



Burwill Holdings Limited
寶威控股有限公司

(incorporated in Bermuda with limited liability)

Stock code : 24



Annual Report **2016**



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Corporate Information 公司資料

DIRECTORS

CHAN Shing, *Chairman & Managing Director*
CHEUNG Kwan, *Executive Director*
SIT Hoi Tung, *Executive Director & Deputy General Manager*
WEI Jiafu, *Executive Director*
KWOK Wai Lam, *Executive Director*
SHAM Kai Man, *Executive Director*
CUI Shu Ming, *Independent Non-Executive Director*
CHAN Ming Fai, *Independent Non-Executive Director*
HUANG Shenglan, *Non-Executive Director*

COMPANY SECRETARY

KWOK Wai Lam

AUDIT COMMITTEE

CUI Shu Ming
CHAN Ming Fai

REMUNERATION COMMITTEE

CUI Shu Ming
CHAN Ming Fai
SIT Hoi Tung

NOMINATION COMMITTEE

CHAN Shing
SIT Hoi Tung
CUI Shu Ming
CHAN Ming Fai

RISK COMMITTEE

CHAN Shing
SIT Hoi Tung
KWOK Wai Lam
SHAM Kai Man
NG Man Fai, Matthew

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISERS

Appleby
Baker & McKenzie

董事

陳城(主席兼董事總經理)
張軍(執行董事)
薛海東(執行董事兼副總經理)
魏家福(執行董事)
郭偉霖(執行董事)
岑啟文(執行董事)
崔書明(獨立非執行董事)
陳明輝(獨立非執行董事)
黃勝藍(非執行董事)

公司秘書

郭偉霖

審核委員會

崔書明
陳明輝

薪酬委員會

崔書明
陳明輝
薛海東

提名委員會

陳城
薛海東
崔書明
陳明輝

風險委員會

陳城
薛海東
郭偉霖
岑啟文
吳文輝

核數師

國衛會計師事務所有限公司
香港執業會計師

法律顧問

Appleby
貝克•麥堅時律師事務所

Corporate Information 公司資料

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Canon's Court
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Bermuda

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PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

Bangkok Bank Public Company Limited
BNP Paribas
Societe Generale
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

WEBSITE

www.burwill.com

註冊辦事處

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Bermuda

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電話：(852) 2877 7368
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股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716號舖

主要往來銀行

盤谷銀行
法國巴黎銀行
法國興業銀行
渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司
大華銀行

互聯網址

www.burwill.com

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK

During the year 2016, the Group's turnover decreased by 42% to approximately HK\$2,685 million compared to the same period last year. Gross profits dropped by 92.51% to HK\$5.3 million. The Group recorded a loss attributable to owners of the Company of approximately HK\$208 million. The loss for the year comprised the following exceptional losses: share of loss of an associate, KPC of approximately HK\$34 million, dilution loss of an associate, KPC of approximately HK\$6 million, impairment loss on an associate, KPC of approximately HK\$56 million, the write-off the amounts due from China Land Holdings International Limited of approximately HK\$32 million and the write-off of the assets of Shandong Magnetite Iron Ore Mine of approximately HK\$25 million.

Steel Trading

During 2016, China's steel market experienced multiple sharp rises and falls with extreme volatility in steel prices.

Burdened by lingering pessimistic sentiments since 2015, market inventories remained at low levels while buyers adopted a more cautious attitude and postponed their steel purchases. However, as the peak season approached, supply shortages helped fuel a mild rebound. The Chinese government implemented a series of measures to help cope with toxic haze problems and excessive capacity, and together with large amounts of capital flowing into the steel futures market, spot prices surged substantially and reached a peak at the end of April with some steel product prices soaring more than 65%. Following this, steel manufacturers resumed production, which then led to a sharp reversal of demand and supply causing steel prices to shrink significantly by 25% in June.

During the second half of 2016, China imposed more stringent standards for monitoring environmental protection by increasing the number of regions across the country that limit steel production. Along with these restrictions, steel prices also gained support from the surging costs of raw materials for steel-making and reached a peak in mid-December with the prices for iron ore, scrap and coking coal soaring from 50% to 200%. According to the China Steel Price Index (CSPI) released by the China Iron and Steel Association (CISA), China's steel prices increased 76.53% year-on-year by the end of December.

回顧與展望

二零一六年，本集團營業額較去年同期下跌42%，至約港幣26.85億元；毛利較去年同期下降92.51%，至約港幣530萬元；本公司權益持有人應佔虧損約港幣2.08億元。本年度虧損包含下列特殊虧損：應佔聯營公司KPC虧損約港幣3,400萬元，聯營公司KPC攤薄虧損約港幣600萬元，聯營公司KPC減值約港幣5,600萬元，新港集團國際有限公司欠款撥備約港幣3,200萬元，山東磁鐵礦資產減值約港幣2,500萬元。

鋼鐵貿易

二零一六年，中國鋼鐵市場大幅上落，價格波幅之大為歷年罕見。

年初市場承接去年的悲觀情緒影響，社會庫存處於極低水平，用家採取謹慎觀望的態度，不敢貿然採購。然而，隨著現貨需求旺季的來臨，供應短期錯配支撐起反彈，加上政府為化解過剩產能和治理霧霾，實施種種限制產能措施，在資金大舉進入鋼材期貨市場的環境下，現貨價格不斷上升，在四月下旬達到頂點，部分品種價格漲逾65%。隨後，鋼廠加大復產令供求逆轉，六月份鋼價又出現大幅下挫，跌幅約25%。

二零一六下半年，國家於環境保護方面實施更嚴格的監控，在全國擴大了限產的地區，而鋼鐵原輔材料開始出現了驚人的漲勢，鐵精礦、廢鋼、煉焦煤等等大升50%-200%不等。此情況加大了鋼廠生產成本，對鋼價形成強力支撐，以致十二月中旬創下全年最高的價格。據鋼鐵協會CSPI報告，中國十二月底的總體鋼材價格與去年同期相比升幅達76.53%。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Steel Trading (continued)

According to Platts 62% Fe IODEX, iron ore prices showed rises and falls ranging from 35% to 85% with a cumulative strong rally of 135% from a low point at the beginning of 2016 to a peak by the year end. Spot transaction was resumed by the end of 2016 to hedge against price risks. The Group will carefully participate in hedging-related business, focusing on spot trades, in order to protect against concerning risks.

In response to the current complicated and volatile market environment, the Group has adopted a relatively conservative and cautious steel trading approach with sales growth seen in individual selected areas. Our European subsidiaries, in particular, recorded a relatively substantial growth in earnings in 2016. However, due to rare fluctuations in market prices, some sales contracts that were in dispute incurred the greatest losses over the past ten years. The Group is now engaged in active discussions on possible resolutions to settle parts of the contract disputes.

Looking towards 2017, despite a gradual economic recovery in the U.S., the lack of growth momentum in the Eurozone and the impact of the Brexit referendum will continue to increase uncertainties in the market. In addition to sluggish economic growth in Japan, China's major export markets such as the U.S., the European Union, and India, and other regions that have continued to reinforce anti-dumping measures against China's steel products, will all exert additional pressure on China's steel exporting operations.

Domestic demand conditions, however, remain buoyant as the Chinese Government will continue to press ahead with infrastructure investments, particularly in public transportation such as railways, highways, airports and deep water berths, which will help stimulate the growth of steel consumption. On the other hand, the Government has imposed strict environmental management regulations and placed controls by various "administrative means" to effectively blunt steel production capacity and restrain the overall steel supply, keeping steel prices at high levels. Furthermore, various data sources reveal a significant growth in steel consumption across several ASEAN countries, in particular Vietnam, the Philippines, Indonesia, Thailand and Malaysia all showed year-on-year increases of more than 20%. Experts, therefore, believe that China will benefit from its neighboring countries' increasing steel imports.

回顧與展望(續)

鋼鐵貿易(續)

鐵礦石方面，普氏指數62度品位的現貨價格曾出現幅度達35-85%不等的漲跌，全年從年初低位到年底高位，累計升幅達135%。為對沖價格風險，於去年底重新採用期貨交易對沖部份現貨交易。本集團將在現貨買賣的基礎上謹慎地參與相關的套期保值業務，以對沖風險。

本集團鋼鐵貿易業務在複雜多變的市場環境之下難以獨善其身。雖然一直採取相對保守謹慎的交易取態，而個別地區銷售業績亦有所增長，尤其歐洲子公司錄得較大幅的盈利增長。但由於市場價格出現罕見的漲跌，導致部分銷售合同出現爭議，本集團因而錄得該業務十餘年以來首次較大的虧損，其中一些合同爭議，目前正在洽談處理中。

展望二零一七年，儘管美國經濟平穩復蘇，然而歐元區增長乏力，英國脫歐為市場增添不確定性，日本經濟增速緩慢，中國主要的幾大出口市場，如美國、歐盟、印度等地區均先後對中國個別鋼材產品採取反傾銷措施，這對出口業務造成一定的壓力。

內需方面的整體形勢則較為正面。一方面國家繼續推進各項基礎建設，尤其是鐵路、公路、機場，以至海港深水泊位等交通設施，因此對鋼材需求具有一定刺激的作用。另一方面，國家嚴格實施環保政策，壓縮鋼鐵產能，甚至運用行政手段實施限產措施，令鋼材供應受到抑制，價格預計仍將於高位運行。此外，種種數據顯示，東盟國家鋼材消費增長強勁，其中越南、菲律賓、印尼、泰國、馬來西亞在2016年的鋼材消費需求超出預期，同比增長逾20%。中國作為東盟國家鋼材進口的鄰近供應地，預料將會受惠。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Steel Trading (continued)

In 2017, the Group will continue a prudent business approach, carrying out strict risk control measures to leverage its marketing network. With the aid of strong marketing channels and long-term support from our suppliers over the years, we are confident of maintaining stable sales volumes and achieving higher revenues.

Steel Processing

This particular business segment has recorded continued losses over recent years, and top management, despite its best efforts, has not been able to stem the tide of negative results. Consequently, the Group ceased operations at its steel processing plant in Dongguan, Guangdong Province since the first half of 2016 and we have begun to clear away and downsize inventories, equipment and personnel. The entire process was nearly completed in late 2016.

Commercial Property Investments

The Group completed the disposal of Yangzhou Times Square to China Land Assets Limited (“China Land Assets”) during the first quarter of the Year. Subsequent to the sale, the Group holds 45% of the share capital of China Land Assets and which holds 69% of the share capital of Yangzhou Times Square, and 100% of the share capital of Wuxi Sunshine Plaza.

Charm Best Investments Inc. (“Charm Best”), which held 55% of the share capital of China Land Assets, failed to perform its repayment obligations owed to the Group. In October 2016, the Group exercised the right to take over the charged shares in accordance with the deed of charge. Charm Best and its representatives are, then, no longer a shareholder nor board members of China Land Assets respectively. The 55% charged shares have now been transferred to the Group’s wholly-owned subsidiary, Double Honour Enterprises Limited, and is held in trust. In view of the above, the Group will consolidate its commercial real estate business operations when necessary.

In November 2016, at the High Court of the Hong Kong Special Administrative Region the Group issued a writ of summons to Charm Best and its key shareholder. This action was done to declare that the Group has rights under the deed to take over the charged shares and to restrain Charm Best from purporting to exercise any powers pertaining to the charged shares while restraining any related parties from purportedly acting as a director of China Land Assets. The Group is confident that it will prevail in the lawsuit.

回顧與展望(續)

鋼鐵貿易(續)

二零一七年，本集團仍將謹慎而行，嚴控風險管理，加強市場推展。憑藉集團建立多年的營銷網絡、與工廠的良好關係，我們有信心保持相對穩定的交易數額，並爭取較好的收入。

鋼鐵加工

鑒於該業務近年來一直虧損，管理層經過努力仍無法扭虧為盈，故本集團自上半年起已停止了位於廣東東莞的鋼鐵加工廠的所有業務，進行庫存、設備和人員的全面清理和清退。於二零一六年年末，該項工作已基本完成。

商業地產投資

本集團於二零一六年第一季完成出售揚州時代廣場予新港資產有限公司(「新港資產」)後，持有新港資產45%股權。新港資產現持有69%揚州時代廣場股權及100%無錫陽光廣場股權。

由於新港資產持有55%股權的另一股東 Charm Best Investments Inc.(「Charm Best」)未能履約向本集團償還欠款，於二零一六年十月，本集團按股份質押契據行使權利接管質押股份，故Charm Best已不再為新港資產之股東，其代表董事亦已不再為新港資產之董事。而新港資產55%股權則轉予本集團全資公司Double Honour Enterprises Limited以信託形式持有。對此，本集團將對相關商業地產業務進行必要的整合。

同年十一月，本集團於香港特別行政區高等法院向Charm Best及其主要股東發出傳訊令狀，以聲明本集團有權處置質押股份，禁制Charm Best不再具有行使質押股份所賦予之權利、禁制相關人員對外聲稱仍為新港資產董事等。對此訴訟的結果，本集團具有信心。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Potash in Kazakhstan

The Group now holding approximately 26% of the share capital of Kazakhstan Potash Corporation Limited (“KPC”), a listed company on the Australian Securities Exchange (ASX), is the single largest shareholder of KPC.

KPC is a professional potash mining company, engaged in the exploration and development of potash resources in the Republic of Kazakhstan as well as the production of agricultural potassium chloride, potassium sulfate and potassium magnesium sulfate fertilizer. KPC owns 95% equity shares in Zhilyanskoe and Chelkar, two quality potash mines in western Kazakhstan.

In 2016, KPC expanded its trading and warehousing businesses in China. In August 2016, KPC, cooperated with Chongqing Material of Agriculture Production (Group) Company Limited, set up a joint venture company, which is engaged in trading, storage and transportation of potash fertilizers, phosphate fertilizers and other agricultural materials. The aim of setting up a joint venture company is to explore new markets and broaden the client base for KPC’s potash products in the future.

In September 2016, KPC signed a memorandum of understanding with Kazakhstan Temir Zholy (“KTZ Express”). Under this memorandum both parties demonstrated their intention to collaborate on the transportation of KPC’s potash fertilizers in the future. KTZ Express also agreed to provide preferential policies for the logistics and transportation of potash fertilizers for KPC.

Potash is the raw material used in the production of potash fertilizers. China is an agricultural country with inadequate potash resources, relying on over 50% of imports for its potash fertilizers needs. Therefore, potash is regarded as a “strategic resource” for food security in China.

回顧與展望(續)

哈薩克斯坦鉀鹽

本集團現持有澳大利亞證交所(ASX)上市的Kazakhstan Potash Corporation Limited(「哈鉀」)約26%股權，為哈鉀第一大股東。

哈鉀是一家專業鉀鹽礦業公司，從事勘探和開發位於哈薩克斯坦共和國的鉀鹽礦，以最終生產農用氯化鉀、硫酸鉀和硫酸鉀鎂複合肥。哈鉀現已擁有哈薩克斯坦西部鉀鹽礦日良礦(Zhilyanskoe)和切爾卡礦(Chelkar)95%權益。

二零一六年，哈鉀在中國拓展貿易及物流倉儲業務。八月，哈鉀與重慶市農業生產資料(集團)有限公司成立了合資公司，從事鉀肥、磷肥等農作物資的貿易、倉儲、運輸，其成立目的是為將來哈鉀生產的鉀肥產品拓展市場及積累客戶。

九月，哈鉀與哈薩克斯坦國家鐵路公司(「國家鐵路公司」)簽訂了備忘錄，雙方就哈鉀未來鉀肥產品的運輸表示了合作意向，其中國家鐵路公司願意為哈鉀在未來鉀肥產品的物流運輸方面提供優惠政策。

鉀鹽是生產鉀肥的天然礦物原材料。中國是農業大國，鉀資源貧乏，50%以上的鉀肥依賴進口，故鉀資源是關係到中國糧食安全的戰略資源。

Management Discussion and Analysis 管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

Following the completion of disposal of non wholly-owned subsidiaries, the total equity of the Group decreased to approximately HK\$933 million as at 31 December 2016. The Group's gearing ratio, as a ratio of total borrowings net of total cash and cash equivalents to total equity, increased to 0.40 (2015: 0.28) and current ratio, as a ratio of current assets to current liabilities, decreased to 1.57 (2015: 1.76) respectively as at 31 December 2016.

The total borrowings of the Group decreased to approximately HK\$430 million (2015: HK\$748 million) as at 31 December 2016 and their maturity profile as agreed with the lenders was as follows:

Within one year	一年內
Between one and two years	一至二年內
Between two and five years	二至五年內
Over five years	超過五年

The Group's borrowings were denominated in US Dollar, Renminbi, Hong Kong Dollar and Euro and were charged interest at prevailing market rates.

FOREIGN EXCHANGE RISK EXPOSURE

The Group's receipts, payments, assets and liabilities are principally denominated in US Dollar, Renminbi, Hong Kong Dollar and Euro. The Group considers that its exposure to exchange rate risk is modest except for Euro in which less than 15% of the Group's receipts and payments were denominated for 2016. To minimise the exchange rate risk, forward exchange contracts are used when required, in particular for Euro.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group had no capital commitments contracted but not provided (2015: Nil).

資產流動性及財務資源

完成出售非全資附屬公司以後，本集團二零一六年十二月三十一日之權益總額減至港幣9.33億元。於二零一六年十二月三十一日，本集團的負債比率（總貸款扣除總現金及現金等價物結餘與總權益相比）增至0.40（二零一五年：0.28）及流動比率（流動資產與流動負債相比）減至1.57（二零一五年：1.76）。

於二零一六年十二月三十一日，本集團之總貸款減少至約港幣4.3億元（二零一五年：港幣7.48億元），已與貸款人協議之還款期如下：

	2016 二零一六年 HK\$ million 港幣百萬元	2015 二零一五年 HK\$ million 港幣百萬元
	275	485
	8	23
	78	127
	69	113
	430	748

本集團貸款以美元、人民幣、港元及歐元為貨幣單位，支付市場息率利息。

外匯兌換風險

本集團之收入、支出、資產及負債均主要為美元、人民幣、港元及歐元。本集團認為其外匯風險不大，除卻作為本集團二零一六年度少於15%收入及支出的貨幣單位歐元。為減低外匯風險，於有需要時會利用遠期外匯合同，尤其是歐元。

資本承擔

於二零一六年十二月三十一日，本集團並無已簽約但未撥備之資本承擔（二零一五年：無）。

Management Discussion and Analysis 管理層討論與分析

CONTINGENT LIABILITIES

The Company has been provided with a writ dated 16 June 2015 (“Writ”) filed with the Shandong Province Yantai City Intermediate People’s Court of the People’s Republic of China (“PRC”) under which an individual (“Plaintiff”) alleged that he is the beneficial owner of 50% of the equity interest in 萊陽泰鑫礦業有限公司 (“Allegation”) and that 青島泰鑫礦業有限公司 holds such 50% equity interest in 萊陽泰鑫礦業有限公司 (“萊陽泰鑫 50% equity interest”) as nominee for the Plaintiff. In the Writ, 萊陽泰鑫礦業有限公司 has been named as defendant. In the interim, as a result of the Allegation, the Shandong Province Yantai City Intermediate People’s Court of the PRC has imposed a freezing order in respect of 35% equity interest in 萊陽泰鑫礦業有限公司 held by 青島泰鑫礦業有限公司 (the “Freezing Order”). The frozen equity interest will be restricted from transfer or pledge during the existence of the Freezing Order but the operations of 萊陽泰鑫礦業有限公司 will not be hindered by the imposition of the Freezing Order. The trial of the Allegation was held in August 2016 that the Plaintiff lost a lawsuit and the judgement was received in the early 2017 that 萊陽泰鑫礦業有限公司 was not liable to any claim and the Plaintiff alleged that he owned 萊陽泰鑫 50% equity interest was not in fact. The Plaintiff has already served a notice of appeal to the judgement but the date of trial for appeal has not been fixed.

CHARGE ON ASSETS

As at 31 December 2016, the following assets were pledged: (i) certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$69,884,000 (2015: HK\$72,884,000); (ii) certain motor vehicles with a net book amount of approximately HK\$3,755,000 (2015: Nil); (iii) certain bank balances of approximately HK\$12,574,000 (2015: HK\$89,000); (iv) certain bills and accounts receivable of approximately HK\$76,520,000 (2015: HK\$88,086,000); and (v) certain inventories of approximately HK\$15,917,000 (2015: HK\$28,701,000).

STAFF

As at 31 December 2016, the Group employed 301 staff. Staff remuneration packages are structured and reviewed by reference to market terms and individual merits. The Group also provides other staff benefits which include contributory provident fund and medical insurance. Share options and discretionary bonus may also be granted to eligible staff based on individual and the Group performances. Training programmes for staff are provided as and when required.

或然負債

本公司收到已交中華人民共和國(「中國」)山東省煙臺市中級人民法院登記日期為二零一五年六月十六日之起訴書(「起訴書」)，起訴書指一名個人(「原告」)指稱其為持有萊陽泰鑫礦業有限公司50%股權(「該指稱」)，而青島泰鑫礦業有限公司僅作為原告之代名人代其持有萊陽泰鑫礦業有限公司50%股權(「萊陽泰鑫50%股權」)。萊陽泰鑫礦業有限公司為起訴書內之被告。期間，中國山東省煙臺市中級人民法院基於該指稱已據此對由青島泰鑫礦業有限公司所持萊陽泰鑫礦業有限公司35%股權查封(「該查封」)。被查封之股權於在該查封期內將被禁止轉讓或質押，然而，萊陽泰鑫礦業有限公司之日常營運不會受該查封所影響。該指稱審判已於二零一六年八月舉行，判決原告敗訴，於二零一七年初收到判決指萊陽泰鑫礦業有限公司不需承擔任何責任，而原告指稱擁有萊陽泰鑫50%股權不成立。月前原告已就判決上訴，而上訴的審訊日期尚未確立。

資產抵押

於二零一六年十二月三十一日，以下資產已予抵押：(i)部份租賃土地、土地使用權及樓宇帳面淨值約港幣69,884,000元(二零一五年：港幣72,884,000元)；(ii)部份汽車帳面淨值約港幣3,755,000元(二零一五年：無)；(iii)部份銀行結餘約港幣12,574,000元(二零一五年：港幣89,000元)；(iv)部份應收票據及應收帳項約港幣76,520,000元(二零一五年：港幣88,086,000元)；及(v)部份存貨約港幣15,917,000元(二零一五年：港幣28,701,000元)。

僱員

於二零一六年十二月三十一日，本集團共僱用301名員工。僱員薪酬一般乃參考市場條件及根據個別表現制定及檢討。本集團並為僱員提供其他福利，包括需供款之公積金及醫療保險。此外，本集團亦根據公司經營業績按員工個別表現而授出購股權及發放花紅，並會視乎需要為僱員提供培訓計劃。

Biographies of Directors 董事簡歷

MR. CHAN SHING, AGED 61

Chairman and Managing Director

Mr. Chan joined the Group as Chairman and Managing Director in 1998. Mr. Chan has over 20 years of experience in international trading of metal, the processing and manufacturing of related products, the management of industrial enterprises, the investment in industrial and commercial properties, and corporate planning and management.

MS. CHEUNG KWAN, AGED 59

Executive Director

Ms. Cheung joined the Group as an Executive Director in November 2015. Ms. Cheung has around 20 years of experience in project investment, corporation management, merger and acquisition. Her investments in diverse industries ranges from mining, resources, clean energy, cultural industry, health product and agriculture. Particularly, under the national project of "One Belt and One Road", she has gained many experiences and strong business network. She has served as director and senior manager of various companies. Currently, she is the executive director of China-Asia Resources Fund and Vision Capital (Asia) Limited; she is also the Chairperson as well as managing director of the board of Kazakhstan Potash Corporation Limited, a company listed on the Australian Securities Exchange and the Chairperson of Asia Investment Finance Group Limited, a Hong Kong listed company.

MR. SIT HOI TUNG, AGED 51

Executive Director and Deputy General Manager

Mr. Sit joined the Group in 1998 and was appointed as an Executive Director in 2000. He was promoted to Deputy General Manager in 2006. Mr. Sit is also a Director of Burwill Resources Limited in-charge of contracts and import/export bills operation for metal trading. He graduated from the Finance Department of Jinan University in Guangzhou. He had worked for banking sector and metal trading companies and has over 20 years of experience in international metal trading and import/export bills operation.

陳城先生，六十一歲

主席兼董事總經理

陳先生於一九九八年加入本集團為主席兼董事總經理。陳先生在國際金屬貿易及加工製造相關之產品、工商企業管理、工商物業投資、企業策劃與管理方面擁有逾二十年經驗。

張軍女士，五十九歲

執行董事

張女士於二零一五年十一月加入本集團為執行董事。張女士從事項目投資、企業管理、收購兼併等方面的工作近二十年，在礦產、資源、清潔能源、文化健康及農業領域有豐富的投資管理經驗，尤其是在目前「一帶一路」項目中積累了許多經驗和良好的人脈資源。她曾先後擔任多家公司的董事及高管，目前是中亞資源基金及維珍資本有限公司的執行董事，同時還是澳大利亞證券交易所上市公司Kazakhstan Potash Corporation Limited(哈薩克鉀鹽有限公司)董事局主席兼董事總經理及香港上市公司亞投金融集團有限公司董事局主席。

薛海東先生，五十一歲

執行董事兼副總經理

薛先生於一九九八年加入本集團，並於二零零零年獲委任為執行董事。二零零六年獲晉升為副總經理。薛先生亦為寶威物料供應有限公司董事，主管金屬貿易的合同及出入口票據結算運作。彼於廣州暨南大學金融系畢業，曾任職銀行界及金屬貿易公司，彼在國際金屬貿易及出入口票據結算方面擁有逾二十年經驗。

Biographies of Directors 董事簡歷

MR. WEI JIAFU, AGED 67

Executive Director

Mr. Wei joined the Group as an Executive Director in December 2015. Mr. Wei has over 30 years of experience in corporation management. He was the Chairman and Chief Executive Officer of China Ocean Shipping (Group) Company, a large-size state-owned company of China, Chairman and non-executive director (Hong Kong and China) of China COSCO Holdings Company Limited, and Vice Chairman and non-executive director of China Merchants Bank Co., Ltd.. Currently, Mr. Wei is the Chief Executive Officer and executive director of Kazakhstan Potash Corporation Limited, a company listed on the Australian Securities Exchange and an executive director of Asia Investment Finance Group Limited, a Hong Kong listed company.

MR. KWOK WAI LAM, AGED 54

Executive Director

Mr. Kwok joined the Group in 1994 and is an Executive Director. He is also the Company Secretary and the Group's Financial Controller. Mr. Kwok has over 20 years' experience in the areas of auditing, finance and accounting. He is a Fellow of The Association of Chartered Certified Accountants.

MR. SHAM KAI MAN, AGED 50

Executive Director

Mr. Sham joined the Group in 2000 and was appointed as an Executive Director in July 2009. He is the Managing Director of Burwill Resources Limited, a subsidiary of the Company, in-charge of the Group's steel and mineral trading business. Mr. Sham graduated from The University of Hong Kong and, prior to joining the Group, had worked for a multinational steel trading company for 7 years. He has over 20 years extensive experience in steel trading and gains good international connections.

MR. CUI SHU MING, AGED 79

Independent Non-Executive Director

Mr. Cui joined the Group as an Independent Non-Executive Director in 1998. Mr. Cui graduated from People's University of China. He was the Deputy Head of the Bank of China, Jiangsu branch, the Executive Director of The National Commercial Bank, Ltd. and the General Manager of its Hong Kong branch, a Director and the Executive Vice President of The Ka Wah Bank Ltd.. Mr. Cui is currently an Independent Non-Executive Director of China LotSynergy Holdings Limited and Yue Da Mining Holdings Limited, both are listed companies in Hong Kong. He has over 40 years of experience in international finance and corporate planning and management.

魏家福先生，六十七歲

執行董事

魏先生於二零一五年十二月加入本集團為執行董事。魏先生擁有三十多年企業管理經驗，曾先後擔任過中國大型央企中國遠洋運輸集團總公司董事長總裁、中國遠洋控股股份有限公司香港及內地非執行董事董事長、招商銀行股份有限公司董事會副董事長及非執行董事。魏先生現時為澳大利亞證券交易所上市公司Kazakhstan Potash Corporation Limited(哈薩克鉀鹽有限公司)執行董事兼行政總裁及香港上市公司亞投金融集團有限公司執行董事。

郭偉霖先生，五十四歲

執行董事

郭先生於一九九四年加入本集團，現任執行董事。彼為本公司公司秘書及集團財務總監。郭先生具有逾二十年之核數、財務及會計經驗。彼乃英國特許公認會計師公會資深會員。

岑啟文先生，五十歲

執行董事

岑先生於二零零零年加入本集團，並於二零零九年七月獲委任為執行董事，彼為本公司附屬公司寶威物料供應有限公司董事總經理，主管集團鋼鐵及礦產貿易進出口業務。岑先生畢業於香港大學，加入本集團前曾於跨國鋼鐵貿易公司任職七年，具國際人脈關係，在鋼鐵貿易方面擁有逾二十年的豐富經驗。

崔書明先生，七十九歲

獨立非執行董事

崔先生於一九九八年加入本集團為獨立非執行董事。崔先生於中國人民大學畢業。彼曾任中國銀行江蘇省分行副行長、浙江興業銀行常務董事兼香港分行總經理、香港嘉華銀行董事兼執行副總裁。崔先生現時為香港上市公司China LotSynergy Holdings Limited(華彩控股有限公司)及悅達礦業控股有限公司之獨立非執行董事。彼在國際金融、企業策劃及管理等方面擁有逾四十年經驗。

Biographies of Directors 董事簡歷

MR. CHAN MING FAI, AGED 55

Independent Non-Executive Director

Mr. Chan joined the Group as an Independent Non-Executive Director in October 2011. He is currently an independent business consultant. Prior to that, Mr. Chan was the Chief Executive Officer of Full Seas Technology Group and the President of Dandelion Capital Group, which is a private financial advisory company. He has over twenty years of experience in investment banking and asset management. Mr. Chan had worked for Jardine Fleming Investment Management with a major responsibility to market unit trusts and asset management products in Hong Kong and subsequently in various Asian markets, and was particularly instrumental in the establishment of Jardine Fleming's investment trust operation in Japan, Korea and Indonesia. Mr. Chan also cofounded the KGI Group, which is a pan-Asian investment bank with shareholders including major investors and institutions in Asia, where he was the head of the asset management operation which managed about USD400 million in hedge funds and other portfolios, and was also a member of the management committee of KGI Group. Mr. Chan received a bachelor's degree in Social Sciences with major in Economics from the University of Hong Kong. Mr. Chan is currently an Independent Non-Executive Director of China LotSynergy Holdings Limited.

MR. HUANG SHENGLAN, AGED 65

Non-Executive Director

Mr. Huang joined the Group in September 2004 and was re-designated as a Non-Executive Director in March 2017. Mr. Huang was an Executive Director and the Deputy Governor of China Everbright Bank, Head Office, an Executive Director and the General Manager of China Everbright Technology Limited and an Independent Non-Executive Director of the Company, Chongqing Road & Bridge Co. Ltd. and Symphony Holdings Limited. Mr. Huang holds a diploma in Arts from Huazhong Normal University and in International Economics from Huadong Normal University and a certificate in International Economic Law from Xiamen University and in Advanced Management Programme from the Business School of Harvard University, USA. Mr. Huang is an Independent Non-Executive Director of China LotSynergy Holdings Limited, a Non-Executive Director of China Fortune Investments (Holding) Limited and an Executive Director of Asia Investment Finance Group Limited.

陳明輝先生，五十五歲

獨立非執行董事

陳先生於二零一一年十月加入本集團為獨立非執行董事。彼現為獨立之商業顧問。陳先生之前曾任匯海科技集團行政總裁及盛達資本集團總裁(其為財務諮詢顧問服務公司)。彼在投資銀行及資產管理方面擁有逾二十年經驗。陳先生曾服務於怡富投資管理，主力負責香港及後至其他亞洲市場信託基金及其他資產管理服務之業務拓展，尤其專注於日本、韓國及印尼成立怡富投資信託之業務發展。陳先生並曾創辦凱基證券集團，其為泛亞洲的投資銀行，股東包括區內知名金融及商業機構。彼曾出任凱基資產管理部主管，該部門負責管理超過四億美元的對沖基金及投資組合，彼並為該集團管理委員會成員。陳先生持有香港大學社會科學學士學位，主修經濟。陳先生現為 China LotSynergy Holdings Limited(華彩控股有限公司)之獨立非執行董事。

黃勝藍先生，六十五歲

非執行董事

黃先生於二零零四年九月加入本集團並於二零一七年三月調任為非執行董事。黃先生曾任中國光大銀行總行執行董事兼副行長、中國光大科技有限公司執行董事兼總經理；及本公司、重慶路橋股份有限公司及新豐集團有限公司之獨立非執行董事。黃先生持有華中師範大學文學、華東師範大學國際經濟學文憑和廈門大學國際經濟法學及美國哈佛大學商學院高級管理課程證書。黃先生現時為 China LotSynergy Holdings Limited(華彩控股有限公司)之獨立非執行董事、中國幸福投資(控股)有限公司之非執行董事及亞投金融集團有限公司之執行董事。

Report of Directors 董事局報告

The board of Directors of Burwill Holdings Limited (the "Company") presents to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2016.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on pages 66 and 67.

The state of affairs of the Group as at 31 December 2016 is set out in the balance sheet on pages 64 and 65.

The Group's cash flows are set out in the consolidated statement of cash flows on pages 71 and 72.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are international metal trading and mineral resources investment, exploration and development.

The Group's segment results for the year and other segment information are set out in note 5 to the consolidated financial statements.

DIVIDEND

No interim dividend was paid during the year.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

Burwill Holdings Limited (寶威控股有限公司) (「本公司」)董事局謹向各股東提呈本公司及其附屬公司(合稱「本集團」)截至二零一六年十二月三十一日止年度之董事局報告及經審核財務報表。

財務業績

本集團截至二零一六年十二月三十一日止年度之業績載列於第66頁及第67頁之綜合損益表內。

本集團於二零一六年十二月三十一日之財務狀況已載列於第64頁及第65頁之資產負債表內。

本集團之現金流動情況載列於第71頁及第72頁之綜合現金流量表內。

主要業務及營運分類分析

本公司之主要業務為投資控股公司。

本集團之主要業務為國際金屬貿易、礦產資源投資、勘探及開發。

本集團之年度分部業績及其他分部資料載列於綜合財務報表附註5。

股息

本年度並無派付中期股息。

董事局不擬就截至二零一六年十二月三十一日止年度派付末期股息(二零一五年：無)。

Report of Directors 董事局報告

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases attributable to the Group's major suppliers are as follows:

	%
– the largest supplier	10
– five largest suppliers combined	38

The percentage of sales attributable to the Group's major customers are as follows:

	%
– the largest customer	12
– five largest customers combined	35

None of the Directors, their respective close associates nor shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the above suppliers or customers at any time during the year.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 7 to the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATES

The particulars of the Company's principal subsidiaries and associates as at 31 December 2016 are set out in notes 9 and 10 to the consolidated financial statements.

BANK LOANS

The particulars of the Group's bank loans (excluding the bank loans included in liabilities of disposal group classified as held for sale) are set out in note 22 to the consolidated financial statements.

The Group's bank loans were denominated in Hong Kong Dollar, US Dollar, Renminbi and Euro. As at 31 December 2016, around 89% of the Group's bank loans were denominated in Hong Kong Dollar and US Dollar. All the bank loans bear interest at prevailing market rates.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

	百分比
– 最大供應商	10
– 五大供應商合併購貨額	38

本集團之主要客戶合併佔營業額之百分比如下：

	百分比
– 最大客戶	12
– 五大客戶合併營業額	35

各董事、其各自緊密聯繫人或據董事局所知擁有本公司股本中5%以上權益之股東，於本年度內任何時間概無擁有上述供應商或客戶之任何權益。

物業、機器及設備

本年度內物業、機器及設備之變動情況載列於綜合財務報表附註7。

附屬公司及聯營公司

本公司於二零一六年十二月三十一日之主要附屬公司及聯營公司資料載列於綜合財務報表附註9及10。

銀行貸款

本集團之銀行貸款之資料(不含分類為待售集團負債之銀行貸款)載於綜合財務報表附註22。

借予集團銀行貸款乃以港元、美元、人民幣及歐元為貨幣單位。於二零一六年十二月三十一日，本集團約89%之銀行貸款均為港元及美元貸款。所有銀行貸款均按目前市場息率支付利息。

Report of Directors 董事局報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 19 to the consolidated financial statements.

RESERVES

Details of movements in reserves during the year are set out in note 21 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$228,004,000 (2015: HK\$228,004,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no statutory restriction against the granting of such rights under the laws of Bermuda.

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

During the year ended 31 December 2016, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 47,796,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandates granted by the shareholders at the annual general meetings held on 10 June 2015 and 22 June 2016, details of which were as follows:-

Month/Year 月/年	Number of shares repurchased 購回股份數目	Price per share 每股價格		Total consideration (before expense) 代價總額 (未計開支) HK\$'000 港幣千元
		Highest 最高 HK\$ 港幣	Lowest 最低 HK\$ 港幣	
04/2016	6,448,000	0.280	0.265	1,778
06/2016	13,054,000	0.260	0.250	3,319
07/2016	15,602,000	0.255	0.213	3,655
11/2016	12,692,000	0.189	0.178	2,326

股本

本公司股本於本年度之變動情況詳列於綜合財務報表附註19。

儲備

本年度內儲備之變動情況詳列於綜合財務報表附註21。

可分派儲備

於二零一六年十二月三十一日，按照百慕達一九八一年公司法所計算，本公司可分派予股東之儲備為港幣228,004,000元(二零一五年：港幣228,004,000元)。

股份優先購買權

百慕達法律對授出股份優先購買權並無法定限制，本公司之公司細則亦無就授出該等權利作出規定。

購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度內，本公司透過全資附屬公司Hillot Limited根據於二零一五年六月十日及二零一六年六月二十二日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司(「聯交所」)購回本公司股份合共47,796,000股，詳情如下：

Report of Directors 董事局報告

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

All shares repurchased were subsequently cancelled and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchases were effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 8 June 2011 (the "Option Scheme"), certain options were granted to subscribe for new ordinary shares of the Company. Details of which are set out as follows:

(I) Summary of terms of the Option Scheme

(i) Purpose of the Option Scheme

The purpose of the Option Scheme is to provide incentives or rewards to Participants (as stated in paragraph (ii)) for the contribution to the Group and to enable the Group to recruit and retain high-calibre employees and other personnel that are valuable to the Group.

(ii) Participants

Any individual being an employee (whether full-time or part-time), officer, buying agent, selling agent, consultant, sales representative or marketing representative of, or supplier or provider of goods or services to, the Company or any of its subsidiaries, including any executive or non-executive director of the Company or any of its subsidiaries, who satisfies the criteria set out in the Option Scheme.

購買、出售或贖回本公司上市證券(續)

所有購回之股份已全部註銷，另本公司之已發行股本亦已扣除此等股份之面值。購回股份是為提高每股資產淨值及每股盈利，有利於股東整體利益而進行。

除上文所披露者外，截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

根據於二零一一年六月八日本公司採納之購股權計劃(「購股權計劃」)，已授出若干購股權以認購本公司新普通股股份，其詳情如下：

(I) 購股權計劃主要條款

(i) 購股權計劃之目的

購股權計劃的宗旨是鼓勵參與者(見本文(ii)段)為本集團作出貢獻而提供之獎勵或報酬，以及令本集團招攬及挽留對本集團具有重要價值的高質素僱員及其他人士。

(ii) 參與者

需符合載列於購股權計劃準則之任何人士，為本公司或其任何附屬公司之僱員(不論是全職或兼職)、主管、採購代理、銷售代理、顧問、銷售代表或市務代表或貨品或服務供應商或提供商，(包括本公司或其任何附屬公司之執行董事或非執行董事)。

Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

(I) Summary of terms of the Option Scheme (continued)

(iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme, together with all outstanding options granted and yet to be exercised under any other share option schemes of the Company and/or any subsidiary must not exceed 30 per cent. of the number of issued shares from time to time. The total number of shares available for issue under the Option Scheme as at the date of this report is 436,035,968 shares, representing approximately 8.69 per cent. of the issued share capital of the Company as of that date.

(iv) Maximum entitlement of each Participant

Unless approved by shareholders in general meeting, no Participant shall be granted an option which would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such Participant in any 12-month period immediately preceding the proposed date of grant for such options would exceed 1 per cent. of the number of shares in issue as at the proposed date of grant.

