management reports, and reporting to Risk Management and Internal Control Committee
- ✓ Responsible for organizing and coordinating the risk identification and assessment in corporate level by Risk Management and Internal Control Committee and senior management, and conducting research for relevant measures and solutions for significant risk management in corporate level
- ✓ Assisting, reviewing and overseeing the risk management works and results conducted by risk management executives
- ✓ Providing relevant trainings and tutoring of risk management, and organizing the sharing of knowledge and best methods of risk management
- ✓ Consolidating all risk management results in both corporate and business levels and submitting to Risk Management and Internal Control Committee

#### **Risk Management Executives**

- ✓ Each department sets up and serves as risk management executives and is responsible for conducting specific risk management works of the part of business with the coordination with Risk Management and Internal Control Committee and Audit Supervision Department
- ✓ Regularly updating the risk lists and risk management of the part of business
- ✓ Having risk assessment with the integration of business features in terms of possibility and level of impact
- ✓ Formulating the relevant risk solutions for the part of business and implementing the solutions; responsible for introduction and implementation of specific risk management measures
- ✓ Supervising on various risks of the part of business and reporting the risk information to Audit Supervision Department in timely manner
- ✓ Commencing other related works of risk management

### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### Procedures of Risk Management

The Group proactively and systematically manages the risk matters generated in the operational procedures and strengthens our management and response capability of the corporate, to further safeguard our achievement of operational goals and sustainability of stable development.

The Group has also formulated the Risk Management Guideline and defined risk management methods and risk management programs. In addition, the Group has formulated Comprehensive Risk Management Work Regulations with the actual condition of the Group according to Comprehensive Risk Management Guidance for Central Enterprises by SASAC and Basic Specification for Enterprise Internal Control, and other laws and supplementary guidelines joint issued by 5 bureaus, including Bureau of Finance and SFC. The regulation applied to the Company and its subsidiaries has clarified the risk control, model of report and reporting mechanism.

In 2016, the Group has conducted qualitative assessment and examined the adequacy of current control measures in terms of probability of occurrence and levels of impact according to four steps, which are range evaluation, risk identification, risk analysis and risk reporting. In the process of risk evaluation, questionnaire research, interviews, information consultation and project discussions are mainly used for risk identification, risk evaluation and analysis on significant risks of the Group. By risk evaluation, the Group is capable of identifying the major risks that the Group is exposed of and prioritizing those risks according to the probability of occurrence and levels of impacts that the Group's business suffers, to confirm the major risks that the Group is exposed of. Combining the causes of each risk, impacts of the Group and best practices of the industry, we have formulated risk management strategies and risk solutions regarding every significant risk and issued the annual risk evaluation report.

The Group has built up 3 defenses for the risk management, details of which are as follows:

- ✓ Business units of each subsidiary of the Group become the major responsibility entities of risk management, as the first defense of risk management;
- ✓ As the leading department, the Audit Supervision Department of the Company, together with relevant departments of the Company, become the second defense of risk management;
- ✓ The Company has established a unified master supervision system of "supervision and discipline inspection and internal audit", to jointly build up the third defense of risk management.

The management continues to supervise the risk management system of the Company in daily operation, and conduct reviews and evaluations on risk management during daily business management, financial management, audit inspection, assessment, investment assessment commission, financial committee, project meetings, quarterly and annual business analysis meetings. Each subsidiary and department will consolidate risk control with various management works and integrate the risk control works with respective business procedures and control measures.

The Company persists the principles of continuous control on significant risks. We conduct monthly risk supervision and analysis on the basis of financial indicators, such as revenue, profits, gearing ratio, cost-profit ratio, and net return on equity, current ratio, quick ratio and net operating cash flow to reflect the operational quality and risk changes. Currently, we have achieved parts of precautions and controls of financial control indicators.

### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### Internal Control Systems

##### Internal Review Functions

The Board has performed the independent supervision of internal control systems through Audit Committee and its Audit Supervision Department. The Company established and published the Internal Audit Working Regulations to clarify the duties of Audit Supervision Department, which include:

Prepare the mid-and-long term planning of internal audit and annual audit working planning;

Formulate the regulatory systems of internal audit and business regulations according to relevant laws and requirements for implementation;

Develop and optimize the internal audit working system, guide and supervise the establishment of internal audit organizations under requirements by affiliated units with internal auditors to commence the internal audit works;

Develop and optimize the comprehensive corporate risk management systems of the Group and promote the comprehensive risk management warning system and supervise the assessment system and internal control supervision and assessment system to commence comprehensive risk management and supervision works;

Regularly report the works to Audit Committee, and report the working planning and working conclusions;

Responsible for standardization of internal audit works and information construction;

Responsible for the trainings of internal auditors.

The Audit Supervision Department of the Group has deployed with professional internal auditors. Each subsidiary has deployed with professional part-time auditors according to the corporate model. The audit work in 2016 was mainly related to the audit group formed by the Audit Supervision Department of the Company and third-party consultation organization, to conduct the independent assessment on the adequacy and effectiveness of the internal control systems.

### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### Internal Control Procedures

For establishing a well-organized internal control to maintain its effectiveness, the Company has built up an internal control system according to the Basic Specification for Enterprise Internal Control, and other laws and supplementary guidelines joint issued by 5 bureaus, including Bureau of Finance and SFC, and considered 5 basic factors of internal control, including environment control, risk evaluation, control activities, information and communication, and supervision.

Each subsidiary reviews the stability and effectiveness of the internal control systems of the respective companies on the annual basis and issues the internal control self-assessment reports approved by the Board of the subsidiary, and formulates the remedial plans and measures according to the self-assessment report, which is updated by the Audit Supervision Department with on-going basis.

Tian Ma Microelectronics Co., Ltd., and Fiyta Holdings Limited, independently listed companies under the Company have appointed auditors to conduct auditing on the effectiveness of internal control in relation to the financial reports of the Company, and provide independent and objective assessments and recommendations in form of internal control audit report.

Internal audit works of the Company are reported to Audit Committee by Audit Supervision Department. Through the following tasks, the Audit Committee continuously supervises and reviews the soundness and effectiveness of the Group's financial reporting and internal control system on an ongoing basis:

- Review and approve the annual Assessment Plan for Internal Control;
- Keep abreast of the progress of internal control establishment and evaluation tasks through daily routines, periodical summary and reports submitted by the Audit Department;
- Comprehend the method and scope of the internal control assessment tests and the key deficiencies found during the tests and their correction;
- Discuss with the auditor the scope of audit, the audit results and audit opinions in respect of the audit of internal control;
- Review the annual Assessment Report for Internal Control.

The internal control system of the Company is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorized use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. It provides reasonable, but not absolute, assurance against material misstatement or loss and manages rather than eliminates risks associated with its business activities. For the deficiency of internal control discovered in the process of effectiveness review of risk management and internal control, the Company has strived to clarify the management model and responsibilities in the management system.

### 13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

#### Inside Information

For the procedures and internal control of managing and publishing inside information, the Company:

- (i) acknowledges its responsibilities to publish inside information at the timely manner under the requirement of Securities and Futures Ordinance and safe-haven provisions required according to Securities and Futures Ordinance, Listing Rules and preliminary principles;
- (ii) strictly complies with the current laws and regulations applicable in Hong Kong;
- (iii) strictly forbids the unauthorized use of confidential and inside information proclaimed in writing;
- (iv) has formulated continuous disclosure policies and guidelines for reviewing, reporting and inside information publishing to our shareholders;
- (v) has provided trainings in relation to implementation of continuous disclosure policies to all of the relevant staffs.

#### Review on Risk Management and Internal Control Systems

The Board has reviewed the effectiveness of risk management and internal control systems of the Company, including the aspects of finance, operation and compliance control, and considered the adequacy of resources, staff's qualification and experiences in terms of accounting and financial reporting, the adequacy of training courses for staffs and related budgets, and also obtained the confirmation of effectiveness of risk management and internal control systems from the management. During the Reporting Period, the Board believed that the Company needs to optimize the internal control systems continuously and prevent and control various risks which may hinder our strategies and operational objectives on the basis of best effort.

The Board has reviewed the adequacy of resources for internal audit, accounting and financial reporting of the Company and the qualification and experiences of our staffs. Following the business development of the Company, the Company will continue to review the overall resources for internal audit, accounting and financial reporting, and continue to increase the number of staff recruitments and trainings and the investments and budget for information technology systems.



#### **14. INVESTOR RELATIONS MANAGEMENT**

Investor relations management refers to the boost of recognition and loyalty of investors to the Company through efficient communications, with the aim to further achieve value maximization. During the Reporting Period, the Company strictly and fully disclosed relevant information to investors in accordance with relevant regulations, and timely disclosed important information and relevant progress which may influence the interests of the investors through regular or temporary bulletin, striving to improve the quality of information disclosure.

Through active activities related to investor relations, the Company aims at improving transparency, strengthening communication, making investors better understand the business of the Company and feel confident toward its future development, having the Company recognized and supported by the market, so that the development potential and actual value of the Company can be fully reflected in the market.

# Report of the Directors

The board (the “Board”) of directors (the “Directors”) of the Company presents their report together with the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2016.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the current principal activities of its subsidiaries are set out in Note 13 to the financial statements.

The Group is an investment holding company with diversified strategies and is principally engaged in high-tech electronic products, retails and consumer products, trading and logistics business and real estate in China.

## BUSINESS REVIEW

Further discussion and analysis of the principal business activities, including a business review of the Group for the year ended 31 December 2016, an indication of likely future developments in the Group’s business and the principal risks and uncertainties facing the Group, are set out in the paragraph headed “Business Review” under the section headed “Management Discussion and Analysis” of this annual report.

## COMPLIANCE WITH THE LAWS AND REGULATIONS

The Company is a company established in China and the H shares of which are listed on the Stock Exchange. The Group, through each of its subsidiaries, is engaged in business operation globally. Accordingly, the Group should comply with various applicable laws and regulations in the Mainland China and Hong Kong, as well as the relevant laws and regulations in relation to operation domiciles. During the year ended 31 December 2016, the Group had complied in all material respects with various laws and regulations of different countries and regions.

## SUBSIDIARIES

Information on the principal subsidiaries, associates and joint ventures of the Group is set out in Note 13 and 14 to the financial statements respectively.

## GEOGRAPHICAL LOCATION OF MARKETS

Information on business segments of the Group is set out in Note 6 to the financial statements.

## RESULTS

Details of the Group's results for the year ended 31 December 2016 are set out in the financial statements.

## DISTRIBUTABLE RESERVES

As at 31 December 2016, the distributable reserves of the Group were approximately RMB5,224,090,000 as reported in the statutory accounts prepared in accordance with generally accepted accounting principles in the PRC.

## ALLOCATION OF PROFITS

According to the Company Law of the PRC and the articles of association of the Company, when distributing net profit each year, the Company shall set aside 10% of its net profit as reported in the PRC statutory accounts for the statutory general reserve fund (except where the fund has reached 50% of the Company's registered share capital). This reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividends. For the year ended 31 December 2016, the statutory general reserve fund of the Company is as follows:

	2016		2015	
	%	RMB'000	%	RMB'000
Statutory general reserve fund	16.21%	189,058	15.00%	174,900

## RESERVES

Details of movements in the reserves of the Group and the Company for the year are set out in the Consolidated Statement of Changes in Equity, Note 27 and Note 48 to the financial statements.

## **FIVE YEARS FINANCIAL SUMMARY**

A summary of the Group's operating results, assets and liabilities for the past five financial years ended 31 December 2016 is set out in the section headed "Financial Highlights" in this annual report.

## **MANAGEMENT CONTRACTS**

As at 31 December 2016, the Company has not entered into or maintained any contracts in respect of the management or administration of the whole or any substantial part of the business of the Company.

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the year ended 31 December 2016, the Group's total purchases from the five largest suppliers were RMB2,934,086,000, accounting for approximately 10.81% of the Group's total purchases for the year ended 31 December 2016. The largest supplier accounted for approximately 4.77% of the Group's total purchases.

For the year ended 31 December 2016, the Group's sales to the five largest customers accounted for approximately 22.36% (2015: approximately 12.46%) of the Group's turnover for the year. The largest customer accounted for approximately 8.94% (2015: approximately 5.21%) of the Group's turnover.

As at 31 December 2016, none of the Directors, their close associates (as defined in the Listing Rules), or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) are interested in the five largest suppliers or five largest customers of the Group.

## **INVESTMENT PROPERTIES**

Details of major properties held for investment of the Group are set out in Note 11 to the financial statements.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in fixed assets of the Group during the year ended 31 December 2016 are set out in Note 10 to the financial statements.

## **BANK LOANS**

Information on the bank loans of the Group for the year ended 31 December 2016 is set out in Note 29 to the financial statements.

## TAXATION

Details of the Group's taxation for the year ended 31 December 2016 are set out in Note 40 to the financial statements.

## TAXATION POLICY

Pursuant to the relevant income tax laws of the PRC, the subsidiaries of the Group are subject to income tax at the applicable rate of 25% unless preferential tax rate were applicable.

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, to the knowledge of the Directors or the chief executive of the Company, the following parties (other than the Directors, supervisors or chief executive of the Company) had interests, or short positions in the shares of the Company (the "Shares") and underlying shares of the Company which would fall to be disclosed to the Company or otherwise notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"):

### Long positions in the Shares:

Name of shareholder	Capacity	Number and class of securities	Approximate percentage of the same class of securities	Approximate percentage of total registered share capital
Aviation Industry Corporation of China ("Aviation Industry")	Interest of controlled corporation	1,634,608,792 domestic shares (Note 1)	196.24%	140.17%
AVIC International Holding Corporation ("AVIC International")	Interest of controlled corporation	1,329,499,564 domestic shares (Note 1)	159.61%	114.01%
AVIC International Shenzhen Company Limited ("AVIC Shenzhen")	Beneficial owner	429,774,574 domestic shares (Note 1)	51.60%	36.85%
Beijing Raise Technology Company Limited ("Beijing Raise")	Beneficial owner	305,109,228 domestic shares (Note 1)	36.63%	26.16%



**SUBSTANTIAL SHAREHOLDERS** (continued)**Long positions in the Shares:** (continued)

Name of shareholder	Capacity	Number and class of securities	Approximate percentage of the same class of securities	Approximate percentage of total registered share capital
<b>Other shareholders</b>				
CK Hutchison Holdings Limited	Interest of controlled corporations	57,144,000 H shares (Note 2)	17.15%	4.90%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	57,144,000 H shares (Note 2)	17.15%	4.90%
Cheung Kong Investment Company Limited	Interest of controlled corporation	28,573,000 H shares (Note 2)	8.58%	2.45%
Empire Grand Limited	Beneficial owner	28,573,000 H shares (Note 2)	8.58%	2.45%
Hutchison Whampoa Limited	Interest of controlled corporation	28,571,000 H shares (Note 2)	8.58%	2.45%
Hutchison International Limited	Beneficial owner	28,571,000 H shares (Note 2)	8.58%	2.45%
Jiang Jian Jun	Beneficial owner & interest of controlled corporation	19,028,000 H shares (Note 3)	5.71%	1.63%
China Silver Investments Development Ltd	Beneficial owner	18,766,000 H shares (Note 3)	5.63%	1.61%

## SUBSTANTIAL SHAREHOLDERS *(continued)*

### Long positions in the Shares: *(continued)*

Notes:

1. Aviation Industry owns 62.52% of the equity interest in AVIC International which in turn owns 100% equity interest in AVIC Shenzhen. Hence, Aviation Industry is deemed, or taken to be, interested in all the Shares in which AVIC International and AVIC Shenzhen are interested in, respectively.

Aviation Industry owns 60% of the equity interest in Beijing Raise. Hence, Aviation Industry is deemed, or taken to be, interested in all the Shares in which Beijing Raise is interested in.

AVIC International owns 100% of the equity interest in AVIC Shenzhen. Hence, AVIC International is deemed, or taken to be, interested in all the Shares in which AVIC Shenzhen is interested in.

As at 31 December 2016:

- (1) AVIC International held: (A) 437,264,906 domestic shares, representing approximately 37.50% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the outstanding amount of RMB1,604,736,493 which may be converted into 462,460,084 domestic shares at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
  - (2) AVIC Shenzhen held: (A) 395,709,091 domestic shares, representing approximately 33.93% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the outstanding amount of RMB118,207,225 which may be converted into 34,065,483 domestic shares at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
  - (3) Beijing Raise held perpetual subordinated convertible securities in the amount of RMB1,058,729,021 which may be converted into 305,109,228 domestic shares at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
2. Empire Grand Limited ("Empire Grand") holds 28,573,000 H Shares and Empire Grand is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited. Accordingly, Cheung Kong (Holdings) Limited was deemed to be interested in the 28,573,000 H shares held by Empire Grand.

Hutchison International Limited ("HIL") holds 28,571,000 H shares and HIL is a wholly-owned subsidiary of Hutchison Whampoa Limited. Hutchison Whampoa Limited was deemed to be interested in the 28,571,000 H shares held by HIL. Cheung Kong (Holdings) Limited is entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of Hutchison Whampoa Limited. Accordingly, Cheung Kong (Holdings) Limited was deemed to be interested in the 28,571,000 H shares held by HIL. In addition, Cheung Kong (Holdings) Limited is a wholly-owned subsidiary of CK Hutchison Holdings Limited. Accordingly, CK Hutchison Holdings Limited was deemed to be interested in the 57,144,000 H shares in total held by Empire Grand and HIL.
  3. Mr. Jiang Jian Jun ("Mr. Jiang") beneficially owned 262,000 H shares.

Mr. Jiang beneficially owned the entire equity interest of China Silver Investments Development Ltd., which held 18,766,000 H shares. Accordingly, Mr. Jiang was deemed to be interested in the H shares held by China Silver Investments Development Ltd..

## SHARE CAPITAL

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

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of the PRC, which require the Company to firstly offer new shares to the existing shareholders to purchase according to their respective proportions of shareholding.

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year ended 31 December 2016 and up to the date of this report were:

### Executive Directors

Mr. Wu Guang Quan (chairman until 15 February 2017 and resigned on 15 February 2017)

Mr. Liu Hong De (chairman since 15 February 2017)

Mr. Lai Wei Xuan, vice chairman

Mr. You Lei, vice chairman

Mr. Pan Lin Wu (resigned on 15 February 2017)

Ms. Zhou Chun Hua (appointed on 15 February 2017)

Mr. Chen Hong Liang

Mr. Liu Jun

### Independent non-executive Directors

Ms. Wong Wai Ling

Mr. Wu Wei

Mr. Wei Wei

Each of Mr. Lai Wei Xuan, Mr. You Lei, Mr. Chen Hong Liang, Mr. Liu Jun, Mrs. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei had entered into a service agreement with the Company which commences from 18 June 2015 and will expire at the 2017 annual general meeting of the Company to be held in 2018. Each of Mr. Liu Hong De and Ms. Zhou Chun Hua had entered into a service agreement with the Company which commences from 15 February 2017 and will expire at the 2017 annual general meeting of the Company to be held in 2018.

No Director or Supervisor has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## PROFILE OF DIRECTORS AND SUPERVISORS

Profiles of the Directors and Supervisors are set out in the section of "Profile of Directors and Supervisors" in this annual report.

## **DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES**

As at 31 December 2016, to the best knowledge of the Directors, none of the Directors, supervisors of the Company is interested in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, supervisors or chief executives were taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

## **DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At any time during the year ended 31 December 2016 was the Company, its subsidiaries or its holding company a party to any arrangement to enable any Directors, supervisors or management members of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates.

## **DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS**

As at 31 December 2016, none of the Directors or Supervisors had any significant interest, either direct or indirect, in any contract or arrangement of significance to the business of the Company.

Save as disclosed in this annual report, no contract of significance has been entered into, or was subsisting between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year ended 31 December 2016.

## **EMOLUMENTS OF DIRECTORS AND SUPERVISORS**

Details of the emoluments of the Directors and Supervisors are set out in Note 49 to the financial statements.

The executive Directors do not receive any emolument from the Company. The emoluments of the independent non-executive Directors are determined with reference to the economic situation and their responsibilities and duties within the Company.

## DIVIDENDS

The Board recommended the payment of a final dividend of RMB0.1 per share for the year ended 31 December 2016, subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

## CAPITAL STRUCTURE

	2016 (RMB'000)	2015 (RMB'000)
Total borrowings	<b>18,589,087</b>	20,453,756
Total liabilities	<b>39,414,224</b>	40,284,992
Non-controlling interests	<b>13,327,266</b>	12,801,353
Equity attributable to owners of the Company	<b>12,039,247</b>	11,539,763
Total assets	<b>64,780,737</b>	64,626,108
Borrowings to equity ratio*	<b>73.28%</b>	84.03%
Liabilities to equity ratio*	<b>155.38%</b>	165.50%

\* Borrowings to equity ratio = Total borrowings at the end of the year/Total equity of the Company at the end of the year

\* Liabilities to equity ratio = Total liabilities at the end of the year/Total equity of the Company at the end of the year

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2016, the cash and cash equivalents of the Group amounted to approximately RMB9,020,381,000 (2015: RMB11,780,904,000), which were mainly derived from the following sources:

- Cash and bank deposits at the beginning of the year;
- Bank loans, borrowings from related parties; and
- Revenue from operations.

As at 31 December 2016, the total borrowings of the Group amounted to approximately RMB18,589,087,000 (2015: RMB20,453,756,000) with annual interest rate ranging from 0% to 6.44% (2015: 0% to 10%), of which the current borrowings amounted to approximately RMB9,608,905,000 (2015: RMB10,150,809,000) and the non-current borrowings amounted to RMB8,980,182,000 (2015: RMB10,302,947,000).

During the year ended 31 December 2016, the capital expenditure of the Group amounted to approximately RMB4,180,735,000, the details of which are set forth below:

Company Name	Project Name	2016 Amount (RMB'000)
Tianma	6th generation line investment project of Wuhan Tian Ma Microelectronics Co., Ltd. (武漢天馬微電子有限公司), Shanghai Tianma 4.5th generation line of technology modification project, 5th generation line of technology modification project of Shanghai AVIC Opto-electronics Limited (上海中航光電子有限公司) and NLT production line of technology modification project, etc.	3,033,750
SCC	No.8 Building investment, project of research and development and technological transformation and the project of Wuxi Shennan Base	390,587
AFM Company	Phase I construction project and Phase II plant project of AFM Company	189,508
Fiyta	Timepiece industrial base in Guang Ming New District	125,695
Beijing Company	Yizhuang Aviation City Project	81,642
Guangzhou Company	Purchase of fixed assets of bitumen base	69,760
Xiamen Company	Project on office building of Xiamen Zijin AVIC Real Estate Company Limited	58,326
Engineering Company	Hotel company project of AVIC International in Sri Lanka and acquisition of equity interest in Kenya Rivers	6,742
RED Company	New energy and energy-saving projects in various places	17,416
Weihai Shipyard	Investment of breakwater, loading facilities and other fixed assets	207,309
<b>Total</b>		<b>4,180,735</b>

## LIQUIDITY AND CAPITAL RESOURCES

It is expected that the capital expenditure of the Group for the year ending 31 December 2017 amounted to RMB7,685,972,000, details of which are set forth as follows:

Company Name	Project Name	2017 Amount (RMB'000)
Tianma	6th generation line investment project of Wuhan Tian Ma, technology modification project of generation line and purchase project of fixed assets	6,887,670
SCC	Research and development project, technology modification project and project of Nantong infrastructure construction and Wuxi Shennan infrastructure construction	578,452
AFM Company	Phase I construction project and Phase II plant project, and purchase of fixed assets	87,150
Fiyta	Timepiece industrial base in Guang Ming New District	30,000
Beijing Company	Installation of cement equipment, project of Humboldt China Design Institute, expansion of East-African Operation Center and investment projects in Cuba and Gambia	30,000
Guangzhou Company	Construction and maintenance of bitumen storage project	72,700
<b>Total</b>		<b>7,685,972</b>



## PLEDGED ASSETS

As at 31 December 2016, the pledged assets of the Group amounted to approximately RMB1,343,014,000, details of which are set forth below:

	2016 RMB'000	2015 RMB'000
Buildings	942,810	563,446
Investment properties	–	932,440
Construction-in-progress	–	879,240
Land use rights	200,327	521,660
Trade and other receivables	199,877	–
	<b>1,343,014</b>	2,896,786

## DEBT RATIO

The Group's borrowings to shareholders' equity ratio (the ratio of total borrowings to shareholders' equity) were 73.28% (2015: 84.03%), whilst the liabilities to shareholders' equity ratio (the ratio of total liabilities to shareholders' equity) were 155.38% (2015: 165.50%) for the Year.

## ENTRUSTED DEPOSITS AND OVERDUE TERM DEPOSIT

During the year ended 31 December 2016, the Company did not have entrusted deposit and overdue term deposit in any form.

## ISSUE, PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had issued, purchased, sold or redeemed the Company's listed securities.

## EMPLOYEES AND REMUNERATION

As at 31 December 2016, the Group had approximately 38,406 employees (2015: 40,480) with employee-related costs of approximately RMB4,031,585,000 (2015: RMB3,865,196,000). The Group formulated its competitive remuneration policy based on market condition and individual employee's performance.

## **SOCIAL INSURANCE SCHEMES**

The Group has participated in the retirement insurance scheme and health insurance scheme managed by Shenzhen Social Security Administration Bureau (深圳市社會保險局). Pursuant to the relevant provisions, the Group is required to make monthly contributions in respect of retirement insurance fund and health insurance fund to Shenzhen Social Security Administration Bureau, representing 19% and 9%, respectively, of the monthly salaries of its employees, of which the Group bears 14% and 7% respectively, and the employees bear the rest.

Pursuant to the above social insurance schemes, Shenzhen Social Security Administration Bureau is responsible for pension payments to the retired employees of the Group and general medical expenses of the employees of the Group.

For the year ended 31 December 2016, the fees withdrawn from the social insurance schemes of the Group amounted to approximately RMB452,887,000 (2015: approximately RMB267,561,000).

## **CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Mr. Liu Hong De and Ms. Zhou Chun Hua were appointed as executive Directors during the extraordinary general meeting of the Company held on 15 February 2017. Mr. Liu Hong De was also appointed as the Chairman of the Board and a member of each of the remuneration committee of the Company and the nomination committee of the Company with effect from 15 February 2017. Mr. Wu Guang Quan and Mr. Pan Lin Wu no longer served as executive Directors due to change of job assignments with effect from 15 February 2017.

For details, please refer to the announcements of the Company dated 13 December 2016, 28 December 2016 and 15 February 2017 and the circular of the Company dated 30 December 2016.

## **FOREIGN EXCHANGE RISK**

The Group may be subject to fluctuations of foreign exchange rates, but it has no material foreign exchange risk as the Group's products are mainly distributed in domestic market and its export business is mainly settled in US dollar, Euro or HK dollar.

## FINANCIAL GUARANTEE CONTRACTS

As at 31 December 2016, the Group has the following financial guarantees outstanding:

Guarantor	Guarantor's relationship with the Group	Guarantee	Guarantee's relationship with the Group	Outstanding amounts guaranteed RMB'000
Beijing Company	Subsidiary of the Group	Taizhou AVIC Shipbuilding Heavy Industry Limited* (泰州中航船舶重工有限公司)	Third Party	347,040
Beijing Company	Subsidiary of the Group	Zhengli Ocean Engineering Company Limited* (正力海洋工程有限公司)	Third party	11,710
Tianma	Subsidiary of the Group	Shanghai Tianma Organic Light-Emitting Technology Company Limited* (上海天馬有機發光顯示技術有限公司)	Associate	682,572
Xiamen Company	Subsidiary of the Group	Xiamen Tianma Microelectronics Company Limited* (廈門天馬微電子有限公司)	The guarantor holds 6% equity interests in the guarantee	176,000
TED Company	Subsidiary of the Group	AVIC Wangxin Company Limited* (中航網信(北京)科技有限公司)	Associate	25,000
Engineering Company	Subsidiary of the Group	AVIC Construction Engineering Company Limited* (中航建築工程有限公司)	Associate	127,400
The Company	Holding Company	Shenzhen AVIC Resources Co., Ltd. * (深圳中航資源有限公司)	Fellow subsidiaries	714,000
The Company	Holding Company	Qinghai AVIC Resources Co., Ltd. * (青海中航資源有限公司)	Fellow subsidiaries	475,470
The Company	Holding Company	Kunming AVIC Phosphorus Chemical Co., Ltd. * (昆明市中航磷化工有限公司)	Fellow subsidiaries	34,000
The Company	Holding Company	Yunnan Hongfu Fertilizer Co., Ltd. * (雲南紅富化肥有限公司)	Fellow subsidiaries	6,430
The Company	Holding Company	Qinghai AVIC Silicon Material Co., Ltd.* (青海中航矽材料有限公司)	Fellow subsidiaries	23,344
				2,622,966

\* The English names of these companies are management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

## MAJOR LITIGATION

On 13 June 2014, Tang Energy Group Limited, Soaring Wind Energy LLC. and other members filed an arbitration claim with the American Arbitration Association against certain members of the Group in respect of a dispute arising out of a joint venture agreement (details of which are set out in the announcements of the Company dated 29 April 2015 and 22 December 2015) (the “Arbitration Claim”). After the receipt of final award on the Arbitration Claim issued by the International Centre for Dispute Resolution of International Arbitration Tribunal in December 2015 (the “Decision”), the Group had engaged an additional law firm to assist in the Arbitration Claim. In March 2016, the Group had filed an application to the competent court to oppose the enforcement of the Decision and request the revocation of the Decision (the “Opposition Application”). As at the date of this report, the Statement of Defense of the Opposition Application has been completed and the court has not made the ultimate final decision yet. The impact of the Arbitration Claim on the Company is subject to the results of the Opposition Application and other progress in the future. Therefore, the Directors consider that the Arbitration Claim does not have any material adverse impact on the Company as at the date of this report.

So far as the Directors are aware, save as disclosed above, there is no other litigation or claims of material importance pending or threatened against any member of the Group as at the date of this report.

## INDEPENDENT NON-EXECUTIVE DIRECTORS’ CONFIRMATION ON CONTINUING CONNECTED TRANSACTIONS

Independent non-executive Directors had reviewed the continuing connected transactions of the Group set out below, and confirmed that these transactions had been entered into, in accordance with the relevant agreements, by the Group in the ordinary and usual course of business and on normal commercial terms which are fair and reasonable and in the interest of the shareholders of the Company as a whole.

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS

### Material events

#### 1. Discloseable Transaction – Provision of Guarantee

On 8 March 2016, Shanghai Tianma Microelectronics Co., Ltd. (上海天馬微電子有限公司) (“Shanghai Tianma”) (an indirect non-wholly owned subsidiary of the Company) entered into the guarantee agreement with Agricultural Bank of China Limited Shanghai Chuansha Sub-branch (中國農業銀行股份有限公司上海川沙支行) (the “Bank”), pursuant to which Shanghai Tianma guaranteed to pay an aggregate amount of not exceeding RMB40,000,000 in respect of the debt with an aggregate amount of not exceeding RMB100,000,000 applied to the Bank by Shanghai Tianma Organic Light-Emitting Technology Company Limited (上海天馬有機發光顯示技術有限公司) (“Tianma Technology Company”) (the “Debt”) in accordance with proportion of Shanghai Tianma’s shareholding in Tianma Technology Company for settling the guaranteed liabilities. The term shall be two years commencing from the expiry date of the Debt (the “Provision of Guarantee”).

Tianma Technology Company is owned as to 40%, 20% and 40% by Shanghai Tianma, Shanghai Zhang Jiang (Group) Co., Ltd. (上海張江(集團)有限公司) and Shanghai Industrial Investment (Group) Co., Ltd. (上海工業投資(集團)有限公司) respectively. As the applicable percentage ratios under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) in relation to the Provision of Guarantee, when aggregated with the guarantee provided by Shanghai Tianma in favour of a bank on 19 March 2015 in relation to the debt of Tianma Technology Company (details of which are set out in the announcement of the Company dated 19 March 2015), are more than 5% but less than 25%, the transactions contemplated under the Provision of Guarantee constitute a discloseable transaction of the Company. For details, please refer to the announcement of the Company dated 8 March 2016.

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

2. *Proposed spin-off and separate listing of Shennan Circuits Co., Ltd ("Shennan Circuits") on the Shenzhen Stock Exchange of the PRC (the "Shenzhen Stock Exchange") and possible major disposal for the Company*

On 13 May 2016, the Board issued an announcement in relation to possible spin-off and separate listing of Shennan Circuits, a subsidiary of the Company which is mainly engaged in the PCB business, on the Shenzhen Stock Exchange (the "Proposed Spin-off"). It is proposed that Shennan Circuits will offer not more than 70,000,000 shares (the "Offer Shares"), including new shares to be issued by Shennan Circuits and up to 35,000,000 existing shares to be sold by the Company. The indicative offer price of the A shares of Shennan Circuits is expected to be RMB32.86 per A share and the expected maximum proceeds raised from the proposed A share listing of Shennan Circuits will be RMB2,300,000,000. The offer price per A share of Shennan Circuits will depend on the domestic market condition of China at the time of the proposed A share listing with reference to the quotation from target subscribers or determined otherwise as agreed between Shennan Circuits and the lead underwriter. The Board expected that the Company will have an interest of not less than 50% in Shennan Circuits upon the completion of the Proposed Spin-off and proposed A share listing, Shennan Circuits will thus remain as a non-wholly owned subsidiary of the Company. The Proposed Spin-off was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 26 July 2016. Please refer to the announcements of the Company issued on 10 April 2015 and 13 May 2016, the poll results announcement of the extraordinary general meeting of the Company dated 26 July 2016 and the circular despatched by the Company dated 21 June 2016, respectively, for more details.

3. *Discloseable Transaction – Construction Framework Agreements*

On 7 September 2016, Wuhan Tian Ma Microelectronics Co., Ltd. (武漢天馬微電子有限公司) ("Wuhan Tianma") and China Twentieth Metallurgical Group Corporation Limited (中國二十冶集團有限公司) ("China Twentieth Metallurgical Group") entered into the construction framework agreement (the "Twentieth Metallurgical Group Construction Framework Agreement"), pursuant to which the parties agreed to collaborate in relation to the Twentieth Metallurgical Group Project according to the terms set out therein. The term of the Twentieth Metallurgical Group Cooperation commenced from the date of the Twentieth Metallurgical Group Construction Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB250,000,000.

On 7 September 2016, Wuhan Tianma and Shanghai Baoye Group Company Limited (上海寶冶集團有限公司) ("Shanghai Baoye Group") entered into the construction framework agreement (the "Shanghai Baoye Construction Framework Agreement"), pursuant to which the parties agreed to collaborate in relation to the Shanghai Baoye Project according to the terms set out therein. The term of the Shanghai Baoye Cooperation commenced from the date of the Shanghai Baoye Construction Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB1,000,000,000.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the Twentieth Metallurgical Group Construction Framework Agreement and the Shanghai Baoye Construction Framework Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the Twentieth Metallurgical Group Construction Framework Agreement and the Shanghai Baoye Construction Framework Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company issued on 7 September 2016.

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

#### 4. *Discloseable Transaction – Construction Framework Agreements*

On 3 November 2016, Wuhan Tianma and Jiangsu Provincial Construction Group Co., Ltd. (江蘇省建築工程集團有限公司) (“Jiangsu Construction”) entered into the construction framework agreement (the “Jiangsu Construction Framework Agreement”), pursuant to which the parties agreed to collaborate in relation to the construction works of the general contracting of the construction of the support buildings of G6 Project (the “Jiangsu Construction Project”) according to the terms set out therein. The term of the Jiangsu Construction cooperation commenced from the date of the Jiangsu Construction Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB500,000,000.

On 3 November 2016, Wuhan Tianma and The Fourth Construction Co., Ltd. of China Electronics System Engineering (中國電子系統工程第四建設有限公司) (“CEFOC”) entered into the construction framework agreement (the “CEFOC Construction Framework Agreement”), pursuant to which the parties agreed to collaborate in relation to the construction works of the pipeline system and the construction works of the cleaning room of the M1 plant of the G6 Project (the “CEFOC Project”) according to the terms set out therein. The term of the CEFOC cooperation commenced from the date of the CEFOC Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB500,000,000.

#### Listing Rules Implications

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the Jiangsu Construction Framework Agreement and the CEFOC Framework Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the Jiangsu Construction Framework Agreement and the CEFOC Framework Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### 5. *Discloseable Transaction – Master Cooperation Agreements and Acknowledgment of Cooperation*

On 17 November 2016, Wuhan Tianma and Canon Inc. entered into master cooperation agreement (the “Canon Inc. Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the construction project of the Sixth Generation of LTPS AMOLED production line (the “G6 Project”) according to the terms set out therein. The term of the Canon Inc. Master Cooperation Agreement commenced from the date of the Canon Inc. Master Cooperation Agreement to 31 December 2016 with the aggregate amount of consideration not exceeding JPY9,000,000,000 (equivalent to approximately RMB586,261,000).

On 17 November 2016, Wuhan Tianma and Applied Materials South East Asia Pte. Ltd. (“AMSEA”) entered into the acknowledgment of cooperation (the “AMSEA Acknowledgement of Cooperation”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The effective term of year of the AMSEA Acknowledgement of Cooperation is 2016 with the aggregate amount of consideration not exceeding USD90,000,000,000 (equivalent to approximately RMB611,325,000).



## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

5. *Discloseable Transaction – Master Cooperation Agreements and Acknowledgment of Cooperation (continued)*  
On 17 November 2016, Wuhan Tianma, Daifuku Co., Ltd and Daifuku (Suzhou) Cleanroom Automation Co., Ltd. (大福自動搬送設備(蘇州)有限公司) (“Daifuku (Suzhou)”) entered into the master cooperation agreement (the “Daifuku Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the Daifuku Master Cooperation Agreement commenced from the date of the Daifuku Master Cooperation Agreement to 31 December 2016 with the aggregate amount of consideration with Daifuku Co., Ltd not exceeding JPY3,700,000,000 (equivalent to approximately RMB241,014,300) and the aggregate amount of consideration with Daifuku (Suzhou) not exceeding RMB200,000,000.

On 17 November 2016, Wuhan Tianma and Marubeni Corporation (丸紅株式會社) entered into the master cooperation agreement (the “Marubeni Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the Marubeni Master Cooperation Agreement commenced from the date of the Marubeni Master Cooperation Agreement to 30 June 2017 with the aggregate amount of consideration not exceeding JPY10,000,000,000 (equivalent to approximately RMB651,390,000).

On 17 November 2016, Wuhan Tianma and Tokyo Electron Limited entered into the master cooperation agreement (the “Tokyo Electron Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the Tokyo Electron Master Cooperation Agreement commenced from the date of the Tokyo Electron Master Cooperation Agreement to 31 December 2016 with the aggregate amount of consideration not exceeding JPY5,000,000,000 (equivalent to approximately RMB325,695,000).

On 17 November 2016, Wuhan Tianma and Tera Semicon Corporation entered into the master cooperation agreement (the “Tera Semicon Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the Tera Semicon Master Cooperation Agreement commences from the date of the Tera Semicon Master Cooperation Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding USD70,000,000 (equivalent to approximately RMB475,475,000).

On 17 November 2016, Wuhan Tianma and SCREEN Finetech Solutions Co., Ltd. (“SFS”) entered into the master cooperation agreement (the “SFS Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the SFS Master Cooperation Agreement commenced from the date of the SFS Master Cooperation Agreement to 31 December 2016 with the aggregate amount of consideration not exceeding JPY7,000,000,000 (equivalent to approximately RMB455,973,000).

On 17 November 2016, Wuhan Tianma and Nissin Ion Equipment Co., Ltd. (“NIE”) entered into the master cooperation agreement (the “NIE Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the NIE Master Cooperation Agreement commenced from the date of the NIE Master Cooperation Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding JPY8,500,000,000 (equivalent to approximately RMB553,681,500).

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

5. *Discloseable Transaction – Master Cooperation Agreements and Acknowledgment of Cooperation (continued)*  
On 17 November 2016, Wuhan Tianma and Advanced Process Systems Corporation (“APSC”) entered into the master cooperation agreement (the “APSC Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the APSC Master Cooperation Agreement commenced from the date of the APSC Master Cooperation Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding USD100,000,000 (equivalent to approximately RMB679,250,000).

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of each of the master cooperation agreements, the acknowledgment of cooperation and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the master cooperation agreements, the acknowledgment of cooperation and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company issued on 17 November 2016.

6. *Discloseable Transaction – Construction Framework Agreement*  
On 24 November 2016, Wuhan Tianma and Yaxiang System Jicheng Technology (Suzhou) Holdings Limited (亞翔系統集成科技(蘇州)股份有限公司) (“Yaxiang System”) entered into the construction framework agreement (the “Construction Framework Agreement”), pursuant to which the parties agreed to collaborate in relation to the construction and installation works of clean rooms, CDA system, vacuum system and general electricity of G6 Project (the “Construction Project”) according to the terms set out therein. The term of the cooperation between Wuhan Tianma and Yaxiang System in relation to the Construction Project under the Construction Framework Agreement commenced from the date of the Construction Framework Agreement to 31 December 2017 with the aggregate amount of consideration not exceeding RMB400,000,000.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Construction Framework Agreement and the transactions contemplated thereunder are more than 5% and all of such ratios are below 25%, each of the Construction Framework Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company issued on 24 November 2016.

7. *Discloseable Transaction – Master Cooperation Agreement*  
On 7 December 2016, Wuhan Tianma and ULVAC, Inc entered into the master cooperation agreement (“ULVAC Master Cooperation Agreement”), pursuant to which the parties agreed to collaborate in relation to the G6 Project according to the terms set out therein. The term of the ULVAC Master Cooperation Agreement commenced from the date of the ULVAC Master Cooperation Agreement to 30 June 2017 with the aggregate amount of consideration not exceeding JPY17,200,000,000 (equivalent to approximately RMB1,032,000,000).

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the ULVAC Master Cooperation Agreement and the transactions contemplated thereunder exceeds 5% and all of such ratios are below 25%, the ULVAC Master Cooperation Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company issued on 7 December 2016.

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

8. *Material Events – Resignation of Executive Director and Proposed Appointment of Executive Director*

On 13 December 2016, Mr. Pan Lin Wu, an executive Director, has resigned as an executive Director due to the change of job assignments with effect from the close of the extraordinary general meeting to be convened by the Company. Ms. Zhou Chun Hua has been nominated as a candidate for election as an executive Director at the extraordinary general meeting which was held on 15 February 2017. For details, please refer to the announcement of the Company issued on 13 December 2016, the circular despatched on 30 December 2016 and the announcement of poll results of extraordinary general meeting issued on 15 February 2017.

9. *Material events – Resignation of Executive Director and Chairman and Proposed Appointment of Executive Director and Chairman and Proposed Change in Composition of the Remuneration Committee and the Nomination Committee*

On 28 December 2016, Mr. Wu Guang Quan, an executive Director, has resigned as an executive Director and the Chairman of the Board due to the change of job assignments with effect from the close of the extraordinary general meeting to be convened by the Company. Mr. Liu Hong De has been nominated as a candidate for election as an executive Director at the extraordinary general meeting which was held on 15 February 2017. At the extraordinary general meeting convened on 15 February 2017, Mr. Liu Hong De was elected as an executive Director. He was appointed as the chairman of the Board and a member of the remuneration committee and the nomination committee of the Company on the same day. For details, please refer to the announcement of the Company issued on 28 December 2016, the circular despatched on 30 December 2016 and the announcement of results of extraordinary general meeting issued on 15 February 2017.

10. *Discloseable Transaction – Provision of Guarantee*

Shanghai Tianma entered into the first guarantee agreement (the “First Guarantee Agreement”) with The Export-Import Bank of China (中國進出口銀行) (“EIBOC”) on 7 July 2016, pursuant to which Shanghai Tianma guaranteed to pay the debts in an aggregate amount of RMB120,000,000 under the specific service agreements entered into between the Shanghai branch of EIBOC and Shanghai Tianma Organic Light-Emitting Technology Company Limited (上海天馬有機發光顯示技術有限公司) (“Tianma Technology Company”, an associate owned as to 40% by Shanghai Tianma) from 7 July 2016 to 25 November 2016.

Due to the demands of business development, Tianma Technology Company applied from time to time from 29 December 2016 to 30 September 2017 to Ping'an International for the financial leasing in an aggregate amount of RMB700,000,000 (“Financial Leasing”). Upon Ping'an International's request, on 29 December 2016, Shanghai Tianma entered into the second guarantee agreement (the “Second Guarantee Agreement”) with Ping'an International, pursuant to which Shanghai Tianma guaranteed to provide a guarantee to Ping'an International for the Financial Leasing of Tianma Technology Company in an aggregate amount of RMB280,000,000. The term of the provision of guarantee by Shanghai Tianma in favour of Ping'an International pursuant to the terms of the Second Guarantee Agreement (the “Provision of Guarantee”) commenced from the date of the Second Guarantee Agreement to two years after the expiry date of the Financial Leasing.

## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Material events *(continued)*

#### 10. *Discloseable Transaction – Provision of Guarantee (continued)*

As the applicable percentage ratios under the Listing Rules in relation to the Provision of Guarantee, when aggregated with (i) the guarantee provided by Shanghai Tianma in favour of a bank on 8 March 2016 in relation to the debt of Tianma Technology Company (details of which are set out in the announcement of the Company dated 8 March 2016); and (ii) the guarantee provided by Shanghai Tianma to EIBOC under the First Guarantee Agreement, are more than 5% but less than 25%, the transactions contemplated under the Provision of Guarantee constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company issued on 29 December 2016.

#### 11. *Discloseable Transaction – Disposal of 75% Equity Interest in Guangdong Hangyue*

On 27 October 2016, the Company intended to dispose of its 75% equity interest in Guangdong Hangyue Industrial Co., Ltd. (廣東航粵實業有限公司) (“Guangdong Hangyue”) through a public tender process. On 2 December 2016, the board of the Company agreed the upset price for disposal of the 75% equity interest in Guangdong Hangyue through the Public Tender to be conducted on the China Beijing Equity Exchange shall be RMB600 million.

On 31 December 2016, the Company entered into the equity transaction agreement (the “Equity Transaction Agreement”) with Pearl River Life Insurance Limited Company (珠江人壽保險股份有限公司) in respect of disposal of 75% equity interest in Guangdong Hangyue for a consideration of RMB600,000,000.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transaction Agreement and the transactions contemplated thereunder is/are more than 5% but all of them are less than 25%, the Equity Transaction Agreement and the transactions contemplated thereunder constitute a discloseable transactions for the Company. For details, please refer to the announcements of the Company issued on 27 October 2016, 2 December 2016 and 31 December 2016, respectively.

### Connected Transactions

#### 1. *Continuing Connected Transactions – Renewal of 2014 Xiamen Tianma Entrusted Management Agreement*

On 4 March 2016, Shanghai Tianma and Xiamen Tianma Microelectronics Co., Ltd. (廈門天馬微電子有限公司) (“Xiamen Tianma”) entered into the entrusted management agreement (the “Xiamen Tianma Entrusted Management Agreement”) for renewal of the 2014 Entrusted Management Agreement (as defined in the announcement of the Company dated 4 March 2014), pursuant to which Shanghai Tianma shall provide management services for a term commencing from 1 March 2016 and ending on 28 February 2019, and the management fee caps charged from 1 March 2016 to 28 February 2017, from 1 March 2017 to 28 February 2018 and from 1 March 2018 to 28 February 2019 will amount to RMB20,000,000, RMB20,000,000 and RMB30,000,000, respectively.

