



SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED

銀建國際實業有限公司

股份代號 Stock code: 171



Annual Report 年報 2017

CONTENTS 目錄

		<i>Page</i> 頁次
Financial Highlights	財務摘要	2
Corporate Information	企業資料	3
Managing Director's Statements	董事總經理報告	5
Profile of Directors	董事簡介	29
Profile of Senior Management	高級管理人員簡介	35
Environmental, Social and Governance	環境、社會及管治	36
Corporate Governance Report	企業管治報告	39
Directors' Report	董事會報告	67
Independent Auditor's Report	獨立核數師報告	80
Consolidated Statement of Profit or Loss	綜合損益表	89
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益表及其他全面收益表	91
Consolidated Statement of Financial Position	綜合財務狀況表	92
Consolidated Statement of Changes in Equity	綜合權益變動報表	94
Consolidated Statement of Cash Flows	綜合現金流量表	95
Notes to the Consolidated Financial Statements	綜合財務報表附註	97
Financial Summary	財務概要表	231
Summary of Investment Properties	投資物業概要	232

FINANCIAL HIGHLIGHTS 財務摘要

		2017 HK\$'m 百萬港元	2016 HK\$'m 百萬港元	Changes 變動 % 百分比
Profit (loss) for the year Attributable to Owners of the Company	本公司擁有人應佔年內溢利(虧損)	260.2	(35)	843%
Total Assets	資產總值	11,946	10,736	11%
Equity Attributable to Owners of the Company	本公司擁有人應佔股本	7,103	6,357	12%
Pledged Bank Deposits, Structured bank deposits and Bank Balances and Cash	抵押銀行存款，結構性銀行存款銀行結餘及現金	1,485	737	101%

Key Performance and Liquidity Indicators	主要營運表現及財務狀況指標	HK\$ 港元	HK\$ 港元	Changes 變動 % 百分比
Basic Earnings (loss) Per Share	每股基本盈利(虧損)	0.113	(0.015)	853%
Net Assets Per Share (Note 1)	每股資產淨值(附註1)	3.08	2.76	11.6%
P/E Ratio (Note 1)	市盈率(附註1)	11.1x	(55.8x)	120%
Return on Capital Employed (Note 2)	股本回報率(附註2)	3.7%	(0.6%)	717%
Return on Total Assets (Note 3)	總資產回報率(附註3)	2.2%	(0.3%)	833%
Gearing Ratio (Note 4)	借貸比率(附註4)	45.5%	48.9%	(7%)
Adjusted Gearing Ratio (Note 5)	經調整借貸比率(附註5)	25%	37%	(32%)
Current Ratio (Note 6)	流動比率(附註6)	1.0x	1.3x	(23%)
Interest Coverage (Note 7)	利息償付比率(附註7)	2.7x	1.0x	170%

Notes:

- Based on 2,304,849,611 shares issued and fully paid as at 31 December, 2017 (2016: 2,304,849,611 shares) and the market closing price of HK\$1.25 (2016: HK\$0.85) per share.
- Calculated as profit (loss) for the year attributable to owners of the Company over equity attributable to owners of the Company.
- Calculated as profit (loss) for the year attributable to owners of the Company over total assets.
- Calculated as total borrowings over equity attributable to owners of the Company.
- Calculated as net borrowings over equity attributable to owners of the Company.
- Calculated as current assets over current liabilities.
- Calculated as profit (loss) for the year before finance costs and taxation over finance costs.

附註：

- 基於2017年12月31日已發行及已繳足股份2,304,849,611股(2016年：2,304,849,611股)及收市價每股1.25港元(2016年：0.85港元)計算所得。
- 以本公司擁有人應佔年內溢利(虧損)除以本公司擁有人應佔股本計算所得。
- 以本公司擁有人應佔年內溢利(虧損)除以資產總值計算所得。
- 以借貸總額除以本公司擁有人應佔股本計算所得。
- 以借貸淨額除以本公司擁有人應佔股本計算所得。
- 以流動資產除以流動負債計算所得。
- 以扣除財務費用及稅項前之年內溢利(虧損)除以財務費用計算所得。

CORPORATE INFORMATION 企業資料

Board of Directors

The board (the “Board”) of directors (the “Directors”) of Silver Grant International Industries Limited (the “Company”) as at the date of this report are set out below:

Executive Directors

Gao Jian Min (*Managing Director*)
Liu Tianni (*Deputy Managing Director*)
Ma Yilin (appointed on 20 January 2017)
Gu Jianguo (resigned on 20 January 2017)

Non-executive Directors

Luo Zhenhong (*Chairman*) (appointed on 28 August 2017)
Wu Songyun (*Chairman*) (appointed on 20 January 2017 and resigned on 28 August 2017)
Chen Xiaozhou (*Chairman*) (resigned on 20 January 2017)
Hui Xiao Bing (*Vice Chairman*)
Chen Qiming (*Vice Chairman*)

Independent non-executive Directors

Liang Qing
Zhang Lu
Hung Muk Ming

Audit Committee

Hung Muk Ming (*Committee Chairman*)
Liang Qing
Zhang Lu

Remuneration Committee

Zhang Lu (*Committee Chairman*)
Liang Qing

Nomination Committee

Luo Zhenhong (*Committee Chairman*)
(appointed on 28 August 2017)
Wu Songyun (*Committee Chairman*) (appointed on 20 January 2017 and resigned on 28 August 2017)
Chen Xiaozhou (*Committee Chairman*)
(resigned on 20 January 2017)
Zhang Lu
Hung Muk Ming

董事會

於本報告日期的銀建國際實業有限公司(「本公司」)董事(「董事」)會(「董事會」)呈列如下：

執行董事

高建民(*董事總經理*)
劉天倪(*副董事總經理*)
馬懌林(於2017年1月20日獲委任)
顧建國(於2017年1月20日辭任)

非執行董事

羅振宏(*主席*)(於2017年8月28日獲委任)
吳松雲(*主席*)(於2017年1月20日獲委任
並於2017年8月28日辭任)
陳孝周(*主席*)(於2017年1月20日辭任)
惠小兵(*副主席*)
陳啓明(*副主席*)

獨立非執行董事

梁青
張璐
洪木明

審核委員會

洪木明(*委員會主席*)
梁青
張璐

薪酬委員會

張璐(*委員會主席*)
梁青

提名委員會

羅振宏(*委員會主席*)
(於2017年8月28日獲委任)
吳松雲(*委員會主席*)(於2017年1月20日獲
委任並於2017年8月28日辭任)
陳孝周(*委員會主席*)
(於2017年1月20日辭任)
張璐
洪木明

CORPORATE INFORMATION 企業資料

Company Secretary

Chow Kwok Wai

公司秘書

周國偉

Company Lawyer

Tung & Co. Solicitors

公司律師

佟達釗律師行

Legal Counselor

Tung Tat Chiu, Michael

法律顧問

佟達釗

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤 • 關黃陳方會計師行
執業會計師

Principal Bankers

Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Limited
The Hongkong and Shanghai Banking Corporation Limited
China Citic Bank International Limited

主要往來銀行

中國銀行(香港)有限公司
南洋商業銀行有限公司
香港上海匯豐銀行有限公司
中信銀行(國際)有限公司

Share Registrar and Transfer Office

Tricor Secretaries Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong
(Tel: 29801888 Fax: 28610285)

股份登記及過戶處

卓佳秘書商務有限公司
香港
皇后大道東 183 號
合和中心 22 樓
(電話：29801888 傳真：28610285)

Registered Office

Suite 4901, 49th Floor,
Office Tower, Convention Plaza,
1 Harbour Road, Wanchai, Hong Kong
(Tel: 28770030 Fax: 28029506)

註冊辦事處

香港灣仔港灣道 1 號
會展廣場辦公大樓
49 樓 4901 室
(電話：28770030 傳真：28029506)

Company Website

<http://www.silvergrant.com.hk>

公司網址

<http://www.silvergrant.com.hk>

Stock Code

171

股份代號

171

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Review of Results

The results of the Group have recorded a turnaround from loss in last year to profit for the current year. The profit attributable to owners of the Company for 2017 was approximately HK\$260.2 million (2016: loss of approximately HK\$35.1 million). Basic earnings per share was 11.29 HK cents (2016: loss of 1.52 HK cents).

The increase in profit was mainly attributable to the significant improvement in the operating results achieved by the subsidiary, Tai Zhou United East Petrochemical Company Limited ("TZ United East") and the associate, Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited ("Zhong Hai You Qi") during the current year.

In 2017, the global economy recovered moderately. The global crude oil supply gradually tended to be balanced, the international crude oil price increased prominently as compared with the previous year. As a result, the overall selling prices of petrochemical products in the Mainland China recorded a moderate increase. In additions, as production efficiency and effectiveness was enhanced under the joint production arrangements, the operating results of TZ United East and Zhong Hai You Qi recorded significant improvement during the current year. The net loss of TZ United East decreased significantly by approximately HK\$330.7 million to approximately HK\$27.1 million (2016: HK\$357.8 million) in the current year. Share of results of Zhong Hai You Qi improved significantly from profit of approximately HK\$29.0 million in the last year to profit of approximately HK\$251.5 million in the current year. Having taken into account the effect of the one-off gain on early redemption of loan receivable with embedded derivative of approximately HK\$75.8 million in the last year, profit contributions from the petrochemical products business, still made significant contribution to the improvement and increment in the net profit in the current year.

業績回顧

本集團業績業從去年錄得虧損轉為本年度得溢利。2017年度本公司擁有人應佔年內溢利約260,200,000港元(2016年：虧損約35,100,000港元)。每股基本盈利為11.29港仙(2016年：虧損1.52港仙)。

溢利增加的原因乃主要是附屬公司泰州東聯化工有限公司(「泰州東聯化工」)及聯營公司中海油氣(泰州)石化有限公司(「中海油氣」)本年度之經營業績取得大幅改善所致。

於2017年全球經濟溫和復蘇。全球原油供應趨向平衡，國際原油價格較去年明顯上升。因此，中國國內的石油化工產品售價也普遍地錄得上升。加上於本年度通過聯合生產安排下，促進並提高生產效率及效益，泰州東聯化工及中海油氣於本年度之經營業績均錄得大幅改善。泰州東聯化工於本年度之淨虧損大幅減少約330,700,000港元至約27,100,000港元(2016年：357,800,000港元)。攤佔中海油氣業績也從去年溢利約29,000,000港元大幅改善至本年度錄得溢利約251,500,000港元。經計及去年來自提前贖回附有嵌入式衍生工具之應收貸款的一次性收益約75,800,000港元的影響後，來自石油化工產品業務的溢利仍然為本年度的淨溢利之改善及增加作出重大的貢獻。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Review of Results (Continued)

In additions, the Group's associate, Cinda Jianrun Property Company Limited ("Cinda Jianrun") has completed the disposal of a majority portion of its investments in the second half year of 2017. As a result, Cinda Jianrun recorded an improved result with net profit of approximately HK\$198.8 million (2016: loss of approximately HK\$53.5 million) and contributed a growth of approximately HK\$75.7 million to the profit growth of the Group in the current year.

Outlook

The Board anticipates that global economy will continue to be very challenging in 2018. The possibility of a slowdown in China's economy, a potential further US rate hikes coupled with the protective policies adopted by US government to support domestic economy and geopolitical uncertainties are three major threats in 2018. Macro-economic outlook will remain volatile in 2018.

While the Board believes that the China authorities have appropriate tools to support growth and the financial system in order to maintain the target economic growth rate. In a tough operating environment in 2018, the Board will continue to focus on the execution of its business plans and strategies and will endeavor to lower the Group's debt level.

Changes in Consolidated Statement of Profit or Loss Items:

Sub-contracting Income/Cost of Sales and Services

In 2017, TZ United East and Zhong Hai You Qi have agreed to increase their production effectiveness and efficiency under the joint production arrangements. Under the joint production arrangements, Zhong Hai You Qi provides key production raw materials such as crude oil and fuel oil and authorizes TZ United East to process the production by sub-contracting and receive sub-contracting income by TZ United East. Cost of sales and services also record a significant increment in light of the new sub-contracting services.

業績回顧(續)

此外，本集團之聯營公司信達建潤地產有限公司(「信達建潤」)於2017年下半年完成出售其大部份投資。因此，信達建潤業績得到改善並錄得淨溢利約港幣198,800,000港元(2016：虧損約53,500,000港元)，並為本集團本年度溢利增長貢獻增長約港幣75,700,000港元。

展望

董事會預期環球經濟於2018年將仍然非常富挑戰性。中國經濟或會放緩，美國可能進一步加息且美國政府採取鼓勵本土經濟的保護性政策，以及地緣政局存在的不明朗性等為2018年的三個主要風險。2018年的宏觀經濟展望將會持續波動，並且將會是一個持續調整的年度。

董事會相信中國當局在需要的情況下，會採取適當措施支持增長和金融體系，確保經濟可維持目標增長率。在經營環境仍然艱難的2018年，董事會將繼續專注於執行其業務計劃及策略並致力減低本集團之債務水平。

綜合損益表科目之變動：

加工費收入／銷售及服務成本

泰州東聯化工與中海油氣協定於2017年通過聯合生產安排方式提高彼此的生產效率和效益。在聯合生產安排下，中海油氣提供包括原油及燃料油等關鍵生產原材料並委託泰州東聯化工以加工方式進行生產加工並取得加工費收入。銷售及服務成本亦因新增的加工服務而相應錄得大幅增加。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Changes in Consolidated Statement of Profit or Loss Items: (Continued)

Other Income, Gains and Losses

Increase was mainly due to increase in interest income amounting to approximately HK\$15.9 million as a result of increase in average interest rate.

Change in fair value of loan receivable with embedded derivative

Loan receivable with embedded derivative represents the exchangeable bond issued by China Uranium Development Company Limited ("CUDC") to the Company on 1 June 2012 with a term of five years and coupon interest at 5% per annum and is exchangeable into certain quantities of the listed shares of CGN Mining Company Limited (Stock code: 1164) upon fulfillment of certain conditions (the "Bond"). CUDC early redeemed all the principal amount outstanding under the Bond on 6 May 2016 in cash, thus a fair value gain was recognised by the Company during the year ended 31 December 2016.

Share of results of associates

Share of results of associates increased significantly. The main reason was that the operating results of Zhong Hai You Qi in current year improved significantly and thus contributed profit of approximately HK\$251.5 million to the Group. In addition, Cinda Jianrun disposed of a majority portion of its investments in the current year and recognised disposal gain. Its result was improved significantly and contributed approximately HK\$59.6 million profit to the Group.

綜合損益表科目之變動：(續)

其他收入、收益及虧損

增加主要是利息收入因平均利率增加而增加約15,900,000港元所致。

附有嵌入式衍生工具之應收貸款之公允值變動

附有嵌入式衍生工具之應收貸款代表由中國鈾業發展有限公司(「中國鈾業」)於2012年6月1日發行予本公司之五年期及票面利息為年利率5%並且在符合若干條件的情況下可置換為若干中廣核礦業有限公司(股份代號：1164)之上市股份之可換股債券(「債券」)。中國鈾業於2016年5月6日以現金提前贖回債券之全部未償還本金，因此本公司於2016年12月31日之年內確認一筆視同公允值變動的收益。

攤佔聯營公司業績

攤佔聯營公司業績大幅上升。主要原因是中海油氣本年度經營業績大幅改善並為本集團貢獻溢利約251,500,000港元。此外，信達建潤亦因年內出售大部份投資並取得出售溢利而使得其業績大幅改善並為集團貢獻溢利約59,600,000港元。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Changes in Consolidated Statement of Profit or Loss Items: (Continued)

Non-controlling interests

The amount in the current year mainly represented the non-controlling interests' share of the profit of Tai Zhou Dong Thai Petrochemical Company Limited ("TZ Dong Thai") whereas the amount in the previous year mainly represent the non-controlling interests' share of the loss of TZ United East. TZ Dong Thai is the shareholder of Zhong Hai You Qi and thus benefited from the significant improvement in operating results of the same.