(v) Option period

An option may be exercised in accordance with the terms of the Option Scheme at any time during a period of not exceeding 10 years to be notified by the Board to the grantee, such period to commence on the date of grant or such later date as the Board may determine and expiring on the last day of the said period. Under the Option Scheme, the Board may, at its discretion, prescribe a minimum period for which an option must be held before it can be exercised.

購股權計劃(續)

(I) 購股權計劃主要條款(續)

(iii) 股份數目上限

根據購股權計劃與及本公司及／或任何附屬公司之任何其他購股權計劃可授出而有待行使之全部尚未行使購股權獲行使後發行之股份總數限額，不可超逾不時已發行股份數目30%。於本報告日期，根據購股權計劃可予發行之股份數量為436,035,968股，相等於當日本公司已發行股本約8.69%。

(iv) 每位參與者可獲授權益上限

除獲股東在股東大會上批准外，倘參與者於行使所有其已獲授予及將獲授予的購股權(包括已行使、已註銷及尚未行使的購股權)後，將令致其於緊接建議授出購股權日期前十二個月期間內已獲發行及可能發行之股份數目超逾建議授出該購股權當日已發行股份數目之1%，則不得向該參與者授出購股權。

(v) 購股權期限

任何購股權均可於董事局通知承授人在不超過十年之期限內任何時間根據購股權計劃之條款予以行使，該段期限由授出購股權日期或董事局決定之較後日期起計，並於該期限最後一日終止。根據購股權計劃，董事局可酌情訂定購股權獲行使前須持有之最短期限。

Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

(I) Summary of terms of the Option Scheme (continued)

(vi) Payment on acceptance of option

HK\$1.00 in cash is payable by the Participant who accepts the grant of an option in accordance with the terms of the Option Scheme on acceptance of the grant of an option.

(vii) Subscription price

The subscription price for the shares under the options to be granted under the Option Scheme will be a price determined by the Board and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant (subject to acceptance) of the option, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant (subject to acceptance) of the option; and (c) the nominal value of the shares.

(viii) The life of the Option Scheme

The Option Scheme shall be valid and effective for a period of ten years commencing from 8 June 2011, after which period no further options will be granted nor accepted but the provisions of the Option Scheme shall remain in full force and effect in all other respects.

購股權計劃(續)

(I) 購股權計劃主要條款(續)

(vi) 接納購股權須付款額

根據購股權計劃條款接納獲授購股權之參與者，在接納購股權時，須繳付現金港幣1元。

(vii) 認購價

根據購股權計劃授出之購股權項下股份之認購價，將由董事局釐定及於授予(有待接受)參與者該購股權時知會各參與者，並最少為下列價格中之最高者：(a)股份在授出(有待接受)購股權當日(必須為營業日)在聯交所每日報價表所列之收市價；(b)股份在緊接授出(有待接受)購股權之日期前五個營業日，在聯交所每日報價表所列之平均收市價；及(c)股份之面值。

(viii) 購股權計劃之限期

購股權計劃之有效期由二零一一年六月八日起計，為期十年，其後將不得再授出或接納任何購股權，惟購股權計劃之條文在其他各方面將仍具有十足效力。

Report of Directors 董事局報告

SHARE OPTION SCHEME (continued)

購股權計劃(續)

(II) Movements of option shares under the Option Scheme (II) 購股權計劃項下之購股權股份變動

	Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期		outstanding as at 01/01/2016 於二零一六年一月一日結存	Number of option shares 購股權股份數目					balance as at 31/12/2016 於二零一六年十二月三十一日結餘
			from 由	until 至		granted during the year 年內授出	exercised during the year 年內行使	cancelled during the year 年內註銷	lapsed during the year 年內失效		
(i) Directors											
董事											
CHAN Shing 陳城	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	2,250,000 2,250,000	- -	- -	- -	2,250,000 2,250,000	- -	
SIT Hoi Tung 薛海東	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	10,000,000 11,000,000	- -	- -	- -	10,000,000 11,000,000	- -	
KWOK Wai Lam 郭偉霖	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	11,000,000 11,000,000	- -	- -	- -	11,000,000 11,000,000	- -	
SHAM Kai Man 岑啟文	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	10,000,000 11,000,000	- -	- -	- -	10,000,000 11,000,000	- -	
CUI Shu Ming 崔書明	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	- 2,250,000	- -	- -	- -	- 2,250,000	- -	
CHAN Ming Fai 陳明輝	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	1,000,000 2,250,000	- -	- -	- -	1,000,000 2,250,000	- -	
HUANG Shenglan 黃勝藍	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	- 2,250,000	- -	- -	- -	- 2,250,000	- -	
(ii) Substantial shareholder											
主要股東											
LAU Ting 劉婷	07/11/2014	0.3	01/12/2014 01/12/2015	30/11/2016 30/11/2016	2,250,000 2,250,000	- -	- -	- -	2,250,000 2,250,000	- -	
(iii) Continuous contract employees											
連續合約僱員											
					Total: 總計:						
					224,900,000	-	-	-	224,900,000	-	

Report of Directors 董事局報告

DIRECTORS

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

Executive Directors

Mr. CHAN Shing (*Chairman and Managing Director*)
Ms. CHEUNG Kwan
Mr. SIT Hoi Tung (*Deputy General Manager*)
Mr. WEI Jiafu
Mr. KWOK Wai Lam
Mr. SHAM Kai Man

Independent Non-Executive Directors

Mr. CUI Shu Ming
Mr. HUANG Shenglan
(*re-designated as Non-Executive Director on 3 March 2017*)
Mr. CHAN Ming Fai

In accordance with bye-law 85 of the Bye-laws of the Company, Messrs. KWOK Wai Lam, CUI Shu Ming and CHAN Ming Fai shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Biographical details of the Directors of the Company are set out on pages 10 to 12.

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事

陳城先生(*主席兼董事總經理*)
張軍女士
薛海東先生(*副總經理*)
魏家福先生
郭偉霖先生
岑啟文先生

獨立非執行董事

崔書明先生
黃勝藍先生
(*於二零一七年三月三日調任為非執行董事*)
陳明輝先生

依據本公司之公司細則第85條之規定，郭偉霖先生、崔書明先生及陳明輝先生於應屆股東週年大會上告退，惟彼等均願意膺選連任。

本公司董事之簡歷載列於第10頁至第12頁。

Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company (including those interests and short positions which were taken or deemed to have interests and short positions under the provisions of the Securities and Futures Ordinance (the "SFO")) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

於二零一六年十二月三十一日，根據本公司按照證券及期貨條例（「證券及期貨條例」）第352條所規定須予備存的登記冊所載，或如依據上市發行人董事進行證券交易的標準守則通知本公司及聯交所，本公司各董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有的權益及淡倉，詳情如下：

Interests in Shares of the Company

本公司股份權益

Name of Director 董事姓名	Number of ordinary shares 普通股股份數目			Total 總數	Approximate percentage in the Company's issued share capital 約佔本公司已發行股本百分比
	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益		
CHAN Shing 陳城	146,786,521 (L)	104,042,601 (L)	1,050,438,149 (L) (Note 1) (附註1)	1,301,267,271 (L)	25.94% (L)
CHEUNG Kwan 張軍	592,828,000 (L)	–	123,000,000 (L) (Note 2) (附註2)	715,828,000 (L)	14.27% (L)
SIT Hoi Tung 薛海東	5,413,869 (L)	–	–	5,413,869 (L)	0.11% (L)
SHAM Kai Man 岑啟文	1,000,000 (L)	–	–	1,000,000 (L)	0.02% (L)
CUI Shu Ming 崔書明	2,250,000 (L)	–	–	2,250,000 (L)	0.04% (L)
CHAN Ming Fai 陳明輝	1,250,000 (L)	–	–	1,250,000 (L)	0.02% (L)
HUANG Shenglan 黃勝藍	2,250,000 (L)	–	–	2,250,000 (L)	0.04% (L)

Report of Directors 董事局報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Interests in Shares of the Company (continued)

Notes:

- 838,071,336 shares were held by Glory Add Limited ("Glory Add"), a wholly-owned subsidiary of Favor King Limited ("Favor King"). 211,900,848 shares were held by Strong Purpose Corporation ("Strong Purpose"). Favor King and Strong Purpose are wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, the spouse of Mr. CHAN Shing. 465,965 shares were held by Hang Sing Overseas Limited, a wholly-owned subsidiary of Orient Strength Limited (a company which is wholly-owned by Ms. LAU Ting).
- 123,000,000 shares were held by The Internet of Things Investment Ltd. which is wholly-owned by Ms. CHEUNG Kwan.
- The letter "L" denotes long position and the letter "S" denotes short position.

Save as otherwise disclosed above, as at 31 December 2016, none of the Directors or chief executive of the Company had, or were deemed under the SFO to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉(續)

本公司股份權益(續)

附註：

- 838,071,336股由Favor King Limited(「Favor King」)全資附屬公司Glory Add Limited(「Glory Add」)持有。211,900,848股由Strong Purpose Corporation(「Strong Purpose」)持有。陳城先生及其配偶劉婷女士全資擁有Favor King及Strong Purpose。465,965股由劉婷女士全資擁有的公司Orient Strength Limited透過其全資附屬公司Hang Sing Overseas Limited持有。
- 123,000,000股由張軍女士全資擁有的公司The Internet of Things Investment Ltd.持有。
- 「L」表示好倉；「S」表示淡倉。

除上文所披露者外，於二零一六年十二月三十一日，本公司各董事或行政總裁概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有任何權益或淡倉記錄在按照證券及期貨條例第352條所規定須備存之登記冊內，或須如依據上市發行人董事進行證券交易的標準守則通知本公司及聯交所。

Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company:

Interests in Shares

Name of shareholder	Nature of interest	Number of ordinary shares	Approximate percentage in the Company's issued share capital	Note
股東名稱	權益性質	普通股股份數目	約佔本公司已發行股本百分比	附註
LAU Ting 劉婷	Personal, Family & Corporate 個人、家族及公司	1,301,267,271 (L)	25.94% (L)	1
Favor King	Corporate 公司	838,071,336 (L)	16.71% (L)	2

Notes:

- 104,042,601 shares were directly held by Ms. LAU Ting. 146,786,521 shares were directly held by Mr. CHAN Shing, the spouse of Ms. LAU Ting. 838,071,336 shares were held by Glory Add, a wholly-owned subsidiary of Favor King. 211,900,848 shares were held by Strong Purpose. Favor King and Strong Purpose are wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 465,965 shares were held by Hang Sing Overseas Limited, a wholly-owned subsidiary of Orient Strength Limited (a company which is wholly-owned by Ms. LAU Ting). As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
- These interests were held by Glory Add, a company which is wholly-owned by Favor King. Favor King is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting.
- The letter "L" denotes long position and the letter "S" denotes short position.

Save as disclosed above, as at 31 December 2016, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

主要股東於股份及相關股份中擁有的權益及淡倉

於二零一六年十二月三十一日，根據本公司按照證券及期貨條例第336條所規定須予備存之登記冊所載，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益及淡倉：

股份權益

Name of shareholder	Nature of interest	Number of ordinary shares	Approximate percentage in the Company's issued share capital	Note
股東名稱	權益性質	普通股股份數目	約佔本公司已發行股本百分比	附註
LAU Ting 劉婷	Personal, Family & Corporate 個人、家族及公司	1,301,267,271 (L)	25.94% (L)	1
Favor King	Corporate 公司	838,071,336 (L)	16.71% (L)	2

附註：

- 104,042,601股由劉婷女士直接持有。146,786,521股由劉婷女士之配偶陳城先生直接持有。838,071,336股由Favor King全資附屬公司Glory Add持有。211,900,848股由Strong Purpose持有。陳城先生及劉婷女士全資擁有Favor King及Strong Purpose。465,965股由劉婷女士全資擁有的公司Orient Strength Limited透過其全資附屬公司Hang Sing Overseas Limited持有。由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
- 此等權益由Favor King全資擁有的公司Glory Add擁有。陳城先生及劉婷女士全資擁有Favor King。
- 「L」表示好倉；「S」表示淡倉。

除上文所披露者外，於二零一六年十二月三十一日，概無任何人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益或淡倉記錄於按照證券及期貨條例第336條所存置的登記冊內，及／或直接或間接地持有已發行股本的5%或以上權益，並可於任何情況下，有權在本集團任何成員公司的股東大會上投票的權益。

Report of Directors 董事局報告

DISPOSAL OF INTERESTS IN SUBSIDIARIES

The disposal of the entire issued share capital of Burwill China Portfolio Limited (“BCPL”) was completed on 23 March 2016. BCPL is now indirectly held as to 45% by the Company through China Land Assets Limited, an associated company of the Company. Details of the above disposal were set out in the Company’s circular dated 15 October 2014 and announcement dated 23 March 2016.

On 8 February 2017, Burwill and Company Limited (as vendor), a wholly-owned subsidiary of the Company, the Company (as guarantor) and Huge Mark International Holdings Limited (as purchaser) entered into a conditional sale and purchase agreement dated 8 February 2017, pursuant to which Burwill and Company Limited has conditionally agreed to sell and Huge Mark International Holdings Limited has conditionally agreed to acquire the entire issued share capital of Burwill Steel Company Limited at a consideration of HK\$97,000,000. Details of the above disposal were set out in the Company’s announcement dated 8 February 2017.

DISPOSAL OF PROPERTY

On 20 March 2017, Yinmain Industrial Limited (“Yinmain”), a wholly-owned subsidiary of the Company, and Gold Merit Ventures Limited (“GMVL”) entered into the provisional agreement for sale and purchase dated 20 March 2017, pursuant to which Yinmain will sell, and GMVL will acquire, the property located at Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for a consideration of HK\$265,192,500 (the “Disposal”). Completion of the Disposal is conditional on the Company’s shareholders approval in general meeting, details of the Disposal were set out in the Company’s announcement dated 20 March 2017.

OTHER INFORMATION DISCLOSED PURSUANT TO RULE 13.51B(1) OF LISTING RULES

Starting from 1 January 2017, the annual salaries of Messrs. CHAN Shing, SIT Hoi Tung, KWOK Wai Lam and SHAM Kai Man, the Executive Directors of the Company, were adjusted by an average reduction of approximately 7.69%.

Mr. HUANG Shenglan has been re-designated as a Non-Executive Director of the Company with effect from 3 March 2017.

出售附屬公司權益

本公司出售 Burwill China Portfolio Limited (「BCPL」) 之全部已發行股本已於二零一六年三月二十三日完成。本公司現透過本公司聯營公司新港資產有限公司間接持有 BCPL 的 45% 股權。上述出售之詳情已列載於二零一四年十月十五日本公司通函及二零一六年三月二十三日本公司公佈內。

二零一七年二月八日，本公司全資附屬公司 Burwill and Company Limited (作為賣方)、本公司 (作為擔保方) 與宏成國際控股有限公司 (作為買方) 簽訂二零一七年二月八日有條件買賣協議，據此，Burwill and Company Limited 有條件地同意出售並且宏成國際控股有限公司有條件地同意購買 Burwill Steel Company Limited 之全部已發行股本，代價為港幣 97,000,000 元。上述出售之詳情已列載於二零一七年二月八日本公司公佈內。

出售物業

二零一七年三月二十日，本公司全資附屬公司應鳴實業有限公司 (「應鳴」) 與 Gold Merit Ventures Limited (「GMVL」) 簽訂二零一七年三月二十日臨時買賣協議，據此，應鳴將出售並且 GMVL 將購買位於香港灣仔港灣道 1 號會議展覽廣場辦公大樓 1402 室的物業，代價為港幣 265,192,500 元 (「該出售」)。該出售需待本公司股東於股東大會上批准始可完成，該出售之詳情已列載於二零一七年三月二十日本公司公佈內。

其他根據上市規則第 13.51B(1) 條披露之資料

由二零一七年一月一日起，本公司執行董事陳城先生、薛海東先生、郭偉霖先生及岑啟文先生之年薪已予調整，平均減幅約 7.69%。

黃勝藍先生於二零一七年三月三日調任為本公司非執行董事。

Report of Directors 董事局報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme(s) of the Company disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SERVICE CONTRACTS WITH DIRECTORS

Each of the Executive Directors of the Company has entered into a service contract with the Company with no specific term of office or for an initial term of two or three years (subject to individual contract) from the date of appointment and will continue or be renewable thereafter, until terminated by not less than one to six months (subject to individual contract) notice in writing served by either party on the other. Each of the Non-Executive Directors of the Company has entered into a service contract with the Company for an initial term of three years which is renewable for another three years and can be terminated by notice in writing served by either party on the other.

None of the Directors offering themselves for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, there was no contracts of significance (as defined in Note 15 of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

認購股份或債券之安排

除本公司購股權計劃外，本年度內本公司、其控股公司、或其附屬公司或同系附屬公司並無作出任何安排使本公司董事從認購本公司或其他機構之股份或債券獲取利益。

董事之服務合約

本公司各執行董事均已與本公司訂立服務合約，合約無指定任期或自委任日期起初步為期兩或三年（視乎其個別合約），其後將一直生效或可再續期直至任何一方向另一方發出不少於一至六個月（視乎其個別合約）書面通知終止為止。本公司各非執行董事已與本公司訂立服務合約，合約自生效日期起初步為期三年可再續期三年，任何一方向另一方發出書面通知可終止合約。

於應屆股東週年大會上擬重選連任之董事，概無與本公司訂立任何本公司不可於一年內免付賠償（法定賠償除外）予以終止之服務合約。

董事於合約之權益

除於綜合財務報表所披露者外，本公司董事或管理層成員概無與本公司或任何其附屬公司於年終時或於年內訂立，且對本集團業務而言屬重大合約（定義見聯交所證券上市規則（「上市規則」）附錄十六第15條），亦概無直接或間接擁有任何重大權益。

Report of Directors 董事局報告

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as disclosed in the consolidated financial statements, there was no contracts of significance (as defined in Note 16 of Appendix 16 of the Listing Rules) between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

INDEMNITY PROVISION

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

LITIGATION

CL Holdings in the progress of Winding Up

China Land Holdings International Limited ("CL Holdings"), an associated company of the Company, had on 13 October 2016 been served with a winding-up petition against CL Holdings by Classic Star Investments Limited ("Classic Star") in connection with an outstanding amount of approximately HK\$16 million which Classic Star had alleged due and payable by CL Holdings. On 14 December 2016, a winding up order was issued to CL Holdings by the High Court of Hong Kong.

CL Holdings is a company incorporated in Hong Kong and its nature of business is investment holding. CL Holdings owes the outstanding debt of approximately HK\$32 million to the Group as at the date of this report, the Company has sought for legal advice to contest the claims on it. A proof of debt was presented to the Official Receiver and the liquidator in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Companies (Winding-up) Rules.

控股股東於合約之權益

除於綜合財務報表所披露者外，本公司或任何其附屬公司概無與控股股東或其附屬公司之間於年終時或於年內訂立，且對本集團而言屬重大的合約（定義見上市規則附錄十六第16條）。

管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。

彌償條文

本公司已向董事提供適當的法律訴訟保險安排。

訴訟

新港國際清盤進行中

本公司聯營公司新港集團國際有限公司（「新港國際」）於二零一六年十月十三日收到Classic Star Investments Limited（「Classic Star」）向新港國際提出有關新港國際應支付Classic Star到期應付款項總額約為港幣1,600萬元的清盤呈請。二零一六年十二月十四日，香港高等法院已向新港國際發出清盤令。

新港國際是一家於香港註冊成立的公司，其業務性質為投資控股。於本報告日期，新港國際欠本集團未償債務約港幣3,200萬元。本公司已尋求法律意見就此作出申索，根據公司（清盤及雜項條文）條例及公司（清盤）規則向破產管理署署長及清盤人提交債權證明。

Report of Directors 董事局報告

LITIGATION (continued)

Legal Proceedings in Hong Kong in relation to BCHL

On 4 November 2016, Burwill Commercial Holdings Limited (“BCHL”), a wholly-owned subsidiary of the Company, as plaintiff issued a writ of summons in the High Court of Hong Kong against Charm Best Investments Inc. (“Charm Best”) and Mr. IP Kwok Kin (“Mr. IP”) as defendants (“HCA 2895/2016”).

On 18 November 2016, Mr. IP and Charm Best issued a writ of summons in the High Court of Hong Kong against, inter alia, BCHL and China Land Assets Limited (“CL Assets”) (“HCA 3015/2016”).

On 6 January 2017, the Court queried the need for the plaintiffs in HCA 3015/2016 (Mr. IP and Charm Best), to issue such legal action and then on 6 February 2017, the Court directed the plaintiffs in HCA 3015/2016 to proceed by way of a counterclaim under HCA 2895/2016. A Statement of Claim (the “Claim”) under the action of HCA 2895/2016 was filed by BCHL on 13 February 2017 which was subsequently amended and filed on 9 March 2017. As at the date of this report, the dates of trial of HCA 2895/2016 and HCA 3015/2016 have not been fixed.

BCHL made the Claim for, inter alia, the declaration that BCHL validly exercised its rights under the deed of share charge dated 13 September 2016 (the “Deed”). BCHL’s position is that it has exercised its rights under the Deed to, inter alia, take over the 55% charged shares in CL Assets (the “Charged Shares”) on 14 October 2016. As a result, Charm Best was no longer the shareholder of CL Assets and Mr. IP was no longer a director of CL Assets. The Charged Shares have been transferred to the Group’s wholly-owned subsidiary, Double Honour Enterprises Limited, which holds the Charged Shares on trust as a nominee.

CL Assets currently holds 69% interests in Yangzhou Times Square and 100% interests in Wuxi Sunshine Plaza.

訴訟(續)

於香港有關寶威商業的法律訴訟

二零一六年十一月四日，本公司全資附屬公司寶威商業地產有限公司(「寶威商業」)作為原告人於香港高等法院向被告 Charm Best Investments Inc. (「Charm Best」) 及葉國堅先生(「葉先生」)發出傳訊令狀(「HCA 2895/2016」)。

二零一六年十一月十八日，葉先生及 Charm Best 於香港高等法院向(當中包括)寶威商業及新港資產有限公司(「新港資產」)發出傳訊令狀(「HCA 3015/2016」)。

二零一七年一月六日法院質疑 HCA 3015/2016 原告人(葉先生及 Charm Best) 提出 HCA 3015/2016 法律訴訟的需要，期後於二零一七年二月六日法院指令 HCA 3015/2016 原告人應對 HCA 2895/2016 開展反申索。寶威商業已於二零一七年二月十三日將案件 HCA 2895/2016 之申索陳述書(「申索」)存案，經修訂申索陳述書亦已於二零一七年三月九日存案。於本報告日期，HCA 2895/2016 及 HCA 3015/2016 審訊日期仍未確定。

寶威商業作出申索目的為(當中包括)聲明寶威商業有效行使其權利執行二零一六年九月十三日股份質押契據(「契據」)。寶威商業行使契據權利(當中包括)於二零一六年十月十四日接管了55%新港資產質押股份(「質押股份」)。Charm Best自此不再為新港資產股東而葉先生亦不再為新港資產董事。質押股份暫轉予本集團全資附屬公司 Double Honour Enterprises Limited 作為代理人以信託形式代持。

新港資產現持有69%揚州時代廣場股權及100%無錫陽光廣場股權。

Report of Directors 董事局報告

LITIGATION (continued)

Legal Proceedings in the PRC in relation to 萊陽泰鑫礦業有限公司 and 青島泰鑫礦業有限公司

The Company has been provided with a writ dated 16 June 2015 (“Writ”) filed with the Shandong Province Yantai City Intermediate People’s Court of the People’s Republic of China (“PRC”) under which an individual (“Plaintiff”) alleged that he is the beneficial owner of 50% of the equity interest in 萊陽泰鑫礦業有限公司 (“Allegation”) and that 青島泰鑫礦業有限公司 holds such 50% equity interest in 萊陽泰鑫礦業有限公司 (“萊陽泰鑫 50% equity interest”) as nominee for the Plaintiff. In the Writ, 萊陽泰鑫礦業有限公司 has been named as defendant. In the interim, as a result of the Allegation, the Shandong Province Yantai City Intermediate People’s Court of the PRC has imposed a freezing order in respect of 35% equity interest in 萊陽泰鑫礦業有限公司 held by 青島泰鑫礦業有限公司 (the “Freezing Order”). The frozen equity interest will be restricted from transfer or pledge during the existence of the Freezing Order but the operations of 萊陽泰鑫礦業有限公司 will not be hindered by the imposition of the Freezing Order. The trial of the Allegation was held in August 2016 that the Plaintiff lost a lawsuit and the judgement was received in the early 2017 that 萊陽泰鑫礦業有限公司 was not liable to any claim and the Plaintiff alleged that he owned 萊陽泰鑫 50% equity interest was not in fact. The Plaintiff has already served a notice of appeal to the judgement but the date of trial for appeal has not been fixed.

BUSINESS REVIEW

Details of review of the Company’s business are set out in “Review and Outlook” under the section headed “Management Discussion and Analysis” of this report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. As a responsible corporation, to the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection during the year ended 31 December 2016.

訴訟(續)

於中國有關萊陽泰鑫礦業有限公司及青島泰鑫礦業有限公司的法律訴訟

本公司收到已交中華人民共和國(「中國」)山東省煙臺市中級人民法院登記日期為二零一五年六月十六日之起訴書(「起訴書」)，起訴書指一名個人(「原告」)指稱其為持有萊陽泰鑫礦業有限公司50%股權(「該指稱」)，而青島泰鑫礦業有限公司僅作為原告之代名人代其持有萊陽泰鑫礦業有限公司50%股權(「萊陽泰鑫50%股權」)。萊陽泰鑫礦業有限公司為起訴書內之被告。期間，中國山東省煙臺市中級人民法院基於該指稱已據此對由青島泰鑫礦業有限公司所持萊陽泰鑫礦業有限公司35%股權查封(「該查封」)。被查封之股權於在該查封期內將被禁止轉讓或質押，然而，萊陽泰鑫礦業有限公司之日常營運不會受該查封所影響。該指稱審判已於二零一六年八月舉行，判決原告敗訴，於二零一七年初收到判決指萊陽泰鑫礦業有限公司不需承擔任何責任，而原告指稱擁有萊陽泰鑫50%股權不成立。月前原告已就判決上訴，而上訴的審訊日期尚未確立。

業務審視

本公司業務之審視詳列於本報告「管理層討論與分析」內之「回顧與展望」。

環境政策及表現

本集團致力於環境及其營運所在社區之長遠可持續發展。據董事所深知，本集團作為負責任之企業，截至二零一六年十二月三十一日止年度內一直遵守有關保護環境之所有相關法例及規例。

Report of Directors 董事局報告

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations. To the best knowledge of the Directors, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 December 2016.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the success of the Group's business depends on the support from its key stakeholders including employees, suppliers, customers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated income statement for the year are set out in note 28 to the consolidated financial statements.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 196.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules.

遵守相關法例及規例

本集團明白到符合規例要求的重要性以及不遵守適用規則及規例之風險。據董事所深知，截至二零一六年十二月三十一日止年度內，本集團在各重大方面一直遵守對本集團業務及營運有重大影響之相關法例及規例。

與僱員、供應商、客戶及其他持份者之關係

本集團明白本集團業務之成功有賴其主要持份者，包括僱員、供應商、客戶、銀行、監管機構和股東之支持。本集團將繼續確保與各主要持份者維持有效溝通及保持良好關係。

僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益表之僱員退休福利費用，載於綜合財務報表附註28。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要刊載於第196頁。

公眾持股量之足夠性

根據本公司可從公開途徑取得之資料，並據董事所知，本公司維持上市規則所定之公眾持股量。

Report of Directors 董事局報告

AUDIT COMMITTEE

The Company has established an Audit Committee which temporarily comprises two Independent Non-Executive Directors of the Company, Mr. CUI Shu Ming and Mr. CHAN Ming Fai. The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2016 have been reviewed by the Audit Committee.

AUDITORS

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

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 31 March 2017

審核委員會

本公司已成立審核委員會，暫由兩位獨立非執行董事崔書明先生及陳明輝先生組成。審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零一六年十二月三十一日止年度本集團經審核財務報表已經由審核委員會審閱。

核數師

年度帳目經由國衛會計師事務所有限公司審核，彼於應屆股東週年大會上任滿。本公司將於即將舉行之股東週年大會上提呈一項決議案重新委任國衛會計師事務所有限公司為本公司來年之核數師。

董事局代表
主席
陳城

香港，二零一七年三月三十一日

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Directors believe that good corporate governance is an essential element in enhancing the confidence of shareholders, investors, employees, business partners and the community as a whole and also the performance of the Group. The board of Directors of the Company (the "Board") reviews the corporate governance structure and practices from time to time and makes necessary arrangements to ensure business activities and decision making processes are made in a proper and prudent manner.

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2016, except for the deviations as disclosed in this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

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

Executive Directors

Mr. CHAN Shing (*Chairman and Managing Director*)
Ms. CHEUNG Kwan
Mr. SIT Hoi Tung (*Deputy General Manager*)
Mr. WEI Jiafu
Mr. KWOK Wai Lam
Mr. SHAM Kai Man

Independent Non-Executive Directors

Mr. CUI Shu Ming
Mr. HUANG Shenglan
(*re-designated as Non-Executive Director on 3 March 2017*)
Mr. CHAN Ming Fai

企業管治常規

董事相信，優秀的企業管治是對加強股東、投資者、員工、業務夥伴及公眾人士對公司的信心及提升集團表現的重要元素。本公司董事局（「董事局」）不時審閱企業管治架構及措施，確保業務及決策過程適當及審慎地進行。

除本報告所述有關偏離外，董事認為，本公司於截至二零一六年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）所有適用守則條文。

董事的證券交易

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）為本公司之董事證券交易行為守則。在向所有董事作出特定查詢後，所有董事均確認彼等於年度內已遵守標準守則所載之規定標準。

董事局

本年度內及至本報告日期，本公司董事包括：

執行董事

陳城先生（*主席兼董事總經理*）
張軍女士
薛海東先生（*副總經理*）
魏家福先生
郭偉霖先生
岑啟文先生

獨立非執行董事

崔書明先生
黃勝藍先生
(*於二零一七年三月三日調任為非執行董事*)
陳明輝先生

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

Following the re-designation of Mr. HUANG Shenglan as a Non-Executive Director with effect from 3 March 2017, the Company temporarily having only two Independent Non-Executive Directors and two members in the Audit Committee was not compliant with Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules. The Company is in the process of identifying suitable candidates to act as Independent Non-Executive Directors and a member of the Audit Committee of the Company and the appointments will be made as soon as practicable.

As at the date of this report, the Board comprised nine Directors, six of whom are Executive Directors (including the Chairman), two of whom are Independent Non-Executive Directors and one of whom is Non-Executive Director. Details of backgrounds and qualifications of each Director are set out in the section headed "Biographies of Directors" of this annual report. The Company has arranged appropriate insurance cover in respect of legal actions against the Directors.

The Board is responsible for the overall strategic development of the Group and determining policies and practices on the Company's corporate governance. It also monitors the financial performance and the internal controls of the Group's business operations. Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The day-to-day running of the Company is delegated to the management with department heads responsible for different aspects of the businesses/functions.

The Non-Executive Directors (including the Independent Non-Executive Directors) serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meetings.

The Board considers that each Independent Non-Executive Director of the Company is independent in character and judgement. The Company has received from each Independent Non-executive Director a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

董事局(續)

繼黃勝藍先生於二零一七年三月三日調任為非執行董事後，本公司短期內只有兩名獨立非執行董事及兩名審核委員會委員，暫未符合上市規則第3.10(1)條、第3.10A條及第3.21條之規定。本公司已在物色合適人選出任本公司獨立非執行董事及審核委員會委員，有關委任將盡快辦理。

於本報告日期，董事局由九名董事組成，六名執行董事(包括主席)、兩名獨立非執行董事及一名非執行董事。有關各董事之背景及資歷於本年報標題為「董事簡歷」一節中載述。本公司已向董事提供適當的法律訴訟保險安排。

董事局負責本集團的整體發展策略及釐定本公司企業管治政策及常規，並同時監察集團財務表現及業務營運之內部監控。執行董事負責集團之運作及執行董事局採納之政策。本公司日常營運則授權管理層管理，各部門主管負責不同範疇之業務／職能。

非執行董事(包括獨立非執行董事)擔當相關職能，透過參與董事局會議為董事局在集團發展、表現及風險管理方面給予獨立意見。

董事局認為各獨立非執行董事之行動及判斷均屬獨立。本公司已接獲各獨立非執行董事之確認書，確認彼等符合上市規則第3.13條所載有關獨立性之規定。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

The Board meets regularly to discuss the Group's business development, operation and financial performance. Notice of at least 14 days is given to all Directors for all regular board meetings to give all Directors an opportunity to attend. All regular board meetings adhere to a formal agenda in which a schedule of matters is addressed to the Board. All Directors have access to board papers and related materials, and are provided with adequate information which enables the Board to make an informed decision on the matters to be discussed and considered at the board meetings. Minutes of board meetings are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

To the best knowledge of the Directors, there is no financial, business and family relationship among the members of the Board.

Pursuant to the Code provision A.6.5, Directors should participate in continuous professional development to develop and refresh their knowledge and skills, so they can ensure that their contribution to the Board remains informed and relevant.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials.

All Directors confirmed that they had complied with the Code provision A.6.5 by reading all materials provided by the Company Secretary and/or attending regular training launched by the professional bodies during the review period.

As stipulated in Code provision A.1.1, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals with active participation, either in person or through other electronic means of communication, of a majority of directors entitled to be present. As the Company did not announce its quarterly results, two regular Board meetings were held during the year for reviewing and approving the interim and annual financial performance of the Group, which did not fully comply with the relevant Code provision. Board meetings will be held on other occasions when Board decisions are required.

董事局(續)

董事局定期舉行會議，討論本集團的發展、營運表現及財務狀況。就董事局所有定期會議，全體董事均會獲發最少十四天通知，以讓所有董事皆有機會騰空出席。所有定期董事局會議均設有正式議程，具體列出待議事項。所有董事均有權查閱董事局文件及有關素材，並會及時獲提供充分資料，使董事局可就提呈會議的事項作出知情決定。董事局會議記錄由公司秘書備存，任何董事可在發出合理通知下於任何合理時段查閱董事局會議記錄。

據董事所知悉，董事局各成員之間並無財務、業務及親屬關係。

根據守則條文第A.6.5條，董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事局作出貢獻。

公司秘書不時向董事匯報上市規則、企業管治常規及其他規管制度的最新變動及發展，並提供書面素材。

所有董事均確認彼等於回顧期內，藉閱讀所有由公司秘書提供之素材及／或出席由專業團體舉辦的定期培訓，已遵守守則條文第A.6.5條之規定。

根據守則條文第A.1.1條規定，董事局應定期開會，董事局會議應每年召開至少四次，大約每季一次，並有大部份有權出席會議的董事親身出席，或透過其他電子通訊方法積極參與。由於本公司並無宣佈其季度業績，年內召開了兩次董事局定期會議，以審閱及批准本集團中期及年度財務表現，故此本公司未完全遵守有關守則條文。董事局將會按其他需要董事局作出決定的事宜召開董事局會議。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

During the year under review, two regular Board meetings and an annual general meeting for the year 2016 were held. Details of the attendance of the Directors are as follows:-

Executive Directors

Mr. CHAN Shing (Chairman and Managing Director)	執行董事 陳城先生 (主席兼董事總經理)
Ms. CHEUNG Kwan	張軍女士
Mr. SIT Hoi Tung (Deputy General Manager)	薛海東先生 (副總經理)
Mr. WEI Jiafu	魏家福先生
Mr. KWOK Wai Lam	郭偉霖先生
Mr. SHAM Kai Man	岑啟文先生

Independent Non-Executive Directors

Mr. CUI Shu Ming	獨立非執行董事 崔書明先生		
Mr. HUANG Shenglan (re-designated as Non-Executive Director on 3 March 2017)	黃勝藍先生 (於二零一七年三月三日調任 為非執行董事)	1/2	1/1
Mr. CHAN Ming Fai	陳明輝先生	2/2	1/1

CHAIRMAN AND CHIEF EXECUTIVE

The roles of the chairman and chief executive were not performed by separate individuals as stipulated in Code provision A.2.1. The Chairman and Managing Director of the Company, Mr. CHAN Shing, currently assumes the role of the chairman and also the chief executive responsible for overseeing the function of the Board and formulating overall strategies of and organising the implementation structure for the Company and also managing the Group's overall business operations. Given the nature of the Group's businesses which require considerable market expertise, the Board believed that the vesting of the two roles provides the Group with stable and consistent leadership and allows for more effective planning and implementation of long term business strategies. The Board will continuously review the effectiveness of the structure to balance the power and authority of the Board and the management.

董事局(續)

回顧年內，共舉行兩次董事局定期會議及一次二零一六年股東週年大會。董事之出席記錄詳情如下：

Board Meeting 董事局會議	General Meeting 股東大會
------------------------	-------------------------

2/2	1/1
2/2	1/1
2/2	1/1
2/2	1/1
2/2	1/1
2/2	1/1
1/2	1/1
2/2	1/1
2/2	1/1

主席及行政總裁

本公司並未按守則條文第A.2.1條所定，主席及行政總裁之職務由不同人擔任。本公司主席兼董事總經理陳城先生現兼任主席及行政總裁之職務，負責監管董事局事務，並為本公司制定整體發展策略及組織架構實施及管理本集團整體業務營運。鑒於本集團之業務性質要求相當的市場專門認知，董事局認為陳先生同時兼任兩職可為本集團提供更穩健及一貫的領導，利於集團更有效率地策劃及推行長遠商業策略。董事局將不時檢討此架構之成效，以確保董事局及管理層間之權力及權責之平衡。

Corporate Governance Report 企業管治報告

NON-EXECUTIVE DIRECTORS

The Directors have not been required by the Bye-laws of the Company (the "Bye-laws") to retire by rotation at least once every three years. However, in accordance with Bye-law 85 of the Bye-laws, at each annual general meeting of the Company one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation save any Director holding office as Chairman or Managing Director. All Non-Executive Directors of the Company had entered into service contracts with the Company for an initial term of three years which is renewable for another three years and the Board will ensure the retirement of each Director, other than the one who holds the office as Chairman or Managing Director, by rotation at least once every three years in order to comply with Code provisions. The Chairman will not be subject to retirement by rotation as stipulated in Code provision A.4.2, as the Board considered that the continuity of office of the Chairman provides the Group a strong and consistent leadership and is of great importance to the smooth operations of the Group. Messrs. KWOK Wai Lam, CUI Shu Ming and CHAN Ming Fai are subject to retirement by rotation at the forthcoming annual general meeting in accordance with Bye-law 85 of the Bye-laws.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 12 September 2006 with specific written terms of reference which deal with its authority and duties. During the year ended 31 December 2016, the Remuneration Committee comprised three members, Mr. CUI Shu Ming, Mr. HUANG Shenglan and Mr. SIT Hoi Tung. The chairman of the Remuneration Committee was Mr. CUI Shu Ming. With effect from 3 March 2017, following the resignation of Mr. HUANG Shenglan as a member of the Remuneration Committee, Mr. CHAN Ming Fai has been appointed as a member of the Remuneration Committee.

The Remuneration Committee will meet to determine the policy for the remuneration of Directors and the senior management, and consider and review the terms of service contracts of the Directors and the senior management. In determining the emolument payable to Directors, the Remuneration Committee took into consideration factors such as time commitment and responsibilities of the Directors, abilities, performance and contribution of the Directors to the Group, the performance and profitability of the Group, the remuneration benchmark in the industry, the prevailing market/employment conditions and the desirability of performance-based remuneration.