Xiamen Tianma is directly owned as to 15.3%, 14.7%, 6% and 64% by AVIC International Shenzhen Company Limited (中國航空技術深圳有限公司) (“AVIC Shenzhen”), AVIC International Holdings Limited (中國航空技術國際控股有限公司) (“AVIC International”), CATIC Xiamen Company Limited (中國航空技術廈門有限公司) (“Xiamen Company”) and Xiamen Jincai Company (廈門金財公司) (“Xiamen Jincai”), respectively. Accordingly, Xiamen Tianma is a connected person of the Company and the Xiamen Tianma Entrusted Management Agreement constitutes a continuing connected transaction of the Company under the Listing Rules. For details, please refer to the announcement of the Company dated 4 March 2016.

**SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS** *(continued)***Connected Transactions** *(continued)*

**Continuing connected transactions under the agreements entered into by the Group during the prior years and performed during the reporting period are set out as follows:**

1. *Continuing Connected Transactions – Supplemental and Amended Aviation Industry Agency Services Framework Agreement*

With the continuing development of the Group, and based on estimates of demand and operating conditions, the Directors expect that the Existing Annual Caps (as defined in the announcement of the Company dated 16 October 2014) will be insufficient for the Group's requirements. On 16 June 2015, the Company and Aviation Industry entered into the supplemental agreement ("Supplemental Aviation Industry Agency Services Framework Agreement"), pursuant to which the Existing Annual Caps would be revised as follows:

	Year ended 31 December 2015 RMB	Year ended 31 December 2016 RMB	Year ending 31 December 2017 RMB
Acceptance of the agency services by the Group	90,000,000	100,000,000	118,000,000

Further, pursuant to the Supplemental Aviation Industry Agency Services Framework Agreement, the scope of services to be provided by Aviation Industry and/or its associates (other than AVIC International and its associated companies) to the Group is extended to include financial consulting and advisory services.

As one or more of the applicable percentage ratios for the transactions contemplated under the Supplemental Aviation Industry Agency Services Framework Agreement (including the revised annual caps) exceed(s) 5%, the Supplemental Aviation Industry Agency Services Framework Agreement (including the revised annual caps) will be subject to the independent shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The Supplemental Aviation Industry Agency Services Framework Agreement and the transactions contemplated thereunder were approved by the independent shareholders at the extraordinary general meeting of the Company held on 7 August 2015. For details, please refer to the announcements of the Company dated 16 June 2015 and 7 August 2015 and the circular of the Company dated 17 July 2015.

**SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS** (continued)**Connected Transactions** (continued)2. *Continuing Connected Transactions – Renewal of the Financial Services Framework Agreement*

On 29 September 2015, the Company and AVIC Finance Co., Ltd. (中航工業集團財務有限責任公司) (“AVIC Finance”) entered into the financial services agreement (“the 2015 Financial Services Agreement”) for renewal of the 2013 Financial Services Agreement (as defined in the announcement of the Company dated 3 April 2013). Pursuant to the 2015 Financial Services Agreement, AVIC Finance would provide to the Group a range of financial services as the Company may request from time to time for a term commencing from the date on which all the conditions under the 2015 Financial Services Agreement having been satisfied to 31 December 2018. The financial services provided by AVIC Finance to the Group are set out below:

	Period ended 31 December 2016 (RMB)	Period ending 31 December 2017 (RMB)	Period ending 31 December 2018 (RMB)
Deposit services (the maximum daily outstanding balances) (the “Deposit Cap”)	2,000,000,000	2,200,000,000	2,500,000,000

	Period ended 31 December 2016 (USD)	Period ending 31 December 2017 (USD)	Period ending 31 December 2018 (USD)
Foreign exchange settlement and sale (the maximum daily transaction amount) (the “Spot FX Trading Cap”)	60,000,000	60,000,000	60,000,000

As one or more of the applicable percentage ratios of Deposit Cap are more than 25% but less than 75%, the deposit services contemplated under the 2015 Financial Services Agreement constituted a major transaction of the Company under Chapter 14 of the Listing Rules. Aviation Industry is an ultimate holding company of the Company and AVIC Finance. Under the Listing Rules, AVIC Finance is a connected person of the Company. As each of the applicable percentage ratios of Deposit Cap and Spot FX Trading Cap exceeds 5%, the deposit services and foreign exchange services under the 2015 Financial Services Agreement are subject to the reporting, announcement and the independent shareholder’s approval requirements under Chapter 14A of the Listing Rules.

The 2015 Financial Services Agreement and the transactions contemplated thereunder were approved by the independent shareholders at the extraordinary general meeting of the Company held on 29 December 2015. For details, please refer to the announcements of the Company dated 29 September 2015 and 29 December 2015 and the circular of the Company dated 24 November 2015.

**SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS** (continued)**Connected Transactions** (continued)3. *Continuing Connected Transactions – Framework Agreements for the Continuing Connected Transactions of the Group in the coming three years*

The existing framework agreements, setting out the basic content of the transactions between the Group on one hand, and AVIC Industry or AVIC International (including their respective associates, where applicable) on the other hand, were entered into on 5 September 2012. As each of the aforesaid agreements would expire on 31 December 2014, the Company (or its subsidiaries) entered into: (i) the “New Aviation Industry Sale Framework Agreement”, “New Aviation Industry Purchase Framework Agreement”, “New Aviation Industry Agency Services Framework Agreement” and “New Aviation Industry Financial Framework Agreement” with AVIC Industry; and (ii) the “New AVIC International Sale Framework Agreement”, “New AVIC International Purchase Framework Agreement”, “New AVIC International Agency Services Framework Agreement” and “New AVIC International Financial Framework Agreement” with AVIC International on 16 October 2014. The Engineering Company, a wholly-owned subsidiary of the Company, entered into the “New AVIC International Construction Services Framework Agreement” with AVIC International on the same date. Details of each of these framework agreements are set out as below:

Name of Agreement	Content of Agreements	Annual Cap Amount		
		2015 (RMB)	2016 (RMB)	2017 (RMB)
New Aviation Industry Sale Framework Agreement	Sales of goods	150,000,000	180,000,000	200,000,000
New Aviation Industry Purchase Framework Agreement	Procurement of goods	200,000,000	300,000,000	400,000,000
New AVIC International Sale Framework Agreement	Sales of goods	3,000,000,000	3,200,000,000	3,500,000,000
New AVIC International Purchase Framework Agreement	Procurement of goods	3,500,000,000	4,000,000,000	4,500,000,000
New Aviation Industry Agency Services Framework Agreement (Note 1)	Provision of agency services	120,000,000	150,000,000	200,000,000
	Acceptance of agency services	35,000,000	38,000,000	40,000,000
New AVIC International Agency Services Framework Agreement	Provision of agency services	160,000,000	200,000,000	222,000,000
	Acceptance of agency services	120,000,000	150,000,000	160,000,000
New Aviation Industry Financial Framework Agreement	Provision of borrowings/ guarantee	1,200,000,000	1,300,000,000	1,500,000,000
	Acceptance of borrowings/ guarantee	4,500,000,000	5,000,000,000	5,000,000,000
	Provision of the collected interest/guarantee fee	80,000,000	90,000,000	90,000,000
	Acceptance of the collected interest/ guarantee fees	300,000,000	350,000,000	350,000,000
New AVIC International Financial Framework Agreement	Provision of borrowings/ guarantee	3,000,000,000	3,500,000,000	4,000,000,000
	Acceptance of borrowings/ guarantee	15,000,000,000	18,000,000,000	22,000,000,000
	Provision of the collected interest/guarantee fee	200,000,000	230,000,000	280,000,000
	Acceptance of the collected interest/ guarantee fees	500,000,000	600,000,000	800,000,000
New AVIC International Construction Services Framework Agreement	Provision of construction services	1,000,000,000	1,200,000,000	1,500,000,000



## SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

### Connected Transactions *(continued)*

3. *Continuing Connected Transactions – Framework Agreements for the Continuing Connected Transactions of the Group in the coming three years (continued)*

For details of the aforementioned continuing connected transactions, please refer to the announcement of the Company issued on 16 October 2014 and the circular of the Company dated 25 November 2014. The abovementioned connected transactions had been approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 30 December 2014.

*Note:*

1. The New Aviation Industry Agency Services Framework Agreement was amended and supplemented by the supplemental agreement entered into between the Company and Aviation Industry on 16 June 2015. For details, please refer to the announcement of the Company dated 16 June 2015.

4. *Continuing Connected Transactions – Concessionaire Framework Agreement and Aviation Industry Property Rental (leasing) Framework Agreement*

On 30 December 2014, Rainbow Department Store Co., Ltd. (天虹商場股份有限公司) (formerly known as Shenzhen Rainbow Department Stores Co. Ltd. (深圳天虹商場有限責任公司)) ("Rainbow Department Store Company") and Fiyta (a subsidiary of the Company) entered into a concessionaire framework agreement (the "Rainbow Concessionaire Framework Agreement"), pursuant to which Rainbow Department Store Company agreed to allow Fiyta to occupy areas in the department stores owned and managed by Rainbow Department Store Company in various cities in the PRC and to establish its own sales counters for the sale of Fiyta watches and world famous watches, etc. for a term of three years commencing on 1 January 2015 and expiring on 31 December 2017. According to the Rainbow Concessionaire Framework Agreement, the annual cap amounts in respect of the concessionaire by Fiyta to Rainbow Department Store Company for the years ended 31 December 2015 and 2016 and the year ending 31 December 2017 shall not exceed RMB32,000,000, RMB35,000,000 and RMB40,000,000, respectively.

On 30 December 2014, the Company and Aviation Industry entered into a property rental (leasing) framework agreement (the "Property Rental (Leasing) Framework Agreement"), pursuant to which the Group agreed to lease property from Aviation Industry and/or its associated companies (other than AVIC International and its associated companies) for a term of three years commencing on 1 January 2015 and ending on 31 December 2017. According to the Property Rental (Leasing) Framework Agreement, the annual cap amounts in respect of leasing of real estate properties by the Group to Aviation Industry and/or its associated companies (other than AVIC International and its associated companies) in the years ended 31 December 2015 and 2016 and the year ending 31 December 2017 shall not exceed RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.

On 30 December 2014, the Company and Aviation Industry entered into a property rental (letting) framework agreement (the "Property Rental (Letting) Framework Agreement"), pursuant to which the Group agreed to let property to Aviation Industry and/or its associated companies (other than AVIC International and its associated companies) for a term of three years commencing on 1 January 2015 and ending on 31 December 2017. According to the Property Rental (Letting) Framework Agreement, the annual cap amounts in respect of leasing of real estate properties by Aviation Industry and/or its associated companies (other than AVIC International and its associated companies) to the Group in the years ended 31 December 2015 and 2016 and the year ending 31 December 2017 shall not exceed RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.

## **SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS** *(continued)*

### **Connected Transactions** *(continued)*

4. *Continuing Connected Transactions – Concessionaire Framework Agreement and Aviation Industry Property Rental (leasing) Framework Agreement (continued)*

Approximately 43.40% of the equity interest of Rainbow Department Store Company is owned by AVIC Shenzhen and hence Rainbow Department Store Company and Aviation Industry are the connected persons of the Company and accordingly the Rainbow Concessionaire Framework Agreement, the Property Rental (Leasing) Framework Agreement and the Property Rental (Letting) Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the above transactions are more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 30 December 2014.

### **AUDITOR'S CONFIRMATION**

For the purpose of Rule 14A.56 of the Listing Rules, the Company appointed the auditors, PricewaterhouseCoopers, to carry out review procedures on the connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors provided to the Stock Exchange a copy of letter in respect of the continuing connected transactions confirming that:

- (a) nothing has come to the auditor's attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board.
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (c) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (d) with respect to the aggregate amount of each of the disclosed continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions has exceeded the annual cap set by the Company.

## SUBSEQUENT EVENTS

### 1. Continuing Connected Transactions – Framework Agreements in relation to Leasing and Management of Properties

The AVIC International Framework Agreements expired on 31 December 2016. To renew the agreements, the Company entered into the New AVIC International Framework Agreements with AVIC International on 13 January 2017, each of which for a term from the day of its execution to 31 December 2019.

- (1) New AVIC International Rental Framework Agreement: the Group agreed to lease to AVIC International and/or its associated companies real estate properties during the term of the New AVIC International Framework Agreement. The proposed annual caps for the three years from 2017 to 2019 will be RMB35,000,000.
- (2) New AVIC International Tenancy Framework Agreement: AVIC International and/or its associated companies agreed to lease its real estate properties to the Group during the term of the New AVIC International Tenancy Framework Agreement. The proposed annual caps for the three years from 2017 to 2019 will be RMB5,000,000, RMB7,000,000 and RMB7,000,000, respectively.
- (3) New AVIC International Property Management Framework Agreement: AVIC International and/or its associated companies agreed to provide property management services to the Group during the term of the New AVIC International Property Management Framework Agreement. The proposed annual caps for the three years from 2017 to 2019 will be RMB45,000,000.

As AVIC International (including its associated companies) is a connected person of the Company, the New AVIC International Framework Agreements and the transactions contemplated thereunder constitute continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the applicable percentage ratios for each of (1) the New AVIC International Rental Framework Agreement, (2) the New AVIC International Tenancy Framework Agreement and (3) the New AVIC International Property Management Framework Agreement exceed 0.1% but are less than 5%, each of (1) the New AVIC International Rental Framework Agreement, (2) the New AVIC International Tenancy Framework Agreement and (3) the New AVIC International Property Management Framework Agreement will be subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 13 January 2017.

## SUBSEQUENT EVENTS *(continued)*

### 2. **Discloseable transaction, connected transaction, very substantial acquisition and very substantial disposal – acquisition of 2 subject companies of Xiamen Company by Tianma and proposed placing of Tianma A-shares**

On 10 March 2017 (after trading hours), Tianma entered into two separate Framework Agreements with (a) AVIC International, AVIC Shenzhen, Xiamen Company and Xiamen Jincai in relation to the acquisition of 100% equity interest in Xiamen Tianma Company; and (b) Shanghai Industrial Investment (Group) Co., Ltd (“Shanghai Investment Company”) and Shanghai Zhangjiang (Group) Co., Ltd (“Shanghai Zhangjing Company”) in relation to the acquisition of 60% equity interest in Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”).

Pursuant to the Framework Agreements, the consideration for the Acquisitions will be fully settled by issue of Consideration Shares to the vendors under the Framework Agreements upon completion of the respective Acquisitions at an issue price of RMB17.23 per A Share, which was determined with reference to and not lower than the benchmarked price of the A Shares, being 90% of the Average Price for the Acquisitions. The maximum number of Consideration Shares to be issued under the Xiamen Tianma Framework Agreement and the Tianma Organic Framework Agreement will be 613,821,008 and 39,267,579, respectively.

Based on the maximum number of Consideration Shares to be allotted and issued and the issue price of RMB17.23 per A Share, it is expected that the maximum consideration for the Xiamen Tianma Acquisition and the Tianma Organic Acquisition will be RMB10,576,135,967.80 and RMB676,580,386.17, respectively.

The Acquisitions are not inter-conditional with each other.

Pursuant to the Framework Agreements, Tianma proposes to issue not more than 111,987,085 new A Shares to not more than 10 investors. The placing price of the Placing Shares shall not be lower than 90% of the Average Price for the Proposed A Shares Placing and shall not be lower than the issue price of the Consideration Shares pursuant to the Framework Agreements, which is subject to the rules and regulations of CSRC and Shenzhen Stock Exchange. The proceeds to be raised under the Proposed A Shares Placing will be used for the construction of LTPS and CF production line of Xiamen Tianma Company, including expenses on purchase of equipment and installation which is in line with the requirement of CSRC. The success or failure of the Proposed A Shares Placing would not affect the Acquisitions and the Consideration Issue.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Xiamen Tianma Acquisition exceed(s) 100%, the Xiamen Tianma Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. As at the date of this report, AVIC International is a controlling Shareholder holding approximately 37.50% of the issued share capital of the Company, and it owns 100% equity interest in AVIC Shenzhen, which in turn is a controlling Shareholder holding approximately 33.93% of the issued share capital of the Company. Xiamen Tianma Company is held as to 30% in aggregate by, and thus an associate of, AVIC International and AVIC Shenzhen. Hence, the Xiamen Tianma Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Tianma Organic Acquisition exceed(s) 5% but are all less than 25%, the Tianma Organic Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements pursuant to the Listing Rules.

## **SUBSEQUENT EVENTS** *(continued)*

### **2. Discloseable transaction, connected transaction, very substantial acquisition and very substantial disposal – acquisition of 2 subject companies of Xiamen Company by Tianma and proposed placing of Tianma A-shares** *(continued)*

Assuming the Acquisitions have been completed, upon completion of the Consideration Issue (assuming the maximum number of Consideration Shares as provided under the Framework Agreements are issued), the equity interest of the Company held in Tianma will be diluted from approximately 20.81% to approximately 15.98% (including 1.79% equity interest held by Xiamen Company, a wholly-owned subsidiary of the Company). If Tianma proceeds with the Proposed A Shares Placing after completion of the Acquisitions, the equity interests of the Company held in Tianma will be further diluted to approximately 15.16% (including 1.70% equity interest held by Xiamen Company, a wholly-owned subsidiary of the Company) of the enlarged issued share capital of Tianma (assuming 111,987,085 new A Shares are issued) upon completion of the Proposed A Shares Placing. Such dilution in interest in Tianma as a result of the Consideration Issue and the Proposed A Shares Placing will constitute a deemed disposal of interest in Tianma held by the Company pursuant to Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Consideration Issue and the Proposed A Shares Placing exceed(s) 75%, the dilution of the Company's equity interest in Tianma as a result of the Consideration Issue and the Proposed A Shares Placing constitutes a very substantial disposal of the Company under Rule 14.06 of the Listing Rules and the transactions are therefore subject to announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Please refer to the announcement of the Company dated at 10 March 2017 for details.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In accordance with the code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "Code"), the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The responsibility of the chairman and the chief executive should be clearly established in writing. During the financial year ended 31 December 2016, the executive Directors exercised the function of the management of the Company and the Company did not appoint any chief executive. The Board held meetings regularly to consider major matters that influence the operation of the Group. The Board considers that the structure will not impair the balance of authority and power between the Board and the management of the Company. Each executive Director being assigned with different functions will complement the role of the Chairman. The Board believes that this structure is beneficial for establishing a stable and consistent leadership, which will enable an effective operation of the Group. Except for the aforesaid, for the financial year ended 31 December 2016, the Company has complied with all the code provisions of the Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") has been adopted as a code of securities transactions for the Directors and supervisors. The Company, having made specific enquiries with all Directors and supervisors, confirmed that, during the year ended 31 December 2016, all Directors and supervisors had complied with the required standards of dealing in securities specified in the Model Code.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the "Audit Committee") in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting processes and internal control of the Company. The Audit Committee members currently comprise the independent non-executive Directors, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei. The Audit Committee has reviewed and confirmed this results announcement and the audited financial statements of the Group for the year ended 31 December 2016.

## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has obtained written confirmations from all independent non-executive Directors concerning their independence in accordance with Rule 3.13 of the Listing Rules during the year ended 31 December 2016. The Directors consider that the independent non-executive Directors had remained independent based on the requirements set out in Rule 3.13 of the Listing Rules during the year ended 31 December 2016.

## PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the Directors as at the latest practicable date with respect to the publication of this annual report, the Company has maintained sufficient public float as required under the Listing Rules.

## AUDITORS

PricewaterhouseCoopers will retire in the forthcoming annual general meeting of the Company and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditors of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its external auditors in any of the preceding three years.

By order of the Board

**AVIC International Holdings Limited**

**Liu Hong De**

*Chairman*

Shenzhen, the PRC, 10 March 2017

# Reports of the Board's Subcommittees

## I. REPORT OF THE AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Ms. Wong Wai Ling. During the year ended 31 December 2016, the Audit Committee, a subcommittee of the Board, performed its duties in strict compliance with the Code and had effectively monitored the Company's financial incomes and expenses and its operating activities for the year ended 31 December 2016. It had reviewed the Company's financial statements and interim and annual reports, as well as supervised the internal control and information disclosure of the Company, and enhanced its communication with the auditors to ensure that they have imposed effective supervision on the Company's operation and management. The works of the Audit Committee during the year ended 31 December 2016 are summarized as follows:

- I) Understanding the actual operations and the progress of major events of the Company, its controlling companies and its subsidiaries, and reviewed the financial statements compiled by the Company;
- II) Overseeing the quality of internal auditing and the disclosure of financial information pursuant to the disclosure requirements of the Listing Rules for listed issuers, reviewing the interim and annual financial statements prior to the submission to the Board, and communicating closely with the auditors to reach a consensus in all material aspects of the audit report;
- III) Examining the completeness of the Company's financial statements and interim and annual reports and reviewing the major opinions in respect of financial reporting of financial information set out in the financial statements in accordance with the professional ethics of independence, objectiveness and fairness;
- IV) Acting as the major representative for the communications between the Company and the external auditors pursuant to the Code and monitoring their relationship; reviewing and examining the independence of the external auditors and the effectiveness of the audit procedures in accordance with the applicable standards;
- V) Reviewing the implementation of the connected transactions of the Company in the year ended 31 December 2016;
- VI) Providing guidance in respect of internal control, and considering and approving the working plan for internal auditing for the year ended 31 December 2016.

The annual result and consolidated financial statements for the year ended 31 December 2016 of the Group had been reviewed by the Audit Committee.



## I. REPORT OF THE AUDIT COMMITTEE *(continued)*

The Audit Committee held two meetings during the year ended 31 December 2016, the details of which are as follows:

<b>Subcommittee</b>	<b>Audit Committee</b>
<b>Members</b>	Ms. Wong Wai Ling, Mr. Wu Wei, Mr. Wei Wei
<b>Number of meetings held</b>	2
<b>Date of meetings held</b>	17 March 2016 19 August 2016
<b>Proposals considered</b>	<ol style="list-style-type: none"> <li>1. The Proposal to Review the Auditor's Report, Results Announcement and Report of Directors of the Company for 2015</li> <li>2. The Proposal to Review the Compliance of the Connected Transactions of the Company</li> <li>3. The Proposal to Review the Enhancement of Corporate Governance and Internal Control of the Company</li> <li>4. The Proposal to Review the Interim Financial Report and the Interim Report on Consolidated Results of the Company for 2016</li> <li>5. The Proposal to Review the Corporate Governance and the Internal Control of the Company for the First Half of 2016</li> </ol>

## II. REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") currently comprises Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Mr. Wei Wei. During the year ended 31 December 2016, the Remuneration Committee had reviewed the remuneration policy and the payment method for the Directors and supervisors. It had also made an assessment on the disclosure of the remuneration of the Directors and supervisors in the Company's annual report and is of the opinion that the remuneration standard set for the Directors and supervisors was in compliance with the relevant requirements of the Stock Exchange and the Company's remuneration policy and the remuneration disclosures in the Company's annual report were true and accurate. The works of the Remuneration Committee in the year ended 31 December 2016 are summarized as follows:

- I) During the year ended 31 December 2016, the Remuneration Committee had reviewed the remuneration policy or scheme for all executive Directors and supervisors of the Company in accordance with laws, statutes and the articles of associations of the Company, and made recommendations to the Board on the remuneration of non-executive Directors to ensure that none of the Directors was involved in the determination of his remuneration. It was delegated with the responsibility by the Board to determine the amount of benefits in kind, pension and compensation payments, including any compensation payable for loss or termination of their office or appointment;

## II. REPORT OF THE REMUNERATION COMMITTEE *(continued)*

- II) The Remuneration Committee had supervised the establishment of a formal and transparent procedure to formulate the remuneration policy and structure of the Directors and supervisors of the Company;
- III) The Remuneration Committee had reviewed the remunerations of the Company's Directors and supervisors for the year ended 31 December 2016, and considered that the procedure for the determination of remuneration and distribution standard comply with the provisions of the remuneration system;
- IV) The Remuneration Committee had reviewed the performance of duties by the Directors and supervisors, and assessed their annual performance for the year ended 31 December 2016. It had also monitored the implementation of the Company's remuneration policies.

The Remuneration Committee held three meetings during the year ended 31 December 2016, the details of which are as follows:

<b>Subcommittee</b>	<b>Remuneration Committee</b>
<b>Members</b>	Mr. Wu Guang Quan (resigned), Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei, Mr. Wei Wei
<b>Number of meeting held</b>	3
<b>Date of meeting held</b>	17 March 2016 13 December 2016 28 December 2016
<b>Proposals considered</b>	<ol style="list-style-type: none"> <li>1. The Proposal to Review the Remuneration Policy of the Directors of the Company for 2015</li> <li>2. The Proposal to Review the Procedure for the Determination of the Remuneration Policy of the Company</li> <li>3. The Proposal to Review the Remuneration, Benefits and Director Service Contract of Ms. Zhou Chun Hua</li> <li>4. The Proposal to Review the Remuneration, Benefits and Director Service Contract of Mr. Liu Hong De</li> </ol>

### III. REPORT OF THE NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") currently comprises Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Mr. Wu Wei. During the year ended 31 December 2016, the Nomination Committee had reviewed the structure, size and composition of the Board, as well as the qualification and experience of the candidates. It also had reviewed the independence of independent non-executive Directors. The Nomination Committee considered that the structure of the Board complies with the requirement of the Listing Rules, all of the Directors are competent to act as director of the Company, including their skills, knowledge and experience. All of the independent non-executive Directors met the requirement of independence under Rule 3.13 of the Listing Rules during the year ended 31 December 2016. The works of the Nomination Committee during the year ended 31 December 2016 are summarized as follows:

- I) During the year ended 31 December 2016, the committee had considered and reviewed the structure, size and composition of the Board, including skills, knowledge and experience of the Directors, and made recommendations to the Board regarding any proposed change to the structure of the Board to complement the Company's corporate strategy;
- II) The Nomination Committee had considered the suitability of a candidate to act as a director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company; and
- III) The Nomination Committee had assessed the independence of independent non-executive Directors under the requirements set out in Rule 3.13 of the Listing Rules.

The Nomination Committee held three meetings during the year ended 31 December 2016, the details of which are as follows:

<b>Subcommittee Members</b>	<b>Nomination Committee</b> Mr. Wu Guang Quan (resigned), Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei
<b>Number of meetings held</b>	3
<b>Date of meetings held</b>	17 March 2016 13 December 2016 28 December 2016
<b>Proposals considered</b>	<ol style="list-style-type: none"> <li>1. The Proposal to Review the Structure, Size and Composition of the Board</li> <li>2. The Proposal to Review the Independence of Independent Non-executive Directors</li> <li>3. The Proposal to Review the Board's Diversity Policy</li> <li>4. The Proposal on the appointment or re-appointment or succession of Directors</li> <li>5. The Proposal to Review the Recommendation of Ms. Zhou Chun Hua as executive Director</li> <li>6. The Proposal to Review the Recommendation of Mr. Liu Hong De as executive Director</li> </ol>

# Report of the Supervisory Committee

The Company held the meeting of employee representatives on 24 April 2015 to elect one employee as the supervisor for employee representatives and jointly established the supervisory committee with the supervisors re-elected or appointed during the annual general meeting of the Company held on 18 June 2015 (the "Supervisory Committee"). The Supervisory Committee of the current session will take office for 3 years, until the annual general meeting for the year of 2017 of the Company to be held in 2018.

The Supervisory Committee currently comprises 4 supervisors, namely Mr. Cao Jiang (chairman of the Supervisory Committee), Mr. Liang Chi, Mr. Liu Yong Ze and Mr. Yang Xi (supervisor for employees).

During the year of 2016, all members of the Supervisory Committee earnestly performed the function of supervision in accordance with the regulations and requirements of the Company Law of the People's Republic of China, the articles of associations of the Company and the procedure rules of the Supervisory Committee. By means of exercising their functions independently pursuant to the laws through attending the meetings of board of Directors as a non-voting member and convening the meeting of the Supervisory Committee, the members of the Supervisory Committee supervised and examined the operations of the Company in accordance with the laws, the financial position of the Company, the implementation of resolutions passed in the shareholders' general meetings, the process of making major decisions by the Board, the legality and compliance for the operation and management activities of the Company as well as the performance of duties by the Directors. It was thus procured that the Company is operated legally with a view to safeguard the benefits of the Company, its shareholders and employees.

The Supervisory Committee considers that during the year ended 31 December 2016, the Company's operation, financial auditing and result and daily operation and management complied with relevant provisions of the Listing Rules and the articles of associations of the Company; the Board members are scrupulous about their duties, without breach of laws or rules or damaging the Company's benefits by utilizing their powers.

The Supervisory Committee expresses the following opinions for the performance of the operation of the Company during the year ended 31 December 2016:

## **THE SUPERVISORY COMMITTEE'S INDEPENDENT OPINIONS ON THE LEGAL OPERATION OF THE COMPANY**

During the year ended 31 December 2016, the Company strictly complied with the laws and statutes such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, articles of associations of the Company and the Listing Rules, established sound internal control system, while the Company is normal and the decision-making procedure is in compliance with the relevant law and regulation. The shareholders' general meetings and the Board meetings were convened in accordance with the procedures as provided in the relevant laws, regulations and the Company's articles of association, where the contents of the relevant resolutions were legal and valid. When fulfilling duties, the Directors consciously safeguard the benefits of the Company and its shareholders, adhere to the principles of good faith and diligence, and do not violate any laws or statutes, or damage the Company's benefits.

### **THE SUPERVISORY COMMITTEE'S INDEPENDENT OPINIONS ON REVIEW OF COMPANY'S FINANCIAL STATUS**

The Supervisory Committee had reviewed the relevant information such as the 2016 interim report, 2016 annual report and 2016 auditor's report presented by PricewaterhouseCoopers, the auditor of the Company, with unqualified opinion. The Supervisory Committee considered that the Company's finance system and internal control system are sound, the financial operation is normal and financial status is good, and that the auditor's report can truly, objectively and fairly reflect the financial position and operating results of the Company in the year of 2016.

### **THE SUPERVISORY COMMITTEE'S INDEPENDENT OPINION ON THE ACQUISITION AND DISPOSAL OF ASSETS BY THE COMPANY**

During the year ended 31 December 2016, the acquisition and disposal of assets by the Company were in compliance with the requirements of laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Listing Rules as well as the articles of association of the Company and the required review procedures had been performed to ensure that there was no damage to the interests of the Company nor any impairment to the Company's assets.

### **THE SUPERVISORY COMMITTEE'S INDEPENDENT OPINION ON THE CONNECTED TRANSACTIONS OF THE COMPANY**

The Supervisory Committee had reviewed the connected transactions and continuing connected transactions of the Company during the year ended 31 December 2016 and considered that such connected transactions of the Company during the year were in line with the Company's needs for business development and long-term growth, and strictly in compliance with the requirements of the Listing Rules, the articles of association of the Company and the Internal Reporting System for Major Events and Connected Transactions issued by the Company. The Company had conducted the review and disclosure procedures such that the interests of the Shareholders and the Company were not prejudiced.

We hereby report.

By Order of the Supervisory Committee

**Cao Jiang**

*Chairman of the Supervisory Committee*

Shenzhen, the People's Republic of China  
10 March 2017

# 獨立核數師報告

## Independent Auditor's Report



羅兵咸永道

獨立核數師報告  
致中航國際控股股份有限公司股東

(於中華人民共和國成立的股份有限公司)

Independent Auditor's Report  
TO THE SHAREHOLDERS OF  
AVIC INTERNATIONAL HOLDINGS LIMITED

(Established in the People's Republic of China with limited liability)

### 意見

我們已審計的內容

列載於第158頁至第360頁中航國際控股股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括：

- 於二零一六年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收入報表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，其中包括主要會計政策概要。

### 我們的意見

我們認為，該等綜合財務報表已根據國際財務報告準則(「國際財務報告準則」)真實而中肯地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照《香港公司條例》的披露規定妥為擬備。

### OPINION

What we have audited

The consolidated financial statements of AVIC International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 158 to 360, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)

### 意見的基準

我們已根據國際審計準則(「國際審計準則」)進行審計。我們就該等準則的責任於本報告「核數師就審計綜合財務報表的責任」部分中進一步闡述。

我們相信所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

根據國際會計師專業操守理事會頒有的國際職業會計師道德守則(「道德守則」)，我們獨立於貴集團並已履行道德守則中的其他專業道德責任。

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 商譽減值評估
- 收益採用完成百分比法確認
- 貴集團持有不足半數投票權的實體合併入賬

### BASIS FOR OPINION

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

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

### Independence

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

### KEY AUDIT MATTERS

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

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

- Impairment assessment of goodwill
- Revenue recognition using percentage-of-completion method
- Consolidation of entities in which the Group holds less than 50% of voting rights



Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p data-bbox="164 491 312 519">商譽減值評估</p> <p data-bbox="164 562 592 590"><b>Impairment assessment of goodwill</b></p> <p data-bbox="164 633 730 696">請參閱綜合財務報表附註5.1(f) (重要會計估計及假設)及附註8。</p> <p data-bbox="164 739 730 972">截至二零一六年十二月三十一日，綜合資產負債表所列商譽為人民幣960,054,000元。商譽主要源自二零一一年收購中航威海船廠有限公司69.77%權益、二零一三年收購德他馬林船舶設計公司100%權益、二零一四年收購KHD Humboldt Wedag International AG 89.02%權益及收購武漢天馬微電子有限公司90%股權。概無作出商譽減值。</p> <p data-bbox="164 1015 730 1110">Refer to Note 5.1 (f) (Critical accounting estimates and assumptions) and Note 8 to the consolidated financial statements.</p> <p data-bbox="164 1153 730 1494">As at 31 December 2016, goodwill as stated in the consolidated balance sheet amounted to RMB960,054,000. The goodwill was mainly attributed to the acquisitions of 69.77% interest of AVIC Weihai Shipyard Company Limited in 2011, 100% interest of Deltamarin Oy in 2013, 89.02% interest of KHD Humboldt Wedag International AG and 90% equity interest in Wuhan Tianma Microelectronics Co., Ltd in 2014. No impairment of goodwill was made.</p>	<p data-bbox="788 633 1407 767">我們評估管理層的未來現金流量預測組成及其編製過程。我們特別注重是否已識別所有相關現金產生單位。我們發現管理層已遵守彼等就編製經管理層批准的未來現金流量預測記錄程序。</p> <p data-bbox="788 810 1407 873">就所有現金產生單位而言，我們亦評估管理層就以下各項對現金流量預測的假設：</p> <ul style="list-style-type: none"> <li data-bbox="788 916 1407 978">— 收益增長率及毛利率，透過與經濟及行業預測作比較；及</li> <li data-bbox="788 1021 1407 1084">— 貼現率，透過評估貴集團及可比較公司的資本成本，並考慮地區具體因素。</li> </ul> <p data-bbox="788 1127 1407 1360">We evaluated the composition of management's future cash flow forecasts, and the process by which they were drawn up. In particular, we focused on whether they had identified all the relevant CGUs. We found that management had followed their documented process for drawing up future cash flow forecasts, which was approved by the management.</p> <p data-bbox="788 1403 1407 1466">For all CGUs, we also evaluated management's assumptions in the cash flow forecasts for:</p> <ul style="list-style-type: none"> <li data-bbox="788 1509 1407 1604">— the revenue growth rates and gross margins, by comparing them to economic and industry forecasts; and</li> <li data-bbox="788 1647 1407 1742">— the discount rates, by assessing the cost of capital for the Group and comparable companies, as well as considering territory specific factors.</li> </ul>

**Key Audit Matter**  
關鍵審計事項

商譽減值評估(續)

**Impairment assessment of goodwill (continued)**

我們著重管理層就商譽規模及因計算該評估現金產生單位(「現金產生單位」)可收回金額的估計收益增長率、毛利率及貼現率所需的重要判斷所履行的商譽減值估計。

We focused on goodwill impairment assessment performed by management due to the size of the goodwill and because of the significant judgments required in estimating the revenue growth rates, gross margins and the discount rates, in computing the recoverable amounts of cash-generating units ("CGUs") in the assessment.

收益確認按完成百分比法計算

**Revenue recognition using percentage-of-completion method**

請參閱綜合財務報表附註5.1(g)(重要會計估計及假設)。

完成百分比法用於計算合約收入。截至二零一六年十二月三十一日止年度，綜合財務報表的合約收入約為人民幣7,279,812,000元，佔收入總額約22%。完成階段乃參考當日已產生的合約成本較合約估計總成本計量。

Refer to Note 5.1 (g) (Critical accounting estimates and assumptions) to the consolidated financial statements.

The percentage-of-completion method has been used to account for contract revenue. The contract revenue amounted to RMB7,279,812,000 and it represented approximately 22% of the total revenue of the consolidated financial statements for the year ended 31 December 2016. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contracts.

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

我們評估管理層的敏感性分析，透過收益增長率及貼現率的合理可能變動以評估商譽減值的影響。

按照已執行的程序及所獲憑證，我們發現管理層於釐定商譽減值評估的判斷相當可靠。

We evaluated management's sensitivity analysis to assess the impact on the goodwill impairment by reasonable possible changes to the revenue growth rates and discount rates.

Based on the procedures performed and evidence obtained, we found management's judgments in determining the impairment assessment of goodwill were supportable.

我們以抽樣方式選取合約以審閱管理層的成本組成預算，如材料成本、分包費用及勞工成本。

我們比較預算組成成本與支持文件，包括但不限於收據、報價單及勞工成本率。

We selected, on a sample basis, contracts to examine management's budget of the cost components, such as costs of materials, subcontracting fees and labour costs.

We compared the budgeted component cost to supporting documents including but not limited to invoices, price quotations and rate of labour costs.

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
收益確認按完成百分比法計算(續)	
<b>Revenue recognition using percentage-of-completion method</b> <i>(continued)</i>	
<p>我們著重採用完成百分比法確認收益，因其對綜合財務報表屬重大，並採用管理層於估計合約成本總額所作出的重要假設及評斷。</p> <p>We focused on revenue recognition using percentage-of-completion method because of its significance to the consolidated financial statements and the significant assumptions and judgments made by management in estimating the total contract costs.</p>	<p>就各份獲選定的合約而言，我們比較直至年度所產生實際成本的成本組合與預算成本，並自管理層獲得重大差異的闡述。</p> <p>我們比較過往實際毛利率與預算毛利率以評估管理層的預算過程。</p> <p>按照已履行的程序及所獲的憑證，我們發現管理層於應用完成百分比法所作出的評斷具有理據。</p> <p>For each selected contract, we compared by cost component of the actual cost incurred up to year end to the budgeted cost and obtained explanation from management for significant variances.</p> <p>We compared the historical actual gross profit margin to the budgeted gross profit margin for the assessment of the management budgetary process.</p> <p>Based on the procedures performed and evidence obtained, we found management's judgments in applying the percentage-of-completion method were supportable.</p>

**Key Audit Matter**  
關鍵審計事項

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

貴集團持有不足半數投票權的實體合併入賬

**Consolidation of entities in which the Group holds less than 50% voting rights**

請參閱綜合財務報表附註5.2(a)(重要評斷)。

- (1) 於二零一六年十二月三十一日，貴公司、貴公司最終控股公司中國航空技術國際控股有限公司(「中航國際」)及貴公司直接控股公司中國航空技術深圳有限公司(「中航深圳」)分別持有天馬微電子股份有限公司(「天馬」)20.81%、5.56%及5.79%股權。其他股權由公眾股東所持有。自二零一四年一月起，貴公司已與中航國際及中航深圳訂立協議，內容關於中航國際及中航深圳同意遵守貴公司於天馬的股東大會投票權。

Refer to Note 5.2 (a) (Critical judgments) to the consolidated financial statements.

- (1) As at 31 December 2016, the Company, AVIC International Holding Corporation ("AVIC International"), the ultimate holding company of the Company, and AVIC International Shenzhen Company Limited ("AVIC Shenzhen"), the immediate holding company of the Company, held 20.81%, 5.56% and 5.79% equity interests of Tianma Microelectronics Co. Ltd. ("Tianma") respectively. The other equity interests were held by public shareholders. The Company has entered into an agreement with AVIC International and AVIC Shenzhen since January 2014 that AVIC International and AVIC Shenzhen agreed to follow the votes of the Company in Tianma's shareholders' meetings.

我們審核貴公司與中航國際及中航深圳的協議，並與律師討論以理解對該協議的詮釋。我們查閱自二零一四年一月起天馬股東大會的過往投票狀況並注意到中航國際及中航深圳有遵守貴公司的投票規定。

我們已查閱天馬及飛亞達的股份登記冊，並注意到貴公司擁有較其他股東多的投票權，並理解到公眾股東持有的其他股權的分散情況。

我們已查閱過往五年前十五名股東於股東大會的出席狀況及投票方式。

We examined the Company's agreement with AVIC International and AVIC Shenzhen and discussed with the lawyers to understand the interpretation of the agreement. We checked the voting history of Tianma's shareholders' meetings from January 2014 and noted that AVIC International and AVIC Shenzhen followed the votes of the Company.

We checked the share register books of Tianma and Fiyta and noted that the Company has more voting rights than other shareholders and understood the dispersion of the other equity interests held by the public.

We checked the attendance and voting patterns of the top 15 shareholders at shareholders' meetings in the past 5 years.

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>貴集團持有不足半數投票權的實體合併入賬(續)</p> <p><b>Consolidation of entities in which the Group holds less than 50% voting rights (continued)</b></p> <p>(2) 於二零一六年十二月三十一日，貴公司持有飛亞達(集團)股份有限公司(「飛亞達」) 37.15% 股權，而其他股權由公眾股東所持有。</p> <p>貴公司董事認為，儘管其股權低於半數，但貴公司對天馬及飛亞達(作為附屬公司)擁有實際控制權，當中考慮的全部事實及情況包括但不限於：</p> <p>a) 與其他股東的合約安排；</p> <p>b) 較其他股東擁有較多投票權；</p> <p>c) 其他股東的持股分散；</p> <p>(2) As at 31 December 2016, the Company held 37.15% equity interests in Fiyta Holdings Limited ("Fiyta") and the other equity interests were held by public shareholders.</p> <p>The directors of the Company considered that the Company has de facto control over Tianma and Fiyta as subsidiaries despite its equity interests was below 50% in consideration of all facts and circumstances, including but not limited to:</p> <p>a) The contractual arrangement with other shareholders;</p> <p>b) More voting rights than other shareholders;</p> <p>c) There is a dispersion of holdings of other shareholders;</p>	<p>截至二零一六年十二月三十一日止年度，我們於董事會記錄中審核天馬及飛亞達董事會的組成，並注意到過半數董事為貴公司董事及高級管理層人員。</p> <p>我們向天馬及飛亞達的管理層作出查詢，貴公司有參與天馬及飛亞達的決策及營運，即表示貴公司於該等公司擁有的並非被動權益。</p> <p>We examined the constitution of the board of directors of Tianma and Fiyta in the board minutes and noted that more than half of the directors were directors or senior management of the Company during the year ended 31 December 2016.</p> <p>We enquired the management of Tianma and Fiyta that the Company has involvement in decisions and operations in Tianma and Fiyta, which indicated that the Company has more than a passive interest in them.</p>

**Key Audit Matter**  
關鍵審計事項

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

貴集團持有不足半數投票權的實體合併入賬(續)

**Consolidation of entities in which the Group holds less than 50% voting rights** *(continued)*

- d) 過往股東大會的出席及投票方式；及
- e) 貴公司於董事會會議上佔大多數議席。

我們重視此項目，是由於其對綜合財務報表及管理層就確定實際控制權所作出的重要評斷及假設而言屬重大。

- d) Attendance and voting patterns at previous shareholders' meetings; and
- e) The Company has majority of board seats in the board meetings.

We focused on this matter because of its significance to the consolidated financial statements and the significant judgments and assumptions made by management in determining de facto control.

按照已履行的程序及所獲憑證，我們發現管理層就貴公司對天馬及飛亞達的實際控制權所作出的判斷實屬恰當。

Based on the procedures performed and evidence obtained, we found management's judgments in relation to the Company's de facto control over Tianma and Fiya was appropriate.

## 其他資料

貴公司董事須對其他信息負責。其他資料包括所有載於年報的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是查閱其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所理解的情況有重大抵觸，或似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。就此方面，我們並無任何報告。

## 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

## OTHER INFORMATION

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

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs 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.



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

治理層須負責監督 貴集團的財務報告過程。

### 核數師就審計綜合財務報表承擔的責任

我們的目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向 閣下（整體）報告我們的意見，並無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證為高水平的保證，但不能保證按《國際審計準則》進行的審計在某一重大錯誤陳述存在時被發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期其個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視為重大事項。

在根據《國際審計準則》進行審計的過程中，我們運用專業判斷，保持專業的懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

我們與治理層溝通計劃的審計範圍及時間安排、重大審計發現等其他事項，包括我們於審計期間識別出內部監控的任何重大缺陷。

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與其溝通所有合理被認為影響我們獨立性的關係及其他事項，及於適用情況下，相關的防範措施。

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

本獨立核數師報告的審計項目合夥人為張展豪。

羅兵咸永道會計師事務所  
執業會計師

香港，二零一七年三月十日

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Cheung Chin Hoo, Albert.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 10 March 2017

# 綜合資產負債表

## Consolidated Balance Sheet

於二零一六年十二月三十一日 As at 31 December 2016

		截至十二月三十一日止 As at 31 December		
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000	
	附註 Note			
<b>資產</b>	<b>ASSETS</b>			
<b>非流動資產</b>	<b>Non-current assets</b>			
土地使用權	Land use rights	7	2,195,136	2,195,127
商譽	Goodwill	8	960,054	945,168
無形資產	Intangible assets	9	872,363	774,812
物業、廠房及設備	Property, plant and equipment	10	13,520,552	12,965,842
投資物業	Investment properties	11	1,968,682	2,321,920
在建工程	Construction-in-progress	12	3,993,953	3,175,032
使用權益法入賬的投資	Investments accounted for using the equity method	14	4,525,143	4,853,629
貿易及其他應收款項	Trade and other receivables	21	1,727,577	1,778,825
可供出售金融資產	Available-for-sale financial assets	16	583,560	604,151
遞延所得稅資產	Deferred income tax assets	17	617,769	670,315
其他非流動資產	Other non-current assets	18	614,749	331,343
			<b>31,579,538</b>	30,616,164
<b>流動資產</b>	<b>Current assets</b>			
存貨	Inventories	19	5,805,348	5,794,711
發展中物業	Properties under development	20	679,923	777,822
貿易及其他應收款項	Trade and other receivables	21	14,913,716	13,040,885
應收合約工程客戶款項	Amounts due from customers for contract work	22	1,841,368	2,284,105
按公允價值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	23	2,901	4,385
抵押銀行存款	Pledged bank deposits	24	937,562	327,132
現金及現金等價物	Cash and cash equivalents	25	9,020,381	11,780,904
			<b>33,201,199</b>	34,009,944
<b>總資產</b>	<b>Total assets</b>		<b>64,780,737</b>	64,626,108
<b>權益</b>	<b>EQUITY</b>			
本公司權益持有人應佔資本與儲備	Capital and reserves attributable to owners of the Company			
股本	Share capital	26	1,166,162	1,166,162
股份溢價	Share premium	26	1,512,380	1,512,380
其他儲備	Other reserves	27	1,175,232	1,234,425
永久次級可換股證券	Perpetual subordinated convertible securities	28	2,781,674	2,781,674
未分配利潤	Retained earnings		5,403,799	4,845,122
			<b>12,039,247</b>	11,539,763
<b>非控股股東權益</b>	<b>Non-controlling interests</b>	13	<b>13,327,266</b>	12,801,353
<b>總權益</b>	<b>Total equity</b>		<b>25,366,513</b>	24,341,116

# 綜合資產負債表

## Consolidated Balance Sheet

於二零一六年十二月三十一日 As at 31 December 2016

		截至十二月三十一日止 As at 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
<b>負債</b>			
<b>非流動負債</b>			
借款	29	8,904,854	10,221,222
遞延所得稅負債	17	617,537	802,870
政府補貼的遞延收入	30	1,447,927	1,281,023
撥備	34	196,461	200,998
貿易及其他應付款項	33	73,391	52,354
退休及其他補充福利責任	31	414,274	379,244
其他非流動負債	32	80,332	91,010
		<b>11,734,776</b>	13,028,721
<b>流動負債</b>			
貿易及其他應付款項	33	17,056,217	17,082,183
應付合約工程客戶款項			
合同工作	22	975,536	737,526
借款	29	9,319,542	8,772,371
按公允價值計量且其變動計入損益的金融負債	23	—	3,122
即期所得稅負債		301,509	207,568
退休及其他補充福利責任	31	15,742	15,865
其他流動負債	32	10,902	437,636
		<b>27,679,448</b>	27,256,271
<b>總負債</b>		<b>39,414,224</b>	40,284,992
<b>總權益及負債</b>		<b>64,780,737</b>	64,626,108

隨附第167至360頁的附註為該等綜合財務報表的組成部分。

The accompanying notes on page 167 to 360 are an integral part of these consolidated financial statements.