Changes in Items on Consolidated Statement of Financial Position:

Investment properties

Increase in carrying value was mainly due to the translation gain recognised amounting to approximately HK\$172.9 million, which was credited directly to reserve and the increase in the fair value amounting to approximately HK\$55.3 million in the current year.

Property, Plant and Equipment

Increase in carrying value was mainly due to the additions of construction in progress amounting to approximately HK\$186.7 million during the current year.

Interests in Associates

The increase was mainly attributable to the shares of results of associates amounting to approximately HK\$311.1 million, capital injection to the associate, Zhong Hai You Qi amounting to approximately HK\$77.6 million and the translation gain recognised amounting to approximately HK\$55.2 million, which was credited directly to reserve.

Held-for-trading Investments

Decrease was mainly due to the disposal of certain listed shares during the year.

綜合損益表科目之變動：(續)

非控制權益

本年度之金額主要為少數股東攤佔泰州東泰石化有限公司(「泰州東泰」)之溢利而上年度之金額則主要是非控制權益攤佔泰州東聯化工之虧損。泰州東泰為中海油氣之股東並因此受益於後者大幅改善的經營業績。

綜合財務狀況表科目之變動：

投資物業

賬面結餘增加主要是由於換算滙率變動產生，並直接撥入儲備之滙兌收益約172,900,000港元以及本年度公允值增加總額約55,300,000港元所致。

物業、廠房及設備

賬面結餘增加主要是由於在建工程於本年度增加約186,700,000港元所致。

聯營公司權益

增加主要本年度攤佔聯營公司業績總額約311,100,000港元，對中海油氣增資約77,600,000港元以及換算滙率變動產生，並直接撥入儲備之滙兌收益約55,200,000港元所致。

持作買賣投資

減少主要是年內出售部份上市股份所致。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Changes in Items on Consolidated Statement of Financial Position: (Continued)

綜合財務狀況表科目之變動：(續)

Available-for-sale Investments

可供出售投資

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Carrying balances under non-current assets	非流動資產項下賬面結餘	300,655	288,903
Carrying balances under current assets	流動資產項下賬面結餘	606,242	—
Total	總額	906,897	288,903

Increase was mainly due to the new investment amounting to RMB505.0 million (equivalent to approximately HK\$606.2 million) made in The National Trust Ltd. ("National Trust") during the year.

增加主要是年內新增投資人民幣505,000,000(相當於約606,200,000港元)於國民信託有限公司(「國民信託」)所致。

Loan Receivables

應收貸款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Carrying balances under non-current assets	非流動資產項下賬面結餘	223,044	—
Carrying balances under current assets	流動資產項下賬面結餘	—	407,682
Total	總額	223,044	407,682

These were loans made to certain independent borrowers for the purpose of utilising a portion of the Group's idle funds for better returns and to increase interest income in the prevailing low deposit rates era. The decrease was mainly due to repayment of certain loan receivables during the year.

此等為借予若干獨立借款人之貸款，目的是動用本集團部份閒置資金，以祈在當前低存款利息時期賺取較佳回報及增加利息收入。減少主要是於本年內收回若干貸款所致。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Changes in Items on Consolidated Statement of Financial Position: (Continued)

Trade Receivables

Increase was mainly due to the sub-contracting income amounted to approximately HK\$62.6 million receivable from Zhong Hai You Qi.

Deposits, Prepayments and Other Receivables

The decrease was mainly due to repayment of certain other receivables during the year.

Amounts due from Associates

Decrease was mainly due to repayment of amount due from Cinda Jianrun.

Bank deposits, Bank balances and Cash

Increase in total bank deposits, bank balances and cash was mainly attributable to the net cash generated from operating activities including profit for the year amounting to approximately HK\$321.2 million. At the end of the reporting period, a majority of the cash was placed with principal banks with principle protection clauses for higher interest income.

綜合財務狀況表科目之變動：(續)

應收賬款

增加主要是應收聯營公司中海油氣之加工費收入金額約 62,600,000 港元所致。

按金、預付款及其他應收款

減少主要是年內陸續收回其他應收款所致。

應收聯營公司款

減少主要是收回聯營公司信達建潤部份往來款所致。

銀行存款、銀行結餘及現金

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Pledged bank deposits	抵押銀行存款	844	1,730
Structured bank deposits	結構性銀行存款	1,182,473	—
Bank balances and cash	銀行結餘及現金	301,850	734,988
Total	總額	1,485,167	736,718

銀行存款、銀行結餘及現金增加主要是年內經營業務產生現金流其中包括本年度溢利約 321,200,000 港元所致。於本報告期末，本集團把大部分資金存於大型銀行並做具有保本保證的銀行理財產品以取得較高的利息收入。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Changes in Items on Consolidated Statement of Financial Position: (Continued)

綜合財務狀況表科目之變動：(續)

Borrowings

借貸

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Carrying balances under non-current liabilities	非流動負債項下賬面結餘	989,915	1,487,075
Carrying balances under current liabilities	流動負債項下賬面結餘	2,241,205	1,621,026
Total	總額	3,231,120	3,108,101

Borrowings in both years mainly represent the RMB denominated working capital loan granted to the Group's subsidiaries in China. Total borrowings as at the year end of 2017 increased slightly as compared with the ended of 2016 was mainly due to the effect of exchange translation. In additions, the changes in the carrying values under non-current liabilities and current liabilities was caused by the reallocation and reclassification in accordance with the maturity dates of individual bank loans.

兩個年度之借貸主要為本集團於中國之附屬公司取得的人民幣營運資金貸款。2017年度末借貸總額較2016年末借貸總額稍微增加，主要是換算匯率導致。另外根據個別銀行貸款之到期日重新劃分及呈報而導致非流動負債和流動負債結餘出現變化。

Trade and bills payables

The decrease was mainly resulted from the disposal of Beijing Yinda Property Management Limited ("Yinda") during the year which has carrying balances of trade and bills payables amounting to approximately HK\$65.1 million in aggregate as at 31 December 2016.

應付賬款及票據

減少主要是由於本年度內出售之附屬公司北京銀達物業管理有限責任公司(「銀達」)於2016年12月31日之應付賬款結餘共約65,100,000港元所致。

Accrued Charges, Rental Deposits and Other Payables

Increase was mainly due to the fact that the Group collected a proceed amounting to approximately HK\$391.1 million for and on behalf of a company controlled by a director of the Company in the second half year of 2017. The proceed has been repaid to that company in early 2018. Moreover, the significant decrease in the carrying amount of receipts in advance from customers as at the year end of 2017 amounting to approximately HK\$92.7 million has partially compensated the effect of the aforesaid reason.

應計費用、租務按金及其他應付款

增加主要是2017年下半年本集團代表一家由本公司一名董事控制的公司收取一筆金額約391,100,000港元款項所致。該款項已於2018年年初歸還該公司。此外，2017年年末預收客戶款項結餘較上一年度大幅減少約92,700,000港元則部份抵銷前述原因的影響。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review

Property Investments, Management and Development

Property Leasing

Rental income of Beijing East Gate Development Co., Ltd. ("Beijing East Gate") for the current year amounted to approximately HK\$100.4 million (2016: HK\$120.3 million). Rental income decreased by approximately 17% was mainly due to the fact that the Group has carried out an extensive review on rental operations to cope with the replacement of business tax by value-added tax policy which was effective from 1 May 2016. The occupation rates of the commercial portion and the residential portion of East Gate Plaza in the current year was approximately 97% (2016: 98%). The property leasing segment recorded a decrease of approximately 32% to approximately HK\$97.9 million (2016: HK\$143.4 million). Segment results recorded a larger decrease was mainly due to the additional impact of fair value gain on revaluation of investment properties decreased by 21% to approximately HK\$55.3 million (2016: approximately HK\$70.0 million) which has further reduced the segment results.

Property Management

On 30 June 2017, the Company completed the disposal of its entire interest in Straight View and its subsidiary at a cash consideration of approximately HK\$31.7 million in aggregate. Straight View was an investment vehicle of the Company to hold the Group's 90% interests in Yinda. Yinda is a company established in the PRC whose principal business is the provision of property management services in Beijing. Even though the property management business of Yinda remained stable in terms of number of projects and gross floor area managed for the last five years, the results recorded by Yinda in the property management segment in the corresponding period could not keep up with the growing trend in its total revenue. In anticipation of continuing growth in labour cost in the PRC whilst it is doubtful as to whether Yinda could secure new projects or could increase management fees to keep up with the increasing labour cost, the Board expects that the operating results of the property management segment will continue to be volatile and is likely to incur loss in the foreseeable future.

業務回顧

物業投資、管理及發展

物業租賃

北京東環置業有限公司(「北京東環」)本年度租金收入約100,400,000港元(2016年：120,300,000港元)。租金收入減少約17%，主要是本集團於上一年度為應對2016年5月1日起生效的營業稅改徵增值稅政策就其租務操作作出全面檢視。東環廣場本年度之商業部份及住宅部份的出租率約為97% (2016年：98%)。本年度物業租賃分部之分部溢利減少約32%至約97,900,000港元(2016年：143,400,000港元)。分部溢利減幅較大，主要是額外受到重估投資物業之公允價值收益下跌21%至約55,300,000港元(2016年：約70,000,000港元)，進一步壓低了分部業績所致。

物業管理

本公司於2017年6月30日完成以現金代價總額31,700,000港元出售藝景全部權益。藝景為本公司藉以持有本集團於銀達90%權益之投資載體。銀達為於中國成立之公司，其主要業務為於北京提供物業管理服務。儘管銀達之物業管理業務於過去五年內之項目數目及所管理的樓面總面積維持穩定，銀達物業管理分部於同期錄得之業績未能追上其收入總額之增長趨勢。鑒於預期中國勞動力成本將持續增加，而銀達能否取得新項目或提高管理費以追上提高之勞動力成本仍存疑，董事會預期物業管理分部之營運業績於可預見之未來將持續波動及可能招致虧損。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Property Investments, Management and Development (Continued)

Property Management (Continued)

Having considered that the property management business operated by Yinda is not able to contribute a stable profit to the Group, is a labour intensive business and will not be able to solicit any significant business opportunities in the foreseeable future, the Board is of the view that the property management business simply cannot meet the Board's expectation and thus decided to cease investing in such business segment.

Property Development

Cinda Jianrun is a 30% owned associate of the Group. In 2014, there was a downward adjustment trend in the real estate market in China as both prices and floor area of commodity houses sold declined over the previous years. In the second half year of 2014, there were signs of improvement in the real estate market after the local governments (except Beijing, Shanghai, Guangzhou and Shenzhen) gradually loosened the restrictions on mortgage lending and purchase. In addition, as the authority to take austerity measures on the real estate market was delegated from the central to the local governments and with the full liberalization of financing to the real estate industry and mortgage loans for home purchases, it will provide the impetus for recovery of the real estate market.

In addition, due to the fact that Cinda Jianrun need more time to realise its short-term and medium-term investments at appropriate price levels, the Board decided not to close the operations of Cinda Jianrun in 2014 and continue to retain Cinda Jianrun as a vehicle company. When the operating environment of the real estate sector have signs of further improvement, the Group will re-consider to invest in and/or develop medium to high grade real estate projects.

業務回顧(續)

物業投資、管理及發展(續)

物業管理(續)

考慮到銀達所經營之物業管理業務未能為本集團貢獻穩定溢利；為一項勞動力密集型業務及在可預見之將來無法取得任何重大商機，董事會認為物業管理業務根本無法滿足董事會之期望，故決定終止投資於該業務分部。

物業發展

信達建潤為本集團持股30%之聯營公司。於2014年，中國房地產市場出現下行調整趨勢，商品房價格及銷售面積較以往年度均有所下滑。2014年下半年，隨著各地方政府(北京、上海、廣州及深圳除外)陸續開放限貸及限購政策，房地產市場出現改善跡象。另外，隨著房產調控權力由中央下放至地方政府、金融機構對房地產行業融資、購房按揭等全面放開，將有力地推動房地產市場的回暖。

此外，鑒於信達建潤仍需更多的時間，在合適價格水平逐步套現其短期及中期投資。因此，董事會於2014年已改變結束經營信達建潤的決定，並繼續保留信達建潤作為一個載體公司。待國內房地產市場的經營環境出現進一步改善的時候，本集團將重新考慮投資及/或發展中、高檔房地產項目。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Property Investments, Management and Development (Continued)

Property Development (Continued)

In the second half year of 2017, Cinda Jianrun completed the disposal of a majority of its investments to realize a large amount of cash and recognized a significant gain at the same time. As a result, the results of Cinda Jianrun achieved improvement and recorded a net profit of approximately HK\$198.8 million (2016: loss of approximately 53.5 million).

Financial Investments

The Group strategically invested in certain PRC enterprises. These enterprises have good potential for separate listing. As at 31 December 2017, the carrying value of these strategic investments was approximately HK\$906.9 million in aggregate (2016: HK\$288.9 million) with individual allocation (unless otherwise explained, changes in the carrying balance as at both year ends were due to changes in exchange rates) detailed below:

業務回顧(續)

物業投資、管理及發展(續)

物業發展(續)

於2017年下半年，信達建潤完成出售其大部份投資，套現回籠大筆資金，並錄得大額溢利。信達建潤業績因此得到改善並錄得淨溢利約港幣198,800,000港元(2016：虧損約53,500,000港元)。

金融投資

本集團策略性地投資於若干中國企業。該等企業具有獨立上市之潛力。於2017年12月31日，該等策略性投資之賬面值總額約為906,900,000港元(2016年：288,900,000港元)，其各自的份額(除非另有說明，兩個年度末賬面結餘之變動乃因變更匯率所致)詳列如下：

		2017 HK\$ million 百萬港元	2016 HK\$ million 百萬港元
JC International	江銅國際	124.6	124.6
National Trust	國民信託	606.2	—
Beijing TeraSolar	兆陽光熱	69.7	64.7
CUP	中國銀聯	54.0	50.3
Kema Yinxiang	科馬印象	—	21.2
Hejing Zhongdao	合敬中道	24.2	22.5
CITIC International Trading	中信國際交易中心	22.6	—
Others	其他	5.6	5.6
		906.9	288.9

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Financial Investments (Continued)

JC International

The Group invested RMB100.0 million (equivalent to approximately HK\$124.6 million) for an indirect equity interest of 10% in Jiangxi Copper International Trading Co., Ltd. ("JC International"). JC International is 60% owned subsidiary of Jiangxi Copper Company Limited and is principally engaged in the trading of copper on both the spot and futures market.

National Trust

On 24 November 2017, Beijing East Gate which is a subsidiary of the Group entered into a trust agreement with National Trust for a term of one year. Pursuant to the trust agreement, Beijing East Gate agreed to invest a principal amount not exceeding RMB500.0 million (equivalent to approximately HK\$600.2 million) in aggregate in the trust scheme, and National Trust agreed to apply, through investment vehicles, the principal amount for investment in merger, acquisition and reorganisation funds on behalf of and for the benefit of Beijing East Gate during the term of the trust scheme. The expected annual rate of return of the trust scheme is 6% but is not a guaranteed return. National Trust was established in 1987 in the PRC which is a non-banking financial institution regulated by the China Banking Regulatory Commission and is specializing in trust business and financial advisory services. Pursuant to the trust agreement and for the service provided, National Trust will charge a service fee of RMB1.0 million (equivalent to approximately HK\$1.2 million) per year from the effective date. Beijing East Gate has the right to renew for another year or terminate the trust scheme at each anniversary date from the effect date by mean of giving a 30-days prior written notice.