非執行董事

本公司公司細則(「公司細則」)並無規定董事最少每三年輪值告退一次。然而，根據公司細則第85條，於每屆股東週年大會上，按當時在任董事人數計三分之一董事(或倘數目並非三之倍數，則為最接近但不超過三分之一之數目)必須輪值告退，惟主席或董事總經理者則無須輪值告退。本公司所有非執行董事已與本公司訂立服務合約，合約初步為期三年可再續期三年，而董事局亦會確保每位董事(惟擔任主席或董事總經理職務者除外)至少每三年輪值告退一次，以符合守則條文之規定。主席並未按守則條文第A.4.2條所定輪值退任，因董事局認為主席任期之連續性可予集團強而穩定的領導方向，乃對集團業務之順暢經營運作極為重要。根據公司細則第85條之規定，郭偉霖先生、崔書明先生及陳明輝先生於應屆股東週年大會輪值退任。

薪酬委員會

本公司於二零零六年九月十二日成立具有特定成文權責範圍的薪酬委員會。截至二零一六年十二月三十一日止年度內，薪酬委員會由崔書明先生、黃勝藍先生及薛海東先生三位成員組成。薪酬委員會主席為崔書明先生。自二零一七年三月三日起，繼黃勝藍先生辭任薪酬委員會委員後，陳明輝先生獲委任為薪酬委員會委員。

召開薪酬委員會會議為釐定董事及高層管理人員之薪酬政策及考慮和審閱董事及高層管理人員服務合約之條款。在釐定董事薪酬時，薪酬委員會會考慮多項因素，例如董事付出的時間及其職務、董事之能力、表現及對集團之貢獻、集團之業績表現及盈利能力，以及業界薪酬基準、當時市場狀況／招聘情況及按表現發放酬金之可行性等因素而釐定。

Corporate Governance Report 企業管治報告

REMUNERATION COMMITTEE (continued)

Two Remuneration Committee meetings were held during the year ended 31 December 2016 to review and make adjustments to remuneration packages of the Directors and to consider and review the terms of service contract of the newly appointed Director. Details of the attendance of the Remuneration Committee members are as follows:

		Members' Attendance 委員出席次數
Mr. CUI Shu Ming (Remuneration Committee Chairman)	崔書明先生 (薪酬委員會主席)	2/2
Mr. HUANG Shenglan (resigned as a member on 3 March 2017)	黃勝藍先生 (於二零一七年三月三日辭任委員)	2/2
Mr. SIT Hoi Tung	薛海東先生	2/2

NOMINATION COMMITTEE

The Nomination Committee was established on 23 March 2012 with specific written terms of reference which deal with its authority and duties. During the year ended 31 December 2016, the Nomination Committee comprised five members, Mr. CHAN Shing, Mr. SIT Hoi Tung, Mr. CUI Shu Ming, Mr. HUANG Shenglan and Mr. CHAN Ming Fai. Mr. CHAN Shing was the chairman of the Nomination Committee. Mr. HUANG Shenglan resigned as a member of the Nomination Committee with effect from 3 March 2017.

The Nomination Committee's duties include:

- to review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of Independent Non-Executive Directors; and
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the Chief Executive.

薪酬委員會(續)

截至二零一六年十二月三十一日止年度內，共舉行了兩次薪酬委員會會議以檢討並調整董事薪酬待遇及考慮和審閱新任董事的服務合約條款。薪酬委員會委員之出席記錄詳情如下：

		Members' Attendance 委員出席次數
Mr. CUI Shu Ming (Remuneration Committee Chairman)	崔書明先生 (薪酬委員會主席)	2/2
Mr. HUANG Shenglan (resigned as a member on 3 March 2017)	黃勝藍先生 (於二零一七年三月三日辭任委員)	2/2
Mr. SIT Hoi Tung	薛海東先生	2/2

提名委員會

本公司於二零一二年三月二十三日成立具有特定成文權責範圍的提名委員會。截至二零一六年十二月三十一日止年度內，提名委員會由陳城先生、薛海東先生、崔書明先生、黃勝藍先生及陳明輝先生五位成員組成。提名委員會主席為陳城先生。黃勝藍先生於二零一七年三月三日辭任提名委員會委員。

提名委員會之職責包括：

- 檢討董事局的架構、人數及組成，並就任何為配合本公司的公司策略而擬對董事局作出的變動提出建議；
- 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事局提供意見；
- 評核獨立非執行董事的獨立性；及
- 就董事委任或重新委任以及董事(尤其是董事局主席及行政總裁)繼任計劃向董事局提出建議。

Corporate Governance Report 企業管治報告

NOMINATION COMMITTEE (continued)

One Nomination Committee meeting was held during the year ended 31 December 2016 to review the structure, size and composition of the Board. Details of the attendance of the Nomination Committee members are as follows:

Mr. CHAN Shing
(Nomination Committee Chairman)
Mr. SIT Hoi Tung
Mr. CUI Shu Ming
Mr. HUANG Shenglan
(resigned as a member on 3 March 2017)
Mr. CHAN Ming Fai

陳城先生
(提名委員會主席)
薛海東先生
崔書明先生
黃勝藍先生
(於二零一七年三月三日辭任委員)
陳明輝先生

提名委員會(續)

截至二零一六年十二月三十一日止年度內，共舉行了一次提名委員會會議以檢討董事局的架構、人數及組成。提名委員會委員之出席記錄詳情如下：

Members' Attendance 委員出席次數

1/1
1/1
1/1
1/1
1/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for determining policies and practices on corporate governance of the Company and performing the corporate governance duties as follows:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Company;
- to review and monitor the training and continuous professional development of directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

企業管治職能

董事局同時負責釐定本公司企業管治政策及常規，並履行如下企業管治職責：

- 制定及檢討本公司的企業管治政策及常規，並向本公司提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事適用的操守準則及合規手冊(如有)；及
- 檢討本公司遵守守則的情況及在《企業管治報告》內的披露。

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE

The Audit Committee was established in 2001 and provides the Board with advice and recommendations. During the year ended 31 December 2016, the Audit Committee comprised three members, Mr. CUI Shu Ming, Mr. HUANG Shenglan and Mr. CHAN Ming Fai. All of them were Independent Non-Executive Directors. The chairman of the Audit Committee was Mr. CUI Shu Ming. Mr. HUANG Shenglan resigned as a member of the Audit Committee with effect from 3 March 2017. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee.

The Audit Committee's functions includes:

- to review and monitor financial reporting and the reporting judgement contained in them; and
- to review financial and internal controls, accounting policies and practices with management, internal and external auditors.

The Audit Committee held three meetings during the year under review, two of which were attended by the external auditors, HLB Hodgson Impey Cheng Limited. Details of the attendance of the Audit Committee members are as follows:

Mr. CUI Shu Ming
(Audit Committee Chairman)
Mr. HUANG Shenglan
(resigned as a member on 3 March 2017)
Mr. CHAN Ming Fai

崔書明先生
(審核委員會主席)
黃勝藍先生
(於二零一七年三月三日辭任委員)
陳明輝先生

審核委員會

審核委員會於二零零一年成立，為董事局提供意見及建議。截至二零一六年十二月三十一日止年度內，審核委員會由三名成員組成，分別為崔書明先生、黃勝藍先生及陳明輝先生，全部均為獨立非執行董事。審核委員會主席為崔書明先生。黃勝藍先生於二零一七年三月三日辭任審核委員會委員。董事局認為各審核委員會成員均具有廣泛的商務經驗，而委員會內適當地融合了營運、會計及財務管理等方面的專業知識。

審核委員會的功能包括：

- 審議及監察財務報告，以及報告所包含的申報判斷；及
- 與管理層、內部及外聘核數師審議財務、內部監控及會計政策及常規。

審核委員會於年度內共舉行三次會議，外聘核數師國衛會計師事務所有限公司曾出席其中兩次會議。審核委員會委員之出席記錄詳情如下：

Members' Attendance 委員出席次數

3/3
3/3
3/3

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE (continued)

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2016 have been reviewed by the Audit Committee. In respect of the qualified opinion expressed by the auditors in the Independent Auditors' Report, the Audit Committee has discussed with the auditors and noted the reasons for their qualified opinion. The Audit Committee has also explored with the auditors how to remove the qualified opinion in the coming year for the corporate governance purposes. Regarding China Land Assets Limited, for which a qualified opinion is expressed, the Audit Committee had reviewed their major financials and noted that their major assets are two investment properties, namely Yangzhou Times Square and Wuxi Sunshine Plaza. The Audit Committee has noted the following items subject to the qualified opinion:

- (i) Of the investments in associates, it included book value of approximately HK\$214 million related to China Land Assets Limited;
- (ii) Of the share of losses of associates, it included share of profit of China Land Assets Limited of approximately HK\$11,570,000; and
- (iii) Of the share of other comprehensive income of associates, it included share of other comprehensive expense of China Land Assets Limited of approximately HK\$216,000.

RISK COMMITTEE

The Risk Committee was established on 30 August 2016 with specific written terms of reference which deal with its authority and duties. The Risk Committee comprises five members, Mr. CHAN Shing, Mr. SIT Hoi Tung, Mr. KWOK Wai Lam, Mr. SHAM Kai Man and Mr. NG Man Fai, Matthew. Mr. CHAN Shing is the chairman of the Risk Committee.

The Risk Committee is responsible for evaluating and determining the nature and extent of the risks, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.

審核委員會(續)

審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零一六年十二月三十一日止年度之經審核財務報表已經審核委員會審閱。就核數師於獨立核數師報告中發表保留意見，審核委員會已和核數師充分溝通了解其原因，並查詢如何能於日後審計能剔除保留意見完善企業管治。審核委員會已審閱保留意見相關的新港資產有限公司的主要財務數據，並得悉新港資產有限公司的主要資產為兩所投資物業，分別為揚州時代廣場和無錫陽光廣場。審核委員會注意到下述項目具保留意見：

- (i) 聯營公司投資中含新港資產有限公司的帳面值約為港幣2.14億元；
- (ii) 所佔聯營公司虧損中含所佔新港資產有限公司盈利約為港幣1,157萬元；及
- (iii) 所佔聯營公司其他全面收入中含所佔新港資產有限公司其他全面支出約為港幣216,000元。

風險委員會

本公司於二零一六年八月三十日成立具有特定成文權責範圍的風險委員會。風險委員會由陳城先生、薛海東先生、郭偉霖先生、岑啟文先生及吳文輝先生五位成員組成。風險委員會主席為陳城先生。

風險委員會負責評估及釐定風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。

Corporate Governance Report 企業管治報告

RISK COMMITTEE (continued)

One Risk Committee meeting was held during the year under review to review the effectiveness of the Group's risk management and internal control systems which are summarized below:

Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price 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. Risk management is carried out by board committee(s) under policies approved by the Board. The committee identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board lays down principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and treasury investments.

Monthly updates giving details of the performance of the Group's business segments have been provided to the Directors.

Operational

Besides the Risk Committee, Burwill Resources Limited ("BRL"), a principal wholly-owned subsidiary of the Company, has also established a risk control committee to identify, evaluate and manage risks. The Group sees risk management as every employee's responsibility. All BRL customers would be assessed the payment ability under our risk control policy before entering into the contract. For those with low payment ability customers, BRL shall require them to provide guarantee to assure the payment. Steel trading team members usually meet once a week for reporting their work progress as well as conducting market researches and analysis to establish and/or adjust the operational direction and strategy. Foreseeable significant market changes should be timely reported to the Board.

Futures hedge has been imposed to ensure profit earned and reduce risk. Such hedging issue is a kind of a risk control plan that is analysed by our professional team. It sets out how all of the risks in the market activities, government policy, futures product analysis, the trend between USA and China and the sale of product policy will be controlled.

風險委員會(續)

回顧年內，共舉行了一次風險委員會會議以檢討集團風險管理及內部監控系統是否有效。風險管理及內部監控系統概述如下：

財務風險方面

本集團的活動承受著多種的財務風險：市場風險(包括外匯風險、公平值利率風險、現金流量利率風險及價格風險)、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財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。風險管理由董事委員會根據董事局批准之政策執行。委員會透過與集團內營運單位之緊密合作，負責確定、評估及對沖財務風險。董事局就整體風險管理制訂原則，並就外匯風險、利率風險、信貸風險、衍生金融工具與非衍生金融工具之應用及財資投資等範疇制訂政策。

每月向董事更新集團各營業分部表現詳情。

營運方面

除風險委員會以外，本公司主要全資附屬公司寶威物料供應有限公司(「寶威物料」)亦成立了一風險監控委員會以辨認、評估及管理風險。本集團視風險管理為每一員工之責任。寶威物料各客戶在落實合約前需先根據風險管理政策評估客戶的還款能力，要求低還款能力之客戶作出付款保證。鋼鐵貿易業務各成員一般每週舉行會議匯報其所負責業務進度並進行市場研究及分析以便決定及/或調整經營方向及策略。預期重大市場變化適時通報董事局。

安排期貨對沖以保持利潤減低風險。對沖作為一種風險監控計劃經由專業團隊分析作出。專業團隊會在市場動態、政府政策、期貨分析、中美關係及產品銷售策略範疇就如何控制風險提供建議。

Corporate Governance Report 企業管治報告

RISK COMMITTEE (continued)

Compliance

Currently, every employee should seek approval from their supervisors before starting a new business. For influential and significant investment or businesses, Board approval should be obtained. For substantial transactions, advices from legal and financial advisors are sought.

An "Inside Information Disclosure Policy" has been adopted by the Company for the handling and dissemination of inside information. Directors should be responsible for the Board for reporting every inside information they obtained. Once information was identified to be inside information, those inside information should be kept confidential before relevant dissemination.

The Audit Committee with involvement of the external auditors, HLB Hodgson Impey Cheng Limited, reviews and monitors financial reporting and the reporting judgement contained in them.

The Risk Committee, on behalf of the Board, acknowledged that the Board is responsible for the risk management and internal control systems and reviewing their effectiveness. Details of the attendance of the Risk Committee members are as follows:

Mr. CHAN Shing (<i>Risk Committee Chairman</i>)	陳城先生(薪酬委員會主席)
Mr. SIT Hoi Tung	薛海東先生
Mr. KWOK Wai Lam	郭偉霖先生
Mr. SHAM Kai Man	岑啟文先生
Mr. NG Man Fai, Matthew	吳文輝先生

The Risk Committee reviewed the effectiveness of the Group's risk management and internal control systems and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions and concluded them as effective and adequate in the absence of internal audit function.

風險委員會(續)

合規方面

各員工開展新業務前均需得到上級批准始可進行。遇影響深遠及重要投資或業務時，需獲董事局批准始可進行。遇重大交易時將尋求法律、財務顧問意見。

本公司已採納了「內幕消息披露政策」處理及發佈內幕消息。董事負有向董事局匯報其所持內幕消息的責任。一旦消息被界定為內幕消息，該內幕消息應在相關發佈之前保密。

審核委員會在外聘核數師國衛會計師事務所有限公司的參與下審議及監察財務報告，以及報告所包含的申報判斷。

風險委員會代表董事局承認其須對風險管理及內部監控系統負責，並有責任檢討該等制度的有效性。風險委員會委員之出席記錄詳情如下：

Members' Attendance 委員出席次數

1/1
1/1
1/1
1/1
1/1

風險委員會已就本集團的風險管理及內部監控系統是否有效及本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠作出了檢討，總結認為在沒有內部審核功能的情況下仍然有效及足夠。

Corporate Governance Report 企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2016, the Group had engaged the Group's external auditors, HLB Hodgson Impey Cheng Limited and network firms, to provide the following services and their fees charged are set out as below:

Types of Services

Audit of consolidated financial statements
of the Group for the year
Non-audit services

服務類別

集團年度綜合財務報表
審計
非審計服務

核數師酬金

截至二零一六年十二月三十一日止年度內，集團委聘本集團外聘核數師國衛會計師事務所有限公司及網絡成員提供以下服務，並收取費用如下：

Fee charged for the year ended 31 December	
收取費用	
截至十二月三十一日止年度	
2016	2015
二零一六年	二零一五年
HK\$	HK\$
港幣	港幣

1,298,000	1,201,000
300,000	—

SHAREHOLDERS' RIGHTS

Shareholder(s) holding not less than one-tenth of the Company's paid-up capital may request the Board to convene a special general meeting. The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s) and deposited at the registered office or head office of the Company. If the Board does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionist(s), or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

股東權利

持有本公司已繳足股本不少於十分之一的股東可要求董事局召開股東特別大會。有關請求書必須註明會議的目的，並必須由請求者簽署及交回本公司註冊辦事處或總辦事處。倘在提交要求日起二十一日內董事局並無安排召開股東特別大會，呈請人或彼等中持有一半總投票權以上的人士可自行召開股東特別大會，惟須在提交要求當日起三個月內召開上述會議為限。

Corporate Governance Report 企業管治報告

SHAREHOLDERS' RIGHTS (continued)

If a shareholder wishes to propose a person other than a Director of the Company for election as a director at any general meeting of the Company (the "General Meeting"), he/she can deposit a written requisition to that effect at the registered office or head office of the Company for the attention of the Company Secretary. In order for the Company to inform shareholders of that proposal, the written requisition must state the full name of the person proposed for election as a director, include the person's biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the shareholder (other than the person to be proposed) concerned and that person indicating his/her willingness to be elected. The period for lodgment of such a written requisition will commence no earlier than the day after the despatch of the notice of the General Meeting and end no later than seven days prior to the date of the General Meeting. If the requisition is received less than eleven business days prior to the General Meeting, the Company will need to consider the adjournment of the General Meeting in order to allow shareholders at least ten business days' notice of the proposal. For any other resolution(s) to be proposed by shareholder(s) to put forward, shareholder(s) holding not less than one-twentieth of the total voting rights of all shareholders of the Company or not less than one hundred shareholders may submit a written requisition to move such resolution(s); and the requisition must be signed by all requisitionist(s) and deposited for the attention of the Company Secretary at the registered office or head office of the Company not less than six weeks before the General Meeting in case of a requisition requiring notice of a resolution and not less than one week before the General Meeting in case of any other requisition together with sufficient money to meet all relevant expenses. If a requisition requiring notice of a resolution is received less than eleven business days prior to the General Meeting, the Company will need to consider the adjournment of the General Meeting in order to allow shareholders at least ten business days' notice of the proposal.

Shareholders may at any time send their enquiries and concerns to the Board by addressing them to the Company Secretary by post to the Company of Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong or by email to ir@burwill.com.

股東權利(續)

倘若股東有意提呈非本公司董事之人士於任何本公司股東大會(「股東大會」)上推選為董事，彼可向本公司註冊辦事處或總辦事處遞交書面請求書，抬頭註明本公司公司秘書。為方便本公司通知股東有關建議，書面請求書必須填上擬推選為董事人士的全名，並包括上市規則第13.51(2)條規定的履歷資料，經有關股東(非被推選者本人)簽署以及該名被推選人士簽署表明其競選意願。遞交書面請求書的開始日期不得早於寄發股東大會通知後一天，而遞交書面請求書的最後日期則不得遲於股東大會日期前七天。倘若本公司在股東大會日期前少於十一個營業日方收到請求書，則本公司將需要考慮延遲股東大會，以給予股東有至少十個營業日通知考慮建議。股東若要在股東大會上加入任何其他決議案，持有本公司所有股東總表決議權中不少於二十分之一的股東或不少於一百名股東可提出書面請求書要求動議決議案；請求書必須由所有請求者簽署並連同足夠款項以應付所有相關開支，在股東大會舉行前(如須發出決議案通知)不少於六個星期及(如屬任何其他情況)不少於一個星期交往本公司註冊辦事處或總辦事處，抬頭註明本公司公司秘書。倘若本公司在股東大會日期前少於十一個營業日方收到須發出決議案通知的請求書，則本公司將需要考慮延遲股東大會，以給予股東有至少十個營業日通知考慮建議。

股東可不時就彼等之疑問及對董事局之關注，透過郵寄至本公司香港灣仔港灣道一號會議展覽廣場辦公大樓1402室，或電子郵寄至ir@burwill.com，向公司秘書作出查詢。

Corporate Governance Report 企業管治報告

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors' responsibilities for the financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 60 to 62.

COMPANY SECRETARY

Mr. KWOK Wai Lam is an Executive Director and the Company Secretary of the Company and he had fulfilled the requirement of Rules 3.28 and 3.29 of the Listing Rules during the year. He has attained more than 15 hours of relevant professional training during the year and his biography is set out in the "Biographies of Directors" section of this annual report.

CONSTITUTIONAL DOCUMENT

During the year under review, there was no change in the Company's constitutional documents.

COMMUNICATION WITH SHAREHOLDERS

The chairman of the board should attend the annual general meeting as stipulated in Code provision E.1.2. Mr. CHAN Shing, the Chairman of the Board, attended the Company's annual general meeting held on 22 June 2016, chaired the meeting and answered shareholders' questions

董事及核數師對財務報表之責任

董事對財務報表之責任及外聘核數師對股東之責任載於第60頁至62頁。

公司秘書

郭偉霖先生為本公司執行董事兼公司秘書。於年度內，郭先生已遵守上市規則第3.28條及3.29條之規定。彼於年度內參與多於15小時的相關專業培訓，其個人簡歷載於本年報之「董事簡歷」內。

章程文件

回顧年內，本公司的章程文件並無變動。

與股東的溝通

守則條文第E.1.2條訂明董事局主席應出席股東週年大會。董事局主席陳城先生出席了本公司於二零一六年六月二十二日舉行的股東週年大會，主持會議並解答股東問題。

Environmental, Social and Governance Report 環境、社會及管治報告

ABOUT BURWILL

The Group is in the business of metal trading and distribution as well as making investments in mineral resources.

ABOUT THE REPORT

The topic of sustainability is evolving as new initiatives grow all around the world. Sustainability reporting has become an established component of communications with stakeholders that complements financial reporting. Our report has emerged as part of a trend towards increasing transparency and accountability on environmental and social performance, articulating a wide spectrum of benefits and enabling stakeholders to better understand the Group's intrinsic value. Through the reporting process, internal and external benefits can be evaluated, comprising an optimisation process for cost reductions and providing insights into business innovation.

The Environmental, Social and Governance ("ESG") Report 2016 was compiled pursuant to the Environmental, Social and Governance Reporting Guide (the "ESG Guide") under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report covers the material issues of the Group's operations for the fiscal year from 1 January 2016 to 31 December 2016, unless otherwise specified.

The content of this report centres on topics that are relevant to the Group's business strategy and success, which represent areas of interest to the Group's stakeholders based on a materiality assessment and stakeholder engagement.

The topics are presented in a pillar framework under six key headings, including:

- I) Supply Chain and Quality management
- II) Employment and Development
- III) Environmental
- IV) Health and Safety
- V) Ethics
- VI) Community Investment

關於寶威

本集團主要從事金屬貿易及分銷等業務，亦投資礦產資源。

報告簡介

可持續發展議題隨著世界各地新措施的不斷發展而演變。可持續發展報告亦成為除財務報告外，企業與持分者之間溝通的重要橋樑。近年，我們的可持續發展報告已成為提升環保及社會責任表現的重要一環，讓不同持分者更了解集團的核心價值。集團內部及外部優勢得以透過報告作評估，其中包括降低成本及提供業務創新等的優化過程。

二零一六年《環境、社會及管治報告》(「本報告」)乃按照香港聯合交易所有限公司的證券上市規則附錄二十七《環境、社會及管治報告指引》(「指引」)編寫。

內容涵蓋集團於二零一六年一月一日至十二月三十一日財政年度(除另有所指外)期間所有業務的營運。

本報告集中匯報關於公司的業務策略及成功要素，根據重要性評估及持分者參與，分析集團持分者感興趣的領域。

報告主題按以下六個主要領域而撰寫：

- 一、 供應鏈及質量管理
- 二、 就業與發展
- 三、 環境保護
- 四、 健康與安全
- 五、 道德及操守
- 六、 社區建設

Environmental, Social and Governance Report 環境、社會及管治報告

ABOUT THE REPORT *(continued)*

On the other hand, the Group's business operations rely on external suppliers with whom we have no direct control. This can lead to challenges in sustainability policy execution. The Group will, therefore, engage with these suppliers to help reshape the overall sustainability strategy.

MATERIALITY ASSESSMENT

The Group has a wide range of mandated topics for disclosure. Realising significant and material topics may be important and relevant with respect to the Group's social and environmental impacts that influence the decisions of stakeholders over both the short- and long-term. Therefore, the Group has conducted a materiality assessment to define the most significant issues with those ranking highest both in business importance to the Group as well as in importance to the Group's key stakeholders in accordance with the ESG Guide.

In terms of the materiality assessment, prioritised topics were identified covering supply chain and quality management, employment and development, environmental issues, health and safety, ethics as well as community investment.

STAKEHOLDER ENGAGEMENT

A stakeholder is someone who is affected by the Group's actions or affects the Group's actions. The Group manages a number of stakeholder relationships as well as ongoing dialogues to help bolster the Group's sustainability strategy. For instance, employees regularly identify and engage with stakeholders in the course of their daily work activities. In order to incorporate the views of stakeholders, the Group actively explores new viable channels for continuous engagement with a broad array of stakeholders.

報告簡介(續)

與此同時，集團業務依賴無直接控制權的外部供應商，因此在可持續發展計劃執行的過程中面臨挑戰。有見及此，集團將與相關供應商合作，重塑可持續發展策略。

重要性評估

集團披露所規定的議題範圍廣泛。體現重要議題與集團對社會和環境的影響息息相關，同時影響著持分者長遠及短期之決定。因此，集團按指引進行評估，以識別重要議題，並按重要性序列業務與集團主要持分者相關的議題。

透過重要性評估，我們排列出優先關注的項目：供應鏈及量管理、就業與發展、環境保護、健康和 safety、道德及操守，以及社區建設。

持份者參與

持分者是受集團活動影響或影響集團行動的人士。集團管理不同持分者的關係並與他們溝通，以支持集團的可持續發展策略。例如，集團員工在日常工作中，定期識別持分者並與他們互動。為了吸納持分者的意見，集團亦會積極探索全新及可行的溝通渠道，以便與更多的持份者保持聯繫。

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SUPPLY CHAIN AND QUALITY MANAGEMENT

Delivering quality steel products to the Group's clients allows us to achieve business success. By contrast, a product with a minor defect could pose significant financial or reputational risks. For this reason, the supply chain should be well managed, especially with respect to the logistics of steel products, which play a critical role in determining overall operational efficiency and cost structure.

Steel products are versatile and involve intensive raw material input. They are also characterised by large material stocks, network links among participants, specific storage conditions, and agreed upon delivery schedules. The Group transports steel shipments by sea. The most common causes of interruptions in the supply chain include varying weather conditions, daily tidal variations, the uploading gear available on the ships as well as the unloading facilities available at the port. All of these factors can influence the movement of cargo. However, among these issues, adverse weather-related conditions rank as the most common factor, for instance, dealing with varying temperatures and humidity cycles during a vessel's transit. Additionally, rust can also contribute to a frequent cause of damage to steel products due to seawater, rain, and condensation water in the means of transport or condensation inside the packaging, during long voyages.

Carrying out inspections can help ensure a safe and quality delivery. Inspection criteria comprise a vessel loading witness being present, tallying the number of pieces during loading, closely examining the steel product's physical properties, maintaining proper storage conditions, ensuring proper packing and cargo conditions, and monitoring rust conditions. To examine rust conditions, we adopt the American Rust Standard Guide, an industry reference for grading hot rolled steel by surface condition. Examinations based on the American Rust Standard A.R.S. Chart are applied for systematic and consistent quality assurance. Under the American Rust Standard Guide, hot-rolled steel is divided into four classes according to specific surface conditions of steel, ranging from entirely new blue to entirely rusted.

Regular inspections and effective packaging ensure product quality from the point of manufacture to final delivery to clients. The Group actively enhances its cooperative relationships with suppliers through implementation of supplier control procedures that cover a supplier's technical competency, timely delivery of high-quality products at reasonable prices as well as other specific evaluation criteria. This relationship building is carried out for the sake of the Group's sustainable success.

供應鏈及質量管理

集團透過向客戶提供優質的鋼鐵產品而取得業務上的成就。相反，一件有些微瑕疵的產品卻可能帶來重大的財務或聲譽風險。因此，集團應妥善管理其供應鏈，尤其是鋼鐵產品物流，因為它在決定整體營運效率和成本結構方面具關鍵作用。

鋼鐵產品具多功能性及消耗大量原材料，其特點包括大型物料庫存、業務參與者之間的聯繫、具體的儲存條件及協定的送貨日程等。集團通過海路運送鋼鐵產品。供應鏈受影響的常見原因包括變幻莫測的天氣狀況、每日潮汐漲退、運輸船上的上貨設備，以及碼頭的卸載設施。這些因素均會影響貨物活動。當中，不利的天氣狀況最為常見，如在運輸期間的溫度和濕度循環變化等。此外，海水、雨水、凝結水等會於長時間的運送途中令貨品在包裝內鏽蝕，成為貨品損壞的常見原因。

進行檢驗可以確保運送的安全和質量。檢驗標準包括船舶裝卸監察人員在場監督、在裝載期間點算貨物數量、仔細檢查鋼鐵產品的物理性能、維持妥善的儲存狀況、確保貨物有包裝和狀況良好，以及監察防鏽狀況等。為了檢驗貨品鏽蝕情況，集團跟隨美國鏽蝕標準指引(the American Rust Standard Guide)，該指引按美國鏽蝕標準(A.R.S.)的圖表及熱軋鋼的表面狀況，為鋼製品進行評級。集團沿用有關的檢驗標準，以確定產品具系統性及一致的質量保證。根據A.R.S.指引，熱軋鋼的表面狀況由全新藍色至完全生鏽，共分為四個等級。

定期檢查和有效的包裝可確保產品質量與出廠時一樣。集團正積極通過實施供應商控制程序，加強與供應商合作。供應商控制程序涵蓋供應商的技術能力、以合理的價格及時交付高質量的產品，以及具體的評估標準。我們相信與供應商建立關係可以延續集團的可持續發展。

Environmental, Social and Governance Report 環境、社會及管治報告

SUPPLY CHAIN AND QUALITY MANAGEMENT (continued)

Client Service

Client is invaluable to the Group and providing exceptional service is always our fundamental value. Listening to clients is a simple yet powerful way to achieve success with the Group's client strategy. While clients are always encouraged to provide feedback and opinions, the Group must always react promptly to suggestions and explore areas for improvement.

EMPLOYMENT AND DEVELOPMENT

The professional and personal competency of our employees is at the heart of the Group's long-term business success and a crucial component for employee job security. To this end, continuous training is an important requirement and a key internal priority for the Group. It closely mirrors the performance and applicability of the services provided to clients. The Group is also dedicated to create a work environment where employees feel valued and respected. Our employees must always have the opportunity to learn and acquire skills in new areas regardless of their role, function or grade.

Employment

The Group offers a comprehensive compensation package and a wide range of benefits, comprising medical insurance, maternity leave, paternity leave, compassionate leave as well as education subsidies.

Diversity in the workplace as well creates a powerful competitive advantage for the Group. A workforce comprising individuals from different backgrounds, experiences, cultures and generations helps the Group better navigate the markets and overcome challenges. For this reason, the Group is dedicated to equal employment opportunities, recruiting and retaining talented individuals regardless of differences in gender, social background and ethnicity. The Group's human resources policy has been developed based on all applicable legal legislation, including the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), and Race Discrimination Ordinance (Cap. 602). Furthermore, the Group ensures protection to employees who have the responsibility to care for an immediate family member so that those persons may continue their employment without being subject to discrimination, pursuant to the Family Status Discrimination Ordinance (Cap. 527).

供應鏈及質量管理(續)

客戶服務

客戶對集團來說非常寶貴，提供卓越的服務一直是集團的核心價值。聆聽客戶所需是簡單而有效的客戶管理策略，並令公司邁向成功。我們鼓勵客戶提供反饋和意見，集團亦及時回應這些意見，並持續探索可改進的地方。

就業及發展

員工的專業知識及個人能力是集團長遠發展的成功關鍵，同時亦有助推動員工持續就業、挽留人才。因此，持續的專業培訓是集團不可或缺的要素，更是內部的優先考慮。集團的培訓內容針對客戶服務績效，確保員工表現及服務質素不斷提升。此外，集團亦積極打造一個理想的工作環境，讓每位員工享有平等待遇和尊重；使不同職能或職級的員工都享有各種各樣的學習機會，在新領域中汲取新技能。

就業情況

集團為員工提供具競爭力的薪酬和福利，包括醫療保險、產假、侍产假、喪假及教育津貼等。

多樣化的工作環境能有效創造強大的競爭優勢。我們深信由來自不同背景、經驗、文化背景和世代組成的工作團隊，能協助集團走向世界，克服重重挑戰。集團一直以來致力提供平等的就業機會，確保每位申請人或員工於招聘及僱傭期間均獲得平等對待，並且不會受性別、社會背景和種族等方面所影響。集團的人力資源政策是根據有關的法規、條例及指引而設計，包括第480章《性別歧視條例》、第487章《殘疾歧視條例》及第602章《種族歧視條例》。此外，集團亦根據第527章《家庭崗位歧視條例》保障僱員，避免他們因家庭崗位責任而在工作中受到歧視。

Environmental, Social and Governance Report 環境、社會及管治報告

EMPLOYMENT AND DEVELOPMENT (continued)

就業及發展(續)

Employment (continued)

就業情況(續)

Gender	性別	Number of Hong Kong Employees 香港僱員數目
Male	男	39
Female	女	26

Age group	年齡組別	Number of Hong Kong Employees 香港僱員數目
Below 30	30歲以下	2
30 – 50	30 – 50歲	35
50 or above	50歲或以上	28

Gender	性別	Turnover Rate 流動率
Male	男	2.94%
Female	女	0.64%

Development and Training

發展及培訓

A central cornerstone of the Group involves providing employees with an intellectually stimulating environment where they can continually learn and grow in order to contribute to the Group's success and ensure their internal promotion.

集團致力為員工提供一個能刺激思維的工作環境，鼓勵他們不斷學習及成長，從而貢獻集團並確保內部晉升機會。

Employees often seek to advance their careers through continuing education. To assist in this endeavour the Group encourages employee ambitions by providing financial assistance for life-long learning, either at the request of the participating employee or by general encouragement of the Group. For the sake of fairness, the education subsidy scheme is explicitly based on a rating system that takes into account job relevancy and length of service.

有鑒於員工常透過持續進修推動事業發展，集團會應僱員要求或主動鼓勵員工終生學習，並提供財政資助。為公平起見，我們的教育資助計劃將按工作相關程度和服務年期進行審批。

Environmental, Social and Governance Report 環境、社會及管治報告

EMPLOYMENT AND DEVELOPMENT (continued)

就業及發展(續)

Development and Training (continued)

發展及培訓(續)

Gender	性別	Total Number of Training Hours 培訓總時數
Male	男	193
Female	女	86

Employee Category	員工級別	Total Number of Training Hours 培訓總時數
Senior Management	高級管理層	104.5
Middle Management	中級管理層	117
General Staff	一般員工	57.5

Labour Standards

聘僱準則

The Group complies with requirements of all labour legislation and monitors the evolving changes in this regard. As a result, the Group's Employment Policy strictly prohibits the hiring of any minor under age 18 or child, meaning that child labour at any stage of our business operations is forbidden.

集團嚴格遵守勞工法例要求，並密切留意條例的變化。根據集團的聘僱政策，我們嚴禁僱用未滿18歲或以下的未成年人士，意味著集團旗下任何業務都不容許童工存在。

ENVIRONMENTAL ISSUES

環境保護

Climate change, with its mounting evidence of impact on the world's weather patterns, portends a host of gloomy prognoses and challenges. Moreover, hazardous air pollutants are well known to cause serious health problems. Environmental degradation as well decreases the overall amount of the world's limited natural resources, resulting in scarcity. These environmental issues may trigger even more stringent regulations or add to the growing concerns over a variety of aspects such as air emissions and energy efficiency. Today the need for explicit consideration and incorporation of an environmental strategy within the Group's corporate strategy has never been more critical.

氣候變化對世界天氣模式的影響越來越深，同時令社會充斥著負面的預測和挑戰。人所共知，有害的空氣污染物會對健康造成嚴重影響，而環境惡化降低了世界有限的自然資源總量，造成資源短缺。這些環境問題可能引致更嚴格的監管，或社會對如空氣排放和能源效益等方面議題日益關注。時至今日，明確考慮和採納環境保護政策於集團的整體企業策略中至為重要。

Environmental, Social and Governance Report 環境、社會及管治報告

ENVIRONMENTAL ISSUES (continued)

Air Emissions

International transportation demand is driven by a rise in the global population and economic growth. In 2015, the International Transport Forum (ITF) anticipated that global freight transport volumes will quadruple by 2050. Due to the increase of globalised trade, shipping emissions are increasing in tandem.

Air pollution emissions could bring about a cumulative effect that contributes to overall air quality problems such as acid rain that affects populations in many areas, and harms the natural environment. Furthermore, emissions from ships are transported in the atmosphere over several hundreds of kilometres, and thus, can also significantly contribute to air quality problems on land even if they are emitted at sea. In recent years, public concerns regarding the environmental impacts and air pollutant emissions (e.g. sulfur oxides (SOx), nitrogen oxides (NOx)) of maritime transport vessels have increased because of today's massive petroleum-based, fuel consumption society.

A majority of steel products is shipped by sea with the help of external logistics service providers. The Group will explore how to engage with these service providers and communicate with them to minimise air emissions.

Carbon Emissions and Energy Consumption

The Group's major businesses mostly operate in offices, whose suppliers are not under the Group's direct control. This situation creates challenges in managing their emissions and green initiatives. However, as a responsible member of the business community, the Group is dedicated to reviewing and evaluating the carbon emissions performance and energy consumption aspects of our suppliers.

The Group reports on the GHG emissions of the head office in Hong Kong as stipulated by the Greenhouse Gas Protocol, including a corporate accounting and reporting standard published by the World Resources Institute and World Business Council for Sustainable Development.

Total Scope 1 Emissions: 12.56 tonnes of CO₂ equivalent

Total Scope 2 Emissions: 29.83 tonnes of CO₂ equivalent

環境保護(續)

氣體排放

國際交通需求受全球人口和經濟增長所帶動。二零一五年，國際交通運輸論壇(ITF)預計到二零五零年，全球貨物運輸量將增長四倍。由於全球化貿易增加，船舶的排放量亦正同步增加。

氣體排放可帶來累積效應，並引致多個地區的人口面對整體空氣質素問題(如酸雨)，同時影響自然環境。另外，由於船舶會在運輸途中幾百公里的大氣中排放氣體，因此，即使在海上排放也可能明顯地引致陸上的空氣質素問題。而近年，由於社會以石油為主要燃料，公眾對海上運輸為環境帶來影響和空氣污染物(如硫氧化物(SOx)，氮氧化物(NOx))排放情況的關注不斷增加。

大部份鋼鐵產品是由外部物流服務供應商經船舶運輸。集團將研究如何委聘這些服務供應商及與他們溝通，以有效減少氣體排放。

碳排放及能源消耗

集團的主要業務是在辦公室內進行，其供應商則不受集團直接控制。此情況為管理供應商的排放和環保措施方面帶來挑戰。然而，作為商業社會的一員，集團致力審查和評估供應商的碳排放表現和能源消耗狀況。

集團根據世界資源研究所和世界企業永續發展委員會出版的《溫室氣體盤查議定書》(企業會計與報告標準)報告香港總部的溫室氣體排放量。

總範圍1排放：12.56噸二氧化碳當量

總範圍2排放：29.83噸二氧化碳當量

Environmental, Social and Governance Report 環境、社會及管治報告

ENVIRONMENTAL ISSUES (continued)

Emissions Reduction Policy

In order to mitigate harmful pollution emissions, the Group has implemented energy-saving initiatives for the head office. Air-conditioners comprise the main, fundamental electrical appliance used in offices. The air-conditioning units can consume unnecessarily large amounts of energy. Excessive use of air-conditioning can also exacerbate the Greenhouse effect. To help inculcate the concept of sustainability and cut down on energy consumption, the Group has established several rules:

- Switch off the air-conditioners when the office is not in operation.
- Ensure that all air-conditioning systems are turned off after work hours.
- Maintain the indoor air temperature at around 25°C.

Waste Management

Waste reduction is often associated with recycling, but there is much more to the issue than that. Avoiding waste generation in the first place and minimizing it are central to any waste reduction strategy. Paper waste is a major issue for the Group. For this reason, we use printers that enhance environmental sustainability, for instance setting duplex printing as a default option and promoting the use of e-leaflets.

Packaging Materials

Packaging materials are deployed for marine shipping. Maritime cargo must be secured within a container against all rolling, pitching and yawing of the vessel. The best way to secure cargo is to distribute it evenly without any gaps over the entire floor. If gaps cannot be avoided, the space between the packaging and container walls must be filled using air bags, dunnage or other stowage material.

環境保護(續)

減排政策

為減少有害污染物排放，集團已在總公司實施節能措施。空調是辦公室的主要基本電器，同時亦可能消耗大量不必要的能源。過度使用空調可能會加劇溫室效應。為了灌輸可持續發展的概念並減少能源消耗，集團制定了幾項規則：

- 當辦公室不在使用時關閉空調。
- 確保所有空調系統在下班後關閉。
- 保持室內溫度在攝氏25度左右。

廢物管理

減少廢物常令人聯想到回收，然而所涉及的問題卻不限於此。首先，避免產生並減少製造廢物是減少廢物策略的核心。廢紙是困擾集團的主要問題。有見及此，集團使用加強環境可持續性的打印機，如雙面打印作為預設選項及鼓勵使用電子傳單。

包裝物料

包裝材料用於海運。海運貨物應固定在集裝箱內，以防止滾動、俯仰和偏航。保護貨物的最佳方法是在整個地板上無縫、平均地安放貨物。如果不能避免空隙，則包裝和容器壁間的空位必須使用氣囊、襯墊或其他存儲物料填補。

Environmental, Social and Governance Report 環境、社會及管治報告

ENVIRONMENTAL ISSUES (continued)

The Environment and Natural Resources

Apart from measures concerning emissions and uses of resources, the Group is aiming to embed environmental protection into the overall procurement process while integrating requirements, specifications and criteria that are compatible with and promote environmental protection. One of the aspects relates to steel recycling, incorporating the circular economy into the Group's sustainability strategy. Recycling is one of the most efficient ways to protect the environment. Steel products naturally enable resource conservation through their recyclability and durability. The Group is devoted in sourcing recycled steels to save energy and natural resources.