董事：劉洪德  
Director: Liu Hong De

董事：由鐳  
Director: You Lei

第158至360頁的財務報表已於二零一七年三月十日經董事會批准，並由董事代表簽署。

The financial statements on page 158 to 360 were approved by the Board of Directors on 10 March 2017 and were signed on its behalf.

# 綜合損益表

## Consolidated Statement of Profit or Loss

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		截至十二月三十一日止年度 Year ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
<b>持續經營業務</b>	<b>Continuing operations</b>		
收入	Revenue	6	33,007,917
銷售成本	Cost of sales	37	(27,320,697)
<b>毛利</b>	<b>Gross profit</b>		5,687,220
銷售費用	Distribution costs	37	(1,897,085)
行政費用	Administrative expenses	37	(3,307,045)
投資物業公允價值收益	Fair value gain on investment properties	11	212,438
其他收入	Other income	35	664,174
其他收益／(虧損)－淨額	Other gains/(losses) – net	36	467,566
<b>經營溢利</b>	<b>Operating profit</b>		1,827,268
融資收入	Finance income	38	591,275
融資成本	Finance costs	38	(843,134)
融資成本－淨額	Finance costs – net		(251,859)
使用權益法入賬的應佔投資溢利	Share of profit of investments accounted for using the equity method	14	222,486
<b>除所得稅前溢利</b>	<b>Profit before income tax</b>		1,797,895
所得稅開支	Income tax expense	40	(509,923)
<b>本年度來自持續經營業務溢利</b>	<b>Profit for the year from continuing operations</b>		1,287,972
<b>已終止業務</b>	<b>Discontinued operations</b>		
本年度來自已終止業務溢利	Profit for the year from discontinued operations		–
<b>本年度溢利</b>	<b>Profit for the year</b>		1,287,972

## 綜合損益表

### Consolidated Statement of Profit or Loss

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		截至十二月三十一日止年度 Year ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
<b>應佔溢利：</b>	<b>Attributable to:</b>		
本公司權益持有人	Owners of the Company	<b>806,066</b>	1,212,308
非控股股東權益	Non-controlling interests	<b>481,906</b>	471,183
		<b>1,287,972</b>	1,683,491
<b>本公司權益持有人應佔溢利：</b>	<b>Profit attributable to owners of the Company arises from:</b>		
持續經營業務	Continuing operations	<b>806,066</b>	733,202
已終止業務	Discontinued operations	—	479,106
		<b>806,066</b>	1,212,308
<b>本公司權益持有人年內應佔持續經營業務及已終止業務每股盈利（每股以人民幣元列示）</b>	<b>Earnings per share from continuing and discontinued operations attributable to the owners of the Company for the year: (RMB per share)</b>		
<b>每股基本盈利</b>	<b>Basic earnings per share</b>		
持續經營業務	From continuing operations	<b>0.6674</b>	0.6137
已終止業務	From discontinued operations	—	0.4168
本年度溢利	From profit for the year	<b>0.6674</b>	1.0305
<b>每股攤薄盈利</b>	<b>Diluted earnings per share</b>		
持續經營業務	From continuing operations	<b>0.4096</b>	0.3758
已終止業務	From discontinued operations	—	0.2456
本年度溢利	From profit for the year	<b>0.4096</b>	0.6214

隨附第167至360頁的附註為該等綜合財務報表的組成部分。

The accompanying notes on page 167 to 360 are an integral part of these consolidated financial statements.



# 綜合全面收入報表

## Consolidated Statement of Comprehensive Income

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		截至十二月三十一日止年度 Year ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
本年度溢利	Profit for the year	1,287,972	1,683,491
其他全面收益：	Other comprehensive income:		
不可重新分類至損益的項目	Items that will not be reclassified to profit or loss		
重新計量離職福利責任，未扣除稅款	Remeasurements of post-employment benefit obligations, gross of tax	31 (17,443)	162
重新計量離職福利責任，稅款	Remeasurements of post-employment benefit obligations, tax	4,824	(1,497)
自住物業轉為投資物業時獲得的收益，未扣除稅款	Gain on transfer of owner-occupied property to investment property, gross of tax	7,081	965
自住物業轉為投資物業時獲得的收益，稅款	Gain on transfer of owner-occupied property to investment property, tax	(969)	(149)
可能重新分類至損益的項目	Items that may be subsequently reclassified to profit or loss		
外幣折算差額	Currency translation differences	(45,502)	(147,032)
分佔聯營公司其他全面虧損	Share of an associate's other comprehensive loss	—	(268)
年內其他全面虧損（扣除稅款）	Other comprehensive loss for the year, net of tax	(52,009)	(147,819)
年內全面總收益（扣除稅款）	Total comprehensive income for the year, net of tax	1,235,963	1,535,672
應佔：	Attributable to:		
—本公司權益持有人	— Owners of the Company	729,392	1,061,814
—非控股股東權益	— Non-controlling interests	506,571	473,858
年內全面總收益	Total comprehensive income for the year	1,235,963	1,535,672
本公司權益持有人應佔全面總收益：	Total comprehensive income attributable to owners of the Company arises from:		
持續經營業務	Continuing operations	729,392	582,783
已終止業務	Discontinued operations	—	479,031
		729,392	1,061,814

隨附第167至360頁的附註為該等綜合財務報表的組成部分。

The accompanying notes on page 167 to 360 are an integral part of these consolidated financial statements.

# 綜合權益變動表

## Consolidated Statement of Changes in Equity

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		本公司權益持有人應佔 Attributable to owners of the Company								
	附註 Note	股本 Share Capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	永久次級 可換股證券 Perpetual subordinated convertible securities 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	未分配利潤 Retained earnings 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	非控股 股東權益 Non- controlling interests 人民幣千元 RMB'000	總權益 Total equity 人民幣千元 RMB'000	
於二零一六年一月一日的結餘	Balance as at 1 January 2016	1,166,162	1,512,380	2,781,674	1,234,425	4,845,122	11,539,763	12,801,353	24,341,116	
本年度溢利	Profit for the year	-	-	-	-	806,066	806,066	481,906	1,287,972	
其他全面收益	Other comprehensive income	-	-	-	(76,674)	-	(76,674)	24,665	(52,009)	
全面總收益	Total comprehensive income	-	-	-	(76,674)	806,066	729,392	506,571	1,235,963	
與權益持有人的交易	Transactions with owners									
分佔聯營公司因與非控股股東權益交易而產生的儲備	Share of reserves of an associate arising from its transactions with non-controlling interests	14(a)	-	-	-	3,128	-	3,128	-	3,128
出售附屬公司	Disposals of subsidiaries	43(d)	-	-	-	-	-	(63,641)	(63,641)	
非控股股東權益注資	Capital contributed by non-controlling interests	43(a)	-	-	-	-	-	220,000	220,000	
特別儲備－安全生產基金	Special reserve – safety production fund	27	-	-	-	195	-	195	85	280
提取其他撥備	Appropriation to other reserves		-	-	-	14,158	(14,158)	-	-	-
二零一五年股息	Dividends for 2015	42	-	-	-	-	(233,231)	(233,231)	(137,102)	(370,333)
與權益持有人的交易總額	Total transactions with owners		-	-	-	17,481	(247,389)	(229,908)	19,342	(210,566)
於二零一六年十二月三十一日的結餘	Balance as at 31 December 2016	1,166,162	1,512,380	2,781,674	1,175,232	5,403,799	12,039,247	13,327,266	25,366,513	

# 綜合權益變動表

## Consolidated Statement of Changes in Equity

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		本公司權益持有人應佔 Attributable to owners of the Company							
		股本 Share Capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	永久次級 可換股證券 Perpetual subordinated convertible securities 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000	未分配利潤 Retained earnings 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	非控股 股東權益 Non- controlling interests 人民幣千元 RMB'000	總權益 Total equity 人民幣千元 RMB'000
於二零一五年一月一日的結餘	Balance as at 1 January 2015	1,110,632	1,294,633	2,781,674	683,289	3,778,032	9,648,260	8,769,837	18,418,097
本年度溢利	Profit for the year	-	-	-	-	1,212,308	1,212,308	471,183	1,683,491
其他全面收益	Other comprehensive income	-	-	-	(150,494)	-	(150,494)	2,675	(147,819)
全面總收益	Total comprehensive income	-	-	-	(150,494)	1,212,308	1,061,814	473,858	1,535,672
與權益持有人的交易	Transactions with owners								
與非控股股東權益的交易	Transactions with non-controlling interests	-	-	-	674,422	-	674,422	4,120,633	4,795,055
發行普通股	Issuance of ordinary shares	55,530	217,747	-	-	-	273,277	-	273,277
共同控制下業務合併視為分派代價	Deemed distribution as consideration for business combination under common control	-	-	-	(27,500)	-	(27,500)	-	(27,500)
分佔聯營公司因與非控股股東權益 交易而產生的儲備	Share of reserves of an associate arising from its transactions with non-controlling interests	-	-	-	25,623	-	25,623	-	25,623
出售附屬公司	Disposals of subsidiaries	-	-	-	-	-	-	(457,197)	(457,197)
非控股股東權益注資	Capital contributed by non-controlling interests	-	-	-	-	-	-	16,099	16,099
特別儲備－安全生產基金	Special reserve – safety production fund	-	-	-	483	-	483	210	693
提取其他撥備	Appropriation to other reserves	-	-	-	28,602	(28,602)	-	-	-
二零一四年股息	Dividends for 2014	-	-	-	-	(116,616)	(116,616)	(122,087)	(238,703)
與權益持有人的交易總額	Total transactions with owners	55,530	217,747	-	701,630	(145,218)	829,689	3,557,658	4,387,347
於二零一五年十二月三十一日的結餘	Balance as at 31 December 2015	1,166,162	1,512,380	2,781,674	1,234,425	4,845,122	11,539,763	12,801,353	24,341,116

隨附第167至360頁的附註為該等綜合財務報表的組成部分。

The accompanying notes on page 167 to 360 are an integral part of these consolidated financial statements.

# 綜合現金流量表

## Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		截至十二月三十一日止年度 Year ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
<b>營運活動產生的現金流量</b>	<b>Cash flows from operating activities</b>		
經營業務產生的現金	Cash generated from operations 43	<b>3,311,133</b>	5,930,210
已付利息	Interest paid	<b>(729,261)</b>	(871,971)
已付所得稅	Income tax paid	<b>(411,227)</b>	(327,326)
營運活動產生的現金淨額	Net cash generated from operating activities	<b>2,170,645</b>	4,730,913
<b>投資活動產生的現金流量</b>	<b>Cash flows from investing activities</b>		
在建工程增加的付款	Payment for the additions of construction-in-progress	<b>(3,198,883)</b>	(2,217,396)
購買物業、廠房及設備	Purchase of property, plant and equipment 10	<b>(745,896)</b>	(997,609)
購買土地使用權	Purchase of land use rights 7	<b>(93,335)</b>	(422,683)
購買採礦權	Purchase of mining rights	<b>—</b>	(19,314)
購買無形資產	Purchase of intangible assets 9	<b>(136,612)</b>	(19,955)
其他非流動資產增加的付款	Payment for the additions of other non-current assets	<b>(164,708)</b>	(173,361)
收購附屬公司所得款項，扣除已付現金	Proceeds from acquisition of a subsidiary, net of cash paid	<b>(17,922)</b>	—
收購及注資聯營公司款項	Payment for the acquisition and capital injection of associates 14(a)	<b>(31,755)</b>	(252,768)
向合營企業注資	Capital injection to joint ventures	<b>(41,816)</b>	—
出售附屬公司的現金（流出）／流入	Cash (outflow)/inflow from disposals of subsidiaries 43(d)	<b>(20,423)</b>	321,774
購買可供出售金融資產	Purchase of available-for-sale financial assets 16	<b>(2,200)</b>	(369,500)
出售物業、廠房及設備所得款項	Proceeds from disposals of property, plant and equipment 43(b)	<b>48,276</b>	43,719
出售無形資產所得款項	Proceeds from disposals of intangible assets	<b>—</b>	19,415
出售可供出售金融資產所得款項	Proceeds from disposals of available-for-sale financial assets 43(c)	<b>13,990</b>	3,004
出售於聯營公司分類為持作出售投資所得款項	Proceeds from disposals of investment in associates classified as held-for-sale	<b>—</b>	98,311
出售合營企業所得款項	Proceeds from disposals of joint venture	<b>—</b>	633
已收政府補貼	Government grants received 30	<b>666,724</b>	1,234,260
已收利息	Interest received	<b>270,690</b>	185,485
關聯方貸款	Loans to related parties 47(d)	<b>(2,700)</b>	(545,005)
關聯方償還貸款	Repayments of loan to related parties 47(d)	<b>514,760</b>	244,862
已收股息	Dividends received	<b>667,971</b>	518,014
投資活動所用現金淨額	Net cash used in investing activities	<b>(2,273,839)</b>	(2,348,114)

# 綜合現金流量表

## Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度 For the year ended 31 December 2016

		截至十二月三十一日止年度 Year ended 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
	附註 Note		
<b>融資活動產生的現金流量</b>	<b>Cash flows from financing activities</b>		
銀行借款所得款項	Proceeds from bank borrowings	<b>12,646,473</b>	16,690,362
償還銀行借款	Repayments of bank borrowings	<b>(14,277,921)</b>	(16,665,090)
關聯方借款	Borrowings from related parties	<b>2,312,162</b>	1,911,521
向關聯方償還借款	Repayments of borrowings from related parties	<b>(3,402,610)</b>	(2,238,713)
非控股股東權益向 附屬公司注資	Capital contribution to subsidiaries from non-controlling interests	<b>220,000</b>	16,099
派付予本公司股東的股息	Dividends paid to the shareholders of the Company	<b>(233,231)</b>	(116,616)
派付予附屬公司非控股 股東權益的股息	Dividends paid to non-controlling interests of subsidiaries	<b>(131,070)</b>	(127,171)
自非控股股東權益 收取代價	Considerations received from non-controlling interests	—	4,934,778
向非控股股東權益 支付代價	Considerations paid to non-controlling interests	—	(139,723)
視作為共同控制業務 合併的代價分配	Deemed distribution as consideration for business combination under common control	—	(27,500)
發行新股份	Issuance of new shares	—	273,277
融資活動(所用)/所得的 現金淨額	Net cash (used in)/generated from financing activities	<b>(2,866,197)</b>	4,511,224
<b>現金及現金等價物的(減少) /增加淨額</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,969,391)</b>	6,894,023
年初的現金及現金等價物	Cash and cash equivalents at beginning of year	<b>11,780,904</b>	4,834,036
外幣折算差額	Currency translation differences	<b>208,868</b>	52,845
年末的現金及現金等價物	Cash and cash equivalents at end of year	<b>9,020,381</b>	11,780,904

隨附第167至360頁的附註為該等綜合財務報表的組成部分。

The accompanying notes on page 167 to 360 are an integral part of these consolidated financial statements.

# 財務報表附註

## Notes to the Financial Statements

### 1 一般資料

中航國際控股股份有限公司(「本公司」)為在中華人民共和國(「中國」)成立的股份有限公司，其股份已在香港聯合交易所有限公司主板上市。

本公司及其附屬公司(統稱「本集團」)主要於中國從事平板顯示屏、印刷電路板及手錶的製造與銷售、地產開發、有關工程的物流及造船服務、採購及建設項目(「採購及建設項目」)。

本公司的註冊辦公地為中國深圳市福田區深南中路中航苑航都大廈25樓。

綜合財務報表已於二零一七年三月十日批准刊發。

### 2 編製基準

本集團的綜合財務報表是根據全部適用的國際財務報告準則(「國際財務報告準則」)及適用於國際財務報告準則項下公司呈報的國際財務報告準則詮釋委員會規定編製。綜合財務報表按照歷史成本法編製，並就投資物業、可供出售金融資產及按公允價值計入損益的衍生金融工具重估作出修訂。編製該等財務報表所採用的會計政策及基準與本集團編製法定賬目時採用的中華人民共和國企業會計準則(2006)(「企業會計準則2006」)有所不同。

編製符合國際財務報告準則的財務資料需要採用若干關鍵會計估計。管理層亦須在採用本集團會計政策的過程中作出判斷。涉及高度判斷或複雜性或涉及對綜合財務報表而言屬重大的假設及估計已於附註5披露。

### 1 GENERAL INFORMATION

AVIC International Holdings Limited (the “Company”) was established as a joint stock limited company in the People’s Republic of China (the “PRC”) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of flat panel displays and modules, printed circuit boards and watches, property development, logistic and shipping building service relating to engineering, procurement and construction projects (“EPC projects”) development in the PRC.

The office address of the Company is 25/F, Hangdu Building, CATIC Zone, Shennan Road Central, Futian District, Shenzhen, PRC.

The consolidated financial statements have been approved for issue on 10 March 2017.

### 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments at fair value through profit or loss. The accounting policies and bases adopted in the preparation of these financial statements differ from those used in the statutory accounts of the Group which are prepared in accordance with the Accounting Standards for Business Enterprises (2006) of the People’s Republic of China (“CAS 2006”).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

## 2 編製基準(續)

會計政策及披露變動：

- (a) 本集團已於二零一六年一月一日或之後開始的財政年度首次採納下列準則修訂：

國際財務報告準則第14號  
IFRS 14

國際財務報告準則第11號的修訂  
Amendment to IFRS 11

國際會計準則第16號及第38號的修訂  
Amendments to IAS 16 and IAS 38

國際財務報告準則第10號、第12號及  
國際會計準則第28號的修訂  
Amendments to IFRS 10,  
IFRS 12 and IAS 28

國際會計準則第27號的修訂  
Amendments to IAS 27

二零一四年度改進  
Annual improvements 2014

— 國際財務報告準則第5號的修訂  
— Amendment to IFRS 5

— 國際財務報告準則第7號的修訂  
— Amendment to IFRS 7

— 國際會計準則第19號的修訂  
— Amendment to IAS 19

— 國際會計準則第34號的修訂  
— Amendment to IAS 34

國際會計準則第1號  
IAS 1

採納該等修訂並不會對本期間或任何過往期間造成任何影響，且不大可能影響未來期間。

## 2 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures:

- (a) The following amendments to standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2016:

會計期間開始或之後期間起生效  
Effective for accounting periods  
beginning on or after

監管遞延賬目  
Regulatory deferral accounts  
二零一六年一月一日  
1 January 2016

收購合營經營權益的會計處理  
Accounting for acquisitions of  
interests in joint operation  
二零一六年一月一日  
1 January 2016

澄清可接受的折舊及攤銷方法  
Clarification of acceptable methods of  
depreciation and amortisation  
二零一六年一月一日  
1 January 2016

投資實體  
Investment entities  
二零一六年一月一日  
1 January 2016

於獨立財務報表的權益法  
Equity method in separate financial  
statements  
二零一六年一月一日  
1 January 2016

持作出售的非流動資產及已終止經營業務  
Non-current assets held for sale and  
discontinued operations  
二零一六年一月一日  
1 January 2016

金融工具：披露  
Financial instruments: Disclosures

僱員福利  
Employee benefits

中期財務報告  
Interim financial reporting

披露計劃  
Disclosure initiative  
二零一六年一月一日  
1 January 2016

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.



## 2 編製基準(續)

- (b) 本集團並無提早採納以下已頒佈但於二零一六年一月一日開始的財政年度仍未生效的新訂準則、修訂及詮釋。

國際財務報告準則第10號及  
國際會計準則第28號的修訂  
Amendments to IFRS 10 and IAS 28

國際會計準則第12號的修訂  
Amendments to IAS 12

國際會計準則第7號的修訂  
Amendments to IAS 7

國際財務報告準則第9號  
IFRS 9

國際財務報告準則第15號  
IFRS 15

國際財務報告準則第2號的修訂  
Amendments to IFRS 2

國際財務報告準則第16號  
IFRS 16

本集團已開始評估該等與本集團營運有關新訂及經修訂準則的影響。根據本公司董事作出的初步評估，採納國際財務報告第9號及國際財務報告第15號預期並無對本集團的財務表現及狀況造成重大影響。董事亦不預期採納國際財務報告準則第16號會對本集團的財務表現及狀況造成重大影響，惟確認因會計處理本集團作為承租人經營租賃而產生的使用權資產及相應租賃負債除外。

## 2 BASIS OF PREPARATION (continued)

- (b) The following new standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2016, and have not been early adopted by the Group.

會計期間開始或之後期間起生效  
Effective for accounting periods  
beginning on or after

投資者與其聯營公司或合營企業的資產出售或投入	遞延
Sales or contribution of assets between an investor and its associate or joint venture	Deferred
所得稅	二零一七年一月一日
Income taxes	1 January 2017
現金流量表	二零一七年一月一日
Statement of cash flows	1 January 2017
金融工具	二零一八年一月一日
Financial instruments	1 January 2018
來自客戶合約的收益	二零一八年一月一日
Revenue from contracts with customer	1 January 2018
以股份基礎支付交易的分類及計量	二零一八年一月一日
Classification and measurement of share-based payment transactions	1 January 2018
租賃	二零一九年一月一日
Leases	1 January 2019

The Group has already commenced an assessment of the impact of these new or revised standards which are relevant to the Group's operation. According to the preliminary assessment made by the directors of the Company, no significant impact on the financial performance and positions of the Group is expected when adopting IFRS 9 and IFRS 15. The directors also do not expect the adoption of IFRS 16 would result in significant impact on the Group's financial performance and positions except for the recognition of the right of use assets and corresponding lease liabilities arising from accounting for operating leases by the Group as a lessee.

### 3 主要會計政策概要

編製該等綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

#### 3.1 綜合賬目

##### 3.1.1 附屬公司

附屬公司是指本集團擁有控制權的所有實體(包括結構實體)。當本集團承受或有權享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。除應用下文附註3.1.1(a)所詳述共同控制下實體業務合併的業務合併外，附屬公司在控制權轉移至本集團之日起全面綜合入賬，並在控制權終止當日起取消綜合入賬。

倘相對其他股東的表決權益的數量及分散情況，本集團的表決權益數量佔優，使本集團獲得控制其財務及經營政策等的權力，則本期集團擁有實際控制權。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Consolidation

##### 3.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for business combinations applying business combination involving entities under common control as detailed in Note 3.1.1(a) below, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

集團內公司間的交易、交易結餘及收支予以對銷。於資產確認的公司間交易產生的溢利及虧損亦予以對銷。在必要時，附屬公司的會計政策會予以變動，以確保與本集團所採納的政策保持一致。

- (a) 共同控制下實體的業務合併  
就共同控制下實體的業務合併而言，綜合財務報表包括發生共同控制合併的合併實體或業務的財務報表，猶如已自合併實體或業務首次受控制方控制當日起已合併計算。

合併各實體或業務的淨資產已按控制方預期的現有賬面值綜合入賬。在控制方權益持續的情況下，並無就商譽或共同控制合併時收購方於被收購方的可識別資產、負債及或然負債的公允淨值的權益超過成本的差額確認任何金額。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

- (a) Business combination involving entities under common control  
For business combination involving entities under common control, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

- (a) 共同控制下實體的業務合併(續)

綜合損益表包括各合併實體或業務由所呈列最早日期或合併實體或業務首次受共同控制以來(以較短期間為準)的業績,而不論共同控制合併的日期。

呈列綜合財務報表的比較金額時假設實體或業務於上一個結算日或其首次受共同控制以來(以較短者為準)已合併計算。

該等實體採納一套統一的會計政策。合併實體或業務之間所有集團間交易、交易結餘及未變現收益於綜合賬目時對銷。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

- (a) Business combination involving entities under common control (continued)

The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

- (b) 共同控制下實體以外的業務合併

本集團進行業務合併時採用收購會計法入賬。收購附屬公司的轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股權的公允價值。所轉讓代價包括或然代價安排產生的任何資產或負債的公允價值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日期的公允價值計量。本集團按逐項收購基準，以公允價值或按非控股股東權益所佔被收購方可識別資產淨值已確認金額的比例確認於被收購方的任何非控股股東權益。

與收購相關的成本於產生時支銷。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

- (b) Business combination other than involving entities under common control

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

- (b) 共同控制下實體以外的業務合併(續)

如業務合併分階段達成，於收購日期收購方先前所持的被收購方股權的賬面值於收購日期按公允價值重新計量，重新計量所產生的收益或虧損在損益中確認。

本集團所轉讓的任何或然代價在收購日期按公允價值確認。被視為一項資產或負債的或然代價公允價值隨後變動，將按照國際會計準則第39號規定，於損益確認或確認為其他全面收益變動。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

- (b) Business combination other than involving entities under common control (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

- (b) 共同控制下實體以外的業務合併(續)

已轉讓代價、被收購方的任何非控股股東權益金額及任何之前於被收購方的股權於收購日期的公允價值與所購入可識別資產淨值公允價值的超額入賬為商譽。於議價購買時，如已轉讓代價、已確認非控股股東權益及已計量過往所持權益的總額少於所收購附屬公司資產淨值的公允價值，有關差額於損益表直接確認。

- (c) 於附屬公司擁有權的變動(不會導致控制權變動)  
本集團將其與非控股股東權益進行且不導致失去控制權的交易入賬為權益交易—即與擁有人以其作為擁有人身分進行的交易。所支付任何代價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額入賬為權益。有關向非控股股東權益出售的收益或虧損亦在權益記賬。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

- (b) Business combination other than involving entities under common control (continued)

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

- (c) Changes in ownership interests in subsidiaries without change of control  
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.



### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.1 附屬公司(續)

- (d) 出售附屬公司  
倘本集團喪失對實體的控制權，則於失去控制權當日按公允價值重新計量實體的任何保留權益，賬面值變動於損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，公允價值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售相關資產或負債的方式入賬。這可能意味著先前在其他全面收益確認的金額須重新分類至損益。

##### 3.1.2 獨立財務報表

附屬公司的投資按成本扣除減值入賬。成本包括投資直接應佔成本。本公司根據已收及應收股息為基準，計算附屬公司的業績。

倘宣派股息期內，股息超出附屬公司的全面總收益或倘於獨立財務報表內投資的賬面值超出綜合財務報表內受投資公司淨資產(包括商譽)的賬面值，附屬公司的投資減值測試須於自該等投資收取股息時作出。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.1 Subsidiaries (continued)

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

##### 3.1.2 Separate financial statements

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

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

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%-50%投票權的股權。於聯營公司的投資以權益會計法入賬。按權益法，投資初始按成本確認，並增加或減少賬面值以確認投資者在收購日期後佔被投資方損益的比例。本集團於聯營公司的投資包括收購時識別的商譽。在收購聯營公司的擁有權權益時，聯營公司的成本與本集團應佔聯營公司可辨認資產和負債的公允淨值的差額入賬列作商譽。

倘聯營公司的擁有權權益減少，而實質影響仍在，則僅一部分之前在其他全面收益中確認的金額重新分類至溢利或虧損(如適用)。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.3 Associates

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

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

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.3 聯營公司(續)

本集團應佔收購後溢利或虧損於損益表內確認，而應佔收購後其他全面收益的變動則於其他全面收益確認，投資賬面值會作出相應調整。本集團應佔聯營公司虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔法定或推定責任或作出付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司的投資出現減值；如有，則本集團計算減值金額，即聯營公司可收回金額與其賬面值間的差額，並於損益表內「使用權益法入賬的應佔投資溢利」確認該金額。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.3 Associates (continued)

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using the equity method' in the statement of profit or loss.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.3 聯營公司(續)

本集團及其聯營公司之間的上游及下游交易所產生溢利及虧損於本集團財務報表確認，惟僅以非關聯投資者於聯營公司的權益為限。除非有關交易提供已轉讓資產減值證據，否則未變現虧損予以對銷。在必要的時候，聯營公司的會計政策會作出變動，以確保與本集團所採納的政策保持一致。

於聯營公司的投資所產生攤薄收益及虧損於損益表確認。

##### 3.1.4 合營安排

根據國際財務報告準則第11號，於共同安排的投資按照各投資方的合約權利及責任分類為合營業務或合營企業。本集團已評估其共同安排的性質，並將其釐定為合營企業。合營企業使用權益法入賬。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.3 Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution arising in investments in associates are recognised in the statement of profit or loss.

##### 3.1.4 Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

### 3 主要會計政策概要(續)

#### 3.1 綜合賬目(續)

##### 3.1.4 合營安排(續)

根據權益會計法，於合營企業的權益初步按成本確認，隨後進行調整以確認本集團應佔收購後溢利或虧損及其他全面收益的變動。本集團於合營企業的投資包括收購時已辨認的商譽。在收購合營企業的擁有權權益時，合營企業成本與本集團應佔合營企業可辨認資產和負債的公允淨值的差額入賬列作商譽。倘本集團應佔合營企業的虧損等於或超過所持合營企業的權益(包括實際上構成本集團於合營企業的投資淨額部分的任何長期權益)，本集團不會確認進一步虧損，除非本集團產生責任或代表合營企業付款，則作別論。

本集團與其合營企業交易的未變現收益對銷以本集團所持合營企業權益為限。除非有證據顯示交易所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業的會計政策已作必要修訂，確保與本集團所採納的政策一致。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Consolidation (continued)

##### 3.1.4 Joint arrangements (continued)

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

### 3 主要會計政策概要(續)

#### 3.2 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略決定的董事會，由他們負責分配資源和評估經營分部的表現。

#### 3.3 外幣匯兌

##### (a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目以該實體營運所在的主要經濟環境貨幣(「功能貨幣」)計量。綜合財務報表以人民幣(「人民幣」)呈報，人民幣為本公司的功能貨幣及本集團的列賬貨幣。

##### (b) 交易及結餘

外幣交易採用交易日或重新計量項目作出估值的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖或淨資產對沖外，結算此等交易產生的匯兌收益及虧損以及將外幣列值的貨幣資產和負債以年終匯率換算產生的匯兌收益及虧損在損益表確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 Segment reporting

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

#### 3.3 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency and the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

### 3 主要會計政策概要(續)

#### 3.3 外幣匯兌(續)

##### (b) 交易及結餘(續)

與借款、現金及現金等價物相關的匯兌收益及虧損在損益表中的「融資收入或成本」範圍內呈列。所有其他匯兌收益及虧損在損益表中的「其他(虧損)/收益－淨額」範圍內呈列。

以外幣列值被分類為可供出售的債務證券公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額於損益確認，賬面值的其他變動則於其他全面收益確認。

非貨幣金融資產及負債(如按公允價值透過損益記賬的股權)的折算差額確認為公允價值收益或虧損的一部分。非貨幣金融資產(如分類為股權)的折算差額計入其他全面收益。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Foreign currency translation (continued)

##### (b) Transactions and balances (continued)

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'other gains/(losses) – net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised as part of the fair value gain or loss. Translation difference on non-monetary financial assets, such as equities classified as at, are included in other comprehensive income.



### 3 主要會計政策概要(續)

#### 3.3 外幣匯兌(續)

##### (c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹貨幣)的業績及財務狀況，按如下方式換算為列賬貨幣：

- 每份呈報的資產負債表內的資產及負債按該結算日的收市匯率換算；
- 每份損益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率累計影響的合理約數；在此情況下，收支按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

因收購海外實體產生的商譽及公允價值調整視為海外實體資產和負債，並按收市匯率換算。所產生的貨幣交易差額於其他全面收益中確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Foreign currency translation (continued)

##### (c) Group companies

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

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

### 3 主要會計政策概要(續)

#### 3.3 外幣匯兌(續)

##### (d) 出售海外業務及部分出售

出售海外業務(即出售本集團海外業務全部權益,或出售涉及失去對擁有海外業務的一間附屬公司的控制權,出售涉及失去對擁有海外業務的一間合營企業的共同控制權,或出售涉及失去對擁有海外業務的一間聯營公司的重大影響力),所有歸屬於本公司權益持有人業務的權益累計貨幣交易差額將重新分類至損益。

倘為部分出售而並未導致本集團失去對擁有海外業務的一間附屬公司的控制權,累計匯兌差額的應佔比例重新歸類為非控股股東權益,而不會於損益確認。就所有其他部分出售(即調減本集團於聯營公司或合營企業的擁有權權益後而並未導致本集團失去重大影響力或共同控制權)而言,累計匯兌差額的應佔比例重新分類至損益。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Foreign currency translation (continued)

##### (d) Disposal of foreign operation and partial disposal

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

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

### 3 主要會計政策概要(續)

#### 3.4 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊列賬。歷史成本包括收購該等項目直接應佔的開支。成本亦可包括從權益中轉撥有關以外幣購買物業、廠房及設備的合資格現金流量對沖產生的任何收益／虧損。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，且該項目的成本能可靠計量時，計入資產賬面值或確認為個別資產(如適用)。已更換零件的賬面值已被剔除入賬。所有其他維修及保養在產生的財政期間內於損益表支銷。

物業、廠房及設備折舊在扣除其估計剩餘價值後按其估計可使用年限以直線法計提撥備。估計可使用年限如下：

於日本及馬來西亞的土地使用權	無期限
樓宇	10至50年
租賃裝修	3至5年
機器及設備	5至30年
運輸工具	5至18年
電腦及電子設備	3至10年
其他設備	5至13年

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation of property, plant and equipment is provided using the straight-line method over their estimated useful lives, after deducting the estimated residual value. The estimated useful lives are as follows:

Land use rights in Japan and Malaysia	Permanent
Buildings	10 to 50 years
Leasehold improvements	3 to 5 years
Machinery and equipment	5 to 30 years
Motor vehicles	5 to 18 years
Computer and electronic equipment	3 to 10 years
Other equipment	5 to 13 years

### 3 主要會計政策概要(續)

#### 3.4 物業、廠房及設備(續)

資產剩餘價值及可使用年限在每個報告期進行檢討，及在適當時調整。

倘資產賬面值高於其估計可收回金額時，其賬面值即時撇減至可收回金額(附註3.9)。

出售收益及虧損按所得款項與賬面值的差額釐定，並在損益表的「其他收益／(虧損)－淨額」中確認。

#### 3.5 投資物業

投資物業主要由租賃土地及樓宇所組成，為獲得長期租金或資本增值或兩者兼備持有，且並非由本集團佔用。投資物業亦包括正在就日後用作投資物業建設或開發的物業。以經營租賃持有的土地，如符合投資物業其餘定義，按投資物業記賬。在該情況下，經營租賃猶如其為融資租賃而記賬。投資物業初步按成本計量，包括相關的交易成本及(如適用)借款成本。在初步確認後，投資物業按公允價值列賬，公允價值指由外部估值師於每個報告日期釐定的公開市值。公允價值根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異做出調整。如沒有此項資料，本集團利用其他估值方法，例如比較不活躍市場的近期價格或折現現金流量預測法。公允價值變動在損益表內列賬為「投資物業公允價值收益」的部分估值收益或虧損。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.9).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in the statement of profit or loss.

#### 3.5 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statement of profit or loss statement of profit or loss as part of a valuation gain or loss in 'fair value gain on investment properties'.

### 3 主要會計政策概要(續)

#### 3.5 投資物業(續)

僅有當存在以下證據證明用途改變時，才可轉入或轉出投資物業：

- (a) 投資物業用途改變為自用時，將投資物業轉換為自用物業；
- (b) 開發用以出售時，將投資物業轉換為發展中物業；
- (c) 自用物業終止自用用途時，將自用物業轉換為投資物業；或
- (d) 經營租賃予另一方時，將存貨轉換為投資物業。

倘業主佔用物業轉變為投資物業（以公允價值計量），

- (a) 因此導致物業賬面值的任何減少，在損益確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Investment property (continued)

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) commencement of development with a view to sale, for a transfer from investment property to properties under development;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When an owner-occupied property becomes an investment property, which is measured as fair value,

- (a) Any resulting decrease in the carrying amount of the property is recognised in profit or loss.

### 3 主要會計政策概要(續)

#### 3.5 投資物業(續)

(b) 因此產生的任何賬面值增加按以下方式處理：

(i) 若增加僅限於撥回先前就該物業確認的減值虧損，增加在損益確認。於損益確認的金額並不超出需要將賬面值回復至在並無確認減值虧損情況下所釐定的賬面值(扣除折舊後)的金額。

(ii) 任何餘下賬面值增額則於其他全面收益確認，及於權益項下增加重估盈餘。於其後出售該投資物業時，計入權益的重估盈餘可轉撥至保留溢利。由重估盈餘轉撥至保留溢利毋須經損益作出。

以公允價值計量的投資物業轉換為自用物業，視作該物業的成本為轉換使用當日的公允價值。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Investment property (continued)

(b) Any resulting increase in the carrying amount is treated as follows:

(i) To the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised.

(ii) Any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost is its fair value at the date of change in use.

### 3 主要會計政策概要(續)

#### 3.6 無形資產

##### (a) 商譽

商譽於收購附屬公司時產生，即所轉讓所超出的代價、被收購方的任何非控股股東權益金額及先前於被收購方的股本權益於收購日期的公允價值高於已收購可識別資產淨值的公允價值時的任何差額。

就減值測試而言，業務合併所取得的商譽分配給預期可從合併的協同效應中獲益的各現金產生單位（「現金產生單位」）或現金產生單位組別。獲分配商譽的各單位或單位組別，指該實體就內部管理目的而監察商譽的最低層面。商譽按經營分部層面監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。包含商譽的現金產生單位賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Intangible assets

##### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.



### 3 主要會計政策概要(續)

#### 3.6 無形資產(續)

##### (b) 商標及特許權

分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權於收購日期按公允價值確認。商標及特許權有限定可使用年限，並按成本減累計減值虧損列賬。倘發生事件或情況變化顯示潛在虧損時，商標及特許權須每年或更頻繁作減值檢討。商標及特許權賬面值與可收回金額作對比，而可收回金額為使用價值與扣除出售成本後的公允價值間的較高者。任何減值均即時確認為開支。

商標包括KHD Humboldt Wedag International AG (「KHD」)的品牌名稱。由於品牌名稱的賬面值將不會隨時間攤銷，故品牌名稱的估計可使用年限為無限期。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Intangible assets (continued)

##### (b) Trademarks and licenses

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have an indefinite useful life and are carried at cost less accumulated impairment loss. Trademarks and licenses impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of Trademarks and licenses are compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense.

Trademarks include the brand name of KHD Humboldt Wedag International AG (「KHD」). The estimated useful life of the brand name is indefinite as the carrying value of the brand name will not amortise over time.

### 3 主要會計政策概要(續)

#### 3.6 無形資產(續)

(c) 電腦軟件

所購電腦軟件程序按收購特定軟件及投入使用所產生的成本進行資本化。有關成本按其估計可使用年限5至10年以直線法攤銷。

與開發或維護不會產生經濟利益的電腦軟件程序相關的成本於產生時確認為開支。

(d) 專利權

專利權按其估計可使用年限10至25年以直線法攤銷。

(e) 海事使用權

海事使用權按10至50年期限以直線法攤銷。

(f) 合約客戶關係

由業務合併獲得的合約客戶關係於收購日期按公允價值確認。合約客戶關係具有有限使用年限並按成本減去累計攤銷列賬。攤銷利用直線法按自超過客戶關係估計年限5至20年計算。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Intangible assets (continued)

(c) Computer software

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 to 10 years on a straight-line basis.

Cost associated with developing or maintaining computer software programmes which do not generate economic benefits are recognised as expense as incurred.

(d) Patents

Patents are amortised on a straight-line basis over the estimated useful lives of 10-25 years.

(e) Maritime rights of use

Maritime rights of use are amortised on a straight-line basis over the period of 10-50 years.

(f) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from 5-20 years over the expected life of the customer relationship.

### 3 主要會計政策概要(續)

#### 3.7 土地使用權

所有在中國的土地都是國有的，個人擁有權並不存在。本集團收購若干土地的使用權，支付的溢價列賬為土地使用權。

持作自用的土地使用權以成本列賬並以直線法按土地剩餘租賃期攤銷。

待發展待售物業的土地使用權為存貨並按成本及可變現淨值的較低者計量。當開始發展時，土地使用權會轉至發展中物業。

#### 3.8 在建工程

在建工程包括興建中的廠房及其他物業、機械及設備，按成本列賬。成本包括建築成本、廠房及機械成本，以及於興建或安裝及測試期間用以租賃該等資產的借款的利息支出。當相關資產達致可使用狀態，其成本轉入物業、廠房及設備，並按上述有關政策計算折舊。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Land use rights

All land in the PRC is stated-owned and no individual ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights.

Land use rights which are held for self-use are stated at cost and amortised over the remaining period of the leases on a straight-line basis.

Land use rights which are held for development for sale are inventories and measured at lower of cost and net realisable value. Land use rights are transferred to properties under development upon commencement of development.

#### 3.8 Construction-in-progress

Construction-in-progress represents plant and other property, machinery and equipment under construction and is stated at cost. This includes the costs of construction, the costs of plant and machinery, and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policies as stated above.

### 3 主要會計政策概要(續)

#### 3.9 非金融資產的減值

沒有確定使用年限的資產(例如商譽或未可以動用的商標及許可證)無需攤銷,但每年須就減值進行測試。各項需要攤銷的資產當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行評估。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額為資產公允價值減銷售成本與使用價值兩者的較高者。於評估減值時,資產按可分開識別現金流量的最低層次組合。除商譽外,已減值非金融資產在每個報告日期就減值是否可以撥回進行檢討。

#### 3.10 金融資產

##### 3.10.1 分類

本集團把金融資產分為以下類別:按公允價值透過損益記賬、貸款及應收款項及可供出售。分類視乎購入金融資產的目的。管理層在初步確認時釐定金融資產的分類。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or trademarks and licenses not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 3.10 Financial assets

##### 3.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### 3 主要會計政策概要(續)

#### 3.10 金融資產(續)

##### 3.10.1 分類(續)

- (a) 按公允價值透過損益記賬的金融資產  
按公允價值透過損益記賬的金融資產指持作買賣用途的金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為對沖，否則亦分類為持作買賣用途。倘預期於12個月內結算，此類別資產分類為流動資產，否則分類為非流動。
- (b) 貸款及應收款項  
貸款及應收款項為有固定或可釐定付款但沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但若到期日由報告期末起計超過12個月者，則分類為非流動資產。本集團的貸款及其他應收款項包括資產負債表中「貿易及其他應收款項」、「抵押銀行存款」及「現金及現金等價物」(附註21、附註24及附註25)。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Financial assets (continued)

##### 3.10.1 Classification (continued)

- (a) Financial assets at fair value through profit or loss  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.
- (b) Loans and receivables  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period, these are classified as non-current assets. The Group's loans and other receivables comprise 'trade and other receivables' and 'pledged bank deposit' and 'cash and cash equivalents' in the balance sheet (Note 21, Note 24 and Note 25).

### 3 主要會計政策概要(續)

#### 3.10 金融資產(續)

##### 3.10.1 分類(續)

- (c) 可供出售金融資產  
可供出售金融資產為被指定作為此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內出售該項投資，否則此等資產列在非流動資產內。

##### 3.10.2 確認及計量

定期購入及出售的金融資產在交易日確認－交易日指本集團承諾購入或出售該資產之日。對於並非按公允價值透過損益記賬的所有金融資產，其投資初步按公允價值加交易成本確認。按公允價值透過損益列賬的金融資產，初步按公允價值確認，而交易成本則在損益表支銷。當從投資收取現金流量的權利已到期或已轉讓，而本集團將擁有權的絕大部分風險和回報轉讓時，金融資產即終止確認。可供出售金融資產及按公允價值透過損益記賬的金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Financial assets (continued)

##### 3.10.1 Classification (continued)

- (c) Available-for-sale financial assets  
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period.

##### 3.10.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

### 3 主要會計政策概要(續)

#### 3.10 金融資產(續)

##### 3.10.2 確認及計量(續)

「按公允價值計入損益的金融資產」類別因公允價值變動而產生的收益或虧損，會於產生期間在損益表按「其他收益／(虧損)－淨額」呈列。按公允價值計入損益的金融資產所產生的股息收入，在本集團收取付款的權利確立以後，於損益表其他收入確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入損益表「其他收益／(虧損)－淨額」內。

「按公允價值計入損益的金融資產」類別因公允價值變動而產生的盈虧，會於產生期間在全面收益表按「其他收益／(虧損)－淨額」呈列。按公允價值計入損益的金融資產所產生的股息收入，在本集團收取付款的權利確立以後，於全面收入報表其他收入確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Financial assets (continued)

##### 3.10.2 Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other gains/(losses) – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the group's right to receive payments is established.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as 'Other gains/(losses) – net'.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other gains/(losses) – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.



### 3 主要會計政策概要(續)

#### 3.10 金融資產(續)

##### 3.10.2 確認及計量(續)

分類為可供出售貨幣及非貨幣證券的公允價值變動於其他全面收益確認。

採用實際利率法計算的可供出售證券利息，於損益表確認為其他收入的一部分。當本集團收取款項的權利確立時，可供出售股本工具的股息於損益表內確認為其他收入的一部分。

#### 3.11 金融工具抵銷

倘若存在合法可強制執行的權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於資產負債表內呈報。合法可強制執行的權利不得依賴於未來事件及於日常業務過程中以及出現違約、無力償債或破產時，均可對本公司及對手方合法強制執行。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 Financial assets (continued)

##### 3.10.2 Recognition and measurement (continued)

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss as part of other income when the Group's right to receive payments is established.