業務回顧(續)

金融投資(續)

江銅國際

本集團投資人民幣100,000,000元(相當於約124,600,000港元)，間接持有江銅國際貿易有限公司(「江銅國際」)10%股本權益。江銅國際為江西銅業股份有限公司持股60%之附屬公司，其主營業務是於現貨及期貨市場銷售銅。

國民信託

於二零一七年十一月二十四日，本集團附屬公司北京東環與國民信託訂立一年期限之信託協議。根據該信託協議，北京東環同意投資本金金額合共不超過人民幣500,000,000元(相當於約600,200,000港元)於信託計劃，並由國民信託於信託期限內代北京東環為其利益動用本金金額並透過投資工具投資於合併、收購及重組基金。信託計劃之預期年回報率為6%唯並非保證回報。國民信託於一九八七年在中國成立，為一間受中國銀行業監督管理委員會規管之非銀行金融機構，專門從事信託業務及提供財務顧問服務。國民信託將根據信託協議就其提供之服務，自生效日期起計收取服務費每年人民幣1,000,000元(相當於約1,200,000港元)。北京東環可於信託生效日期起之每一個週年日前30天以書面方式選擇重續一年或終止信託計劃。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Financial Investments (Continued)

Beijing TeraSolar

Beijing TeraSolar Photothermal Technologies Co., Ltd. ("Beijing TeraSolar") is a high-tech enterprise providing complete solution for solar thermal electric system specialising in research and development, manufacture and marketing services of solar mirrors, concentrating collectors, thermal storage systems, solar tracking devices and supporting structures. It is further supported by a strong technical team of experienced experts, with doctor and master degrees who have been focusing on the research and development of concentrating solar thermal ("CST") technologies and products for over 6 years. In the PRC, it has been granted with 57 patents in total, including 12 invention patents and 45 utility model patents. It also has 35 patents pending for application in total, including 32 invention patents and 3 utility model patents. On the other hand, the Beijing TeraSolar devotes itself to comprehensive utilisation and development of renewable energy. With its advanced technologies, rich experience, foreseeing idea and continuous technical innovation, Beijing TeraSolar is well positioned to play an important role in new product's development, quality assurance and service system, and promote the CST industry in the PRC and the world.

In May 2015, the Group entered into an agreement to invest RMB116.0 million (equivalent to approximately HK\$139.3 million) in cash to Beijing TeraSolar for an equity interest of 8.29%. During the year of 2015, the Group paid RMB58.0 million (equivalent to approximately HK\$69.6 million) as partial payment in accordance with the terms of the agreement, the remaining balance will be paid in accordance with the actual funding need of Beijing TeraSolar.

Beijing TeraSolar has utilised its patent technologies in core technology in solar thermal power generation system to construct a photothermal power station with a 15MW capacity and is progressing at a steady pace as scheduled.

業務回顧(續)

金融投資(續)

兆陽光熱

北京兆陽光熱技術有限公司(「兆陽光熱」)為一家高科技企業，致力為太陽能熱發電系統提供全面解決方案，專門進行太陽能反射鏡、聚光型集熱器、集熱系統、太陽能跟蹤系統及支架的研發、製造及市場推廣服務。其亦獲得經驗豐富的專家、博士及碩士所組成的強大科研團隊支援，團隊專注於研發聚光太陽能發熱(「聚光太陽能發熱」)技術及產品超過6年。在中國已獲得授權專利共57件，其中包括發明專利12件及實用新型專利45件。正在申請專利共35件，其中包括發明專利32件及實用新型專利3件。另一方面，兆陽光熱致力全面動用及開發可再生能源。憑藉其先進技術、豐富經驗、高瞻遠矚的想法及持續的技術創新，兆陽光熱穩居有利位置，於新產品開發、品質保證及服務系統，以及於中國及全世界推廣聚光太陽能發熱行業中發揮重要作用。

於2015年5月，本集團簽訂一項協議以現金人民幣116,000,000元(相當於約139,300,000港元)投資持有兆陽光熱8.29%股本權益。於2015年之年內，本集團根據該份協議已支付人民幣58,000,000元(相當於約69,600,000港元)為部份投資款，其餘款項按照兆陽光熱的實際用款需求支付。

兆陽光熱已利用其太陽能熱發電系統的專利技術，投資建設一座規模達15兆瓦的光熱電站，目前正按照計劃平穩進行中。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Financial Investments (Continued)

CUP

CUP is the largest bank card association and credit card issuers in the Mainland China having a very bright business prospect. At 31 December 2017, the Group beneficially owns 7.5 million shares in CUP.

Kema Yinxiang

Kema Yinxiang Industries Limited (“Kema Yinxiang”), a former 50% owned joint venture of the Group, is a construction material supplier specialized in providing all-round bathroom solutions to customers. Its business is the design, manufacture and wholesaling of Italian Style bathroom products in its own brand name of “科馬印象”. The core product is bathroom suite known as the “CubiX” series. CubiX series are pre-made modules of bathroom structures capable of being combined into different stylish and tailored bathrooms. The Group disposed the entire interest to the PRC shareholder at the carrying value of RMB19.0 million (equivalent to approximately HK\$21.9 million) during the year.

Hejing Zhongdao

In the second half year of 2016, the Company's wholly subsidiary established a partnership venture with independent third parties by investing approximately RMB20.2 million (equivalent to approximately HK\$24.2 million) to Beijing Hejing Zhongdao Technology Investment Partnership (“Hejing Zhongdao”) for a partnership interest of approximately 18.0%. The partnership purpose of Hejing Zhongdao is to invest unlisted entities engaged in high and new technology sectors such as information technology, new energy and new materials industries.

業務回顧(續)

金融投資(續)

中國銀聯

中國銀聯是中國內地最大的銀行卡聯合組織及信用卡發行商，具有非常亮麗的業務前景。於2017年12月31日，本集團實益擁有7,500,000股中國銀聯權益。

科馬印象

科馬印象實業有限公司(「科馬印象」)，前身為由本集團持股50%的合營公司，是一家建材供應商，專注於為客戶提供全面的衛生間解決方案。其業務是以自家品牌《科馬印象》從事設計、生產及批發意大利風格的衛生間產品。核心產品為《魔塊衛生間》系列。《魔塊衛生間》系列為預製之衛生間套件，可以組成具有不同風格且為度身定造的衛生間。年內以賬面值人民幣19,000,000元(相當於約21,900,000港元)將全部權益售回予中方股東。

合敬中道

於2016年下半年，本公司之全資附屬公司透過與獨立第三方進行合伙業務，投資人民幣約20,200,000元(相當於約24,200,000港元)持有北京合敬中道科技產業投資合伙企業(「合敬中道」)約18%合伙權益。合敬中道的合伙目的為在高新技術領域如信息技術、新能源及新材料等行業向未上市的企業作出投資。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Financial Investments (Continued)

CITIC International Trading

In the second half year of 2017, the Group invested RMB20.0 million (equivalent to approximately HK\$22.6 million) for an 20% initial equity interest in CITIC International Trading Center Co., Limited ("CITIC International Trading"). Pursuant to mutual agreement, certain equity interest will be transferred to the key management and critical persons of core business of CITIC International Trading in 2018. Citic International Trading was a new company established in Qianhai Shenzhen in China by CITIC Limited. It has a dual development plan. One is to carry on an exchange platform for resources after national policies open up for such business. For the time being, it is focusing on the development of data management, application and exchange including electronic identity certification (eID) services.

Petrochemical Products

In light of the fact that there are complementary advantages in the raw materials structure, the manufacturing processes and the common engineering systems employed in production by TZ United East and Zhong Hai You Qi. TZ United East and Zhong Hai You Qi has reached a joint production arrangement in 2017 for the purpose of enhancing production effectiveness and efficiency of each other. Under the joint production arrangement, Zhong Hai You Qi will provide the critical raw material including crude oil and fuel oil and appoint TZ United East to carry out the production processes as a subcontractor. Consequently, Zhong Hai You Qi will oversee sales on a group basis. Through joint production arrangement, the purpose of centralizing the processing of resources, reducing logistic costs, consolidating complimentary advantages and enhancing the economics of scale and synergy effect is achieved.

業務回顧(續)

金融投資(續)

中信國際交易中心

於2017年下半年，本集團投資人民幣20,000,000元(相當於約22,600,000港元)持有中信國際交易中心有限公司(「中信國際交易中心」)20%權益，其中若干權益將會根據協定於2018年轉讓予中信國際交易中心主要管理人員及核心業務骨幹人員。中信國際交易中心是由中信泰富有限公司牽頭，於中國深圳前海組建成立的新公司，擬進行雙線發展，在國家政策開放後從事資源要素交易平台，目前則專注於發展包括電子身份認證(eID)在內的數據管理、應用及交易業務。

石油化工產品

鑒於泰州東聯化工和中海油氣在原料結構、生產工序及公用工程系統等方面存在互補性的優點。泰州東聯化工與中海油氣協定於2017年通過聯合生產安排方式提高彼此的生產效率和效益。在聯合生產安排下，中海油氣將提供包括原油及燃料油等關鍵生產原材料並委託泰州東聯化工以承包方式進行生產加工，接著再由中海油氣統一進行銷售。通過聯合生產安排實現了資源集中加工、降低物流成本、促進優勢互補、充份發揮經濟規模效益和協同效益之目的。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

業務回顧(續)

Petrochemical Products (Continued)

石油化工產品(續)

TZ United East

泰州東聯化工

TZ United East is a 66.77% owned subsidiary of the Group. TZ United East's principal business is the manufacturing and trading of organic solvent methyl ethyl ketone. After the completion of the Binjiang Project, the current annual production capacity of TZ United East has been increased from 110,000 tons to 1,600,000 tons.

泰州東聯化工為本集團持股66.77%的附屬公司。泰州東聯化工主要業務為生產及銷售有機溶劑甲乙酮。濱江項目完成後，泰州東聯化工之年產能已從110,000噸擴充至1,600,000噸。

The operating results of TZ United East are summarized below:

泰州東聯化工的經營業績摘要如下：

		2017 Tons 噸	2016 Tons 噸	Changes 變動 % 百分比
Raw material processed under joint production	聯合生產受託加工量	1,160,900	—	N/A 不適用
Raw materials sold	原材料銷售	34,900	13,100	166%
		HK\$ million 百萬港元	HK\$ million 百萬港元	Changes 變動 % 百分比
Revenue — raw materials processed	收入 — 原材料加工	715.2	—	N/A 不適用
Revenue — raw materials sold	收入 — 原材料銷售	90.1	48.8	85%
Net loss	淨虧損	(27.1)	(357.8)	(92%)

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Petrochemical Products (Continued)

TZ United East (Continued)

Revenue from raw materials sold for both years represented revenue received from the direct selling of the raw materials acquired through previously contracted supply contracts. As the revenue from sale of raw materials is limited which is not capable of covering all the operating expenses during the period. Therefore, TZ United East incurred a net loss for both periods. However, net loss for the current year reduced significantly as a result of the joint production arrangement which benefited TZ United East by way of recovering certain direct production cost like direct labour cost, consumables, interest expenses and depreciation, etc.

The OPEC had reached an agreement to reduce crude oil production in December 2016. Moreover, Russia also agreed to freeze her production. Together with arbitration activities of investors, international crude oil prices rose continuously from US\$45-55 per barrel in the first quarter of 2017 to over US\$60 per barrel for the time being. The Board believes that international crude oil prices has basically stabilized at the current prices and the possibility for a further significant drop is relatively low. The production cycle of TZ United East is approximately one month, a long-term stable or a continuous rising international crude oil prices is most beneficial to the operation of TZ United East.

業務回顧(續)

石油化工產品(續)

泰州東聯化工(續)

兩個年度錄得的原材料銷售收入乃是把根據以前年度已簽訂的供應合同項下購入的原材料轉為直接出售所得。由於期內原材料銷售收入較少，不足以抵銷期內的所有經營開支。因此，泰州東聯化工於兩個年度錄得淨虧損。然而，本年度之淨虧損額大幅減少。原因是泰州東聯化工在聯合生產安排下受惠於可收回若干直接生產成本如直接員工成本、消耗品、利息支出及折舊等成本。

石油輸出國組織於2016年12月達成減少原油產量協議，此外，俄羅斯也同意配合凍產，加上投機者炒買炒賣等因素，國際原油價格從2017年一季度每桶45-55美元持續上升至目前每桶逾60美元。董事會認為國際原油價格基本上已穩定下來，再次大幅下跌的機會相對較小。泰州東聯化工的生產週期大約為一個月，長期穩定或持續上升的國際原油價格對泰州東聯化工之營運最為有利。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Petrochemical Products (Continued)

Zhong Hai You Qi

Zhong Hai You Qi is a 23.03% owned associate of the Group. Its principal business is the manufacturing and trading of fuel oil, basic lubricant oil and heavy duty bitumen. Following the completion of the Integration Project in September 2016, Zhong Hai You Qi is capable to produce a full range of petrochemical products including liquid gas, lubricant oil, fuel oil (diesel) and solvent oil, covering over 90% of the products output. The current annual production capacity of Zhong Hai You Qi is 4.5 million tons.

The operating results of Zhong Hai You Qi are summarized below:

業務回顧(續)

石油化工產品(續)

中海油氣

中海油氣為本集團實益持股23.03%的聯營公司。其主要業務是生產及銷售燃料油、潤滑油基礎油、重交瀝青等產品。在一體化項目建設工程於2016年9月完工後，中海油氣具備生產包括液化氣、潤滑油、燃料油(柴油)及溶劑油料等全系列的石油化工產品，產品覆蓋率逾90%，產品年產能已經增加至4,500,000噸。

中海油氣的經營業績摘要如下：

		2017 Tons 噸	2016 Tons 噸	Changes 變動 %
				百分比
Annual production capacity	年產能	4,500,000	4,500,000	N/A 不適用
Crude oil processed	原油加工	4,032,600	1,332,100	203%
		HK\$ million 百萬港元	HK\$ million 百萬港元	Changes 變動 %
				百分比
Revenue	收入	19,003.6	2,978.1	538%
Net profit	淨溢利	762.0	87.7	769%
Profit contribution before non-controlling interests	非控制權益前之溢利貢獻	251.5	29.0	767%

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Business Review (Continued)

Petrochemical Products (Continued)

Zhong Hai You Qi (Continued)

In 2017, the global economy recovered moderately. The global crude oil supply gradually tends to be balanced, the international crude oil price increased prominently as compared with the corresponding period of last year. As a result, the overall selling prices of petrochemical products in Mainland China recorded a moderate increase. In addition, as production efficiency and effectiveness was enhanced under the joint production arrangements, the operating results of Zhong Hai You Qi during the current period have recorded significant improvement and contributed profit of approximately HK\$251.5 million (2016: HK\$29.0 million) to the Group.

Growth Strategies

To expand its existing investments in power and petrochemical products production remain the growth strategy of the Group. The Group is also actively searching and identifying investment and/or merger and acquisition opportunities which is capable of generating enormous profit and ample cash flows to the Group. The Board remains to focus on executing its business plan and strategy in 2018. The Board believes that these growth strategies will eventually result in extending the sources of recurring income and expanding the magnitude of recurring income.

Petrochemical Products Aspect

The joint production arrangements carried out by TZ United East and Zhong Hai You Qi have indicated that profitability of both companies were enhanced and translated into much improved operating results as a whole. The Board anticipates that full year results of the petrochemical businesses will also mark significant improvement under the joint production arrangements.

業務回顧(續)

石油化工產品(續)

中海油氣(續)

2017年全球經濟溫和復蘇。全球原油供應趨向平衡，國際原油價格較去年同期明顯上升。因此，中國國內的石油化工產品售價也普遍地錄得上升。加上於本年度通過聯合生產安排下，促進並提高生產效率及效益，中海油氣本年度之經營業績錄得大幅改善並為本集團貢獻溢利約251,500,000港元(2016年：29,000,000港元)。

發展策略

本集團維持透過擴大於電力及石油化工產品方面的現有投資規模作為增長策略。本集團亦正積極尋找及物色可為本集團帶來龐大盈利及充足現金流的投資及／或併購機會。董事會於2018年內將繼續專注於執行其業務計劃及策略。董事會相信此等增長策略最終可延展經常性收入的來源及擴大經常性收入的金額。

石油化工產品方面

泰州東聯化工及中海油氣共同執行的聯合生產安排顯示兩家公司的盈利能力均獲提高，並使到全年度的經營業績整體取得大幅改善。董事會預期在聯合生產安排下，石油化工產品業務將可持續錄得大額盈利。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Growth Strategies (Continued)

Petrochemical Products Aspect (Continued)

Nevertheless, the Board is currently investigating the feasibility of a collective capital restructure of the Group's petrochemical investments located in Tai Zhou for the purpose of achieving a more efficient and effective operation model in the long run.