HEALTH AND SAFETY

A clean and safe environment is crucial to a productive workplace. Most of our employees work in offices where indoor air quality, including the physical and chemical nature of the ambient air is a major concern with respect to office health. Hence, the Group regularly appoints third party experts to conduct air duct cleaning and pest control in order to improve the indoor work environment.

Despite these measures, some of the Group's suppliers might find it more challenging to implement policies concerning employee health and safety at steel manufacturing sites. To address this challenge, the Group will actively seek an array of channels to help better engage these suppliers.

環境保護(續)

環境及天然資源

除了有關排放和使用資源的措施外，集團矢志將環境保護因素納入整體採購過程中，而整合要求、規格和條件均符合並促進環境保護。另外，集團更把循環經濟的基本概念納入可持續發展的業務策略，積極推動鋼鐵回收。眾所周知，回收是保護環境的最有效方法之一，而鋼鐵產品同樣能夠通過其可回收性和耐用性實現資源節約。集團將致力於採購再生鋼鐵資源，從而節省能源和自然資源。

健康與安全

清潔和安全的環境對於高生產效益的工作地方尤關重要。集團的大多數員工在辦公室工作，因此室內的空氣質素，包括室內環境空氣的物理和化學物質，是辦公室健康的主要關注點之一。為此，集團定期委託第三方專業人士進行空氣管道清洗和滅蟲工作，旨在改善室內工作環境。

儘管實施了上述措施，集團部份供應商可能會發現在鋼鐵製造工場實施有關員工健康和安全的政策有一定挑戰。為了應對這個情況，集團將積極尋找不同渠道、更有效地聘請這些供應商。

Environmental, Social and Governance Report 環境、社會及管治報告

ETHICS

Carrying out business practices ethically is the cornerstone of the Group's success. We are committed to complying with all relevant regulatory requirements both in China and Hong Kong.

Anti-Corruption

The Group is firmly opposed to corruption in all forms. Corruption includes bribery and trading in influence. The Group is committed to complying with all applicable anti-corruption laws, including the Anti-Unfair Competition Law of the PRC, the Criminal Law of the PRC and the Hong Kong Prevention of Bribery Ordinance (Chapter 201). In accordance with the Group's policy, all employees shall ensure that corruption does not occur.

With our thorough commitment to anti-corruption, no concluded legal cases in this regard have been brought up against us.

Intellectual Property Rights

Intellectual property refers to a group of separate, intangible rights that include trademarks and patents. In this regard, the Group follows all pertinent regulatory requirements, including those stipulated in the Trademarks Ordinance (Cap. 559). The Group itself has also registered its trademark for the sake of property rights protection.

COMMUNITY INVESTMENT

The Group invests in communities by contributing time and talent. This year, several employees joined Shanghai Commercial's *Pok Oi Cycle for Millions* to raise funds for Pok Oi Hospital's development and to help promote green living.

道德及操守

以符合道德的方式經營業務是集團賴以成功的基石，因此我們致力遵守中國及香港的相關監管要求。

反貪污

集團堅決反對任何形式的貪污，包括賄賂及以權謀私。集團承諾遵守所有適用的反貪污法律，包括中國的反不正當競爭法、刑法及香港的《防止賄賂條例》(第201章)。根據集團的政策，所有員工應確保貪污情況不會發生。

有鑒於我們貫徹對反貪污的承諾，集團於年內並沒有關於貪污的案件。

保護知識產權

知識產權是指一組獨立的無形資產，包括商標和專利。集團遵守監管要求，例如依從《商標條例》(第559章)所訂明的規定，為保護財產權而註冊商標。

社區建設

集團投放時間與人力於社區建設。今年，部份員工參加了上海商業博愛單車百萬行，為博愛醫院的發展籌募經費，同時倡導綠色生活。

Independent Auditors' Report 獨立核數師報告



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

31/F, Gloucester Tower 香港
The Landmark 中環
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Central 置地廣場
Hong Kong 告羅士打大廈31樓

**TO THE SHAREHOLDERS OF
BURWILL HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

致寶威控股有限公司
全體股東
(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

保留意見

We have audited the consolidated financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 64 to 195, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)已審計列載於第64頁至195頁寶威控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，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與截至該日止年度的綜合損益表、綜合全面損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我等認為，除本報告中保留意見的基礎部分所描述事項的可能影響外，該綜合財務報表符合香港會計師公會所頒佈的《香港財務報告準則》，真實並公允反映了集團截至二零一六年十二月三十一日之財務狀況以及當年度其綜合財務業績和綜合現金流量，並且遵守香港《公司條例》之披露要求而恰當編製。

Independent Auditors' Report 獨立核數師報告

BASIS FOR QUALIFIED OPINION

Accounting for investment in an associate, China Land Assets Limited ("CLA")

As disclosed in note 10 to the consolidated financial statements, on 23 March 2016, the Group completed the disposal of its subsidiary, Burwill China Portfolio Limited ("BCPL"), to CLA, a 45% owned associate of the Group. As a result, the Group's consolidated income statement for the year ended 31 December 2016 included a gain on disposal of subsidiaries of approximately HK\$10,699,000, which was arrived at on the basis of, *inter alia*, the adjusted net assets value of CLA as at 23 March 2016 (as enlarged by the acquisition of BCPL). The Group's investment in CLA, accounted for by the equity method, was carried at approximately HK\$214,032,000 on the Group's consolidated balance sheet as at 31 December 2016, and the Group's share of the results and other comprehensive expense of CLA of approximately HK\$11,568,000 and HK\$216,000, respectively, were included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year then ended.

保留意見之基礎

對一間聯營公司－新港資產有限公司(「新港資產」)的投資的會計記帳

如綜合財務報表附註10所載，於二零一六年三月二十三日，集團完成向新港資產(為集團擁有其45%權益之聯營公司)出售其附屬公司Burwill China Portfolio Limited(「BCPL」)。這導致集團截至二零一六年十二月三十一日止年度之綜合損益表所示出售附屬公司之收益約港幣10,699,000元，乃以截至二零一六年三月二十三日新港資產經調整淨資產價值(經收購BCPL而擴大)為基準而達致。按照權益法核算，於集團截至二零一六年十二月三十一日綜合資產負債表中，集團對新港資產的投資的帳面價值為約港幣214,032,000元，並且，集團當年度綜合損益表及綜合全面損益表中所示集團所佔業績及新港資產其他全面支出分別為約港幣11,568,000元及港幣216,000元。

Independent Auditors' Report 獨立核數師報告

BASIS FOR QUALIFIED OPINION (continued)

Accounting for investment in an associate, China Land Assets Limited ("CLA") (continued)

Due to disputes between the shareholders of CLA, we were unable to obtain sufficient appropriate audit evidence about (i) the adjusted net assets value of CLA as at 23 March 2016 and (ii) the financial information of CLA as at and for the year ended 31 December 2016. In view of the above and in the absence of practicable alternative procedures in respect of the financial information of CLA, we were unable to satisfy ourselves as to whether (i) the carrying amount of the Group's investment in CLA of approximately HK\$214,032,000 as included in the Group's consolidated balance sheet as at 31 December 2016; (ii) the Group's share of the results and other comprehensive expense of CLA of approximately HK\$11,568,000 and HK\$216,000, respectively, as included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2016; and (iii) the gain on disposal of subsidiaries of approximately HK\$10,699,000 as included in the Group's consolidated income statement for the year ended 31 December 2016, were fairly stated. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Any adjustments found to be necessary in respect of the abovementioned financial information could have a consequential effect on the financial position of the Group as at 31 December 2016, its consolidated financial performance for the year then ended and related disclosures in these consolidated financial statements. In addition, the required summarised financial information about CLA has not been disclosed in accordance with HKFRS 12 "Disclosure of Interests in Other Entities" issued by the HKICPA.

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

保留意見之基礎(續)

對一間聯營公司－新港資產有限公司(「新港資產」)的投資的會計記帳(續)

由於新港資產各股東間之糾紛，我等未能就(i)截至二零一六年三月二十三日新港資產經調整淨資產價值；及(ii)新港資產截至二零一六年十二月三十一日財務資料獲得充分恰當的審計證據。鑒於前述，並且由於就新港資產財務資料缺乏可行的可替代方案，我等無法認定：(i)集團截至二零一六年十二月三十一日綜合資產負債表中所示集團對新港資產投資的帳面價值約港幣214,032,000元；(ii)集團截至二零一六年十二月三十一日年度綜合損益表及綜合全面損益表中所示集團所佔業績及新港資產其他全面支出分別為約港幣11,568,000元及港幣216,000元；及(iii)集團截至二零一六年十二月三十一日綜合損益表中所示出售附屬公司之收益約港幣10,699,000元是否公允陳述。因此，我等無法確定是否需對該等數額做出任何調整。就上述財務資料所發現的任何必要的調整均可能對集團截至二零一六年十二月三十一日財務狀況、當年度其綜合財務業績以及該等綜合財務報表中的相關披露產生相應影響。此外，並未按照香港會計師公會所頒佈的香港財務報告準則12「其他實體之權益披露」之要求披露新港資產之概要財務資料。

我們已根據香港會計師公會頒佈之香港審核準則(「香港審核準則」)進行審核。我們於該等準則項下之責任於本報告「核數師就審核綜合財務報表須承擔之責任」一節中詳述。根據香港會計師公會頒佈的職業會計師道德守則(「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證充分及適當地為我們之保留意見提供基礎。

Independent Auditors' Report 獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the consolidated financial statements and our auditors' 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. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate evidence about accounting for the Group's investment in an associate, CLA, and the gain on disposal of subsidiaries for the year ended 31 December 2016. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements 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. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

不包括綜合財務報表及核數師報告所載者之其他資料

董事須對其他資料負責，該等資料包括年報所載資料，但不包括綜合財務報表及我們的核數師報告所載者。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其發表任何形式的鑒證結論。

當我們審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。

基於我們已執行之工作，倘我們認為該等其他資料有重大錯誤陳述，我們須報告該事實。正如上文保留意見的基礎所述，截至二零一六年十二月三十一日，我等未能就集團對一間聯營公司新港資產的投資之會計記帳及出售附屬公司之收益獲得充分恰當的審計證據。因此，我等未能陳述有關此事宜之其他資料是否存在重大錯誤陳述。

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期綜合財務報表中最重要的事項。我們於審核整體綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。除保留意見的基礎所述事項外，我們決定於報告中披露以下關鍵審核事項。

Independent Auditors' Report 獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審核事項

Valuation of bills and accounts receivable

應收票據及應收帳項評估

We identified the valuation of bills and accounts receivable as a key audit matter due to the use of judgement and estimates in assessing the recoverability of receivables as well as their materiality in the context of the consolidated financial statements as a whole.

At 31 December 2016, the carrying amount of bills and accounts receivable is approximately HK\$730,978,000 (net of allowance for impairment of accounts receivable of approximately HK\$6,024,000). Details of the bills and accounts receivable are set out in note 16 to the consolidated financial statements.

由於評估應收票據及應收帳項的可收回程度利用判斷及估計其對整體綜合財務報表的重要性，故我等將應收票據及應收帳項評估識別為一項關鍵審核事項。

於二零一六年十二月三十一日應收票據及應收帳項的淨額約為港幣730,978,000元(扣除應收帳項減值撥備為港幣6,024,000元。詳情載於綜合財務報表附註16中)。

關鍵審核事項(續)

How our audit addressed the key audit matter

如何處理關鍵審核事項之方法

Our audit procedures in relation to the valuation of bills and accounts receivable included:

- Obtaining an understanding of how allowance for impairment of accounts receivable is estimated by the management and testing the preparation of the ageing analysis of bills and accounts receivable;
- Assessing the reasonableness of recoverability of bills and accounts receivable with reference to the credit history, subsequent settlements and ageing analysis of customers.
- Obtaining independent confirmations from financial institutions in respect of bills receivable.

就應收票據及應收帳項的評估，我們執行之審核程序包括：

- 瞭解管理層估計應收帳項減值撥備的方式及以抽樣為基礎測試應收票據及應收帳項賬齡。
- 參考每名個別客戶包括信貸記錄，其後結算及賬齡分析，以評估應收票據及應收帳項可收回程度之合理性。
- 獲得金融機構有關應收票據的獨立確認。

Independent Auditors' Report 獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》之披露規定編製及真實而公允地列報該等綜合財務報表，並落實董事認為必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項。除非董事有意將貴集團清盤，或停止營運，或別無其他實際的替代方案，否則董事須採用以持續經營為基礎的會計法。

在審核委員會協助下，董事須負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並根據《百慕達一九八一年公司法》第90條僅向閣下（作為整體）出具包括我等意見的核數師報告，除此以外，我等的報告書不作其他用途。我等不就此報告的內容，對任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審核準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期而錯誤陳述個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決策，則有關的錯誤陳述可被視作重大。

Independent Auditors' Report 獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表須承擔的責任 (續)

我等根據香港核數準則進行審計的工作之一，是運用專業判斷，在整個審計過程中抱持職業懷疑態度。我等亦：

- 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該等風險，以及取得充足和適當的審計憑證，作為我等意見的基礎。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因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的效能發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。倘我等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對綜合財務報表中的相關披露資料的關注。倘有關的披露資料不足，則修訂我等的意見。我等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。

Independent Auditors' Report 獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

核數師就審核綜合財務報表須承擔的責任 (續)

- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就 貴集團中實體或業務活動的財務資料獲取充分及適當的審計證據，以對綜合財務報表發表意見。我等負責指導、監督及執行集團審計。我等僅對我等之審計意見承擔責任。

我等與審核委員會溝通了(其中包括)計劃的審計範圍、時間安排、重大審計發現等事項，包括我等在審計期間識別出內部控制的任何重大缺陷。

我等亦向審核委員會提交聲明，說明我等已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響我等獨立性的關係及其他事項，以及相關防範措施(倘適用)。

從與審核委員會溝通的事項中，我等決定哪些事項對本期間綜合財務報表的審計最為重要，因而構成關鍵審計事項。我等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我等將不會在此等情況下在報告中溝通該事項。

Independent Auditors' Report 獨立核數師報告

REPORT ON OTHER MATTERS UNDER SECTIONS 407(2) AND 407(3) OF THE HONG KONG COMPANIES ORDINANCE

有關香港公司條例第407(2)及407(3)條項下其他事項之報告

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding accounting for the Group's investment in an associate, CLA, as described in the *Basis for Qualified Opinion* section of our report above:

僅就無法取得有關集團對一間聯營公司新港資產的投資的會計記帳之足夠審核憑證(如本報告上文保留意見之基礎一節所載)而言：

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

- 我們無法確定是否已保存足夠之會計記錄；及
- 我們並未取得，據我們所知及所信，就進行審核而言屬必要及重大之所有資料或解釋。

The engagement partner on the audit resulting in this independent auditors' report is Hui Chun Keung, David.

負責此審核項目與簽發獨立核數師報告的項目合夥人為許振強。

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

國衛會計師事務所有限公司
香港執業會計師

Hui Chun Keung, David
Practising Certificate Number: P05447

許振強
執業證書編號：P05447

Hong Kong, 31 March 2017

香港，二零一七年三月三十一日

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2016 於二零一六年十二月三十一日

		Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	6	7,906	8,486
Property, plant and equipment	物業、機器及設備	7	171,906	190,951
Intangible assets	無形資產	8	–	–
Investments in associates	聯營公司投資	10	353,241	231,297
Investments in joint ventures	合營公司投資	11	5,901	–
Club debentures	會籍債券		1,473	1,473
Deferred income tax assets	遞延所得稅資產	23	42,631	47,914
Total non-current assets	總非流動資產		583,058	480,121
Current assets	流動資產			
Inventories	存貨	13	81,570	58,051
Financial assets at fair value through profit or loss	按公平值透過損益 列帳的財務資產	14	711	954
Derivative financial instruments	衍生金融工具	15	3,632	–
Bills and accounts receivable	應收票據及應收帳項	16	730,978	781,836
Deposits, prepayments and other receivables	按金、預付款及 其他應收款	16	131,509	138,650
Due from associates	聯營公司欠款	10	98,135	38,359
Due from joint ventures	合營公司欠款	11	35	–
Income tax refundable	可收回所得稅		87	87
Cash and bank balances	現金及銀行結餘	17	84,299	347,982
			1,130,956	1,365,919
Assets of disposal group classified as held for sale	分類為待售集團資產	18	–	1,082,251
Total current assets	總流動資產		1,130,956	2,448,170
Total assets	總資產		1,714,014	2,928,291

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2016 於二零一六年十二月三十一日

		Note	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
EQUITY	權益			
Equity attributable to owners of the Company	本公司權益持有人應佔權益			
Share capital	股本	19	501,656	506,436
Other reserves	其他儲備	21	972,159	1,074,762
Accumulated losses	累計虧損	21	(512,648)	(326,212)
			961,167	1,254,986
Non-controlling interests	非控股權益		(27,827)	219,118
Total equity	總權益		933,340	1,474,104
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	22	58,468	56,615
Deferred income tax liabilities	遞延所得稅負債	23	1	5
Provision for land restoration and environmental costs	土地復原及環境成本撥備	25	3,804	4,075
Total non-current liabilities	總非流動負債		62,273	60,695
Current liabilities	流動負債			
Borrowings	貸款	22	371,168	556,711
Derivative financial instruments	衍生金融工具	15	1,103	–
Due to associates	欠聯營公司款項	10	476	–
Bills and accounts payable	應付票據及應付帳項	24	240,489	222,402
Other payables and accruals	其他應付帳項及應計費用		104,316	233,984
Income tax payable	應付所得稅		849	364
			718,401	1,013,461
Liabilities of disposal group classified as held for sale	分類為待售集團負債	18	–	380,031
Total current liabilities	總流動負債		718,401	1,393,492
Total liabilities	總負債		780,674	1,454,187
Total equity and liabilities	總權益及負債		1,714,014	2,928,291
Net current assets	流動資產淨值		412,555	1,054,678
Total assets less current liabilities	總資產減流動負債		995,613	1,534,799

The consolidated financial statements on pages 64 to 195 were approved by the Board of Directors on 31 March 2017 and were signed on its behalf by:

第64至195頁的綜合財務報表已由董事局於二零一七年三月三十一日批核，並代表董事局簽署：

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事

Consolidated Income Statement 綜合損益表

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

		Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Continuing operations	持續經營業務			
Revenue	收入	5	2,685,142	4,618,664
Cost of sales	銷售成本	27	(2,679,821)	(4,547,637)
Gross profit	毛利		5,321	71,027
Other income and net gains/(losses)	其他收入及(收益)/虧損			
	淨額	26	4,287	(41,419)
Selling and distribution expenses	銷售及分銷費用	27	(28,271)	(53,536)
General and administrative expenses	一般及行政費用	27	(109,073)	(98,395)
Share option expenses	購股權支出	28	–	(9,467)
Operating loss	經營虧損		(127,736)	(131,790)
Finance costs	融資成本	29	(13,269)	(20,254)
Impairment losses on property, plant and equipment	物業、機器及設備減值	7	(10,214)	(13,729)
Impairment loss on an associate	聯營公司減值	10	(55,876)	–
Share of losses of associates	所佔聯營公司虧損	10	(15,619)	(947)
Share of losses of joint ventures	所佔合營公司虧損	11	(52)	–
Loss before income tax	除所得稅前虧損		(222,766)	(166,720)
Income tax expense	所得稅支出	30	(6,728)	(6,298)
Loss for the year from continuing operations	年度持續經營業務虧損		(229,494)	(173,018)
Discontinued operations	已終止經營業務			
Profit for the year from discontinued operations	年度已終止經營業務盈利	18	15,130	41,885
Loss for the year	年度虧損		(214,364)	(131,133)
Loss attributable to:	虧損歸屬於：			
Owners of the Company	本公司權益持有人		(207,896)	(123,453)
Non-controlling interests	非控股權益		(6,468)	(7,680)
			(214,364)	(131,133)

Consolidated Income Statement 綜合損益表

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

	Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(Loss)/Profit attributable to owners of the Company arises from:	(虧損)/盈利歸屬於本公司權益持有人來自：		
Continuing operations	持續經營業務	(209,464)	(151,760)
Discontinued operations	已終止經營業務	1,568	28,307
		<u>(207,896)</u>	<u>(123,453)</u>
(Loss)/Earnings per share from continuing and discontinued operations attributable to owners of the Company for the year	年度本公司權益持有人應佔來自持續經營業務及已終止經營業務的每股(虧損)/盈利		
	31		
Basic (loss)/earnings per share	每股基本(虧損)/盈利		
From continuing operations (HK cents)	來自持續經營業務 (港仙)	(4.15)	(3.16)
From discontinued operations (HK cents)	來自已終止經營業務 (港仙)	0.03	0.59
		<u>(4.12)</u>	<u>(2.57)</u>
Diluted (loss)/earnings per share	每股攤薄(虧損)/盈利		
From continuing operations (HK cents)	來自持續經營業務 (港仙)	(4.15)	(3.16)
From discontinued operations (HK cents)	來自已終止經營業務 (港仙)	0.03	0.59
		<u>(4.12)</u>	<u>(2.57)</u>

Consolidated Statement of Comprehensive Income 綜合全面損益表

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

		Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Loss for the year	年度虧損		(214,364)	(131,133)
Other comprehensive expense: <i>Items that may be reclassified to profit or loss</i>	其他全面支出： <i>可能重新分類至損益的項目</i>			
Share of other comprehensive income of associates	所佔聯營公司其他全面收入	21	793	–
Release of revaluation reserve upon disposal of subsidiaries	出售附屬公司轉出重估儲備	21	(11,213)	–
Release of translation adjustments upon disposal of subsidiaries	出售附屬公司轉出換算調整	21	(34,648)	–
Change in value of available-for-sale financial assets	可供出售財務資產價值變動	21	–	(66,428)
Fair value losses on reclassification of available-for-sale financial assets to an associate	可供出售財務資產調整為聯營公司之公平值虧損	21	–	66,428
Currency translation differences	貨幣匯兌差額		(29,847)	(46,698)
Other comprehensive expense for the year, net of tax	年度其他全面支出，扣除稅項		(74,915)	(46,698)
Total comprehensive expense for the year	年度全面支出總額		(289,279)	(177,831)
Attributable to:	歸屬於：			
Owners of the Company	本公司權益持有人		(282,558)	(157,493)
Non-controlling interests	非控股權益		(6,721)	(20,338)
Total comprehensive expense for the year	年度全面支出總額		(289,279)	(177,831)
Total comprehensive (expense)/ income attributable to owners of the Company arising from:	全面(支出)/收入總額歸屬於本公司權益持有人來自：			
Continuing operations	持續經營業務		(284,328)	(159,348)
Discontinued operations	已終止經營業務		1,770	1,855
			(282,558)	(157,493)

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

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

		Note 附註	Attributable to owners of the Company 本公司權益持有人應佔			Non- controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 總權益 HK\$'000 港幣千元
			Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元		
Balance at 1 January 2015	二零一五年 一月一日結餘		458,671	983,580	(202,759)	243,292	1,482,784
Comprehensive income Loss for the year	全面收入 年度虧損		-	-	(123,453)	(7,680)	(131,133)
Other comprehensive expense Change in value of available- for-sale financial assets	其他全面支出 可供出售財務資產 變動	21	-	(66,428)	-	-	(66,428)
Fair value losses on reclassification of available- for-sale financial assets to an associate	可供出售財務資產 調整為聯營公司之 公平值虧損	21	-	66,428	-	-	66,428
Currency translation differences	貨幣匯兌差額						
- Group	- 集團	21	-	(30,829)	-	(12,658)	(43,487)
- Associates	- 聯營公司	21	-	(3,211)	-	-	(3,211)
Total other comprehensive expense	其他全面支出總額		-	(34,040)	-	(12,658)	(46,698)
Total comprehensive expense	全面支出總額		-	(34,040)	(123,453)	(20,338)	(177,831)
Repurchase of shares	購回股份	19&21	(3,911)	(6,768)	-	-	(10,679)
Issue of shares	發行股份	19&21	23,800	53,550	-	-	77,350
Issue of consideration shares	發行代價股份	19&21	22,726	59,087	-	-	81,813
Share issue expenses	發行股份支出	21	-	(414)	-	-	(414)
Employee share option scheme:	僱員購股權計劃：						
- value of employee services	- 僱員服務價值	21	-	9,467	-	-	9,467
- share options exercised	- 行使購股權	19&21	5,150	10,300	-	-	15,450
Dividends	股息		-	-	-	(3,836)	(3,836)
Total transactions with owners	與權益持有人的 交易總額		47,765	125,222	-	(3,836)	169,151
Balance at 31 December 2015	二零一五年 十二月三十一日 結餘		506,436	1,074,762	(326,212)	219,118	1,474,104

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

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

		Note 附註	Attributable to owners of the Company 本公司權益持有人應佔			Non- controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 總權益 HK\$'000 港幣千元
			Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元		
Balance at 1 January 2016	二零一六年 一月一日結餘		506,436	1,074,762	(326,212)	219,118	1,474,104
Comprehensive income	全面收入		-	-	(207,896)	(6,468)	(214,364)
Loss for the year	年度虧損		-	-	(207,896)	(6,468)	(214,364)
Other comprehensive expense	其他全面支出						
Share of other comprehensive income of associates	所佔聯營公司其他 全面收入	21	-	793	-	-	793
Release upon disposal of subsidiaries	出售附屬公司權益 轉出儲備	21&37	-	(45,861)	-	-	(45,861)
Currency translation differences	貨幣匯兌差額						
- Group	- 集團	21	-	(10,365)	-	(253)	(10,618)
- Associates	- 聯營公司	21	-	(19,229)	-	-	(19,229)
Total other comprehensive expense	其他全面支出總額		-	(74,662)	-	(253)	(74,915)
Total comprehensive expense	全面支出總額		-	(74,662)	(207,896)	(6,721)	(289,279)
Repurchase of shares	購回股份	19&21	(4,780)	(6,481)	-	-	(11,261)
Transfer of share option reserve upon the forfeiture or expiry of share options	轉撥被沒收或失效 購股權後之 購股權儲備	21	-	(21,460)	21,460	-	-
Dividends	股息		-	-	-	(6,217)	(6,217)
Disposal of subsidiaries	出售附屬公司		-	-	-	(234,007)	(234,007)
Total transactions with owners	與權益持有人的 交易總額		(4,780)	(27,941)	21,460	(240,224)	(251,485)
Balance at 31 December 2016	二零一六年 十二月三十一日 結餘		501,656	972,159	(512,648)	(27,827)	933,340

Consolidated Statement of Cash Flows 綜合現金流量表

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

			2016	2015
		Note	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Cash flows from operating activities	營運活動的現金流量			
Cash (used in)/generated from operations	營運(所用)/產生的現金	33(a)	(48,501)	376,565
Interest paid	已付利息		(15,342)	(28,962)
Overseas tax paid	已付海外稅項		(3,899)	(10,404)
			<hr/>	<hr/>
Net cash (used in)/generated from operating activities	營運活動(所用)/產生的淨現金		(67,742)	337,199
			<hr/>	<hr/>
Cash flows from investing activities	投資活動的現金流量			
Acquisition of property, plant and equipment	購入物業、機器及設備		(424)	(188)
Purchases of available-for-sale financial assets	購入可供出售財務資產		–	(85,621)
Acquisition of an associate	購入聯營公司		(33,840)	(36,201)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款		3,614	–
Disposal of subsidiaries	出售附屬公司		37,908	–
Funds applied to financial assets at fair value through profit or loss, net	資金用於按公平值透過損益列帳的財務資產，淨額		–	920
Funds released from derivative financial instrument, net	資金來自衍生金融工具，淨額		(606)	–
Interest received	已收利息		1,096	969
Increase in due from associates	聯營公司欠款增加		(11,974)	(11,661)
Loan to joint ventures	給予合營公司貸款		(5,953)	–
Dividends received from an associate	已收聯營公司股息		–	1,312
Dividends received from financial assets at fair value through profit or loss	已收按公平值透過損益列帳的財務資產股息		12	18
			<hr/>	<hr/>
Net cash used in investing activities	投資活動所用的淨現金		(10,167)	(130,452)

Consolidated Statement of Cash Flows 綜合現金流量表

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

	Note	2016	2015
	附註	HK\$'000	HK\$'000
		港幣千元	港幣千元
Cash flows from financing activities	融資活動的現金流量		
Share repurchase expenses	購回股份支出	(11,261)	(10,679)
Issue of shares	發行股份	–	77,350
Share options exercised	行使購股權	–	15,450
Share issue expenses	股份發行支出	–	(414)
Decrease in trust receipts bank loans	信託提貨銀行貸款減少	(11,704)	(66,307)
Additions of other bank loans	新增其他銀行貸款	4,816	217,496
Repayment of other bank loans	償還其他銀行貸款	(163,669)	(237,006)
(Repayment)/Additions of other loans	(償還)/新增其他貸款	(537)	537
Interest element of finance lease rental payments	付融資租賃利息部份	(118)	(11)
Capital element of finance lease rental payments	付融資租賃資本部份	(815)	(446)
(Increase)/Decrease in pledged bank balances	已抵押銀行結餘 (增加)/減少	(12,485)	1,627
Dividends paid	已付股息	(6,217)	(3,836)
Net cash used in financing activities	融資活動所用的淨現金	(201,990)	(6,239)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(279,899)	200,508
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	340,748	142,440
Effect of exchange rate changes	匯率變動之影響	(283)	(2,200)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	60,566	340,748

33(b)

Notes to the Consolidated Financial Statements 綜合財務報表附註

1 GENERAL INFORMATION

Burwill Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in steel trading, steel processing and mineral resources.

The Company was incorporated in Bermuda as an exempted company with limited liability. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1983.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) except that the Group is unable to fulfill the requirement of HKFRS 12 “Disclosure of Interests in Other Entities” for its investment in an associate, China Land Assets Limited. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

1 一般資料

寶威控股有限公司(「本公司」)為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易、鋼鐵加工及礦產資源。

本公司於百慕達註冊成立為獲豁免有限公司。本公司股份自一九八三年起於香港聯合交易所有限公司(「聯交所」)上市。

除另有說明外，綜合財務報表以港幣千元列報。綜合財務報表已經由董事局在二零一七年三月三十一日批准刊發。

2 重要會計政策摘要

編製本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。

2.1 編製基準

本綜合財務報表乃按照香港會計師公會所頒佈香港財務報告準則(「香港財務報告準則」)編製。唯本集團未能就其於China Land Assets Limited之聯營公司投資遵守香港財務報告準則12「其他實體之權益披露」之規定。此外，本綜合財務報表亦包括聯交所證券上市規則及香港公司條例規定之適用披露資料。綜合財務報表已按照歷史成本法編製，並就按公平值透過損益列帳的財務資產和財務負債(包括衍生工具)而作出修訂。

根據香港財務報告準則編撰之財務報表須應用若干重大會計評估。管理層亦須於應用本集團會計政策時作出判斷。需涉及較大程度判斷、較為複雜事項或對綜合財務報表所作重大之假設及評估於附註4披露。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

- (a) New and amended standards adopted by the Group

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:

- HKFRS 14 “Regulatory Deferral Accounts”
- Amendment to HKFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”
- Amendments to HKAS 16 and HKAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”
- Amendments to HKAS 16 and HKAS 41 “Agriculture: Bearer Plants”
- Amendment to HKAS 27 “Equity Method in Separate Financial Statements”
- Annual improvements to HKFRSs 2012–2014 cycle

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露

- (a) 本集團採納之新訂及修訂準則

本集團於二零一六年一月一日開始之財政年度首次採納以下的準則:

- 香港財務報告準則第14號「監管遞延賬戶」
- 香港財務報告準則第11號(修訂本)「收購合營業務權益之會計處理」
- 香港會計準則第16號及香港會計準則第38號(修訂本)「折舊及攤銷可接受方法之澄清」
- 香港會計準則第16號及香港會計準則第41號(修訂本)「農業：生產性植物」
- 香港會計準則第27號(修訂本)「獨立財務報表之權益法」
- 香港財務報告準則二零一二年至二零一四年週期之年度改進

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (a) New and amended standards adopted by the Group (continued)
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 “Investment Entities: Applying the Consolidation Exception”
 - Amendments to HKAS 1 “Disclosure Initiative”

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

- (b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (a) 本集團採納之新訂及修訂準則(續)
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)「投資實體：應用合併之例外情況」
 - 香港會計準則第1號(修訂本)「披露倡議」

採納該等新準則及準則的修訂本對本期間或任何過往期間並無重大影響且不大可能對未來期間造成影響。

- (b) 並未採納之新訂準則及詮釋

編製此等綜合財務報表時，並未應用多項於二零一六年一月一日之後開始年度期間生效的新訂準則以及準則及詮釋的修訂。除下列者外，預期此等新訂準則以及準則及詮釋的修訂不會對本集團綜合財務報表構成重大影響：

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 9, "Financial Instruments"

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」

此項新準則闡述金融資產及金融負債的分類、計量及終止確認，並引入對沖會計新規則及金融資產的新減值模型。

本集團預計新指引不會對其金融資產的分類及計量產生重大影響。

終止確認的規則已由香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 9, "Financial Instruments" (continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第9號「金融工具」(續)

新減值模型要求以預期信用虧損(「預期信用虧損」)，而非香港會計準則第39號下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公平值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約收益」下的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。儘管本集團尚未就新模型可能對其減值撥備造成的影響進行詳細評估，惟其可能導致提前確認信用虧損。

新準則亦引入延伸的披露要求及呈列方式變動。該等變動預期將更改本集團有關其金融工具披露的性質及程度，尤其是於採納新準則的年度。

香港財務報告準則第9號須於二零一八年一月一日或之後開始的財政年度採用。根據已落實香港財務報告準則第9號的過渡性條文，僅可就二零一五年二月一日之前開始的年度報告期間分階段提早採納。於該日後，新規定必須予以完整採納。本集團並不擬於其強制日期前採納香港財務報告準則第9號。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 15, "Revenue from Contracts with Customers"

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue;
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15; and

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第15號「客戶合約收益」

香港會計師公會已為確認收益頒佈一項新準則。該準則將取代香港會計準則第18號所涵蓋有關貨品及服務合約及香港會計準則第11號所涵蓋有關建造合約的規定。新準則乃基於貨品或服務的控制權轉移予客戶時確認收益的原則。該準則允許採納完整追溯調整法或經修訂追溯調整法。

管理層目前正評估採納新準則對本集團財務報表的影響並已識別下列可能受影響的範疇：

- 服務收益 – 應用香港財務報告準則第15號或會導致須識別獨立履約責任，其可能影響確認收益的時間；
- 履行合約產生的若干成本的會計處理 – 若干目前支銷的成本可能需根據香港財務報告準則第15號確認為資產；及

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 15, "Revenue from Contracts with Customers" (continued)

- rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第15號「客戶合約收益」(續)

- 退回權利－香港財務報告準則第15號規定於資產負債表上獨立呈列自客戶收回貨品的權利及退款責任。

於此階段，本集團無法估計新規定對本集團財務報表的影響。本集團將對未來十二個月所帶來的影響進行更詳細評估。

香港財務報告準則第15號須於二零一八年一月一日或之後開始的財政年度強制採用。於此階段，本集團並不擬於其生效日前採納該準則。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 16, "Leases"

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

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$15,414,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」

在經營租賃及融資租賃之間的差異遭取消的情況下，香港財務報告準則第16號將導致近乎所有租賃均在資產負債表中確認。根據新準則，以資產(租賃項目的使用權)及金融負債繳納租金均獲確認，惟期限較短及價值較低租賃不在此列。

出租人的會計處理將不會有重大變化。

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團的不可撤銷經營租賃承擔約為港幣15,414,000元。然而，本集團尚無法確定此等承擔中將導致確認資產及未來付款負債的金額，以及其將如何影響本集團的溢利及現金流量分類。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) New standards and interpretations not yet adopted (continued)

HKFRS 16, "Leases" (continued)

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策之變更及披露(續)

- (b) 並未採納之新訂準則及詮釋(續)

香港財務報告準則第16號「租賃」(續)

部分承擔可能因期限較短及價值較低租賃而無需確認相關資產或負債，而部分承擔可能與不符合香港財務報告準則第16號下租賃要求的安排有關。

新準則須於二零一九年一月一日或之後開始的財政年度強制採用。於此階段，本集團並不擬於其生效日前採納該準則。

並無尚未生效的其他香港財務報告準則或香港(國際財務報告準則詮釋委員會)詮釋預期會對本集團產生重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) Business combinations

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

2 重要會計政策摘要(續)

2.2 附屬公司

2.2.1 綜合帳目

附屬公司指本集團對其擁有控制權的實體(包括結構性實體)。當本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，則本集團對該實體具有控制權。附屬公司業績由控制權轉讓予本集團當日起全面綜合入帳，並於控制權終止當日起停止合併。

(a) 業務合併

本集團應用收購法計算業務合併。就收購附屬公司轉讓之代價為所轉讓資產、對被收購方前擁有人所產生負債及本集團所發行股本權益之公平值。所轉讓代價包括或然代價安排產生之任何資產或負債之公平值。於業務合併時所收購之可識別資產以及所承擔之負債及或然負債，初步按收購日期之公平值計量。

本集團按個別收購基準，確認在被購買方的任何非控股權益。被購買方的非控股權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公平值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Acquisition-related costs are expensed as incurred.

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 HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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 consolidated income statement.

2 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 綜合帳目(續)

(a) 業務合併(續)

收購相關成本於產生時支銷。

倘業務合併分階段進行，收購方先前持有被收購方之股本權益將按收購當日之公平值重新計量，任何因重新計量而產生的收益或虧損將於損益中確認。

本集團所轉讓之任何或然代價將於收購當日按公平值確認。被視為一項資產或負債之或然代價之公平值後續變動，將按照香港會計準則第39號確認為損益。分類為權益之或然代價毋須重新計量，而其後結算於權益入帳。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的權益於收購日期的公平值高於所收購可識別資產淨值的公平值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公平值，其差額將直接在綜合損益表中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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

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

2 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 綜合帳目(續)

(a) 業務合併(續)

集團內公司之間的交易、結餘及集團內公司間交易的未變現收益乃予以抵銷。除非交易有證據證明轉讓資產出現減值，否則未變現虧損亦會抵銷。如有需要，附屬公司所報金額會作出調整，以確保與本集團之會計政策相符。

(b) 不會導致控制權變動的附屬公司擁有權益改變

不會導致失去控制權之非控股權益交易入帳列作權益交易「即以彼等為擁有人之身分與擁有人進行之交易」。任何所支付代價之公平值與所收購附屬公司相關部分資產淨額之帳面值兩者間之差額，乃於權益中入帳。向非控股權益進行出售產生之收益或虧損亦於權益中入帳。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(c) 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. It means that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.2.2 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.

2 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 綜合帳目(續)

(c) 出售附屬公司

倘本集團不再擁有控制權，其於該實體之任何保留權益將按失去控制權當日之公平值重新計量，而帳面值之變動則於損益中確認。就其後入帳列作聯營公司、合營企業或財務資產之保留權益而言，公平值指初始帳面值。此外，先前於其他全面收入內確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入帳。這可能意味着先前在其他全面收入內確認之金額將重新分類至損益或轉至香港財務準則特別規定的權益類別。

2.2.2 獨立財務報表

於附屬公司之投資按成本減去減值入帳。成本亦包括投資直接應佔成本。附屬公司的業績由本公司按已收及應收股息入賬。

於附屬公司之投資取得股息後，倘股息超過附屬公司於宣佈派股息期間之全面收入總額或倘於獨立財務報表之投資之帳面值超過被投資者資產淨額(包括商譽)於綜合財務報表之帳面值，則須對附屬公司之投資作出減值測試。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Associates

An associate is an entity 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 include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, 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 losses of associates" in the consolidated income statement.