#### 3.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 3 主要會計政策概要(續)

#### 3.12 金融資產減值

(a) 按攤銷成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據證明某一項金融資產或某組金融資產出現減值。僅當存在客觀證據證明因為初步確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關金融資產或金融資產組別才出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款金額變動或出現與違約相關的經濟狀況。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 3 主要會計政策概要(續)

#### 3.12 金融資產減值(續)

(a) 按攤銷成本列賬的資產  
(續)

就貸款及應收款項類別而言，虧損金額根據資產賬面值與按金融資產原實際利率貼現的估計未來現金流量(不包括尚未產生的未來信用虧損)的現值兩者的差額計量。資產賬面值予以削減，而虧損金額則在綜合損益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值虧損的貼現率為按合約釐定的當前實際利率。在實際應用中，本集團可利用可觀察市場價格，按工具的公允價值計量減值。

如在其後期間，減值虧損的金額減少，而此減少可客觀地聯繫至減值確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合損益表撥回。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Impairment of financial assets (continued)

(a) Assets carried at amortised cost  
(continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

### 3 主要會計政策概要(續)

#### 3.12 金融資產減值(續)

- (b) 分類為可供出售的資產  
本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某組金融資產出現減值。

就債務證券而言，倘出現減值憑證，其累計虧損(收購成本與當前公允價值兩者的差額)減該金融資產以往於損益內確認的任何減值虧損於權益中剔除，並於損益確認。倘於其後期間，分類為可供出售的債務工具的公允價值增加，且能夠客觀地釐定增加與於損益確認減值虧損後發生的事項相關，則減值虧損透過綜合損益表撥回。

就股權投資而言，證券公允價值大幅或長期低於其成本亦為資產減值的憑證。倘出現減值憑證，其累計虧損(以收購成本與當前公允價值兩者的差額計量)減該金融資產過往於損益內確認的任何減值虧損於權益中剔除，並於損益確認。在綜合損益表確認的權益工具減值虧損並不會透過綜合損益表撥回。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Impairment of financial assets (continued)

- (b) *Assets classified as available for sale*  
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

### 3 主要會計政策概要(續)

#### 3.12 金融資產減值(續)

(c) 分類為持有至到期金融資產的資產

持有至到期金融資產是指設有固定或可釐定的款項，並具備固定到期日且本集團管理層明確打算並能夠持有至到期日的非衍生金融資產。倘本集團出售持有至到期金融資產(金額微不足道者除外)，整個類別將受到影響，並重新分類至可供出售金融資產。持有至到期金融資產計入非流動資產，惟於報告期末起計12個月內到期者，則分類為流動資產。

(d) 分類為衍生金融工具的資產

衍生工具初步按衍生工具合約訂立日期的公允價值確認，其後按公允價值重新計量。本集團的衍生工具不合資格按對沖會計處理，並透過損益按公允價值記賬。本集團不合資格按對沖會計處理的衍生工具的公允價值變動，即時於損益確認。交易衍生品界定為流動資產及負債。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Impairment of financial assets (continued)

(c) Assets classified as held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payment and fixed maturities that the Group's management has the position intention and ability to hold it maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(d) Assets classified as derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group's derivative instruments do not qualify for hedge accounting, and are accounted for at fair value through profit or loss. Changes in the fair value of the Group's derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss. Trading derivative are defined as a current asset and liability.

### 3 主要會計政策概要(續)

#### 3.13 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、其他直接成本和相關的生產經常開支(依據正常營運能力)。其中不包括借款成本。可變現淨值為在日常業務過程中的估計售價，減適用的可變動銷售開支。

#### 3.14 發展中物業

發展中物業以成本或可變現淨值兩者的較低者列賬。可變現淨值參考於日常業務過程中銷售物業所得款項減去適用可變動銷售開支及預期竣工成本，或由管理層根據當時市況作出的估計釐定。

物業的發展成本包括土地使用權費用、建築成本、資本化融資成本及在正常經營週期的發展期間產生的專業費用。竣工後，該等物業轉為持作出售的竣工物業。

倘一項發展中物業成為自用物業，其被重新分類為物業、廠房及設備。未來作為投資物業用途的發展中物業分類為在建投資物業。

成本以加權平均成本法釐定。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 3.14 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties in the ordinary course of business, less applicable variable selling expense and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises land use rights, construction costs, capitalised finance costs and professional fees incurred during the development period of a normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

If a property under development becomes owner-occupied, it is reclassified as property, plant and equipment. Property under development for future use as investment property is classified as investment property under construction.

Cost is determined using the weighted average cost method.

### 3 主要會計政策概要(續)

#### 3.15 貿易及其他應收款項

貿易應收款項是於日常業務過程中向客戶銷售商品或提供服務而應收的款項。倘貿易及其他應收款項預計將在一年或一年內收回(若更長則在業務正常經營週期內)，則分類為流動資產。否則，在非流動資產中呈報。

貿易及其他應收款項初步按公允價值確認，其後則以實際利率法按攤銷成本減減值撥備計量。

#### 3.16 現金及現金等價物

在綜合現金流量表中，現金及現金等價物包括手頭現金及銀行活期存款。

#### 3.17 股本

普通股分類為權益。

發行新股份或購股權直接應佔的增量成本，列入權益作為所得款項的扣減(扣除稅項)。

倘任何本集團公司購入本公司的權益股本，所支付的代價(包括任何直接所佔的增量成本(扣除所得稅後))從本公司權益持有人應佔權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取代價(扣除任何直接所佔的增量交易成本及相關所得稅影響)計入本公司權益持有人應佔權益。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 3.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

#### 3.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's owners.



### 3 主要會計政策概要(續)

#### 3.18 永久次級可換股證券

本集團發行的永久次級可換股證券給予持有人權利以固定每股行使價隨時以該等證券轉換固定數目的本公司股份。永久可換股證券並無到期日，且不可贖回。該等證券為權益工具。

#### 3.19 貿易應付款項

貿易應付款項是於日常業務中向供應商購買商品或服務應付的債務。應付賬目如在一年或以內(或如較長則為業務正常經營週期內)到期，則分類為流動負債。否則，將列作非流動負債。

貿易應付款項初始以公允價值確認，其後利用實際利息法按攤銷成本計量。

#### 3.20 借款

借款初始按公允價值扣除產生的交易成本確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額使用實際利率法於借款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 Perpetual subordinated convertible securities

Perpetual convertible securities issued by the Group gives the right to the holder to convert those securities into a fixed number of the Company's shares at any time at a fixed exercise price per share. The perpetual convertible securities have no maturity date and are not redeemable. These securities are equity instruments.

#### 3.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 3.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 3 主要會計政策概要(續)

#### 3.21 借款成本

直接歸屬於收購及興建物業、廠房及設備(需經較長時間收購及興建方能達至擬定用途)的借款成本，在資產支出及借款成本產生、為使資產達至擬定用途所需收購及興建展開時，開始資本化並計入該資產的成本。借款成本於所收購及興建資產達至擬定用途時停止資本化，其後產生的借款成本於損益表確認。倘物業、廠房及設備的收購及興建發生非正常中斷，且中斷持續3個月以上，借款成本暫停資本化，直至資產的收購或興建重新開始為止。

就取得合資格資產的特定用途借款而言，合資格資本化的借貸成本金額為於該期間借款產生的實際借款成本減以該等借款進行臨時投資所獲任何投資收益。

就與收購、興建及生產合資格資產有關的其他借款而言，合資格資本化的借款成本金額應為已產生實際借款成本與並非由特定借款提供資金的合資格資產兩者的較低者乘以資本化率。資本化率為該等借款的加權平均利率。所有其他借款成本均列作開支。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.21 Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a property, plant and equipment that needs a substantially long period of time of acquisition and construction for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognised in statement of profit or loss. Capitalisation of borrowing costs is suspended when the acquisition or construction of a property, plant and equipment is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For a borrowing that is specifically for the purpose of obtaining a qualifying asset, the amounts of borrowing costs eligible for capitalisation are the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of these borrowings.

For the other borrowings related to acquisition, construction and production of a qualifying asset, the amount of borrowing costs eligible for capitalisation shall be the lower of the actual borrowing costs incurred and the amount of qualifying asset not financed by specific borrowings multiplying capitalisation rate. The capitalisation rate is the weighted average interest rate of these borrowings. All other borrowing costs are expensed.

### 3 主要會計政策概要(續)

#### 3.22 建築合約

合約成本於產生時確認。倘建築合約的結果不能可靠計量，則合約收入僅就可能收回的已產生合約成本予以確認。倘建築合約的結果能可靠計量，且合約將可獲利，則合約收入於合約期間予以確認。倘合約總成本將超過合約總收入，則預期虧損即時確認為開支。

合約工程修改、申索及獎勵金計入合約收入，以與客戶協定且能可靠計量者為限。

本集團採用「完成百分比法」確定在某段期間內須確認的適當金額。完成階段根據完成的合約工程實質比例，參考每份合約直至結算日的已產生成本佔估計總預算成本的百分比確定。

就已產生成本加已確認溢利(減已確認虧損)超過進度付款的所有進行中合約而言，本集團將其合約工程的應收客戶總金額呈報為資產。客戶未支付的進度付款和保留款列入貿易應收款項。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22 Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

The Group uses the “percentage of completion method” to determine the appropriate amount to be recognised in a given period. The stage of completion is determined based on the completion of a physical proportion of the contract work by reference to the cost incurred up to the balance sheet date as a percentage of total estimated budgeted cost for each contract.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade receivables.

### 3 主要會計政策概要(續)

#### 3.22 建築合約(續)

就進度付款超過已產生成本加已確認溢利(減已確認虧損)的所有進行中合約而言，本集團將其合約工程的應付客戶總金額呈報為負債。

#### 3.23 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於損益表確認，惟於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益確認。

##### (a) 即期所得稅

即期所得稅支出根據本公司附屬公司及聯營公司營運及產生應課稅收入所在國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關繳納的稅款設定撥備。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22 Construction contracts (continued)

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

#### 3.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 3 主要會計政策概要(續)

#### 3.23 即期及遞延所得稅(續)

(b) 遞延所得稅

內在基準差額

遞延所得稅使用負債法就資產及負債的稅基與其於綜合財務報表中所載賬面值之間的暫時差額作出確認。然而，倘遞延稅項負債自商譽初步確認虧損產生，則不會予以確認，如遞延所得稅來自在交易(業務合併除外)中對資產或負債的初步確認，而交易時會計損益或應課稅損益均不受影響，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈，及在相關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)釐定。

遞延所得稅資產僅在可能有未來應課稅溢利可用作抵銷暫時差額時確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Current and deferred income tax (continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 3 主要會計政策概要(續)

#### 3.23 即期及遞延所得稅(續)

##### (b) 遞延所得稅(續)

###### 外部基準差額

遞延所得稅就於附屬公司及聯營公司投資產生的暫時差額計提撥備，惟倘本集團可控制暫時差額的撥回時間，且暫時差額在可預見將來有可能不會撥回則除外。本集團通常不能控制聯營公司暫時差額撥回。僅限於訂立協議賦予本集團權利於可見將來控制暫時差額撥回。就聯營公司未分配利潤產生的應課稅暫時差額並未確認遞延稅項負債。

遞延所得稅資產僅會於暫時差額將於未來撥回及有充足應課稅溢利可用以動用暫時差額時，在附屬公司、聯營公司及合營安排投資產生可扣稅暫時差額確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Current and deferred income tax (continued)

##### (b) Deferred income tax (continued)

###### Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

### 3 主要會計政策概要(續)

#### 3.23 即期及遞延所得稅(續)

(c) 抵銷

遞延所得稅資產及負債在有合法行使的權利將即期稅項資產與即期稅項負債抵銷時，及在遞延稅項資產及負債與由同一稅務機關向同一應課稅實體或不同應課稅實體(該等實體擬按淨額基準處理結餘)徵收的所得稅項有關時，方可抵銷。

#### 3.24 僱員福利

本集團設有多項離職後福利計劃，包括界定福利及界定供款退休金計劃以及離職後醫療計劃。

(a) 退休金責任

界定供款計劃屬退休金計劃，本集團可據此向單獨實體作出固定供款。倘基金並無持有充足資產向全體僱員支付與本期間及過往期間僱員服務有關的利益，本集團並無法定或推定責任進一步作出供款。界定福利計劃為並非屬界定供款計劃的退休金計劃。

一般而言，界定福利計劃確定僱員在退休時可收取的退休福利金額，一般會視乎年齡、服務年資及補償等一個或多個因素而定。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 3.24 Employee benefit

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.



### 3 主要會計政策概要(續)

#### 3.24 僱員福利(續)

(a) 退休金責任(續)

在資產負債表內就有關界定福利退休金計劃確認的負債，為報告期末界定福利責任的現值減計劃資產的公允價值。界定福利責任每年由獨立精算師以預計單位貸記法計算。界定福利責任的現值利用將用以支付福利的貨幣計值且到期日與有關退休金責任年期相近的高質素公司債券的利率，將估計未來現金流出貼現計算。對於有關債券市場不大的國家而言，則採用政府債券的市場利率。

界定福利計劃的當期服務成本於損益表僱員福利費用中確認，惟已計入資產成本者除外，反映本年度僱員服務所產生界定福利責任的增加、福利的變動、縮減及結算。

過往服務成本即時於損益表確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.24 Employee benefit (continued)

(a) Pension obligations (continued)

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in statement of profit or loss.

### 3 主要會計政策概要(續)

#### 3.24 僱員福利(續)

##### (a) 退休金責任(續)

利息成本淨值按界定福利責任的結餘淨值及計劃資產的公允價值，按貼現率計算。該成本於損益表中計入僱員福利費用內。

經驗調整所產生的精算收益及虧損以及精算假設變動，於產生期間自其他全面收益的權益中扣除或計入。

就界定供款計劃而言，本集團按強制、合約或自願基準向公營或私營退休金保險計劃作出供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利費用。預付供款按照現金退款或可減少未來付款而確認為資產。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.24 Employee benefit (continued)

##### (a) Pension obligations (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the further payments is available.

### 3 主要會計政策概要(續)

#### 3.24 僱員福利(續)

(b) 其他離職後責任

若干集團公司向其退休人士提供退休後醫療福利。享有該等福利的權利通常須以僱員於直至退休年齡前一直在任且完成最低服務期間為先決條件。該等福利的預計成本使用與界定福利退休金計劃所用的相同會計方法於僱傭期間累計。經驗調整所產生的精算收益及虧損以及精算假設的變動於產生期間自其他全面收益的權益中扣除或計入。該等責任每年由獨立合資格精算師進行評估。

(c) 終止福利及提前退休福利

終止福利為在正常退休日之前本集團終止僱傭而應付的款項或員工自願接受裁員以換取的福利。本集團於以下日期的較早者確認終止福利：(i)本集團無法再撤回所提供的福利；及(ii)實體就國際會計準則第37號範疇內的重組確認成本並涉及支付終止福利。於提出鼓勵自願接受裁員的要約情況下，終止福利按預期接納要約的僱員數目計量。於報告期末後超過12個月到期應付的福利折現至其現值。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.24 Employee benefit (continued)

(b) Other post-employment obligations

Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits and early retirement benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### 3 主要會計政策概要(續)

#### 3.25 研究及開發

研究開支在產生時確認為費用。開發項目(涉及新產品及改良產品的設計和測試)產生的成本在滿足下列條件時確認為無形資產：

- 技術上可行地完成該無形資產以供使用；
- 管理層有意完成並使用或出售該無形資產；
- 有能力使用或出售該無形資產；
- 可證明該無形資產將可產生未來經濟利益；
- 有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發並使用或出售該無形資產；及
- 歸屬於該無形資產開發階段的開支能可靠計量。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.25 Research and development

Research expenditures is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

### 3 主要會計政策概要(續)

#### 3.25 研究及開發(續)

其他不符合該等標準的開發開支在產生時確認為費用。先前已確認為費用的開發成本不會在往後期間確認為資產。已資本化的開發成本列為無形資產，由資產可供使用時起於其估計可使用年限以直線法攤銷。

#### 3.26 撥備

倘本集團因過往事件而產生現有法定或推定責任；很可能需有資源流出以清償責任；及金額已被可靠估計時，須就環境復原、重組費用和法律索償確認撥備。重組撥備包括租賃終止罰款和僱員辭退付款。就未來經營虧損作出的撥備不予確認。

倘有多項類似義務，需於結算時資源流出的可能性按責任類別整體考慮而釐定。即使有關同一責任類別所含任何一個項目的資源流出可能性極低，仍須確認撥備。

撥備使用稅前利率按照預期需清償責任的開支現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間流逝而增加的撥備確認為利息支出。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.25 Research and development (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives.

#### 3.26 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 3 主要會計政策概要(續)

#### 3.27 收入確認

收入按已收或應收代價的公允價值計量，為就供應貨品應收的金額，並於扣除回扣及增值稅後列賬。倘收入金額能可靠計量；未來經濟利益可能流入實體；及本集團每項業務均符合具體標準時（如下文所述），本集團將確認收入。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 銷售貨品

銷售貨品在本集團實體已將貨品交付予客戶，而客戶已接收貨品且有關應收款項的收回可合理確保時確認。

(b) 合約收入

個別建築合約收入採用「完成百分比法」（附註3.22）確認。

(c) 租賃收入

按經營租約出租的投資物業所得租賃收入以直線法於租賃期在損益表內確認。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.27 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of goods

Sale of goods are recognised when a Group entity has delivered products to the customer. The customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) Contract revenue

Revenue from individual construction contracts is recognised by using the "percentage of completion method" (Note 3.22).

(c) Rental income

Rental income from investment properties leased out under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

### 3 主要會計政策概要(續)

#### 3.27 收入確認(續)

(d) 服務收入  
提供服務的收入在提供服務的會計期間確認。

(e) 利息收入  
利息收入採用實際利率法按時間比例基準確認。

(f) 股息收入  
股息收入在收取款項的權利確定時確認。

#### 3.28 股息分派

向本公司股東分派的股息在股息獲本公司股東批准(如適用)的期間內於本集團及本公司財務報表內確認為負債。

#### 3.29 政府補貼

當能夠合理地保證可收取政府補貼，而本集團將會符合所有附帶條件時，政府提供的補貼將按其公允價值確認。

與成本有關的政府補貼遞延入賬，並按擬補償的成本配合所需期間在損益表中確認。

與物業、廠房及設備有關的政府補貼列入非流動負債，作為政府補貼遞延收入，並按有關資產的預計年限以直線法計入損益表。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.27 Revenue recognition (continued)

(d) Services income  
Revenue from rendering of services is recognised in the accounting period in which the services are rendered.

(e) Interest income  
Interest income is recognised on a time-proportion basis using the effective interest method.

(f) Dividend income  
Dividend income is recognised when the right to receive payment is established.

#### 3.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, where appropriate.

#### 3.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.



### 3 主要會計政策概要(續)

#### 3.30 財務擔保

財務擔保合約要求發出人就償付持有人因指定債務人未能根據債務工具的原有或經修訂條款支付到期款項所蒙受損失而作出特定付款的合約。於初步確認後，財務擔保合約由發出人須按對債務的最佳估計及初步確認款項的較高者減(如適用)就確認所賺取費用收入於擔保合約年內按直線法計算所得累計攤銷計量。

#### 3.31 租賃

##### (a) 倘本集團為出租人

##### 融資租賃

融資租賃為將出租資產擁有權附帶的絕大部分風險和回報轉讓予承租人的租賃。於租賃期開始時，本集團將其可收取的最低租賃付款款項確認為融資租賃應收款項，並同時將無擔保剩餘價值列賬為資產。以下兩者(a)最低租賃付款與無擔保剩餘價值之和及(b)該等款項的現值(於資產負債表中作為融資租賃應收款項，淨額呈列)之間的差額確認為未賺取融資收入。最低租賃付款為承租人須或可能須於租賃期作出的付款加承租人(或與該承租人有關聯或無關聯的訂約方)向出租人擔保的任何剩餘價值。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.30 Financial guarantee

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 payment when due in accordance with the original or modified terms of a debt instrument. After initial recognition, an issuer of such a contract shall measure it at the higher of the best estimate of the obligation and the amount initially recognized less, when appropriate, cumulative amortisation calculated to recognise the fee income earned on a straight line basis over the life of the guarantee contract.

#### 3.31 Leases

##### (a) Where the Group is the lessor

##### Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At the commencement of the lease term, the Group recognises the minimum lease payments receivable by the Group as a finance lease receivable and records the unguaranteed residual value as an asset at the same time. The difference between (a) the aggregate of the minimum lease payments and the unguaranteed residual value and (b) their present value (presented in the balance sheet as finance lease receivable, net) is recognised as unearned finance income. Minimum lease payments are the payments over the lease term that the lessee is or can be required to make plus any residual value guaranteed to the lessor by the lessee, or a party related or unrelated to the lessee.

### 3 主要會計政策概要(續)

#### 3.31 租賃(續)

- (a) 倘本集團為出租人(續)  
融資租賃(續)  
未賺取融資收入使用於各會計期間對融資收入及資本還款進行分配的精算法透過將融資收入確認為有關出租人於租賃的淨投資的固定定期回報率方式分配至租賃期各期間。基本租金基於浮動利率的租賃協議計入最低租賃付款(基於租賃期開始時存在的浮動利率)；其後浮動利率變動所致租賃付款的任何增加或減少屬或然租金，並於利率變動期間記入租賃收入的增加或減少。

#### 經營租賃

擁有權的重大部分風險和回報由本集團保留的租賃分類為經營租賃。根據經營租賃自承租人收取的付款(扣除給予承租人任何獎勵金後)，於租賃期內以直線法在損益表確認。

- (b) 倘本集團為承租人  
擁有權的重大部分風險和回報由出租人保留的租賃分類為經營租賃。根據經營租賃作出的付款(扣除自出租人收取的任何獎勵金後)，於租賃期內以直線法在損益表支銷。

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.31 Leases (continued)

- (a) Where the Group is the lessor (continued)  
Finance lease (continued)  
Unearned financial income is allocated to each period during the lease term using actuarial method that allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income is recognised as a constant periodic rate of return (implicit effective interest rate) on the lessor's net investment in the lease. Lease agreements for which the base rent is based on floating interest rates are included in minimum lease payments based on the floating interest rate existing at the commencement of the lease; any increase or decrease in lease payments that result from subsequent changes in floating interest rate are contingent rentals and are recorded as an increase or a decrease in lease revenue in the period of the interest rate change.

#### Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. Payments received from lessees under operating leases (net of any incentives grant to the lessee) are recognised in the statement of profit or loss on a straight-line basis over the period of the lease.

- (b) Where the Group is the lessee  
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

#### 4 財務風險管理

本集團的業務承受著多種財務風險：市場風險（包括貨幣風險、價格風險、公允價值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團採用衍生金融工具對沖若干風險。

##### (a) 市場風險

###### (i) 外匯風險

本集團業務主要以人民幣為單位。雖然本集團大部分資產及負債以人民幣計值，但仍然面臨來自於未來商業交易以及所確認以非人民幣（包括美元（「美元」）、歐元（「歐元」）、斯里蘭卡盧比（「斯里蘭卡盧比」）、印度盧比（「印度盧比」）、日圓（「日圓」）、肯尼亞先令（「肯尼亞先令」）、阿聯酋迪拉姆（「阿聯酋迪拉姆」）、阿爾及利亞第納爾（「阿爾及利亞第納爾」）、港元（「港元」）、馬來西亞令吉（「馬來西亞令吉」）、韓圓（「韓圓」）、新加坡元（「新加坡元」）及坦桑尼亞先令（「坦桑尼亞先令」）等）計值的已確認資產及負債的外匯風險。本集團訂立遠期合約以對沖若干外匯風險。此外，人民幣與外幣的兌換須遵守中國政府頒佈的外匯管理規定及條例。

#### 4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group's activities are principally conducted in RMB. Although majority of the Group's assets and liabilities are denominated in RMB, the Group is still subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB, including US Dollars ("USD"), European Dollars ("EUR"), Sri Lankan Rupee ("LKR"), India Rupee ("INR"), Japanese Yen ("JPY"), Kenia Shilling ("KES"), Arab Emir. Dirham ("AED"), Algerian Dinar ("DZD"), Hong Kong Dollars ("HKD"), Malaysian Ringgit ("MYR"), Korean Won ("KRW"), Singapore Dollars ("SGD"), Tanzanian Shilling ("TZS") etc. The Group entered into forward contracts to hedge certain the foreign exchange risk. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange controls promulgated by the PRC government.

#### 4 財務風險管理(續)

##### (a) 市場風險(續)

##### (i) 外匯風險(續)

本集團以外幣計值的貨幣資產及貨幣負債於各結算日的賬面值如下：

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一五年 十二月三十一日 31 December 2015 人民幣千元 RMB'000
資產	Assets		
美元	USD	8,363,717	5,834,474
歐元	EUR	1,148,477	1,391,871
斯里蘭卡盧比	LKR	878,251	527,421
印度盧比	INR	456,119	373,606
日圓	JPY	401,608	361,425
肯尼亞先令	KES	290,901	342,261
阿爾及利亞第納爾	DZD	170,119	129,700
阿聯酋迪拉姆	AED	149,340	136,023
馬來西亞令吉	MYR	108,776	66,289
港元	HKD	68,087	70,582
新加坡元	SGD	54,299	3,912
坦桑尼亞先令	TZS	48,930	40,299
韓圓	KRW	14,477	11,293
其他	Others	56,359	63,913
		12,209,460	9,353,069

#### 4 財務風險管理(續)

##### (a) 市場風險(續)

##### (i) 外匯風險(續)

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

		二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000	二零一五年 十二月三十一日 31 December 2015 人民幣千元 RMB'000
<b>負債</b>	<b>Liabilities</b>		
美元	USD	5,127,075	5,287,652
斯里蘭卡盧比	LKR	1,280,694	1,073,056
歐元	EUR	1,440,519	2,660,781
阿爾及利亞第納爾	DZD	348,985	318,994
肯尼亞先令	KES	289,392	503,334
日圓	JPY	252,826	534,540
新加坡元	SGD	207,746	211,092
阿聯酋迪拉姆	AED	203,654	171,700
港元	HKD	176,005	330,308
瑞士法郎	CHF	74,131	46,771
埃塞俄比亞比爾	ETB	68,296	—
坦桑尼亞先令	TZS	56,517	47,289
其他	Others	307,024	66,917
		<b>9,832,864</b>	11,252,434

下表顯示有關人民幣兌相關外幣除稅前溢利升值5%的敏感度分析。本敏感度分析僅包括以外幣計值的貨幣項目，並在年底就各自的匯率變動作出換算調整。

The following table shows the sensitivity analysis on profit before tax of a 5% increase in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year the end for the respective changes in rate.

4 財務風險管理(續)

(a) 市場風險(續)

(i) 外匯風險(續)

4 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
美元匯率升值5%	5% appreciation in exchange rate of USD		
年度除稅前溢利增加	Increase in the profit before tax for the year	161,832	27,341
歐元匯率升值5%	5% appreciation in exchange rate of EUR		
年度除稅前溢利減少	Decrease in the profit before tax for the year	(14,602)	(63,446)
斯里蘭卡盧比匯率升值5%	5% appreciation in exchange rate of LKR		
年度除稅前溢利(減少)/增加	(Decrease)/Increase in the profit before tax for the year	(20,122)	27,282
印度盧比匯率升值5%	5% appreciation in exchange rate of INR		
年度除稅前溢利增加	Increase in the profit before tax for the year	18,478	18,654
日圓匯率升值5%	5% appreciation in exchange rate of JPY		
年度除稅前溢利增加/(減少)	Increase/(Decrease) in the profit before tax for the year	7,439	(8,656)
肯尼亞先令匯率升值5%	5% appreciation in exchange rate of KES		
年度除稅前溢利增加	Increase in the profit before tax for the year	75	8,054
阿聯酋迪拉姆匯率升值5%	5% appreciation in exchange rate of AED		
年度除稅前溢利(減少)/增加	(Decrease)/Increase in the profit before tax for the year	(2,716)	1,784

#### 4 財務風險管理(續)

##### (a) 市場風險(續)

##### (i) 外匯風險(續)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
阿爾及利亞第納爾 匯率升值5%	5% appreciation in exchange rate of DZD		
年度除稅前溢利 (減少)/增加	(Decrease)/Increase in the profit before tax for the year	(8,943)	9,465
港元匯率升值5%	5% appreciation in exchange rate of HKD		
年度除稅前溢利減少	Decrease in the profit before tax for the year	(5,396)	(12,986)
馬來西亞令吉匯率 升值5%	5% appreciation in exchange rate of MYR		
年度除稅前溢利增加	Increase in the profit before tax for the year	4,014	3,044
韓圓匯率升值5%	5% appreciation in exchange rate of KRW		
年度除稅前溢利 增加/(減少)	Increase/(Decrease) in the profit before tax for the year	677	(489)
新加坡元匯率升值5%	5% appreciation in exchange rate of SGD		
年度除稅前溢利 (減少)/增加	(Decrease)/Increase in the profit before tax for the year	(7,672)	10,359

##### (ii) 價格風險

本集團由於持有上市股份投資(於綜合資產負債表分類為按公允價值透過損益記賬的金融資產/(負債))而面臨股本證券價格風險(附註23)。本集團所面臨按公允價值透過損益記賬的金融資產/(負債)價格風險並不重大。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

##### (ii) Price risk

The Group is exposed to equity securities price risk of its listed share investments which are classified on the consolidated balance sheet as financial assets/(liabilities) at fair value through profit or loss (Note 23). The exposure of the price risk of financial assets/(liabilities) at fair value through profit or loss is not material to the Group.



#### 4 財務風險管理(續)

##### (a) 市場風險(續)

##### (iii) 現金流量及公允價值利率風險

本集團的利率風險主要來自借款。按浮動利率發行的借款令本集團承受現金流量利率風險，按固定利率發行的借款令本集團承受公允價值利率風險。本集團目前並無使用任何利率掉期安排。然而，本集團會於有需要時考慮對沖利率風險。

下表概述在其他變數維持不變的情況下，於二零一六年十二月三十一日的利率變動對本集團年度溢利的影響。

		利率 Interest rate 上升10% 下跌10% 10% higher 10% lower 二零一六年度 溢利(減少)/增加 (Decrease)/increase in profit for year 2016 人民幣千元 人民幣千元 RMB'000 RMB'000	
浮動利率借款	Borrowings at variable rates		
於融資成本 (扣除)/計入	(Charged)/credited to finance costs	(45,612)	45,612

本集團借款的利率及還款期於附註29披露。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (a) Market risk (continued)

##### (iii) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

The table below summaries the impact of changes in interest rate at 31 December 2016 with all other variables held at constant on the Group's profit for the year.

The interest rates and terms of repayment of borrowings of the Group are disclosed in Note 29.

#### 4 財務風險管理(續)

##### (b) 信貸風險

本集團因現金及現金等價物、初始期限超逾三個月的定期存款、受限制現金及貿易及其他應收款項承受信貸風險。

本集團絕大部分現金及現金等價物均存放於屬於高信貸質量金融機構的國有金融機構及著名銀行。本集團已全部履約的銀行現金、銀行存款及受限制存款概無於本年度內進行重新商討。

貿易及其他應收款項的賬面值指本集團就金融資產所面臨的最大信貸風險。於二零一六年十二月三十一日，五大客戶佔貿易及其他應收款項結餘逾34%(二零一五年十二月三十一日：18%)。

本集團一般向現有客戶授出不超過一年的信用期限，且不需抵押品。本集團貿易應收款項的賬齡分析於附註21披露。管理層定期對貿易及其他應收款項的可收回性進行集中及個別評估，基準為過往付款記錄、逾期時間長短、債務人財務實力及與相關債務人是否有任何爭議。本集團於收取貿易及其他應收款項的過往經驗屬已列賬撥備範圍內，董事認為已就不可收回應收款項計提足夠撥備。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, term deposits with initial term of over three months, restricted cash, and trade and other receivables.

Substantially all of the Group's cash and cash equivalents are held in state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. None of cash at bank, bank deposits and restricted cash of the Group that were fully performing has been renegotiated during the year.

The carrying amounts of trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. The top 5 customers accounted for more than 34% of the balance of trade and other receivables as at 31 December 2016 (31 December 2015: 18%).

The Group normally grants credit terms of not more than 1 year to existing customers without collaterals. Aging analysis of the Group's trade receivables is disclosed in Note 21. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made.

#### 4 財務風險管理(續)

##### (b) 信貸風險(續)

扣除持有抵押品或其他信用增級前的最高信用風險：

		本集團最高風險 Group Maximum exposure	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
有關資產負債表外項目的 信貸風險值：	Credit risk exposure relating to off-balance sheet items:		
財務擔保	Financial guarantees	2,622,966	1,532,000

##### (c) 流動資金風險

本集團董事會透過維持充足現金以應付日常營運承擔以及透過銀行信貸融資(包括短期及長期銀行貸款)取得充足資金來管理流動資金風險。

下表根據結算日餘下期間至合約到期日的分析，將本集團及本公司的非衍生金融負債分為有關到期日組別。該表所披露的金額為合約未貼現現金流量。由於貼現影響不大，故於十二個月內到期的結餘與其賬面結餘相若。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (b) Credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements:

##### (c) Liquidity risk

The board of directors of the Group manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and sourcing adequate funding through banking credit facilities, including short-term and long-term bank loans.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

4 財務風險管理(續)  
(c) 流動資金風險(續)

4 FINANCIAL RISK MANAGEMENT (continued)  
(c) Liquidity risk (continued)

		少於1年 Less than 1 year 人民幣千元 RMB'000	1至2年 Between 1 and 2 years 人民幣千元 RMB'000	2至5年 Between 2 and 5 years 人民幣千元 RMB'000	超過5年 Over 5 years 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一六年十二月三十一日	At 31 December 2016					
借款	Borrowings	9,475,288	3,047,142	3,764,108	3,191,546	19,478,084
貿易及其他應付款項 (不包括非金融負債)	Trade and other payables (excluded non-financial liabilities)	12,895,856	73,391	-	-	12,969,247
其他負債	Other liabilities	23,895	8,086	81,887	61	113,929
財務擔保合約本金額	Principal amount of financial guarantee contracts	1,597,794	588,250	686,922	-	2,872,966
總計	Total	23,992,833	3,716,869	4,532,917	3,191,607	35,434,226
		少於1年 Less than 1 year 人民幣千元 RMB'000	1至2年 Between 1 and 2 years 人民幣千元 RMB'000	2至5年 Between 2 and 5 years 人民幣千元 RMB'000	超過5年 Over 5 years 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年十二月三十一日	At 31 December 2015					
借款	Borrowings	9,007,608	2,492,437	5,115,605	4,171,178	20,786,828
貿易及其他應付款項 (不包括非金融負債)	Trade and other payables (excluded non-financial liabilities)	13,097,697	52,354	-	-	13,150,051
其他負債	Other liabilities	441,744	21,722	80,576	3,886	547,928
財務擔保合約本金額	Principal amount of financial guarantee contracts	1,099,040	73,940	219,020	140,000	1,532,000
總計	Total	23,646,089	2,640,453	5,415,201	4,315,064	36,016,807

#### 4 財務風險管理(續)

##### (d) 公允價值估計

下表按估值法分析按公允價值列賬的金融工具。不同級別定義如下：

- 同類資產或負債在活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接觀察所得輸入值(即價格)或間接觀察所得輸入值(即從價格得出)(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

下表載列於二零一六年十二月三十一日按公允價值計量的本集團資產。有關按公允價值計量的投資物業的披露見附註11。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets that are measured at fair value at 31 December 2016. See Note 11 for disclosures of investment properties that are measured at fair value.

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
<b>資產</b>	<b>Assets</b>				
按公允價值透過損益記賬的金融資產	Financial assets at fair value through profit or loss	2,901	-	-	2,901
可供出售金融資產	Available-for-sale financial assets	-	-	583,560	583,560
<b>總資產</b>	<b>Total assets</b>	<b>2,901</b>	<b>-</b>	<b>583,560</b>	<b>586,461</b>

#### 4 財務風險管理(續)

##### (d) 公允價值估計(續)

下表載列於二零一五年十二月三十一日按公允價值計量的本集團資產及負債。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015.

		第一級 Level 1 人民幣千元 RMB'000	第二級 Level 2 人民幣千元 RMB'000	第三級 Level 3 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
<b>資產</b>	<b>Assets</b>				
按公允價值透過損益 記賬的金融資產	Financial assets at fair value through profit or loss	4,385	–	–	4,385
可供出售金融資產	Available-for-sale financial assets	–	–	604,151	604,151
<b>總資產</b>	<b>Total assets</b>	4,385	–	604,151	608,536
<b>負債</b>	<b>Liabilities</b>				
按公允價值透過損益 記賬的金融負債	Financial liabilities at fair value through profit or loss	3,122	–	–	3,122
<b>總負債</b>	<b>Total liabilities</b>	3,122	–	–	3,122

年內，第一級與第二級之間概無轉撥。

There were no transfers between Levels 1 and 2 during the year.

#### 4 財務風險管理(續)

##### (d) 公允價值估計(續)

###### (i) 第一級金融工具

於活躍市場買賣的金融工具公允價值根據結算日的市場報價計算。活躍市場指可輕易及定期地從交易所、交易商、經紀人、行業集團、報價服務或規管機構取得報價的市場，而有關報價反映定期按公平基準進行的實際市場交易。本集團所持金融資產所用的市場報價為當時買盤價。該等工具列入第一級。第一級所包括的工具包含於深圳或上海證券交易所上市的公司的上市A股股權投資。

###### (ii) 第二級金融工具

於活躍市場並無買賣的金融工具(例如場外衍生工具)公允價值利用估值技術釐定。該等估值技術盡量利用可觀察市場數據(如有)，盡量少依賴實體的特定估計。如計算工具的公允價值所需所有重大輸入值為可觀察數據，則該工具列入第二級。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Fair value estimation (continued)

###### (i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise equity investments in listed A shares of companies listed on Shenzhen or Shanghai Stock Exchange.

###### (ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.



#### 4 財務風險管理(續)

##### (d) 公允價值估計(續)

###### (ii) 第二級金融工具(續)

倘一個或多個重大輸入值並非根據可觀察市場數據所得，則該工具列入第三級。

用於評估金融工具的具體估值技術包括：

- 市場報價及同類工具的交易商報價；
- 利率掉期的公允價值根據可觀察的收益率曲線估計未來現金流量的現值計算；
- 遠期外匯合約的公允價值則採用結算日的遠期匯率釐定，所產生的價值再貼現至現值；
- 例如貼現現金流量分析的其他技術用於釐定餘下金融工具的公允價值。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Fair value estimation (continued)

###### (ii) Financial instruments in Level 2 (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

#### 4 財務風險管理(續)

##### (d) 公允價值估計(續)

##### (iii) 第三級金融工具

下表呈列截至二零一六年十二月三十一日止年度第三級工具的變動。

		可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000
年初結餘	Opening balance	604,151
添置	Additions	2,200
出售	Disposals	(7,791)
撥備	Provision	(15,000)
年末結餘	Closing balance	583,560

下表呈列截至二零一五年十二月三十一日止年度第三級工具的變動。

		可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000
年初結餘	Opening balance	257,940
出售附屬公司	Disposal of subsidiaries	(20,000)
添置	Additions	369,500
出售	Disposals	(3,289)
年末結餘	Closing balance	604,151

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Fair value estimation (continued)

##### (iii) Financial instruments in Level 3

The following table presents the changes in Level 3 instruments for the year ended 31 December 2016.

The following table presents the changes in Level 3 instruments for the year ended 31 December 2015.

#### 4 財務風險管理(續)

##### (e) 資本風險管理

本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他股東帶來利益，並維持最佳資本架構以降低資金成本。

為維持或調整資本架構，本集團可調整向股東支付股息的金額、發行新股份或出售資產以減少債項。

與業內其他公司一樣，本集團根據資本負債比率監控資本。該比率按負債淨額除以資本總額計算。負債淨額按借款總額(包括如綜合資產負債表中所示的「流動及非流動借款」)減現金及現金等價物計算。資本總額按綜合資產負債表所示「權益」加負債淨額計算。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

#### 4 財務風險管理(續)

##### (e) 資本風險管理(續)

於二零一六年及二零一五年十二月三十一日的資本負債比率如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
借款總額(i)	Total borrowings (i)	18,589,087	20,453,756
減：現金及現金等價物 (附註25)	Less: cash and cash equivalents (Note 25)	(9,020,381)	(11,780,904)
負債淨額	Net debt	9,568,706	8,672,852
總權益	Total equity	25,366,513	24,341,116
資本總額	Total capital	34,935,219	33,013,968
資本負債比率	Gearing ratio	27%	26%

- (i) 總借款包括為數人民幣 18,224,396,000 元 (二零一五年：人民幣 18,993,593,000 元) (附註 29) 的借款，計入其他負債的人民幣 82,053,000 元 (二零一五年：人民幣 480,035,000 元) 的借款及計入貿易及其他應付款項的人民幣 282,638,000 元 (二零一五年：人民幣 980,128,000 元) 的借款。

#### 4 FINANCIAL RISK MANAGEMENT (continued)

##### (e) Capital risk management (continued)

The gearing ratios at 31 December 2016 and 2015 are as follows:

- (i) Total borrowings comprised borrowings of RMB 18,224,396,000 (2015: RMB 18,993,593,000) (Note 29), borrowings included in other liabilities of RMB 82,053,000 (2015: RMB 480,035,000), and borrowings included in trade and other payables of RMB 282,638,000 (2015: RMB 980,128,000).

## 5 關鍵會計估計及判斷

估計及判斷會持續予以評估，並以過往經驗及其他因素（包括在某些情況下被視為對未來事件的合理預計）為依據。

### 5.1 關鍵會計估計及假設

本集團對未來作估計及假設。所得會計估計顧名思義極少與相關的實際結果相同。下文論述存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險估計及假設。

#### (a) 應收款項減值

本集團根據貿易及其他應收款項的可收回性評估並參考將予收回金額的數額及時間，就應收款項減值作出撥備。倘發生事件或情況有變顯示結餘可能不能收回，則會就貿易及其他應收款項作出撥備。識別潛在減值需要運用判斷及估計。倘預期與原本估計不同，有關差異將影響有關估計變動期間貿易及其他應收款項的賬面值以及呆賬開支。

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) *Impairment of receivables*

The Group makes provision for impairment of receivables based on an assessment of the recoverability of trade and other receivables with reference to the extent and duration that the amount will be recovered. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of potential impairment requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

## 5 關鍵會計估計及判斷(續)

### 5.1 關鍵會計估計及假設(續)

#### (b) 物業、廠房及設備減值

物業、廠房及設備按成本減累計折舊列賬。倘發生事件或情況有變顯示可能不能收回賬面值，則就減值審核該等賬面值。所確認的減值虧損為資產賬面值超過其可收回金額的數額。可收回金額為資產公允價值減出售成本與使用價值兩者中的較高者。於估計資產的可收回金額時，將作出多項假設，包括與資產有關的未來現金流量、折舊及貼現率。倘未來事件與有關假設並未相符，將須修訂可收回金額，而此舉可能對本集團的經營業績或財務狀況構成影響。管理層認為，截至二零一六年十二月三十一日的物業、廠房及設備的賬面值毋須計提減值支出。

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

### 5.1 Critical accounting estimates and assumptions (continued)

#### (b) Impairment of property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the assets and depreciation and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. Management considered that there was no impairment charge required to be made to the carrying value of property, plant and equipment as at 31 December 2016.

## 5 關鍵會計估計及判斷(續)

### 5.1 關鍵會計估計及假設(續)

- (c) *存貨撥備*  
於釐定陳舊及滯銷存貨的撥備金額時，本集團須評估客戶訂單、存貨賬齡分析，並將存貨的賬面值與其各自可變現淨值作比較。於釐定有關撥備時須作出大量判斷。倘影響存貨可變現淨值的條件惡化，則可能須作出額外撥備。

- (d) *所得稅及遞延稅項*  
於釐定所得稅撥備時須作出重大判斷。在正常業務過程中，許多交易及計算的最終釐定並不確定。倘該等事項的最終稅務結果與最初記錄金額不同，則該差異將影響作出釐定期間的所得稅及遞延稅項撥備。

當管理層認為將來很可能有應課稅溢利以抵銷暫時性差異或可動用稅務虧損時，有關若干暫時性差異及稅務虧損的遞延稅項資產予以確認。實際使用結果可能不同。

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

### 5.1 Critical accounting estimates and assumptions (continued)

- (c) *Impairment of inventory*  
In determining the amount of impairment required for obsolete and slow-moving inventories, the Group would evaluate customers' orders, ageing analysis of inventories and compare the carrying amount of inventories to their respective net realisable value. A considerable amount of judgment is required in determining such impairment. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required.

- (d) *Income taxes and deferred taxation*  
Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.



## 5 關鍵會計估計及判斷(續)

### 5.1 關鍵會計估計及假設(續)

- (e) *投資物業估值*  
本集團的若干投資物業位於無活躍房地產市場的區域，於此情況下，公允價值使用現金流量貼現法估計，其中包括若干主要假設，如市場租金、佔用率及貼現率。假設需運用判斷及估計。倘預期與最初估計不同，則該差異將於估計改變期間影響投資賬面值及投資物業公允價值收益／虧損。
- (f) *商譽減值*  
本集團根據附註3.9所述的會計政策每年或於出現減值跡象時測試商譽有否出現任何減值。現金產生單位的可收回金額已按資產公允價值減出售成本後與使用價值兩者中的較高者釐定。該等計算需使用估計(附註8)。

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

### 5.1 Critical accounting estimates and assumptions (continued)

- (e) *Investment property valuation*  
The Group's certain investment properties are located in areas where there are no active property market, in such cases, the fair value is estimated by discounted cash flow method, which involves a number of key assumptions, including market rents, occupancy rates, discounts rates. The assumptions require the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of investment and fair value gain/loss on investment property in the period in which such estimate has been changed.
- (f) *Impairment of goodwill*  
The Group tests whether goodwill has suffered any impairment annually or, whenever there is an indication of impairment, in accordance with the accounting policy stated in Note 3.9. The recoverable amounts of cash-generating units have been determined based on the higher of an asset's fair value less costs to sell and value in use. These calculations require the use of estimates (Note 8).

## 5 關鍵會計估計及判斷(續)

### 5.1 關鍵會計估計及假設(續)

- (g) 建造合約  
本集團採用完工百分比法將合約收入列賬。完工階段乃參照迄今所產生的合約成本與估計總合約成本的比較計量。

於估計總合約成本時須作出重大假設，而管理層依賴過往經驗及行業知識作出該等估計。管理層監察施工進度並定期按合約進度及應收客戶合約工程款項撥備審核各項合約的估計總成本。

倘實際成本有別於管理層估計，則收入、銷售成本及可預見虧損撥備將予以調整。

### 5.2 關鍵判斷

- (a) 合併本集團持有少於50%投票權的實體
- (i) 本公司於天馬微電子股份有限公司(「天馬」)持有的股權為20.81%且已與本公司最終控股公司中國航空技術國際控股有限公司(「中航國際」)及中國航空技術深圳有限公司(「中航深圳」)(分別持有天馬5.56%及5.79%的股權)訂立協議，於天馬股東大會上投票時與本公司採取行動。

## 5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

### 5.1 Critical accounting estimates and assumptions (continued)

- (g) Construction contracts  
The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and in making these estimates, management has relied on past experience and industry knowledge. Management monitors the progress of the construction and reviews periodically the estimated total costs for each contract as the contract progresses and provision for amounts due from customer from contract work.

If the actual costs differ from management's estimates, the revenue, cost of sales and provision for foreseeable losses would be adjusted.

### 5.2 Critical judgments

- (a) Consolidation of entities in which the Group holds less than 50% voting rights
- (i) The Company held 20.81% equity interests in Tianma Microelectronics Co. Ltd. (the "Tianma") and has reached an agreement with AVIC International Holding Corporation (the "AVIC International"), the ultimate holding company of the Company, and AVIC International Shenzhen Company Limited (the "AVIC Shenzhen") who held 5.56% and 5.79% equity interests of Tianma respectively, to follow the votes of the Company in Tianma's shareholders meeting.