Power Aspect

The Group has made further investment in renewable energy sector. On 8 October 2015, the Group's wholly owned subsidiary Taizhou Yinjian Energy Investment Co., Ltd. ("Taizhou Yinjian") entered into a joint venture agreement with six other parties (including two connected parties). Pursuant to the joint venture agreement, the joint venture shareholders agreed to co-invest in construction and operation of the concentrated solar power stations in Zhangbei, Hebei in two phases with a total installed capacity of 100MW by establishing Zhongxin Zhangbei Solar Energy Thermal Power Generation Co., Ltd ("Solar Energy Thermal Power"). Due to the advantageous geological location, the Zhangbei county area is selected by the PRC Government as one of the key districts for developing solar power generation.

The total investment of the concentrated solar power stations is expected to be RMB3,400.0 million (equivalent to approximately HK\$4,082.0 million), of which RMB1,800.0 million (equivalent to approximately HK\$2,161.0 million) shall be applied to its first phase of the construction of a 50MW demonstration power station with a construction period of 24 months. Whereas the second phase of the construction of a 50MW commercial power station shall proceed only after the demonstration power station is to be proven to meet the expected technical indicator. The construction period of the second phase is 18 months. The registered capital of Solar Energy Thermal Power is RMB1,000.0 million (equivalent to approximately HK\$1,200.5 million). Taizhou Yinjian shall contribute RMB150.0 million (equivalent to approximately HK\$180.1 million) for an equity interest of 15% in Solar Energy Thermal Power.

發展策略(續)

石油化工產品方面(續)

縱使如此，董事會現正就本集團於泰州的全部石油化工投資，進行整體性股本重組的可行性展開研究，期望長遠能達至更有效率和效益的營運模式。

電力方面

本集團進一步在再生能源領域作出投資。於2015年10月8日，本集團透過全資附屬公司泰州銀建能源投資有限公司(「泰州銀建」)與六名其他投資者(其中包括兩名關連人士)簽訂一項合營股東協議。根據合營股東協議，合營股東同意透過成立中信張北太陽能熱發電有限公司(「太陽能熱發電公司」)，共同於河北省張北縣分兩期投資建設及營運太陽能熱發電站項目，該項目之裝機容量共100兆瓦。由於地理位置優越，張北縣一帶為中國政府挑選為重點發展太陽能發電業務地區之一。

太陽能熱發電站之總投資額預期達人民幣3,400,000,000元(相當於4,082,000,000港元)，其中人民幣1,800,000,000元(相當於2,161,000,000港元)將用於第一期建設50兆瓦示範電站，施工期預計需要約24個月。而太陽能熱發電站第二期的50兆瓦商業電站，只會在示範電站經證明已達到預期技術指標後，方會開始建設，第二期施工期預計需要約18個月。太陽能熱發電公司之註冊資本為人民幣1,000,000,000元(相當於約1,200,500,000港元)。泰州銀建將投入人民幣150,000,000元(相當於約180,100,000港元)並持有太陽能熱發電公司15%股本權益。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Growth Strategies (Continued)

Power Aspect (Continued)

The proposed establishment of Solar Energy Thermal Power and the investment in the construction of the concentrated solar power stations was approved by the independent shareholders of the Company at the extraordinary general meeting held on 19 February 2016. On 13 September 2016, the National Energy Administration announced China's first batch of 20 accredited solar power projects. The concentrated solar power stations project was selected as one of the on-list projects. Accordingly, Solar Energy Thermal Power will proceed with the construction works of its demonstration power station being the first phase of the CSP Project and will make further investments in accordance with the terms of the shareholders' agreement.

Financial Review

Exchange Exposure

The Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. Moreover, the Board is capable of maintaining a net monetary asset position denominated in RMB for the Group. Therefore, the Board is confident that the Group's exposure to exchange rate fluctuations in respect of RMB will not have material adverse effect on the financial position of the Group given that the RMB to HKD exchange rate is maintained at a relatively stable range. In addition, the Board does not anticipate that there is any material exchange exposure in respect of other currencies.

In the opinion of the Board, RMB will still be currency under control in the foreseeable future. Although the market expects that RMB will widen its exchange rate fluctuation, the Board is not expected that it will have material adverse effect on the financial position of the Group. However, the Board will closely monitor the future development of the RMB exchange rate and will take appropriate measures as necessary.

發展策略(續)

電力方面(續)

成立太陽能熱發電公司以及投資太陽能熱發電電站的題案已獲本公司獨立股東於2016年2月19日召開的特別股東大會批准通過。於2016年9月13日，國家能源局正式發佈中國首批20個太陽能熱發電示範項目名單，該太陽能熱發電電佔項目已入選為名單項目的其中之一。據此，太陽能熱發電公司將會開展太陽能熱發電電站項目第一期的示範電站之建造工作並將根據股東協議之條款作出進一步投資。

財務回顧

滙兌風險

本集團的主要資產、負債、收入及支出都是以港元及人民幣為主。此外，董事會能夠為本集團維持一個人民幣金融性資產淨額的水平。因此，董事會有信心，在人民幣兌港元滙率維持在相對穩定之區間的前提下，源自於人民幣兌港元滙率變動所產生的滙兌風險將不會對本集團之財務狀況構成重大的負面影響。此外，就其他外幣而言，董事會並不預期將會出現任何重大的滙兌風險。

董事會意見認為，於可預見未來人民幣仍然將會是受管制之貨幣。雖然市場普遍預期人民幣將會擴寬滙率變動區間，然而董事會並不預期此舉將會對本集團之財務狀況構成重大的負面影響。唯董事會將會密切關注人民幣滙率的長期走勢，並且在有需要時制訂適當的應對措施。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Financial Review (Continued)

Exchange Exposure (Continued)

At the end of the reporting period, the Group has no material liability denominated in other foreign currencies other than RMB. There was also no hedging transaction contracted for by the Group during the year.

Pledge of Assets

As at 31 December 2017, the Group pledged certain investment properties, leasehold land and buildings, land use right and factory, plant and machinery with an aggregate carrying value at the end of the reporting period of approximately HK\$2,424.7 million (2016: HK\$2,205.2 million), HK\$228.3 million (2016: HK\$200.5 million), HK\$131.8 million (2016: HK\$182.5 million) and HK\$737.5 million (2016: HK\$719.8 million) respectively to secure general banking facilities granted to the Group, other loans and other payable to an independent third party.

As at 31 December 2017, the Group also pledged approximately HK\$0.8 million (2016: HK\$1.7 million) bank deposits to secure settlements for certain of Group's purchase of raw materials.

Working Capital & Borrowings

At the end of the reporting period, the Group's total borrowings amounted to approximately HK\$3,231.1 million in aggregate. The composition of these borrowings is summarized below:

		HK\$ million 百萬港元	Percentage 百分比
Short term borrowings	短期借貸	2,241.2	69%
Long term borrowings	長期借貸	989.9	31%
Total	總額	3,231.1	100%

財務回顧(續)

滙兌風險(續)

於本報告期末，除人民幣外，本集團並無以其他外幣單位記賬之重大負債。同時，本集團於年內並無簽訂任何合同形式的對沖交易。

資產抵押

於2017年12月31日，本集團已將其於本報告期末累計賬面總額分別約為2,424,700,000港元(2016年：2,205,200,000港元)、228,300,000港元(2016年：200,500,000港元)、131,800,000港元(2016年：182,500,000港元)及737,500,000港元(2016年：719,800,000港元)之若干投資物業、租賃土地及樓宇、土地使用權及廠房、機器及設備作抵押為本集團獲授予一般性銀行融資之條件、其他貸款及一名獨立第三方的其他應付款。

於2017年12月31日，本集團亦將其約800,000港元(2016：1,700,000港元)之銀行存款抵押以擔保本集團購入若干原材料之付款責任。

營運資金及借貸

於本報告期末，本集團之借貸總額約為3,231,100,000港元。該等借貸的組成總結如下：

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Financial Review (Continued)

Working Capital & Borrowings (Continued)

Interests for all borrowings were charged at fixed and floating rates ranging from 2.30% per annum to 7.50% per annum.

At the end of the reporting period, the Group's cash and bank balances (included pledged bank deposits and structured bank deposits) was approximately HK\$1,485.2 million in aggregate. The Group's net borrowings was approximately HK\$1,745.9 million. The Group's net current assets was approximately HK\$111.9 million. In addition, the Group has unutilised banking facilities of approximately HK\$762.2 million in aggregate. Based on the foregoing information, the Board is confident that the Group has adequate working capital to meet daily operations and to finance future expansion. Despite this, the Board will seek to dispose short and medium term investments to replenish funds in order to further increase the Group's working capital to a stronger level.

At the end of the reporting period, the Gearing Ratio (calculated as total borrowings over equity attributable to owners of the Company) and Current Ratio (calculated as current assets over current liabilities) of the Group were 45.5% (2016: 48.9%) and 1.0x (2016: 1.3x) respectively. Both ratios are maintained at good level.

Capital Structure

At the end of the reporting period, the shareholders' fund of the Group increased by HK\$746.3 million to approximately HK\$7,103.4 million (2016: HK\$6,357.1 million), representing a increment of approximately 12%. The increase was mainly due to the profit for the year amounting to approximately HK\$260.2 million and the appreciation of RMB resulted in exchange gain amounting to approximately HK\$443.9 million upon translating PRC subsidiaries and associates.

財務回顧(續)

營運資金及借貸(續)

所有借貸之利息均是以固定及浮動利率計算，利率區間由年利率2.30%至年利率7.50%。

於本報告期末，本集團之現金及銀行結餘(包括抵押銀行存款及結構性銀行存款)總額約為1,485,200,000港元。本集團之借貸淨額約1,745,900,000港元。本集團擁有淨流動資產約111,900,000港元。加上本集團現時尚有備用銀行信貸額度約762,200,000港元，基於以上資料，董事會對本集團擁有足夠的流動資金應付日常營運所需以及支持未來擴展有信心。縱然如此，董事會將積極出售短期及中期投資以回籠資金，以進一步提高本集團的流動資金至更強水平。

於本報告期末，本集團之借貸比率(即借貸總額除以本公司擁有人應佔股本計算所得)及流動比率(即流動資產除以流動負債計算所得)分別為45.5%(2016年：48.9%)及1.0x(2016年：1.3x)。兩個比率均維持在良好的水平。

股本結構

於本報告期末，本集團之股東資金增加約746,300,000港元至約7,103,400,000港元(2016年：6,357,100,000港元)，增幅約12%。增加主要是本年度錄得溢利約260,200,000港元以及由於人民幣增值導致換算中國附屬公司及聯營公司產生滙兌收益約443,900,000港元所致。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Human Resources

At the end of the reporting period, the Group employed 559 (2016: 1,453) employees in Hong Kong and in the PRC. The total number of employees decreased significantly was due to the cessation of the property management business which is a labour intensive business and hired 909 employees as at 31 December 2016. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practices. The Group's remuneration policies remain unchanged during the year. Total staff costs for the year was approximately HK\$159.5 million (2016: HK\$115.3 million). Total staff costs increased by approximately 38%. The main reasons were due to the effect of annual salary increment and the appreciation of RMB exchange rate by approximately 7% which had led to a further increase in translating staff cost of the Company's subsidiaries in the Mainland China. Moreover, as the results recorded a turnaround from loss to profit with a very satisfactory profit in the current year, the Group granted special bonus to the senior management of those critical business units and granted a long service payment to a retired senior management amounting to HK\$20.0 million in aggregate in the current year which has further increased staff costs.

Final Dividend

As the Board intends to retain more working capital for the Group, the Board has resolved not to recommend payment of a final dividend for the year ended 31 December 2017 (2016: Nil). The Board will endeavor to resume payment of dividend soonest possible.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. All directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code throughout the year.

人力資源

於本報告期末，本集團於香港及中國僱用 559 名(2016 年：1,453 名)僱員。僱員人數大幅減少主要是由於終止經營人力密集型業務並且於 2016 年 12 月 31 日僱用 909 名員工的物業管理業務所致。本集團為其僱員提供一套符合市場慣例且具有競爭性的薪酬制度。本集團的薪酬政策於年內維持不變。本年度持續經營業務的員工支出總額約 159,500,000 港元(2016 年：115,300,000 港元)。員工支出總額大幅增加約 38%，主要原因是年度薪酬調整以及人民幣匯率於本年度上漲約 7% 導致折算國內員工成本增加所致。另外，鑒於本年度業績錄得轉虧為盈且錄得理想溢利，本集團於本年度向相關業務單位的高級員工發放特別獎金以及向一名退休高級員工發放長期服務金合共 20,000,000 港元亦額外增加員工支出。

末期股息

鑒於董事會希望為本集團保留更多營運資金，董事會已通過決議，不建議派付截至 2017 年 12 月 31 日止年度末期股息(2016 年：無)。董事會將致力盡快恢復派發股息。

遵守標準守則

本公司已採納上市規則附錄 10 所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)，作為本公司關於董事證券交易操守之守則。經本公司具體查詢後，所有董事已確認於整個年度內已遵守該標準守則之規定標準。

MANAGING DIRECTOR'S STATEMENTS 董事總經理報告

Purchase, Sale or Redemption of Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Appreciation

On behalf of the Board, I would like to express my appreciation and gratitude to those resigned directors for their contribution and service to the Group during their tenure and give my warmest welcome to those newly appointed directors for joining our Group. Moreover, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the Board of
Silver Grant International Industries Limited

Gao Jian Min
Executive Director & Managing Director

Hong Kong, 23 March 2018

購回、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

致謝

本人謹代表董事會，向各位辭任的董事過往對本集團作出之貢獻及服務，致以衷心謝意並熱烈歡迎新委任的各位董事加盟本集團。此外，本集團有賴各位股東的鼎力支持和全體員工努力不懈的竭誠服務以達致本集團的目標，本人謹代表董事會向彼等致以深切謝意。

承董事會命
銀建國際實業有限公司

執行董事兼董事總經理
高建民

香港，2018年3月23日

PROFILE OF DIRECTORS 董事簡介

Executive Directors

Gao Jian Min *Managing Director*

Mr. Gao, aged 58, was appointed as an executive director and served as the Managing Director of the Company on 22 June 1993. He was also appointed as a director of various companies of the Group. Mr. Gao is also an executive director of Jiangxi Copper Co., Ltd (“Jiangxi Copper”) (Stock code: 358). Up to 24 March 2017, Mr. Gao was an executive director of Qingling Motors Co. Ltd. (“Qingling Motors”) (Stock code: 1122). The H shares of Jiangxi Copper and Qingling Motor are listed on the Stock Exchange. Mr. Gao graduated from the Qing Hua University with a bachelor degree in engineering. He has over 25 years of experience in finance, industrial investment and property investment and development.

Liu Tianni *Deputy Managing Director*

Mr. Liu, aged 54, was appointed as an executive director of the Company on 26 May 2001. Mr. Liu is the Deputy Managing Director of the Company. Mr. Liu was also appointed as a director of various companies of the Group. Mr. Liu is currently an executive director and the chairman of Wonderful Sky Financial Group Holdings Limited (Stock code: 1260), which shares are listed on the Stock Exchange. He graduated from the Beijing Normal University with a master’s degree in science in 1990. Mr. Liu is also an independent non-executive director of Qingling Motors (Stock code: 1122) and Luoyang Glass Company Limited (stock code: 1108), the H shares of which are all listed on the Stock Exchange. Mr. Liu has over 20 years of experience in capital market operations.