2 重要會計政策摘要(續)

2.3 聯營公司

聯營公司指集團對其有重大影響力但不持有控制權之一切實體，並通常持有20%至50%投票權的股權。聯營公司之投資乃按會計權益法計入帳。根據權益法，於聯營公司之投資初步按成本確認，並增減賬面值以確認於收購日期後投資者應佔投資對象之溢利或虧損。本集團於聯營公司之投資包括收購時已識別的商譽。在購買聯營公司的投資時，購買成本與本集團享有的對聯營公司可辨認資產和負債的公允價淨額的差額確認為商譽。

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認的數額重新分類至損益(如適用)。

集團所佔聯營公司收購後的盈利或虧損於綜合損益表中確認，而所佔收購後的其他全面收入變動於其他全面收入中確認，並相對地調整投資之帳面值。當集團所佔聯營公司虧損等於或大於其於聯營公司的投資(包括任何其他無抵押之應收款項)時，集團不再確認進一步的虧損，除卻本集團須向該聯營公司承擔法定或推定責任或代其支付款項。

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已經減值。倘出現此情況，本集團會按聯營公司可收回金額與其賬面值之差異計算減值金額，並於綜合損益表「所佔聯營公司虧損」確認有關金額。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated 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 or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of 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.

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, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2 重要會計政策摘要(續)

2.3 聯營公司(續)

集團與其聯營公司間上游及下游交易之收益於集團的綜合財務報表確認，但僅限於非關連投資者持有聯營公司權益的部份。未實現虧損亦作對銷，除非交易提供所轉讓資產出現減值之證據。聯營公司之會計政策已按需要作出改變，以確保與集團所採納之政策一致。

聯營公司的股本權益的攤薄收益或虧損於綜合損益表確認。

2.4 共同安排

本集團應用香港財務報告準則第11號共同安排。根據香港財務報告準則第11號，合營安排之投資分類為共同經營或合營企業，視乎每位投資者之合同權益及義務而定。本集團已評估其合營安排之性質並釐定為合營企業。合營企業按權益法入賬。

根據權益會計法，合營企業權益起初以成本確認，其後經調整以確認本集團應佔收購後溢利或虧損以及其他全面收益變動。本集團於一間合營企業之投資包括於收購事項確認之商譽。於收購合營企業之擁有權權益時，收購合營企業之成本與本集團應佔合營企業之可識別資產及負債之公平值淨額之差額確認為商譽。當本集團應佔一間合營企業之虧損相等或超過其於該合營企業之權益(包括任何實質上構成本集團在該合營企業投資淨額中之長期權益)時，本集團並不確認進一步虧損，除非本集團已產生義務或已代合營企業付款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Joint arrangements (continued)

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

2.5 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.

2.6 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 Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

2 重要會計政策摘要(續)

2.4 共同安排(續)

本集團與其合營公司之間未變現交易收益按本集團在合營公司的權益予以對銷。除非交易提供所轉讓資產減值的憑證，否則未變現虧損亦予以對銷。合營公司的會計政策已按需要作出改變，以確保與本集團採用的會計政策符合一致。

2.5 分部報告

經營分部按照向首席營運決策者提供的內部報告貫徹一致的方式報告。首席營運決策者已獲確定為負責作出策略性決定之董事局，負責經營分部之資源分配及表現評估。

2.6 外幣匯兌

(a) 功能及呈報貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量(「功能貨幣」)。綜合財務報表以港幣呈報，港幣為本公司的功能及本集團的呈報貨幣。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(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 consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains or losses are presented in the consolidated income statement within "general and administrative expenses".

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 amortised cost are recognised in profit or loss, and other changes in 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 in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

2 重要會計政策摘要(續)

2.6 外幣匯兌(續)

(b) 交易及結餘

外幣交易採用交易日的匯率，或當交易重新計量，則以評估日當天匯率，換算為功能貨幣。除了符合在其他全面收入中遞延入帳的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合損益表確認。

所有外匯收益和虧損已於綜合財務狀況報表的「一般及行政開支」中呈列。

分類為可供出售之外幣列值債務證券之公平值變動分析為證券攤銷成本變動產生之匯兌差額及證券帳面值之其他變動。有關攤銷成本變動之匯兌差額於損益確認，而帳面值其他變動則於其他全面收入中確認。

非貨幣性財務資產及負債(例如按公平值透過損益列帳的權益)的匯兌差額在損益中確認為公平值收益或虧損的一部份。非貨幣性財務資產(例如分類為可供出售的權益)的匯兌差額包括在其他全面收入內。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 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 hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

2 重要會計政策摘要(續)

2.6 外幣匯兌(續)

(c) 集團公司

功能貨幣與呈報貨幣不同的所有集團實體(當中沒有嚴重通脹經濟體系貨幣)的業績和財務狀況按如下方法換算為呈報貨幣:

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算;
- (ii) 每份損益表內的收入和費用按平均匯率換算(除非此平均匯率非為計及各交易日期匯率累計影響的合理約數;在此情況下,收支按各交易日期的匯率換算);及
- (iii) 所有由此產生的貨幣匯兌差額於其他全面收入中確認。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。所產生的貨幣匯兌差額於其他全面收入確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 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 translation 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 currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 重要會計政策摘要(續)

2.6 外幣匯兌(續)

(d) 出售及部分出售海外業務

在出售海外業務時(即出售本集團於海外業務的全部權益,或涉及失去一間包含海外業務的附屬公司的控制權,涉及失去一間包含海外業務的合營投資,或涉及失去一間包含海外業務的聯營公司的重大影響),本公司權益持有人應佔該業務在權益中累計貨幣匯兌差額重新分類至損益。

部分出售而不會導致本集團失去一間包含海外業務的附屬公司的控制權的情況下,累計貨幣匯兌差額按比例重新分配到非控股權益,而不會於損益中確認。對於其他部分出售(即減少本集團在聯營公司或合營投資的權益持有,但不導致本集團失去重大影響或共同控制),累計匯兌差額按比例重新分類至損益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 2 重要會計政策摘要(續)

2.7 Property, plant and equipment

Land and buildings comprise offices. Leasehold land classified as finance lease and all other property, plant and equipment is stated at historical cost less depreciation and impairment losses. 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 consolidated income statement during the financial period in which they are incurred.

2.7 物業、機器及設備

土地及樓宇包括辦公室。分類為融資租賃的租賃土地及所有其他物業、機器及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔的開支。成本可包括從權益中轉撥的有關該物業、機器及設備利用外幣購買的合資格現金流量對沖產生的任何收益／損失。

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，才包括在資產的帳面值或確認為獨立資產(按適用)。已更換零件的帳面值從帳上剔除。所有其他維修及保養在產生的財政期間內於綜合損益表支銷。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

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

– Leasehold land classified as finance lease	Shorter of remaining lease term or useful life
– Buildings	25 to 50 years
– Leasehold improvements	4 to 5 years (over the period of leases)
– Machinery	8 to 10 years
– Furniture and equipment	4 to 10 years
– Motor vehicles	4 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of 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 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income and net gains/(losses)" in the consolidated income statement.

2 重要會計政策摘要(續)

2.7 物業、機器及設備(續)

分類為融資租賃之租賃土地自土地權益可供其擬定用途時開始攤銷。分類為融資租賃的租賃土地的攤銷及其他資產的折舊採用以下的估計可使用年期將成本按直線法分攤至剩餘價值計算：

– 分類為融資租賃的土地	剩餘租賃期限或可使用年期較短者
– 樓宇	25至50年
– 租賃樓宇裝修	4至5年 (按租約年期)
– 機器	8至10年
– 傢具及設備	4至10年
– 車輛	4至10年

資產的剩餘價值及可使用年期在每個報告日期未進行檢討，及在適當時調整。

若資產的帳面值高於估計可收回金額，則其帳面值即時撇減至其可收回金額(附註2.9)。

出售盈虧乃按所得款與帳面值比較，並於綜合損益表「其他收入及收益/(虧損)淨額」中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangible assets

(a) Mining right

Mining right acquired separately is measured on initial recognition at cost. Mining right acquired in a business combination is recognised at fair value at the date of acquisition. Mining right has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of mining right over its estimated useful life of 30 years.

(b) Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing ore bodies and to expand the capacity of a mine. Expenditure incurred prior to acquiring legal rights to explore an area is written off as incurred. When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to mining right and are amortised based on the accounting policy as stated in "Mining right" above. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

(c) Domain names and trademarks

Acquisition costs of domain names and legal costs related to the registration of trademarks are capitalised and amortised on a straight-line basis over their estimated useful lives of ten years.

2 重要會計政策摘要(續)

2.8 無形資產

(a) 採礦權

獨立收購的採礦權在首次確認時以成本計量。於業務合併中收購之採礦權按收購日之公平值列帳。有使用限期的採礦權按成本減累計攤銷及累計減值虧損列帳。採礦權的攤銷採用直線法按其估計可使用年期30年將成本分攤計算。

(b) 勘探及評估資產

勘探及評估資產按成本扣除減值虧損列帳。勘探及評估資產包括地質及地理勘測、勘探鑽出、抽樣及挖掘及與商業及技術上可行性研究有關的活動的成本，及用於進一步取得礦藏之礦產及擴充礦場之產能之開支。於取得勘探某一地區之合法權利前產生的開支在產生時撇銷。如能合理確定採礦資產可投入商業生產，勘探及評估成本乃轉撥至採礦權並按上文「採礦權」所述的會計政策作出攤銷。倘任何項目於評估階段終止，其所屬之總開支將會撇銷。

(c) 域名及商標

包括購買域名之成本及有關商標登記之律師費，以成本列帳並按直線法於估計可使用年期十年期內攤銷。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangible assets (continued)

(d) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of ten years.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), (or disposal group), are stated at the lower of carrying amount and fair value less costs of disposal. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

2 重要會計政策摘要(續)

2.8 無形資產(續)

(d) 電腦軟件

購買電腦軟件版權乃根據購買和達至使用之成本會撥充資本，此成本列帳於估計可使用年期十年期內攤銷。

2.9 非財務資產之減值

可無限期使用之無形資產或還未可以使用的無形資產不予攤銷，並每年進行減值檢測。需予以攤銷的資產於發生可能無法收回帳面值之事件或狀況變動時，須進行減值檢討。減值虧損乃就資產帳面值超出其可收回金額之差額確認。可收回金額為資產公平值減出售成本與使用價值之較高者。就評估減值，資產乃按可個別識別現金流量之最低層分類(現金產生單位)。商譽以外已減值之非財務資產於每個報告日期檢討撥回減值之可能性。

2.10 待售的非流動資產(或出售集團)及已終止經營業務

如非流動資產(或出售集團)的賬面值乃透過一項出售交易收回而該交易被認為極有可能，分類為待售資產。非流動資產(下文所述的若干資產除外)，(或出售集團)，並以賬面值與公平值減銷售成本兩者的較低者列賬。即使遞延稅項資產、員工福利所產生的資產、財務資產(附屬公司及聯營公司的投資除外)及投資物業為待出售，將繼續按其附註2的政策來衡量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Non-current assets (or disposal groups) held-for-sale and discontinued operations (continued)

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal group constituting the discontinued operation.

2.11 Financial assets

2.11.1 Classification

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

2 重要會計政策摘要(續)

2.10 待售的非流動資產(或出售集團)及已終止經營業務(續)

已終止經營業務是本集團業務的一部分，其業務和現金流量可與本集團其餘部分清楚區分，其乃指獨立主要業務或經營地區，或處置獨立主要業務或經營地區的單一協調計劃的一部分或純粹為轉售而收購的附屬公司。

當業務被分類為已終止經營時，則於損益呈列單一金額，其包括已終止經營業務的除稅後損益及計量構成已終止經營業務的資產或出售組別的公平值減銷售成本或出售該等資產或組別時確認的除稅後盈虧。

2.11 財務資產

2.11.1 分類

本集團將其財務資產分類如下：按公平值透過損益列帳、貸款及應收款及可供出售財務資產。分類方式視乎購入財務資產目的而定。管理層在初步確認時釐定其財務資產的分類。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

2.11.1 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 also 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 receivables comprise "bills and accounts receivable", "deposits and other receivables", "due from associates", "due from joint ventures" and "cash and bank balances" in the consolidated balance sheet.

- (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 it within 12 months of the end of the reporting period.

2 重要會計政策摘要(續)

2.11 財務資產(續)

2.11.1 分類(續)

- (a) 按公平值透過損益列帳的財務資產

按公平值透過損益列帳的財務資產為持作買賣的財務資產。財務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。此類別的資產如十二個月內結清，將分類為流動資產，否則將分類為非流動資產。

- (b) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內，但若於或預期於報告日期未起計超過十二個月結清，則分類為非流動資產。本集團之貸款及應收款包括於綜合資產負債表中列示為「應收票據及應收帳項」、「按金及其他應收款」、「聯營公司欠款」、「合營公司欠款」及「現金及銀行結餘」。

- (c) 可供出售財務資產

可供出售財務資產為非衍生工具，被指定為此類別或未被分類為任何其他類別。除非此資產在報告日期末後十二個月內到期或管理層有意在報告日期末後十二個月內出售該項投資，否則此等資產列在非流動資產內。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

2.11.2 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 consolidated income statement. 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.

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 consolidated income statement within “other income and net gains/(losses)” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of “other income and net gains/(losses)” when the Group’s right to receive payments is established.

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

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement.

2 重要會計政策摘要(續)

2.11 財務資產(續)

2.11.2 確認及計算

財務資產的購入及出售在交易日確認(交易日指本集團承諾購入或出售該資產之日)。對於所有並非按公平值透過損益列帳的投資，初步按公平值加交易成本確認。按公平值透過損益列帳的財務資產，初步按公平值確認並將交易成本支銷在綜合損益表。當從投資收取現金流量的權利經已屆滿或經已轉讓，而本集團亦已將擁有權的所有風險和回報實際轉讓時，財務資產即終止確認。可供出售財務資產及按公平值透過損益列帳的財務資產其後按公平值列帳。貸款及應收款其後利用實際利息法按攤銷成本列帳。

「按公平值透過損益列帳的財務資產」在公平值變動產生的期間的損益於綜合損益表「其他收入及收益/(虧損)淨額」中呈報。當集團就收款的權利確立時，按公平值透過損益列帳的財務資產的股息在綜合損益表確認為「其他收入及收益/(虧損)淨額」一部分。

分類為可供出售之貨幣性及非貨幣證券之公平值變動於其他全面收入中確認。

當分類為可供出售的證券被售出或減值時，在權益確認的累計公平值調整，將列入綜合損益表。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

2.11.2 Recognition and measurement (continued)

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of “other income and net gains/(losses)”. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of “other income and net gains/(losses)” when the Group’s right to receive payments is established.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.

2.13 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.

2 重要會計政策摘要(續)

2.11 財務資產(續)

2.11.2 確認及計算(續)

可供出售證券按實際利息法計算的利息在綜合損益表確認為「其他收入及收益／(虧損)淨額」一部分。當集團就收款的權利確立時，可供出售股權工具的股息在綜合損益表確認為「其他收入及收益／(虧損)淨額」一部分。

2.12 抵銷金融工具

倘有可執行法律權利抵銷某些已確認金額及有意以淨額基準結算或變現資產以同時清償負債時，財務資產及負債將互相抵銷，有關之淨款項於綜合資產負債表內呈報。法定可強制執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須可強制執行。

2.13 財務資產減值

(a) 以攤餘成本列帳之資產

本集團會於各報告期末衡量是否有客觀證據證明財務資產或一組財務資產出現減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值出現(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組財務資產之估計未來現金流量構成可合理估計的影響，有關的財務資產才算出現減值及產生減值虧損。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

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.

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 income statement. 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 income statement.

2 重要會計政策摘要(續)

2.13 財務資產減值(續)

(a) 以攤餘成本列帳之資產(續)

減值跡象可包括借款人或一組借款人正面臨重大經濟困難、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，例如欠款數目變動或出現與違約相關的經濟狀況。

就貸款及應收款種類而言，損失金額乃根據資產賬面值與按財務資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失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，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在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轉回。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 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 reclassified 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 income statement.

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 reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2 重要會計政策摘要(續)

2.13 財務資產減值(續)

(b) 分類為可供出售之資產

本集團在每個報告日期末評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。

就債務證券而言，倘存任何有關證據，累計虧損(按收購成本與現時公平值的差額，減該財務資產先前在損益內確認的任何減值虧損計量)自權益重新分類，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平值增加，而有關增加可於客觀上與在損益確認減值虧損後發生之事件有關，則於綜合收益表中撥回減值虧損。

就股本投資而言，證券公平值之大幅或持續跌至低於其成本亦為資產出現減值之憑證。倘出現任何該等憑證，其累計虧損(按收購成本與當前公平值兩者之差額扣除該財務資產先前於溢利或虧損內確認之任何減值虧損計量)乃自權益重新分類，並於損益確認。於綜合損益確認的權益工具減值虧損不會透過綜合損益撥回。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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.

Derivatives that do not qualify for hedge accounting are accounted for at fair value through profit or loss. Changes in the fair value of these derivatives instruments that do not qualify for hedge accounting are recognised immediately in the profit or loss.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises 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.

2.16 Accounts and other receivables

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of accounts 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.

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

2 重要會計政策摘要(續)

2.14 衍生金融工具

衍生工具最初於訂立衍生工具合約當日按公平值確認，其後按公平值重新計量。

不符合對沖會計法的衍生工具乃按公平值列帳及於損益表處理入賬。任何不符合對沖會計法的衍生工具的公平值變動會即時在損益表中確認。

2.15 存貨

存貨按成本及可變現淨值兩者的較低者列帳。成本利用先進先出法釐定。製成品及在製品的成本包括原材料、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)。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。

2.16 應收帳項及其他應收款

應收帳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之款項。倘應收帳項及其他應收帳款計將在一年或一年以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產。否則，在非流動資產中列報。

應收帳項及其他應收帳款最初按公平值確認，其後則以實際利率法按攤銷成本減減值撥備計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.18 Share capital

Ordinary shares are classified as equity.

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

2.19 Accounts payable

Accounts payable 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.

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

2 重要會計政策摘要(續)

2.17 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括現金、銀行之通知存款、原到期日為三個月或以下的其他短期高流動性投資，以及銀行透支。在綜合資產負債表內，銀行透支列入為流動負債中的貸款。

2.18 股本

普通股被列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.19 應付帳項

應付帳項是於日常業務過程中從供應商處購買商品或接受服務形成的支付責任。倘應付帳項將在一年或一年內支付(若更長則在業務正常經營週期內)，則歸類為流動負債。否則，在非流動負債中列報。

應付帳項初步按公平值確認，其後以實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2.21 Borrowing costs

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

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

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

2 重要會計政策摘要(續)

2.20 貸款

借貸扣除所產生之交易成本後初步按公平值確認，其後按攤銷成本列帳；所得款項(扣除交易成本)與贖回價值的任何差額利用實際利息法於貸款期間內在綜合損益表確認。

為建立貸款額度所支付的費用，當部分或所有額度很可能將被使用時確認為交易成本。於此情況下，該費用在使用貸款額度前將予以遞延。倘無證據表明部分或所有額度將被使用，則該費用將作為流動性服務的預付款項資本化，並在額度相關的期限內攤銷。

除非本集團有權無條件將債務結算日期遞延至報告日期末後至少十二個月，否則借貸將被分類為流動負債。

2.21 借貸成本

可直接歸屬於收購、購建或生產需較長時間方能達致預定用途或出售狀態之合資格資產的一般及特定借貸成本，計入該等資產之成本，直至該等資產可基本上達致預定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入，須自可被資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, 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.

(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.

2 重要會計政策摘要(續)

2.22 本年及遞延所得稅項

期內稅項費用包括本年和遞延所得稅。除了直接與其他全面收入或權益相關的項目的稅項分別在其他全面收入或直接在權益表中確認，其餘的均在綜合損益表中確認。

(a) 本年所得稅

本年所得稅開支乃按本公司的附屬公司及聯營公司經營及產生應課稅收入之國家於結算日已實行或大致已實行之稅務法律計算。管理層就需作詮釋適用稅項法規下所作稅務申報定期評估，並按預期將支付稅務機關的款項基準計提適當撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅項利用負債法就資產和負債的稅基與資產和負債在綜合財務報表的帳面值之差產生的暫時差異確認。然而，若遞延稅項負債乃來自初步確認商譽，則不會被確認。若遞延所得稅項來自在交易(不包括企業合併)中對資產或負債的初步確認，而又卻在交易時不影響會計損益或應課稅盈虧，則不作確認。遞延所得稅項採用在結算日前已頒布或實質頒布，並在有關之遞延所得稅項資產實現或遞延所得稅項負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅項資產是就可能未來應課稅盈利而就此可使用暫時差異而確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangement 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 arrangement 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.

2 重要會計政策摘要(續)

2.22 本年及遞延所得稅項(續)

(b) 遞延所得稅(續)

外部基準差異

遞延所得稅項就附屬公司、聯營公司及合營公司投資產生之暫時差異而撥備，但假若本集團可以控制遞延所得稅項負債暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。一般而言，本集團無法控制聯營公司暫時差額的撥回。僅於訂立協議授權本集團有能力，於可見未來控制暫時性差異(遞延稅項負債有關聯營公司之未分配溢利產生應課稅暫時性差異)時不予確認轉回。

就附屬公司、聯營公司及合營公司投資產生的可抵扣暫時差異所確認的遞延所得稅資產，只限於該暫時差異在未來可以撥回及有足夠的應課稅盈利可以利用。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Current and deferred income tax (continued)

(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.

2.23 Employee benefits

The Group operates a number of defined contribution plans, the assets of which are generally held in separate trustee – administered funds.

(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.

The Group pays contributions 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 future payments is available.

2 重要會計政策摘要(續)

2.22 本年及遞延所得稅項(續)

(c) 抵銷

倘有合法強制執行權利可抵銷當期稅項資產與當期稅項負債，以及當遞延所得稅資產與負債與同一課稅當局就有意按淨額基準結付結餘的一間應課稅實體或不同應課稅實體徵收之所得稅有關，則遞延所得稅資產與負債會予以抵銷。

2.23 僱員福利

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

(a) 退休金責任

界定供款計劃是一項本集團向一個單獨主體支付供款的退休計劃。若該基金並無持有足夠資產向所有職工就其在當期及以往期間的服務支付福利，本集團亦無法定或推定債務支付進一步供款。

本集團以強制性、合約性或自願性方式向公開或私人管理的退休保險計劃供款。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開支。預付供款按照現金退款或可減少未來付款而確認為資產。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 2 重要會計政策摘要(續)

2.23 Employee benefits (continued)

(b) Bonus plans

Provisions for bonus plans due wholly within 12 months after the end of each reporting period are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

2.23 僱員福利(續)

(b) 獎金計劃

當本集團為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將在結算日後十二個月內應付之獎金計劃作撥備入帳。

(c) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Share-based payments

(a) *Equity-settled share-based payment transactions*

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

2 重要會計政策摘要(續)

2.24 以股份支付之報酬

(a) 以股本支付的股份報酬交易

本集團設有以股本支付的股份補償計劃，以本集團的股本工具(購股權)作為獲得僱員服務之代價。僱員為獲取授予購股權而提供的服務的公平值確認為費用。列作開支的總金額乃參照已授出購股權的公平值釐定：

- 包括任何市場表現情況(例如公司股價)；
- 不包括任何有關服務及非市場表現的歸屬條件(例如盈利能力、銷售增長目標及於一段特定期間內保留一名公司僱員)的影響；及
- 包括任何非歸屬條件(例如規定僱員儲蓄或在特定時期持有股份)的影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Share-based payments (continued)

(a) Equity-settled share-based payment transactions (continued)

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2 重要會計政策摘要(續)

2.24 以股份支付之報酬(續)

(a) 以股本支付的股份報酬交易(續)

在每個結算日，本集團根據非市場表現及服務條件修訂其對預期歸屬購股權數目的估計。本集團在綜合損益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

此外，在某些情況下，員工可能於授出日期前提供服務，為了確認服務生效日期至授出日期的費用，估計授出日期的公平值。

當購股權獲行使時，本公司會發行新股份。在購股權獲行使時，已收取所得款項(扣除任何直接應佔交易成本)會列入股本(及股份溢價)。

(b) 集團公司間的股份報酬交易

本公司授予集團附屬公司僱員認購其股本工具的購股權被視為注資。所接受僱員服務的公平值乃參照授出日期的公平值計量，於歸屬期間作為於附屬公司的投資進行確認，並相應地計入母公司帳目內的權益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. 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.

2.26 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.

2 重要會計政策摘要(續)

2.25 撥備

當本集團因已發生之事件須承擔現有法律或推定責任，而解除責任時有可能消耗資源，並且在責任金額能夠可靠地作出估算的情況下，需確認撥備。概不會就日後經營虧損確認撥備。

如有多項類似責任，其需要在償付中流出資源的可能性，是根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備按預期需要的開支以償付責任的貼現值衡量，並採用稅前比率反映當時市場對金錢的時間值及該責任的相關風險。因時間的流逝而增加的撥備以利息支出確認。

2.26 收益確認

收益按已收或應收代價的公平值計量，並以所提供的貨品的應收金額，扣除折扣、退貨及增值稅呈示。當收益數額能可靠地計量，而未來經濟利益很可能流入實體，且符合以下本集團各業務特定標準時，本集團會確認收益。本集團根據其往績，並考慮客戶類別、交易種類及各項安排之特點作出估計。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

- (a) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (b) Rental income – rental income is recognised on a straight-line basis over the term of the lease.
- (c) Service income – service income is recognised in the accounting periods in which the services are rendered.

2.27 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.28 Dividend income

Dividend income is recognised when the right to receive payment is established.

2 重要會計政策摘要(續)

2.26 收益確認(續)

- (a) 銷貨－銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (b) 租金收入－租金收入按租約年期以直線法確認。
- (c) 服務收入－服務收入在服務提供的會計期內確認。

2.27 利息收入

利息收入採用實際利息法確認。倘貸款及應收款出現減值，本集團會將帳面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款及應收款之利息收入按原實際利率確認。

2.28 股息收入

股息收入於收取款項之權利確立時確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 重要會計政策摘要(續)

2.29 租賃

擁有權的重大部份風險和回報由出租人保留的租賃分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法在綜合損益表支銷。

本集團持有租賃物業、機器及設備。如本集團持有租賃物業、機器及設備擁有權的近乎所有風險及回報，分類為融資租賃。融資租賃在租賃開始時按租賃資產之公平值及最低租賃付款現值兩者之較低者入帳。

每筆租金均分攤為負債及財務開支。相應租賃責任在扣除財務開支後計入其他長期應付款內。財務費用的利息部份於租約期內在綜合損益表支銷，使財務費用與每個期間的負債餘額之比為常數定期利率。根據融資租賃取得的物業、機器及設備按資產之可用年期或租期兩者的較低者折舊。

2.30 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(如適用)批准的期間內於本集團的財務報表內列為負債。

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) 2 重要會計政策摘要(續)

2.31 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

2.31 關連方

在下列情況下，一方將被視為與本集團有關：

- (a) 有關人士或與其關係密切之家庭成員，而該人士：
 - (i) 能控制或共同控制本集團；
 - (ii) 能對本集團施加重大影響；或
 - (iii) 為本集團或本集團之母公司之主要管理人員；

或

- (b) 有關聯人士為適用以下任何一項條件之實體：
 - (i) 該實體與本集團均為同一集團內之成員；
 - (ii) 其中一個實體是另一實體之聯營公司或共同控制實體(或是另一實體之母公司、子公司或其附屬公司)；
 - (iii) 該實體與本集團為同一第三方之共同控制實體；

Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Related parties (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any number of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2 重要會計政策摘要(續)

2.31 關連方(續)

- (b) 有關聯人士為適用以下任何一項條件之實體：(續)
- (iv) 其中一個實體為第三方之共同控制實體，而另一實體為該同一第三方之聯營公司；
- (v) 有關人士為本集團或任何屬本集團有關連人士之實體為其僱員利益而設立之終止僱用後福利計劃；
- (vi) 該實體由(a)中定義之人士所控制或共同控制；
- (vii) (a)(i)中定義之人士對該實體能施加重大影響或為該實體(或該實體之母公司)之主要管理人員；及
- (viii) 向本集團或本集團母公司提供主要管理層成員服務的實體或其所屬集團的任何成員公司。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price 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.

Risk management is carried out by board committee(s) under policies approved by the board of directors. The committee identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board lays down principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and treasury investment.

(a) Market risk

(i) Foreign exchange risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 84% (2015: 85%) of the Group's turnover are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 16% (2015: 12%) of costs are denominated in the units' functional currency. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transactions locally. The management monitors foreign exchange exposure closely and forward exchange contracts are used for hedging purposes when required.

3 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括外匯風險、公平值利率風險、現金流量利率風險及價格風險）、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財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

風險管理由董事委員會根據董事局批准之政策執行。委員會透過與集團內營運單位之緊密合作，負責確定、評估及對沖財務風險。董事局就整體風險管理制訂原則，並就外匯風險、利率風險、信貸風險、衍生金融工具與非衍生金融工具之應用及財資投資等範疇制訂政策。

(a) 市場風險

(i) 外匯風險

本集團面對交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外的貨幣進行銷售或採購。本集團約84%（二零一五年：85%）之營業額以進行銷售的營運單位功能貨幣以外的貨幣列值，約16%（二零一五年：12%）的成本以該單位功能貨幣列值。本集團透過當地業務交易所產生之現金流為其當地營運及投資提供資金，以管理日常業務過程中及投資於海外業務產生之外匯風險。管理層密切監察外幣風險及於有需要時，會利用遠期外匯合約作對沖用途。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

In view of the fact that Hong Kong dollar (“HK\$”) is pegged to United States dollar (“US\$”), the Group’s exposure to change in US\$ exchange rate is minimal.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in Chinese Renminbi (“RMB”) exchange rate, with all other variables held constant, of the Group’s loss after income tax (due to changes in the fair value of monetary assets and liabilities) and the Group’s equity. 2% (2015: 2%) increase/decrease represents management’s assessment of a reasonably possible change in RMB exchange rate which have the most impact on the Group over the period until the end of the next reporting period.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

由於港元與美元掛鈎，本集團面對之外匯風險屬輕微。

下表呈列當所有其他變數保持不變時，本集團之除所得稅後虧損（因貨幣資產及負債公平值變動）及權益於報告日期末對人民幣匯率的合理變動之敏感度。2%（二零一五年：2%）的上升／下跌代表管理層就直至下個報告日期末之期間對本集團影響最大之人民幣匯率可能出現的合理變動作出之評估。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Increase/ (Decrease) in RMB 人民幣上升/ (下降) %	Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2016			
If HK\$ weakens against RMB 倘港元兌人民幣轉弱	2	(601)	601
If HK\$ strengthens against RMB 倘港元兌人民幣轉強	(2)	601	(601)

	Increase/ (Decrease) in RMB 人民幣上升/ (下降) %	Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2015			
If HK\$ weakens against RMB 倘港元兌人民幣轉弱	2	1,469	(1,469)
If HK\$ strengthens against RMB 倘港元兌人民幣轉強	(2)	(1,469)	1,469

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

	Increase/ (Decrease) in RMB 人民幣上升/ (下降) %	Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2016			
If HK\$ weakens against RMB 倘港元兌人民幣轉弱	2	(601)	601
If HK\$ strengthens against RMB 倘港元兌人民幣轉強	(2)	601	(601)

	Increase/ (Decrease) in RMB 人民幣上升/ (下降) %	Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2015			
If HK\$ weakens against RMB 倘港元兌人民幣轉弱	2	1,469	(1,469)
If HK\$ strengthens against RMB 倘港元兌人民幣轉強	(2)	(1,469)	1,469

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments (Note 14) as at 31 December 2015 and 2016. To manage its price risk arising from investments in equity securities, the Group control its portfolio size. The Group's investments listed in Hong Kong and overseas are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to 5% increase/decrease in the fair values of the equity investments and derivative financial instruments with all other variables held constant and after any impact on income tax, based on their carrying amounts at the end of the reporting period.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險

股票價格風險為股票指數水平及個別證券價值變動導致股本證券公平值下降之風險。於二零一五年及二零一六年十二月三十一日，本集團面對之股票價格風險來自列為買賣股本投資(附註14)之個別股本投資。本集團為了管理因投資股本證券而產生的價格風險，而控制其投資組合的規模。本集團之投資乃於香港及海外上市，按報告日期末所報市場價格估值。

下表呈列按股本投資及衍生金融工具於報告日期末之帳面值對公平值增加/減少5%之敏感度，當所有其他變數保持不變並計及任何所得稅的影響後。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

2016

5% increase in equity price	股本價格上升5%	36	(32)	32
5% decrease in equity price	股本價格下降5%	(36)	32	(32)
5% increase in commodity price	商品價格上升5%	21	(17)	17
5% decrease in commodity price	商品價格下降5%	(21)	17	(17)
5% increase in forward foreign currency exchange contract	遠期外匯合約價格上升5%	147	(112)	112
5% decrease in forward foreign currency exchange contract	遠期外匯合約價格下降5%	(147)	112	(112)

Increase/ (Decrease) in carrying amount of equity investment/ derivative financial instrument	Increase/ (Decrease) in loss after income tax	Increase/ (Decrease) in equity
股本投資/ 衍生金融工具 帳面值增加/ (減少) HK\$'000 港幣千元	除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	權益增加/ (減少) HK\$'000 港幣千元

2015

5% increase in equity price	股本價格上升5%	48	(42)	42
5% decrease in equity price	股本價格下降5%	(48)	42	(42)

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險(續)

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

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. During 2015 and 2016, the Group's borrowings at variable rate were denominated in US\$, RMB and HK\$.

The Group has not hedged its exposure to cash flow and fair value interest rate risk, as the management considers the risk is insignificant to the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss after income tax (through the impact on floating rate borrowings) and the Group's equity.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

本集團的利率風險來自貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。二零一五年及二零一六年，本集團變動利率的貸款為美元、人民幣及港元。

由於管理層認為有關風險對本集團並不重大，故本集團並無對沖其現金流量及公平值利率風險。

下表呈列當所有其他變數不變時，本集團之除所得稅後虧損(透過浮動利率貸款變動之影響)及本集團權益對合理利率變動之敏感度。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

- (iii) Cash flow and fair value interest rate risk (continued)

		Increase/ (Decrease) in basis points 利率基點 增加/ (減少)	Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元	Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元
2016				
US\$	美元	100	158	(158)
RMB	人民幣	100	37	(37)
HK\$	港元	100	1,149	(1,149)
US\$	美元	(100)	(158)	158
RMB	人民幣	(100)	(37)	37
HK\$	港元	(100)	(1,149)	1,149
2015				
US\$	美元	100	–	–
RMB	人民幣	100	40	(40)
HK\$	港元	100	922	(922)
US\$	美元	(100)	–	–
RMB	人民幣	(100)	(40)	40
HK\$	港元	(100)	(922)	922

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

- (iii) 現金流量及公平值利率風險(續)

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, due from associates, due from joint ventures and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group is also exposed to credit risk through the granting of guarantees, further details of which are disclosed in Note 35(c) and Note 38(c) to the consolidated financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in Note 16 to the consolidated financial statements.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團定期檢討其財務資產之可收回金額，以確保及早對交易對方的信貸風險作出管理，並在有需要時作充足之減值虧損撥備。此外，本集團持續監察應收結餘情況，而本集團並無重大壞帳風險。

就有關本集團其他財務資產（其中包括現金及現金等價物、聯營公司欠款、合營公司欠款及其他應收款）的信貸風險，本集團因對方違約所產生的信貸風險，上限相等於該等工具的帳面值。

本集團亦就提供擔保面對信貸風險，詳情於綜合財務報表附註35(c)及附註38(c)披露。

就本集團應收帳項信貸風險之其他量化數據，已於綜合財務報表附註16披露。

(c) 流動資金風險

本集團董事局就流動資金風險管理承擔最終責任，並已為本集團之短期、中期及長期資金融資及流動資金需求的管理建立一個合適之流動資金風險管理藍圖。本集團藉不斷監察預測及實際現金流、財務資產及負債之年期配對，及維持充足儲備及信貸額，管理流動資金風險。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		Carrying amount as per consolidated balance sheet 按綜合資產 負債表之 帳面值 HK\$'000 港幣千元	Total contractual undiscounted cash flows 已立約而未 貼現之現金 流量總額 HK\$'000 港幣千元	On demand or within 1 year 應要求或 一年內償還 HK\$'000 港幣千元	More than 1 year but less than 5 years 一年以上 但於五年內 HK\$'000 港幣千元
2016					
Borrowings	貸款	429,636	431,080	372,487	58,593
Derivative financial instruments	衍生金融工具	1,103	1,103	1,103	-
Due to associates	欠聯營公司款項	476	476	476	-
Bills and accounts payable	應付票據及應付帳項	240,489	240,489	240,489	-
Other payables and accruals	其他應付帳項及 應計費用	71,448	71,448	71,448	-
		<u>743,152</u>	<u>744,596</u>	<u>686,003</u>	<u>58,593</u>

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

根據已立約而未貼現之付款計算，本集團於報告日期末財務負債之年期如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		Carrying amount as per consolidated balance sheet	Total contractual cash flows	On demand or within 1 year	More than 1 year but less than 5 years
		按綜合資產負債表之帳面值	已立約而未貼現之現金流量總額	應要求或一年內償還	一年以上但於五年內
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2015					
Borrowings	貸款	613,326	613,606	556,991	56,615
Bills and accounts payable	應付票據及應付帳項	222,402	222,402	222,402	–
Other payables and accruals	其他應付帳項及應計費用	201,984	201,984	201,984	–
Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保	–	455,357	455,357	–
Guarantee for loan facilities granted to an associate	為聯營公司貸款融資作出之擔保	–	11,160	11,160	–
Guarantee given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保	–	90	90	–
		<u>1,037,712</u>	<u>1,504,599</u>	<u>1,447,984</u>	<u>56,615</u>

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Carrying amount as per consolidated balance sheet	Total contractual cash flows	On demand or within 1 year	More than 1 year but less than 5 years
		按綜合資產負債表之帳面值	已立約而未貼現之現金流量總額	應要求或一年內償還	一年以上但於五年內
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2015					
Borrowings	貸款	613,326	613,606	556,991	56,615
Bills and accounts payable	應付票據及應付帳項	222,402	222,402	222,402	–
Other payables and accruals	其他應付帳項及應計費用	201,984	201,984	201,984	–
Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保	–	455,357	455,357	–
Guarantee for loan facilities granted to an associate	為聯營公司貸款融資作出之擔保	–	11,160	11,160	–
Guarantee given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保	–	90	90	–
		<u>1,037,712</u>	<u>1,504,599</u>	<u>1,447,984</u>	<u>56,615</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital 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, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted 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. Adjusted capital comprises all components of equity (including share capital, reserves, accumulated losses and non-controlling interests as shown in the consolidated balance sheet) and other loans from non-controlling shareholders of subsidiaries (including those transferred to disposal group classified as held for sale).

3 財務風險管理(續)

3.2 資金管理

本集團管理資金之目標為保障本集團持續經營之能力，以為股東帶來回報、為其他權益持有人帶來利益，及維持理想資金結構以減低資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息之金額，向股東歸還資金或發行新股份。

本集團按債務對經調整股本比率監察股本。此比率按債務淨額除以經調整股本計算。債務淨額按總貸款(包括綜合資產負債表所列示之流動及非流動貸款)減現金及現金等價物計算。經調整股本包括所有權益部分(包括綜合資產負債表所列示的股本、儲備、累計虧損及非控股權益)及附屬公司非控股股東的其他貸款(包括已轉至待售集團)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management (continued)

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain a debt-to-adjusted capital ratio below 90%. The debt-to-adjusted capital ratios at 31 December 2015 and 2016 were as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Total borrowings	總貸款	429,636	748,239
Less: Cash and cash equivalents (Note 33(b))	減：現金及現金等價物 (附註33(b))	<u>(60,566)</u>	<u>(340,748)</u>
Net debt	債務淨額	<u>369,070</u>	407,491
Total equity	總權益	<u>933,340</u>	<u>1,474,104</u>
Adjusted capital	經調整股本	<u>989,697</u>	<u>1,533,490</u>
Debt-to-adjusted capital ratio	債務對經調整股本比率	<u>37%</u>	<u>27%</u>

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)

3.2 資金管理(續)

於二零一六年，本集團之策略為維持債務與經調整股本比率低於90%，與二零一五年相同。於二零一五年及二零一六年十二月三十一日之債務對經調整股本比率如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Total borrowings	總貸款	429,636	748,239
Less: Cash and cash equivalents (Note 33(b))	減：現金及現金等價物 (附註33(b))	<u>(60,566)</u>	<u>(340,748)</u>
Net debt	債務淨額	<u>369,070</u>	407,491
Total equity	總權益	<u>933,340</u>	<u>1,474,104</u>
Adjusted capital	經調整股本	<u>989,697</u>	<u>1,533,490</u>
Debt-to-adjusted capital ratio	債務對經調整股本比率	<u>37%</u>	<u>27%</u>

3.3 公平值估計

下表按估值方法分析以公平值計量之金融工具。各等級之定義如下：

- 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(即價格)或間接(即從價格以外得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據而釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015 and 2016.