## 5 關鍵會計估計及判斷(續)

### 5.2 關鍵判斷(續)

(a) 合併本集團持有少於50%投票權的實體(續)

(ii) 本集團於飛亞達(集團)股份有限公司(「飛亞達」)持有的股權為37.15%，其他股權由公眾廣泛持有。

本公司董事認為，縱使考慮到所有以軌實及情況(包括但不限於)：

- a) 與其他股東的合約安排；
- b) 較其他股東擁有更多投票權；
- c) 其他股東的持股量出現分散；
- d) 過往股東大會的出席率及投票方式；及
- e) 本公司於董事會會議擁有大部分董事位置。

## 5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

### 5.2 Critical judgments (continued)

(a) Consolidation of entities in which the Group holds less than 50% voting rights (continued)

(ii) The Group held 37.15% equity interests in Fiyta Holdings Limited (the "Fiyta") and the other equity interests are widely held by public interests.

The directors of the Company considered that the Company has de facto control over Tianma and Fiyta as subsidiaries despite its equity interests was below 50% in consideration of all facts and circumstances, including but not limited to:

- a) The contractual arrangement with other shareholders;
- b) More voting rights than other shareholders;
- c) There is a dispersion of holdings of other shareholders;
- d) Attendance and voting patterns at previous shareholders' meetings; and
- e) The Company has majority of board seats in the board meetings.

## 6 分部資料

本公司董事會為主要經營決策者。管理層根據董事會審閱的報告(用以作出策略性決定)釐定經營分部。

董事會從產品的角度考慮業務。本集團重新劃分為下列五個業務分部：

- 平板顯示屏及模組(「FPD」)產品製造與銷售
- 印製電路板(「PCB互聯」)產品製造與銷售
- 零售與消費品－製造及銷售電動及名牌石英鐘錶
- 貿易與物流－有關工程、採購及建築項目(「EPC項目」)的貿易、物流及船舶建造業務
- 地產－地產開發及建築工程項目

酒店業務及緊固件歸入所有其他分部，原因是該等業務並未達到獨立呈報的定量下限。

董事會根據溢利評估經營分部表現。

分部資產主要包括土地使用權、物業、廠房及設備、投資物業、在建工程、存貨、發展中物業、貿易及其他應收款項以及現金及現金等價物。

分部間收入根據訂約雙方協商的條款及條件釐定。

向董事會提供截至二零一六年十二月三十一日止年度的可報告分部的分部資料如下：

## 6 SEGMENT INFORMATION

The chief operating decision-makers have been identified as the board of directors of the Company. Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The board considers the business from a product perspective. The Group is reorganised into the five business segments below:

- Manufacture and sales of flat panel displays and modules ("FPD") products
- Manufacture and sales of printed circuit boards ("PCB") products
- Retail and Consumer Products – manufacture and sales of mechanical and branded quartz time pieces
- Trading and Logistics – trading, logistics and shipping building business related to Engineering, Procurement and Construction Projects ("EPC Projects")
- Real Estate – real estate development and construction engineering work

The hotel business and standard parts products are included in all other segments as they do not meet the quantitative threshold of separation.

The board assesses the performance of the operating segments based on the profit.

Segment assets consist primarily of land use rights, property, plant and equipment, investment properties, construction-in-progress, inventories, properties under development, trade and other receivables and cash and equivalents.

Inter-segment revenue are carried out according to the terms and conditions agreed by both parties.

The segment information provided to the board of directors for the reportable segments for the year ended 31 December 2016 is as follows:

## 6 分部資料(續)

本集團的分部資料分析如下：

## 6 SEGMENT INFORMATION (continued)

An analysis of the Group's segment information is as follows:

截至二零一六年十二月三十一日止年度

Year ended 31 December 2016

持續經營業務

Continuing Operations

分部業績	Segment results	FPD產品 製造與銷售 Manufacture and Sales of FPD Products 人民幣千元 RMB'000	PCB互聯產品 製造與銷售 Manufacture and Sales of PCB Products 人民幣千元 RMB'000	零售與消費品 Retails and Consumer Products 人民幣千元 RMB'000	貿易與物流 Trading and Logistics 人民幣千元 RMB'000	地產 Real Estate 人民幣千元 RMB'000	所有其他分部 All other segments 人民幣千元 RMB'000	分部合計 Total segments 人民幣千元 RMB'000
來自外部客戶的收入	Revenue from external customers	10,656,337	4,438,580	2,965,074	10,745,852	3,544,146	657,928	33,007,917
分部間收入	Inter-segment revenue	-	74	4,989	1,229	-	-	6,292
分部業績*	Segment results*	162,900	338,306	168,884	(210,024)	7,709	15,315	483,090
其他收入(附註35)	Other income (Note 35)	396,552	75,548	38,121	127,710	18,397	7,846	664,174
其他收益/(虧損)	Other gains/(losses) - net (Note 36)							
—淨額(附註36)	— net (Note 36)	(2,618)	(16,765)	(696)	32,817	(3,660)	458,488	467,566
投資物業公允價值 收益/(虧損)(附註11)	Fair value gain/(loss) on investment properties (Note 11)	5,255	675	105,437	105,963	1,534	(6,426)	212,438
經營溢利	Operating profit	562,089	397,764	311,746	56,466	23,980	475,223	1,827,268
融資成本淨額(附註38)	Finance costs, net (Note 38)	147,235	(80,069)	(57,709)	(101,379)	(2,129)	(157,808)	(251,859)
應佔使用權益法入賬的 投資(虧損)/溢利 (附註14)	Share of (loss)/profit of investments accounted for using the equity method (Note 14)	(4,938)	(195)	586	172,993	44,382	9,658	222,486
所得稅開支(附註40)	Income tax expense (Note 40)	(125,573)	(25,104)	(63,302)	(98,395)	(45,222)	(152,327)	(509,923)
本年度溢利	Profit for the year	578,813	292,396	191,321	29,685	21,011	174,746	1,287,972
—物業、廠房及設備折舊 (附註37)	— Depreciation of property, plant and equipment (Note 37)	1,083,820	292,738	134,421	148,178	47,120	64,478	1,770,755
—土地使用權攤銷 (附註37)	— Amortisation of land use rights (Note 37)	15,378	5,763	732	17,404	189	11,608	51,074
—無形資產攤銷 (附註37)	— Amortisation of intangible assets (Note 37)	40,265	4,475	968	19,182	102	136	65,128
—其他非流動資產攤銷 (附註37)	— Amortisation of other non-current assets (Note 37)	17,243	649	9,542	13,544	8,649	401	50,028
—壞賬撥備(附註37)	— Provision for bad debts (Note 37)	10,612	3,695	10,188	44,717	21,391	472	91,075
—陳舊存貨撥備(附註37)	— Provision for inventory obsolescence (Note 37)	97,022	32,916	19,190	(6,302)	(93)	-	142,733
—應收客戶合約工程款項 撥備(附註37)	— Provision for amounts due from customers for contract work (Note 37)	-	-	-	60,415	28,623	-	89,038

\* 分部業績指毛利扣除銷售費用及行政費用。

\* Segment results represent gross profit deduct distribution costs and administrative expenses.

## 6 分部資料(續)

本集團的分部資料分析如下：(續)

## 6 SEGMENT INFORMATION (continued)

An analysis of the Group's segment information is as follows: (continued)

截至二零一五年十二月三十一日止年度  
Year ended 31 December 2015

分部業績	Segment results	持續經營業務 Continuing Operations						已終止業務 Discontinued Operations		總計 Total
		FPD產品 製造與銷售 Manufacture and Sales of FPD Products 人民幣千元 RMB'000	PCB互聯產品 製造與銷售 Manufacture and Sales of PCB Products 人民幣千元 RMB'000	零售與消費品 Retails and Consumer Products 人民幣千元 RMB'000	貿易與物流 Trading and Logistics 人民幣千元 RMB'000	地產 Real Estate 人民幣千元 RMB'000	所有其他分部 All other segments 人民幣千元 RMB'000	分部合計 Total segments 人民幣千元 RMB'000	資源投資 與開發 Resources Investment and Development 人民幣千元 RMB'000	
來自外部客戶的收入	Revenue from external customers	10,417,455	3,410,253	3,116,107	13,238,725	3,562,812	605,159	34,350,511	670,628	35,021,139
分部間收入	Inter-segment revenue	128	3,884	11,667	20,564	112,524	3,234	152,001	-	152,001
分部業績*	Segment results*	(37,125)	166,406	178,644	(130,714)	168,774	47,799	393,784	(162,854)	230,930
其他收入	Other income	654,673	79,917	36,465	20,067	3,897	37,888	832,907	19,014	851,921
其他收益/(虧損)－淨額	Other gains/(losses)－net	1,687	(625)	(32)	(35,790)	16,764	(7,020)	(25,016)	629	(24,387)
投資物業公允價值收益	Fair value gain on investment properties	2,161	842	45,373	9,236	2,360	42,590	102,562	-	102,562
經營溢利/(虧損)	Operating profit/(loss)	621,396	246,540	260,450	(137,201)	191,795	121,257	1,304,237	(143,211)	1,161,026
融資成本淨額	Finance costs, net	4,221	(82,759)	(82,772)	(74,909)	78,088	(203,401)	(361,532)	(145,256)	(506,788)
應佔使用權益法入賬的 投資(虧損)/溢利	Share of (loss)/profit of investments accounted for using the equity method	(3,239)	(126)	832	292,306	321,303	2,011	613,087	-	613,087
所得稅開支	Income tax expense	(53,309)	(11,515)	(27,116)	(102,213)	(129,377)	(13,436)	(336,966)	-	(336,966)
出售已終止業務收益	Gain on disposal of discontinued operations	-	-	-	-	-	-	-	753,132	753,132
本年度溢利	Profit for the year	569,069	152,140	151,394	(22,017)	461,809	(93,569)	1,218,826	464,665	1,683,491
－物業、廠房及設備折舊	－ Depreciation of property, plant and equipment	1,298,509	239,356	115,465	109,900	38,372	118,894	1,920,496	118,183	2,038,679
－土地使用權攤銷	－ Amortisation of land use rights	13,636	3,232	732	16,263	-	12,897	46,760	841	47,601
－無形資產攤銷	－ Amortisation of intangible assets	17,554	8,869	668	24,170	168	1,420	52,849	1,596	54,445
－其他非流動資產攤銷	－ Amortisation of other non-current assets	18,259	278	52,163	2,725	9,580	538	83,543	5,100	88,643
－壞賬撥備	－ Provision for bad debts	12,848	(1,386)	1,252	41,395	2,519	892	57,520	45,402	102,922
－陳舊存貨撥備	－ Provision for inventory obsolescence	91,904	47,618	5,002	8,821	(428)	-	152,917	-	152,917
－應收客戶合約工程款項 撥備	－ Provision for amounts due from customers for contract work	-	-	-	195,415	-	-	195,415	-	195,415

\* 分部業績指毛利扣除銷售費用及行政費用。

\* Segment results represent gross profit deduct distribution costs and administrative expenses.

## 6 分部資料(續)

本集團的分部資料分析如下：(續)

## 6 SEGMENT INFORMATION (continued)

An analysis of the Group's segment information is as follows: (continued)

於二零一六年十二月三十一日

As at 31 December 2016

分部業績	Segment assets	FPD產品 製造與銷售 Manufacture and Sales of FPD Products 人民幣千元 RMB'000	PCB互聯產品 製造與銷售 Manufacture and Sales of PCB Products 人民幣千元 RMB'000	零售與消費品 Retails and Consumer Products 人民幣千元 RMB'000	貿易與物流 Trading and Logistics 人民幣千元 RMB'000	地產 Real Estate 人民幣千元 RMB'000	未分配 Unallocated 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	25,263,774	4,599,821	3,751,498	17,380,671	6,234,663	3,025,167	60,255,594
使用權益法入賬的投資 (附註14)	Investments accounted for using the equity method (Note 14)	330,351	5,409	43,424	686,479	432,107	3,027,373	4,525,143
總資產	Total assets	25,594,125	4,605,230	3,794,922	18,067,150	6,666,770	6,052,540	64,780,737
總負債	Total liabilities	9,652,552	3,330,667	1,572,809	15,659,357	5,246,642	3,952,197	39,414,224
資本性支出	Capital expenditure	3,033,750	390,587	125,695	434,452	6,742	189,509	4,180,735

於二零一五年十二月三十一日

As at 31 December 2015

分部業績	Segment assets	FPD產品 製造與銷售 Manufacture and Sales of FPD Products 人民幣千元 RMB'000	PCB互聯產品 製造與銷售 Manufacture and Sales of PCB Products 人民幣千元 RMB'000	零售與消費品 Retails and Consumer Products 人民幣千元 RMB'000	貿易與物流 Trading and Logistics 人民幣千元 RMB'000	地產 Real Estate 人民幣千元 RMB'000	未分配 Unallocated 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	24,236,926	4,370,952	3,967,379	17,495,611	5,678,240	4,023,371	59,772,479
使用權益法 入賬的投資	Investments accounted for using the equity method	300,918	5,604	43,222	617,417	518,833	3,367,635	4,853,629
總資產	Total assets	24,537,844	4,376,556	4,010,601	18,113,028	6,197,073	7,391,006	64,626,108
總負債	Total liabilities	9,279,118	3,299,319	1,900,024	16,235,331	4,933,989	4,637,211	40,284,992
資本性支出	Capital expenditure	1,518,928	1,195,685	301,300	606,210	108,735	79,549	3,810,407



## 6 分部資料(續)

本集團各實體主要位於中國。其來自中國以及其他國家及地區的外部客戶的收入披露如下：

## 6 SEGMENT INFORMATION (continued)

The Group entities are principally domiciled in the PRC. The result of its revenue from external customers in PRC and other countries and districts are disclosed as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
持續經營業務：	<b>From continuing operations:</b>		
收入	<b>Revenue</b>		
中國內地	Mainland China	16,114,341	17,260,062
香港	Hong Kong	1,306,007	1,242,531
歐美	Europe and America	4,066,993	4,214,140
東亞及東南亞	East Asia and Southeast Asia	4,625,314	4,501,632
其他	Others	6,895,262	7,132,146
損益表收入總額	Total revenue per statement of profit or loss	33,007,917	34,350,511

收入乃按客戶所在國家進行分配。概無自單一外部客戶產生超過總收入10%的收入。

Revenue is allocated based on the country in which customers are located. No revenue derived from a single external customer has exceeded 10% of the total revenue.

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
除金融工具及遞延稅項 資產外非流動資產總額	<b>Total of non-current assets other than financial instruments and deferred tax assets</b>		
中國內地	Mainland China	22,803,833	20,627,714
香港	Hong Kong	77,639	726,219
歐美	Europe and America	574,217	1,333,447
東亞及東南亞	East Asia and Southeast Asia	300,230	530
其他	Others	369,570	21,334
使用權益法入賬的投資	Investments accounted for using the equity method	24,125,489	22,709,244
		4,525,143	4,853,629
		28,650,632	27,562,873

6 分部資料(續)

6 SEGMENT INFORMATION (continued)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>資本性支出</b>	<b>Capital expenditure</b>		
中國內地	Mainland China	3,688,798	3,494,494
香港	Hong Kong	396	41,886
歐美	Europe and America	32,793	48,016
其他	Others	458,748	226,011
		<b>4,180,735</b>	3,810,407

資本性支出按資產所在地進行分配。

Capital expenditure is allocated based on where the assets are located.

收入細分如下：

Revenue consists of the following:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>按類別分類的收入分析</b>	<b>Analysis of revenue by category</b>		
貨品銷售	Sale of goods	25,016,044	26,754,677
建築合約	Construction contracts	7,279,812	6,953,920
租金收入	Rental income	283,687	236,105
服務收入	Services income	200,734	211,035
其他	Others	227,640	194,774
損益表收入總額	Total revenue per statement of profit or loss	<b>33,007,917</b>	34,350,511

本集團客戶眾多，概無客戶佔本集團截至二零一六年及二零一五年十二月三十一日止年度的收入10%或以上。

The Group has a large number of customers, none of which contributed 10% or more of the Group's revenue for the years ended 31 December 2016 and 2015.

7 土地使用權

7 LAND USE RIGHTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於一月一日的賬面淨值	Net book value at 1 January	<b>2,195,127</b>	1,767,688
添置	Additions	<b>93,335</b>	422,683
自在建工程轉撥 (附註12)	Transfer from construction-in-progress (Note 12)	<b>107,243</b>	110,497
收購一間附屬公司 (附註46)	Acquisition of a subsidiary (Note 46)	<b>13,799</b>	—
攤銷	Amortisation	<b>(51,074)</b>	(47,601)
出售附屬公司 (附註43(d)(vii))	Disposal of subsidiaries (Note 43(d)(vii))	<b>(163,294)</b>	(58,140)
於十二月三十一日的賬面淨值 Net book value at 31 December		<b>2,195,136</b>	2,195,127

攤銷支出人民幣51,074,000元(二零一五年：人民幣47,601,000元)已計入行政費用，且並無計入資本化在建工程的攤銷支出(二零一五年：無)。

本集團的土地使用權均位於中國內地。位於中國內地的有關土地使用權由城市規劃及土地管理局授出，使用期自授出之日起計30至50年。

於二零一六年十二月三十一日，若干銀行借款由本集團賬面淨值合共人民幣200,327,000元(二零一五年：人民幣521,660,000元)的土地使用權作抵押。抵押借款的詳情載於附註29(a)。

Amortisation charges of RMB51,074,000 (2015: RMB47,601,000) were included in the administrative expenses, and no amortisation charges were capitalised in construction in progress (2015: Nil).

The Group's land use rights are in mainland China. The respective land use rights in mainland China were granted by the Town Planning and Land Administration Bureau for periods of 30-50 years from the date of grant.

As at 31 December 2016, certain bank borrowings were secured by the land use rights of the Group with net book value totalling RMB200,327,000 (2015: RMB521,660,000). Details of the secured borrowings are in Note 29(a).

8 商譽

8 GOODWILL

人民幣千元  
RMB'000

截至二零一五年十二月三十一日止年度		Year ended 31 December 2015	
於二零一五年一月一日	As at 1 January 2015		971,046
出售附屬公司	Disposal of subsidiaries		(5,240)
外幣折算差額	Currency translation differences		(20,638)
於二零一五年十二月三十一日	As at 31 December 2015		945,168
截至二零一六年十二月三十一日止年度		Year ended 31 December 2016	
於二零一六年一月一日	As at 1 January 2016		945,168
收購一間附屬公司(附註46)	Acquisition of a subsidiary (Note 46)		1,384
外幣折算差額	Currency translation differences		13,502
於二零一六年十二月三十一日	As at 31 December 2016		960,054

商譽主要源自於二零一一年收購中航威海船廠有限公司(「威海船廠」)69.77%股權、於二零一三年收購德他馬林船舶設計公司(「德他馬林」)全部股權、於二零一四年收購KHD 89.02%股權及於二零一四年收購武漢天馬90%股權。

商譽歸類於貿易與物流分部項下。其他現金產生單位的可收回金額基於使用價值計算。有關計算按管理層所編製涵蓋五年期的財務預測採用稅前現金流量預測進行。超過五年期的現金流量採用以下所述的估計增長率推算。

Goodwill mainly arose from the acquisition of 69.77% interest of AVIC Weihai Shipyard Company Limited ("Weihai Shipyard") (中航威海船廠有限公司) in 2011, 100% interest of Deltamarin Oy ("Deltamarin") in 2013, 89.02% interest of KHD in 2014, and 90% interest of Wuhan Tianma in 2014.

Goodwill is classified under the Trading and Logistics segment. The recoverable amount of other CGUs is determined based on value-in-use calculations. Those calculations use pre-tax cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

## 8 商譽(續)

用作公允價值減銷售成本及使用價值計算的主要假設如下：

		威海船廠 Weihai Shipyard	NLT公司 NLT Company	卓越緊固 Superior Metal	德他馬林 Deltamarin	KHD	武漢天馬 Wuhan Tianma	御銘安陽 Yuming Anyang
賬面值 (人民幣千元)	Carrying amount (RMB'000)	227,107	7,434	27,889	106,796	328,053	261,482	1,384
收益增長率	Revenue growth rate	3.00%	0.00%	3.00%	3.50%	3.00%	2.00%	3.00%
邊際利潤	Gross margins	15.00%	15.00%	17.00%	7.00%-9.00%	13.18%	11.00%	12.00%
貼現率	Discount rates	14.66%	16.42%	11.23%	17.01%	12.40%	14.00%	12.09%

此等假設已用於分析經營分部內各現金產生單位。

管理層根據過往表現及其對市場發展的預期釐定預算邊際利潤。所採用的加權平均收益增長率與業界報告所載預測一致。所採用的貼現率為稅前貼現率，並反映與有關經營分部相關的特定風險。

經進行減值評估後，本公司董事認為毋須計提減值支出。

倘估計未來現金流量較於二零一六年及二零一五年十二月三十一日管理層的估計低10%，則本集團可確認商譽減值虧損人民幣207,207,000元(二零一五年：人民幣80,261,000元)。

倘於二零一六年及二零一五年十二月三十一日貼現率增加1%，則本集團可確認商譽減值虧損人民幣290,204,000元(二零一五年：人民幣134,425,000元)。

## 8 GOODWILL (continued)

The key assumptions used for fair value less costs to sell and value-in-use calculations are as follows:

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross margins based on past performance and its expectations of market development. The weighted average revenue growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The directors of the Company consider that no impairment charge was required after performing the impairment assessment.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2016 and 2015, the Group would have recognised RMB207,207,000 impairment loss on the goodwill (2015: RMB80,261,000).

If the discount rate had increased 1% as at 31 December 2016 and 2015, the Group would have recognised RMB290,204,000 impairment loss on the goodwill (2015: RMB134,425,000).

9 無形資產

9 INTANGIBLE ASSETS

		電腦軟體 Computer software 人民幣千元 RMB'000	商標及許可證 Trademark and licenses 人民幣千元 RMB'000	海域使用權 Maritime rights of use 人民幣千元 RMB'000	專利 Patents 人民幣千元 RMB'000	客戶關係 Customer relationships 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一六年一月一日	At 1 January 2016							
成本	Cost	308,637	220,106	25,670	284,936	249,463	5,943	1,094,755
累計攤銷及減值	Accumulated amortisation and impairment	(185,152)	(2,276)	(8,619)	(73,617)	(47,405)	(2,874)	(319,943)
賬面淨值	Net book amount	123,485	217,830	17,051	211,319	202,058	3,069	774,812
截至二零一六年十二月三十一日止年度	Year ended 31 December 2016							
年初賬面淨值	Opening net book amount	123,485	217,830	17,051	211,319	202,058	3,069	774,812
匯兌差額	Exchange differences	1,207	6,323	-	7,443	6,785	-	21,758
添置	Additions	14,594	-	-	122,018	-	-	136,612
自己資本化的開發成本轉撥	Transfer from capitalised development costs	4,309	-	-	-	-	-	4,309
攤銷支出	Amortisation charge	(35,201)	(1,646)	(1,216)	(23,169)	(3,727)	(169)	(65,128)
年末賬面淨值	Closing net book amount	108,394	222,507	15,835	317,611	205,116	2,900	872,363
於二零一六年十二月三十一日	At 31 December 2016							
成本	Cost	328,747	226,429	25,670	414,397	256,248	5,943	1,257,434
累計攤銷及減值	Accumulated amortisation and impairment	(220,353)	(3,922)	(9,835)	(96,786)	(51,132)	(3,043)	(385,071)
賬面淨值	Net book amount	108,394	222,507	15,835	317,611	205,116	2,900	872,363

9 無形資產(續)

9 INTANGIBLE ASSETS (continued)

		已資本化的 開發成本							總計 Total 人民幣千元 RMB'000
		電腦軟體 Computer software 人民幣千元 RMB'000	Capitalised development costs 人民幣千元 RMB'000	商標及許可證 Trademark and licenses 人民幣千元 RMB'000	海域使用權 Maritime rights of use 人民幣千元 RMB'000	專利 Patents 人民幣千元 RMB'000	客戶關係 Customer relationships 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	
於二零一五年一月一日	At 1 January 2015								
成本	Cost	302,335	1,448	231,074	25,670	329,348	249,554	5,943	1,145,372
累計攤銷及減值	Accumulated amortisation and impairment	(169,349)	-	(727)	(7,403)	(52,291)	(33,023)	(2,705)	(265,498)
賬面淨值	Net book amount	132,986	1,448	230,347	18,267	277,057	216,531	3,238	879,874
截至二零一五年十二月三十一日止年度	Year ended 31 December 2015								
年初賬面淨值	Opening net book amount	132,986	1,448	230,347	18,267	277,057	216,531	3,238	879,874
匯兌差額	Exchange differences	1,082	-	(10,968)	-	(6,722)	(690)	-	(17,298)
添置	Additions	19,356	-	-	-	-	599	-	19,955
轉撥至物業、廠房及設備	Transfer to property, plant and equipment	-	-	-	-	(20,566)	-	-	(20,566)
出售附屬公司	Disposal of subsidiaries	(10,033)	(1,448)	-	-	(2,391)	-	-	(13,872)
出售	Disposals	(4,103)	-	-	-	(14,733)	-	-	(18,836)
攤銷開支	Amortisation charge	(15,803)	-	(1,549)	(1,216)	(21,326)	(14,382)	(169)	(54,445)
年末賬面淨值	Closing net book amount	123,485	-	217,830	17,051	211,319	202,058	3,069	774,812
於二零一五年十二月三十一日	At 31 December 2015								
成本	Cost	308,637	-	220,106	25,670	284,936	249,463	5,943	1,094,755
累計攤銷及減值	Accumulated amortisation and impairment	(185,152)	-	(2,276)	(8,619)	(73,617)	(47,405)	(2,874)	(319,943)
賬面淨值	Net book amount	123,485	-	217,830	17,051	211,319	202,058	3,069	774,812

攤銷支出人民幣65,128,000元(二零一五年：人民幣54,445,000元)已計入本年度行政費用。

Amortisation charges of RMB65,128,000 (2015: RMB54,445,000) was included in the administrative expenses for the year.



10 物業、廠房及設備

10 PROPERTY, PLANT AND EQUIPMENT

		二零一六年 2016						
		土地及樓宇 Land and buildings 人民幣千元 RMB'000	租賃物業裝修 Leasehold improvements 人民幣千元 RMB'000	機器及設備 Machinery and equipment 人民幣千元 RMB'000	汽車 Motor Vehicles 人民幣千元 RMB'000	電腦及 電子設備 Computer and electronic equipment 人民幣千元 RMB'000	其他設備 Other equipment 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
截至二零一六年十二月 三十一日止年度	Year ended 31 December 2016							
成本	Cost							
年初	At beginning of year	7,536,022	467,426	12,917,388	189,062	491,119	177,199	21,778,216
自在建工程轉撥 (附註12)	Transfer from construction-in- progress (Note 12)	1,361,969	-	423,060	279	18,612	3,544	1,807,464
收購一間附屬公司 (附註46)	Acquisition of a subsidiary (Note 46)	23,928	-	77	-	11	-	24,016
添置	Additions	149,512	92,045	383,739	12,290	74,309	34,001	745,896
轉撥至投資物業	Transfer to investment properties	(38,499)	-	-	-	-	-	(38,499)
出售附屬公司 (附註43(d))	Disposals of subsidiaries (Note 43(d))	(215,873)	-	(52,810)	-	(969)	(2,099)	(271,751)
其他出售(附註43(b))	Other disposals (Note 43(b))	(2,848)	-	(184,274)	(9,306)	(38,663)	(11,143)	(246,234)
匯兌差額	Exchange differences	13,940	-	16,251	1,804	5,961	27,932	65,888
年末	At end of year	8,828,151	559,471	13,503,431	194,129	550,380	229,434	23,864,996
累積折舊	Accumulated depreciation							
年初	At beginning of year	1,300,996	321,546	6,634,687	123,162	306,579	107,974	8,794,944
收購一間附屬公司 (附註46)	Acquisition of a subsidiary (Note 46)	287	-	2	-	1	-	290
本年度計提	Charge for the year	284,320	106,262	1,277,818	25,470	59,519	17,366	1,770,755
轉撥至投資物業	Transfer to investment properties	(2,101)	-	-	-	-	-	(2,101)
出售附屬公司 (附註43(d))	Disposals of subsidiaries (Note 43(d))	(57,207)	-	(18,239)	-	(249)	-	(75,695)
其他出售(附註43(b))	Other disposals (Note 43(b))	(2,966)	-	(134,560)	(7,644)	(33,863)	(7,736)	(186,769)
匯兌差額	Exchange differences	6,544	-	9,010	2,604	5,379	460	23,997
年末	At end of year	1,529,873	427,808	7,768,718	143,592	337,366	118,064	10,325,421
減值	Impairment							
年初	At beginning of year	5,524	-	11,521	74	301	10	17,430
其他出售(附註43(b))	Other disposals (Note 43(b))	-	-	(1,565)	-	-	-	(1,565)
本年度計提	Charge for the year	-	-	3,158	-	-	-	3,158
年末	At end of year	5,524	-	13,114	74	301	10	19,023
賬面淨值	Net book amount							
年末	At end of year	7,292,754	131,663	5,721,599	50,463	212,713	111,360	13,520,552
年初	At beginning of year	6,229,502	145,880	6,271,180	65,826	184,239	69,215	12,965,842

10 物業、廠房及設備(續)

10 PROPERTY, PLANT AND EQUIPMENT  
(continued)

		二零一五年 2015							
		土地及樓宇 Land and buildings 人民幣千元 RMB'000	租賃物業裝修 Leasehold improvements 人民幣千元 RMB'000	機器及設備 Machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	電腦及 電子設備 Computer and electronic equipment 人民幣千元 RMB'000	採礦構架物 Mining structures 人民幣千元 RMB'000	其他設備 Other equipment 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
截至二零一五年十二月 三十一日止年度	Year ended 31 December 2015								
成本	Cost								
年初	At beginning of year	6,963,075	396,593	12,466,561	218,859	445,995	262,805	230,594	20,984,482
自在建工程轉撥	Transfer from construction-in-progress	951,930	–	398,850	739	20,915	–	18,326	1,390,760
添置	Additions	177,373	70,833	643,041	23,940	53,248	–	29,174	997,609
自投資物業轉撥	Transfer from investment properties	14,321	–	–	–	–	–	–	14,321
自無形資產轉撥	Transfer from intangible assets	–	–	29,415	–	–	–	–	29,415
轉撥至在建工程	Transfer to construction-in-progress	–	–	–	–	–	–	(33)	(33)
出售附屬公司	Disposals of subsidiaries	(539,451)	–	(428,525)	(33,228)	(6,610)	(262,805)	(91,486)	(1,362,105)
其他出售	Other disposals	(29,525)	–	(154,896)	(15,832)	(23,930)	–	(9,257)	(233,440)
匯兌差額	Exchange differences	(1,701)	–	(37,058)	(5,416)	1,501	–	(119)	(42,793)
年末	At end of year	7,536,022	467,426	12,917,388	189,062	491,119	–	177,199	21,778,216
累積折舊	Accumulated depreciation								
年初	At beginning of year	1,097,388	262,408	5,458,235	131,425	266,208	69,773	98,961	7,384,398
本年度計提	Charge for the year	331,843	59,138	1,510,928	25,189	62,220	13,618	35,743	2,038,679
自無形資產轉撥	Transfer from intangible assets	–	–	8,849	–	–	–	–	8,849
出售附屬公司	Disposals of subsidiaries	(118,577)	–	(200,424)	(20,413)	(4,266)	(83,391)	(18,984)	(446,055)
其他出售	Other disposals	(9,308)	–	(138,486)	(11,483)	(18,948)	–	(7,663)	(185,888)
匯兌差額	Exchange differences	(350)	–	(4,415)	(1,556)	1,365	–	(83)	(5,039)
年末	At end of year	1,300,996	321,546	6,634,687	123,162	306,579	–	107,974	8,794,944
減值	Impairment								
年初	At beginning of year	5,524	–	10,160	406	410	–	10	16,510
本年度計提	Charge for the year	–	–	1,361	(332)	(109)	–	–	920
年末	At end of year	5,524	–	11,521	74	301	–	10	17,430
賬面淨值	Net book amount								
年末	At end of year	6,229,502	145,880	6,271,180	65,826	184,239	–	69,215	12,965,842
年初	At beginning of year	5,860,163	134,185	6,998,166	87,028	179,377	193,032	131,623	13,583,574

## 10 物業、廠房及設備(續)

- (a) 本集團的物業、廠房及設備按歷史成本列賬。
- (b) 折舊費在以下分類中資本化或支銷：

## 10 PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) The property, plant and equipment of the Group were stated at historical cost.
- (b) Depreciation charge was capitalised or expensed in the following categories:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銷貨成本	Cost of goods sold	1,379,550	1,724,086
行政費用	Administrative expenses	343,800	282,066
在建工程	Construction in progress	11,365	—
銷售費用	Distribution costs	36,040	32,527
		1,770,755	2,038,679

本集團的樓宇主要位於中國內地。

The Group's buildings are mainly situated in the mainland China.

於二零一六年十二月三十一日，若干銀行借款由物業、廠房及設備(附註29(a))作如下抵押：

As at 31 December 2016, certain bank borrowings were secured by the property, plant and equipment (Note 29(a)) as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
賬面淨值 樓宇	Net book value Buildings	942,810	563,446

截至二零一六年十二月三十一日，本集團仍在辦理賬面淨值為人民幣237,812,000元(二零一五年十二月三十一日：人民幣199,389,000元)的樓宇產權證。

As at 31 December 2016, the Group was still in the progress of obtaining title certificates of buildings with a net book value of RMB237,812,000 (31 December 2015: RMB199,389,000).

## 11 投資物業

## 11 INVESTMENT PROPERTIES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
按公允價值	At fair value		
一月一日期初結餘	Opening balance at 1 January	2,321,920	2,232,376
自物業、廠房及 設備轉撥	Transfer from property, plant and equipment	36,963	—
自在建工程轉撥	Transfer from construction-in-process	218,696	—
添置	Additions	—	1,303
公允價值調整淨收益	Net gain from fair value adjustment	212,438	102,562
轉撥至物業、廠房及設備	Transfer to property, plant and equipment	—	(14,321)
出售一間附屬公司 (附註43(d)(vii))	Disposal of a subsidiary (Note 43(d)(vii))	(821,335)	—
十二月三十一日期末結餘	Closing balance at 31 December	1,968,682	2,321,920

(a) 於損益確認的投資物業金額如下：

(a) Amounts recognised in profit and loss for investment properties were as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
租金收入	Rental income	174,599	201,360
產生租金收入的物業的直接 經營開支	Direct operating expenses from properties that generated rental income	(53,550)	(42,635)
		121,049	158,725

於二零一六年十二月三十一日，  
本集團概無未來維修及保養的未  
撥備合約責任(二零一五年十二月  
三十一日：無)。

As at 31 December 2016, the Group had no  
unprovided contractual obligations for future  
repairs and maintenance (31 December 2015: Nil).

## 11 投資物業(續)

### (b) 租賃安排

若干投資物業透過長期經營租賃出租予承租人，承租人每月支付租金。

根據不可撤銷經營租賃，未在財務報表中確認的投資物業最低應收租賃款額如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年以內	Not later than one year	195,558	150,736
一年以上及五年以內	Later than one year and not later than five years	405,140	355,911
五年以上	Later than five years	57,385	67,381
		658,083	574,028

本集團的投資物業均位於中國。

The investment properties of the Group are situated in the PRC.

### (c) 投資物業的公允價值

本集團的投資物業已由估值師中聯資產評估有限公司進行獨立估值，以釐定該等投資物業於二零一六年及二零一五年十二月三十一日的公允價值。重估收益計入「投資物業公允價值收益」。下表按估值法分析以公允價值列賬的投資物業。不同級別定義如下：

- 同類資產或負債於活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

## 11 INVESTMENT PROPERTIES (continued)

### (b) Leasing arrangements

Certain investment properties have been leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are as follows:

### (c) Fair values of investment properties

An independent valuation of the Group's investment properties has been performed by valuer, China United Assets Appraisal Company Limited, to determine the fair value of the investment properties as at 31 December 2016 and 2015. The revaluation gain is included in 'fair value gain on investment properties'. The following table analyses the investment properties carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

11 投資物業(續)

(c) 投資物業的公允價值(續)

11 INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties  
(continued)

於二零一六年十二月三十一日

使用以下各項計量公允價值

Fair value measurements

at 31 December 2016 using

同類資產 於活躍 市場上的報價 (第一級)		其他重大 可觀察輸入值 (第二級)	重大不可 觀察輸入值 (第三級)
Quoted prices in active markets for identical assets (Level 1)		Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(人民幣千元)		(人民幣千元)	(人民幣千元)
(RMB'000)		(RMB'000)	(RMB'000)
投資物業	Investment properties		
—辦公樓宇—中國	— Office buildings — PRC	—	622,453
—生產地—中國	— Manufacturing sites — PRC	—	456,298
—住宅—中國	— Dwelling houses — PRC	26,030	6,397

本集團的政策為於發生導致轉撥的事件或情況變動當日確認公允價值層級的轉入及轉出。

於年內，第一級、第二級及第三級之間並無轉撥。

The Group's policy is to recognise transfer into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Level 1, 2 and 3 during the year.

## 11 投資物業(續)

### (c) 投資物業的公允價值(續)

採用重大不可觀察輸入值計量的  
公允價值(第三級)

		辦公樓宇 Office buildings (人民幣千元) (RMB'000)	生產地 Manufacturing sites (人民幣千元) (RMB'000)	住宅 Dwelling houses (人民幣千元) (RMB'000)
期初結餘	Opening balance	1,398,174	440,856	33,689
公允價值調整淨收益	Net gains from fair value adjustment	6,655	15,442	254
添置	Addition	255,658	—	—
出售一間附屬公司	Disposal of a subsidiary	(802,983)	—	(27,546)
期末結餘	Closing balance	857,504	456,298	6,397
本年度計入年末 所持資產溢利 「投資物業公允 價值收益」項下 的總收益	Total gains for the year included in profit for assets held at the end of the year, under 'fair value gain on investment properties'	6,655	15,442	254
本年度計入年末 所持資產溢利的 未變現收益變動	Change in unrealised gains for the year included in profit for assets held at the end of the year	6,655	15,442	254

#### 本集團的估值過程

本集團的投資物業於二零一六年十二月三十一日由合資格的獨立專業估值師進行估值，該估值師持有相關認可專業資格，且近期曾於所估值投資物業的地點及分部進行估值。所有投資物業均以其目前最有效及最佳的方式使用。

#### Valuation processes of the Group

The Group's investment properties were valued at 31 December 2016 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investments properties valued. For all investment properties, their current use equates to the highest and best use.

## 11 投資物業(續)

### (c) 投資物業的公允價值(續)

#### 本集團的估值過程(續)

本集團財務部設有一支團隊，專責就財務申報目的審閱由獨立估值師進行的估值。該團隊直接向董事會報告。於二零一六年十二月三十一日，該等物業的公允價值已由中聯資產評估有限公司釐定。

#### 估值技術

就公允價值層級為第二級的投資物業而言，估值採用銷售比較法釐定。相鄰近的可資比較物業售價就主要特徵(例如物業面積)等差異作出調整。該估值方法的最重要輸入值為每平方米的價格。

就公允價值層級為第三級的投資物業而言，估值根據重大不可觀察輸入值並使用貼現現金流量預測釐定。該等輸入值包括：

未來租金現金流入	根據物業實際地點、類型及質量，並以任何存在租賃的條款、其他合約及外在憑證作支持，例如類似物業的現時市場租金；
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## 11 INVESTMENT PROPERTIES (continued)

### (c) Fair values of investment properties (continued)

#### Valuation processes of the Group (continued)

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the board of directors. As at 31 December 2016, the fair values of the properties have been determined by China United Assets Appraisal Company Limited.

#### Valuation techniques

For investment properties which fair value hierarchy level is Level 2, the valuation was determined using the sale comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

For investment properties which fair value hierarchy level is Level 3, the valuations were determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existence lease, other contracts and external evidence such as current market rents for similar properties;
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## 11 投資物業(續)

### (c) 投資物業的公允價值(續)

#### 估值技術(續)

貼現率 反映現金流量金額及時間不確定性的現時市場評估；

估計空置率 根據任何現有租賃屆滿後的現時及預計未來市場狀況；

維修成本 包括就物業的預期可使用年期而言維持其用途的必要投資；

資本化率 根據物業的實際地點、大小及質量，並計及估值日期的市場數據；

最終價值 計及有關維修成本、空置率及市場租金的假設。

於本年度，估值技術並無變動。

## 11 INVESTMENT PROPERTIES (continued)

### (c) Fair values of investment properties (continued)

#### Valuation techniques (continued)

Discount rates Reflecting current market assessment of the uncertainty in the amount and timing of cash flows;

Estimated vacancy rates Based on current and expected future market conditions after expiry of any current lease;

Maintenance costs Including necessary investments to maintain functionality of the property for its expected useful life;

Capitalisation rates Based on actual location, size and quality of the properties and taking into account market data at the valuation date;

Terminal value Taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

There were no changes to the valuation techniques during the year.

## 12 在建工程

## 12 CONSTRUCTION-IN-PROGRESS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	3,175,032	2,491,133
自物業、廠房及設備轉撥	Transfer from property, plant and equipment	–	33
轉撥至投資物業	Transfer to investment properties	(212,180)	–
添置(a)	Additions (a)	2,948,933	2,245,436
轉撥至物業、廠房及設備 (附註10)	Transfer to property, plant and equipment (Note 10)	(1,807,464)	(1,390,760)
轉撥至土地使用權(附註7)	Transfer to land use right (Note 7)	(107,243)	(110,497)
出售附屬公司	Disposal of subsidiaries	–	(57,401)
轉撥至其他非流動資產	Transfer to other non-current assets	(3,125)	(2,912)
		3,993,953	3,175,032

(a) 添置主要包括建造廠房、裝修改造及翻新工程產生的成本。

(a) Included in the additions were mainly costs incurred for the construction of production plants, modernisation and renovation projects.

年內，計入在建工程的資本化銀行貸款利息為人民幣54,966,000元(附註38)(二零一五年：人民幣54,917,000元)，資本化利率為2.67%(二零一五年：6.75%)。

Bank loan interest capitalised in the construction-in-progress during the year amounting to RMB54,966,000 (Note 38) (2015: RMB54,917,000) and the capitalised interest rate was 2.67% (2015: 6.75%).

### 13. 附屬公司

下表載列於二零一六年十二月三十一日的主要附屬公司：

### 13 SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2016:

附屬公司名稱 Name of subsidiary	已發行股本詳情/ 註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家及 業務性質 Country of incorporation and nature of business	直接由本公司持有的 普通股比例 Proportion of ordinary shares held by the Company	由本集團持有的 普通股比例 Proportion of ordinary shares held by the Group	直接由非控股 股東權益持有的 普通股比例 Proportion of ordinary shares directly held by non- controlling interests
天馬(a) Tianma (a)	人民幣1,401,098,744元 每股面值人民幣1元的 普通股 RMB1,401,098,744 Ordinary shares of RMB1 each	股份公司(於深圳證券 交易所上市) Joint stock company (listed on the Shenzhen Stock Exchange)	中國深圳 製造及銷售液晶顯示器 Shenzhen, PRC Manufacture and sales of liquid crystal displays	20.81%	20.81%	79.19%
深南電路有限公司(「深南電路」) Shennan Circuit Co., Ltd. ("SCC")	人民幣210,000,000元 每股面值人民幣1元的 普通股 RMB210,000,000 Ordinary shares of RMB1 each	股份公司 Joint stock company	中國深圳 製造及銷售印刷電路板 Shenzhen, PRC Manufacture and sales of printed circuit boards	92.99%	92.99%	7.01%
飛亞達(b) Fiyta (b)	人民幣392,767,870元 每股面值人民幣1元的 普通股 RMB392,767,870 Ordinary shares of RMB1 each	股份公司(於深圳證券 交易所上市) Joint stock company (listed on the Shenzhen Stock Exchange)	中國深圳 製造及銷售鐘錶 Shenzhen, PRC Manufacture and sales of watches and clocks	37.15%	37.15%	62.85%
廣東國際 GIB Company	人民幣150,000,000元 RMB150,000,000	有限責任公司 Limited liability company	中國廣州 酒店及物業經營 Guangzhou, PRC Hotel and property operations	75%	75%	25%
深圳航空標準件有限公司 (「航標公司」) Shenzhen Aero Fasteners AFM Company Limited ("AFM Company")	人民幣120,000,000元 RMB120,000,000	有限責任公司 Limited liability company	中國深圳 製造及銷售標準部件 Shenzhen, PRC Manufacture and sales of standard parts	100%	100%	—

13. 附屬公司(續)

13 SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	已發行股本詳情/ 註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家及 業務性質 Country of incorporation and nature of business	直接由本公 司持有 的普通股比例 Proportion of ordinary shares held by the Company	由本集團 持有的 普通股比例 Proportion of ordinary shares held by the Group	直接由非控股 股東權益持有的 普通股比例 Proportion of ordinary shares directly held by non- controlling interests
中國航空技術北京有限公司 ([北京公司]) China National Aero-Technology Beijing Company Limited ("Beijing Company")	人民幣800,000,000元 RMB800,000,000	有限責任公司 Limited liability company	中國北京 貿易活動及製造船隻 Beijing, PRC Trading activities and shipbuilding	100%	100%	-
中航技國際經貿發展有限公司 ([經貿公司]) China National Aero-Technology Trade and Economy Development Company Limited ("TED Company")	人民幣60,000,000元 RMB60,000,000	有限責任公司 Limited liability company	中國北京 買賣電子及電腦設備以及 招標管理 Beijing, PRC Trading of electronic and computer equipment and tender management	100%	100%	-
中國航空技術廣州有限公司 ([廣州公司]) China National Aero-Technology Guangzhou Company Limited ("Guangzhou Company")	人民幣300,000,000元 RMB300,000,000	有限責任公司 Limited liability company	中國廣州 機械車輛、醫療設備、 瀝青工程等貿易物流 Guangzhou, PRC Trading and logistics of machinery vehicles, medical facilities and bitumen engineering	100%	100%	-
中國航空技術廈門有限公司 ([廈門公司]) China National Aero-Technology Xiamen Corporation ("Xiamen Company")	人民幣550,000,000元 RMB550,000,000	有限責任公司 Limited liability company	中國廈門 船舶、石材等貿易物流 Xiamen, PRC Trading and logistics of shipping, stone materials	100%	100%	-
中國航空技術國際工程有限公司 ([國際工程]) China National Aero-Technology Engineering Company Limited ("Engineering Company")	人民幣680,000,000元 RMB680,000,000	有限責任公司 Limited liability company	中國北京 建築業務、項目管理、房地產發展、 建築物料買賣及提供勞務服務 Beijing, PRC Construction activities, project management, Real estate development, construction material trade and rendering of labour service	100%	100%	-

13. 附屬公司(續)

13 SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	已發行股本詳情/ 註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家及 業務性質 Country of incorporation and nature of business	直接由本公 司持有的 普通股比例 Proportion of ordinary shares held by the Company	由本集團 持有的 普通股比例 Proportion of ordinary shares held by the Group	直接由非控股 股東權益持有的 普通股比例 Proportion of ordinary shares directly held by non- controlling interests
北京中航瑞信投資管理有限公司 (「北京瑞信」) Beijing AVIC Ruixin Investment Management Company Limited ("Beijing Ruixin")	人民幣60,000,000元 RMB60,000,000	有限責任公司 Limited liability company	中國北京 房地產發展 Beijing, PRC Real estate development	90%	90%	10%
成都中航瑞賽置業有限公司 (「成都瑞賽」) Chengdu AVIC Raise Real Estate Company Limited ("Chengdu Raise")	人民幣120,000,000元 RMB120,000,000	有限責任公司 Limited liability company	中國成都 房地產發展 Chengdu, PRC Real estate development	60%	60%	40%
中航國際新能源發展有限公司 (「新能源」) AVIC International Renewable Energy Development Co., Ltd ("RED Company")	人民幣100,000,000元 RMB100,000,000	有限責任公司 Limited liability company	中國北京 買賣再生能源設備 Beijing, PRC Trading of renewable energy equipment	100%	100%	-
威海船廠 Weihai Shipyard	人民幣1,091,600,000元 RMB1,091,600,000	有限責任公司 Limited liability company	中國威海 製造船隻 Weihai, PRC Ship building	69.77%	69.77%	30.23%
中航國際船舶控股有限公司 (「船舶公司」) AVIC International Maritime Holdings Limited ("AVIC Maritime")	285,576,000股無 面值的普通股 285,576,000 Ordinary shares and no par value	股份公司(於新加坡證券 交易所有限公司上市) Joint stock company (listed on Singapore Exchange Ltd)	新加坡 製造船隻 Singapore Ship building	73.87%	73.87%	26.13%

**13. 附屬公司(續)**

非控股股東權益包含以下各項：

**13 SUBSIDIARIES (continued)**

The non-controlling interests comprised the following:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
天馬	Tianma	10,749,717	10,356,179
飛亞達	Fiyta	1,711,718	1,620,928
北京公司	Beijing Company	197,593	276,937
廣州公司	Guangzhou Company	248,785	246,092
成都瑞賽	Chengdu Raise	179,353	181,808
經貿公司	TED Company	8,393	11,545
中航仿真	AVIC Stimulation	20,308	—
船舶公司	AVIC Maritime	107,112	117,187
深南電路	SCC	61,144	39,201
廣東國際	GIB Company	30,168	71,937
新能源	RED Company	14,788	18,723
廈門公司	Xiamen Company	4,009	4,167
北京瑞信	Beijing Ruixin	4,696	11,825
國際工程	Engineering Company	15,683	14,226
威海船廠	Weihai Shipyard	(28,576)	(171,775)
航標公司	AFM Company	2,375	2,373
		13,327,266	12,801,353

### 13. 附屬公司(續)

下文載列擁有對本集團而言屬重大的非控股股東權益的各附屬公司財務資料概要。

(a) 天馬  
資產負債表概要

### 13 SUBSIDIARIES (continued)

Set out below are the summarised financial information of each subsidiary that has non-controlling interests that are material to the Group.