執行董事

高建民 *董事總經理*

高先生現年58歲，於1993年6月22日獲委任為本公司之執行董事並且出任董事總經理職務。彼亦兼任本集團若干公司之董事職務。高先生同時亦為江西銅業股份有限公司（「江西銅業」）（股份代號：358）之執行董事。直至2017年3月24日止，高先生為慶鈴汽車股份有限公司（「慶鈴汽車」）（股份代號：1122）之執行董事。江西銅業及慶鈴汽車之H股股份均於聯交所上市。高先生於清華大學畢業，持有工程學學士學位。彼於金融、工業投資及物業投資及發展方面擁有逾25年經驗。

劉天倪 *副董事總經理*

劉先生現年54歲，於2001年5月26日獲委任為本公司之執行董事。劉先生為本公司董事副總經理。劉先生同時兼任本集團若干公司之董事職務。劉先生現為皓天財經集團控股有限公司（股份代號：1260）之執行董事及主席；該公司之股份於聯交所上市。彼於1990年於北京師範大學畢業並取得理學碩士學位。劉先生亦為慶鈴汽車（股份代號：1122）及洛陽玻璃股份有限公司（股份代號：1108）之獨立非執行董事，該等公司之H股股份於聯交所上市。劉先生於資本市場操作擁有逾20年的經驗。

PROFILE OF DIRECTORS 董事簡介

Executive Directors (Continued)

Ma Yilin

Mr. Ma, aged 53, was appointed as an executive director of the Company on 20 January 2017. Mr. Ma is currently the Managing Director of China Cinda (Hong Kong) Holding Company Limited (“Cinda Hong Kong”), which is a wholly owned subsidiary of China Cinda Asset Management Co., Ltd. (“China Cinda”). He is an intermediate economist. Mr. Ma graduated from the graduate school of the China University of Political Science and Law with a master degree in law. Commencing 2011, Mr. Ma had held various positions successfully in Cinda Hong Kong, including senior manager, head of legal affairs, investment controller, assistant to general manager, deputy general manager, general manager and director of Cinda Hong Kong. Mr. Ma has abundant experience asset management and legal affairs.

Non-executive Directors

Luo Zhenhong *Chairman*

Mr. Luo, aged 52, was appointed as a non-executive director, Chairman on the Board and a member and the committee chairman of the nomination committee of the Company on 28 August 2017. Mr. Luo is currently the Chief Risk Officer of China Cinda. From July 1988 to April 1999, Mr. Luo held various position in China Construction Bank. Mr. Luo joined China Cinda in April 1999 and served successfully as the deputy general manager and the general manager of Legal Department of China Cinda. From April 2009 to August 2017, Mr. Luo has served as the general manager of the Legal and Compliance Department of China Cinda. From October 2008 to November 2012, Mr. Luo served as vice president of the Banking Law Division of China Law Society and has served as the vice president of China Banking Law Society since November 2012. Mr. Luo graduate from Peking University with a bachelor's degree in law in 1988, a master's degree in law in 2002, and an EMBA degree in 2012. Mr. Luo has abundant experience in risk and compliance management.

執行董事(續)

馬懌林

馬先生，53歲，於2017年1月20日獲委任為本公司執行董事。馬先生現任中國信達資產管理股份有限公司(「中國信達」)全資附屬公司中國信達(香港)控股有限公司(「信達香港」)董事總經理。馬先生是一位中級經濟師。馬先生畢業於中國政法大學研究生院，獲法學碩士學位。2011年起，馬先生加盟信達香港，擔任不同崗位包括高級經理、法律事務主管、投資總監、總經理助理、副總經理、總經理及信達香港之董事。馬先生在資產管理及法律事務方面具有豐富的經驗。

非執行董事

羅振宏 *主席*

羅先生，52歲，於2017年8月28日獲委任為本公司非執行董事、董事會主席及提名委員會成員及委員會主席。羅先生現為中國信達首席風險官。1988年7月至1999年4月曾於中國建設銀行擔任多項職務。1999年4月加入中國信達，曾任法律事務部副總經理、總經理，2009年4月至2017年8月任法律合規部總經理。2008年10月至2012年11月任中國法學會銀行法學研究會副會長，自2012年11月起任中國銀行法學研究會副會長。1988年、2002年和2012年分別獲得北京大學法學學士、法律碩士和高級管理人員工商管理碩士學位。羅先生於法律合規管理方面具有豐富的經驗。

PROFILE OF DIRECTORS 董事簡介

Non-executive Directors (Continued)

Hui Xiao Bing *Vice-chairman*

Mr. Hui, aged 64, was appointed as an executive director of the Company and was elected vice-chairman of the Board on 22 June 1993. He was redesignated as a non-executive director of the Company on 1 September 2006. Mr. Hui was the deputy managing director of China Everbright Financial Holdings Limited and was also the president of China Construction Bank, Shenzhen Branch. He previously worked for the Research Centre for Economic Development of the State Council of the PRC and China Investment Consultancy Company. He has over 28 years of experience in banking and finance. Mr. Hui graduated from the Inner Mongolia Industrial University with a bachelor degree in engineering. Mr. Hui is currently the president of the Society for the Promotuion of Science and Technology Commercialization. He is also appointed independent director of ABCI Insurance Company Limited (an authorized insurers of Hong Kong Insurance Authority) with effect from March 2018.

非執行董事(續)

惠小兵 *副主席*

惠先生現年64歲，於1993年6月22日獲委任為本公司之執行董事及並獲推選為董事會副主席。彼於2006年9月1日起調任為本公司之非執行董事。惠先生曾任中國光大金融控股有限公司副董事總經理，亦為中國建設銀行深圳市分行前行長。彼還曾於中國國務院經濟發展研究中心及中國投資諮詢公司工作。彼於銀行和金融方面擁有逾28年經驗。惠先生畢業於內蒙古工業大學，持有工程學士學位。惠先生目前是中國科技產業化促進會之理事長，亦自2018年3月起獲推選為農銀國際保險有限公司(香港保監局之認可承保人)之獨立董事。

PROFILE OF DIRECTORS 董事簡介

Non-executive Directors (Continued)

Chen Qiming Vice-chairman

Mr. Chen, aged 55, was appointed as a non-executive director and vice-chairman of the Board of the Company on 15 February 2012. He is a senior engineer in the PRC. He obtained a bachelor's degree in science in engineering from the East China University of Metallurgy in 1984 and a master's degree in economics from the University of International Business and Economics in 2003. Mr. Chen joined China Guangdong Nuclear Power Holding Co., Ltd. (now known as China General Nuclear Power Corporation) ("CGNPC"), a substantial shareholder of the Company, in 1996 and served various positions including head of the construction contract division of Ling Ao Nuclear Power Co., Ltd., a subsidiary of CGNPC, manager of the contract procurement department of Liaoning Hongyanhe Nuclear Power Co., Ltd., manager of the contract and procurement department of China Nuclear Power Engineering Co., Ltd. and the deputy general manager and general manager of the capital operation department of CGNPC. Mr. Chen is currently the general manager of CGN Capital Holdings Co., Ltd. During the period from 5 December 2013 to 29 June 2016, Mr. Chen was a non-executive director of CGN Mining Company Limited (Stock Code:1164). During the period from 9 March 2012 to 12 July 2016, Mr. Chen was a non-executive director of CGN New Energy Holdings Co., Ltd. (Stock code: 1811). The shares of both companies are listed on the Stock Exchange. Mr. Chen has over 20 years of experience in the power industry.

非執行董事(續)

陳啓明 副主席

陳先生現年55歲，於2012年2月15日獲委任為本公司非執行董事及董事會副主席。陳先生為中國高級工程師。彼於1984年在華東冶金學院取得工學學士學位，並於2003年取得對外經貿大學經濟學碩士學位。陳先生於1996年加入本公司之主要股東中國廣東核電集團有限公司(現稱為中國廣核集團有限公司)(「中廣核」)，曾出任多個職位，包括中廣核之附屬公司嶺澳核電有限公司施工合同分部主管、遼寧紅沿河核電有限公司合同採購部經理，中廣核工程有限公司合同與採購部經理、中廣核資本營運部副總經理及總經理。陳先生目前出任中廣核資本控股有限公司總經理。於2013年12月5日至2016年6月29日期間，陳先生曾任中廣核礦業有限公司(股份代號：1164)非執行董事。於2012年3月9日至2016年7月12日期間，陳先生曾任中國廣核新能源控股有限公司(股份代號：1811)非執行董事。該兩家公司之股份均於聯交所上市。陳先生在發電行業具備逾20年經驗。

PROFILE OF DIRECTORS 董事簡介

Independent Non-executive Directors

Zhang Lu

Mr. Zhang, aged 65, was appointed as an independent non-executive director of the Company on 4 May 2000. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Zhang graduated from the Sichuan International Studies University in 1979. He was the General Manager of CITIC Central Tanshi Money Brokering Company Limited, which is a joint venture of CITIC Trust Co., Ltd. engaged in the money brokering business for financial institutions. From 1987 to 2000, Mr. Zhang was the executive vice president and treasurer of CITIC Ka Wah Bank Limited, responsible for both the Treasury and International Business. From 1974 to 1987, he worked for Bank of China and CITIC Industrial Bank. Mr. Zhang has engaged in the banking sector for over 35 years.

Liang Qing

Mr. Liang, aged 64, was appointed as an independent non-executive director of the Company on 28 February 2014. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr. Liang is also currently an executive director and an independent non-executive director of Jiangxi Copper (Stock code: 358) and Sinotruck (Hong Kong) Limited ("Sinotruck") (Stock code: 3808) respectively. The H shares of Jiangxi Copper and Sinotruck are listed on the Stock Exchange. Mr. Liang graduated from Beijing Open University (formerly known as Beijing Radio and Television University) in 1985, where he studied Chinese language and literature. Mr. Liang was a director and the general manager of China Minmetal H.K. (Holdings) Limited and has now retired. Mr. Liang has abundant experience in international trading and investment.

獨立非執行董事

張璐

張先生現年65歲，自2000年5月4日起出任本公司獨立非執行董事職務。彼亦為本公司薪酬委員會主席及審核委員會及提名委員會成員。張先生於1979年畢業於四川外語學院。張先生曾出任天津信唐貨幣經紀有限責任公司(中信信托為主的中外合資公司)總經理職務，該公司從事國內外金融機構間的資金融通及貨幣交易等仲介服務。1987年至2000年間，張先生任職中信嘉華銀行執行副總裁兼司庫，主管總行資金及國際業務。彼於1974年至1987年間先後於中國銀行及中信實業銀行任職。張先生於銀行業擁有逾35年經驗。

梁青

梁先生現年64歲，於2014年2月28日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會成員。梁先生現時亦分別為江西銅業(股份代號：358)和中國重汽(香港)有限公司(股份代號：3808)(「中國重汽」)之獨立非執行董事及非執行董事；江西銅業和中國重汽兩家公司之H股於聯交所上市。梁先生於1985年畢業於北京開放大學(前稱北京廣播電視大學)，學習漢語言文學專業。梁先生曾經擔任中國五礦集團香港控股有限公司董事及總經理，現已退休。梁先生具有豐富的國際貿易及投資經驗。

PROFILE OF DIRECTORS 董事簡介

Independent Non-executive Directors (Continued)

Hung Muk Ming

Mr. Hung, aged 53, was appointed as an independent non-executive director of the Company on 23 December 2004. He is also the chairman of the Audit Committee and a member of the Nomination Committee of the Company. Mr. Hung is a Certified Public Accountant (Practicing) and is a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of Chartered Certified Accountants, a Fellow of the Hong Kong Institute of Directors and an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He is also a Certified Tax Adviser and a member of The Taxation Institute of Hong Kong. Mr. Hung received his bachelor degree in social sciences from the University of Hong Kong in 1990, and a master degree in corporate governance from the Hong Kong Polytechnic University in 2008. Mr. Hung is also an independent non-executive director of Cinda International Holdings Limited (“Cinda International”) (Stock code: 111), Century Sage Scientific Holdings Limited (“Century Sage”) (Stock code: 1450), China Animation Characters Company Limited (“China Animation”) (Stock code: 1566) and IBO Technology Company Limited (“IBO Technology”) (Stock code: 2708). The shares of Cinda International, Century Sage, China Animation and IBO Technology are all listed on the Stock Exchange. Mr. Hung has over 20 years of experience in the accounting and audit sector.

獨立非執行董事(續)

洪木明

洪先生現年53歲，於2004年12月23日獲委任為本公司之獨立非執行董事。彼亦為本公司審核委員會主席及提名委員會成員。洪先生現為執業會計師並且為香港會計師公會資深會計師。洪先生同時亦為英國特許公認會計師公會之資深會員、香港董事學會資深會員、香港特許秘書公會及英國特許秘書及行政人員公會會士。彼亦為香港稅務學會會員及註冊稅務師。洪先生於1990年取得由香港大學頒授的社會科學學士學位，並於2008年取得香港理工大學頒授的公司管治碩士學位。洪先生亦為信達國際控股有限公司(「信達國際」)(股份代號：111)、世紀睿科控股有限公司(「世紀睿科」)(股份代號：1450)、華夏動漫形象有限公司(「華夏動漫」)(股份代號：1566)及艾伯科技股份有限公司(「艾伯科技」)(股份代號：2708)之獨立非執行董事。信達國際、世紀睿科、華夏動漫及艾伯科技等公司股份於聯交所上市。洪先生於會計及審計領域擁有逾20年經驗。

PROFILE OF SENIOR MANAGEMENT 高級管理人員簡介

Chen Yongcun

Mr. Chen, aged 53, re-joined the Company on 1 May 2016. Mr. Chen is one of the Deputy General Managers of the Company. He is currently the legal representative and the Managing Director of Beijing East Gate Development Co., Ltd., which is a wholly owned subsidiary of the Company. Mr. Chen is responsible for the Group's property development and investments in the mainland China. Mr. Chen previously worked with China Construction Bank and China Cinda. During the period from 25 October 2000 to 27 February 2008, Mr. Chen was an executive director of the Company. Mr. Chen graduated from Qing Hua University with a bachelor degree in engineering and a master degree in business management. He has over 20 years of experience in finance and investment.

Chow Kwok Wai

Mr. Chow, aged 51, is one of the Deputy General Managers of the Company. He is responsible for the finance and accounting matters of the Group. Mr. Chow joined the Company in October 1993 and was an executive director of the Company during the period from 20 April 2004 to 28 December 2013. Mr. Chow was appointed company secretary of the Company on 28 December 2013. Mr. Chow has worked in Price Waterhouse, which is now known as PriceWaterhouseCoopers and has accumulated valuable audit experience there. Mr. Chow received his bachelor degree in social sciences from the University of Hong Kong in 1990. Mr. Chow is a Fellow Member of the Association of Chartered Certified Accountants and a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. He is also a Certified Tax Adviser and a Fellow Member of the Taxation Institute of Hong Kong. Mr. Chow has over 20 years of experience in accounting, financial management and corporate finance. Mr. Chow is also an independent non-executive director of SSY Group Limited (formerly known as Lijun International Pharmaceutical (Holding) Co., Ltd.) (Stock code: 2005) which H shares are listed on the Stock Exchange and Youyuan International Holdings Limited (Stock code: 2268) which shares are listed on the Stock Exchange. He is also a non-executive director of Cinda International (Stock code: 111) which shares are listed on the Stock Exchange.

陳永存

陳先生現年53歲，於2016年5月1日重新加盟本公司。陳先生現為本公司的其中一名副總經理。彼現為本公司全資附屬公司北京東環置業有限公司之董事總經理及法人代表。陳先生負責本集團於中國內地的房地產發展及投資業務。陳先生曾於中國建設銀行及中國信達工作。從2000年10月25日至2008年2月27日期間，陳先生曾出任本公司執行董事。陳先生於清華大學畢業，取得工程學士及工商管理碩士學位。彼於財務及投資方面擁有逾20年經驗。

周國偉

周先生現年51歲，現為本公司的其中一名副總經理，負責本集團之財務及會計事宜。周先生於1993年10月加入本公司並於2004年4月20日至2013年12月28日期間出任本公司執行董事職務。周先生曾於羅兵咸會計師事務所(現稱羅兵咸永道會計師事務所)任職並於該所累積了寶貴的核數經驗。周先生於1990年取得由香港大學頒授的社會科學學士學位。周先生現時為英國特許公認會計師公會資深會員及香港會計師公會資深會計師。彼亦為香港稅務學會資深會員及註冊稅務師。周先生在會計、財務管理及企業財務方面擁有逾20年經驗。周先生亦為石四藥集團有限公司(前稱利君國際醫藥(控股)有限公司)(股份代號：2005)的獨立非執行董事，該公司之H股股份於聯交所上市及優源國際控股有限公司(股份代號：2268)的獨立非執行董事，該公司之股份於聯交所上市。彼亦為信達國際(股份代號：111)的非執行董事，該公司之股份於聯交所上市。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE 環境、社會及管治

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursue this business approach by managing our business prudently and executing management decisions with due care and attention.