2016

Assets	資產
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產
– Listed equity securities	– 上市股本證券
– Commodity swap contracts	– 商品掉期合約
– Forward foreign currency exchange contracts	– 遠期外匯合約

Liabilities	負債
Financial liabilities at fair value through profit or loss	按公平值透過損益列帳的財務負債
– Commodity swap contracts	– 商品掉期合約
– Forward foreign currency exchange contracts	– 遠期外匯合約

2015

Assets	資產
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產
– Listed equity securities	– 上市股本證券

There were no transfers between level 1 and level 2 during the year.

3 財務風險管理(續)

3.3 公平值估計(續)

下表呈列本集團於二零一五年及二零一六年十二月三十一日以公平值計量的財務資產及負債。

二零一六年

Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
711	–	–	711
–	38	–	38
–	3,594	–	3,594
<u>711</u>	<u>3,632</u>	<u>–</u>	<u>4,343</u>
–	448	–	448
–	655	–	655
<u>–</u>	<u>1,103</u>	<u>–</u>	<u>1,103</u>

二零一五年

Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
954	–	–	954

本年度分類之第一級及第二級之間概無調動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(a) 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.

(b) 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.

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.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There is no transfers of financial assets into or out of level 3.

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第一級金融工具

在活躍市場買賣之金融工具之公平值乃按報告日期末之市場報價計算。倘報價可容易及規律地從交易市場、經銷商、經紀人、產業集團、股價服務機構或監管機構中獲得，且該等報價反映按公平原則磋商之真實及定期發生交易，則該市場視為活躍。就本集團所持財務資產所用市場報價為現行買價。該等工具屬第一級。

(b) 第二級金融工具

並非在活躍市場買賣之金融工具(如場外交易衍生工具)之公平值採用估值技術釐定。該等估值技術以最大限度使用了可獲得的可觀察市場數據，將對實體特定估計的依賴降到最低。倘按公平值計量一項工具的所有重大輸入值均可觀察獲得，則該項工具屬第二級。

倘一個或多個重大輸入值並非根據可觀察市場數據釐定，則該項工具屬第三級。

用於對金融工具作出估值的特定估值技術包括：

- 類似工具採用市場報價或交易商報價。
- 其他技術，例如折現現金流量分析，用以釐定其餘金融工具之公平值。

並無財務資產從第三級轉入或轉出。

Notes to the Consolidated Financial Statements 綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 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 addressed below.

(a) *Estimated impairment of property, plant and equipment, leasehold land and land use rights*

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, leasehold land and land use rights have been determined based on value in use calculations, taking into account latest market information and past experience. These calculations and valuations require the use of judgements and estimates. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount.

4 關鍵會計估算及判斷

估算和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

4.1 關鍵會計估算及假設

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的帳面值作出重大調整的估算和假設討論如下。

(a) *物業、機器及設備和租賃土地及土地使用權減值估算*

當有事件出現或情況改變顯示帳面值可能無法收回時，須就物業、機器及設備和租賃土地及土地使用權進行減值檢討。在考慮近期市況及過往經驗，物業、機器及設備、租賃土地及土地使用權的可收回金額按照使用價值計算而釐定。此等計算及估價需要利用判斷及估算。減值虧損金額為其資產帳面值及收回金額之差額計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) *Income taxes and deferred income tax*

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax 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 differences will impact the income tax and deferred income tax provisions in the periods in which such determination are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax in the periods in which such estimate is changed.

4 關鍵會計估算及判斷(續)

4.1 關鍵會計估算及假設(續)

(b) *所得稅及遞延所得稅*

本集團需要在中國及香港繳納稅項。在釐定稅項撥備金額及繳付相關稅項的時間時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延所得稅撥備。

當管理層認為未來可能存在應課稅盈利，令暫時差異或稅損得以被利用，有關該暫時差異及稅損的遞延所得稅資產會被確認。在預期情況有別於原估計時，該差異會在情況變更的期間內影響遞延所得稅資產和所得稅的確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgements in applying the Group's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

4 關鍵會計估算及判斷(續)

4.2 應用本集團會計政策的關鍵判斷

投資物業與業主自用物業的分別

本集團釐定一項物業是否符合資格為投資物業。在作出判斷時，本集團會考慮該物業所產生的現金流量是否基本不受與實體持有的其他資產所影響。業主自用物業所產生的現金流量，不單只來自該物業，亦來自用於生產或供應流程的其他資產。

某些物業其中的一部份是用以賺取租金或作為資本增值用途而持有的，而另一部份則持有作生產或供應貨品或服務或作為行政用途。如該等部份可獨立出售(或按融資租賃獨立出租)，本集團會對該等部份獨立記帳。如該等部份不可以獨立出售，該物業只會在其不重大部份用作生產或供應貨品或服務或作行政用途而持有時記帳為投資物業。在釐定附屬服務是否那樣重大以致某項物業不符合作為投資物業時，須作出判斷。本集團在作出判斷時會獨立研究每項物業。

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The directors assess the performance of the operating segments based on a measure of loss from continuing operations before income tax for the year. The information provided to the directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is organised into three major operating units: (i) steel trading; (ii) steel processing; and (iii) mineral resources. The commercial property and other segment are classified as discontinued operations.

Revenue recognised during the year is as follows:

Continuing operations

Sale of goods

Discontinued operations

Rental income

Service income

持續經營業務

銷貨

已終止經營業務

租金收入

服務收入

5 分部資料

主要營運決策者已被確定為本公司董事局。董事評審本集團的內部報告，以評估業績和分配資源。管理部門已根據這些報告決定了經營分部。

董事局按本年度來自持續經營業務除所得稅前虧損以評估經營分部的業績。向董事報告的資料與本綜合財務報表資料測量的方式屬一致。

本集團由三個主要營運單位組成：(i)鋼鐵貿易；(ii)鋼鐵加工；及(iii)礦產資源。商業房地產及其他分部業務分類為已終止經營業務。

本年度確認之收入如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
	2,685,142	4,618,664
	13,421	56,818
	5,376	23,564
	18,797	80,382
	2,703,939	4,699,046

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2016 are as follows:

5 分部資料(續)

截至二零一六年十二月三十一日止年度的分部業績如下：

		Continuing operations 持續經營業務				
		Steel trading 鋼鐵貿易 HK\$'000 港幣千元	Steel processing 鋼鐵加工 HK\$'000 港幣千元	Mineral resources 礦產資源 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total segment sales	分部銷售總額	2,647,915	37,227	-	-	2,685,142
Inter-segment sales	分部間銷售	-	-	-	-	-
Sales to external customers	銷售予外部客戶	<u>2,647,915</u>	<u>37,227</u>	<u>-</u>	<u>-</u>	<u>2,685,142</u>
Operating profit/(loss) before below items	未計下述項目的經營盈利/ (虧損)	1,380	(18,096)	(5,230)	(59,980)	(81,926)
Fair value losses on financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產之公平值虧損	-	-	-	(242)	(242)
Fair value gain/(loss) on derivative financial instrument	衍生金融工具公平值收益/ (虧損)	2,572	(649)	-	-	1,923
Impairment losses on amounts due from associates	聯營公司欠款減值	-	-	(677)	(2,405)	(3,082)
Impairment losses on deposits, prepayments and other receivables	按金、預付款及其他應收款減值	(606)	(345)	(5,150)	(32,323)	(38,424)
Dilution loss on an associate	聯營公司攤薄虧損	-	-	-	(5,985)	(5,985)
Operating profit/(loss)	經營盈利/(虧損)	3,346	(19,090)	(11,057)	(100,935)	(127,736)
Finance costs	融資成本	(12,480)	(241)	-	(548)	(13,269)
Impairment losses on property, plant and equipment	物業、機器及設備減值	-	-	(10,214)	-	(10,214)
Impairment loss on an associate	聯營公司減值	-	-	-	(55,876)	(55,876)
Share of losses of associates	所佔聯營公司虧損	-	-	-	(15,619)	(15,619)
Share of losses of joint ventures	所佔合營公司虧損	-	-	-	(52)	(52)
Segment results	分部業績	<u>(9,134)</u>	<u>(19,331)</u>	<u>(21,271)</u>	<u>(173,030)</u>	(222,766)
Income tax expense	所得稅支出					<u>(6,728)</u>
Loss for the year from continuing operations	年度來自持續經營業務虧損					(229,494)
Profit for the year from discontinued operations	年度來自已終止經營業務盈利					<u>15,130</u>
Loss for the year	年度虧損					<u>(214,364)</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2015 are as follows:

5 分部資料(續)

截至二零一五年十二月三十一日止年度的分部業績如下：

		Continuing operations 持續經營業務				
		Steel trading 鋼鐵貿易 HK\$'000 港幣千元	Steel processing 鋼鐵加工 HK\$'000 港幣千元	Mineral resources 礦產資源 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total segment sales	分部銷售總額	4,500,065	118,599	-	-	4,618,664
Inter-segment sales	分部間銷售	-	-	-	-	-
Sales to external customers	銷售予外部客戶	<u>4,500,065</u>	<u>118,599</u>	<u>-</u>	<u>-</u>	<u>4,618,664</u>
Operating profit/(loss) before below items	未計下述項目的經營盈利/(虧損)	31,855	(4,398)	(6,220)	(25,367)	(4,130)
Fair value gains/(losses) on financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產之公平值收益/(虧損)	1,483	(698)	-	(366)	419
Fair value loss on reclassification of available-for-sale financial assets to an associate	可供出售財務資產調整為聯營公司之公平值虧損	-	-	-	(66,428)	(66,428)
Impairment losses on deposits, prepayments and other receivables	按金、預付款及其他應收款減值	(2,712)	-	(49,472)	-	(52,184)
Share option expenses	購股權支出	-	-	-	(9,467)	(9,467)
Operating profit/(loss)	經營盈利/(虧損)	30,626	(5,096)	(55,692)	(101,628)	(131,790)
Finance costs	融資成本	(19,016)	(514)	-	(724)	(20,254)
Impairment losses on property, plant and equipment	物業、機器及設備減值	-	-	(13,729)	-	(13,729)
Share of losses of associates	所佔聯營公司虧損	-	-	-	(947)	(947)
Segment results	分部業績	<u>11,610</u>	<u>(5,610)</u>	<u>(69,421)</u>	<u>(103,299)</u>	(166,720)
Income tax expense	所得稅支出					<u>(6,298)</u>
Loss for the year from continuing operations	年度來自持續經營業務虧損					(173,018)
Profit for the year from discontinued operations	年度來自已終止經營業務盈利					<u>41,885</u>
Loss for the year	年度虧損					<u>(131,133)</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

Segment results represent the profit/(loss) earned by each segment without allocation of unallocated corporate expenses including directors' salaries, dilution loss on an associate, impairment losses on an associate, fair value losses on reclassification of available-for-sale financial assets to an associate, share of losses of associates and joint ventures and share option expenses.

Other segment information

The segment assets and liabilities as at 31 December 2016 and depreciation, amortisation and additions to non-current assets for the year ended 31 December 2016 are as follows:

5 分部資料(續)

分部業績指由各分部賺取之盈利／(虧損)而並不包括未分配之企業開支，當中包括董事薪金、聯營公司攤薄虧損、聯營公司減值、可供出售財務資產調整為聯營公司之公平值虧損、所佔聯營、合營公司虧損及購股權支出。

其他分部資料

於二零一六年十二月三十一日的分部資產和負債以及截至二零一六年十二月三十一日止年度的折舊、攤銷及增添非流動資產如下：

		Continuing operations 持續經營業務				
		Steel trading 鋼鐵貿易 HK\$'000 港幣千元	Steel processing 鋼鐵加工 HK\$'000 港幣千元	Mineral resources 礦產資源 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Assets	資產	<u>997,522</u>	<u>19,575</u>	<u>103,647</u>	<u>593,270</u>	<u>1,714,014</u>
Liabilities	負債	<u>535,089</u>	<u>2,158</u>	<u>134,041</u>	<u>109,386</u>	<u>780,674</u>
Depreciation	折舊	<u>627</u>	<u>2,125</u>	<u>651</u>	<u>1,575</u>	<u>4,978</u>
Amortisation	攤銷	<u>-</u>	<u>156</u>	<u>160</u>	<u>-</u>	<u>316</u>
Additions to non-current assets	增添非流動資產	<u>4,281</u>	<u>12</u>	<u>-</u>	<u>8</u>	<u>4,301</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

Other segment information (continued)

The segment assets and liabilities as at 31 December 2015 and depreciation, amortisation and additions to non-current assets for the year ended 31 December 2015 are as follows:

		Continuing operations 持續經營業務					Discontinued operations 已終止 經營業務	Group 集團
		Steel trading 鋼鐵貿易 HK\$'000 港幣千元	Steel processing 鋼鐵加工 HK\$'000 港幣千元	Mineral resources 礦產資源 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元		
Assets	資產	<u>1,193,376</u>	<u>87,443</u>	<u>152,438</u>	<u>412,783</u>	<u>1,846,040</u>	<u>1,082,251</u>	<u>2,928,291</u>
Liabilities	負債	<u>687,924</u>	<u>8,235</u>	<u>163,761</u>	<u>214,236</u>	<u>1,074,156</u>	<u>380,031</u>	<u>1,454,187</u>
Depreciation	折舊	<u>850</u>	<u>2,527</u>	<u>693</u>	<u>1,574</u>	<u>5,644</u>	<u>-</u>	<u>5,644</u>
Amortisation	攤銷	<u>-</u>	<u>156</u>	<u>170</u>	<u>-</u>	<u>326</u>	<u>-</u>	<u>326</u>
Additions to non-current assets	增添非流動資產	<u>60</u>	<u>6</u>	<u>12</u>	<u>-</u>	<u>78</u>	<u>110</u>	<u>188</u>

Segment assets exclude club debentures, deferred income tax assets, investments in associates and joint ventures, income tax refundable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred income tax liabilities, income tax payable, corporate borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

5 分部資料(續)

其他分部資料(續)

於二零一五年十二月三十一日的分部資產和負債以及截至二零一五年十二月三十一日止年度的折舊、攤銷及增添非流動資產如下：

分部資產不包括會籍債券、遞延所得稅資產、聯營、合營公司投資、可收回所得稅及其他未分配總公司及企業資產，因這些資產以集團方式管理。

分部負債並不包括遞延所得稅負債、應付所得稅、企業貸款及其他未分配總公司及企業負債，因這些負債以集團方式管理。

Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

Geographical information

The Group's business segments operate in five main geographical areas, even though they are managed on a worldwide basis.

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<i>Continuing operations</i>	<i>持續經營業務</i>		
Revenue (by location of customers)	收入(按顧客地區分類)		
– Europe	– 歐洲	833,407	997,252
– Hong Kong	– 香港	630,251	708,975
– Asia (other than Mainland China and Hong Kong)	– 亞洲(不包括中國及香港)	415,931	1,153,975
– Middle East	– 中東	356,905	807,092
– Mainland China	– 中國	300,239	529,181
– Others	– 其他	148,409	422,189
		2,685,142	4,618,664
<i>Discontinued operations</i>	<i>已終止經營業務</i>		
Revenue (by location of customers)	收入(按顧客地區分類)		
– Mainland China	– 中國	18,797	80,382
		18,797	80,382
		2,703,939	4,699,046
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Non-current assets	非流動資產		
– Mainland China	– 中國	115,401	135,916
– Hong Kong	– 香港	64,292	63,381
– Europe	– 歐洲	118	137
– Others	– 其他	1	3
		179,812	199,437

The non-current assets information above is based on the location of assets and excludes club debentures, deferred income tax assets, investments in associates and joint ventures.

For the year ended 31 December 2016, the Group had sales of approximately HK\$314,442,000 (2015: HK\$470,549,000) to a single significant customer of the steel trading segment, representing approximately 12% (2015: 10%) of the sales to external customers.

5 分部資料(續)

地區資料

本集團的業務分部以全球方式管理，主要在五個地區經營。

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
<i>Continuing operations</i>		
Revenue (by location of customers)		
– Europe	833,407	997,252
– Hong Kong	630,251	708,975
– Asia (other than Mainland China and Hong Kong)	415,931	1,153,975
– Middle East	356,905	807,092
– Mainland China	300,239	529,181
– Others	148,409	422,189
	2,685,142	4,618,664
<i>Discontinued operations</i>		
Revenue (by location of customers)		
– Mainland China	18,797	80,382
	18,797	80,382
	2,703,939	4,699,046
	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Non-current assets		
– Mainland China	115,401	135,916
– Hong Kong	64,292	63,381
– Europe	118	137
– Others	1	3
	179,812	199,437

以上非流動資產按資產所在地區劃分，但不包括會籍債券、遞延所得稅資產、聯營公司投資及合營公司投資。

截至二零一六年十二月三十一日止年度，本集團鋼鐵貿易分部銷售約港幣314,442,000元(二零一五年：港幣470,549,000元)予一位單一重大客戶，佔本集團之外部銷售約12%(二零一五年：10%)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

6 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

Outside Hong Kong, held on:
Leases of between 10 to 50 years

在香港以外持有：
十至五十年期的租賃

Leasehold land and land use rights with aggregate carrying amount of approximately HK\$4,290,000 as at 31 December 2016 (2015: HK\$4,446,000) were pledged to secure against certain of the Group's bank borrowings (see Note 22).

Movement of the leasehold land and land use rights during the year is as follows:

At 1 January	於一月一日	8,486	9,018
Currency translation differences	貨幣匯兌差額	(264)	(206)
Amortisation of prepaid operating lease payments	預付營運租賃款項攤銷	(316)	(326)
At 31 December	於十二月三十一日	7,906	8,486

6 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元

7,906	8,486
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於二零一六年十二月三十一日，租賃土地及土地使用權總帳面值約港幣4,290,000元（二零一五年：港幣4,446,000元）已為部份集團銀行貸款作抵押（見附註22）。

租賃土地及土地使用權於年內的變動如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元

8,486	9,018
(264)	(206)
(316)	(326)
7,906	8,486

Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、機器及設備

		Leasehold land in Hong Kong under long-term finance lease 於香港長期 融資租賃土地 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃樓宇 裝修 HK\$'000 港幣千元	Machinery 機器 HK\$'000 港幣千元	Furniture and equipment 傢具及 設備 HK\$'000 港幣千元	Motor vehicles 車輛 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度								
Opening net book amount	期初帳面淨值		54,848	-	4,140	693	836	114,350	190,951
Currency translation differences	貨幣匯兌差額		-	-	(196)	(19)	(37)	(7,283)	(7,535)
Additions	增添		-	-	-	61	4,240	-	4,301
Disposals	出售		-	(1)	(381)	(3)	(234)	-	(619)
Impairment charge	減值		-	-	-	-	-	(10,214)	(10,214)
Depreciation charge	折舊		(1,243)	-	(1,125)	(230)	(587)	-	(4,978)
Closing net book amount	期終帳面淨值		<u>53,605</u>	<u>14,290</u>	<u>2,438</u>	<u>502</u>	<u>4,218</u>	<u>96,853</u>	<u>171,906</u>
At 31 December 2016	於二零一六年 十二月三十一日								
Cost	成本		82,582	50,674	5,999	12,665	7,395	7,483	287,981
Accumulated depreciation and impairment	累計折舊及減值		(28,977)	(36,384)	(5,999)	(10,227)	(6,893)	(3,265)	(191,128)
Net book amount	帳面淨值		<u>53,605</u>	<u>14,290</u>	<u>2,438</u>	<u>502</u>	<u>4,218</u>	<u>96,853</u>	<u>171,906</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (continued)

7 物業、機器及設備(續)

		Leasehold land in Hong Kong under long-term finance lease 於香港長期 融資租賃土地 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃樓宇 裝修 HK\$'000 港幣千元	Machinery 機器 HK\$'000 港幣千元	Furniture and equipment 傢具及 設備 HK\$'000 港幣千元	Motor vehicles 車輛 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度								
Opening net book amount	期初帳面淨值	56,091	17,877	484	5,849	976	1,170	134,140	216,587
Currency translation differences	貨幣匯兌差額	-	-	-	(180)	(30)	(33)	(6,061)	(6,304)
Additions	增添	-	-	-	-	78	-	-	78
Disposals	出售	-	-	(37)	-	-	-	-	(37)
Impairment charge	減值	-	-	-	-	-	-	(13,729)	(13,729)
Depreciation charge	折舊	(1,243)	(1,793)	(447)	(1,529)	(331)	(301)	-	(5,644)
Closing net book amount	期終帳面淨值	<u>54,848</u>	<u>16,084</u>	<u>-</u>	<u>4,140</u>	<u>693</u>	<u>836</u>	<u>114,350</u>	<u>190,951</u>
At 31 December 2015	於二零一五年 十二月三十一日								
Cost	成本	82,582	50,681	5,999	64,451	7,841	7,936	316,130	535,620
Accumulated depreciation and impairment	累計折舊及減值	<u>(27,734)</u>	<u>(34,597)</u>	<u>(5,999)</u>	<u>(60,311)</u>	<u>(7,148)</u>	<u>(7,100)</u>	<u>(201,780)</u>	<u>(344,669)</u>
Net book amount	帳面淨值	<u>54,848</u>	<u>16,084</u>	<u>-</u>	<u>4,140</u>	<u>693</u>	<u>836</u>	<u>114,350</u>	<u>190,951</u>

Depreciation expense of continuing operations of approximately HK\$2,175,000 (2015: HK\$2,562,000) has been charged in cost of sales, HK\$625,000 (2015: HK\$850,000) in selling and distribution expenses and HK\$2,178,000 (2015: HK\$2,232,000) in general and administrative expenses.

持續經營業務之折舊費用其中約港幣2,175,000元(二零一五年:港幣2,562,000元)計入銷售成本中,港幣625,000元(二零一五年:港幣850,000元)計入銷售及分銷費用,而港幣2,178,000元(二零一五年:港幣2,232,000元)則計入一般及行政費用。

Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 December 2016, leasehold land in Hong Kong under long-term finance lease and buildings with carrying amount of approximately HK\$53,605,000 (2015: HK\$54,848,000) and HK\$11,989,000 (2015: HK\$13,590,000), respectively, were pledged to secure against certain of the Group's bank borrowings (see Note 22).

The construction in progress is included in the mineral resources operating segment.

Motor vehicles include the following amounts where the Group is a lessee under finance leases:

Cost – capitalised finance leases	成本－資本化融資租賃
Accumulated depreciation	累計折舊
Net book amount	帳面淨值

The Group leases certain motor vehicles under noncancellable finance lease agreements. The lease terms are between 3 and 5 years, and ownership of the assets lie within the Group.

7 物業、機器及設備(續)

於二零一六年十二月三十一日，於香港長期融資租賃土地及樓宇帳面值分別約港幣53,605,000元(二零一五年：港幣54,848,000元)及港幣11,989,000元(二零一五年：港幣13,590,000元)已為部份集團銀行貸款作抵押(見附註22)。

在建工程礦是屬於產資源經營分部。

本集團作為融資租賃承租方的車輛包括下述金額：

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
4,240	—
(485)	—
3,755	—

本集團根據不可撤銷之融資租賃合約持有租賃車輛。租期為三至五年及資產所有權乃本集團所有。

Notes to the Consolidated Financial Statements 綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment test of construction in progress

The construction in progress is included in the mineral resources operating segment.

Due to the market price of iron concentrates in Mainland China decreased to a level lower than the projected production cost of the mineral resources operation, impairment charge was made for construction in progress of approximately HK\$10,214,000 (2015: HK\$13,729,000). The recoverable amount of construction in progress is determined based on the higher of the fair value less costs of disposal and value-in-use calculation. As at 31 December 2015 and 2016, the recoverable amount of construction in progress was determined based on fair value less costs of disposal, management has taken reference to the valuation reports conducted by an independent valuer. The construction in progress measured at fair value was classified as level 3. The market value of construction in progress has been derived using cost approach (depreciation replacement cost) and this considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation. The key assumptions are that the cost of reproduction/replacement of the subject assets, accrued depreciation and the assets will continue to be used in its present existing state with the benefit of continuity of the tenure of land and building during the foreseeable future.

7 物業、機器及設備(續)

在建工程減值檢測

在建工程是屬於礦產資源經營分部。

由於中國鐵精粉市場價格低於礦產資源業務的預計生產成本，在建工程減值費用約港幣10,214,000元(二零一五年：港幣13,729,000元)。在建工程的可收回金額按照公平值減出售成本及使用價值兩者中較高而釐定。於二零一五年及二零一六年十二月三十一日，管理層參照獨立估值師評估報告，在建工程可收回金額以按照公平值減出售成本而釐定。以公平值計算的在建工程已分類為第三級。在建工程的市場價值採用成本法(折舊重置成本)計算並已考慮到複製或在新條件下按照目前同類資產的市場價格扣除應計折舊成本。主要假設是基於重建／重置上述資產的成本，應計折舊及將在可見將來土地及樓宇年期獲延續下以現況使用。

Notes to the Consolidated Financial Statements 綜合財務報表附註

8 INTANGIBLE ASSETS

8 無形資產

		Mining right 採礦權 HK\$'000 港幣千元	Exploration and evaluation assets 勘探及 評估資產 HK\$'000 港幣千元	Domain names, trademark and computer software 域名、商標及 電腦軟件 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2015	於二零一五年 一月一日				
Cost	成本	202,930	19,146	193	222,269
Accumulated amortisation and impairment	累計攤銷及減值	(202,930)	(19,146)	(193)	(222,269)
Net book amount	帳面淨值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 31 December 2015	截至二零一五年 十二月三十一日 止年度				
Opening net book amount and closing net book amount	期初帳面淨值及期終 帳面淨值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	於二零一五年 十二月三十一日				
Cost	成本	193,267	18,235	193	211,695
Accumulated amortisation and impairment	累計攤銷及減值	(193,267)	(18,235)	(193)	(211,695)
Net book amount	帳面淨值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 31 December 2016	截至二零一六年 十二月三十一日 止年度				
Opening net book amount and closing net book amount	期初帳面淨值及期終 帳面淨值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	於二零一六年 十二月三十一日				
Cost	成本	180,382	17,020	193	197,595
Accumulated amortisation and impairment	累計攤銷及減值	(180,382)	(17,020)	(193)	(197,595)
Net book amount	帳面淨值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

9 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

9 主要附屬公司

於二零一六年十二月三十一日之主要附屬公司如下：

Name 名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位	Issued and fully paid capital 已發行及已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比	Principal activities 主要業務性質
Directly held: 直接持有：				
Burwill and Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$50,000,000 and £50,000 港幣50,000,000元 及50,000英磅	100%	Investment holding 投資控股
Burwill HK Portfolio Limited	The British Virgin Islands limited liability company 英屬處女群島 有限責任公司	US\$2 2美元	100%	Investment holding 投資控股
Smart Task Limited	The British Virgin Islands limited liability company 英屬處女群島 有限責任公司	US\$1 1美元	100%	Investment holding 投資控股
Indirectly held: 間接持有：				
Burwill (China) Limited 寶威(中國)有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$200 港幣200元	100%	Investment holding 投資控股
Burwill Commercial Holdings Limited 寶威商業地產有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1 港幣1元	100%	Investment holding 投資控股
Burwill Network Investment Limited 寶威網絡投資有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1 港幣1元	100%	Investment holding 投資控股
Burwill Minerals Limited 寶威礦業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1 港幣1元	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements 綜合財務報表附註

9 PRINCIPAL SUBSIDIARIES (continued)

9 主要附屬公司(續)

Name 名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位	Issued and fully paid capital 已發行及已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比	Principal activities 主要業務性質
Indirectly held: (continued) 間接持有：(續)				
Burwill Resources Limited 寶威物料供應有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1,000,000 港幣1,000,000元	100%	Steel trading 鋼鐵貿易
Burwill Resources Europe, S.A.	Spain limited liability company 西班牙有限責任公司	EUR62,000 62,000歐元	70%	Steel trading 鋼鐵貿易
Burwill Steel Company Limited	The British Virgin Islands limited liability company 英屬處女群島 有限責任公司	US\$13 13美元	100%	Investment holding 投資控股
Burwill Steel Pipes Limited 寶威鋼管有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$80,000,000 港幣80,000,000元	100%	Steel processing 鋼鐵加工
Burwill Warehousing (Shanghai) Limited (Note (i)) 寶威倉儲(上海)有限公司 (附註(i))	Mainland China 中國	US\$1,200,000 1,200,000美元	100%	Steel trading 鋼鐵貿易
東莞市創盛貿易有限公司 (Note(i))(附註(i))	Mainland China 中國	RMB10,000,000 人民幣10,000,000元	100%	Steel processing 鋼鐵加工
Dongguan Hingwah Metals Factory Limited (Note (i)) 東莞謙華五金廠有限公司 (附註(i))	Mainland China 中國	HK\$100,500,000 港幣100,500,000元	100%	Steel processing 鋼鐵加工
Hing Wah Metals Factory Limited 謙華五金廠有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$5,000,000 港幣5,000,000元	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements 綜合財務報表附註

9 PRINCIPAL SUBSIDIARIES (continued)

9 主要附屬公司(續)

Name 名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位	Issued and fully paid capital 已發行及已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比	Principal activities 主要業務性質
Indirectly held: (continued) 間接持有：(續)				
Hillot Limited	Hong Kong limited liability company 香港有限責任公司	HK\$500,000 港幣500,000元	100%	Securities investment 證券投資
Tai Xin Minerals Limited	The British Virgin Islands limited liability company 英屬處女群島 有限責任公司	US\$164 164美元	70.12%	Investment holding 投資控股
青島泰鑫礦業有限公司 (Note (i)) (附註(i))	Mainland China 中國	HK\$50,000,000 港幣50,000,000元	70.12%	Investment holding 投資控股
萊陽聚金鐵業有限公司 (Note (i)) (附註(i))	Mainland China 中國	US\$39,000,000 39,000,000美元	70.12%	Mineral resources 礦產資源
萊陽泰鑫礦業有限公司 (Note (i)) (附註(i))	Mainland China 中國	RMB37,793,500 人民幣37,793,500元	70.12%	Mineral resources 礦產資源
Yinmain Industrial Limited 應鳴實業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業

Note:

- (i) Burwill Warehousing (Shanghai) Limited, 東莞市創盛貿易有限公司, Dongguan Hingwah Metals Factory Limited, 青島泰鑫礦業有限公司, 萊陽聚金鐵業有限公司 and 萊陽泰鑫礦業有限公司 are wholly foreign owned enterprises established in Mainland China to be operated for 50 years up to March 2050, 21 years up to December 2028, 24 years up to July 2017, 30 years up to December 2037, 20 years up to September 2029 and 10 years up to December 2017, respectively.

The Group had no subsidiaries which have material non-controlling interests for the year ended 31 December 2015 and 2016.

附註：

- (i) 寶威倉儲(上海)有限公司、東莞市創盛貿易有限公司、東莞謙華五金廠有限公司、青島泰鑫礦業有限公司、萊陽聚金鐵業有限公司及萊陽泰鑫礦業有限公司均為於中國成立之外商獨資企業，營業期分別為五十年至二零五零年三月、二十一年至二零二八年十二月、二十四年至二零一七年七月、三十年至二零三七年十二月、二十年至二零二九年九月及十年至二零一七年十二月。

截至二零一五年及二零一六年十二月三十一日止年度間，本集團並無附屬公司擁有重大非控股權益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES 10 聯營公司投資及結餘

(a) Investments in associates

The amounts recognised in the consolidated balance sheet are as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 31 December	於十二月三十一日	<u>353,241</u>	<u>231,297</u>

The amounts recognised in the consolidated income statement are as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
For the year ended 31 December	截至十二月三十一日 止年度	<u>(15,619)</u>	<u>(947)</u>

The dilution loss on an associate recognised as expenses and included in other income and net gains/(losses) amounted to approximately HK\$5,985,000 (2015: Nil).

(a) 聯營公司投資

綜合資產負債表內確認金額如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 31 December	於十二月三十一日	<u>353,241</u>	<u>231,297</u>

綜合損益表內確認金額如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
For the year ended 31 December	截至十二月三十一日 止年度	<u>(15,619)</u>	<u>(947)</u>

聯營公司攤薄虧損中確認為費用並列入其他收入及收益/(虧損)淨額的金額共計約港5,985,000元(二零一五年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

10 聯營公司投資及結餘(續)

(a) Investments in associates (continued)

Set out below is the associates of the Group as at 31 December 2016 which, in the opinion of the directors, are material to the Group.

Nature of investment in associates as at 31 December 2015 and 2016:

Name 名稱	Place of business 業務地點	Country of incorporation 註冊成立國家	Percentage of ownership interest 持有權益百分比	Nature of relationship 關係的性質	Measurement method 計量方法
Indirectly held: 間接持有：					
China Land Assets Limited ("CLA")	Mainland China 中國	Hong Kong 香港	45%	Note (i) 附註(i)	Equity 權益
Kazakhstan Potash Corporation Limited ("KPC")	Republic of Kazakhstan 哈薩克斯坦 共和國	Australia 澳大利亞	25.93%	Note (ii) 附註(ii)	Equity 權益

Notes:

- (i) China Land Assets Limited ("CLA") is engaged in the commercial property investments.
- (ii) Kazakhstan Potash Corporation Limited ("KPC"), a listed company on the Australian Securities Exchange ("ASX"), is engaged in the exploration and development of potash resources in the Republic of Kazakhstan and the production of fertilisers. KPC is a strategic business partner of the Group in the development of the potash business.

As at 31 December 2016, the fair value and the carrying amount of the Group's interest in KPC, which is listed on the ASX, was approximately HK\$76,563,000. (2015: HK\$171,047,000).

CLA is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in KPC and CLA.

(a) 聯營公司投資(續)

根據董事會意見，於二零一六年十二月三十一日，本集團之重大聯營公司列示如下。

於二零一五年及二零一六年十二月三十一日聯營公司投資之性質：

Percentage of ownership interest 持有權益百分比	Nature of relationship 關係的性質	Measurement method 計量方法
45%	Note (i) 附註(i)	Equity 權益
25.93%	Note (ii) 附註(ii)	Equity 權益

附註：

- (i) China Land Assets Limited (「CLA」) 主要從事工商物業投資業務。
- (ii) Kazakhstan Potash Corporation Limited (「哈鉀」) 是一間於澳大利亞證交所(「ASX」)上市的公司。哈鉀從事勘探和開發位於哈薩克斯坦共和國的鉀鹽礦，以最終生產複合肥。哈鉀為本集團鉀鹽業務戰略伙伴。

於二零一六年十二月三十一日，本集團於澳大利亞證交所上市的哈鉀之權益的公平價值和賬面值約港幣76,563,000元(二零一五年：港幣171,047,000元)。

CLA為一間私營公司，其股份並無市場報價。

本集團於哈鉀及CLA的權益並沒有或然負債。

Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

10 聯營公司投資及結餘(續)

(a) Investments in associates (continued)

The following table illustrates the summarised financial information of the Group's material associate, KPC, extracted from the financial statements:

(a) 聯營公司投資(續)

下列表格列出了摘錄自於財務報表，有關本集團的聯營公司，KPC的財務資料概要：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Current assets	流動資產	28,660	69,249
Non-current assets	非流動資產	588,021	564,911
Current liabilities	流動負債	(150,784)	(9,206)
Non-current liabilities	非流動負債	<u>(146,501)</u>	<u>(208,579)</u>
Net assets	淨資產	<u>319,396</u>	<u>416,375</u>
Revenue	收入	4,148	2,118
Share of profit of joint ventures	所佔合營公司收益	324	-
Expenses	支出	<u>(127,382)</u>	<u>(151,987)</u>
Loss from continuing operations	持續經營業務虧損	(122,910)	(149,869)
Income tax expense	所得稅支出	-	-
Post-tax loss from continuing operations	持續經營業務除稅前虧損	<u>(122,910)</u>	<u>(149,869)</u>
Other comprehensive income/(expense)	其他全面收入/(支出)	<u>3,758</u>	<u>(54,268)</u>
Total comprehensive expense for the year	年度全面支出總額	<u>(119,152)</u>	<u>(204,137)</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES 10 聯營公司投資及結餘(續) (continued)

(a) Investments in associates (continued)

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in the associate that is material to the Group recognised in the consolidated financial statements:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Net assets of the associate	聯營公司資產淨值	319,396	416,375
Less:	減：		
Attributable to holders of – non-controlling interests	持有人攤佔 – 非控股權益	9,453	9,415
Net assets attributable to the owners of the associate	聯營公司擁有人攤佔 資產淨值	328,849	425,790
Net assets attributable to the Group's interest in the associate	本集團於聯營公司權益 攤佔資產淨值	85,275	119,760
Goodwill	商譽	46,865	51,287
Impairment loss on interest in an associate	聯營公司權益之減值虧損	(55,876)	–
Currency translation differences	貨幣匯兌差額	299	–
Carrying amount of the Group's interest in the associate	本集團於聯營公司權益 之賬面值	76,563	171,047

Aggregate information of the Group's associates that are not individually material:

上文綜合財務資料摘要與本集團為重大的聯營公司之權益賬面值(於綜合財務報表內所確認)對賬：

本集團並非個別重大聯營公司的綜合資料：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Aggregate amounts of the Group's share of associates	本集團所佔聯營公司 綜合金額		
Profit or loss	收益或虧損	6,624	(947)
Other comprehensive expense	其他全面支出	(4,228)	–
Total comprehensive income/(loss)	全面收入/(支出)總額	2,396	(947)

Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued)

(b) Balances with associates

Except for the amount due from an associate amounting to approximately HK\$13,110,000 (2015: HK\$2,479,000) which bears interest at 10% (2015: 10%) per annum, all the outstanding balances with associates are unsecured, non-interest bearing and repayable on demand.

11 INVESTMENTS IN JOINT VENTURES

Share of net liabilities
Loan to joint ventures

所佔負債淨值
給予合營企業貸款

The loan to the joint ventures is unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the loan is considered as part of the Group's net investments in the joint venture.

Nature of investments in joint ventures as at 31 December 2016:

Name 名稱	Place of business 業務地點	Country of incorporation 註冊成立國家	Percentage of ownership interest 持有權益百分比	Nature of relationship 關係的性質	Measurement method 計量方法
Indirectly held: 間接持有：					
Golden Time Holding Limited ("Golden Time")	Samoa 薩摩亞	Samoa 薩摩亞	50%	Note 附註	Equity 權益

Note: Golden Time is an investment holding company. Golden Time and its subsidiary are principally engaged in the investment of wine industry.

10 聯營公司投資及結餘(續)

(b) 聯營公司結餘

除聯營公司欠款約為港幣13,110,000元(二零一五年：港幣2,479,000元)計年息為10厘(二零一五年：10厘)，所有其他與聯營公司結欠均無抵押、免利息及於要求時還款。

11 合營公司投資

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(52)	—
5,953	—
5,901	—

向合營公司作出之貸款為無抵押、免息及無固定還款期。董事認為，該筆貸款為本集團於合營企業投資淨額的一部分。

於二零一六年十二月三十一日合營公司投資之性質：

附註：Golden Time為一間投資控股公司。Golden Time及其附屬公司主要從事酒業項目投資。

Notes to the Consolidated Financial Statements 綜合財務報表附註

11 INVESTMENTS IN JOINT VENTURES (continued)

The Group's share of the results of its joint ventures is as follows:

Net loss and total comprehensive expense for the year	年內虧損淨額及全面虧損總額
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Golden Time is a private company and there is no quoted market price available for its shares.

No summarised financial information of Golden Time is presented as the joint ventures is not material to the Group.

Balances with joint ventures

Except for the loan to the joint ventures, all the outstanding balances with joint ventures are unsecured, non-interest bearing and repayable on demand.