(a) Tianma  
Summarised balance sheet

		於十二月三十一日 As at 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
流動 資產	Current Assets	9,387,264	11,219,205
負債	Liabilities	(5,403,776)	(6,125,073)
流動資產總淨額	Total current net assets	3,983,488	5,094,132
非流動 資產	Non-current Assets	12,310,491	10,421,192
負債	Liabilities	(2,532,880)	(2,255,285)
非流動資產總淨值	Total non-current net assets	9,777,611	8,165,907
淨資產	Net assets	13,761,099	13,260,039

13. 附屬公司(續)

(a) 天馬(續)  
全面收入報表概要

13 SUBSIDIARIES (continued)

(a) Tianma (continued)  
Summarised statement of comprehensive income

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	Revenue	10,656,337	10,417,582
除所得稅前溢利	Profit before income tax	687,353	607,948
所得稅開支	Income tax expenses	(125,573)	(52,375)
其他全面收益	Other comprehensive income	25,514	20,116
全面總收益	Total comprehensive income	587,294	575,689
分配至非控股股東權益的 全面總收益	Total comprehensive income allocated to non-controlling interests	—	437,524
派付予非控股股東權益的 股息	Dividends paid to non-controlling interests	—	84,020



13. 附屬公司(續)

(a) 天馬(續)

現金流量表概要

13 SUBSIDIARIES (continued)

(a) Tianma (continued)

Summarised statement of cash flows

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>營運活動產生的現金流量</b>	<b>Cash flows from operating activities</b>		
經營業務產生的現金	Cash generated from operations	<b>1,124,795</b>	4,417,381
已付利息	Interests paid	<b>(63,721)</b>	(109,098)
已付所得稅	Income tax paid	<b>(80,467)</b>	(59,351)
營運活動產生的現金淨額	Net cash generated from operating activities	<b>980,607</b>	4,248,932
投資活動所用的現金淨額	Net cash used in from investing activities	<b>(3,042,418)</b>	(1,530,285)
融資活動(所用)/產生的現金淨額	Net cash (used in)/generated from financing activities	<b>(954,897)</b>	3,746,739
<b>現金及現金等價物的(減少)/增加淨額</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,016,708)</b>	6,465,386
年初的現金及現金等價物	Cash, cash equivalents at beginning of the year	<b>7,333,914</b>	810,131
現金及現金等價物匯兌收益	Exchange gain on cash and cash equivalents	<b>142,072</b>	58,397
年末的現金及現金等價物	Cash and cash equivalents at end of the year	<b>4,459,278</b>	7,333,914

上述資料為未計及公司間對銷的金額。

The information above is the amount before inter-company eliminations.

13. 附屬公司(續)

(b) 飛亞達  
資產負債表概要

13 SUBSIDIARIES (continued)

(b) Fiyta  
Summarised balance sheet

於十二月三十一日  
As at 31 December

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
流動 資產	Current Assets	2,827,632	3,148,043
負債	Liabilities	(1,508,668)	(1,448,721)
流動資產總淨值	Total current net assets	1,318,964	1,699,322
非流動 資產	Non-current Assets	1,420,090	1,226,307
負債	Liabilities	(176,772)	(521,823)
非流動資產總淨值	Total non-current net assets	1,243,318	704,484
淨資產	Net assets	2,562,282	2,403,806

全面收入報表概要

Summarised statement of comprehensive income

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	Revenue	2,970,063	3,127,775
除所得稅前溢利	Profit before income tax	259,612	190,046
所得稅開支	Income tax expenses	(63,302)	(27,116)
其他全面收益	Other comprehensive income	5,618	464
全面總收益	Total comprehensive income	201,928	163,394
分配至非控股股東權益的 全面總收益	Total comprehensive income allocated to non-controlling interests	(325)	95,939
派付予非控股股東權益的 股息	Dividends paid to non-controlling interests	43,875	22,981

13. 附屬公司(續)

(b) 飛亞達(續)  
現金流量表概要

13 SUBSIDIARIES (continued)

(b) Fiyta (continued)  
Summarised statement of cash flows

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
營運活動產生的現金流量	Cash flows from operating activities		
經營業務產生的現金	Cash generated from operations	565,353	1,126,254
已付利息	Interests paid	(64,923)	(83,947)
已付所得稅	Income tax paid	(44,671)	(20,638)
營運活動產生的現金淨額	Net cash generated from operating activities	455,759	1,021,669
投資活動所用現金淨額	Net cash used in investing activities	(185,210)	(230,012)
融資活動所用現金淨額	Net cash used in from financing activities	(482,613)	(270,743)
現金及現金等價物的 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(212,064)	520,914
年初的現金及現金等價物	Cash, cash equivalents at beginning of the year	637,388	114,881
現金及現金等價物匯兌收益	Exchange gains on cash and cash equivalents	1,904	1,593
年末的現金及現金等價物	Cash and cash equivalents at end of the year	427,228	637,388

上述資料為未計及公司間對銷的金額。

The information above is the amount before inter-company eliminations.

#### 14 使用權益法入賬的投資

於資產負債表確認的金額如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
聯營公司(a)	Associates (a)	2,670,333	2,664,196
合營企業(b)	Joint ventures (b)	1,854,810	2,189,433
於十二月三十一日	At 31 December	4,525,143	4,853,629

損益表中確認的稅前溢利／（虧損）如下：

Profit/(loss) before tax recognised in the statement of profit or loss are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
聯營公司	Associates	471,908	457,747
合營企業	Joint ventures	(249,422)	155,340
於十二月三十一日	At 31 December	222,486	613,087

14 使用權益法入賬的投資(續)

(a) 於聯營公司的投資

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

(a) Investment in associates

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	2,664,196	2,024,236
注資	Capital injection	31,755	252,768
轉撥自附屬公司	Transfer from subsidiaries	6,993	73,593
已收股息	Dividends received	(499,513)	(169,503)
應佔聯營公司溢利	Share of profits of associates	471,908	457,747
應佔聯營公司與其非控股 股東權益交易而產生的 儲備(附註27)	Share of reserves of an associate arising from its transactions with non-controlling interests (Note 27)	3,128	25,623
出售於聯營公司的投資	Disposal of investment in associates	(8,134)	—
應佔一間聯營公司的 其他全面收益	Share of an associate's other comprehensive income	—	(268)
年末	At end of year	2,670,333	2,664,196

## 14 使用權益法入賬的投資(續)

### (a) 於聯營公司的投資(續)

以下載列於二零一六年十二月三十一日董事認為對本集團屬重大的本集團聯營公司。下列聯營公司有僅由普通股組成的股本，直接由本集團持有；註冊成立或註冊所在國亦為其主要營業地點。

於二零一六年及二零一五年於聯營公司的重大投資性質：

實體名稱 Name of entity	營業地點／ 註冊成立國家 Place of business/ country of incorporation	企業類別 Type of legal entity	擁有權 權益百分比 % of ownership interest	關係性質 Nature of the relationship	計量方法 Measurement method
中航地產股份有限公司 (「中航地產」) AVIC Real Estate Company Limited (“AVIC Real Estate”)	中國，有限責任公司 PRC, Limited Liability company	股份公司(於深圳證券交 易所上市) Joint stock company (listed on Shenzhen Stock Exchange)	22.35%	附註 Note	權益 Equity

附註：中航地產從事地產開發及提供物業管理服務。其於中國西南、西北、中南、長江三角洲及環渤海地區開展業務。

於二零一六年十二月三十一日，本集團於中航地產(其於深圳證券交易所上市)權益的公允價值為人民幣1,827,816,000元(二零一五年十二月三十一日：人民幣1,793,526,000元)。

其他聯營公司為私人公司，其股份並無市場報價。

概無與本集團於聯營公司的權益有關的或然負債。

## 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

### (a) Investments in associates (continued)

Set out below are the associates of the Group as at 31 December 2016, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of material investment in associates in 2016 and 2015:

Note: AVIC Real Estate engages in real estate development and provision of property management services. It develops its business in China's southwest, northwest, central-south, the Yangtze River Delta and Huan Bohai regions.

As at 31 December 2016, the fair value of the Group's interest in AVIC Real Estate, which is listed on the Shenzhen Stock Exchange, was RMB1,827,816,000 (31 December 2015: RMB1,793,526,000).

Other associates are private companies and there is no quoted market price available for their shares.

There are no contingent liabilities relating to the Group's interest in the associates.

14 使用權益法入賬的投資(續)

(a) 於聯營公司的投資(續)  
資產負債表概要

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

(a) Investments in associates (continued)  
Summarised balance sheet

中航地產	AVIC Real Estate	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>流動</b>	<b>Current</b>		
現金及現金等價物	Cash and cash equivalents	1,956,273	1,469,345
其他流動資產 (不包括現金)	Other current assets (excluding cash)	10,464,391	12,172,276
流動資產總值	Total current assets	12,420,664	13,641,621
金融負債(不包括貿易應 付款項)	Financial liabilities (excluding trade payables)	6,011,521	5,988,866
其他流動負債(包括貿易應付 款項)	Other current liabilities (including trade payables)	3,530,323	5,035,630
流動負債總額	Total current Liabilities	9,541,844	11,024,496
<b>非流動</b>	<b>Non-current</b>		
資產	Assets	9,300,834	9,239,397
金融負債	Financial liabilities	5,183,820	6,405,822
其他非流動負債	Other non-current liabilities	2,266,407	755,357
非流動負債總額	Total non-current liabilities	7,450,227	7,161,179

14 使用權益法入賬的投資(續)

(a) 於聯營公司的投資(續)  
全面收入報表概要

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

(a) Investments in associates (continued)  
Summarised statement of comprehensive income

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	Revenue	6,322,366	5,518,759
折舊及攤銷	Depreciation and amortisation	24,474	25,755
融資收入	Finance income	41,812	10,746
融資開支	Finance expense	(474,992)	(373,034)
除所得稅前溢利	Profit before income tax	298,745	605,863
所得稅開支	Income tax expenses	(159,834)	(234,945)
本年度溢利	Profit for the year	138,911	370,918
其他全面收益	Other comprehensive income	10,856	1,321
全面總收益	Total comprehensive income	149,766	372,239
自中航地產收取的股息	Dividends received from AVIC Real Estate	7,454	14,909



#### 14 使用權益法入賬的投資(續)

(a) 於聯營公司的投資(續)  
全面收入報表概要(續)

所呈列財務資料概要與本集團於  
中航地產權益的賬面值對賬：

#### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investments in associates (continued)  
Summarised statement of comprehensive income  
(continued)

Reconciliation of the summarised financial  
information presented to the carrying amount of  
the Group's interest in AVIC Real Estate:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初資產淨值	Net assets at beginning of the year	4,695,344	4,154,436
本年度溢利	Profit for the year	138,911	370,918
其他全面收益	Other comprehensive income	10,856	1,321
與非控股股東權益交易	Transaction with non-controlling interests	(82,336)	235,364
股息	Dividends	(33,348)	(66,695)
期末資產淨值	Closing net assets	4,729,427	4,695,344
減：非控股股東權益	Less: non-controlling interests	(645,206)	(737,650)
中航地產權益持有人應佔 資產淨值	Net assets attributable to owners of AVIC Real Estate	4,084,221	3,957,694
於中航地產的權益 (二零一六年：22.35%； 二零一五年：22.35%)	Interest in AVIC Real Estate (2016: 22.35%; 2015: 22.35%)	912,823	884,545
賬面值	Carrying value	912,823	884,545

14 使用權益法入賬的投資(續)

- (a) 於聯營公司的投資(續)  
其他聯營公司的財務資料概要

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

- (a) Investments in associates (continued)  
Summarised financial information of other  
associates

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
其他聯營公司於綜合財務 報表的賬面總值	Total carrying amount of other associates in consolidated financial statements	1,757,509	1,779,651
其他聯營公司的 本年度業績： 本年度溢利	Other associates' results for the year: Profit for the year	435,476	366,378
全面總收益	Total comprehensive income	435,476	366,378

14 使用權益法入賬的投資(續)

(b) 於合營企業的投資

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

(b) Investments in joint ventures

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	2,189,433	2,299,558
注資	Capital injection	41,816	–
已收股息	Dividends received	(121,338)	(262,469)
應佔外幣折算差額	Share of currency translation differences	(5,679)	(1,339)
轉撥至附屬公司	Transfer to subsidiary	–	(1,024)
出售	Disposals	–	(633)
應佔合營企業 (虧損)/溢利	Share of (losses)/profits of joint ventures	(249,422)	155,340
年末	At end of year	1,854,810	2,189,433

以下載列於二零一六年十二月三十一日董事認為對本集團屬重大的本集團合營企業。下列合營企業有僅由普通股組成的股本，直接由本集團持有；註冊成立或註冊所在國亦為其主要營業地點。

Set out below is the joint venture of the Group as at 31 December 2016, which, in the opinion of the directors, is material to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which is held directly by the Group; the country of incorporation or registration is also its principal place of business.

# 14 使用權益法入賬的投資(續)

## (b) 於合營企業的投資(續)

二零一六年及二零一五年於合營企業的重大投資性質：

實體名稱 Name of entity	營業地點／註冊成立國家 Place of business/ country of incorporation	企業類別 Type of legal entity	擁有權益百分比 % of ownership interest		關係性質 Nature of the relationship	計量方法 Measurement method
			二零一六年 2016	二零一五年 2015		
中航萬科 AVIC Vanke	中國 PRC	合約制共同控制實體 Contractual jointly controlled entities	47.12%	47.12%	附註 Note	權益 Equity

附註：中航萬科為有限公司，主要從事房地產開發及運營、土地開發、建築、酒店及物業管理、投資及諮詢服務等。

所有合營企業為私人公司，其股份並無市場報價。

本集團就其合營企業有下列承擔。

# 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

## (b) Investments in joint ventures (continued)

Nature of material investment in joint venture in 2016 and 2015:

Note: AVIC Vanke is a limited liability company principally engaged in real estate development and operation, land development, construction, hotel and property management, investment and consultation services etc.

All joint ventures are private companies and there is no quoted market price available for their shares.

The Group has the following commitments relating to its joint ventures.

於十二月三十一日  
As at 31 December

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
就若干買方房貸融資的擔保 Guarantees in respect of mortgage facilities for certain purchasers	24,014	362,227

概無與本集團於合營企業的權益有關的或然負債。

There are no contingent liabilities relating to the Group's interest in the joint venture.

#### 14 使用權益法入賬的投資(續)

- (b) 於合營企業的投資(續)  
以下載列中航萬科採用權益法入賬的財務資料概要。

##### 資產負債表概要

#### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

- (b) **Investments in joint ventures** (continued)  
Set out below is the summarised financial information of AVIC Vanke which is accounted for using the equity method.

##### Summarised balance sheet

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>流動</b>	<b>Current</b>		
現金及現金等價物	Cash and cash equivalents	3,455,043	765,903
其他流動資產(不包括現金)	Other current assets (excluding cash)	7,637,566	9,403,207
流動資產總值	Total current assets	11,092,609	10,169,110
金融負債(不包括貿易應付款項)	Financial liabilities (excluding trade payables)	4,601,578	4,349,826
其他流動負債(包括貿易應付款項)	Other current liabilities (including trade payables)	4,322,726	2,765,809
流動負債總額	Total current Liabilities	8,924,304	7,115,635
<b>非流動</b>	<b>Non-current</b>		
資產	Assets	2,079,956	2,223,934
其他非流動負債	Other non-current liabilities	301,203	3,507
非流動負債總額	Total non-current liabilities	301,203	3,507

14 使用權益法入賬的投資(續)

(b) 於合營企業的投資(續)  
全面收入報表概要

14 INVESTMENTS ACCOUNTED FOR USING  
THE EQUITY METHOD (continued)

(b) Investments in joint ventures (continued)  
Summarised statement of comprehensive income

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入	Revenue	2,382,034	2,199,989
折舊及攤銷	Depreciation and amortisation	24,474	1,211
融資收入	Finance income	44,518	7,269
融資開支	Finance expense	(477,699)	(475)
除所得稅前(虧損)/溢利	(Loss)/profit before income tax	(472,849)	516,942
所得稅開支	Income tax charge	(445,516)	(134,756)
本年度(虧損)/溢利	(Loss)/Profit for the year	(918,365)	382,186
其他全面收益	Other comprehensive income	—	—
全面總收益	Total comprehensive income	(918,365)	382,186
自中航萬科收取的股息	Dividends received from AVIC Vanke	117,800	237,932

#### 14 使用權益法入賬的投資(續)

- (b) 於合營企業的投資(續)  
所呈列財務資料概要與本集團於  
中航萬科權益的賬面值對賬：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初資產淨值	Net assets at beginning of the year	5,273,902	5,700,886
本年度(虧損)/溢利	(Loss)/profit for the year	(918,365)	382,186
出售附屬公司	Disposal of subsidiaries	—	(146,653)
股息	Dividends	(408,479)	(662,517)
期末資產淨值	Closing net assets	3,947,058	5,273,902
減：非控股股東權益	Less: non-controlling interests	(189,129)	(717,190)
中航萬科權益持有人 應佔資產淨值	Net assets attributable to owners of AVIC Vanke	3,757,929	4,556,712
於合營企業的權益 (二零一六年：47.12%； 二零一五年：47.12%)	Interest in joint venture (2016: 47.12%; 2015: 47.12%)	1,770,736	2,147,123
賬面值	Carrying value	1,770,736	2,147,123

其他合營企業的財務資料概要

Summarised financial information of other joint ventures

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
其他合營企業於綜合財務報表 的賬面總值	Total carrying amount of other joint ventures in consolidated financial statements	84,074	42,311
其他合營企業的本年度業績：	Other joint ventures' results for the year:		
本年度溢利	Profit for the year	9,163	27,678
全面總收益	Total comprehensive income	9,163	27,678

**15 按類別分類的金融工具**  
於二零一六年十二月三十一日  
如綜合資產負債表所載資產

**15 FINANCIAL INSTRUMENTS BY CATEGORY**  
**At 31 December 2016**  
*Assets as per consolidated balance sheet*

		貸款及 應收款項 Loans and receivables 人民幣千元 RMB'000	按公允價值 計量且其變動 計入損益的 金融資產 Financial assets at fair value through profit or loss 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產(附註16)	Available-for-sale financial assets (Note 16)	–	–	583,560	583,560
按公允價值計量且其變動計入 損益的金融資產(附註23)	Financial assets at fair value through profit or loss (Note 23)	–	2,901	–	2,901
貿易及其他應收款項 (不包括非金融資產)	Trade and other receivables excluding non-financial assets	14,069,852	–	–	14,069,852
已抵押銀行存款(附註24)	Pledged bank deposits (Note 24)	937,562	–	–	937,562
現金及現金等價物(附註25)	Cash and cash equivalents (Note 25)	9,020,381	–	–	9,020,381
總計	Total	24,027,795	2,901	583,560	24,614,256

如綜合資產負債表所載負債

*Liabilities as per consolidated balance sheet*

		按攤銷成本 計算的其他 金融負債 Other financial liabilities at amortised cost 人民幣千元 RMB'000
借款(附註29)	Borrowings (Note 29)	18,224,396
貿易及其他應付款項 (不包括非金融負債)	Trade and other payables excluding non-financial liabilities	12,969,247
其他非流動負債(附註32)	Other non-current liabilities (Note 32)	80,332
其他流動負債(附註32)	Other current liabilities (Note 32)	10,902
總計	Total	31,284,877



## 15 按類別分類的金融工具(續)

於二零一五年十二月三十一日  
如綜合負債表所載資產

		按公允價值 計量且其變動 計入損益的 金融資產 Financial assets at fair value through profit or loss 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
可供出售金融資產	Available-for-sale financial assets	–	604,151	604,151
按公允價值計量且其變動計入 損益的金融資產	Financial assets at fair value through profit or loss	–	4,385	4,385
貿易及其他應收款項 (不包括非金融資產)	Trade and other receivables excluding non-financial assets	12,857,052	–	12,857,052
已抵押銀行存款	Pledged bank deposits	327,132	–	327,132
現金及現金等價物	Cash and cash equivalents	11,780,904	–	11,780,904
總計	Total	24,965,088	604,151	25,573,624

如綜合資產負債表所載負債

Liabilities as per consolidated balance sheet

		按公允價值 計量且其變動 計入損益的 金融負債 Financial liabilities at fair value through profit or loss 人民幣千元 RMB'000	按攤銷成本 計算的其他 金融負債 Other financial liabilities at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
借款	Borrowings	–	18,993,593	18,993,593
按公允價值計量且其變動計入 損益的金融負債	Financial liabilities at fair value through profit or loss	3,122	–	3,122
貿易及其他應付款項 (不包括非金融負債)	Trade and other payables excluding non-financial liabilities	–	13,150,051	13,150,051
其他非流動負債	Other non-current liabilities	–	91,010	91,010
其他流動負債	Other current liabilities	–	437,636	437,636
總計	Total	3,122	32,672,290	32,675,412

16 可供出售金融資產

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於非上市公司股份的投資	Investments in shares of unlisted companies	629,574	635,165
減：減值虧損撥備	Less: provision for impairment losses	(46,014)	(31,014)
		583,560	604,151

所有可供出售金融資產均以人民幣列值。

All available-for-sale financial assets are denominated in RMB.

年內可供出售金融資產的變動如下：

The movements of available-for-sale financial assets during the year are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	604,151	257,940
出售附屬公司	Disposal of subsidiaries	–	(20,000)
添置	Additions	2,200	369,500
出售	Disposals	(7,791)	(3,289)
減值虧損撥備	Provision for impairment losses	(15,000)	–
年末	At end of year	583,560	604,151

非上市公司的公允價值乃根據有關非上市公司的市場利率及風險溢價所貼現後的現金流量計算。其公允價值為公允價值層級第三級。

The fair value of unlisted companies are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted companies. The fair values are within level 3 of the fair value hierarchy.

該等金融資產概無逾期或減值。

None of these financial assets is either past due or impaired.

## 17 遞延所得稅

## 17 DEFERRED INCOME TAX

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
遞延稅項資產：	Deferred tax assets:		
— 超過十二個月後撥回	– to be recovered after more than 12 months	471,216	525,733
— 十二個月內撥回	– to be recovered within 12 months	146,553	144,582
		617,769	670,315
遞延稅項負債：	Deferred tax liabilities:		
— 超過十二個月後結算	– to be settled after more than 12 months	(617,537)	(802,870)
遞延稅項資產／(負債)	Deferred tax assets/(liabilities) – net	232	(132,555)
— 淨額			

遞延所得稅項的淨變動如下：

The net movements on the deferred income tax account are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年初	At beginning of year	132,555	224,787
於損益表中計入(附註40)	Credited to statement of profit or loss (Note 40)	93,458	(29,028)
出售附屬公司(附註43(d)(vii))	Disposals of subsidiaries (Note 43(d)(vii))	(228,032)	(55,424)
直接(扣除自)／計入其他全面收益中的稅項	Tax (charged)/credited directly to other comprehensive income	(3,855)	1,646
外幣折算差額	Currency translation differences	5,642	(9,426)
年末	At end of year	(232)	132,555

所得稅開支的詳情載於附註40。

Details of the income tax charge are shown in Note 40.

## 17 遞延所得稅(續)

年內遞延稅項資產及負債(並無計及於同一徵稅區內抵銷的結餘)的變動如下：

遞延稅項資產：

## 17 DEFERRED INCOME TAX (continued)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets:

		貿易及其他 應收款項的 減值虧損撥備 Provision for impairment losses on trade and other receivables	陳舊存貨撥備 Provision for inventory obsolescence	稅項虧損 Tax losses	政府補貼 Government grants	未變現溢利 Unrealised profits	應付薪金 以及退休及 其他補充 福利責任 Salaries payable and retirement and other supplemental benefit obligations	應計開支 Accrued expenses	其他 Others	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	72,012	51,802	371,064	59,671	87,696	40,549	6,007	18,400	707,201
(扣除自)/計入損益表	(Charged)/credited to the statement of profit or loss	301	8,168	(46,220)	57,290	11,279	(127)	(3,713)	4,789	31,767
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	-	-	-	-	-	(1,497)	-	-	(1,497)
出售附屬公司	Disposals of subsidiaries	-	-	(11,337)	-	-	-	-	-	(11,337)
外幣折算差額	Currency translation differences	(3,020)	(2,172)	(15,560)	(2,502)	(3,677)	(1,700)	(1,023)	-	(29,654)
於二零一五年 十二月三十一日	At 31 December 2015	69,293	57,798	297,947	114,459	95,298	37,225	1,271	23,189	696,480
(扣除自)/計入損益表	(Charged)/credited to the statement of profit or loss	(3,052)	(4,904)	(65,285)	(14,483)	(16,647)	(16,655)	8,236	16,470	(96,320)
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	-	-	-	-	-	4,824	-	-	4,824
外幣折算差額	Currency translation differences	2,949	2,460	12,682	4,872	4,056	1,584	1,041	-	29,644
於二零一六年 十二月三十一日	At 31 December 2016	69,190	55,354	245,344	104,848	82,707	26,978	10,548	39,659	634,628

17 遞延所得稅(續)

遞延稅項負債：

17 DEFERRED INCOME TAX (continued)

Deferred tax liabilities:

		業務收購的 資產公允 價值收益 Fair value gain on assets acquired Accelerated tax depreciation 人民幣千元 RMB'000	投資物業的 公允價值變動 Fair value change on investment properties 人民幣千元 RMB'000	自住物業 轉投資物業 Transfer of owner- occupied property to investment properties 人民幣千元 RMB'000	重新計量土地 使用權公允 價值收益 Fair value remeasure land use-right 人民幣千元 RMB'000	未確認融資成本 Unrecognised financial cost 人民幣千元 RMB'000	應計收入 Accrued income 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	
於二零一五年一月一日 (計入)/扣除自損益表	At 1 January 2015 (Credited)/charged to statement of profit or loss	15,075	469,844	320,673	39,235	22,256	135	64,770	931,988
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	(4,971)	(23,201)	46,404	-	(4,631)	693	(11,555)	2,739
出售附屬公司	Disposals of subsidiaries	-	(66,761)	-	-	-	-	-	(66,761)
外幣折算差額	Currency translation differences	(632)	(21,346)	(13,447)	-	(933)	(6)	(2,716)	(39,080)
於二零一五年 十二月三十一日	At 31 December 2015	9,472	358,536	353,779	39,235	16,692	822	50,499	829,035
扣除自/(計入)損益表	Charged/(Credited) to statement of profit or loss	1,253	93,470	(57,705)	(1,825)	(11,671)	666	(27,050)	(2,862)
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	-	-	969	-	-	-	-	969
出售附屬公司	Disposals of subsidiaries	-	(228,032)	-	-	-	-	-	(228,032)
外幣折算差額	Currency translation differences	403	15,261	15,052	1,676	710	35	2,149	35,286
於二零一六年 十二月三十一日	At 31 December 2016	11,128	239,235	311,946	39,235	5,731	1,523	25,598	634,396

## 17 遞延所得稅(續)

本集團未確認與下列有關的遞延稅項資產：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
結轉稅項虧損	Tax losses carried forward	1,975,073	2,532,953

由於可預見將來不可能有應課稅溢利而就此可動用可扣稅虧損及暫時性差異，故並無確認遞延所得稅資產。

根據企業所得稅法，中國公司稅項虧損可結轉用以抵銷未來五年的應課稅溢利。

與未列賬遞延稅項資產相關的結轉稅項虧損到期日如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年內到期	Expire within 1 year	136,206	494,516
一至兩年內到期	Expire in 1-2 years	418,603	136,206
兩至三年內到期	Expire in 2-3 years	620,985	418,603
三至四年內到期	Expire in 3-4 years	629,832	620,985
四至五年內到期	Expire in 4-5 years	169,447	862,643
		1,975,073	2,532,953

於二零一六年十二月三十一日，遞延稅項資產及遞延稅項負債結餘人民幣16,859,000元(二零一五年十二月三十一日：人民幣26,165,000元)與同一公司有關係，並彼此相互抵銷。

## 17 DEFERRED INCOME TAX (continued)

The Group did not recognise deferred tax assets in the accounts relating to:

Deferred income tax assets had not been recognised as it is not probable that taxable profit will be made available to utilise the deductible tax losses and temporary differences in the foreseeable future.

According to the Corporate Income Tax Law, tax losses of the PRC companies can be carried forward to offset future assessable profit for a period of 5 years.

The expiry date of tax losses carried forward in respect of which deferred tax assets have not been accounted for is as follows:

As at 31 December 2016, deferred tax assets and deferred tax liabilities balances of RMB16,859,000 (31 December 2015: RMB26,165,000) were related to the same company and were offset against each other.

## 18 其他非流動資產

## 18 OTHER NON-CURRENT ASSETS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
購買土地使用權預付款(a)	Prepayment for purchase of land use rights (a)	160,000	166,100
購買設備預付款	Prepayment for purchase of equipment	387,519	98,905
購買無形資產預付款	Prepayment for purchase of intangible assets	6,831	14,391
廣告費用預付款	Prepaid for advertisement fee	8,115	16,374
其他	Others	52,284	35,573
		614,749	331,343

(a) 威海船廠附屬公司中航威海工程裝備有限公司就第一期土地開發項目向威海經濟技術開發區管理有限公司預付人民幣160,000,000元。

(a) AVIC Weihai Engineering Equipment Co. Ltd (中航威海工程裝備有限公司), a subsidiary of Weihai Shipyard, prepaid RMB160,000,000 to Weihai Economic and Technological Development Zone State-owned Assets Management Co., Ltd (威海經濟技術開發區管理有限公司) for first tier land development.

19 存貨

19 INVENTORIES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
存貨－按成本	Inventories – cost		
原材料	Raw materials	1,171,605	1,275,087
在製品	Work-in-progress	513,158	395,758
製成品	Finished goods	4,432,016	4,408,961
		6,116,779	6,079,806
減：存貨撇減撥備	Less: provision for write-down of inventories		
原材料	Raw materials	(84,564)	(82,793)
在製品	Work-in-progress	(7,917)	(15,480)
製成品	Finished goods	(218,950)	(186,822)
		(311,431)	(285,095)
存貨－淨值	Inventories – net	5,805,348	5,794,711

確認為開支並列入銷售成本的存貨成本為人民幣22,618,911,000元（二零一五年：人民幣25,116,076,000元）。

本集團已於二零一六年撇銷過往年度作出的撥備人民幣116,397,000元（二零一五年：人民幣57,975,000元）。本集團已售出所有相關貨品，其金額已計入損益表「銷售成本」。

The cost of inventories recognised as expense and included in cost of sales amounted to RMB22,618,911,000 (2015: RMB25,116,076,000).

The Group had written-off provision of RMB116,397,000 in 2016 (2015: RMB57,975,000) that was made in prior years. The Group has sold all the related goods and the amount has been included in 'cost of sales' in the statement of profit or loss.



20 發展中物業

20 PROPERTIES UNDER DEVELOPMENT

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
預期將完成的發展中物業：	Properties under development expected to be completed:		
於正常經營週期計入流動資產	Within the normal operating cycle included under current assets	679,923	777,822
結餘包括：	Balance comprises:		
建築成本	Construction costs	333,961	307,748
土地使用權	Land use rights	212,789	370,028
資本化權益	Interest capitalised	133,173	100,046
		679,923	777,822

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於十二個月內收回	To be recovered within 12 months	350,149	472,499
將於超過十二個月後收回	To be recovered after more than 12 months	329,774	305,323
		679,923	777,822

釐定二零一六年符合資本化所產生權益金額的資本化率為3.40% (二零一五年：5.39%)。發展中物業主要位於中國。

The capitalisation rate used to determine the amount of interest incurred eligible for capitalisation in 2016 was 3.40% (2015: 5.39%). The properties under development are mainly located in the PRC.

21 貿易及其他應收款項

21 TRADE AND OTHER RECEIVABLES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
貿易應收款項	Trade receivables	7,594,867	7,753,155
減：應收款項減值撥備(a)	Less: provision for impairment of receivables (a)	(238,818)	(154,650)
貿易應收款項－淨額	Trade receivables – net	7,356,049	7,598,505
其他應收款項(b)	Other receivables (b)	4,989,560	4,629,901
應收票據(c)	Notes receivable (c)	1,414,173	295,218
支付供應商預付款	Prepayments to suppliers	1,619,005	1,388,527
尚未抵扣的增值稅款	Excess of input over output value added tax	952,436	574,131
應收利息	Interests receivable	43,293	29,762
應收股息	Dividends receivable	–	47,120
按金	Deposits	187,566	226,188
融資租賃應收款項(d)	Finance lease receivables (d)	79,211	30,358
		16,641,293	14,819,710
減：非即期部分	Less: non-current portion		
– 尚未抵扣的增值稅款	– Excess of input over output value added tax	–	(5,564)
– 按金	– Deposits	(160,044)	(176,244)
– 其他應收款項	– Other receivables	(1,488,322)	(1,566,659)
– 融資租賃應收款項	– Finance lease receivables	(79,211)	(28,484)
– 其他	– Others	–	(1,874)
		(1,727,577)	(1,778,825)
即期部分	Current portion	14,913,716	13,040,885

於二零一六年十二月三十一日，若干銀行借款由賬面值人民幣199,877,000元（附註29(a)）（二零一五年十二月三十一日：無）的貿易應收款項作抵押。

As at 31 December 2016, certain bank borrowings were secured by trade receivables with book value amounted to RMB199,877,000 (Note 29(a)) (31 December 2015: Nil).

## 21 貿易及其他應收款項(續)

本集團貨物銷售的信用期限為一至十二個月。貿易應收款項的賬齡分析如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年內	Within 1 year	6,086,581	6,819,205
一至兩年	Between 1 and 2 years	901,340	533,507
兩至三年	Between 2 and 3 years	342,304	194,121
超過三年	Over 3 years	264,642	206,322
		7,594,867	7,753,155
減：減值虧損撥備	Less: provision for impairment losses	(238,818)	(154,650)
		7,356,049	7,598,505

本集團貿易應收款項賬面值以下列貨幣計值：

## 21 TRADE AND OTHER RECEIVABLES (continued)

The Group's credit term on sale of goods is from 1 month to 12 months. The aging analysis of trade receivables is as follows:

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
人民幣	RMB	2,868,608	3,648,118
美元	USD	3,508,230	2,917,778
歐元	EUR	435,188	597,031
印度盧比	INR	225,977	91,656
日圓	JPY	157,955	107,089
馬來西亞林吉特	MYR	101,446	26,422
肯尼亞先令	KES	107,820	178,649
阿聯酋迪拉姆	AED	42,590	48,532
坦桑尼亞先令	TZS	35,179	31,323
港元	HKD	32,415	39,259
斯里蘭卡盧比	LKR	5,000	293
其他	Others	74,459	67,005
		7,594,867	7,753,155

## 21 貿易及其他應收款項(續)

(a) 貿易應收款項減值撥備變動如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
於一月一日	At 1 January	154,650	212,155
應收款項減值撥備	Provision for receivable impairment	104,054	98,796
年內撇銷的不可收回 應收款項	Uncollectible receivables written off during the year	(17,484)	(58,881)
收購一間附屬公司 (附註46)	Addition of a subsidiary (Note 46)	13,384	—
出售附屬公司	Disposal of subsidiaries	—	(56,571)
年內撥回撥備	Provision reversed during the year	(15,786)	(40,849)
於十二月三十一日	At 31 December	238,818	154,650

於二零一六年十二月三十一日，人民幣 203,752,000 元（二零一五年十二月三十一日：人民幣 377,987,000 元）的貿易應收款項已逾期但未減值。根據過往經驗，由於信用素質並無重大變動，且該等結餘仍被視為悉數收回，故管理層認為毋須就該等結餘計提減值撥備。該等無抵押貿易應收款項賬齡分析如下：

As at 31 December 2016, trade receivables of RMB203,752,000 (31 December 2015: RMB377,987,000) were past due but not impaired. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The aging analysis of these uncollateralised trade receivables is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一至兩年	Between 1 and 2 years	106,469	193,817
兩至三年	Between 2 and 3 years	4,016	75,301
三年以上	Over 3 years	93,267	108,869
		203,752	377,987

## 21 貿易及其他應收款項(續)

### (a) (續)

於二零一六年十二月三十一日，貿易應收款項人民幣1,304,534,000元(二零一五年十二月三十一日：人民幣555,963,000元)已減值。於二零一六年十二月三十一日，撥備金額為人民幣238,818,000元(二零一五年十二月三十一日：人民幣154,650,000元)。該等應收款項賬齡如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一至兩年	Between 1 and 2 years	794,871	339,690
兩至三年	Between 2 and 3 years	338,288	118,820
三年以上	Over 3 years	171,375	97,453
		1,304,534	555,963

應收款項減值撥備的增加及撥回已計入行政費用。計入撥備賬的金額一般於預期額外現金不可收回時撇銷。

於報告日，信貸風險上限為上述應收款項的賬面值。本集團並無持有任何抵押品作為貿易應收款項及其他應收款項的抵押。

## 21 TRADE AND OTHER RECEIVABLES

(continued)

### (a) (continued)

As at 31 December 2016, trade receivables of RMB1,304,534,000 (31 December 2015: RMB555,963,000) were impaired. The amount of the provision was RMB238,818,000 as at 31 December 2016 (31 December 2015: RMB154,650,000). The aging of these receivables is as follows:

The additions and reversal of provisions for impaired receivables have been included in administrative expenses. Amounts charged to the allowance account are generally written off when there is expectation that additional cash could not be recovered.

The maximum exposure to credit risk at the reporting date is the carrying value of receivable mentioned above. The Group does not hold any collateral as security of trade receivables and other receivables.

## 21 貿易及其他應收款項(續)

- (b) 計入其他應收款項包括附註47(d)所披露給予關聯方的貸款人民幣1,097,225,000元(二零一五年十二月三十一日:人民幣1,609,285,000元)及出售廣東航粵實業有限公司(「航粵公司」)75%股本權益向珠江人壽保險股份有限公司收取的應收款項價值人民幣600,000,000元(附註43(d)(vii))(二零一五年十二月三十一日:零)。
- (c) 應收票據包括銀行承兌匯票及商業承兌匯票,分析如下:

## 21 TRADE AND OTHER RECEIVABLES

(continued)

- (b) Included in other receivables were loans of RMB1,097,225,000 to related parties as disclosed in Note 47(d) (31 December 2015: RMB1,609,285,000) and amount receivable from Pearl River Life Insurance Company Limited, amounting to RMB600,000,000, for the disposal of 75% equity interest in Guangdong Hangyue Industrial Company Limited ("Hangyue Company") (Note 43(d)(vii)) (31 December 2015: Nil).
- (c) Notes receivable include bank acceptance bills and commercial acceptance bills which are analysed as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
商業承兌匯票	Commercial acceptance bill	54,007	26,714
銀行承兌匯票	Bank acceptance bills	1,360,166	268,504
		1,414,173	295,218

即期貿易應收款項及其他應收款項的賬面值與其公允價值相若。

The carrying amount of current trade receivables and other receivables approximated their fair values.

## 21 貿易及其他應收款項(續)

### (d) 融資租賃應收款項

租賃總投資與應收最低租賃付款  
現值之間的對賬載列如下。

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
租賃總投資	Gross investment in leases	112,142	51,620
應收最低租賃付款	Minimum lease payments receivables	112,142	51,620
減：有關應收最低租賃 付款的未賺取融資 收入	Less: unearned finance income related to minimum lease payments receivables	(32,931)	(21,262)
應收最低租賃付款現值	Present value of minimum lease payments receivables	79,211	30,358

下表分析本集團按相關到期日分  
類的租賃總投資：

The table below analyses the Group's gross  
investment in leases by maturity:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
— 一年以內	– Not later than 1 year	16,299	4,026
— 一年以上及五年以內	– Later than 1 year and not later than 5 years	35,709	4,985
— 五年以上	– Later than 5 years	60,134	42,609
		112,142	51,620

## 21 TRADE AND OTHER RECEIVABLES

(continued)

### (d) Finance lease receivables

Reconciliation between the gross investment in  
leases and the present value of minimum lease  
payments receivable is set out below.

## 22 建築合約

## 22 CONSTRUCTION CONTRACTS

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
所產生合約成本加應佔溢利	Contract costs incurred plus attributable profits	<b>23,119,811</b>	22,324,936
減：迄今的進度付款	Less: progress billings to date	<b>(22,167,841)</b>	(20,575,070)
減：撥備	Less: provision	<b>(86,138)</b>	(203,287)
進行中合約的資產負債表淨值狀況	Net balance sheet position for ongoing contracts	<b>865,832</b>	1,546,579
呈列如下：	Presented as:		
應收客戶合約工程款項	Amounts due from customers for contract work	<b>1,841,368</b>	2,284,105
應付客戶合約工程款項	Amounts due to customers for contract work	<b>(975,536)</b>	(737,526)
		<b>865,832</b>	1,546,579

年內，本集團已撇銷過往年度作出的撥備人民幣206,187,000元（二零一五年：人民幣72,984,000元）。其金額已計入損益表「銷售成本」。

During the year, the Group had written-off provisions of RMB206,187,000 (2015: RMB72,984,000) that was made in prior years. The amount has been included in 'cost of sales' in the statement of profit or loss.



**23 按公允價值計量且其變動計入損益的金融資產／(負債)**

**23 FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS**

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
金融資產：	Financial assets:		
上市股本權益	Listed equity interests	2,901	4,385
金融負債：	Financial liabilities:		
匯兌合約(a)	Foreign exchange contracts (a)	—	(3,122)
		2,901	1,263

(a) 尚未行使遠期外匯合約的名義本金額如下：

(a) The notional principal amounts of the outstanding forward foreign exchange contracts are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
外匯合約	Foreign exchange contracts		
— 以歐元買入人民幣	— Buying RMB with EUR	—	3,966

管理層為對沖外幣匯率波動訂立遠期外匯合約。該等遠期外匯合約並不符合對沖會計法。公允價值變動收益人民幣2,680,000元(二零一五年：虧損人民幣1,574,000元)於二零一六年損益表中確認。

The management entered into forward foreign exchange contracts for hedging the fluctuation of the exchange rate of foreign currencies. These forward foreign exchange contracts are not qualified for hedge accounting. Gains of the fair value changes amounting to RMB2,680,000 were recognised in the statement of profit or loss in 2016 (2015: loss of RMB1,574,000).

## 24 抵押銀行存款

若干銀行結餘為抵押存款，將於償還銀行貸款及使用信用額度後解除抵押。

## 24 PLEDGED BANK DEPOSITS

Certain bank balances were pledged deposits which will be released upon the settlement of the repayment of the bank loans and the use of credit amount.

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
出售航粵公司代價的擔保存款(a)	Guarantee deposits of consideration for disposal of Hangyue Company (a)	710,000	—
簽發信用證的擔保存款	Guarantee deposits for issuance of letters of credit	199,084	197,793
發行銀行承兌匯票的擔保存款	Guarantee deposits for issuance of bank acceptance bill	16,402	19,806
履行建築合約保證的擔保存款	Guarantee deposits for performance security of construction contract	170	6,204
興建預售物業的擔保存款	Guarantee deposits for construction of pre-sale properties	6,019	92,799
其他	Others	5,887	10,530
		937,562	327,132

(a) 就出售航粵公司向珠江人壽保險股份有限公司收取代價的擔保存款，直至交易完成前不可提領。

(a) The guarantee deposits of consideration for disposal of Hangyue Company was received from Pearl River Insurance Company Limited, which was restricted for withdrawn until the completion of transaction.