本集團致力維持業務及所在社區的長遠可持續發展。本集團努力不懈審慎管理業務，並謹慎專注執行管理層的決策，以推動此業務模式。

Stakeholder Engagement

The Group maintains a continuous dialogue with stakeholders that include customers, employees, regulators and the public. The Group seeks to balance the views and interests of these various stakeholders through constructive conversations with a view to charting a course for the long-term prosperity of the Group and the communities.

持分者溝通

本集團與各持分者，包括客戶、僱員、監管機構及公眾人士保持持續緊密聯繫。本集團透過具建設性的溝通，努力平衡各持分者的意見及利益，從而為本集團與所在社區釐定長遠的發展方向。

Customers

Customer feedback plays an important role in the operation of the Group. Various channels are established to maintain interactive communications between tenants and the Group.

客戶

本集團重視客戶對業務營運的意見。本集團已建立不同渠道維持租客與本集團之間的互動溝通。

Employees

Hard-working and dedicated employees are the backbone of a company. The Group treasures its loyal and industrious staff members. In addition, it adopts non-discriminatory hiring and employment practices and strives to provide a safe and healthy workplace.

僱員

勤奮而專注的僱員是公司的骨幹。本集團重視忠誠勤奮的員工。此外，本集團採納非歧視的招聘與僱用守則，並致力提供安全及健康的工作環境。

Government & Public

Tough efforts are exerted to ensure compliance with the laws and regulations of the jurisdictions in which the Group operates. The public at large is also an important stakeholder of the Group. A stable and prosperous community is important to the steady growth and long-term future prospects of the Group.

政府與公眾人士

本集團竭力遵守業務所在管轄區域的法律與規例。普羅大眾亦為本公司的重要持分者，而穩定繁榮的社區對本集團的穩定增長及未來長遠發展十分重要。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE 環境、社會及管治

Workplace Quality

As at 31 December 2017, the Group employed 559 staff members. Total employee costs for the year ended 31 December 2017, including directors' emoluments, amounted to approximately HK\$159.5 million.

The quality of the employees of the Group is crucial to maintaining a competitive position in the market. With this in mind, the Group seeks to attract and retain talented individuals committed to achieving goals and objectives in a work environment that nurtures values such as fair play, respect and integrity. The Group sees career development an important aspect of its staffs and provides ongoing training, according to the needs of the Group. Compensation packages are competitive, and individuals are rewarded according to performance plus an annually-reviewed framework of salary, working conditions, bonuses and incentive systems. Benefits include medical cover, provident funds, share options scheme.

The Group is committed to providing a healthy and safe workplace for all its employees and complying with all applicable health and safety laws and regulations. Health and safety considerations are incorporated into the design, operations and maintenance of the premises of the Group. Employees are provided appropriate job skills and safety training and are educated with regard to their responsibilities for achieving the health and safety objectives of the Group. The Group also communicates with its employees on occupational health and safety issues.

Environmental Protection

Energy saving measures are enforced in the Group's offices and commercial premises for the purpose of achieving reduction of electricity consumption and greenhouse gas emissions.

The Group adopted policies to promote recycling and use of eco-friendly stationery, plus a series of measures to save paper and energy, resulted in more efficient use of resources, as well as reduction of waste.

工作環境質素

於2017年12月31日，本集團僱用559名員工。截至2017年12月31日止年度，僱員薪酬成本總額(包括董事酬金)合共約159,500,000港元。

本集團的僱員質素對維持市場競爭性極為重要。因此，本公司致力吸納及挽留人才，讓他們於本集團著重公平、互相尊重及誠信等信念的工作環境中致力達致目標。本集團非常重視僱員的事業發展，並按本集團的需要提供持續培訓。本集團為僱員提供具競爭力的薪酬待遇，而回報與員工表現掛鉤，並每年檢討薪酬、工作情況、花紅及獎勵制度。福利包括醫療保障、強積金及認股權計劃。

本集團致力為其所有員工提供一個健康及安全的工作環境，並遵守一切適用的健康及安全法例及規例。健康及安全考慮已納入本集團辦公場所之設計、營運及維修內。僱員獲給予適當的工作技能及安全培訓，並獲灌輸有關達致本集團健康及安全目標的責任。本集團亦就職業健康及安全事宜與僱員溝通。

環境保護

本集團於其辦公室及商業物業實施節能措施，以減少電力消耗及溫室氣體排放。

本集團採納政策鼓勵循環再用及使用環保文具，加上一系列節約用紙及能源的措施達至更有效地使用資源及減少廢物。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE 環境、社會及管治

Operating Practices

The Group is committed to adhering to the highest ethical standards. All employees are given a Code of Conduct to which they are required to adhere. The Code explicitly prohibits employees from soliciting, accepting or offering bribes or any form of advantage. The Code also outlines the Group's expectations on staff with regard to conflicts of interest. All managers are expected to communicate and instill a culture of good corporate governance to their staffs.

ESG Report

The Company engaged external professionals to review the ESG policies of the Group and issue a ESG report for the Board's consideration. Upon finalising the 2017 ESG report, the Company will published the 2017 ESG report on the websites of the Company and the Stock Exchange only in due course on or before the month end of June 2018. No hardcopy of the 2017 ESG report will be printed and mailed to shareholders of the Company.

營運守則

本集團一直堅持最高的道德標準。所有僱員獲發其必須遵守的員工守則。守則明確禁止僱員索取、接受或提供賄賂或任何其他形式的利益。守則亦列明本集團員工應如何處理利益衝突。所有管理人員亦須與員工溝通並竭力傳達良好的企業管治文化。

ESG 報告

本公司聘請外部專業機構審視本集團之ESG政策並回饋董事會審閱。待完成該份2017 ESG報告後，本公司僅將會根據規定於2018年6月末或以前上載該份2017 ESG報告於本公司及聯交所網站。該份2017 ESG報告將不會備有印刷版及不會郵寄予本公司股東。

CORPORATE GOVERNANCE REPORT 企業管治報告

Corporate Governance Practices

The Company is committed to establish and maintain a standard of corporate governance that is consistent with market practices. The Company has applied the principles and complied with all the mandatory code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2017, except for a deviation from code provision A.6.7.

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the view of the shareholders. The Company held its annual general meeting on 23 May 2017 (the “AGM”) and held an extraordinary general meeting on 27 June 2017 (the “EGM”). Due to their pre-arranged business commitments, independent non-executive director Mr. Liang Qing was not able to attend the AGM and the EGM. Independent non-executive director Mr. Zhang Lu was not able to attend the EGM. Non-executive directors Mr. Hui Xiao Bing and Mr. Chen Qiming were not able to attend the AGM and the EGM. Non-executive director Mr. Wu Songyun was not able to attend the EGM.

The following summarizes the Company’s key corporate governance practices.

企業管治常規

公司致力設立及維持一套符合市場慣例的企業管治標準。除偏離守則條文A.6.7條外，於截至2017年12月31日止年度，本公司已採納上市規則附錄14所載之企業管治守則及企業管治報告(「企業管治守則」)的原則，及已遵從所有適用之強制性守則條文。

根據守則條文A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會並均衡了解股東意見。本公司於2017年5月23日舉行其股東週年大會(「股東週年大會」)及於2017年6月27日舉行股東特別大會(「股東特別大會」)。由於其他已事先安排的業務承諾，獨立非執行董事梁青先生未能出席股東週年大會及股東特別大會；獨立非執行董事張璐先生未能出席股東特別大會；非執行董事惠小兵先生及陳啓明先生未能出席股東週年大會及股東特別大會；非執行董事吳松雲先生未能出席股東特別大會。

下文概括說明，本公司的重要公司管治措施。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors

Board Composition

The Board led by the Chairman, steers the Group's business direction. The management, led by the Managing Director, which is also the Chief Executive Officer of the Group, is responsible for the Group's management and operations. The division of responsibilities between the Chairman and the Managing Director are clearly established and set out in writing. The role of the Chairman and the Managing Director are separated and are performed by different persons to avoid concentration of authorities to one single person.

The Board is responsible for formulating the Group's long-term strategies, setting business development goals, assessing the results of management policies, monitoring management's performance and ensuring the existence of an effective internal control system. The independent non-executive directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework.

The current Board comprises three executive directors, three non-executive directors and three independent non-executive directors, which composition is set out in the section headed Corporation Information on page 3 and the biographies of the directors are set out on page 29 to 34. The number of independent non-executive directors represent no less than one-third of the board members.

Members of the Board possess the appropriate expertise and skills to discharge their duties.

董事會

董事會組成

董事會由主席領導，負責帶領本集團的業務發展方向；管理層由董事總經理（彼同時亦為本集團的行政總裁）領導，負責本集團的管理及經營運作。主席和董事總經理有明確的分工，並已在董事會的職責約章中，作出明文規定；此外，董事會主席及董事總經理兩項職能，已予以分離，並分別由兩名人士擔任，以避免權力集中於單一人士。

董事會負責制定本集團的長期策略、訂立業務發展目標、評估管理措施之成效、監察管理層之表現及確保存在有效的內部監控系統。獨立非執行董事則對確保及監察企業管治架構是否行之有效起著重要作用。

現任董事會由三名執行董事、三名非執行董事及三名獨立非執行董事組成，其成員組合載列於第3頁之公司資料部份，而各董事之履歷詳情載列於第29頁至34頁。獨立非執行董事數目佔董事會成員數目不少於三分之一。

董事會各成員均具備適當的專業知識及技能以履行其職責。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Board Composition (Continued)

The Company's directors, Messrs. Luo Zhenhong and Ma Yilin are also directors and/or senior officers within the group of China Cinda, Messrs. Gao Jian Min and Liu Tianni are also directors and shareholders of Silver Grant Group Limited ("SG Group") and Mr. Chen Qiming is also a director and/or senior officer within the group of CGNPC. China Cinda, SG Group and CGNPC are substantial shareholders of the Company. Save for the aforesaid, there is no relationship between members of the Board, in terms of financial, business, family or other material/relevant relationship.

To assist the Board in discharging its duties and to fulfil the requirements of the CG Code, three standing board committees were set up under the Board: Audit Committee, Remuneration Committee and Nomination Committee. When it become necessary, the Board will set up ad hoc board committee to handle specific issues and report back to the Board.

The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation confirming his independence pursuant to Rule 3.13 of the Listing Rules.

All directors are regularly updated on governance and regulatory matters. There are established procedures for directors to obtain independent professional advice, at the expense of the Company, in the furtherance of their duties.

Should a potential conflict of interest involving a substantial shareholder of the Company or a director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent non-executive directors with no conflict of interest will be present at meetings dealing with such conflict issues.

董事會(續)

董事會組成(續)

本公司董事，羅振宏先生及馬懌林先生，同時亦是中國信達集團內的董事及／或高級職員，高建民先生和劉天倪先生同時亦是銀建集團有限公司(「銀建集團」)之董事及股東及陳啓明先生同時亦是中廣核集團內的董事及／或高級職員。中國信達、銀建集團及中廣核均為本公司之主要股東。除前文所述者外，董事會成員之間，並不存在任何關係，包括財務、業務、家屬或其他重大／相關的關係。

為協助董事會履行其職責，以及為符合企業管治守則的規定，董事會下設三個常設附屬委員會：審核委員會、薪酬委員會及提名委員會。在必要的時候，董事會還會設立臨時附屬委員會，處理專項工作，並向董事會負責。

董事會認為，每位獨立非執行董事均具有獨立的個性及判斷能力，並且他們都符合上市規則所定明，有關獨立性的特定標準。本公司已接獲每名獨立非執行董事，根據上市規則第3.13條有關其獨立身分的年度確認函。

全體董事均定期獲得，有關管治及監管等事宜的更新資訊。董事可按照既定程序，尋求獨立專業意見，以協助履行其職責；相關費用由本公司承擔。

倘若本公司主要股東或董事出現潛在利益衝突，有關事宜將於董事會實際會議上討論，而不會透過提呈書面決議案方式處理。並無涉及利益衝突的獨立非執行董事將會出席會議，處理有關衝突事宜。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Board Composition (Continued)

Independent non-executive directors are explicitly identified in all corporate communications containing the names of the directors. An updated list of directors identifying the independent non-executive directors and the role and the functions of the directors is maintained on the website of the Company at www.silvergrant.com.hk and the website of the Stock Exchange.

All directors are appointed for a specific term of service no longer than three years. They are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Article 102 of the Company's Articles of Association.

The full board will meet regularly and at least four times throughout a year to review the overall strategy and to monitor the operations as well as the financial performance of the Group. Notice of at least 14 days will be given to all directors in respect of full board meeting and the directors can include matters for discussion in the agenda if necessary. Agenda and the accompanying board papers in respect of full board meeting are sent out in full to all directors no less than three days before the meeting. Minutes of full board meeting and meeting of board committee are properly kept. All directors have access to relevant and timely information. They also have access to the advice and services of the company secretary of the Company, who is responsible for providing the directors with Board papers and related materials. Where queries are raised by the directors, prompt and full responses will be given if possible.

董事會(續)

董事會組成(續)

所有載有董事姓名的公司通信均明確列示獨立非執行董事身份。列示獨立非執行董事的身份及董事角色及職能的最新董事名單留存於本公司網站www.silvergrant.com.hk及聯交所網站。

所有董事之委任均設有最長不超過三年的固定任期。他們亦須根據本公司章程第102條規定，於本公司週年大會上輪值告退並重選連任。

全體董事將定期，並最少每年召開四次全體董事會議，檢討整體策略與監察本集團的經營與財務表現。就召開全體董事會議而言，所有董事均獲發最少14天的會議通知，如有需要，董事可加入討論事項於有關議程。全體董事會議的議程及附連之會議文件，將在會議前的最少3天，送達所有董事。全體董事會議及董事會委員會會議之會議記錄均適當保存。所有董事均可獲得相關及適時的資料。彼等亦可獲得本公司的公司秘書提供的意見及服務，公司秘書負責向董事提供董事會文件及有關材料。倘若董事提出問題，本公司會盡快作出詳盡回應(如可以)。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

董事會(續)

Board Composition (Continued)

董事會組成(續)

During the year, four board meetings were held and the attendance of each director is set out below:

於年內，共召開四次全體董事會議，每位董事的出席率載列如下：

Name of Directors 董事姓名	Number of Meeting attended/held 出席會議次數／全部會議次數	Notes 附註	Attendance rate 出席率
Executive Directors			
執行董事			
Gao Jian Min 高建民	4/4		100%
Liu Tianni 劉天倪	4/4		100%
Ma Yilin 馬懌林	1/3	1	33%
Gu Jianguo 顧建國	1/1	2	100%
Non-executive directors			
非執行董事			
Luo Zhenhong 羅振宏	0/0	3	N/A 不適用
Wu Songyun 吳松雲	2/3	1	67%
Chen Xiaozhou 陳孝周	0/1	2	0%
Hui Xiao Bing 惠小兵	4/4		100%
Chen Qiming 陳啓明	3/4		75%
Independent non-executive directors			
獨立非執行董事			
Liang Qing 梁青	3/4		75%
Zhang Lu 張璐	3/4		75%
Hung Muk Ming 洪木明	4/4		100%

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Board Composition (Continued)

Notes:

1. Only three meetings were held during the director's tenure of office.
2. Only one meeting was held during the director's tenure of office.
3. No meeting was held during the director's tenure of office.

According to the Articles of Association of the Company, the Board has the power to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. The director so appointed shall hold office until the next general meeting (in the case of filling a casual vacancy) or until the next annual general meeting (in the case of new addition to the Board) following his appointment and shall then be eligible for re-election. In other cases, all directors, including the Chairman, Vice Chairmen and Managing Director, shall retire by rotation at least once every three years at annual general meetings and be eligible for re-election.

Changes in Board Members

On 20 January 2017, Mr. Chen Xiaozhou resigned as a non-executive director of the Company and chairman of the Board in order to pursue more commitments on the strategic development of China Cinda.