11 合營公司投資(續)

集團應佔其合營公司業積如下:

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
--------------------------	--------------------------

<u>(52)</u>	<u>-</u>
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Golden Time為一間私營公司，其股份並無市場報價。

由於Golden Time對集團而言並不重大，故並無呈列此合營公司的財務資料概要。

合營公司結餘

除向合營公司作出之貸款，所有與合營公司結欠均無抵押、免利息及於要求時還款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

12 FINANCIAL INSTRUMENTS BY CATEGORY

12 按類別劃分之金融工具

		Loans and	Assets at fair	Total
		receivables	value through	
			profit or loss	
		貸款及	按公平值	總額
		應收款	透過損益	總額
		HK\$'000	列帳的資產	HK\$'000
		港幣千元	HK\$'000	港幣千元
			港幣千元	
At 31 December 2016	於二零一六年十二月三十一日			
Assets as per consolidated balance sheet	按綜合資產負債表的資產			
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	–	711	711
Derivative financial instruments	衍生金融工具	–	3,632	3,632
Bills and accounts receivable	應收票據及應收帳項	730,978	–	730,978
Deposits and other receivables	按金及其他應收款	64,437	–	64,437
Due from associates	聯營公司欠款	98,135	–	98,135
Due from joint ventures	合營公司欠款	35	–	35
Cash and bank balances	現金及銀行結餘	84,299	–	84,299
		977,884	4,343	982,227
		Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
		按公平值透過損益列帳的負債	按攤銷成本入帳的負債	總額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 31 December 2016	於二零一六年十二月三十一日			
Liabilities as per consolidated balance sheet	按綜合資產負債表的負債			
Borrowings (excluding finance lease liabilities)	貸款(不包括融資租賃負債)	–	426,571	426,571
Finance lease liabilities	融資租賃負債	–	3,065	3,065
Derivative financial instruments	衍生金融工具	1,103	–	1,103
Due to an associate	欠聯營公司款項	–	476	476
Bills and accounts payable	應付票據及應付帳項	–	240,489	240,489
Other payables and accruals	其他應付帳項及應計費用	–	71,448	71,448
		1,103	742,049	743,152

Notes to the Consolidated Financial Statements 綜合財務報表附註

12 FINANCIAL INSTRUMENTS BY CATEGORY (continued) 12 按類別劃分之金融工具(續)

		Loans and receivables	Assets at fair value through profit or loss	Total
		貸款及應收款	按公平值透過損益列帳的資產	總額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 31 December 2015	於二零一五年十二月三十一日			
Assets as per consolidated balance sheet	按綜合資產負債表的資產			
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	–	954	954
Bills and accounts receivable	應收票據及應收帳項	781,836	–	781,836
Deposits and other receivables	按金及其他應收款	69,924	–	69,924
Due from associates	聯營公司欠款	38,359	–	38,359
Cash and bank balances	現金及銀行結餘	347,982	–	347,982
		<u>1,238,101</u>	<u>954</u>	<u>1,239,055</u>
				Liabilities at amortised cost
				按攤銷成本入帳的負債
				HK\$'000
				港幣千元
At 31 December 2015	於二零一五年十二月三十一日			
Liabilities as per consolidated balance sheet	按綜合資產負債表的負債			
Borrowings	貸款			613,326
Bills and accounts payable	應付票據及應付帳項			222,402
Other payables and accruals	其他應付帳項及應計費用			<u>201,984</u>
				<u>1,037,712</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

13 INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Consumables	消耗品

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$2,595,952,000 (2015: HK\$4,403,029,000).

At 31 December 2016, the Group had certain inventories of approximately HK\$15,917,000 (2015: HK\$28,701,000) pledged with the banks (see Note 36(e)).

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity securities	上市股本證券
– Hong Kong	– 香港
– Overseas	– 海外
Market value of listed equity securities	上市股本證券之市值

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other income and net gains/(losses)" in the consolidated income statement (see Note 26).

The fair value of all equity securities is based on their current bid prices in an active market.

13 存貨

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
–	6,288
–	2,705
80,780	48,157
790	901
81,570	58,051

存貨成本中確認為費用並列入銷售成本的金額共計約港幣2,595,952,000元(二零一五年：港幣4,403,029,000元)。

於二零一六年十二月三十一日，集團有部份存貨約港幣15,917,000元(二零一五年：港幣28,701,000元)抵押予銀行(見附註36(e))。

14 按公平值透過損益列帳的財務資產

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
487	709
224	245
711	954

按公平值透過損益列帳的財務資產的公平值變動，在綜合損益表內「其他收入及收益／(虧損)淨額」中列帳(見附註26)。

所有股本證券公平值乃根據其在活躍市場之現時出價計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

15 DERIVATIVE FINANCIAL INSTRUMENTS

15 衍生金融工具

	2016		2015	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Commodity swap contracts 商品掉期合約	38	448	-	-
Forward foreign currency exchange contracts 遠期外匯合約	3,594	655	-	-
	3,632	1,103	-	-

Derivatives holding for trading purpose are classified as current assets and liabilities.

作買賣用途衍生工具分類為流動資產或負債。

The notional principal amounts of outstanding commodity swap contracts at 31 December 2016 were approximately HK\$18,385,000.

於二零一六年十二月三十一日，未平倉之商品掉期合約的票面本金約為港幣18,385,000元。

The notional principal amounts of outstanding forward foreign currency exchange contracts at 31 December 2016 were approximately HK\$100,805,000.

於二零一六年十二月三十一日，未平倉之遠期外匯合約的票面本金約為港幣100,805,000元。

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated balance sheet.

於報告日期對信貸風險的最大披露為綜合資產負債表的衍生資產的公平值。

16 BILLS, ACCOUNTS AND OTHER RECEIVABLES

16 應收票據、應收帳項及其他應收款

		2016	2015
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bills and accounts receivable	應收票據及應收帳項	737,002	788,179
Less: allowance for impairment of accounts receivable	減：應收帳項 減值撥備	(6,024)	(6,343)
Bills and accounts receivable, net (Note (a))	應收票據及應收帳項 淨額(附註(a))	730,978	781,836
Deposits, prepayments and other receivables	按金、預付款及 其他應收款	217,284	189,510
Less: allowance for impairment of deposits, prepayments and other receivables	減：按金、預付款及 其他應收款 減值撥備	(85,775)	(50,860)
		131,509	138,650
		862,487	920,486

Notes to the Consolidated Financial Statements 綜合財務報表附註

16 BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued)

Notes:

- (a) The Group normally grants to its customers credit periods for sale of goods ranging from 30 days to 180 days.

Ageing analysis of bills and accounts receivable is as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	三個月內	575,602	746,181
Over three months but within six months	超過三個月而不超過六個月	106,975	35,655
Over six months but within twelve months	超過六個月而不超過十二個月	48,401	-
		730,978	781,836

There is no significant concentration of credit risk with respect to bills and accounts receivable as the Group has a large number of customers, internationally dispersed.

- (b) As of 31 December 2016, accounts receivable of approximately HK\$48,824,000 (2015: HK\$39,883,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these accounts receivable is as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	三個月內	423	4,841
Over three months but within six months	超過三個月而不超過六個月	-	35,042
Over six months but within twelve months	超過六個月而不超過十二個月	48,401	-
		48,824	39,883

- (c) As of 31 December 2016, accounts receivable of approximately HK\$6,024,000 (2015: HK\$6,343,000) were impaired and provided for. The individually impaired receivables mainly related to customers, which are in unexpectedly difficult economic situations. The ageing analysis of these receivables is as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	三個月內	-	-
Over three months but within twelve months	超過三個月而不超過十二個月	-	3,427
Over twelve months	超過十二個月	6,024	2,916
		6,024	6,343

16 應收票據、應收帳項及其他應收款(續)

附註：

- (a) 本集團普遍就銷貨收入給予其客戶三十日至一百八十日之信用期。

應收票據及應收帳項帳齡分析如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	575,602	746,181
Over three months but within six months	106,975	35,655
Over six months but within twelve months	48,401	-
	730,978	781,836

應收票據及應收帳項並無重大集中的信貸風險，因為本集團有眾多客戶，遍佈世界各地。

- (b) 於二零一六年十二月三十一日，逾期但未減值的應收帳項約港幣48,824,000元(二零一五年：港幣39,883,000元)。此等款項僅涉及多個沒有重大財務困難的獨立客戶。根據過往的經驗，皆可收回逾期款項。此等應收帳項的帳齡分析如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	423	4,841
Over three months but within six months	-	35,042
Over six months but within twelve months	48,401	-
	48,824	39,883

- (c) 應收帳項約港幣6,024,000元(二零一五年：港幣6,343,000元)於二零一六年十二月三十一日已進行減值。個別已減值應收款項主要與意外陷入經濟困境或信貸紀錄不良的客戶有關。有關應收帳項帳齡分析如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Within three months	-	-
Over three months but within twelve months	-	3,427
Over twelve months	6,024	2,916
	6,024	6,343

Notes to the Consolidated Financial Statements 綜合財務報表附註

16 BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (d) The carrying amounts of the Group's bills and accounts receivable are denominated in the following currencies:

US\$	美元
RMB	人民幣
HK\$	港元
EUR	歐元

- (e) Movements on the Group's allowance for impairment of accounts receivable are as follows:

At 1 January	於一月一日
Provision for accounts receivable impairment	應收帳項減值撥備
Accounts receivable written off during the year as uncollectible	於年中因不能收回而撤銷的應收帳項
Currency translation	貨幣匯兌
At 31 December	於十二月三十一日

The creation and release of provision for impaired accounts receivable have been included in general and administrative expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

At 31 December 2016, the Group had certain bills and accounts receivable of approximately HK\$76,520,000 (2015: HK\$88,086,000) pledged with the banks (see Note 36(d)).

16 應收票據、應收帳項及其他應收款(續)

附註：(續)

- (d) 本集團的應收票據及應收帳項的帳面金額以下列貨幣為單位：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
646,770	740,220
494	18,161
-	583
83,714	22,872
730,978	781,836

- (e) 本集團應收帳項減值撥備變動如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
6,343	3,062
-	3,668
-	(47)
(319)	(340)
6,024	6,343

對已減值應收帳項撥備的設立和撥回已包括在綜合損益表中一般及行政費用內。在撥備帳戶中扣除的數額一般會在預期無法收回額外現金時撤銷。

於二零一六年十二月三十一日，集團有部份應收票據及應收帳項約港幣76,520,000元(二零一五年：港幣88,086,000元)抵押予銀行(見附註36(d))。

Notes to the Consolidated Financial Statements 綜合財務報表附註

16 BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (f) Movements on the Group's allowance for impairment deposits, prepayments and other receivables are as follows:

At 1 January	於一月一日
Provision for deposits, prepayments and other receivables impairment	按金、預付款及 其他應收帳項減值撥備
Currency translation	貨幣匯兌
At 31 December	於十二月三十一日

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivable mentioned above. The Group does not hold any collateral as security.

16 應收票據、應收帳項及其他應收款(續)

附註：(續)

- (f) 本集團按金、預付款及其他應收款減值撥備變動如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
50,860	-
38,424	52,184
(3,509)	(1,324)
85,775	50,860

在報告日期，信貸風險的最高風險承擔為上述每類應收款的帳面值。本集團不持有任何作為質押的抵押品。

17 CASH AND BANK BALANCES

Cash at banks and on hand 銀行及庫存現金

At 31 December 2016, the Group had certain bank balances of approximately HK\$12,574,000 (2015: HK\$89,000) pledged with the banks (see Note 36(c)).

At 31 December 2016, cash and bank balances of approximately HK\$2,013,000 are denominated in RMB and placed with banks in Mainland China. At 31 December 2015, cash and bank balances of approximately HK\$50,553,000 were denominated in RMB and placed with banks in Mainland China, in which approximately HK\$19,092,000 had been included in assets of disposal group classified as held for sale. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government.

17 現金及銀行結餘

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元

84,299	347,982
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於二零一六年十二月三十一日，集團有部份銀行結餘約港幣12,574,000元(二零一五年：港幣89,000元)抵押予銀行(見附註36(c))。

於二零一六年十二月三十一日，現金及銀行結餘約港幣2,013,000元是以人民幣為貨幣單位並存放於中國之銀行。於二零一五年十二月三十一日，現金及銀行結餘約港幣50,553,000元是以人民幣為貨幣單位並存放於中國之銀行；其中，約港幣19,092,000元包括在分類為待售集團資產。從中國匯出該等資金會受限於中國政府實施之外匯管制規條。

Notes to the Consolidated Financial Statements 綜合財務報表附註

18 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 18 August 2014, the Company as vendor of the disposal of the entire issued share capital of Burwill China Portfolio Limited (“BCPL”), a wholly-owned subsidiary of the Company (the “Disposal Shares”) and Charm Best Investments Inc. as vendor of the sale of the entire issued share capital of Dynamic Gain Holding Limited, a wholly-owned subsidiary of Charm Best Investments Inc., (the “Charm Best’s Disposal Shares”) on the one hand and China Land Assets Limited (“CLA”) on the other hand entered into the conditional sale and purchase agreement dated 18 August 2014 as supplemented by supplemental agreements dated 19 August 2014, 30 June 2015, 30 October 2015, 29 January 2016 and 23 March 2016, pursuant to which (i) the Company conditionally agreed to dispose and CLA conditionally agreed to acquire the Disposal Shares at a consideration of RMB199,780,000, and (ii) Charm Best Investments Inc. conditionally agreed to dispose and CLA conditionally agreed to acquire the Charm Best’s Disposal Shares at a consideration of RMB60,000,000. The principal assets of BCPL and its subsidiaries (the “Disposal Group”) is the Yangzhou Times Square, a large scale shopping centre located in China.

The transaction had been completed on 23 March 2016. The assets and liabilities related to the Disposal Group, had been presented as held for sale as at 31 December 2015 and 2016 following the approval of such disposal by the shareholders of the Company on 31 October 2014. Details of the transaction were included in the circular of the Company dated 15 October 2014 and the announcement of the Company dated 23 March 2016.

18 分類為待售集團資產及負債及已終止經營業務

於二零一四年八月十八日，本公司作為出售本公司全資附屬公司Burwill China Portfolio Limited全部已發行股本（「出讓股份」）之賣方及另一方面Charm Best Investments Inc.作為出售Charm Best Investments Inc.全資附屬公司Dynamic Gain Holding Limited全部已發行股本（「Charm Best出讓股份」）之賣方與另一方面新港資產有限公司簽訂二零一四年八月十八日有條件買賣協議（經二零一四年八月十九日、二零一五年六月三十日、二零一五年十月三十日、二零一六年一月二十九日及二零一六年三月二十三日之補充協議補充），據此，(i) 本公司有條件地同意出售並且新港資產有限公司有條件地同意購買出讓股份，代價為人民幣199,780,000元，及(ii) Charm Best Investments Inc.有條件地同意出售並且新港資產有限公司有條件地同意購買Charm Best出讓股份，代價為人民幣60,000,000元。Burwill China Portfolio Limited及其附屬公司（「待售集團」）之主要資產為位處中國之大型購物中心—揚州時代廣場。

該交易已於二零一六年三月二十三日完成。在本公司股東於二零一四年十月三十一日批准該出售後，待售集團的資產及負債於二零一五年及二零一六年十二月三十一日呈列為待售資產及負債。交易詳情載於本公司二零一四年十月十五日之通函內及二零一六年三月二十三日之公佈內。

Notes to the Consolidated Financial Statements 綜合財務報表附註

18 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

18 分類為待售集團資產及負債及已終止經營業務(續)

(a) Assets of disposal group classified as held for sale

(a) 分類為待售集團資產

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Leasehold land and land use rights	租賃土地及土地使用權	-	946
Property, plant and equipment	物業、機器及設備	-	12,652
Investment properties	投資物業	-	1,025,655
Investments in associates	聯營公司投資	-	3,723
Deposits, prepayments and other receivables	按金、預付款及其他應收款	-	9,250
Cash and bank balances	現金及銀行結餘	-	19,416
Other assets	其他資產	-	10,609
		<u>-</u>	<u>1,082,251</u>

(b) Liabilities of disposal group classified as held for sale

(b) 分類為待售集團負債

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Borrowings	貸款	-	134,913
Other payables and accruals	其他應付帳項及應計費用	-	32,079
Deferred income tax liabilities	遞延所得稅負債	-	209,826
Other liabilities	其他負債	-	3,213
		<u>-</u>	<u>380,031</u>

(c) Cumulative income or expense recognised in other comprehensive income relating to disposal group classified as held for sale

(c) 於其他全面收入中，已確認及歸類為待售集團之累計收入及支出

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Translation adjustment	換算調整	<u>-</u>	<u>34,446</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

18 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

18 分類為待售集團資產及負債及已終止經營業務(續)

(c) Cumulative income or expense recognised in other comprehensive income relating to disposal group classified as held for sale (continued)

(c) 於其他全面收入中，已確認及歸類為待售集團之累計收入及支出(續)

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of disposal group, is as follows:

已終止經營業務之待售集團經重新計算，分析結果如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Revenue	收入	21,023	98,555
Expenses	支出	(13,800)	(42,203)
Profit before income tax of discontinued operations	除所得稅前已終止經營業務之盈利	7,223	56,352
Gain on disposal of subsidiaries	出售附屬公司之收益	10,699	–
Income tax expense	所得稅支出	(2,792)	(14,467)
Profit for the year from discontinued operations	年度來自已終止經營業務盈利	15,130	41,885
Profit for the year from discontinued operations attributable to:	年度來自已終止經營業務盈利歸屬於：		
– Owners of the Company	– 本公司權益持有人	12,267	28,307
– Non-controlling interests	– 非控股權益	2,863	13,578
Profit for the year from discontinued operations	年度來自已終止經營業務盈利	15,130	41,885

(d) Cash flows

(d) 現金流

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Operating cash flows	營運活動的現金流量	13,922	44,204
Investing cash flows	投資活動的現金流量	1,230	3,845
Financing cash flows	融資活動的現金流量	(6,217)	(44,080)
Total cash flows	總現金流量	8,935	3,969

Notes to the Consolidated Financial Statements 綜合財務報表附註

18 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

(d) Cash flows (continued)

Investment properties transferred to disposal group classified as held for sale are leased or available for lease to third parties under operating leases. Details about such operating lease arrangements are included in Note 35(b) to the financial statements.

As at 31 December 2015, certain land use rights, building and investment properties included in disposal group classified as assets held for sale of approximately HK\$1,018,735,000 were pledged to secure against certain banking facilities granted to the Group.

18 分類為待售集團資產及負債及已終止經營業務(續)

(d) 現金流(續)

分類為待售集團資產及負債之投資物業以經營租賃方式出租或可供租予第三者。該等經營租賃安排概要包括在財務報表附註35(b)內。

於二零一五年十二月三十一日，部份分類為待售集團的土地使用權、樓宇及投資物業約港幣1,018,735,000元已予抵押，作為本集團之銀行融資抵押品。

19 SHARE CAPITAL

19 股本

		Number of ordinary shares 普通股數目 (thousands) (千計)	Nominal value 面值 HK\$'000 港幣千元
<i>Authorised</i>	法定		
At 1 January 2015,	於二零一五年一月一日，		
31 December 2015,	二零一五年十二月三十一日，		
1 January 2016 and	二零一六年一月一日及		
31 December 2016	二零一六年十二月三十一日	6,800,000	680,000
<i>Issued and fully paid</i>	已發行及繳足		
At 1 January 2015	於二零一五年一月一日	4,586,712	458,671
Repurchase of shares (Note (a))	購回股份(附註(a))	(39,110)	(3,911)
Issue of shares (Note (b))	發行股份(附註(b))	238,000	23,800
Issue of consideration shares (Note (c))	發行代價股份(附註(c))	227,259	22,726
Share options exercised	行使購股權	51,500	5,150
At 31 December 2015 and 1 January 2016	二零一五年十二月三十一日及 二零一六年一月一日	5,064,361	506,436
Repurchase of shares (Note (d))	購回股份(附註(d))	(47,796)	(4,780)
At 31 December 2016	二零一六年十二月三十一日	5,016,565	501,656

Notes to the Consolidated Financial Statements 綜合財務報表附註

19 SHARE CAPITAL (continued)

Notes:

(a) During the year ended 31 December 2015, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 39,110,000 shares of the Company on the Stock Exchange pursuant to the general mandate granted by the shareholders at the annual general meeting held on 10 June 2015.

(b) Pursuant to the share subscription agreement dated 10 April 2015 (as amended by supplemental agreements dated 14 April 2015 and 2 November 2015) entered into between the Company and China-Asia Resources Fund (the "Subscriber"), the Subscriber agreed to subscribe or procure its nominee(s) to subscribe for and the Company agreed to issue and allot an aggregate of 688,000,000 new ordinary shares of the Company (the "Subscription Share(s)") at a price of HK\$0.325 each.

Allotment and issue of 138,000,000 and 100,000,000 Subscription Shares had been completed respectively on 6 May 2015 and 3 November 2015.

(c) On 18 August 2015, the Company entered into share purchase agreements with eight sellers for the 65,660,576 ordinary shares of KPC. The consideration was approximately HK\$81,813,000 and settled by way of allotment and issue of a total of 227,258,550 shares of the Company.

(d) During the year ended 31 December 2016, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 47,796,000 shares of the Company on the Stock Exchange pursuant to the general mandates granted by the shareholders at the annual general meetings held on 10 June 2015 and 22 June 2016.

19 股本(續)

附註：

(a) 截至二零一五年十二月三十一日止年度內，本公司透過全資附屬公司Hillot Limited根據於二零一五年六月十日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司購回本公司股份合共39,110,000股。

(b) 根據二零一五年四月十日本公司與China-Asia Resources Fund(「認購方」)簽訂的股份認購協議(經二零一五年四月十四日及二零一五年十一月二日補充協議修訂)，本公司同意按每股港幣0.325元的價格發行及配發合共688,000,000股本公司新普通股(「認購股份」)，並且認購方同意以該協定條款認購或促使其代理人認購認購股份。

本公司分別於二零一五年五月六日及二零一五年十一月三日已完成配發及發行138,000,000股及100,000,000股認購股份。

(c) 本公司於二零一五年八月十八日與八位賣方簽訂購股協議收購合共65,660,576股哈鉀普通股股份，總代價約為港幣81,813,000元及以配發發行合共227,258,550股代價股份之方式支付。

(d) 截至二零一六年十二月三十一日止年度內，本公司透過全資附屬公司Hillot Limited根據於二零一五年六月十日及二零一六年六月二十二日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於聯合交易所購回本公司股份合共47,796,000股。

Notes to the Consolidated Financial Statements 綜合財務報表附註

20 SHARE-BASED PAYMENTS

At the annual general meeting of the Company held on 8 June 2011, shareholders of the Company approved the adoption of a share option scheme (the "Option Scheme"). Under the Option Scheme, the Company may grant options to employees (including executive directors or non-executive directors) of the Company and its subsidiaries to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options. The subscription price will be determined by the directors, and will not be less than the highest of: (i) the closing price of the shares quoted on the Stock Exchange on the trading day of granting the options; (ii) the average of the closing prices of the shares quoted on the Stock Exchange for the five trading days immediately preceding the date of granting the options; and (iii) the nominal value of the shares. The Option Scheme shall be valid and effective for a period of ten years commencing on 8 June 2011, after which period no further options will be granted or accepted but the provisions of the Option Scheme shall remain in full force and effect in all other respects.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

20 以股份支付之報酬

本公司於二零一一年六月八日舉行之股東週年大會上獲得股東批准採用購股權計劃(「購股權計劃」)。根據購股權計劃，本公司可授予本公司及其附屬公司之員工(包括執行董事或非執行董事)購股權以認購本公司之股份，但僅限於最多當時本公司已發行股本之30%(不計入因行使購股權而發行的股份)。每股之認購價由董事決定，並將不少於：(i)在授出購股權當日於聯交所匯報之收市價；(ii)在授出購股權前五個交易日內於聯交所匯報之平均收市價；及(iii)股份面值三者之較高者。購股權計劃之有效期由二零一一年六月八日起計，為期十年，其後將不得再授出或接納任何購股權，惟購股權計劃之條文在其他各方面將仍具有十足效力及作用。

尚未行使之購股權數目及彼等有關加權平均行使價變動如下：

		2016		2015	
		Average exercise price in HK\$ per share option	Options (thousands)	Average exercise price in HK\$ per share option	Options (thousands)
		每購股權平均行使價(港元)	購股權(千計)	每購股權平均行使價(港元)	購股權(千計)
At 1 January	於一月一日	0.30	224,900	0.30	277,300
Forfeited	已沒收	-	-	0.30	(900)
Exercised	已行使	-	-	0.30	(51,500)
Expired	已失效	0.30	(224,900)	-	-
At 31 December	於十二月三十一日	-	-	0.30	224,900

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20 SHARE-BASED PAYMENTS (continued)

All the outstanding options were exercisable as at 31 December 2015. Options exercised in 2015 resulted in 51,500,000 shares being issued at a weighted average price of HK\$0.30. The related weighted average share price at the time of exercise was HK\$0.42 per share. There was no share option outstanding as at 31 December 2016.

The related transaction costs amounting to HK\$13,500 had been netted off with the proceeds received for the year ended 31 December 2015.

Share options outstanding at the end of the year had the following expiry date and exercise price:

Expiry date	到期日
Option Scheme 30 November 2016	購股權計劃 二零一六年十一月三十日

The vesting period of the options is from the date of the grant until the commencement of the exercisable period.

According to Black-Scholes options pricing model, the fair value of options as at 31 December 2015 was approximately HK\$21,460,000 of which the Group recognised a share option expenses of approximately HK\$9,467,000 for the year ended 31 December 2015.

20 以股份支付之報酬(續)

於二零一五年十二月三十一日，所有未行使之購股權均可予行使。於二零一五年共有51,500,000份購股權按每份港幣0.30元之加權平均價行使。於行使時之相關加權平均股價為每股股份港幣0.42元。截至二零一六年十二月三十一日止年度，沒有購股權尚未行使。

截至二零一五年十二月三十一日止年度相關交易成本為港幣13,500元，透過已收取所得款項結清。

於年末尚未行使之購股權之到期日及行使價如下：

Exercise price in HK\$ per share option 每購股權 行使價 (港元)	Options (thousands) 購股權 (千計)	2016	2015
0.30	-	224,900	

購股權之歸屬期由授出當日起至行使期開始當日止。

根據「柏力克—舒爾斯」期權計價模式，於二零一五年十二月三十一日購股權之公平值約港幣21,460,000元，其中本集團於截至二零一五年十二月三十一日止年度確認購股權支出約港幣9,467,000元。

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21 OTHER RESERVES AND ACCUMULATED LOSSES

21 其他儲備及累計虧損

		Share premium	Capital reserve	Contributed surplus	Capital redemption reserve	Revaluation reserve	Available-for-sale reserve	Translation adjustments	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	資本儲備	繳入盈餘	資本回贖儲備	重估儲備	可供出售儲備	換算調整	以股份支付之補償儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2015	於二零一五年一月一日	735,411	(51,580)	99,172	12,037	11,213	-	159,154	18,173	(202,759)	780,821
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(123,453)	(123,453)
Changes in value of available-for-sale financial assets	可供出售財務資產價值變動	-	-	-	-	-	(66,428)	-	-	-	(66,428)
Fair value losses on reclassification of available-for-sale financial assets to an associate	可供出售財務資產調整為聯營公司之公平值虧損	-	-	-	-	-	66,428	-	-	-	66,428
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	-	-	-	-
- Group	- 集團	-	-	-	-	-	-	(30,829)	-	-	(30,829)
- Associates	- 聯營公司	-	-	-	-	-	-	(3,211)	-	-	(3,211)
Repurchase of shares	回購股份	(6,768)	-	-	-	-	-	-	-	-	(6,768)
Issue of shares	發行股份	53,550	-	-	-	-	-	-	-	-	53,550
Issue of consideration shares	發行代價股份	59,087	-	-	-	-	-	-	-	-	59,087
Share issue expense	發行股份支出	(414)	-	-	-	-	-	-	-	-	(414)
Employee share option scheme:	僱員購股權計劃:	-	-	-	-	-	-	-	-	-	-
- value of employee services	- 僱員服務價值	-	-	-	-	-	-	-	9,467	-	9,467
- share options exercised	- 行使購股權	16,480	-	-	-	-	-	-	(6,180)	-	10,300
At 31 December 2015	於二零一五年十二月三十一日	<u>857,346</u>	<u>(51,580)</u>	<u>99,172</u>	<u>12,037</u>	<u>11,213</u>	<u>-</u>	<u>125,114</u>	<u>21,460</u>	<u>(326,212)</u>	<u>748,550</u>
		Share premium	Capital reserve	Contributed surplus	Capital redemption reserve	Revaluation reserve	Translation adjustments	Share-based compensation reserve	Accumulated losses	Total	
		股份溢價	資本儲備	繳入盈餘	資本回贖儲備	重估儲備	換算調整	以股份支付之補償儲備	累計虧損	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1 January 2016	於二零一六年一月一日	857,346	(51,580)	99,172	12,037	11,213	125,114	21,460	(326,212)	748,550	
Loss for the year	年度虧損	-	-	-	-	-	-	-	(207,896)	(207,896)	
Share of other comprehensive income of associates	所佔聯營公司其他全面收入	-	-	-	-	-	793	-	-	793	
Release upon disposal of subsidiaries	出售附屬公司權益時轉出儲備	-	-	-	-	(11,213)	(34,648)	-	-	(45,861)	
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	-	-	-	-	
- Group	- 集團	-	-	-	-	-	(10,365)	-	-	(10,365)	
- Associates	- 聯營公司	-	-	-	-	-	(19,229)	-	-	(19,229)	
Repurchase of shares	回購股份	(6,481)	-	-	-	-	-	-	-	(6,481)	
Transfer of share option reserve upon the forfeiture or expiry of share options	轉撥被沒收或失效購股權後之購股權儲備	-	-	-	-	-	-	(21,460)	21,460	-	
At 31 December 2016	於二零一六年十二月三十一日	<u>850,865</u>	<u>(51,580)</u>	<u>99,172</u>	<u>12,037</u>	<u>-</u>	<u>61,665</u>	<u>-</u>	<u>(512,648)</u>	<u>459,511</u>	

Notes to the Consolidated Financial Statements 綜合財務報表附註

21 OTHER RESERVES AND ACCUMULATED LOSSES (continued)

Contributed surplus represents (i) the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired; and (ii) transfer from share premium account. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that a company shall not declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

21 其他儲備及累計虧損(續)

繳入盈餘乃(i)股份發行之面值與購入附屬公司之淨資產帳面值之差額;及(ii)由股份溢價帳轉入。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

根據百慕達一九八一年公司法，繳入盈餘可分派給股東，但如(i)於分派後，公司未能償還到期債務或(ii)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，本公司不能宣佈或支付股息或分派繳入盈餘。

22 BORROWINGS

22 貸款

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Non-current	非流動		
Other loans from non-controlling shareholders of subsidiaries	附屬公司非控股股東的其他貸款	56,357	56,615
Finance lease liabilities	融資租賃負債	2,111	-
		58,468	56,615
Current	流動		
Bank overdrafts (Note 33(b))	銀行透支(附註33(b))	11,159	26,561
Bank borrowings due within one year	須於一年內償還的銀行貸款	263,234	427,471
Bank borrowings due after one year which contain a repayment on demand clause	須於一年後償還並附帶可隨時要求還款之銀行貸款	95,821	102,142
Other loans	其他貸款	-	537
Finance lease liabilities	融資租賃負債	954	-
		371,168	556,711
Total borrowings	總貸款	429,636	613,326

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22 BORROWINGS (continued)

Secured borrowings are as follows:

Bank borrowings	銀行貸款
Finance lease liabilities	融資租賃負債

At 31 December 2016, bank borrowings and other loan of approximately HK\$210,303,000 (2015: HK\$366,490,000) were secured by certain leasehold land and land use rights, buildings, inventories, bills and accounts receivable and bank balances (see Notes 6, 7, 13, 16 and 17). Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Other loans from non-controlling shareholders of subsidiaries were unsecured, non-interest bearing and not repayable within one year.

Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 3.1(c). As at 31 December 2015 and 2016, none of the covenants relating to the drawn down facilities had been breached.

22 貸款(續)

有抵押貸款如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
	210,303	366,490
	3,065	—
	<u>213,368</u>	<u>366,490</u>

於二零一六年十二月三十一日，銀行貸款及其他貸款約港幣210,303,000(二零一五年：港幣366,490,000元)以部份租賃土地及土地使用權、樓宇、存貨、應收票據及應收帳項及銀行結餘作抵押(見附註6、7、13、16及17)。融資租賃負債實際上已有抵押，因為在違約時租賃資產的權益將歸屬出租人。

附屬公司非控股股東的其他貸款並無抵押、免利息及不須於一年內償還。

本集團部分銀行信貸須受履行與本集團若干資產負債比率有關的契約所規限。該等契約常見於與金融機構達成的借貸安排。若本集團違反契約，則已提取的貸款將須於要求時償還。本集團會定期監察該等契約的遵行情況。本集團管理流動資金風險的進一步詳情載於附註3.1(c)。於二零一五年及二零一六年十二月三十一日，本集團並無違反有關已提取信貸的契約。

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22 BORROWINGS (continued)

At 31 December 2015 and 2016, the Group's borrowings were repayable as follows:

22 貸款(續)

於二零一五年及二零一六年十二月三十一日，本集團貸款的償還情況如下：

		Bank borrowings and overdrafts		Other loans	
		銀行貸款及透支		其他貸款	
		2016	2015	2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Within one year	一年內	274,393	454,032	-	537
Between one and two years (Note)	一至二年內 (附註)	6,512	6,478	-	-
Between two and five years (Note)	二至五年內 (附註)	20,491	3,295	56,357	56,615
Over five years (Note)	超過五年(附註)	68,818	92,369	-	-
		370,214	556,174	56,357	57,152

Note:

The amounts due are based on the schedule repayment dates set out in the loan agreements and ignored the effect of any repayment on demand clause.

附註：

到期金額乃按貸款協議所載的預定償還日期計算，並無計及任何可隨時要求償還條款之影響。

		2016	2015
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Gross finance lease liabilities	融資租賃負債		
- minimum lease payments:	- 最低租賃付款：		
Not later than one year	不超過一年	1,061	-
Later than one year and not later than five years	超過一年但不超過五年	2,236	-
		3,297	-
Future finance charges on finance leases	融資租賃之未來財務費用	(232)	-
Present value of finance lease liabilities	融資租賃負債之現值	3,065	-
The present value of finance lease liabilities is as follows:	融資租賃負債之現值如下：		
Not later than one year	不超過一年	954	-
Later than one year and not later than five years	超過一年但不超過五年	2,111	-
		3,065	-

Notes to the Consolidated Financial Statements 綜合財務報表附註

22 BORROWINGS (continued)

The effective interest rates at the end of the reporting period are as follows:

	2016				2015			
	US\$ 美元	RMB 人民幣	EUR 歐元	HK\$ 港元	US\$ 美元	RMB 人民幣	EUR 歐元	HK\$ 港元
Bank borrowings and overdraft	3.5%	13.4%	2.0%	2.4%	3.3%	4.4%	2.3%	2.2%
Finance lease liabilities	-	-	-	2.1%	-	-	-	-

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
US\$	美元	245,733	426,461
RMB	人民幣	3,600	8,854
HK\$	港元	138,235	141,973
EUR	歐元	42,068	36,038
		429,636	613,326

23 DEFERRED INCOME TAX

The gross movement on the deferred income tax account is as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January	於一月一日	47,909	54,346
Currency translation differences	貨幣匯兌差額	(440)	(938)
Consolidated income statement charge	在綜合損益表扣除	(4,839)	(5,499)
At 31 December	於十二月三十一日	42,630	47,909

22 貸款(續)

於報告日期末的實際利率如下：

集團貸款的帳面金額以下列貨幣為單位：

23 遞延所得稅

遞延所得稅帳目之變動總額如下：

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23 DEFERRED INCOME TAX (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

遞延所得稅負債

		Others 其他	
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January	於一月一日	(1,177)	(1,177)
Charged to the consolidated income statement	在綜合損益表扣除	-	-
At 31 December	於十二月三十一日	<u>(1,177)</u>	<u>(1,177)</u>

Deferred income tax assets 遞延所得稅資產		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅損		Total 總額	
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January	於一月一日	1,554	1,628	47,532	53,895	49,086	55,523
Charged to the consolidated income statement	在綜合損益表扣除	(1,214)	(74)	(3,625)	(5,425)	(4,839)	(5,499)
Currency translation differences	貨幣匯兌差額	-	-	(440)	(938)	(440)	(938)
At 31 December	於十二月三十一日	<u>340</u>	<u>1,554</u>	<u>43,467</u>	<u>47,532</u>	<u>43,807</u>	<u>49,086</u>

23 遞延所得稅(續)

年內遞延所得稅資產及負債之變動(沒有考慮與同一徵稅地區之結餘抵銷)如下:

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23 DEFERRED INCOME TAX (continued)

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 tax assets and liabilities relate to income taxes levied by the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet as assets/liabilities not realisable/due within one year:

Deferred income tax assets	遞延所得稅資產
Deferred income tax liabilities	遞延所得稅負債

Deferred income tax assets are recognised for tax losses carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$768,155,000 (2015: HK\$736,257,000), which certain amounts are subject to approval from the Hong Kong Inland Revenue Department. Tax losses of PRC subsidiaries have an expiry period of five years, while tax losses of Hong Kong subsidiaries have no expiry date. Tax losses can be carried forward to offset future taxable income.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprise established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5-10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries and associates established in Mainland China in respect of earnings generated from 1 January 2008.

23 遞延所得稅(續)

倘有合法強制執行權利可抵銷當期稅項資產與當期稅項負債，以及當遞延所得稅資產與負債與同一課稅當局就有意按淨額基準結付結餘。在計入適當抵銷後，下列金額在綜合資產負債表內以不可於一年內變現／到期之資產／負債列帳：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
	42,631	47,914
	(1)	(5)
	42,630	47,909

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損約港幣768,155,000元(二零一五年：港幣736,257,000元)，其中部份需待香港稅務局批准。中國內地成立之附屬公司的稅損屆滿期為五年，而香港成立之附屬公司的稅損並無到期日。稅損可結轉以抵銷未來應課稅收入。

根據新中國企業所得稅法，於中國內地成立之外國投資企業向外國投資者宣派之股息須徵收10%預扣稅。此規定於二零零八年一月一日生效並適用於二零零七年十二月三十一日以後之盈利。倘中國內地與外國投資者所屬司法權區訂立稅務條約，則較低之預扣稅率可能會適用。就本集團而言，適用稅率為5-10%。因此，本集團須就其於中國內地成立之該等附屬公司及聯營公司就於二零零八年一月一日後產生之盈利而派付之股息繳納預扣稅。

Notes to the Consolidated Financial Statements 綜合財務報表附註

23 DEFERRED INCOME TAX (continued)

At 31 December 2016, no deferred income tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and associates established in Mainland China. The aggregate amount of temporary differences associated with investments in subsidiaries and associates in Mainland China for which deferred income tax liabilities have not been recognised totalled approximately HK\$4,290,000 at 31 December 2016 (2015: HK\$35,159,000).

24 BILLS AND ACCOUNTS PAYABLE

The ageing analysis of bills and accounts payable is as follows:

Within three months	三個月內
Over three months but within six months	超過三個月而不超過六個月
Over six months but within twelve months	超過六個月而不超過十二個月
Over twelve months	超過十二個月

The carrying amounts of the Group's bills and accounts payable are denominated in the following currencies:

US\$	美元
RMB	人民幣
EUR	歐元
Others	其他

23 遞延所得稅(續)

於二零一六年十二月三十一日，概無就本集團於中國內地成立之附屬公司及聯營公司的未匯出盈利而應付之預扣稅確認任何遞延所得稅。尚未確認遞延所得稅負債之中國內地附屬公司及聯營公司投資並與之相關之暫時差異於二零一六年十二月三十一日合共約為港幣4,290,000元(二零一五年：約為港幣35,159,000元)。

24 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
220,272	202,244
38	51
523	560
19,656	19,547
240,489	222,402

本集團的應付票據及應付帳項的帳面金額以下列貨幣為單位：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
124,601	196,590
20,724	21,492
95,164	4,311
-	9
240,489	222,402

Notes to the Consolidated Financial Statements 綜合財務報表附註

25 PROVISION FOR LAND RESTORATION AND ENVIRONMENTAL COSTS 25 土地復原及環境成本撥備

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January	於一月一日	4,075	4,279
Currency translation differences	貨幣匯兌差額	(271)	(204)
At 31 December	於十二月三十一日	<u>3,804</u>	<u>4,075</u>

The provision for land restoration and environmental costs is in relation to the estimated costs of complying with the Group's obligations for land reclamation. These costs are expected to be incurred on mine closure, which are based on current mineral reserve estimates.