## 25 現金及現金等價物

年利率介乎0.35厘至2.75厘的現金及現金等價物結餘分析如下：

## 25 CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents with an annual interest rate from 0.35% to 2.75% are analysed as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銀行存款及手頭現金	Cash at bank and on hand	9,020,381	11,780,904

## 25 現金及現金等價物(續)

現金及現金等價物的賬面值以下列貨幣列值：

## 25 CASH AND CASH EQUIVALENTS (continued)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
人民幣	RMB	3,369,782	7,687,717
美元	USD	4,068,632	2,358,698
斯里蘭卡盧比	LKR	513,379	334,070
歐元	EUR	451,924	655,104
日圓	JPY	226,785	245,313
印度盧比	INR	206,277	334,070
阿聯酋迪拉姆	AED	37,491	43,248
港元	HKD	31,396	12,598
其他	Others	114,715	110,086
		<b>9,020,381</b>	<b>11,780,904</b>

## 26 股本及股份溢價

## 26 SHARE CAPITAL AND SHARE PREMIUM

股份數目 Number of share			股本 Capital		
內資股 Domestic Shares 千股 Thousands	H股 H Shares 千股 Thousands	股份總數 Total Number of shares 千股 Thousands	已發行及 繳足普通股 Ordinary shares, issued and fully paid 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年一月一日， 二零一五年及二零一六年 十二月三十一日	As at 1 January 2015, 31 December 2015 and 2016				
832,974	333,188	1,166,162	1,166,162	1,512,380	2,678,542

## 27 其他儲備

## 27 OTHER RESERVES

		資本儲備 Capital reserve 人民幣千元 RMB'000	法定一般 儲備基金 Statutory general reserve fund 人民幣千元 RMB'000	可供出售 金融資產 重估儲備 Available- for-sale financial assets revaluation reserve 人民幣千元 RMB'000	自有物業 轉投資物業的 重估收益 Revaluation gain on transfer of owner- occupied property to investment property 人民幣千元 RMB'000	重新計量離職 福利責任 Re- measurements of post- employment benefit obligations 人民幣千元 RMB'000	外幣折算差額 Currency translation differences 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年一月一日的結餘	Balance as at 1 January 2015	889,465	146,296	13,214	123,322	(10,372)	(478,636)	683,289
重新計量離職福利責任	Re-measurements of post-employment benefit obligations	-	-	-	-	(805)	-	(805)
自有物業轉投資物業的重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	833	-	-	833
外幣折算差額	Currency translation differences	-	-	-	-	-	(150,254)	(150,254)
與非控股股東權益的交易	Transactions with non-controlling interests	674,422	-	-	-	-	-	674,422
應佔一間聯營公司因與非控股股東權益交易而產生的儲備	Share of reserve of an associate arising from its transactions with non-controlling interests	25,623	-	-	-	-	-	25,623
應佔一間聯營公司其他全面收益	Share of an associate's other comprehensive income	(268)	-	-	-	-	-	(268)
撥入未分配利潤	Appropriation of retained earnings	-	28,602	-	-	-	-	28,602
視為共同控制業務合併的代價分配	Deemed distribution as a consideration for business combination under common control	(27,500)	-	-	-	-	-	(27,500)
特別儲備－安全生產基金	Special reserve – safety production fund	483	-	-	-	-	-	483
於二零一五年十二月三十一日的結餘	Balance as at 31 December 2015	1,562,225	174,898	13,214	124,155	(11,177)	(628,890)	1,234,425
於二零一六年一月一日的結餘	Balance as at 1 January 2016	1,562,225	174,898	13,214	124,155	(11,177)	(628,890)	1,234,425
重新計量離職福利責任	Re-measurements of post-employment benefit obligations	-	-	-	-	(6,232)	-	(6,232)
自有物業轉投資物業的重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	5,747	-	-	5,747
外幣折算差額	Currency translation differences	-	-	-	-	-	(76,189)	(76,189)
應佔一間聯營公司因與非控股股東權益交易而產生的儲備(附註14(a))	Share of reserve of an associate arising from its transactions with non-controlling interests (Note 14(a))	3,128	-	-	-	-	-	3,128
轉撥至其他儲備	Transfer to other reserves	-	14,158	-	-	-	-	14,158
特別儲備－安全生產基金	Special reserve – safety production fund	195	-	-	-	-	-	195
於二零一六年十二月三十一日的結餘	Balance as at 31 December 2016	1,565,548	189,056	13,214	129,902	(17,409)	(705,079)	1,175,232

## 27 其他儲備(續)

根據中國有關法例及法規，本集團的中國附屬公司於抵銷過往年度累計虧損後及向股東分派溢利前，須自純利撥款至儲備基金、酌情盈餘儲備及企業發展基金。撥入儲備基金的款項按純利10%計提，直至基金結餘達至其註冊資金50%為止。撥入酌情盈餘儲備及企業發展基金的款項由中國附屬公司董事釐定。

經董事會批准后，儲備基金可用於抵銷累計虧損或增資；企業發展基金可用於擴大生產或增資。

## 28 永久次級可換股證券

於二零一二年九月五日，本公司發行本總額人民幣2,781,674,000元的永久次級可換股證券(「永久次級可換股證券」)予控股公司中航國際、中航深圳(持有本公司35.63%股本權益的本公司股東)及北京瑞賽科技有限公司(「北京瑞賽」)，分別作為收購多家附屬公司的部分購買代價。此等永久次級可換股證券可按初步轉換價每股人民幣3.47元轉換為801,634,000股本公司內資股。

永久次級可換股證券構成本公司直接、無抵押及次級債務，並享有同等地位，彼此之間並無任何優先權或優先次序。倘本公司清盤，永久次級可換股證券持有人的權利及索償地位應：(i)優於本公司任何類別股本提出索償的人士，(ii)受償權利次於本公司所有其他現時及未來優先債權人的索償，及(iii)各自享有同等地位。

## 27 OTHER RESERVES (continued)

In accordance with relevant laws and regulations of the PRC, the PRC subsidiaries of the Group should make appropriations from the net profit to the reserve fund, discretionary surplus reserve and the enterprise expansion fund, after offsetting accumulated losses from prior years, and before profit distributions to the shareholders. The appropriations to the reserve fund are made at 10% of the net profit until the balance of the fund reaches 50% of their registered capital. The amounts of appropriations to the discretionary surplus reserve and the enterprise expansion fund are determined by the directors of the PRC subsidiaries.

Upon approval from the board of directors, the reserve fund can be used to offset accumulated losses or to increase capital; the enterprise expansion fund can be used to expand production or to increase capital.

## 28 PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

The Company issued an aggregate principal amount of RMB2,781,674,000 perpetual subordinated convertible securities ("PSCS") on 5 September 2012 to AVIC International, the holding company, AVIC Shenzhen, the Company's shareholder holding 35.63% of the equity interests of the Company, and Beijing Raise Technology Company Limited (北京瑞賽科技有限公司) ("Beijing Raise"), respectively as part of the purchase consideration for acquisition of subsidiaries. These PSCS being convertible into 801,634,000 domestic shares of the Company at an initial conversion price of RMB3.47 per share.

The PSCS constitutes direct, unsecured and subordinated obligations of the Company and rank pari passu without any preference or priority among themselves. In the event of the winding-up of the Company, the rights and claims of the PSCS holder(s) would; (i) rank ahead of those persons whose claims are in respect of any class of share capital of the Company, (ii) be subordinated in right of payment to the claims of all other present and future preference creditors of the Company, and (iii) pari passu with each other.

## 28 永久次級可換股證券(續)

永久次級可換股證券並無到期日及有權收取永久次級可換股證券自發行日期起(包括該日)就任何尚未償還本金額按年息1厘計算每年七月三十一日到期應付的年度分派款項，惟須受永久次級可換股證券的條款所限。本公司有權按永久次級可換股證券條款選擇延期分派款項。永久次級可換股證券持有人行使轉換權後，本公司將透過派發其可發行內資股全數終止任何就永久次級可換股證券而到期的分派欠款。

永久次級可換股證券持有人可於永久次級可換股證券發行當日起隨時按轉換價人民幣3.47元轉換永久次級可換股證券為內資股，惟受永久次級可換股證券條款所規定的相關條款所限。轉換價可經發行紅利、轉換資本儲備及其他攤薄事項調整。永久次級可換股證券持有人可於下列條件轉換部分永久次級可換股證券：(i)轉換將不會引致本公司違反香港聯合交易所有限公司證券上市規則(「上市規則」)條文，包括但不限於上市規則項下最低公眾持股量規定；及(ii)轉換將遵守所有適用法例及法規(包括但不限於上市規則及香港公司收購及合併守則)。

自永久次級可換股證券發行日期後12個月或任何時間，本公司可全權並根據永久次級可換股證券條款選擇轉換全部(但非部份)永久次級可換股證券為內資股，惟須受永久次級可換股證券條款所載轉換限制條文所限。

永久次級可換股證券持有人無權僅因其作為永久次級可換股證券持有人而接收本公司股東大會通告、出席大會或於會上投票。

## 28 PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES (continued)

The PSCS have no maturity date and conferred a right to receive distributions from and including the date of issue of the PSCS at 1% per annum on any outstanding principal amount of distribution payable annually in arrears on 31 July each year, subject to the terms of the PSCS. The Company was entitled to elect to defer a distribution pursuant to the terms of the PSCS. Any arrears of distributions due in respect of the PSCS would be extinguished by the Company in full through the delivery by the Company of its domestic shares issuable by it upon the exercise of the PCSC holder's conversion right.

The PSCS holders can convert PSCS into domestic shares at any time from the date of issue of the PSCS, subject to relevant terms as provided in the terms of the PSCS, at conversion price of RMB3.47. The conversion price will be subject to adjustment for bonus issue, conversion of capital reserve and other dilutive events. The PSCS holders may convert such portion of the PSCS on condition that: (i) the conversion would not cause the Company to contravene provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited including but not limited to the minimum public float requirement under the Listing Rules; and (ii) conversion would comply with all applicable laws and regulations (including but not limited to the Listing Rules and the Hong Kong Code on Takeovers and Mergers).

On or at any time after 12 months after the date of issue of the PSCS, the Company may, at its sole discretion and pursuant to the terms of the PSCS, elect to convert the PSCS in whole (but not in part into domestic shares), subject to the provisions of restriction on conversion set out in the terms of the PSCS.

The PSCS holder(s) were not entitled to receive notice of, attend or vote at general meetings of the Company by reason only of its being a PSCS holder.

## 29 借款

借款包括銀行借款及其他借款，分析如下：

## 29 BORROWINGS

Borrowings include bank borrowings and other borrowings which are analysed as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>非流動</b>	<b>Non-current</b>		
銀行借款	Bank borrowings		
– 已抵押(a)	– pledged (a)	754,891	1,780,077
– 有擔保(b)	– guaranteed (b)	1,350,144	275,000
– 無抵押	– unsecured	5,668,827	7,100,736
中期票據(c)	Medium term notes (c)	1,800,000	1,100,000
債券	Debentures	–	399,824
關聯方借款(附註47(c))	Related party borrowings (Note 47(c))	1,041,811	1,087,213
免息政府貸款(d)	Interest-free government loan (d)	156,537	388,008
減：非流動借款的即期部分	Less: current portion of non-current borrowings	(1,867,356)	(1,909,636)
		<b>8,904,854</b>	10,221,222
<b>流動</b>	<b>Current</b>		
銀行借款	Bank borrowings		
– 已抵押(a)	– pledged (a)	193,152	–
– 有擔保(b)	– guaranteed (b)	294,591	242,574
– 無抵押	– unsecured	5,819,232	5,012,066
短期票據	Short-term notes	–	500,000
關聯方借款(附註47(c))	Related party borrowings (Note 47(c))	1,145,211	1,108,095
非流動借款的即期部分	Current portion of non-current borrowings	1,867,356	1,909,636
		<b>9,319,542</b>	8,772,371
		<b>18,224,396</b>	18,993,593

## 29 借款(續)

- (a) 於二零一六年十二月三十一日，本集團銀行貸款人民幣948,043,000元(二零一五年十二月三十一日：人民幣1,780,077,000元)以下列各項作抵押：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
貿易及其他應收款項 (附註21)	Trade and other receivables (Note 21)	199,877	—
樓宇(附註10(b))	Buildings (Note 10(b))	942,810	563,446
投資物業	Investment properties	—	932,440
在建物業	Construction-in-progress	—	879,240
土地使用權(附註7)	Land use rights (Note 7)	200,327	521,660
		<b>1,343,014</b>	2,896,786

- (b) 於二零一六年十二月三十一日，本集團銀行貸款人民幣1,644,735,000元(二零一五年十二月三十一日：人民幣517,574,000元)由下列擔保支持：

## 29 BORROWINGS (continued)

- (a) At 31 December 2016, bank loans of RMB948,043,000 (31 December 2015: RMB1,780,077,000) of the Group were secured by the following:

- (b) At 31 December 2016, bank loans of RMB1,644,735,000 (31 December 2015: RMB517,574,000) of the Group were supported by the following guarantees:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
中航國際	AVIC International	194,999	275,000
中航工業	Aviation Industry	244,592	242,574
第三方	Third Parties	1,205,144	—
		<b>1,644,735</b>	517,574



## 29 借款(續)

- (c) 本公司已於二零一三年四月十七日取得中央國債登記結算有限責任公司的註冊，於二零一三年五月六日完成向銀行同業市場的機構投資者發行總面值人民幣600,000,000元年利率為4.78厘的中期票據。票據按概約面值自發行日期起計五年內到期。

本公司於二零一五年七月十四日向銀行同業市場的機構投資者發行總面值人民幣500,000,000元年利率為4.10厘的中期票據。票據按概約面值自發行日期起計三年內到期。負債的公允價值於發行票據時釐定並相等於面值。

此外，本公司於二零一六年三月十一日向銀行同業市場的機構投資者發行總面值人民幣700,000,000元年利率為3.28厘的中期票據。票據按概約面值自發行日期起計三年內到期。負債的公允價值於發行票據時釐定並相等於面值。

本公司控股公司中航國際已就中期票據提供全額無條件不可撤回共同及個別債務擔保。

- (d) 於二零一五年二月二日，由上海張江(集團)有限公司代表上海市政府授予免息貸款人民幣200,000,000元，用於建造TFT-LCD生產線。免息政府貸款將自二零一五年二月四日至二零二零年二月二日分期償還。等額貸款以當時適用市場利率6厘計息，估計貸款的公允價值為人民幣149,451,000元。所得款項總額與貸款公允價值間的差額人民幣50,550,000元乃源自免息貸款的利益，並已確認為遞延收入。此遞延收入將會在相關資產的可使用年期內攤銷。於二零一六年十二月三十一日，尚未償還部分為人民幣156,537,000元。

## 29 BORROWINGS (continued)

- (c) The Company obtained the registration with China Government Securities Depository Trust & Clearing Co., Ltd. on 17 April 2013 and issued 4.78% medium-term notes at a total nominal value of RMB600,000,000 to institutional investors in interbank market on 6 May 2013. The maturity date of the notes shall be five years from the issue date at approximate nominal value.

The Company issued 4.10% medium-term notes at a total nominal value of RMB500,000,000 to institutional investors in interbank market on 14 July 2015. The maturity date of the notes shall be three years from the issue date at approximate nominal value. The fair value of the liability was determined at issuance of the notes and it was equal to the nominal value.

In addition, the Company issued 3.28% medium-term notes at a total nominal value of RMB700,000,000 to institutional investors in interbank market on 11 March 2016. The maturity date of the notes shall be three years from the issue date at approximate nominal value. The fair value of the liability was determined at issuance of the notes and it was equal to the nominal value.

AVIC International, the Company's holding company, provided a full unconditional irrevocable joint and several liability guarantee for the medium-term notes.

- (d) Interest-free loan of RMB200,000,000 was granted by Shanghai Zhangjiang Group Co., Ltd. on behalf of Shanghai municipal government on 2 February 2015 for constructing the TFT-LCD production line. The interest-free government loan will be repaid by instalments from 4 February 2015 to 2 February 2020. Using the prevailing market interest rates for an equivalent loan of 6%, the fair value of the loan is estimated at RMB149,451,000. The difference of RMB50,550,000 between the gross proceeds and the fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred revenue. The deferred revenue will be amortised within the useful life of the relevant assets. As at 31 December 2016, the outstanding balance was RMB156,537,000.

## 29 借款(續)

(e) 借款的賬面值以下列貨幣計值：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
人民幣	RMB	13,419,771	14,339,558
美元	USD	2,720,541	2,529,718
歐元	EUR	1,712,935	1,596,420
新加坡元	SGD	215,996	206,483
港元	HKD	140,438	301,206
日圓	JPY	9,276	14,766
瑞士法郎	CHF	5,439	5,442
		18,224,396	18,993,593

於結算日，借款面臨的利率變動  
及合約重新定價日期風險如下：

## 29 BORROWINGS (continued)

(e) The carrying amounts of the borrowings are  
denominated in the following currencies:

The exposure of the borrowings to interest-rate  
changes and the contractual repricing dates at the  
balance sheet dates are as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年內	Within 1 year	9,319,542	8,772,371
一至兩年	Between 1 and 2 years	3,117,012	2,093,266
兩至五年	Between 2 and 5 years	2,878,606	4,520,792
超過五年	Over 5 years	2,909,236	3,607,164
		18,224,396	18,993,593

## 29 借款(續)

(f) 於結算日的實際利率如下：

		二零一六年 2016				二零一五年 2015			
		人民幣 RMB	美元 USD	歐元 EUR	港元 HKD	人民幣 RMB	美元 USD	歐元 EUR	港元 HKD
銀行借款	Bank borrowings	4.15%	2.84%	4.04%	2.57%	4.54%	3.15%	4.19%	2.93%

(g) 本集團的借款利率風險如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
浮息借款	Borrowings at floating rates	11,126,333	9,143,684
定息借款	Borrowings at fixed rates	7,098,063	9,849,909
總計	Total	18,224,396	18,993,593

(h) 按固定息率計息的非流動借款賬面值及公允價值如下：

		賬面值 Carrying amount		公允價值 Fair value	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
銀行借款	Bank borrowings	1,460,000	2,382,928	1,180,726	2,191,604
中期票據	Medium-term notes	1,800,000	1,100,000	1,559,947	1,074,293
債券	Debentures	–	399,824	–	384,627
		3,260,000	3,882,752	2,740,673	3,650,524

## 29 BORROWINGS (continued)

(f) The effective interest rates at the balance sheet dates are as follows:

		二零一六年 2016				二零一五年 2015			
		RMB	USD	EUR	HKD	RMB	USD	EUR	HKD
Bank borrowings		4.15%	2.84%	4.04%	2.57%	4.54%	3.15%	4.19%	2.93%

(g) The interest rate exposure of the borrowings of the Group are as follows:

		二零一六年 2016 RMB'000	二零一五年 2015 RMB'000
Borrowings at floating rates		11,126,333	9,143,684
Borrowings at fixed rates		7,098,063	9,849,909
Total		18,224,396	18,993,593

(h) The carrying amounts and fair value of the non-current borrowings carried at fixed interest rate are as follows:

		Carrying amount		Fair value	
		2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Bank borrowings		1,460,000	2,382,928	1,180,726	2,191,604
Medium-term notes		1,800,000	1,100,000	1,559,947	1,074,293
Debentures		–	399,824	–	384,627
		3,260,000	3,882,752	2,740,673	3,650,524

### 30 政府補貼的遞延收入

此等金額代表由中國當地政府機關授出及自其收取的各項津貼。其變動如下：

### 30 DEFERRED INCOME ON GOVERNMENT GRANTS

The amounts represented various subsidies granted by and received from local government authorities in the PRC. The movements are as follows:

		於二零一五年 十二月三十一日 At 31 December 2015 人民幣千元 RMB'000	已收津貼 Receipt of grants 人民幣千元 RMB'000	計入溢利／ (虧損) Credited to profit/(loss) 人民幣千元 RMB'000	於二零一六年 十二月三十一日 At 31 December 2016 人民幣千元 RMB'000
與資產有關的政府 補貼(不包括政府 免息貸款)	Government grant related to assets (excluding government interest free loan)	506,233	66,730	(57,036)	<b>515,927</b>
與成本有關的政府 補貼	Government grant related to costs	174,027	500,821	(382,880)	<b>291,968</b>
政府免息貸款	Government interest free loans	600,763	99,173	(59,904)	<b>640,032</b>
		1,281,023	666,724	(499,820)	<b>1,447,927</b>

### 31 退休及其他補充福利責任

下表載列已計入財務報表的本集團離職後福利金額及活動。

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

The table below outlines where the Group's post-employment amounts and activity are include in the financial statements.

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>就下列各項的資產負債表責任：</b>	<b>Balance sheet obligations for:</b>		
— 補充退休福利計劃	— Supplemental retirement benefits plan	44,098	47,737
— 提前退休福利計劃	— Early retirement benefit plan	78	193
— 界定退休金福利	— Defined pension benefits – with		
— 有注資計劃資產	funded plan assets	33,426	29,361
— 界定退休金福利	— Defined pension benefits – without		
— 無注資計劃資產	funded plan assets	176,967	146,745
— 其他界定退休福利	— Other defined pension benefits	175,447	171,073
<b>計入資產負債表的負債</b>	<b>Liabilities on the balance sheet</b>	<b>430,016</b>	395,109
<b>就下列各項的損益表支出計入經營溢利：</b>	<b>Charge to statement of profit or loss included in operating profit for:</b>		
— 補充退休福利計劃	— Supplemental retirement benefits plan	1,263	1,669
— 提前退休福利計劃	— Early retirement benefit plan	7	26
— 界定退休金福利—有注資計劃資產	— Defined pension benefits – with funded plan assets	3,177	3,052
— 界定退休金福利—無注資計劃資產	— Defined pension benefits – without funded plan assets	8,339	7,577
— 其他界定退休福利	— Other defined pension benefits	3,398	3,299
		<b>16,184</b>	15,623
<b>就下列各項重新計量：</b>	<b>Re-measurements for:</b>		
— 補充退休福利計劃	— Supplemental retirement benefits plan	(922)	938
— 界定退休金福利—有注資計劃資產	— Defined pension benefits – with funded plan assets	2,156	(2,368)
— 界定退休金福利—無注資計劃資產	— Defined pension benefits – without funded plan assets	9,134	1,908
— 其他界定退休福利	— Other defined pension benefits	7,075	(640)
		<b>17,443</b>	(162)

### 31 退休及其他補充福利責任(續)

於綜合資產負債表確認的提前退休及補充福利責任金額釐定如下：

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

The amounts of early retirement and supplemental benefit obligations recognised in the consolidated balance sheet are determined as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
界定福利責任的現值	Present value of defined benefits obligations	430,016	395,109
減：即期部分	Less: current portion	(15,742)	(15,865)
非即期部分	Non-current portion	414,274	379,244

本集團提前退休福利及補充福利責任的變動如下：

The movements of Group's early retirement benefit and supplemental benefit obligations are as follows:

		責任現值 Present value of obligation 人民幣千元 RMB'000	計劃資產 公允價值 Fair value of plan assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	429,390	(28,102)	401,288
過往服務成本	Past service cost	11	—	11
現有服務成本	Current service cost	3,999	—	3,999
利息支出／(收入)	Interest expense/(income)	11,876	(263)	11,613
		445,276	(28,365)	416,911
重新計量	Re-measurements			
— 經驗虧損	— Experience losses	949	—	949
— 財務假設變動 (收益)／虧損	— (Gain)/loss from change in financial assumptions	(1,216)	105	(1,111)
		(267)	105	(162)

31 退休及其他補充福利責任(續)

31 RETIREMENT AND OTHER SUPPLEMENTAL  
BENEFIT OBLIGATIONS (continued)

		責任現值 Present value of obligation 人民幣千元 RMB'000	計劃資產 公允價值 Fair value of plan assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
供款－僱員	Contributions – Employers	–	(4,315)	(4,315)
計劃付款－	Payments from plans –			
福利付款	Benefit payments	(17,574)	1,263	(16,311)
匯兌差額	Exchange difference	430	(1,444)	(1,014)
<b>於二零一五年 十二月三十一日</b>		<b>At 31 December 2015</b>		
		427,865	(32,756)	395,109
於二零一六年一月一日	At 1 January 2016	427,865	(32,756)	395,109
過往服務成本	Past service cost	3	–	3
現有服務成本	Current service cost	9,871	–	9,871
利息支出／(收入)	Interest expense/(income)	6,650	(340)	6,310
		444,389	(33,096)	411,293
重新計量	Re-measurements			
－經驗虧損	– Experience losses	6,560	–	6,560
－財務假設變動虧損	– Loss from change in financial assumptions	10,883	–	10,883
		17,443	–	17,443
供款－僱員	Contributions – Employers	–	(4,429)	(4,429)
計劃付款－	Payments from plans –			
福利付款	Benefit payments	(20,182)	1,362	(18,820)
匯兌差額	Exchange difference	28,176	(3,647)	24,529
<b>於二零一六年 十二月三十一日</b>		<b>At 31 December 2016</b>		
		469,826	(39,810)	430,016

### 31 退休及其他補充福利責任(續)

上述責任根據獨立合資格精算公司採用預計單位貸記精算成本法作出的精算估值釐定。

對此等責任估值所採用的重大精算假設如下：

		二零一五年 2015				
		補充退休 福利計劃 Supplemental retirement benefits plan	提前退休 福利計劃 Early retirement benefit plan	界定退休金 福利－有注資 計劃資產 Defined pension benefits – with funded plan assets	界定退休金 福利－無注資 計劃資產 Defined pension benefits – without funded plan assets	其他界定 退休福利 Other defined pension benefits
貼現率(每年)	Discount rate (per annum)	2.8%	2.3%	0.9%	0.9%	1.9%
薪金增長率	Salary growth rate	8%	5%-11%	1.9%	1.9%	1.5%
壽命	Life expectancy	86	86	87	87	86
僱員流動率	Employee turnover rate	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	0%

		二零一六年 2016				
		補充退休 福利計劃 Supplemental retirement benefits plan	提前退休 福利計劃 Early retirement benefit plan	界定退休金 福利－有注資 計劃資產 Defined pension benefits – with funded plan assets	界定退休金 福利－無注資 計劃資產 Defined pension benefits – without funded plan assets	其他界定 退休福利 Other defined pension benefits
貼現率(每年)	Discount rate (per annum)	2.8%	2.3%	0.9%	0.9%	1.9%
薪金增長率	Salary growth rate	8%	5%-11%	1.9%	1.9%	1.5%
壽命	Life expectancy	86	86	不適用 N/A	不適用 N/A	不適用 N/A
僱員流動率	Employee turnover rate	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	0%



### 31 退休及其他補充福利責任(續)

有關未來死亡率的假設乃按照在相關國家刊發的統計數字及經驗，根據精算意見訂定。該等假設可推算出領取退休金人士於六十歲退休後的平均壽命。

界定退休金福利的計劃資產如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
投資基金	Investment funds	39,807	32,756

所有計劃資產於活躍市均有報價。

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in related countries. These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 60.

The planned assets of the defined pension benefits are as follows:

All the planned assets have quoted prices in active markets.

### 31 退休及其他補充福利責任(續)

界定福利責任對加權主要假設變動的敏感度如下：

#### (a) 補充退休福利計劃及提前退休福利計劃

		對界定福利責任的影響 Impact on defined benefit obligation		
		假設變動 Change in assumption	假設增加 Increase in assumption	假設減少 Decrease in Assumption
貼現率	Discount rate		減少4.0% Decrease by 4.0%	增加4.3% Increase by 4.3%
		0.5%		
退休金增長率	Pension growth rate		增加4.3% Increase by 4.3%	減少4.1% Decrease by 4.1%
		0.5%		

		對界定福利責任的影響 Impact on defined benefit obligation	
		假設增加一年 To increase by 1 year in assumption	假設減少一年 To decrease by 1 year in assumption
壽命	Life expectancy	增加2.1% Increase by 2.1%	減少2.0% Decrease by 2.0%

#### (b) 界定退休金福利－有及無注資計劃資產

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

#### (a) Supplemental retirement benefits plan and early retirement benefit plan

		對界定福利責任的影響 Impact on defined benefit obligation		
		假設變動 Change in assumption	假設增加 Increase in assumption	假設減少 Decrease in Assumption
貼現率	Discount rate		減少4.0% Decrease by 4.0%	增加4.3% Increase by 4.3%
		0.5%		
退休金增長率	Pension growth rate		增加4.3% Increase by 4.3%	減少4.1% Decrease by 4.1%
		0.5%		

		對界定福利責任的影響 Impact on defined benefit obligation	
		假設增加一年 To increase by 1 year in assumption	假設減少一年 To decrease by 1 year in assumption
壽命	Life expectancy	增加2.1% Increase by 2.1%	減少2.0% Decrease by 2.0%

#### (b) Defined pension benefits – with and without funded plan assets

		對界定福利責任的影響 Impact on defined benefit obligation		
		假設變動 Change in assumption	假設增加 Increase in assumption	假設減少 Decrease in Assumption
貼現率	Discount rate		減少7.1% Decrease by 7.1%	增加7.7% Increase by 7.7%
		0.5%		
退休金增長率	Pension growth rate		增加1.4% Increase by 1.4%	減少1.4% Decrease by 1.4%
		0.25%		

### 31 退休及其他補充福利責任(續)

#### (c) 其他界定退休金福利

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

#### (c) Other defined pension benefits

##### 對界定福利責任的影響

##### Impact on defined benefit obligation

		假設變動 Change in assumption	假設增加 Increase in assumption	假設減少 Decrease in Assumption
貼現率	Discount rate		減少5.0% Decrease by 5.0%	增加5.5% Increase by 5.5%
		0.5%		
退休金增長率	Pension growth rate		增加2.6% Increase by 2.6%	減少2.5% Decrease by 2.5%
		0.5%		

##### 對界定福利責任的影響

##### Impact on defined benefit obligation

		假設增加一年 To increase by 1 year in assumption	假設減少一年 To decrease by 1 year in assumption
壽命	Life expectancy	增加6.7% Increase by 6.7%	減少6.7% Decrease by 6.7%

上述敏感度分析乃根據一項假設的變動及所有其他假設維持不變而計算。這種情況在實際上不太可能發生，且部分假設的變動可能互相關連。於計算界定福利責任對主要精算假設的敏感度時，已採用財務狀況表所確認計算退休金責任的相同方法(界定福利責任現值於報告期末以預計單位貸記法計算)。

與前期相比，編製敏感度分析所使用的假設方式及模式並無變動。

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

### 31 退休及其他補充福利責任(續)

(c) 其他界定退休金福利(續)

透過其基本退休計劃及界定退休金福利，本集團承受多項風險，其中最重大的風險詳述如下：

**資產波幅** 計劃負債乃參考企業債券回報率的貼現率計算，倘計劃資產較此回報率低，將會產生虧絀。

**通脹風險** 大多數計劃的福利責任與通脹有關；較高通脹將會導致較高負債(儘管在大部分情況下，通脹增幅水平會設定上限，以保障計劃免受極端通脹的影響)。大多數計劃資產均不受固定利息債券影響或與權益通脹稍有關連，換言之，通脹增加亦將增加虧絀。

**壽命** 大多數計劃責任是為成員有生之年提供福利，因此，壽命延長將導致計劃負債增加。

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

(c) Other defined pension benefits (continued)

Through its fundamental retirement plan and defined pension benefits, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility** The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

**Inflation risk** The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by fixed interest bonds or loosely correlated with equities inflation, meaning that an increase in inflation will also increase the deficit.

**Life expectancy** The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

### 31 退休及其他補充福利責任(續)

- (d) 未貼現界定退休福利預期到期日分析如下：

### 31 RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

- (d) Expected maturity analysis of undiscounted defined pension benefits:

		少於一年 Less than a year 人民幣千元 RMB'000	一至兩年 Between 1-2 years 人民幣千元 RMB'000	兩至五年 Between 2-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一六年 十二月三十一日	At 31 December 2016					
補充退休福利計劃	Supplement retirement benefits plan	3,925	3,795	10,556	38,634	56,910
提前退休福利計劃	Early retirement benefit plan	79	–	–	–	79
界定退休金福利－有注資計劃資產	Defined pension benefits – with funded plan assets	238	358	2,145	78,004	80,745
界定退休金福利－無注資計劃資產	Defined pension benefits – without funded plan assets	3,277	3,397	15,494	165,782	187,950
其他界定退休金福利	Other defined pension benefits	11,581	22,995	33,195	107,636	175,407
		19,100	30,545	61,390	390,056	501,901

## 32 其他負債

## 32 OTHER LIABILITIES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應付中航國際款項(a)	Payable to AVIC International (a)	–	360,000
應付中航深圳款項(b)	Payable to AVIC Shenzhen (b)	75,000	100,000
應付威海經濟技術開發區國有資產經營管理公司款項(c)	Payable to Weihai Economic and Technological Development Zone State-owned Assets Management Co., Ltd (c)	6,725	20,035
就收購一間附屬公司應付 NEC Corporation 款項(d)	Payable to NEC Corporation for acquisition of a subsidiary (d)	–	37,338
其他	Others	9,509	11,273
減：即期部分(c)	Less: current portion (c)	(10,902)	(437,636)
		80,332	91,010

(a) 本集團附屬公司廈門公司於二零一五年向中航國際借款人民幣360,000,000元。金額為無抵押，年利率6厘，並須於二零一六年償還。

(b) 本集團附屬公司深南電路於二零零九年十月向中航深圳借款人民幣75,000,000元。該等款項為無抵押，按三個月期上海銀行同業拆息4.7厘計息及須於二零一九年十月償還。

(c) 本集團附屬公司山東新船重工有限公司於二零零九年六月向威海經濟技術開發區國有資產經營管理公司借款人民幣40,000,000元。尚未償還金額人民幣6,725,000元為無抵押，以中國人民銀行所定基準利率計息，並須於二零一七年六月償還。人民幣6,725,000元重新分類至其他流動負債。

(d) 於二零一一年二月二十五日，深圳光電子與NEC Corporation就收購NLT公司全部股本權益訂立協議，代價5,000,000,000日圓（人民幣130,982,000元）須於二零一六年七月一日支付，人民幣37,338,000元之結餘已於二零一六年結清。

(a) Xiamen Company, a subsidiary of the Group, borrowed RMB360,000,000 from AVIC International in 2015. The amount is unsecured, bearing annual interest rate of 6% and repaid in 2016.

(b) SCC, a subsidiary of the Group, borrowed RMB75,000,000 from AVIC Shenzhen in October 2009. The amounts are unsecured, interest bearing at a rate of 3 month SHIBOR plus 4.7% and repayable in October 2019.

(c) Shandong New Shipbuilding Co., Ltd., a subsidiary of the Group, borrowed RMB40,000,000 from Weihai Economic and Technological Development Zone State-owned Assets Management Co., Ltd, in June 2009. The outstanding amounts of RMB6,725,000 are unsecured, bearing interest rate at the benchmark interest rate prescribed by the People's Bank of China and repayable in June 2017. RMB6,725,000 is reclassified to the other current liability.

(d) On 25 February 2011, Shenzhen Opto-electronics entered into an agreement with NEC Corporation for acquiring 100% equity interests in NLT Company, at consideration of JPY5,000,000,000 (RMB130,982,000) to be paid on 1 July 2016. The balance of RMB37,338,000 was settled in 2016.

### 33 貿易及其他應付款項

### 33 TRADE AND OTHER PAYABLES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
貿易應付款項	Trade payables	8,342,557	8,494,093
應付薪金及員工福利	Salaries and staff welfare payables	692,901	613,113
應付票據	Notes payable	2,090,214	1,555,344
客戶墊支	Advances from customers	3,241,995	3,170,880
應付利息	Interest payable	88,998	106,286
應付股息	Dividend payable	27,136	21,104
其他應付稅項	Other taxes payable	225,465	200,493
應計費用及其他應付款項(a)	Accruals and other payables (a)	2,277,870	2,817,874
按金	Deposits	142,472	155,350
		17,129,608	17,134,537
減：非流動部分	Less: non-current portion		
— 按金	– Deposits	(73,391)	(52,354)
流動部分	Current portion	17,056,217	17,082,183

(a) 計入應計費用及其他應付款項人民幣282,638,000元為附註47(c)所披露的應付關聯方款項(二零一五年：人民幣980,128,000元)。該等款項為無抵押、以年利率0厘至2.78%厘計息，並須按要求償還。

(a) Included in accruals and other payables were RMB282,638,000 due to related parties as disclosed in Note 47(c) (2015: RMB980,128,000). These amounts were unsecured, bearing annual interest rate from 0% to 2.78% and are repayable on demand.

### 33 貿易及其他應付款項(續)

於二零一六年十二月三十一日，貿易應付款項的賬齡分析如下：

### 33 TRADE AND OTHER PAYABLES (continued)

At 31 December 2016, the ageing analysis of the trade payables is as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
一年內	Within 1 year	7,379,859	7,802,339
一至兩年	Between 1 and 2 years	614,723	501,024
兩至三年	Between 2 and 3 years	202,414	135,416
三年以上	Over 3 years	145,561	55,314
		<b>8,342,557</b>	8,494,093

本集團貿易應付款項的賬面值以下列貨幣計值：

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
人民幣	RMB	5,008,198	5,355,311
美元	USD	2,018,009	1,084,866
歐元	EUR	439,331	898,760
日圓	JPY	226,538	476,095
阿聯酋迪拉姆	AED	146,016	135,260
印度盧比	INR	58,221	517
港元	HKD	33,691	127,935
坦桑尼亞先令	TZS	29,033	24,041
斯里蘭卡盧比	LKR	10,748	3,092
其他	Others	372,772	388,216
		<b>8,342,557</b>	8,494,093



### 34 撥備

### 34 PROVISIONS

		環境復原(a) Environmental restoration (a) 人民幣千元 RMB'000	虧損合約(b) Loss contracts (b) 人民幣千元 RMB'000	法律索償(c) Legal claims (c) 人民幣千元 RMB'000	保證(d) Warranty (d) 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一五年一月一日	At 1 January 2015	6,048	6,896	26,351	173,790	213,085
貼現回撥	Unwinding of discount	103	–	–	–	103
已使用	Used	–	(1,875)	(26,149)	(111,086)	(139,110)
添置	Additions	–	–	102,318	27,427	129,745
外幣折算差額	Currency translation differences	297	(331)	(797)	(1,994)	(2,825)
於二零一五年十二月三十一日	At 31 December 2015	6,448	4,690	101,723	88,137	200,998
於二零一六年一月一日	At 1 January 2016	6,448	4,690	101,723	88,137	200,998
已使用	Used	–	–	(74,897)	–	(74,897)
添置	Additions	2,395	18,972	–	43,995	65,362
外幣折算差額	Currency translation differences	805	1,364	1,787	1,042	4,998
於二零一六年十二月三十一日	At 31 December 2016	9,648	25,026	28,613	133,174	196,461

(a) NLT公司產生的撥備與清除鹿兒島廠房的受污染土壤有關。

(b) 虧損合約金額由本集團附屬公司KHD管理層就項目相關未清償成本累計。預計合約虧損透過估值撥備確認。於釐定有關預計合約虧損時已計及全部可識別風險。

(a) The provision incurred by NLT Company was in connection with the removal of pollution of the soil of the Akita plant.

(b) The amount of loss contract is accrued by the management of KHD, a subsidiary of the Group, for the project-related outstanding costs. Expected contract losses are recognised through valuation allowance provisions. All identifiable risks are taken into account when determining such expected contract losses.

### 34 撥備(續)

- (c) 法律索償尚未動用的撥備包括針對KHD的訴訟：一名名叫ACC Mumbai (Holcim Group Company)的客戶就建築合約延期及廠房設計事宜對KHD提呈一項仲裁申索及法庭訴訟。撥備金額按最可能發生的情況估計，而最後賠償金額將由KHD管理層磋商。
- (d) 保證撥備覆蓋與擔保或保證承擔有關的所有可識別風險。該等撥備乃按個別合約基準根據最佳估計計量。呈報為非即期的有關金額包括為期一年以上的保證承擔。估計到期時間介乎一至四年。

### 34 PROVISIONS (continued)

- (c) The outstanding balance of provisions for legal claims consists lawsuit of KHD: An arbitration claim and court proceeding of a customer named ACC Mumbai (Holcim Group Company) against KHD due to delay of construction contracts and plant design issues. The amount of provision is estimated on the basis of most likely situation, and the final claim will be negotiated by the management of KHD.
- (d) The provisions for warranties cover all the risks identifiable which relate to guarantee or warranty commitments. The provisions are measured on a contract-by-contract basis according to the best estimate. The amounts reported as non-current incorporate warranty commitments for a term of more than one year. The anticipated maturities range between one and four years.

### 35 其他收入

### 35 OTHER INCOME

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
政府補貼收入	Government grants income	499,820	705,905
服務及保修收入	Service and maintenance income	78,510	81,047
違約收入	Default income	19,749	2,658
補償收入	Compensation income	1,263	4,105
副產品銷售	Sales of by-products	51,641	28,856
其他	Others	13,191	10,336
		664,174	832,907

36 其他收益／(虧損)淨額

36 OTHER GAINS/(LOSSES) – NET

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
出售附屬公司的收益 (附註43(d))	Gain on disposals of subsidiaries (Note 43(d))	450,588	22,385
出售於聯營公司投資的 (虧損)／收益	(Loss)/gain on disposal of investments in associates	(1,929)	7,687
出售無形資產的收益	Gain on disposals of intangible assets	–	579
補償開支	Compensation expenses	(1,636)	(19,180)
出售可供出售金融資產的 收益／(虧損)(附註43(c))	Gain/(loss) on disposals of available-for-sale financial assets (Note 43(c))	6,199	(285)
出售物業、廠房及設備的 虧損(附註43(b))	Loss on disposal of property, plant and equipment (Note 43(b))	(9,624)	(3,833)
衍生金融工具的公允 價值變動	Fair value changes on derivative financial instruments	5,580	531
出售衍生金融工具的虧損	Loss on disposals of derivative financial instruments	–	(8,242)
來自貼現銀行承兌匯票的 虧損	Loss from discounting bank acceptance bills	(30,046)	(12,522)
其他收益／(虧損)	Others gain/(loss)	48,434	(12,136)
		467,566	(25,016)

37 按性質分類的費用

37 EXPENSES BY NATURE

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
製成品及在製品的 存貨變動	Changes in inventories of finished goods and work in progress	(140,455)	719,089
應收客戶合約 工程款項變動	Changes in amounts due from customers for contract work	442,737	(284,832)
使用的原材料及消耗品	Raw materials and consumables used	22,616,633	24,244,070
僱員福利支出(附註39)	Employee benefits expenses (Note 39)	4,031,585	3,865,196
維修保養支出	Repairs and maintenance expenditure	448,126	368,751
陳舊存貨撥備	Provision for inventory obsolescence	142,733	152,917
壞賬撥備	Provision for bad debts	91,075	57,520
應收客戶合約 工程款項撥備	Provision for amounts due from customers for contract work	89,038	195,415
物業、廠房及設備折舊 (附註10)	Depreciation of property, plant and equipment (Note 10)	1,770,755	1,920,496
土地使用權攤銷(附註7)	Amortisation of land use rights (Note 7)	51,074	46,760
無形資產攤銷(附註9)	Amortisation of intangible assets (Note 9)	65,128	52,849
其他非流動資產攤銷	Amortisation of other non-current assets	50,028	83,543
經營租賃支出	Operating lease rentals	290,018	257,822
營業稅及其他徵費	Business tax and other levies	225,651	300,160
核數師酬金	Auditors' remuneration	22,073	26,319
— 審核服務	— Audit services	7,000	9,600
— 非審核服務	— Non-audit services	15,073	16,719
水電費	Utility expenses	657,377	645,968
運輸費支出	Transportation expenses	429,683	509,563
差旅費	Travelling expenses	131,423	143,654
業務招待支出	Entertainment expenses	71,268	39,611
專業費用	Professional fees	231,039	210,452
銀行費用	Bank charges	42,864	75,113
其他費用	Other expenses	764,974	326,291
銷售成本、銷售費用及 行政費用總額	Total cost of sales, distribution expenses and administrative expenses	32,524,827	33,956,727

38 融資成本－淨額

38 FINANCE COSTS – NET

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
利息支出	Interest expense		
－銀行借款	– bank borrowings	620,441	659,330
－須應要求償還予 關聯方的借款	– borrowings from related party repayable on demand	184,590	236,177
－中期票據	– medium-term notes	67,694	38,759
－短期票據	– short-term notes	1,583	8,233
－債券	– debentures	3,536	21,216
減：資本化利息	Less: interest capitalised	(65,531)	(73,841)
融資活動的匯兌虧損	Foreign exchange loss on financing activities	812,313 30,821	889,874 14,722
融資成本	Finance costs	843,134	904,596
融資活動的匯兌收益	Foreign exchange gain on financing activities	(359,138)	(258,843)
利息收入	Interest income	(232,137)	(284,221)
融資收入	Finance income	(591,275)	(543,064)
融資成本淨額	Net finance costs	251,859	361,532

在建工程銀行貸款資本化利息為人民幣54,966,000元(二零一五年：人民幣54,917,000元)

Bank loan interest capitalised in the construction-in-progress amounted to RMB54,966,000 (2015: RMB54,917,000).

於二零一六年，發展中物業銀行貸款資本化利息為人民幣10,565,000元(二零一五年：人民幣18,924,000元)。資本化利率為3.40%(二零一五年：5.39%)。

Bank loan interest capitalised in the properties under development amounted to RMB10,565,000 (2015: RMB18,924,000) during 2016. The capitalised interest rate was 3.40% (2015: 5.39%).

### 39 僱員福利費用

### 39 EMPLOYEE BENEFIT EXPENSES

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
工資、薪金及花紅	Wages, salaries and bonus	3,280,403	3,370,095
福利、醫療及其他費用	Welfare, medical and other expenses	282,111	211,917
社會保險成本	Social security costs	452,887	267,561
提早退休及 補助退休金福利	Early retirement and supplemental pension benefits	16,184	15,623
		4,031,585	3,865,196

本集團已參與由政府機關組織及管理，並於中國實行的僱員社會保險計劃，包括退休金、醫療及其他社會福利。根據有關條文，本集團每月須向政府機關繳納養老保險及醫療保險供款，供款額分別相當於僱員月薪的19%及9%，本集團分別承擔其中14%及7%，其餘款項由僱員承擔。除以上供款外，本集團並無其他義務。

The Group has participated in employee social security plans enacted in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Pursuant to the relevant provisions, the Group is required to make monthly contributions in respect of retirement insurance and health insurance to governmental authorities, equivalent to 19% and 9% respectively based on the monthly salaries of its employees, of which, the Group bears 14% and 7% respectively, and the employees bear the rest. The Group has no further obligation beyond the contribution.

### 39 僱員福利費用(續)

#### (a) 五名最高薪人士

於二零一六年，本集團五名最高薪人士並無包括酬金於附註49分析的任何董事(二零一五年：無)。年內應付該五名人士(二零一五年：五名)的酬金如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowance, other allowances and benefits in kind	16,307	13,720

酬金介乎以下範圍：

The emoluments fell within the following bands:

		二零一六年 2016	二零一五年 2015
酬金範圍	Emolument bands		
1,500,001港元至2,000,000港元	HKD1,500,001-HKD2,000,000	—	—
2,000,001港元至3,000,000港元	HKD2,000,001-HKD3,000,000	1	1
超過3,000,000港元	Over HKD3,000,000	4	4

### 39 EMPLOYEE BENEFIT EXPENSES (continued)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year 2016 do not include any directors (2015: Nil) whose emoluments are reflected in the analysis presented in Note 49. The emoluments payable to these five individuals (2015: 5) during the year are as follows:

#### 40 所得稅開支

根據中國有關所得稅法，除非另有適用優惠稅率，否則本集團於中國成立的附屬公司按稅率25%繳納所得稅。

天馬及其附屬公司上海天馬、成都天馬、武漢天馬、上海光電子、深南電路、深圳飛亞達技術開發有限公司、北京公司及深圳飛亞達精密計時製造有限公司因被認定為中國高新技術企業而於二零一六年獲享15%(二零一五年：15%)的優惠所得稅率。

海外溢利稅項則以年內估計應課稅溢利，按本集團管理營運所在國家當時稅率計算。

年內所得稅開支指：

#### 40 INCOME TAX CHARGE

Pursuant to the relevant income tax law of PRC, the subsidiaries of the Group established in the PRC were subject to income tax at a rate of 25% unless preferential rates were applicable.

Tianma and its subsidiaries Shanghai Tianma, Chengdu Tianma, Wuhan Tianma, Shanghai Opto-electronics, SCC, Shenzhen Fiyta Technology Development Co., Ltd, Beijing Company and Shenzhen Fiyta Chronometer Manufacture Co., Ltd. were qualified as High and New Technology Enterprises in the PRC and were entitled to a preferential income tax rate of 15% in 2016 (2015: 15%).