On 20 January, 2017 Mr. Gu Jianguo resigned as an executive director of the Company due to change in his employment and ceased to be employed by China Cinda.

董事會(續)

董事會組成(續)

附註：

1. 於該董事任期內只曾召開三次會議。
2. 於該董事任期內只曾召開一次會議。
3. 於該董事任期內未曾召開會議。

根據本公司組織章程細則，董事會有權委任任何人士擔任董事職務以填補空缺或增加董事會席位。據此而獲委任的董事只可任職至下一次股東大會(如屬填補臨時空缺)或直至下屆股東週年大會(如屬增加現有董事會的名額)，並於其時有資格重選連任。在其他情況，所有董事(包括主席、副主席及董事總經理)須至少每三年一次輪流於股東週年大會告退，但可膺選連任。

董事會成員變動

陳孝周先生因彼需要專注於中國信達的戰略發展，故自2017年1月20日起辭任本公司非執行董事及本公司董事會主席職務。

顧建國先生因彼之職務調動而不再受僱於中國信達的原因，故自2017年1月20日起辭任本公司執行董事職務。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Changes in Board Members (Continued)

On 20 January 2017, Mr. Wu Songyun (“Mr. Wu”) was appointed as a non-executive director of the Company and chairman of the Board. Subsequently, Mr. Wu resigned as a non-executive director of the Company and chairman of the Board on 28 August 2017 due to change in his employment and ceased to be employed by China Cinda.

Mr. Ma Yilin was appointed as an executive director of the Company with effect from 20 January 2017.

Mr. Luo Zhenhong was appointed as a non-executive director of the Company and chairman of the Board with effect from 28 August 2017.

Board Diversity Policy

The Board adopted the board diversity policy in August 2013. The policy sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事會(續)

董事會成員變動(續)

吳松雲先生(「吳先生」)獲委任為本公司非執行董事及本公司董事會主席，從2017年1月20日起生效。吳先生其後因彼之職務調動而不再受僱於中國信達的原因，故自2017年8月28日起辭任本公司非執行董事及董事會主席職務。

馬懌林先生獲委任為本公司執行董事，從2017年1月20日起生效。

羅振宏先生獲委任為本公司非執行董事及本公司董事會主席，從2017年8月28日起生效。

董事會多元化政策

董事會於2013年8月採納董事會成員多元化政策。該政策載列達到及維持董事會成員多元化之方法，以提高董事會之有效性。

本公司認為透過從多個方面進行考慮(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期)，即可達到董事會成員多元化。董事會所有委任將以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

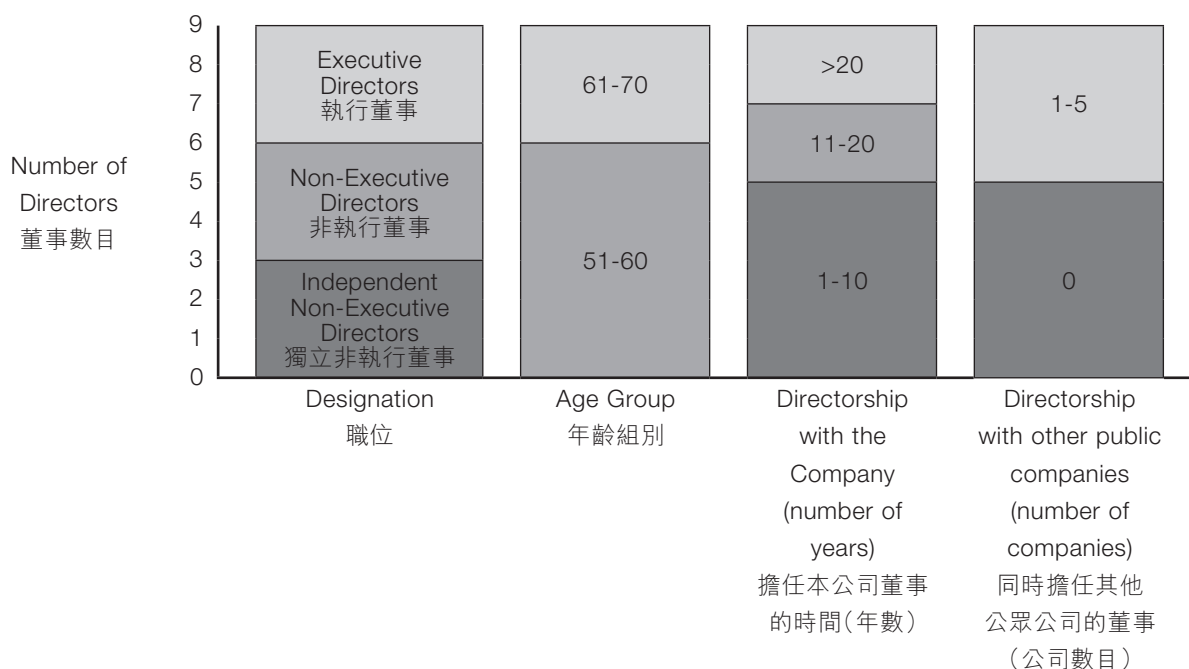
CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Board Diversity Policy (Continued)

The Board developed measurable objectives to implement the board diversity policy, where selection of candidates will be based on a range of diversity perspectives as set out above, and the ultimate decision will be based on merit and contribution that the selected candidate will bring to the Board.

An analysis of the board diversity based on a range of diversity perspectives is set out below:



Corporate Governance Committee

The CG Code recommends listed company to set up a corporate governance committee to look after issues relating to corporate governance. However, the Directors consider that it is more appropriate and more efficient for the Company to retain in the Board the function of overseeing corporate governance issues. The Directors will continuously review and improve the Company's and the Group's corporate governance practices to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

董事會(續)

董事會多元化政策(續)

董事會制訂了可計量目標，以實行董事會成員多元化政策，甄選人選將按上文所載之一系列多元化範疇為基準，最終將按人選之長處及可為董事會提供之貢獻而作決定。

按一系列多元化範疇為基準作出之董事會成員多元化分析載列如下：

企業管治委員會

企業管治守則建議上市公司應設立企業管治委員會負責處理與企業管治相關之事宜。然而，董事會認為把處理企業管治相關事宜的職能保留在董事會將為更有效率及更適合本公司。董事會將會持續檢討及改善本公司及本集團的企業管治措施，以確保業務活動及決策過程，受到合適及審慎之規管。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Corporate Governance Committee (Continued)

During the year and up to the date of this report, the corporate governance duties performed by the Board were mainly set out below:

- reviewed the corporate governance practices;
- reviewed the continuous professional development and training of the directors;
- reviewed compliance with the CG Code and disclosure in the Corporate Governance Report.

Securities Dealing by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conducts regarding directors’ securities transactions. All directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2017.

The Company has also adopted codes of conduct regarding securities transactions by relevant employees (as defined in the CG Code) on terms no less exacting than the required standards set out in the Model Code.

Audit Committee

The Company established an audit committee (the “Audit Committee”) in 1999. The composition and professional qualifications of the members of the Audit Committee complies with the requirements under Rules 3.21 of the Listing Rules. The Audit Committee has written terms of reference that conform to the provisions of the CG Code. The written terms of reference is set out in detail on the websites of the Company and the Stock Exchange.

董事會(續)

企業管治委員會(續)

年內及截至本報告日期，由董事會執行的主要管治職能載列如下：

- 檢討企業管治措施；
- 檢討董事的持續專業發展及培訓事宜；
- 檢討遵守企業管治守則的情況及《企業管治報告》所載的披露。

董事進行證券交易

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)，作為本公司規管董事證券交易操守之守則。經本公司具體查詢後，所有董事已確認彼等在截至2017年12月31日止的整個年度內已遵守標準守則所訂之規定。

本公司已採納不遜於標準守則所訂的標準守則作為本公司規管有關僱員(定義見企業管治守則)進行的證券交易的守則。

審核委員會

本公司已於1999年成立審核委員會(「審核委員會」)。審核委員會之組成及各成員的專業資格均符合上市規則第3.21條之要求。審核委員會的書面職權範圍書符合企業管治守則之守則條文。書面職權範圍書之詳情已登載於本公司及聯交所網站。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Audit Committee (Continued)

The current Audit Committee comprises three independent non-executive directors, namely Mr. Hung Muk Ming (Committee chairman), Mr. Liang Qing and Mr. Zhang Lu.

The Audit Committee meets at least two times each year to review the reporting of financial and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's external auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the external auditors.

During the year, the work performed by the Audit Committee includes the review of the annual results for the year ended 31 December 2016, the risk management and internal control systems of the Group for 2016 and the interim results for the period ended 30 June 2017. On 23 March 2018, the Group's annual results for the year ended 31 December 2017 have also been reviewed by the Audit Committee.

The Audit Committee together with the Board have reviewed the effectiveness of the Group's internal control system and risk management system and considered that it is effective and adequate for the time being.

董事會(續)

審核委員會(續)

現任審核委員會由三位獨立非執行董事，洪木明先生(委員會主席)、梁青先生及張璐先生組成。

審核委員會每年最少召開兩次會議，檢討向股東匯報的財務及其他資料、內部監控系統、風險管理及核數程序的效力及客觀性。審核委員會亦會在其職權範圍內所涉及的事宜上擔當董事會與本公司外部核數師之間的重要聯繫，並對外部核數師的獨立性及客觀性做出檢討。

在年內，審核委員會所做的工作包括審閱截止2016年12月31日止年度之業績、2016年度本集團的風險管理及內部監控系統及截止2017年6月30日止期間之中期業績。於2018年3月23日，本集團截至2017年12月31日止之年度業績，亦經已由審核委員會審閱。

審核委員會聯同董事會已審閱本集團內部監控系統及風險管理系統的成效，並且認為就目前而言屬有效及及足夠。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

董事會(續)

Audit Committee (Continued)

審核委員會(續)

During the year, two Audit Committee meetings were held and the attendance of each member is set out below:

審核委員會年內共召開兩次會議，各成員之出席率載列如下：

Name of Directors 董事姓名	Number of meetings attended/held 出席會議次數／全部會議次數	Attendance rate 出席率
Hung Muk Ming 洪木明	2/2	100%
Liang Qing 梁青	2/2	100%
Zhang Lu 張璐	2/2	100%

Remuneration Committee

薪酬委員會

The Company established a remuneration committee (the "Remuneration Committee") in 2005 and adopted a written terms of reference which conform to the provisions of the CG Code. The terms of reference was revised on 15 February 2012. The written terms of reference is set out in detail on the websites of the Company and the Stock Exchange. The current Remuneration Committee comprises two independent non-executive directors namely, Mr. Zhang Lu (Committee chairman) and Mr. Liang Qing.

本公司已於2005年成立薪酬委員會(「薪酬委員會」)並採納符合企業管治常規守則的書面職權範圍書。職權範圍書於2012年2月15日作出修訂。書面職權範圍書之詳情已登載於本公司及聯交所網站。現任薪酬委員會由兩名獨立非執行董事張璐先生(委員會主席)及梁青先生。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Remuneration Committee (Continued)

The principal duties of the Remuneration Committee are to ensure that there is no director or any of his associates is involved in deciding his own remuneration and that the Company has an equitable and competitive remuneration policy to attract and retain talent persons to serve the Company. The Board has adopted the model where the Remuneration Committee performs an advisory role to the Board (i.e. make recommendations to the Board on the remunerations packages of individual director and senior management). The Remuneration Committee is also responsible for making recommendations to the Board on the Company's policy and structure for all directors' and senior managements' remuneration and making recommendations to the Board on the remuneration of non-executive directors.

The remuneration package for each employee is structured according to his quality and qualification. The remuneration package will contain a combination or modification of some or all of the following four main components:

1. Basic salary

Basic salary ranges for each position are established with reference to the responsibilities and the duties attached to the position. The actual salary for the person filling the position is determined based on the experience and ability of the individual selected for the position.

The basic salary ranges are reviewed periodically by reference to the general market and by comparison to comparable positions at competitors in the relevant industry. The actual salaries of employees are reviewed annually and may be adjusted from time to time based on the cost of living and financial performance of the Company.

Salaries are base remuneration and not intended to reward performance, either individually or corporately. Performance is rewarded through the other components of the remuneration plan.

董事會(續)

薪酬委員會(續)

薪酬委員會的主要職責為確保沒有董事或其聯繫人士參與制定該董事自己的酬金以及確保本公司存在一套公平且具競爭性的薪酬政策以便吸引及挽留卓越的人才為本公司服務。董事會已採納薪酬委員會作為董事會顧問的方式(即就個別董事及高級管理人員的薪酬組合向董事會提出建議)。薪酬委員會亦負責就董事及高級管理人員的全體薪酬政策及架構向董事會提出建議，亦就非執行董事的薪酬向董事會提出建議。

每位員工的薪酬待遇按個別人士的質素與專業資格釐定。薪酬待遇由以下四大項目中其中一部分或全部組成，亦可能有所修改：

1. 基本薪金

基本薪金是按個別職位及責任而釐定。而擔任該職務的人士實際可取得的基本薪金，則按個別受聘人士的經驗及能力而定。

基本薪金會定期參考一般市場及有關行業的競爭機構中同類職位的薪酬後作出檢討。僱員的實際基本薪金則每年進行檢討，並可按生活指數及本公司的財務表現不時作出調整。

基本薪金屬基本薪酬，並非按個別僱員或公司表現而作出的獎賞。薪酬政策中另有其他獎勵性質的項目。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Remuneration Committee (Continued)

2. Incentive bonus

Incentive bonus is linked to individual and corporate performance. The incentive bonus for each employee is determined with reference to his position and his/her performance during the year.

3. Share option

Share options to subscribe for shares in the Company are granted to employees from time to time at the discretion of the Board, in order to retain valuable employees and to motivate future performance of the employees.

Share options granted to individual employee are determined with reference to his position, his performance and his ability to contribute to the overall success of the Group.

However, the Group does not have any Share Option Scheme in force for the time being.

4. Other benefits

The Group offers other customary and/or mandatory benefits to employees, such as statutory retirement scheme, employee compensation and medical insurance, paid annual leaves and child education allowance, with reference to the prevailing practices in relevant jurisdictions.

The Remuneration Committee meets regularly to review the Company's human resources matters and remuneration policies. During the year, two Remuneration Committee meetings was held in the presence of all committee members.

董事會(續)

薪酬委員會(續)

2. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鈎。每名僱員所得的獎勵性花紅會按其職位及他/她於年內的表現而訂定。

3. 購股權

董事會可不時酌情向僱員授出購股權，以認購本公司股份，以挽留有貢獻的員工並激勵員工繼續努力工作。

個別員工獲授的購股權數目會按其職位、表現及對公司整體成就所作的貢獻而釐定。

然而，本集團目前並無實施任何購股權計劃。

4. 其他福利

本集團亦會參考有關司法管轄區當前的慣例向僱員提供慣常的及/或強制性的福利，如法定退休金計畫、僱員賠償、勞工及醫療保險、有薪年假及子女教育津貼。

薪酬委員會定期召開會議審閱本公司的人力資源事宜及薪酬政策。薪酬委員會年內召開兩次會議，全體委員會成員均有出席會議。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Remuneration Committee (Continued)

The Remuneration Committee has reviewed and made recommendation to the Board on the approval of the annual salary adjustments for the year 2018 and the payment of discretionary performance bonus and director fees to the executive and non-executive directors for year ended 31 December 2017 after taking into consideration the results of the Group, the performance of the directors, the senior management and the employees and the prevailing market practices.

Details of the directors' emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 9 and 10 to the consolidated financial statements.

Nomination Committee

The Company established a nomination committee on 15 February 2012 ("Nomination Committee") and adopted written terms of reference for the Nomination Committee. The written terms of reference is set out in detail on the websites of the Company and the Stock Exchange. The current Nomination Committee comprises the chairman of the Board who also act as the chairman of the committee and two independent non-executive directors namely, Mr. Zhang Lu and Mr. Hung Muk Ming.