土地復原及環境成本撥備是關於本集團對復墾的責任相關成本之估計。此項成本乃根據現有礦產資源儲備估計，並預期在礦井關閉時產生。

26 OTHER INCOME AND NET GAINS/(LOSSES) 26 其他收入及收益／(虧損)淨額

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Fair value (losses)/gains on:	公平值(虧損)／收益：		
– financial assets at fair value through profit or loss	– 按公平值透過損益列帳的財務資產	(242)	419
– derivative financial instruments	– 衍生金融工具	1,923	–
Fair value losses on reclassification of available-for-sale financial assets to an associate	可供出售財務資產調整為聯營公司之公平值虧損	–	(66,428)
Interest income on:	利息收入：		
– bank deposits	– 銀行存款	177	191
– other receivables	– 其他應收款	177	187
– due from associates	– 聯營公司欠款	573	259
Dividend income	股息收入	12	18
Dilution loss on an associate	聯營公司攤薄虧損	(5,985)	–
Gains/(Losses) on disposal of property, plant and equipment	出售物業、機器及設備之收益／(虧損)	2,995	(37)
Waiver of amount due to a related company	欠關聯公司款項豁免	–	21,565
Others	其他	4,657	2,407
		<u>4,287</u>	<u>(41,419)</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

27 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Depreciation of property, plant and equipment	物業、機器及設備折舊		
– owned assets	– 自置資產	4,493	5,644
– assets held under finance leases	– 融資租賃資產	485	–
Amortisation of prepaid operating lease payments	預付營運租賃款項攤銷	316	326
Operating lease rentals	營運租賃租金	1,199	2,173
Employee benefit expense (including directors' emoluments) (Note 28)	僱員福利開支(包括董事酬金) (附註28)	83,965	82,705
Provision for impairment of accounts receivable	應收帳項減值撥備	–	3,668
Provision for impairment of deposits, prepayments and other receivables	按金、預付款及其他應收款 減值撥備	38,424	52,184
Provision for impairment of amounts due from associates	聯營公司欠款減值撥備	3,082	–
Provision for inventories	存貨撥備	2,271	900
Net exchange gains	匯兌淨收益	(1,780)	(4,127)
Auditors' remuneration	核數師酬金	1,250	1,150

27 按性質分類的費用

列在銷售成本、銷售及分銷費用和一般及行政費用內的費用分析如下：

28 EMPLOYEE BENEFIT EXPENSE

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Wages and salaries and other termination benefit	薪金工資及離職補助金	78,584	67,160
Share options granted to directors and employees	授予董事及僱員的購股權	–	9,467
Pension costs – defined contribution plans (Note (a))	退休成本 – 界定供款計劃 (附註(a))	3,610	3,092
Staff welfare	員工福利	1,771	2,986
		83,965	82,705

28 僱員福利開支

Notes to the Consolidated Financial Statements 綜合財務報表附註

28 EMPLOYEE BENEFIT EXPENSE (continued)

Note:

(a) Pensions – defined contribution plans

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the “Original Scheme”), which is managed by independently administered funds. The Group’s monthly contributions are based on 5% of employees’ monthly salaries. The employees are entitled to receive 100% of the Group’s contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Prior to 1 June 2014, both the employer’s and the employees’ contributions are subject to a maximum of HK\$1,250 per month per employee. From 1 June 2014, both the employer’s and the employees’ contributions are subject to a maximum of HK\$1,500 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 14% to 22% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group’s contributions to the aforementioned schemes was approximately HK\$3,610,000 (2015: HK\$3,092,000) without deduction of forfeited contributions of the Original Scheme.

28 僱員福利開支(續)

附註：

(a) 退休金－界定供款計劃

本集團為香港僱員安排參與由獨立基金管理之界定供款退休計劃(「原計劃」)。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃(「強積金計劃」)，一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。於二零一四年六月一日前，僱主及僱員的各自供款最高為每名僱員每月港幣1,250元。由二零一四年六月一日起，僱主及僱員的各自供款最高為每名僱員每月港幣1,500元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約14%至22%供款。除年度供款外，本集團毋須承擔其他實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣3,610,000元(二零一五年：港幣3,092,000元)，並無扣除原計劃的沒收供款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

28 EMPLOYEE BENEFIT EXPENSE (continued)

Note: (continued)

(b) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 31 December 2016 is set out below:

Name of director 董事姓名	Fees 袍金	Salaries, allowances and benefits 薪金、津貼及 福利	Discretionary bonuses 酌情獎金	Employer's contribution to pension scheme 僱主供款 退休計劃的 僱主供款	Employee share option benefit 僱員購股權 福利	Total 總額
		HK\$'000 港幣千元		HK\$'000 港幣千元	HK\$'000 港幣千元	
Executive directors 執行董事						
Mr. CHAN Shing (Note (i)) 陳城先生(附註(i))	-	6,335	443	266	-	7,044
Ms. CHEUNG Kwan 張軍女士	-	3,960	-	21	-	3,981
Mr. SIT Hoi Tung 薛海東先生	-	3,100	250	143	-	3,493
Mr. WEI Jia Fu 魏家福先生	-	2,400	-	-	-	2,400
Mr. KWOK Wai Lam 郭偉霖先生	-	2,310	250	107	-	2,667
Mr. SHAM Kai Man 岑啟文先生	-	2,192	550	101	-	2,843
Independent non-executive directors 獨立非執行董事						
Mr. CUI Shu Ming 崔書明先生	444	-	35	-	-	479
Mr. HUANG Shenglan (Note (v)) 黃勝藍先生(附註(v))	318	-	25	-	-	343
Mr. CHAN Ming Fai 陳明輝先生	318	-	25	-	-	343
	1,080	20,297	1,578	638	-	23,593

28 僱員福利開支(續)

附註：(續)

(b) 董事及高級管理層薪酬

截至二零一六年十二月三十一日止年度，每名董事及行政總裁的薪酬如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

28 EMPLOYEE BENEFIT EXPENSE (continued)

Note: (continued)

(b) Directors' and chief executive's emoluments (continued)

The remuneration of every director and the chief executive for the year ended 31 December 2015 is set out below:

Name of director	Fees	Salaries, allowances and benefits	Discretionary bonuses	Employer's contribution to pension scheme	Employee share option benefit	Total
董事姓名	袍金	薪金、津貼及福利	酌情獎金	僱主供款	僱員購股權福利	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors 執行董事						
Mr. CHAN Shing (Note (i))	–	6,306	–	263	155	6,724
Ms. CHEUNG Kwan (Note (ii))	–	374	–	–	–	374
Mr. SIT Hoi Tung	–	2,960	200	136	758	4,054
Mr. WEI Jia Fu (Note (iii))	–	142	–	–	–	142
Mr. KWOK Wai Lam	–	2,105	200	97	758	3,160
Mr. SHAM Kai Man	–	2,065	400	95	758	3,318
Ms. LAU Ting (Note (iv))	–	2,434	–	112	85	2,631
Ms. TUNG Pui Shan, Virginia (Note (iv))	–	1,028	100	48	416	1,592
Independent non-executive directors 獨立非執行董事						
Mr. CUI Shu Ming	430	–	36	–	155	621
Mr. HUANG Shenglan	307	–	25	–	155	487
Mr. CHAN Ming Fai	307	–	25	–	155	487
Mr. CHIANG Bun (Note (iv))	92	–	20	–	–	112
	<u>1,136</u>	<u>17,414</u>	<u>1,006</u>	<u>751</u>	<u>3,395</u>	<u>23,702</u>

Notes:

- (i) The chief executive of the Company is Mr. CHAN Shing, who is also one of the executive directors of the Company.
- (ii) Appointed on 27 November 2015.
- (iii) Appointed on 10 December 2015.
- (iv) Resigned on 2 July 2015.
- (v) Re-designated as non-executive director on 3 March 2017.

28 僱員福利開支(續)

附註：(續)

(b) 董事及高級管理層薪酬(續)

截至二零一五年十二月三十一日止年度，每名董事及行政總裁的薪酬如下：

Name of director	Fees	Salaries, allowances and benefits	Discretionary bonuses	Employer's contribution to pension scheme	Employee share option benefit	Total
董事姓名	袍金	薪金、津貼及福利	酌情獎金	僱主供款	僱員購股權福利	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors 執行董事						
Mr. CHAN Shing (Note (i))	–	6,306	–	263	155	6,724
Ms. CHEUNG Kwan (Note (ii))	–	374	–	–	–	374
Mr. SIT Hoi Tung	–	2,960	200	136	758	4,054
Mr. WEI Jia Fu (Note (iii))	–	142	–	–	–	142
Mr. KWOK Wai Lam	–	2,105	200	97	758	3,160
Mr. SHAM Kai Man	–	2,065	400	95	758	3,318
Ms. LAU Ting (Note (iv))	–	2,434	–	112	85	2,631
Ms. TUNG Pui Shan, Virginia (Note (iv))	–	1,028	100	48	416	1,592
Independent non-executive directors 獨立非執行董事						
Mr. CUI Shu Ming	430	–	36	–	155	621
Mr. HUANG Shenglan	307	–	25	–	155	487
Mr. CHAN Ming Fai	307	–	25	–	155	487
Mr. CHIANG Bun (Note (iv))	92	–	20	–	–	112
	<u>1,136</u>	<u>17,414</u>	<u>1,006</u>	<u>751</u>	<u>3,395</u>	<u>23,702</u>

附註：

- (i) 本公司之行政總裁為陳城先生，亦為本公司之執行董事之一。
- (ii) 於二零一五年十一月二十七日委任。
- (iii) 於二零一五年十二月十日委任。
- (iv) 於二零一五年七月二日離任。
- (v) 於二零一七年三月三日調任為非執行董事。

Notes to the Consolidated Financial Statements 綜合財務報表附註

28 EMPLOYEE BENEFIT EXPENSE (continued)

Note: (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2015: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining highest paid individual (a past director) for the years ended 31 December 2015 and 2016 are as follows:

Salaries, allowance and benefits	薪金、津貼及福利
Employer's contributions to pension scheme	退休計劃的僱主供款
Employee share option benefit	僱員購股權福利

For the years ended 31 December 2015 and 2016, no payments had been made by the Group to the directors or the highest paid individual in respect of inducement to join or compensation for loss of office, and no directors or the highest paid individual waived any of the emoluments.

29 FINANCE COSTS

Interest on:	利息：
– bank borrowings	– 銀行貸款
– finance lease liabilities	– 融資租賃負債

28 僱員福利開支(續)

附註：(續)

(c) 五位最高薪酬人士

本年度集團最高薪酬的五位人士包括四位(二零一五年：四位)董事，他們的薪酬在上文呈報的分析中反映。截至二零一五年及二零一六年十二月三十一日止年度，餘下一位最高薪人士(已辭任董事)的薪酬如下：

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
5,216	4,844
224	223
–	155
5,440	5,222

截至二零一五年及二零一六年十二月三十一日止年度，本集團概無因就職或離職補償而向董事或最高薪人士支付款項，概無董事或最高薪人士放棄收取酬金。

29 融資成本

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元
13,151	20,243
118	11
13,269	20,254

Notes to the Consolidated Financial Statements 綜合財務報表附註

30 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2035. The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax of 25% (2015: 25%) on their taxable income determined according to Mainland China tax laws. Taxation on other 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.

No provision for Hong Kong profits tax has been made as the Group had no assessable profit arising in or derived from Hong Kong for the year ended 31 December 2016 (2015: Nil).

30 所得稅支出

本公司可免繳百慕達稅項直至二零三五年。於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年度預計產生或源自香港的應課稅盈利之16.5% (二零一五年：16.5%)撥備。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之25% (二零一五年：25%)計算。其他海外盈利之稅項已根據估計年度應課稅盈利按本集團經營業務國家之現行稅率計算。

截至二零一六年十二月三十一日止年度，因本集團並無產生或源自香港的應課稅盈利，故香港利得稅沒有撥備 (二零一五年：無)。

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Current tax:	本年稅項：		
– Mainland China taxation	– 中國稅項	234	427
– Overseas taxation	– 海外稅項	1,899	301
		<u>2,133</u>	<u>728</u>
Adjustments in respect of prior years:	以前年度調整：		
– Mainland China taxation	– 中國稅項	36	71
– Overseas taxation	– 海外稅項	(280)	–
		<u>(244)</u>	<u>71</u>
Deferred tax:	遞延稅項：		
Origination and reversal of temporary differences	暫時差異的產生及轉回	4,839	5,499
Income tax expense	所得稅支出	<u>6,728</u>	<u>6,298</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

30 INCOME TAX EXPENSE (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

30 所得稅支出(續)

本集團有關除所得稅前虧損之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Loss before income tax	除所得稅前虧損	222,766	(166,720)
Calculated at a tax rate of 16.5% (2015: 16.5%)	按稅率16.5% (二零一五年：16.5%)計算	(36,756)	(27,509)
Effect of different taxation rates in other countries	其他國家不同稅率之影響	(1,814)	(4,856)
Income not subject to taxation	無須課稅之收入	(11,972)	(422)
Expenses not deductible for taxation purposes	不可扣稅之支出	33,296	28,866
Utilisation of previously unrecognised tax losses	使用以前未確認稅損	-	(61)
Tax losses for which no deferred income tax assets was recognised	未確認遞延所得稅資產 的稅損	8,905	4,631
Recognition of previously unrecognised deferred tax assets	確認以前未確認 遞延所得稅資產	-	1,154
Adjustments in respect of prior years	以前年度調整	(244)	71
Others	其他	15,313	4,424
Tax expense	稅項支出	6,728	6,298

Notes to the Consolidated Financial Statements 綜合財務報表附註

31 (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

Loss from continuing operations attributable to owners of the Company (HK\$'000)

Profit from discontinued operations attributable to owners of the Company (HK\$'000)

本公司權益持有人應佔來自持續經營業務虧損(港幣千元)

本公司權益持有人應佔來自已終止經營業務盈利(港幣千元)

Loss attributable to owners of the Company (HK\$'000)

本公司權益持有人應佔虧損(港幣千元)

Weighted average number of ordinary shares in issue (thousands)

已發行普通股的加權平均數(千計)

Basic and diluted (loss)/earnings per share (HK cents)

每股基本及攤薄(虧損)/盈利(港仙)

From continuing operations

來自持續經營業務

From discontinued operations

來自已終止經營業務

The outstanding share options during the years ended 31 December 2015 and 31 December 2016 have an anti-dilutive effect on the basic (loss)/earnings per share.

31 每股(虧損)/盈利

每股基本及攤薄(虧損)/盈利根據本公司權益持有人應佔(虧損)/盈利，除以年內已發行普通股的加權平均數目計算。

2016	2015
HK\$'000	HK\$'000
港幣千元	港幣千元

(209,464)	(151,760)
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1,568	28,307
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(207,896)	(123,453)
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5,044,487	4,797,044
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(4.15)	(3.16)
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0.03	0.59
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(4.12)	(2.57)
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截至二零一五及二零一六年十二月三十一日止年度內尚未行使的購股權對每股基本(虧損)/盈利存有反攤薄作用。

32 DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

32 股息

董事局不擬就截至二零一六年十二月三十一日止年度派付末期股息(二零一五年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS 33 綜合現金流量表附註

(a) Cash (used in)/generated from operations	(a) 營運(所用)/產生的現金	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Loss for the year	年度虧損	(214,364)	(131,133)
Adjustments for:	調整：		
– Tax	– 稅項	9,520	20,765
– Depreciation of property, plant and equipment	– 物業、機器及設備折舊	4,978	5,644
– Amortisation	– 攤銷	316	326
– Property, plant and equipment impairment charge	– 物業、機器及設備減值	10,214	13,729
– Gain on disposal of subsidiaries	– 出售附屬公司溢利	(10,699)	–
– (Gains)/Losses on disposal of property, plant and equipment	– 出售物業、機器及設備之(盈利)/虧損	(3,030)	76
– Dilution loss on associate	– 聯營公司攤薄虧損	5,985	–
– Share option expenses	– 購股權支出	–	9,467
– Fair value gains on investment properties	– 投資物業的公平值收益	(95)	(11,658)
– Fair value losses/(gains) on financial assets at fair value through profit or loss	– 按公平值透過損益列帳的財務資產之公平值收益	242	(419)
– Fair value losses on derivative financial instruments	– 衍生金融工具之公平值虧損	(1,923)	–
– Fair value losses on reclassification of available-for-sale financial assets to an associate	– 可供出售財務資產調整為聯營公司之公平值虧損	–	66,428
– Dividends received from financial assets at fair value through profit or loss	– 收取按公平值透過損益列帳的財務資產股息	(12)	(18)
– Waiver of amount due to a related company	– 欠關連公司款項豁免	–	(21,565)
– Interest income	– 利息收入	(2,160)	(912)
– Finance costs	– 融資成本	15,489	28,547
– Share of losses/(profits) of associates	– 所佔聯營公司虧損/(盈利)	15,489	(259)
– Share of losses of joint ventures	– 所佔合營企業虧損	52	–
– Provision for impairment of investment in an associate	– 聯營公司減值撥備	55,876	–
– Provision for impairment of accounts receivable	– 應收帳項減值撥備	–	3,668
– Provision for impairment of deposits, prepayments and other receivables	– 按金、預付款及其他應收款減值撥備	38,424	52,184
– Provision for amounts due from associates	– 聯營公司欠款撥備	3,082	–
– Provision for inventories	– 存貨撥備	2,271	900
– Effect of foreign exchange rate changes	– 外幣匯率變動之影響	2,498	(517)
		(67,847)	35,253
Changes in working capital:	營運資金變更：		
– Inventories	– 存貨	(25,782)	(15,907)
– Bills and accounts receivable	– 應收票據及應收帳項	50,858	572,065
– Deposits, prepayments and other receivables	– 按金、預付款及其他應收款	1,713	7,770
– Due from joint ventures	– 合營公司欠款	(35)	–
– Bills and accounts payable	– 應付票據及應付帳項	18,029	(206,748)
– Other payables and accruals	– 其他應付帳項及應計費用	(25,499)	(15,868)
– Due to an associate	– 欠聯營公司款項	62	–
Cash (used in)/generated from operations	營運(所用)/產生的現金	(48,501)	376,565

Notes to the Consolidated Financial Statements 綜合財務報表附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

33 綜合現金流量表附註(續)

(b) Analysis of the balances of cash and cash equivalents

(b) 現金及現金等價物結餘分析

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Cash and cash equivalents for the purpose of the consolidated statement of cash flows:	就綜合現金流量表而言，現金及現金等價物如下：		
<i>Continuing operations</i>	<i>持續經營業務</i>		
Cash at bank and on hand	銀行及庫存現金	84,299	347,982
<i>Discontinued operations</i>	<i>已終止經營業務</i>		
Cash at bank and on hand	銀行及庫存現金	-	19,416
		84,299	367,398
Less: Pledged bank balances	減：抵押銀行結餘	(12,574)	(89)
Bank overdrafts	銀行透支	(11,159)	(26,561)
		60,566	340,748
Cash and cash equivalents	現金及現金等價物	60,566	340,748

34 LITIGATION

34 訴訟

(a) China Land Holdings International Limited ("CL Holdings") in the progress of Winding Up

(a) 新港集團國際有限公司(「新港國際」)

CL Holdings, an associated company of the Company, had on 13 October 2016 been served with a winding-up petition against CL Holdings by Classic Star Investments Limited ("Classic Star") in connection with an outstanding amount of approximately HK\$16 million which Classic Star had alleged due and payable by CL Holdings. On 14 December 2016, a winding up order was issued to CL Holdings by the High Court of Hong Kong.

本公司聯營公司新港國際於二零一六年十月十三日收到Classic Star Investments Limited(「Classic Star」)向新港國際提出有關新港國際應支付Classic Star到期應付款項總額約為港幣1,600萬元的清盤呈請。二零一六年十二月十四日，香港高等法院已向新港國際發出清盤令。

CL Holdings is a company incorporated in Hong Kong and its nature of business is investment holding. CL Holdings owes the outstanding debt of approximately HK\$32 million to the Group as at the date of this report, the Company has sought for legal advice to contest the claims on it. A proof of debt was presented to the Official Receiver and the liquidator in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Companies (Winding-up) Rules.

新港國際是一家於香港註冊成立的公司，其業務性質為投資控股。於本報告日期，新港國際欠本集團未償債務約港幣3,200萬元。本公司已尋求法律意見就此作出申索，根據公司(清盤及雜項條文)條例及公司(清盤)規則向破產管理署署長及清盤人提交債權證明。

Notes to the Consolidated Financial Statements 綜合財務報表附註

34 LITIGATION (continued)

(b) Legal Proceedings in Hong Kong in relation to BCHL

On 4 November 2016, Burwill Commercial Holdings Limited ("BCHL"), a wholly-owned subsidiary of the Company, as plaintiff issued a writ of summons in the High Court of Hong Kong against Charm Best Investments Inc. ("Charm Best") and Mr. IP Kwok Kin ("Mr. IP") as defendants ("HCA 2895/2016").

On 18 November 2016, Mr. IP and Charm Best issued a writ of summons in the High Court of Hong Kong against, inter alia, BCHL and CLA ("HCA 3015/2016").

On 6 January 2017, the Court queried the need for the plaintiffs in HCA 3015/2016 (Mr. IP and Charm Best), to issue such legal action and then on 6 February 2017, the Court directed the plaintiffs in HCA 3015/2016 to proceed by way of a counterclaim under HCA 2895/2016. A Statement of Claim (the "Claim") under the action of HCA 2895/2016 was filed by BCHL on 13 February 2017 which was subsequently amended and filed on 9 March 2017. As at the date of this report, the dates of trial of HCA 2895/2016 and HCA 3015/2016 have not been fixed.

BCHL made the Claim for, inter alia, the declaration that BCHL validly exercised its rights under the deed of share charge dated 13 September 2016 (the "Deed"). BCHL's position is that it has exercised its rights under the Deed to, inter alia, take over the 55% charged shares in CLA (the "Charged Shares") on 14 October 2016. As a result, Charm Best was no longer the shareholder of CLA and Mr. IP was no longer a director of CLA. The Charged Shares have been transferred to the Group's wholly-owned subsidiary, Double Honour Enterprises Limited, which holds the Charged Shares on trust as a nominee.

CLA currently holds 69% interests in Yangzhou Times Square and 100% interests in Wuxi Sunshine Plaza.

34 訴訟(續)

(b) 於香港有關寶威商業的法律訴訟

二零一六年十一月四日，本公司全資附屬公司寶威商業地產有限公司(「寶威商業」)作為原告人於香港高等法院向被告入Charm Best Investments Inc.(「Charm Best」)及葉國堅先生(「葉先生」)發出傳訊令狀(「HCA 2895/2016」)。

二零一六年十一月十八日，葉先生及Charm Best於香港高等法院向(當中包括)寶威商業及新港資產有限公司(「新港資產」)發出傳訊令狀(「HCA 3015/2016」)。

二零一七年一月六日法院質疑HCA 3015/2016原告人(葉先生及Charm Best)提出HCA 3015/2016法律訴訟的需要，期後於二零一七年二月六日法院指令HCA 3015/2016原告人應對HCA 2895/2016開展反申索。寶威商業已於二零一七年二月十三日將案件HCA 2895/2016之申索陳述書(「申索」)存案，經修訂申索陳述書亦已於二零一七年三月九日存案。於本報告日期，HCA 2895/2016及HCA 3015/2016審訊日期仍未確定。

寶威商業作出申索目的為(當中包括)聲明寶威商業有效行使其權利執行二零一六年九月十三日股份質押契據(「契據」)。寶威商業行使契據權利(當中包括)於二零一六年十月十四日接管了55%新港資產質押股份(「質押股份」)。Charm Best自此不再為新港資產股東而葉先生亦不再為新港資產董事。質押股份暫轉予本集團全資附屬公司Double Honour Enterprises Limited作為代理人以信託形式代持。

新港資產現持有69%揚州時代廣場股權及100%無錫陽光廣場股權。

Notes to the Consolidated Financial Statements 綜合財務報表附註

34 LITIGATION (continued)

(c) Legal Proceedings in the PRC in relation to 萊陽泰鑫礦業有限公司 and 青島泰鑫礦業有限公司

The Company has been provided with a writ dated 16 June 2015 (“Writ”) filed with the Shandong Province Yantai City Intermediate People’s Court of the People’s Republic of China (“PRC”) under which an individual (“Plaintiff”) alleged that he is the beneficial owner of 50% of the equity interest in 萊陽泰鑫礦業有限公司 (“Allegation”) and that 青島泰鑫礦業有限公司 holds such 50% equity interest in 萊陽泰鑫礦業有限公司 (“萊陽泰鑫 50% equity interest”) as nominee for the Plaintiff. In the Writ, 萊陽泰鑫礦業有限公司 has been named as defendant. In the interim, as a result of the Allegation, the Shandong Province Yantai City Intermediate People’s Court of the PRC has imposed a freezing order in respect of 35% equity interest in 萊陽泰鑫礦業有限公司 held by 青島泰鑫礦業有限公司 (the “Freezing Order”). The frozen equity interest will be restricted from transfer or pledge during the existence of the Freezing Order but the operations of 萊陽泰鑫礦業有限公司 will not be hindered by the imposition of the Freezing Order. The trial of the Allegation was held in August 2016 that the Plaintiff lost a lawsuit and the judgement was received in the early 2017 that 萊陽泰鑫礦業有限公司 was not liable to any claim and the Plaintiff alleged that he owned 萊陽泰鑫 50% equity interest was not in fact. The Plaintiff has already served a notice of appeal to the judgement but the date of trial for appeal has not been fixed.

For the above cases, the directors of the Company have assessed those cases and believed that there would not be a material impact to the financial position of the Group.

34 訴訟(續)

(c) 於中國有關萊陽泰鑫礦業有限公司及青島泰鑫礦業有限公司的法律訴訟

本公司收到已交中華人民共和國(「中國」)山東省煙臺市中級人民法院登記日期為二零一五年六月十六日之起訴書(「起訴書」)，起訴書指一名個人(「原告」)指稱其為持有萊陽泰鑫礦業有限公司50%股權(「該指稱」)，而青島泰鑫礦業有限公司僅作為原告之代名人代其持有萊陽泰鑫礦業有限公司50%股權(「萊陽泰鑫50%股權」)。萊陽泰鑫礦業有限公司為起訴書內之被告。期間，中國山東省煙臺市中級人民法院基於該指稱已據此對由青島泰鑫礦業有限公司所持萊陽泰鑫礦業有限公司35%股權查封(「該查封」)。被查封之股權於在該查封期內將被禁止轉讓或質押，然而，萊陽泰鑫礦業有限公司之日常營運不會受該查封所影響。該指稱審判已於二零一六年八月舉行，判決原告敗訴，於二零一七年初收到判決指萊陽泰鑫礦業有限公司不需承擔任何責任，而原告指稱擁有萊陽泰鑫50%股權不成立。月前原告已就判決上訴，而上訴的審訊日期尚未確立。

對於上述案件，經本公司董事評估後，相信案件對本集團的財務狀況沒有重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

35 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments – where the Group is the lessee

At 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Not later than one year	不超過一年
Later than one year and not later than five years	一年後 但不超過五年
Over five years	超過五年

(b) Operating leases – where the Group is the lessor

The Group leases its investment properties transferred to the assets of disposal group classified as assets held for sale (Note 18) under operating lease arrangements.

At 31 December 2016, the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

Not later than one year	不超過一年
Later than one year and not later than five years	超過一年 但不超過五年

Contingent-based rents recognised in the consolidated income statement were approximately HK\$799,000 (2015: HK\$3,287,000).

35 承擔及或然負債

(a) 營運租賃承擔—本集團為承租人

於二零一六年十二月三十一日，集團根據不可撤銷之營運租賃而於未來支付之最低租賃付款總額如下：

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
2,944	6,099
4,950	14,390
7,520	9,276
<u>15,414</u>	<u>29,765</u>

(b) 營運租賃—本集團為出租人

本集團以經營租賃形式出租已分類為待售集團資產的投資物業(附註18)。

於二零一六年十二月三十一日，本集團根據不可撤銷的營運租賃而於未來收取之最低租賃款項總額如下：

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
–	33,115
–	36,320
<u>–</u>	<u>69,435</u>

於綜合損益表確認的或然租金約為港幣799,000元(二零一五年：港幣3,287,000元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

35 COMMITMENTS AND CONTINGENT LIABILITIES (continued) 35 承擔及或然負債(續)

(c) Financial guarantees

Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保
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In the opinion of the directors, no material liabilities will arise from the above guarantees which arise in the ordinary course of business and the fair value of the financial guarantees granted by the Group is immaterial.

(d) Contingent liabilities

At 31 December 2015, the Group's contingent liabilities relating to Mainland China land appreciation tax amounted to approximately HK\$29,480,000.

(c) 財務擔保

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
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-	90
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董事認為，上述擔保於一般業務過程中不會產生重大負債，而本集團所提供財務擔保之公平值極微。

(d) 或然負債

於二零一五年十二月三十一日，本集團有關中國土地增值稅的或然負債約港幣29,480,000元。

36 CHARGE ON ASSETS

At 31 December 2016, the following assets were pledged:

- Certain leasehold land, land use rights and buildings with a net book amount of approximately HK\$69,884,000 (2015: HK\$72,884,000);
- Certain motor vehicles with a net book amount of approximately HK\$3,755,000 (2015: Nil);
- Certain bank balances of approximately HK\$12,574,000 (2015: HK\$89,000);
- Certain bills and accounts receivable of approximately HK\$76,520,000 (2015: HK\$88,086,000); and
- Certain inventories of approximately HK\$15,917,000 (2015: HK\$28,701,000).

36 資產抵押

於二零一六年十二月三十一日，以下資產已予抵押：

- 部份租賃土地、土地使用權及樓宇帳面淨值約港幣69,884,000元(二零一五年：港幣72,884,000元)；
- 部份汽車帳面淨值約港幣3,755,000元(二零一五年：無)；
- 部份銀行結餘約港幣12,574,000元(二零一五年：港幣89,000元)；
- 部份應收票據及應收帳項約港幣76,520,000元(二零一五年：港幣88,086,000元)；及
- 部份存貨約港幣15,917,000元(二零一五年：港幣28,701,000元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

37 DISPOSAL OF SUBSIDIARIES

As disclosed in note 18 to the consolidated financial statements, on 23 March 2016, the Group completed the disposal of its subsidiary, BCPL, to CLA, a 45% owned associate of the Group.

The assets and liabilities arising from the disposal are as follows:

		2016 HK\$'000 港幣千元
Leasehold land and land use rights	租賃土地及土地使用權	946
Property, plant and equipment	物業、機器及設備	12,689
Investment properties	投資物業	1,025,750
Investment in associates	聯營公司投資	3,855
Deferred income tax assets	遞延所得稅資產	832
Deposits, prepayments and other receivables	按金、預付款及其他應收款	7,039
Cash and bank balances	現金及銀行結餘	28,351
Other assets	其他資產	85,002
Borrowings	貸款	(119,438)
Other payables and accruals	其他應付帳項及應計費用	(36,864)
Deferred income tax liabilities	遞延所得稅負債	(210,392)
Other liabilities	其他負債	(21,053)
Non-controllings interests	非控股權益	(234,007)
Net assets of subsidiaries	附屬公司淨資產	<u>542,710</u>

Details of sales proceeds and gain on disposal are as follows:

		2016 HK\$'000 港幣千元
Consideration	代價	292,024
Fair value of the retained 45% equity interest in an associate	於一間聯營公司保留的45%股本權益的公平值	217,561
Net assets disposed of	出售的資產淨值	(542,710)
Release of reserve	儲備回撥	45,861
Cost directly attributable to the disposal	出售成本	(2,037)
Gain on disposal of subsidiaries	出售附屬公司之收益	<u>10,699</u>

37 出售附屬公司

如綜合財務報表附註18所載，於二零一六年三月二十三日，集團完成向新港資產（為集團擁有其45%權益之聯營公司）出售其附屬公司BCPL。

該出售附屬公司淨資產情況如下：

所獲得款項及處置收益情況如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

37 DISPOSAL OF SUBSIDIARIES (continued)

Proceeds on disposal of the subsidiary are as follows:

Proceeds received in previous year
Proceeds received during the year
Proceeds receivable
Net exchange gain

以前年度收到的收益
本年度出售收到的收益
出售應收賬款
匯兌淨收益

2016
HK\$'000
港幣千元

68,750
142,628
78,520
2,126

292,024

Net cash inflow arising on disposal:

Proceeds received in cash during the year
Cost directly attributable to the disposal
Cash and bank balances disposed of

本年度出售收到的現金收益
出售成本
出售的現金及銀行結餘

2016
HK\$'000
港幣千元

66,667
(408)
(28,351)

37,908

37 出售附屬公司(續)

出售附屬公司收益情況如下：

出售產生的現金流出淨額：

38 RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, the Group had the following material related party transactions for the year ended 31 December 2016:

(a) Related party transactions which were carried out in the normal course of the Group's business are as follows:

Rental income received from an associate
Service income received from an associate
Interest income received from associates

已收聯營公司租金收入
已收聯營公司服務收入
已收聯營公司利息收入

2016
HK\$'000
港幣千元

978
173
501

2015
HK\$'000
港幣千元

5,553
863
357

38 關連方交易

除綜合財務報表其他部分已披露外，本集團於截至二零一六年十二月三十一日止年度曾進行以下重大有關連人士交易：

(a) 按集團一般商業條款下進行之關連方交易如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

38 RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions which were carried out in the normal course of the Group's business are as follows: (continued)

These related party transactions did not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Compensation to key management personnel

Wages and salaries	薪金工資
Pension costs – defined contribution plans	退休成本 – 界定供款計劃
Staff welfare	員工福利
Employee share option benefits	僱員購股權福利

38 關連方交易(續)

(a) 按集團一般商業條款下進行之關連方交易如下：(續)

根據聯交所證券上市規則第14A章，此等關連方交易不會被視為關連交易或持續關連交易。

(b) 主要管理人員酬金

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
22,376	18,956
638	751
579	600
–	3,395
23,593	23,702

(c) Corporate guarantees

Guarantees for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保
Guarantees for loan facilities granted to an associate	為聯營公司貸款融資作出之擔保

(c) 公司擔保

2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
–	455,357
–	11,160
–	466,517

In the opinion of the directors, no material liabilities will arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Group is immaterial.

董事認為，上述擔保於一般業務過程中不會產生重大負債，而本集團所提供公司擔保之公平值極微。

Notes to the Consolidated Financial Statements 綜合財務報表附註

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

39 本公司的資產負債表及儲備之變動

Balance sheet of the Company as at 31 December 2016

於二零一六年十二月三十一日之本公司的資產負債表

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	附屬公司投資	74,958	75,566
Due from subsidiaries	附屬公司欠款	503,571	558,571
Club debentures	會籍債券	90	90
Total non-current assets	總非流動資產	<u>578,619</u>	<u>634,227</u>
Current assets	流動資產		
Financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產	485	707
Deposits, prepayments and other receivables	按金、預付款及其他應收款	1,104	2,254
Due from subsidiaries	附屬公司欠款	258,550	626,105
Due from associates	關聯公司欠款	91,788	-
Cash and bank balances	現金及銀行結餘	1,227	719
Total current assets	總流動資產	<u>353,154</u>	<u>629,785</u>
Total assets	總資產	<u><u>931,773</u></u>	<u><u>1,264,012</u></u>
EQUITIES	權益		
Equities attributable to owners of the Company	本公司權益持有人應佔權益		
Share capital	股本	501,656	506,436
Other reserves (Note)	其他儲備(附註)	1,090,906	1,118,847
Accumulated losses (Note)	累計虧損(附註)	(664,658)	(542,519)
Total equity	總權益	<u>927,904</u>	<u>1,082,764</u>
LIABILITIES	負債		
Current liabilities	流動負債		
Due to subsidiaries	欠附屬公司款項	1,015	113,583
Other payables and accruals	其他應付帳項及應計費用	2,854	67,665
Total liabilities	總負債	<u>3,869</u>	<u>181,248</u>
Total equity and liabilities	總權益及負債	<u><u>931,773</u></u>	<u><u>1,264,012</u></u>
Net current assets	流動資產淨值	<u><u>349,285</u></u>	<u><u>448,537</u></u>
Total assets less current liabilities	總資產減流動負債	<u><u>927,904</u></u>	<u><u>1,082,764</u></u>

The balance sheet of the Company was approved by the Board of Directors on 31 March 2017 and were signed on its behalf by:

此資產負債表已於二零一七年三月三十一日獲董事局批准，並經下列人士代為簽署：

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事

Notes to the Consolidated Financial Statements 綜合財務報表附註

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

Note: Reserves movement of the Company

39 本公司的資產負債表及儲備之變動(續)

附註：本公司儲備之變動

		Share premium	Capital redemption reserve	Contributed surplus	Share-based compensation reserve	Retained profits/ (Accumulated losses)	Total
		股份溢價	資本回贖儲備	繳入盈餘	以股份支付之補償儲備	保留盈利/(累計虧損)	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2015	於二零一五年一月一日	735,411	12,037	228,004	18,173	(493,680)	499,945
Loss for the year	年度虧損	-	-	-	-	(48,839)	(48,839)
Repurchase of shares	購回股份	(6,768)	-	-	-	-	(6,768)
Issue of shares	發行股份	53,550	-	-	-	-	53,550
Issue of consideration shares	發行代價股份	59,087	-	-	-	-	59,087
Share issue expenses	股份發行支出	(414)	-	-	-	-	(414)
Employee share option scheme:	僱員購股權計劃：						
- value of employee services	- 僱員服務價值	-	-	-	9,467	-	9,467
- share options exercised	- 行使購股權	16,480	-	-	(6,180)	-	10,300
At 31 December 2015	於二零一五年十二月三十一日	857,346	12,037	228,004	21,460	(542,519)	576,328
At 1 January 2016	於二零一六年一月一日	857,346	12,037	228,004	21,460	(542,519)	576,328
Loss for the year	年度虧損	-	-	-	-	(143,599)	(143,599)
Repurchase of shares	購回股份	(6,481)	-	-	-	-	(6,481)
Release upon lapse of share option	於購股權失效時回撥	-	-	-	(21,460)	21,460	-
At 31 December 2016	於二零一六年十二月三十一日	850,865	12,037	228,004	-	(664,658)	426,248

40 EVENTS AFTER THE REPORTING PERIOD

- (a) On 8 February 2017, Burwill and Company Limited (as vendor), a wholly-owned subsidiary of the Company, the Company (as guarantor) and Huge Mark International Holdings Limited (as purchaser) entered into a conditional sale and purchase agreement dated 8 February 2017, pursuant to which Burwill and Company Limited has conditionally agreed to sell and Huge Mark International Holdings Limited has conditionally agreed to acquire the entire issued share capital of Burwill Steel Company Limited at a consideration of HK\$97,000,000. Details of the above disposal were set out in the Company's announcement dated 8 February 2017.
- (b) On 20 March 2017, Yinmain Industrial Limited, a wholly-owned subsidiary of the Company, and Gold Merit Ventures Limited entered into the provisional agreement for sale and purchase dated 20 March 2017, pursuant to which Yinmain Industrial Limited will sell, and Gold Merit Ventures Limited will acquire, the property located at Unit 1402, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for a consideration of HK\$265,192,500. Details of the above property disposal were set out in the Company's announcement dated 20 March 2017.

40 結算日後事項

- (a) 二零一七年二月八日，本公司全資附屬公司Burwill and Company Limited(作為賣方)、本公司(作為擔保方)與宏成國際控股有限公司(作為買方)簽訂日期為二零一七年二月八日的有條件買賣協議，據此，Burwill and Company Limited有條件地同意出售並且宏成國際控股有限公司有條件地同意購買Burwill Steel Company Limited之全部已發行股本，代價為港幣97,000,000元。上述出售之詳情已列載於二零一七年二月八日本公司公佈內。
- (b) 二零一七年三月二十日，本公司全資附屬公司應鳴實業有限公司與Gold Merit Ventures Limited簽訂二零一七年三月二十日臨時買賣協議，據此，應鳴實業有限公司將出售並且Gold Merit Ventures Limited將購買位於香港灣仔港灣道1號會議展覽廣場辦公大樓1402室的物業，代價為港幣265,192,500元。上述物業出售之詳情已列載於二零一七年三月二十日本公司公佈內。

Five Years' Financial Summary 五年財務概要

The results, assets and liabilities of the Group for the last five financial years are as follows:

本集團過去五個財政年度之業績、資產及負債如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2014 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Results	業績					
Revenue	收入					
Continuing operations	持續經營業務	2,685,142	4,618,664	6,215,085	4,466,188	4,844,364
Discontinued operations	已終止經營業務	18,797	80,382	82,452	81,987	71,960
(Loss)/Profit attributable to owners of the Company arises from:	(虧損)/盈利歸屬於本公司權益持有人來自：					
Continuing operations	持續經營業務	(209,464)	(151,760)	(344,813)	(66,163)	(507,341)
Discontinued operations	已終止經營業務	1,568	28,307	65,685	62,496	42,286
		(207,896)	(123,453)	(279,128)	(3,667)	(465,055)
(Loss)/Profit attributable to Non-controlling interests	(虧損)/盈利歸屬於非控股權益	(6,468)	(7,680)	(70,489)	23,178	7,247
(Loss)/Profit for the year	年度(虧損)/盈利	(214,364)	(131,133)	(349,617)	19,511	(457,808)
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	583,058	480,121	384,841	1,804,955	1,671,482
Current assets	流動資產	1,130,956	2,448,170	2,838,305	1,568,815	1,733,207
Total assets	總資產	1,714,014	2,928,291	3,223,146	3,373,770	3,404,689
Non-current liabilities	非流動負債	62,273	60,695	61,091	456,839	455,695
Current liabilities	流動負債	718,401	1,393,492	1,679,271	1,074,724	1,206,017
Total liabilities	總負債	780,674	1,454,187	1,740,362	1,531,563	1,661,712
Total equity	總權益	933,340	1,474,104	1,482,784	1,842,207	1,742,977