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax charged for the year represents:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
年內即期所得稅	Current tax on profits for the year	602,975	250,401
就前一年度作出的調整	Adjustments in respect of prior year	(594)	2,909
即期稅項總額	Total current tax	602,381	253,310
遞延稅項(附註17)	Deferred tax (Note 17)	(93,458)	29,028
中國土地增值稅	PRC land appreciation tax	1,000	54,628
所得稅開支	Income tax charged	509,923	336,966



#### 40 所得稅開支(續)

本集團除稅前溢利產生的稅項與根據本公司及其附屬公司所在國家稅率計算的理論款項差額如下：

#### 40 INCOME TAX CHARGE (continued)

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the tax rates of the home country of the Company and its subsidiaries as follows:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
除所得稅前溢利	Profit before income tax	1,797,895	1,555,792
按本公司適用稅率25%計算的稅項(二零一五年：25%)	Tax calculated at the tax rates applicable to the Company of 25% (2015: 25%)	449,474	388,948
因稅率變動而產生的遞延所得稅	Deferred income taxes resulting from change in the tax rates	787	11,116
未確認稅項虧損的稅務影響	Tax effect on unrecognised tax losses	236,141	222,903
動用先前未確認的稅項虧損	Utilisation of previously unrecognised tax losses	(11,929)	(26,076)
不得作稅項抵扣用途的費用	Expenses not deductible for tax purpose	38,185	44,816
毋須繳稅收入	Income not subject to tax	(101,238)	(179,787)
可加計扣除的研發費用	Research and development expenses eligible for additional deduction	(78,076)	(58,015)
就前一年度作出的調整	Adjustment in respect of prior year	(594)	2,909
應用過往年度並無確認遞延所得稅資產的暫時性差額稅務影響	Utilisation of tax effect of temporary differences for which no deferred income tax assets was recognised in the previous year	(4,467)	(3,449)
不同稅率所產生稅務優惠的影響	Effect of tax concessions from different tax rate	(29,258)	(132,312)
未確認暫時性差額的稅務影響	Tax effect on unrecognised temporary differences	9,898	11,285
中國土地增值稅	PRC land appreciation tax	1,000	54,628
稅項開支	Tax charge	509,923	336,966

#### 41 每股盈利

##### (a) 基本

每股基本及攤薄盈利按本公司權益持有人應佔溢利除以年內已發行普通加權平均股數計算。

#### 41 EARNINGS PER SHARE

##### (a) Basic

Basic and diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		二零一六年 2016	二零一五年 2015
本公司權益持有人應佔持續經營溢利(人民幣千元)	Profit from continuing operations attributable to owners of the Company (RMB'000)	806,066	733,202
減：歸屬於永久次級可換股證券持有人溢利(人民幣千元)	Less: Profit attributable to PSCS holders (RMB'000)	(27,817)	(27,817)
本公司普通股股份持有人應佔持續經營溢利(人民幣千元)	Profit from continuing operations attributable to ordinary shares holders of the Company (RMB'000)	778,249	705,385
本公司權益持有人應佔已終止業務溢利(人民幣千元)	Profit from discontinued operations attributable to owners of the Company(RMB'000)	—	479,106
本公司權益持有人應佔溢利(人民幣千元)	Profit attributable to the owners of the Company(RMB'000)	778,249	1,184,491
已發行普通加權平均股數(千股)	Weighted average number of ordinary shares in issue (thousands)	1,166,162	1,149,427
每股基本盈利(人民幣元/股)	Basic earnings per share (RMB per share)	0.6674	0.6137
— 持續經營業務	— Continuing operations	0.6674	0.6137
— 已終止業務	— Discontinued operations	—	0.4168

##### (b) 攤薄

每股攤薄盈利按調整已發行普通股加權平均股數以假設所有潛在攤薄普通股獲轉換計算。本公司擁有人一個類別的潛在攤薄普通股：永久次級可換股證券，並已假設永久次級可換股證券已獲轉換為普通股。

##### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: perpetual subordinated convertible securities. The perpetual subordinated convertible securities are assumed to have been converted into ordinary shares.

**41 每股盈利(續)**  
**(b) 攤薄(續)**

**41 EARNINGS PER SHARE (continued)**  
**(b) Diluted (continued)**

		二零一六年 2016	二零一五年 2015
本公司權益持有人應佔 持續經營業務溢利 (人民幣千元)	Profit from continuing operations attributable to owners of the Company (RMB'000)	806,066	733,202
本公司權益持有人應佔 已終止經營業務溢利 (人民幣千元)	Profit from discontinued operations attributable to owners of the Company (RMB'000)	—	479,106
本公司權益持有人應佔溢利 (人民幣千元)	Profit attributable to the owners of the Company (RMB'000)	806,066	1,212,308
已發行普通加權平均股數 (千股)	Weighted average number of ordinary shares in issue (thousands)	1,166,162	1,149,427
經調整：	Adjustments for:		
— 永久次級可換股證券 (千股)	— Perpetual subordinated convertible securities (thousands)	801,635	801,635
每股攤薄普通股盈利加權 平均股數(千股)	Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,967,797	1,951,062
每股攤薄盈利 (人民幣元/股)	Diluted earnings per share (RMB per share)		
— 持續經營業務	— Continuing operations	0.4096	0.3758
— 已終止業務	— Discontinued operations	—	0.2456

**42 股息**

於二零一七年三月十日舉行的董事會會議上，董事會建議派發截至二零一六年十二月三十一日止年度每股人民幣0.1元的末期股息，股息總額為人民幣116,616,000元（二零一五年：人民幣233,231,000元）。該建議需經本公司股東於股東週年大會（日期待定）批准後方可作實。該等財務報表並不反映此應付股息。本公司將會就股東週年大會日期及暫停辦理股東過戶登記的期間再作公布。董事會並無宣派中期股息（二零一五年：無）。

**42 DIVIDENDS**

At the board of directors' meeting held on 10 March 2017, the board proposed a final dividend for the year ended 31 December 2016 of RMB0.1 per share amounting to a total dividend of RMB116,616,000 (2015: RMB233,231,000), subject to the approval by the shareholders at the annual general meeting (date to be fixed) of the Company. These financial statements do not reflect this dividend payable. The Company will make further announcement as to the date of the annual general meeting and the period during which the register of members of the Company will be closed. The board has not declared interim dividend (2015: Nil).

### 43 經營業務產生的現金(續)

年內溢利與經營業務產生的現金對賬：

### 43 CASH GENERATED FROM OPERATIONS

Reconciliation of profit for the year to cash generated from operations:

	附註 Note	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
除所得稅前溢利	Profit before income tax	<b>1,797,895</b>	1,555,792
經調整	Adjustments for		
來自貼現銀行承兌 匯票的虧損	Losses from discounting bank acceptance bills	<b>30,046</b>	12,522
陳舊存貨撥備	Provision for inventory obsolescence	<b>142,733</b>	152,917
壞賬撥備	Provision for bad debts	<b>91,075</b>	57,520
可供出售金融資產撥備	Provision for available-for-sale financial assets	<b>15,000</b>	—
應收客戶合約工程款項 撥備	Provision for amounts due from customers for contract work	<b>89,038</b>	195,415
物業、廠房及設備折舊	Depreciation of property, plant and equipment	<b>1,770,755</b>	1,920,496
土地使用權攤銷	Amortisation of land use rights	<b>51,074</b>	46,760
無形資產攤銷	Amortisation of intangible assets	<b>65,128</b>	52,849
其他攤銷開支	Other amortisation charges	<b>50,028</b>	83,543
投資物業的公允價值 收益	Fair value gain on investment property	<b>(212,438)</b>	(102,562)
政府補貼的遞延收入	Deferred income on government grants	<b>(499,820)</b>	(705,905)
出售聯營公司虧損／ (收益)	Loss/(gain) on disposal of associates	<b>1,929</b>	(7,687)
出售可供出售金融資產 (收益)／虧損	(Gain)/loss on disposal of available-for-sale financial assets	<b>(6,199)</b>	285
出售附屬公司的收益	Gain on disposals of subsidiaries	<b>(450,588)</b>	(22,385)
衍生金融工具公允價值 變動	Fair value changes on derivative financial instruments	<b>(5,580)</b>	(531)
出售衍生金融工具虧損	Loss on disposals of derivative financial instruments	<b>—</b>	8,242
出售物業、廠房及 設備虧損	Loss on disposal of property, plant and equipment	<b>9,624</b>	3,833
出售無形資產收益	Gain on disposal of intangible assets	<b>—</b>	(579)
融資收入	Finance income	<b>(591,275)</b>	(543,064)
利息支出	Interest expense	<b>843,134</b>	904,596
應佔聯營公司溢利	Share of profit of associates	<b>(471,908)</b>	(457,747)
應佔共同控制實體 虧損／(溢利)	Share of loss/(profit) of jointly controlled entities	<b>249,422</b>	(155,340)
營運資金變動 (不包括收購的 影響及合併入賬時 的匯兌差額)：	Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation):		
— 存貨	— Inventories	<b>(36,973)</b>	487,157
— 發展中物業	— Properties under development	<b>97,899</b>	1,030,294
— 應收客戶合約 工程款項	— Amounts due from customers for contract work	<b>442,737</b>	(284,832)
— 應付客戶合約 工程款項	— Amounts due to customers for contract work	<b>238,010</b>	(754,199)
— 貿易及其他應收款項	— Trade and other receivables	<b>(1,821,583)</b>	(1,073,307)
— 貿易及其他應付款項	— Trade and other payables	<b>1,421,970</b>	3,526,127
經營業務產生的現金	Cash generated from operations	<b>3,311,133</b>	5,930,210

#### 43 經營業務產生的現金(續)

- (a) 於截至二零一六年十二月三十一日止年度的綜合現金流量表，非控股股東權益向附屬公司的注資包括：

#### 43 CASH GENERATED FROM OPERATIONS (continued)

- (a) In the consolidated statement of cash flows for the year ended 31 December 2016, capital contribution to subsidiaries from non-controlling interests comprises:

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
中航國際仿真服務有限公司 (「中航仿真」)	AVIC International Simulation Company Limited ("AVIC Stimulation")	20,000	—
中航資源	AVIC Resources	—	10,500
廣州公司	Guangzhou Company	—	2,600
深南電路	SCC	—	1,215
威海船廠	Weihai Shipyard	200,000	—
廈門公司	Xiamen Company	—	984
新能源	RED Company	—	800
		220,000	16,099

#### 43 經營業務產生的現金(續)

- (b) 於截至二零一六年十二月三十一日止年度的綜合現金流量表，出售物業、廠房及設備以及投資物業的所得款項為：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
出售物業、廠房及設備的賬面淨值(附註10)	Net book value of property, plant and equipment disposed of (Note 10)	57,900	47,552
出售物業、廠房及設備的所得款項	Proceeds from disposals of property, plant and equipment	48,276	43,719
出售物業、廠房及設備收益(附註36)	Gain on disposals of property, plant and equipment (Note 36)	(9,624)	(3,833)
		(9,624)	(3,833)

- (c) 於截至二零一六年十二月三十一日止年度的綜合現金流量表，出售可供出售金融資產的所得款項包括：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
出售可供出售金融資產的賬面值(附註16)	Carrying amount of available-for-sale financial assets disposed of (Note 16)	7,791	3,289
出售可供出售金融資產收益／(虧損)(附註36)	Gain/(loss) on disposals of available-for-sale financial assets (Note 36)	6,199	(285)
出售可供出售金融資產所得款項	Proceeds from disposals of available-for-sale financial assets	13,990	3,004

#### 43 CASH GENERATED FROM OPERATIONS

(continued)

- (b) In the consolidated statement of cash flows for the year ended 31 December 2016, proceeds from sales of property, plant and equipment and investment properties are:

- (c) In the consolidated statement of cash flows for the year ended 31 December 2016, proceeds from disposals of available-for-sale financial assets are:

### 43 經營業務產生的現金(續)

(d) 於截至二零一六年十二月三十一日止年度的綜合現金流量表，出售附屬公司的所得款項包括：

(i) 於二零一六年十二月三十一日，北京瑞信公司向第三方北京占祥環融投資有限公司出售於廊坊中航瑞賽房地產開發有限公司(「廊坊瑞賽」)的70%股本權益。交易完成後，北京瑞信公司失去對廊坊瑞賽的控制權。出售現金流量如下：

		人民幣千元 RMB'000
所獲得代價	Consideration received	
－現金代價	－ Cash consideration	1,370
減：廊坊瑞賽持有的現金及現金等價物	Less: Cash and cash equivalents held by Langfang Ruisai	(521)
因出售而收取的現金淨額	Net cash received on disposals	849

廊坊瑞賽的淨資產如下：

The net assets of Langfang Ruisai are as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	521
貿易及其他應收款項	Trade and other receivables	23
存貨	Inventory	111,388
物業、廠房及設備	Property, plant and equipment	358
貿易及其他應付款項	Trade and other payables	(102,290)
淨資產	Net assets	10,000
以下應佔：	Attributable to:	
廊坊瑞賽權益持有人	Owners of Langfang Ruisai	7,000
非控股股東權益	Non-controlling interests	3,000
本集團應佔出售虧損	Disposal loss attributable to the Group	(5,630)

### 43 CASH GENERATED FROM OPERATIONS

(continued)

(d) In the consolidated statement of cash flows for the year ended 31 December 2016, proceeds from disposals of subsidiaries comprise:

(i) On 31 December 2016, Beijing Ruixin Company sold 70% of equity interest in AVIC Langfang Ruisai Real Estate Company ("Langfang Ruisai") to Beijing Zhanxiang Huanrong Investment Company Limited, a third party. After the completion of the transaction, Beijing Ruixin Company lost the control of Langfang Ruisai. The cash flows from the disposal were as follows

### 43 經營業務產生的現金(續)

(d) (續)

(ii) 於二零一六年十二月二十二日，經貿公司向北京中潤隆展科技有限公司出售於中航泰德(北京)自控技術有限公司(「泰德北京」)的30%股本權益。交易完成後，經貿公司失去對泰德北京的控制權。出售現金流量如下：

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	– Cash consideration	3,072
減：泰德北京持有的現金及現金等價物	Less: Cash and cash equivalents held by AVIC Automation	(10,367)
因出售而減少的現金淨額	Net cash reduced on disposals	(7,295)

泰德北京的淨資產如下：

The net assets of AVIC Automation are as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	10,367
貿易及其他應收款項	Trade and other receivables	21,041
存貨	Inventory	1,188
其他流動資產	Other current assets	1,010
物業、廠房及設備	Property, plant and equipment	192
其他非流動資產	Other non-current assets	584
貿易及其他應付款項	Trade and other payables	(20,819)
借款	Borrowings	(7,000)
淨資產	Net assets	6,563
以下應佔：	Attributable to:	
泰德北京權益持有人	Owners of AVIC Automation	4,594
非控股股東權益	Non-controlling interests	1,969
剩餘股份公允價值	Fair value of the remaining shares	4,096
本集團應佔出售收益	Disposal gain attributable to the Group	2,574



### 43 經營業務產生的現金(續)

(d) (續)

(iii) 於二零一五年十一月六日，深南電路終止註冊及清盤其附屬公司無錫聚芯微測科技有限公司(「無錫微測」)及設立清盤委員會的決議案以根據中國公司法及無錫微測的組織章程細則啟動清盤程序。於二零一六年十月八日，清盤程序完成。出售現金流量如下：

### 43 CASH GENERATED FROM OPERATIONS

(continued)

(d) (continued)

(iii) On 6 November 2015, SCC disincorporated and liquidated its subsidiary, Wuxi Juxin Weice Company Limited ("Wuxi Juxin Weice"), and established a liquidation committee to start the liquidation process pursuant to China company laws and association article of Wuxi Weice. On 8 October 2016, the liquidation process was completed. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
－現金代價	－ Cash consideration	1,368
減：無錫微測持有的 現金及現金等價物	Less: Cash and cash equivalents held by Wuxi Juxin Weice	(2,736)
因出售而減少的現金淨額	Net cash reduced on disposals	(1,368)

無錫微測的淨資產如下：

The net assets of Wuxi Juxin Weice are as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	2,736
淨資產	Net assets	2,736
以下應佔：	Attributable to:	
無錫微測權益持有人	Owners of Wuxi Juxin Weice	1,368
非控股股東權益	Non-controlling interests	1,368
本集團應佔出售收益	Disposal gain attributable to the Group	—

### 43 經營業務產生的現金(續)

(d) (續)

(iv) 於二零一六年十二月二十八日，新能源公司向第三方福州華正節能環保科技有限公司出售於福州中航能源科技有限公司(「福州中航能源」)的60%股本權益，交易完成後，本公司失去對福州中航能源的控制權。出售現金流量如下：

### 43 CASH GENERATED FROM OPERATIONS

(continued)

(d) (continued)

(iv) On 28 December 2016, the RED Company sold 60% of equity interest in Fuzhou AVIC Energy Technology Company Limited ("Fuzhou AVIC Energy") to Fuzhou Huazheng Economy Energy Technology Company Limited, a third party. After the completion of the transaction, the Company lost the control of Fuzhou AVIC Energy. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	– Cash consideration	1,730
減：福州中航能源持有的現金及現金等價物	Less: Cash and cash equivalents held by Fuzhou AVIC Energy	(15)
因出售而收取的現金淨額	Net cash received on disposals	1,715

福州中航能源的淨資產如下：

The net assets of Fuzhou AVIC Energy are as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金	Cash	15
貿易及其他應收款項	Trade and other receivables	1,014
物業、廠房及設備	Property, plant and equipment	2,538
貿易及其他應付款項	Trade and other payables	(1,121)
淨資產	Net assets	2,446
以下應佔：	Attributable to:	
福州中航能源權益持有人	Owners of Fuzhou AVIC Energy	810
非控股股東權益	Non-controlling interests	1,636
本集團應佔出售收益	Disposal gain attributable to the Group	920

#### 43 經營業務產生的現金(續)

(d) (續)

- (v) 於二零一六年六月三十日，廣州公司終止註冊及清盤其附屬公司西陽縣中航路通瀝青有限公司(「西陽路通」)及設立清盤委員會的決議案以根據中國公司法及西陽路通的組織章程細則啟動清盤程序。於十二月二十日，清盤程序完成。出售現金流量如下：

#### 43 CASH GENERATED FROM OPERATIONS

(continued)

(d) (continued)

- (v) On 30 June 2016, Guangzhou Company disincorporated and liquidated its subsidiary, AVIC Lutong Pitch Company Limited ("AVIC Lutong Pitch"), and established a liquidation committee to start the liquidation process pursuant to China company laws and association article of AVIC Lutong Pitch. On 20 December, the liquidation process was completed. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	— Cash consideration	—
減：西陽路通持有的 現金及現金等價物	Less: Cash and cash equivalents held by AVIC Lutong Pitch	—
因出售而支付的現金淨額	Net cash paid on disposals	—

西陽路通的淨資產如下：

The net assets of AVIC Lutong Pitch were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
貿易及其他應收款項	Trade and other receivables	3,000
淨資產	Net assets	3,000
以下應佔：	Attributable to:	
西陽路通權益持有人	Owners of AVIC Lutong Pitch	3,000
非控股股東權益	Non-controlling interests	—
本集團應佔出售虧損	Disposal loss attributable to the Group	(3,000)

### 43 經營業務產生的現金(續)

(d) (續)

(vi) 於二零一六年五月二十四日，中航艾維克實業廣州有限公司(「艾維克實業」)修訂組織章程細則。根據經修訂組織章程細則，廣州公司僅可委任自艾維克實業董事會五位董事中委任兩名董事。因此，廣州公司失去對艾維克實業的控制權。出售現金流量如下：

### 43 CASH GENERATED FROM OPERATIONS

(continued)

(d) (continued)

(vi) On 24 May 2016, Guangzhou AVIC Aiweike Industrial Company Limited ("AVIC Aiweike") revised its articles of association. Under the revised articles of association, Guangzhou Company could only appoint two out of the five directors of the board of directors of AVIC Aiweike. As a result, Guangzhou Company lost the control over AVIC Aiweike. The cash flows from the disposal were as follows:

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	— Cash consideration	—
減：艾維克實業持有的 現金及現金等價物	Less: Cash and cash equivalents held by AVIC Aiweike	(11,523)
因出售而減少的現金淨額	Net cash reduced on disposals	(11,523)

艾維克實業淨資產如下：

The net assets of AVIC Aiweike were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	11,523
貿易及其他應收款項	Trade and other receivables	46,367
物業、廠房及設備	Property, plant and equipment	57
在建工程	Construction in progress	5,108
其他非流動資產	Other non-current assets	89
借款	Borrowings	(5,000)
貿易及其他應付款項	Trade and other payables	(43,575)
淨資產	Net assets	14,569
以下應佔	Attributable to	
艾維克實業權益持有人	Owners of AVIC Aiweike	6,993
非控股股東權益	Non-controlling interests	7,576
剩餘股份公允價值	Fair value of the remaining shares	6,993
本集團應佔出售虧損	Disposal loss attributable to the Group	—

#### 43 經營業務產生的現金(續)

(d) (續)

(vii) 於二零一六年十二月三十一日，本公司向珠江人壽保險股份有限公司出售於航粵公司的75%股本權益，交易完成後，本公司失去對航粵公司的控制權。出售現金流量如下：

		人民幣千元 RMB'000
所獲得代價	Consideration received	
— 現金代價	— Cash consideration	—
減：航粵公司持有的現金及現金等價物	Less: Cash and cash equivalents held by Hangyue Company	(2,801)
因出售而減少的現金淨額	Net cash reduced on disposals	(2,801)

航粵公司的淨資產如下：

The net assets of Hangyue Company were as follows:

		於出售日期 On disposal date 人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	2,801
貿易及其他應收款項	Trade and other receivables	652
土地使用權	Land use rights	163,294
投資物業	Investment property	821,335
物業、廠房及設備	Property, plant and equipment	192,911
貿易及其他應付款項	Trade and other payables	(760,593)
遞延所得稅負債	Deferred tax liabilities	(228,032)
淨資產	Net assets	192,368
以下應佔：	Attributable to	
航粵公司權益持有人	Owners of Hangyue Company	144,276
非控股股東權益	Non-controlling interests	48,092
計入其他應收款項代價*	Consideration included in other receivable*	600,000
減：本集團應佔淨資產	Less: Net assets attributable to the Group	(144,276)
本集團應佔出售收益	Disposal gain attributable to the Group	455,724

\* 該金額於二零一七年一月收取。

\* The amount was received in January 2017.

#### 44 財務擔保合約

於二零一六年十二月三十一日，本集團有以下未履行財務擔保：

#### 44 FINANCIAL GUARANTEE CONTRACTS

As at 31 December 2016, the Group had the following financial guarantees outstanding:

擔保方 Guarantor	擔保方與本集團的關係 Guarantor's relationship with the Group	擔保對象 Guarantee	擔保對象與本集團的關係 Guarantee's relationship with the Group	未償還擔保金額 Outstanding amounts guaranteed 人民幣千元 RMB'000
北京公司 Beijing Company	本集團附屬公司 Subsidiary of the Group	Taizhou AVIC Shipbuilding Heavy Industry Limited* (泰州中航船舶重工有限公司)	第三方 Third Party	347,040
北京公司 Beijing Company	本集團附屬公司 Subsidiary of the Group	Zhengli Ocean Engineering Company Limited* (正力海洋工程有限公司)	第三方 Third party	11,710
天馬 Tianma	本集團附屬公司 Subsidiary of the Group	Shanghai Tianma Organic Light-Emitting Technology Company Limited* (上海天馬有機發光顯示技術有限公司)	聯營公司 Associate	682,572
廈門公司 Xiamen Company	本集團附屬公司 Subsidiary of the Group	Xiamen Tianma Microelectronics Company Limited* (廈門天馬微電子有限公司)	擔保方持有擔保對象6%股權 The guarantor holds 6% equity interests in the guarantee	176,000
經貿公司 TED Company	本集團附屬公司 Subsidiary of the Group	AVIC Wang Xin Beijing Science and Technology Co., Ltd.* (中航網信(北京)科技有限公司)	聯營公司 Associate	25,000
國際工程 Engineering Company	本集團附屬公司 Subsidiary of the Group	CATIC Construction Engineering Company Limited* (中航建築工程有限公司)	聯營公司 Associate	127,400
本公司 The Company	控股公司 Holding Company	Shenzhen AVIC Resources Co., Ltd. * (深圳中航資源有限公司)	同系附屬公司 Fellow subsidiaries	714,000
本公司 The Company	控股公司 Holding Company	Qinghai CATIC Resources Co., Ltd. * (青海中航資源有限公司)	同系附屬公司 Fellow subsidiaries	475,470
本公司 The Company	控股公司 Holding Company	Kunming AVIC Phosphorus Chemical Co., Ltd. * (昆明市中航磷化工有限公司)	同系附屬公司 Fellow subsidiaries	34,000
本公司 The Company	控股公司 Holding Company	Yunnan Hongfu Fertilizer Co., Ltd. * (雲南紅富化肥有限公司)	同系附屬公司 Fellow subsidiaries	6,430
本公司 The Company	控股公司 Holding Company	Qinghai AVIC Silicon Material Co., Ltd.* (青海中航硅材料有限公司)	同系附屬公司 Fellow subsidiaries	23,344
				2,622,966

\* 由於該等公司概無已註冊或公開的英文名稱，故管理層盡力按中文名稱翻譯成有關公司的英文名稱。

\* The English names of these companies are management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

## 45 承擔

### (a) 資本承擔

於結算日仍未產生的資本承擔如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
已訂約但未撥備	Contracted but not provided for		
土地使用權	Land use rights	77,001	34,544
物業、廠房及設備	Property, plant and equipment	9,502,025	656,274
股本權益投資	Equity interest Investments	11,050	523,255
		9,590,076	1,214,073

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
已授權但未訂約	Authorised but not contracted for		
物業、廠房及設備	Property, plant and equipment	—	55,485

### (b) 經營租約承擔

本集團根據辦公室樓宇的不可撤銷經營租約承擔如下：

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
不超過一年	Not later than one year	91,097	82,679
超過一年但不超過五年	Later than one year and not later than five years	196,536	113,561
五年後	After five years	8,356	31,323
		295,989	227,563

## 45 COMMITMENTS

### (a) Capital commitments

Capital commitments at the balance sheet date but not yet incurred are as follows:

### (b) Operating lease commitments

The Group has commitments under non-cancellable operating leases in respect of office premises as follows:

#### 46 業務合併

於二零一六年一月一日，本集團附屬公司經貿公司以代價人民幣18,000,000元收購中航御銘(安陽)科技有限公司(「御銘安陽」)的100%股權。

下表概述收購御銘安陽已支付的代價、所收購資產及所承擔負債於收購日期的公允價值。

代價：  
於二零一六年一月一日  
Consideration:  
On 1 January 2016

人民幣千元  
RMB'000

現金	Cash	18,000
<b>所收購的可識別資產及所承擔的負債確認金額</b>	<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
現金及現金等價物	Cash and cash equivalents	78
貿易及其他應收款項	Trade and other receivables	93,488
減：貿易及其他應收款項減值撥備	Less: provision for impairment of trade and other receivables	(13,384)
貿易及其他應收款項淨額	Trade and other receivables – net	80,104
存貨	Inventories	47,770
其他流動資產	Other current assets	7,505
物業、廠房及設備(附註10)	Property, plant and equipment (Note 10)	23,726
土地使用權(附註7)	Land use rights (Note 7)	13,799
貿易及其他應付款項	Trade and other payables	(136,366)
借款	Borrowings	(20,000)
<b>可識別淨資產總值</b>	<b>Total identifiable net assets</b>	16,616
商譽	Goodwill	1,384
		18,000

自二零一六年一月一日至二零一六年十二月三十一日計入綜合損益表的收入人民幣217,687,000元由御銘安陽所貢獻。御銘安陽於同期貢獻溢利人民幣369,000元。

#### 46 BUSINESS COMBINATION

On 1 January 2016, TED, a subsidiary of the Group, acquired 100% equity interests of AVIC Yuming (Anyang) Technology Co., Ltd. (中航御銘(安陽)科技有限公司) (“Yuming Anyang”) at a consideration of RMB18,000,000.

The following table summarises the consideration paid for Yuming Anyang, fair value of the assets acquired and liabilities assumed at the acquisition date.

Revenue of RMB217,687,000 included in the consolidated statement of profit or loss from 1 January 2016 to 31 December 2016 was contributed by Yuming Anyang. Yuming Anyang contributed profit of RMB369,000 over the same period.



#### 47 重大關聯方交易

本集團由中航國際(於中國成立的國有公司)控制，該公司直接及間接持有本公司71.43%股份。其餘28.57%股份由公眾廣泛持有。董事認為中航國際及中航工業分別為本集團的控股公司及最終控股公司。

除財務報表其他部分所披露者外，本集團在日常業務過程中與關聯方進行的重大關聯方交易及由關聯方交易產生的結餘概述如下：

##### (a) 與關聯方的交易

#### 47 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group is controlled by AVIC International, a state-controlled company established in the PRC which directly and indirectly hold 71.43% of the Company's shares. The remaining 28.57% of the shares are widely held. The directors regard AVIC international and Aviation Industry as the holding company and ultimate holding company of the Group respectively.

In addition to those disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions:

##### (a) Transactions with related parties

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
收入：	Revenue:		
銷售貨物	Sale of goods		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	1,798,750	968,852
— 共同控制實體	— Jointly controlled entities	72,701	52,758
— 非控股股東權益	— Non-controlling interests	5,851	—
— 控股公司	— Holding company	4,184	32,125
— 聯營公司	— Associate	122	34,623
— 最終控股公司	— Ultimate holding company	186	224
		1,881,794	1,088,582
租賃收入	Rental income		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	28,002	25,094
— 聯營公司	— Associates	1,936	2,524
— 控股公司	— Holding company	435	430
— 非控股股東權益	— Non-controlling interests	—	697
		30,373	28,744
工程及管理收入	Engineering and management income		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	833,002	744,657

47 重大關聯方交易(續)

(a) 與關聯方的交易(續)

47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
其他服務收入	Other service income		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	76,483	63,145
— 中航深圳	— AVIC Shenzhen	4,245	2,924
— 控股公司	— Holding company	785	2,356
— 聯營公司	— Associates	114	3,264
— 最終控股公司	— Ultimate holding company	—	61,500
		81,627	133,189
購買貨品及服務：	Purchase of goods and services:		
購買貨品	Purchases of goods		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	1,772,279	1,773,573
— 聯營公司	— Associates	57,422	81,299
— 共同控制實體	— Jointly controlled entities	6,355	—
— 非控股股東權益	— Non-controlling interests	4,506	4,652
		1,840,562	1,859,524
購買工程及管理服務	Purchases of engineering and management services		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	19,433	10,981
— 聯營公司	— Associates	12,875	8,000
		32,308	18,981
租賃費用及物業管理費用	Rental fee and property management fee		
— 非控股股東權益	— Non-controlling interests	3,042	—
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	384	3,096
		3,426	3,096
其他服務成本	Other service costs		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	107,055	123,001
— 聯營公司	— Associates	13,690	17,083
— 控股公司	— Holding company	222	32,204
— 非控股股東權益	— Non-controlling interests	—	2,676
		120,967	174,964

#### 47 重大關聯方交易(續)

##### (a) 與關聯方的交易(續)

		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
利息開支	Interest expense		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	154,343	179,683
— 控股公司	— Holding company	25,117	36,124
— 中航深圳	— AVIC Shenzhen	5,130	20,370
		184,590	236,177

有關項目(a)的關聯方交易根據上市規則第14A章的規定亦構成持續關連交易。

與政府相關實體的交易：

本公司是國有企業，由中國政府最終控制。中國政府控制於中國的大部分生產資產及實體。本公司與其他中國政府控制實體的交易為關聯方交易。此等交易主要包括於若干國有銀行存放現金及取得借款。年內，本公司幾乎全部現金均存放於國有銀行及所有借款均向國有銀行借入。

#### 47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

##### (a) Transactions with related parties (continued)

The related party transactions in respect of item (a) also constitute continuing connected transaction as defined in Chapter 14A of the Listing Rules.

Transactions with government related entities:

The Company is a state-owned enterprise ultimately controlled by the PRC government. The PRC government controls a significant portion of the productive assets and entities in the PRC. The transactions between the Company and other PRC government controlled entities are related party transactions. These transactions mainly include depositing cash in and obtaining borrowings from certain state-owned banks. Nearly all of the Company's cash were deposited in and all of the borrowings were borrowed from state-owned banks during the year.

#### 47 重大關聯方交易(續)

- (b) 與關聯方的結餘  
與關聯方公司的結餘均為無抵押、免息及須應要求償還。

#### 47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

- (b) **Balances with related parties**  
The balances with related parties companies are unsecured, non-interest bearing and repayable on demand.

		十二月三十一日 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
其他應收款項	Other receivables		
— 聯營公司	— Associates	235,158	182,279
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	419,048	568,866
— 控股公司	— Holding company	47,537	47,433
— 中航深圳	— AVIC Shenzhen	3,000	5,500
— 共同控制實體	— Jointly controlled entities	1,959	—
— 非控股股東權益	— Non-controlling interests	—	1,240
		706,702	805,318
應收利息	Interest receivables		
— 聯營公司	— Associates	12,514	—
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	—	10,870
		12,514	10,870

47 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		十二月三十一日 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應收賬款	Accounts receivable		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	750,463	841,858
— 共同控制實體	— Jointly controlled entities	160,187	37,918
— 控股公司	— Holding company	3,861	7,099
— 非控股股東權益	— Non-controlling interests	717	943
— 聯營公司	— Associates	30	37,375
		915,258	925,193
預付款項	Prepayments		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	6,956	86,881
— 聯營公司	— Associates	1,560	60,000
— 控股公司	— Holding company	—	881
— 中航深圳	— AVIC Shenzhen	15,000	—
		23,516	147,762
應計款項及其他應付款項	Accruals and other payables		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	68,289	99,086
— 中航深圳	— AVIC Shenzhen	6,684	23,230
— 聯營公司	— Associates	6,060	10,500
— 控股公司	— Holding company	592	535
— 共同控制實體	— Jointly controlled entities	2,963	16
		84,588	133,367
應付賬款	Accounts payable		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	325,817	530,910
— 聯營公司	— Associates	54,649	24,024
— 控股公司	— Holding company	82	—
		380,548	554,934
客戶墊款	Advance from customers		
— 中航工業同系附屬公司	— Fellow subsidiaries of Aviation Industry	202,042	199,148
— 共同控制實體	— Jointly controlled entities	4,007	—
— 控股公司	— Holding company	420	—
— 聯營公司	— Associates	134	4,780
		206,603	203,928

47 重大關聯方交易 (續)

(b) 與關聯方的結餘 (續)

	二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
應付利息 — 中航工業同系附屬公司		
Interest payables — Fellow subsidiaries of Aviation Industry	14,299	1,185

47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

(c) 自關聯方借款

(c) Borrowings from related parties

	二零一五年 2015 人民幣千元 RMB'000	新增 Additions 人民幣千元 RMB'000	償還 Repayment 人民幣千元 RMB'000	二零一六年 2016 人民幣千元 RMB'000
計入其他應付款項 (附註33(a))				
— 中航工業同系 附屬公司	114,052	—	(40,789)	73,263
— 非控股股東權益	16,076	—	(16,076)	—
— 控股公司	850,000	—	(640,625)	209,375
	980,128	—	(697,490)	282,638
計入其他負債 — 控股公司 (附註32(a))	360,000	—	(360,000)	—
— 中航深圳 (附註32(b))	100,000	—	(25,000)	75,000
— 非控股股東權益	—	328	—	328
	460,000	328	(385,000)	75,328
計入借款 (附註29)				
— 中航工業同系 附屬公司	2,195,308	2,311,834	(2,320,120)	2,187,022

47 重大關聯方交易(續)

(d) 給予關聯方的貸款

47 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(d) Loan to related parties

	二零一五年 十二月三十一日 31 December 2015 人民幣千元 RMB'000	新增 Additions 人民幣千元 RMB'000	償還 Repayment 人民幣千元 RMB'000	二零一六年 十二月三十一日 31 December 2016 人民幣千元 RMB'000
計入其他應收款項 (附註21(b))	Included in other receivables (Note 21(b))			
— 聯營公司	— Associates	385,005	2,700	—
— 中航工業同系 附屬公司	— Fellow subsidiaries of Aviation Industry	1,224,280	—	(514,760)
		1,609,285	2,700	(514,760)
				<b>1,097,225</b>

48 本公司資產負債表及儲備變動

公司資產負債表  
於二零一六年十二月三十一日

48 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2016

		截至十二月三十一日止 As at 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>資產</b>	<b>ASSETS</b>		
<b>非流動資產</b>	<b>Non-current assets</b>		
無形資產	Intangible assets	379	422
物業、廠房及設備	Property, plant and equipment	13,117	13,501
於附屬公司的投資	Investments in subsidiaries	5,265,824	5,029,964
於聯營公司的投資	Investments in associates	440,149	448,198
於合營企業的投資	Investments in joint ventures	2,371,409	2,371,409
可供出售金融資產	Available-for-sale financial assets	1,400	1,400
貿易及其他應收款項	Trade and other receivables	170	—
		<b>8,092,448</b>	7,864,894
<b>流動資產</b>	<b>Current assets</b>		
貿易及其他應收款項	Trade and other receivables	2,902,116	2,192,739
現金及現金等價物	Cash and cash equivalents	451,183	456,024
抵押銀行存款	Pledged bank deposits	710,000	—
		<b>4,063,299</b>	2,648,763
<b>總資產</b>	<b>Total assets</b>	<b>12,155,747</b>	10,513,657

48 本公司資產負債表及儲備變動(續)

公司資產負債表(續)  
於二零一六年十二月三十一日

48 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

COMPANY BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2016

		截至十二月三十一日止 As at 31 December	
		二零一六年 2016 人民幣千元 RMB'000	二零一五年 2015 人民幣千元 RMB'000
<b>權益</b>	<b>EQUITY</b>		
本公司權益持有人應佔 資本與儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	1,166,162	1,166,162
股份溢價	Share premium	1,512,380	1,512,380
其他儲備(a)	Other reserves (a)	189,056	174,898
永久次級可換股證券	Perpetual subordinated convertible securities	2,781,674	2,781,674
未分配利潤(a)	Retained earnings (a)	848,890	617,800
<b>總權益</b>	<b>Total equity</b>	<b>6,498,162</b>	6,252,914
<b>負債</b>	<b>LIABILITIES</b>		
非流動負債	Non-current liabilities		
借款	Borrowings	2,637,000	3,095,000
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	680,585	287,743
借款	Borrowings	2,340,000	878,000
		<b>3,020,585</b>	1,165,743
<b>總負債</b>	<b>Total liabilities</b>	<b>5,657,585</b>	4,260,743
<b>總權益和負債</b>	<b>Total equity and liabilities</b>	<b>12,155,747</b>	10,513,657

本公司資產負債表已於二零一七年三月十日經董事會批准，並由以下董事代表簽署。

The balance sheet of the Company was approved by the Board of Directors on 10 March 2017 and were signed on its behalf.

董事：劉洪德

董事：由鐳

Director: Liu Hong De

Director: You Lei



48 本公司資產負債表及儲備變動(續)

(a) 本公司儲備變動

48 BALANCE SHEET AND RESERVE  
MOVEMENT OF THE COMPANY (continued)

(a) Reserve movement of the Company

		未分配 利潤 Retained earnings 人民幣千元 RMB'000	其他儲備－ 法定一 般儲備基金 Other reserves – Statutory general reserve fund 人民幣千元 RMB'000
於二零一五年一月一日 的結餘	Balance as at 1 January 2015	420,600	146,296
年內溢利	Profit for the year	342,418	–
撥入法定一般儲備基金	Appropriation to statutory general reserve fund	(28,602)	28,602
二零一四年股息	Dividend for the 2014	(116,616)	–
於二零一五年 十二月三十一日的結餘	Balance as at 31 December 2015	617,800	174,898
年內溢利	Profit for the year	478,479	–
撥入法定一般儲備基金	Appropriation to statutory general reserve fund	(14,158)	14,158
二零一五年股息	Dividend for the 2015	(233,231)	–
於二零一六年 十二月三十一日的結餘	Balance as at 31 December 2016	848,890	189,056

#### 49 董事福利及權益

董事及高級行政人員的酬金  
各董事的薪酬載列如下：

截至二零一六年十二月三十一日止年度：

#### 49 BENEFITS AND INTERESTS OF DIRECTORS

##### Directors' and chief executive's emoluments

The remunerations of every directors is set out below:

For the year ended 31 December 2016:

董事姓名：	袍金 Fee 人民幣千元 RMB'000	薪金 Salaries 人民幣千元 RMB'000	酌情花紅 Discretionary bonuses 人民幣千元 RMB'000	房屋津貼 Housing allowance 人民幣千元 RMB'000	其他福利 現金價值 Estimated money value of other benefits 人民幣千元 RMB'000	退休福利 計劃的 僱員供款 Employer's contribution to a retirement benefit scheme 人民幣千元 RMB'000	就擔任 董事已付或 應收薪酬 Remuneration paid or receivable in respect of directors' other services in connection with the management of the company or its subsidiary undertaking 人民幣千元 RMB'000	與本公司或 其附屬公司的管理 承擔有關的董事 其他服務已付或 應收薪酬 Emoluments paid or receivable in respect of directors' other services in connection with the management of the company or its subsidiary undertaking 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
劉洪德先生*	-	-	-	-	-	-	-	-	-
吳光權先生** (a)	-	-	-	-	-	-	-	-	-
賴偉宣先生 (a)	-	-	-	-	-	-	-	-	-
由錫先生 (a)	-	-	-	-	-	-	-	-	-
周君華女士*	-	-	-	-	-	-	-	-	-
潘林武先生** (a)	-	-	-	-	-	-	-	-	-
陳宏良先生 (a)	-	-	-	-	-	-	-	-	-
劉軍先生 (a)	-	-	-	-	-	-	-	-	-
黃慧玲女士	160	-	-	-	-	-	-	-	160
鄧康先生	160	-	-	-	-	-	-	-	160
魏偉先生	160	-	-	-	-	-	-	-	160
	480	-	-	-	-	-	-	-	480

\* 劉洪德先生於二零一七年二月十五日獲委任為本公司  
董事長及董事，而周君華女士於二零一七年二月十五  
日獲委任為本公司董事。

\*\* 吳光權先生及潘林武先生不再擔任本公司董事，自二  
零一七年二月十五日起生效。

Mr. Liu Hong De was appointed as chairman and director of the Company on  
15 February 2017, and Ms. Zhou Chun Hua was appointed as director of the  
Company on 15 February 2017.

Mr. Wu Guang Quan and Mr. Pan Lin Wu no longer served as directors of the  
Company effective on 15 February 2017.

**49 董事福利及權益 (續)**  
**49 BENEFITS AND INTERESTS OF DIRECTORS (continued)**  
**Directors' and chief executive's emoluments (continued)**  
For the year ended 31 December 2015:

董事及高級行政人員的酬金 (續)  
截至二零一五年十二月三十一日止年度:

董事姓名:	袍金 Fee 人民幣千元 RMB'000	薪金 Salaries 人民幣千元 RMB'000	酌情花紅 Discretionary bonuses 人民幣千元 RMB'000	房屋津貼 Housing allowance 人民幣千元 RMB'000	其他福利 現金估值 Estimated money value of other benefits 人民幣千元 RMB'000	退休福利 計劃的 僱員供款 Employer's contribution to a retirement benefit scheme 人民幣千元 RMB'000	就擔任 董事已付或 應收薪酬 Remuneration paid or receivable in respect of directors' other services in connection with the management of the company or its subsidiary undertaking 人民幣千元 RMB'000	與本公司或 其附屬公司的管理 承擔有關的董事 其他服務已付或 應收薪酬 Emoluments paid or receivable in respect of directors' other services in connection with the management of the company or its subsidiary undertaking 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
吳光權先生(a)	-	-	-	-	-	-	-	-	-
由錫先生(a)	-	-	-	-	-	-	-	-	-
潘新武先生(a)	-	-	-	-	-	-	-	-	-
劉軍先生(a)	-	-	-	-	-	-	-	-	-
陳宏良先生(a)	-	-	-	-	-	-	-	-	-
賴偉宣先生(a)	-	-	-	-	-	-	-	-	-
鄧偉先生	160	-	-	-	-	-	-	-	160
黃慧玲女士	160	-	-	-	-	-	-	-	160
魏偉先生	160	-	-	-	-	-	-	-	160
	480	-	-	-	-	-	-	-	480

#### 49 董事福利及權益(續)

##### 董事及高級行政人員的酬金(續)

- (a) 該等董事就對本公司的服務自控股公司中航國際或中航深圳(持有本公司35.63%股權的本公司股東)收取酬金。由於董事認為分攤彼等對本集團與本公司控股公司的服務屬不切實際，故此酬金並無分攤。

上文披露的董事袍金包括支付予獨立非執行董事的袍金人民幣480,000元(二零一五年：人民幣480,000元)。

- (b) 於年末或年內任何時間，並無就提供董事服務而向第三方作出董事退休福利、董事終止服務福利及代價，以及以董事、該等董事的受控制法團及關連實體為受益人的貸款、準貸款或其他交易(二零一五年：無)。

- (c) **董事於交易、安排或合約的重大權益**  
於年末或年內任何時間本公司董事並無於本公司已訂立與本集團業務有關的重要交易、安排及合約中擁有任何重大直接或間接權益。

#### 50 報告期末事項

於二零一七年三月十日，天馬與(a)中航國際、中航深圳、廈門公司及第三方廈門金財公司就收購廈門天馬微電子有限公司全部股權；及(b)第三方上海投資(集團)有限公司(「上海投資公司」)與第三方上海張江(集團)有限公司(「上海張江公司」)就收購上海天馬有機發光顯示有限公司60%股權訂立兩份獨立的框架協議。根據該等框架協議，收購事項的代價將透過天馬發行代價股份的方式悉數支付。

#### 49 BENEFITS AND INTERESTS OF DIRECTORS (continued)

##### Directors' and chief executive's emoluments (continued)

- (a) These directors received emoluments from AVIC International, the holding company or AVIC Shenzhen, the Company's shareholder holding 35.63% of the equity interests of the Company, for their services to the Company. No apportionment has been made for emoluments from the holding company, as the directors consider that it is impracticable to apportion this amount between their services to the Group and their services to the Company's holding company.

Directors' fees disclosed above included RMB480,000 (2015: RMB480,000) paid to independent non-executive directors.

- (b) No directors' retirement benefits, directors' termination benefits, consideration provided to third parties for making available directors' services, and loans, quasi-loans or other dealing in favour of directors, controlled bodies corporate by and connected entities with such directors, subsisted at the end of the year or any time during the year (2015: Nil).

- (c) **Directors' material interests in transactions, arrangements or contracts**  
There was no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### 50 EVENTS AFTER THE REPORTING PERIOD

On 10 March 2017, Tianma entered into two separate framework agreements with (a) AVIC International, AVIC Shenzhen, Xiamen Company and Xiamen Jincai Company, a third party, in relation to the acquisition of 100% equity interest in Xiamen Tianma Microelectronics Company Limited; and (b) Shanghai Industrial Investment (Group) Co., Ltd ("Shanghai Investment Company"), a third party, and Shanghai Zhangjiang (Group) Co., Ltd ("Shanghai Zhangjiang Company"), a third party, in relation to the acquisition of 60% equity interest in Shanghai Tian Ma Organic Light-Emitting Company Limited. Pursuant to the framework agreements, the consideration for the acquisitions will be fully settled by issue of consideration shares of Tianma.



Level 25, Hangdu Building, Shennan Road, Central,  
CATIC Zone, Futian District, Shenzhen, PRC

中國深圳市福田區深南中路中航苑航都大廈25層

Tel 電話：86-755-8379 3891 Fax 傳真：86-755-8379 0228

P.O. Box 郵箱：3-023 Shenzhen Postcode 郵政編號：518031