The Nomination Committee is responsible for all matters relating to the appointment of directors either to fill casual vacancy or as an addition to the existing Board. Pursuant to the Articles of Association of the Company, any director appointed to fill casual vacancy shall hold office only until to the next general meeting or as an addition to the existing Board shall hold office only until to the next annual general meeting and shall then be eligible for re-election at such meeting. Every director shall be subject to retirement by rotation at least every three years and shall be eligible for re-election in accordance with the Articles of Association of the Company.

董事會(續)

薪酬委員會(續)

薪酬委員會已審閱並在經考慮本集團的業績、董事、高級管理層及僱員的表現以及當前的市場狀況後，就批准2018年之年度薪金調整以及截至2017年12月31日止年度按表現酌情發放之花紅及執行董事及非執行董事之袍金向董事會作出建議。

根據上市規則附錄16條須予披露的董事酬金及五名最高薪酬僱員之詳情載列於綜合財務報表附註9及10。

提名委員會

本公司已於2012年2月15日成立提名委員會(「提名委員會」)，並就提名委員會採納書面職權範圍書。書面職權範圍書之詳情已登載於本公司及聯交所網站。提名委員會目前由董事會主席同時擔任委員會主席以及兩名獨立非執行董事張璐先生及洪木明先生組成。

提名委員會須負責有關填補空缺或增加現有董事會席位而委任董事之所有事項。根據本公司組織章程細則，任何董事獲委任以填補空缺只可任職至下一次股東大會或如屬增加增加現有董事會席位只可任職直至下屆股東週年大會並於其時有資格重選連任。各董事須最少每3年輪值告退，並可根據公司組織章程細則有資格重選連任。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Nomination Committee (Continued)

The Nomination Committee is responsible for identifying suitably qualified candidates and making recommendations to the Board for its consideration. The process for selecting and recommending candidates for directorship includes the consideration of referrals and the engagement of external recruitment professionals. The selection criteria are based mainly on the assessment of their characters and their professional qualifications and experience relevant to the Company's business.

The Nomination Committee is also responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board periodically, assessing the independence of independent non-executive directors and making recommendation to the Board on the appointment and re-appointment of directors and succession planning for directors. The nomination committee has reviewed the Board structure and the diversity of Board members.

On 20 January 2017, Mr. Wu Songyun and Mr. Ma Yilin were nominated and appointed as non-executive director and executive director of the Company respectively. On 28 August 2017, Mr. Luo Zhenhong was nominated and appointed as non-executive director of the Company.

董事會(續)

提名委員會(續)

提名委員會須負責物色合適之合資格人選及向董事會作出推薦意見以供考慮。甄選及推薦董事人選之程序包括考慮獲引薦人士及委任專業人事顧問進行招聘。甄選條件主要是考慮彼等的品格以及彼等的專業資格及經驗是否適用於本集團業務。

提名委員會同時亦負責定期檢討董事會的架構、規模及組合(包括技能、知識及經驗)，評估獨立非執行董事的獨立性以及向董事會就委聘及重聘董事及董事的繼任計劃作出建議。年內提名委員會已就董事會架構及董事會成員多元化進行了檢討。

於2017年1月20日，吳松雲先生及馬懌林先生分別獲提名及委任為本公司非執行董事及執行董事。於2017年8月28日，羅振宏先生獲提名及委任為本公司非執行董事。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

董事會(續)

Nomination Committee (Continued)

提名委員會(續)

During the year, one Nomination Committee meeting was held and the attendance of each member is set out below:

於年內，提名委員會召開一次會議，各成員之出席率載列如下：

Name of Directors 董事姓名	Number of meeting attended/held 出席會議次數／全部會議次數	Attendance rate 出席率
Luo Zhenhong ^{Note} 羅振宏 ^{附註}	N/A 不適用	N/A 不適用
Wu Songyun 吳松雲	0/1	0%
Chen Xiaozhou ^{Note} 陳孝周 ^{附註}	N/A 不適用	N/A 不適用
Zhang Lu 張璐	1/1	100%
Hung Muk Ming 洪木明	1/1	100%

Note:

No nomination committee meeting was held during the directors' tenure of office.

附註：

於該等董事在任期間並無召開提名委員會會議。

Directors' and Officers' Liability Insurance and Indemnity

董事及管理人員的責任保險及彌償保證

The Company has arranged appropriate liability insurance to indemnify its directors and officers in respect of legal actions against the directors.

本公司已安排適當責任保險以就針對董事的法律訴訟向董事及管理人員作出彌償保證。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

Induction and Training

Each newly appointed director, executive or non-executive, is provided with a director's induction package to ensure that he has a proper understanding to his duties and responsibilities. The director's induction package include an overview of the Group's business operation and governance policies, the director's responsibilities and duties, relevant regulatory requirements and briefing with the senior management of the Group.

Pursuant to the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the year, all directors had participated in appropriate continuous professional development activities by way of attending training and/or reading materials relevant to the Company's business or to the directors' duties and responsibilities. All directors have confirmed that, following specific enquiry by the Company, they have complied with the continuous professional development requirement of the CG Code for the year ended 31 December 2017.

董事會(續)

就職及培訓

每一位新委任之董事，不論是執行或非執行，均獲發一套董事就職簡介以確保其已恰當地知悉其職責及責任。該份董事就職簡介包括本集團的經營業務及企業管治措施的概覽、董事責任及職責、有關的監管規定以及與本集團高級管理層的簡報。

根據企業管治守則的規定，所有的董事均需要參與持續專業發展，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會作出貢獻。年內，所有董事均已透過出席培訓及／或閱讀與本公司業務或與董事職責及責任相關的材料參與適當的持續專業發展活動。經本公司具體查詢後，所有董事均已確認彼等於截至2017年12月31日止年度已遵守企業管治守則規定的持續專業發展要求。

CORPORATE GOVERNANCE REPORT 企業管治報告

Board of Directors (Continued)

董事會(續)

Induction and Training (Continued)

就職及培訓(續)

The training attended by each director of the current Board during the year is summarized below.

現任董事會獲取持續專業發展的方式概述如下。

Name of Directors	董事姓名	Type of trainings (Note 1)	培訓方式(附註1)	Training matters (Note 2)	培訓事項(附註2)
Executive Directors		執行董事			
Gao Jian Min	高建民	a, b		i, ii, iv	
Liu Tianni	劉天倪	a, b		i, ii, iv	
Ma Yilin	馬懌林	a, b		i, ii, iv	
Non-executive directors		非執行董事			
Luo Zhenhong	羅振宏	a, b		i, ii, iii, iv	
Hui Xiao Bing	惠小兵	a, b		i, ii, iv	
Chen Qiming	陳啓明	a, b		i, ii, iii, iv	
Independent non-executive directors		獨立非執行董事			
Liang Qing	梁青	a, b		i, ii, iii, iv	
Zhang Lu	張璐	a, b		i, ii, iv	
Hung Muk Ming	洪木明	a, b		i, ii, iii	

Note 1:

- a: attending seminar or training session
- b: reading newspaper, journals and updates relating to economy, general business or directors' duties and responsibilities, etc.

附註1:

- a: 出席研討會及培訓課程
- b: 閱讀與經濟、一般業務或董事職責及責任等相關的報紙、雜誌及最新資料等

Note 2:

- i: corporate governance
- ii: regulatory
- iii: finance and accounting
- iv: managerial

附註2:

- i: 企業管治
- ii: 監管
- iii: 財務及會計
- iv: 管理

The Company also received confirmation from the Company Secretary that he has taken no less than 15 hours relevant professional training during the year.

本公司同時已取得公司秘書確認其於年內已進行不少於15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT 企業管治報告

Risk Management and Internal Control

The Board is responsible for ensuring that the Company has effective risk management and control systems. The Board evaluates the effectiveness of the systems at least annually. During the year, a review of the effectiveness of the risk management and internal control systems was conducted.

Risk Management and Internal Control System

The Company's risk management and internal control systems are designed to manage and mitigate risks, rather than eliminate risks, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has employed a bottom-up approach for identification, assessment and mitigation of risk at business unit level and across functional areas.

Main Features of Risk Management and Internal Control Systems

The key elements of the Company's risk management and internal control systems include the establishment of a risk register to track and document identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk assessment approach is adopted by the Company for identifying and assessing new risks. The identified risks will be recorded in the risk register which will be reviewed regularly. After considering the control measures against risks, a risk matrix is adopted to determine risk rating (L=low risk, M=medium risk, H=high risk) after evaluation of the risk by the likelihood and the impact of the risk event.

風險管理及內部監控

董事會在確保本公司推行有效的風險管理制度及內部監控制度方面肩負責任。董事會每年最少一次檢討該等系統的有效性。於本年度內，已就風險管理及內部監控系統的成效作出檢討。

風險管理及內部監控系統

本公司的風險管理及內部監控系統並非著眼於消除風險，而是要管理及緩解風險，並且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。本公司採用了一個由上而下的分析方法去識別、評估及減低風險。

風險管理及內部監控系統的主要功能

本公司的風險管理及內部監控制度主要元素包括設立風險登記冊以追蹤及記錄所識別的風險、評估及評測風險、發展及繼續更新對應程序，以及持續測試內部控制系統以確保行之有效程度。

本公司採用了一個持續性的風險評估方法以不斷識別新的風險。已辨識的風險會被記錄在定期檢討的風險登記冊中，在考慮已制定的風險控制措施後，本公司按已辨識的風險發生的可能性及其後果，根據風險矩陣釐定風險評級（低風險為「L」，中風險為「M」，高風險為「H」）對每項風險進行評估。

Risk Management and Internal Control (Continued)

Process Used to Identify, Evaluate and Manage Significant Risks

During the process of risk assessment, each of the risk owner of departments and major subsidiaries are required to capture and identify the key inherent risks that affect the achievement of its objectives. Each inherent risk is evaluated according to the risk matrix. After taking into consideration the risk response, such as control measures in place to mitigate the risk, the residual risk of each inherent risk is evaluated again. The risk register with the risk responses and residual risks is reported to the Audit Committee. The Audit Committee, acting on behalf of the Board, evaluates the effectiveness of the systems. The highest category of residual risks is subject to the Board's oversight.

Process used to review the effectiveness of the Risk Management & Internal Control Systems and to resolve material internal control defects

In view of the Company's business and scale of operations, and in order to adopt the most cost-effective method of conducting periodic reviews of the Company's internal controls, the Board has outsourced the internal audit function to an independent consulting firm (the "Internal Auditor"). The Internal Auditor has conducted a review of the effectiveness of the Company's risk management and internal control systems according to the scope of review agreed and approved by the Audit Committee.

風險管理及內部監控 (續)

用以辨認、評估及管理大重大風險的程序

於風險評估的程序中、各面對風險的部門及主要附屬公司須及時捕捉及辨識影響其達到目標的主要固有風險。各固有風險乃根據風險模型進行評估。經考慮風險的應對方法後(如採取監控措施以減低風險)將再次評估各固有風險的剩餘風險。風險記錄冊連同風險應對方法及剩餘風險將會向審計委員會予以匯報。審計委員會(代表董事會)評估制度的有效程度。剩餘風險的最高級別須受董事會監管。

用以檢討風險管理及內部監控系統有效性及解決重大的內部監控缺失的程序

就本公司的業務及經營規模而言，及為就本公司內部監控進行定期檢討而採用最具成本效益的方法，董事會已將內部審核職能外判予一間獨立顧問公司(「內部核數師」)。內部核數師已根據審核委員會協定及批准的檢討範圍對本公司風險管理及內部監控系統的有效程度進行檢討。

CORPORATE GOVERNANCE REPORT 企業管治報告

Risk Management and Internal Control (Continued)

Inside Information

The Board is responsible for the handling and dissemination of inside information. In order to ensure that the market and shareholders are fully and promptly informed about the material developments in the Company's business, the Board has adopted the Inside Information Disclosure Policy regarding the procedures of proper information disclosure. Release of inside information is subject to the approval of the Board. Unless duly authorised, all staff member of the Company shall not communicate inside information to any external parties and shall not response to market speculation and rumours. In addition, all external presentation materials or publications must be pre-vetted before release.

Report to Audit Committee

The Internal Auditor reported directly to the Audit Committee and the Audit Committee is satisfied that there has been no major deficiency noted in the areas of the Company's risk management and internal controls systems being reviewed after implementation of recommendations of the internal control defects reported by the Internal Auditor. Accordingly, the Audit Committee and the Board considered the risk management and internal control systems to be effective.

風險管理及內部監控(續)

內幕消息

董事會負責處理及發佈內幕消息。為確保市場及股東全面且從速獲知本公司業務的重大發展，董事會已採納有關進行適當的信息披露程序的內幕消息披露政策。刊發內幕消息須待董事會批准後，方可作實。除非得到正式授權，本公司所有員工不得向任何外部人士傳達內幕消息及不會回應市場揣測和傳言。此外，所有向外部提呈的材料或刊物須於刊發前預先審閱。

向審核委員會彙報

內部核數師直接向審核委員會匯報，而審核委員會滿意在實施內部核數師匯報的內部監控缺失建議後，本公司經檢討的風險管理及內部監控系統範圍並無出現重大缺失。因此，審核委員會及董事會認為風險管理制度及內部監控系統完善有效。

CORPORATE GOVERNANCE REPORT 企業管治報告

General Meetings

During the year, the Company has convened two general meetings including the Annual General Meeting. The attendance of each director is set out below.

股東大會

年內，本公司召開兩次股東大會其中包括股東週年大會。各董事出席情況載列如下。

Name of Directors	董事姓名	General meetings attended/held 出席大會次數／全部大會次數	Attendance rate 出席率
Executive Directors			
	執行董事		
Gao Jian Min	高建民	2/2	100%
Liu Tianni	劉天倪	0/2	0%
Gu Jianguo (Note a)	顧建國(附註a)	N/A 不適用	N/A 不適用
Ma Yilin	馬懌林	0/2	0%
Non-executive directors			
	非執行董事		
Luo Zhenhong (Note b)	羅振宏(附註a)	N/A 不適用	N/A 不適用
Wu Songyun (Note b)	吳松雲(附註b)	1/1	100%
Chen Xiaozhou (Note b)	陳孝周(附註a)	N/A 不適用	N/A 不適用
Hui Xiao Bing	惠小兵	0/2	0%
Chen Qiming	陳啓明	0/2	0%
Independent non-executive directors			
	獨立非執行董事		
Liang Qing	梁青	0/2	0%
Zhang Lu	張璐	1/2	50%
Hung Muk Ming	洪木明	2/2	100%

Notes:

- (a) No general meeting was held during the directors' tenure of office.
- (b) There was only one general meeting held during the director's tenure of office.

附註：

- (a) 於該等董事在任期間並無舉行股東大會。
- (b) 於該名董事在任期間只曾舉行一次股東大會。

CORPORATE GOVERNANCE REPORT 企業管治報告

Auditor's Remuneration

The Group's consolidated financial statements for the year ended 31 December 2017, were audited by Deloitte Touche Tohmatsu ("Deloitte") at a total fees of HK\$2.8 million. The said audit fee was approved by the Audit Committee and endorsed by the Board. In addition, the Group also paid fees of not more than HK\$0.1 million in aggregate to Deloitte for the provision of taxation services during the 2017.

The Audit Committee considers that the taxation services did not (in terms of the nature of the services and the amount of fees paid in relation to the audit fees) affect the independence of Deloitte.

Remuneration of Senior Management

The emolument paid to senior management was amongst the five highest paid individuals of the Group and is set out in note 10.

Directors' Responsibility Statement

The Board acknowledges its responsibilities for the preparation of the financial statements of the Company for each financial year, which give a true and fair view of the state of the affairs, results and cash flow of the Group for that year in compliance with the relevant laws and disclosure provision of the Listing Rules.

In preparing the financial statements for the year ended 31 December 2017, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis. Up to the date of this report, the directors are not aware of any material uncertainties that will seriously affect the going concern basis of the Group.

核數師酬金

本集團截至2017年12月31日止年度綜合財務報表由德勤關黃陳方會計師行(「德勤」)審核，核數費用總額為2,800,000港元。該項核數費用已獲得審核委員會批准並得到董事會背書認可。此外，本集團於2017年度內，亦有向德勤支付總額不多於100,000港元的稅務服務費用。

審核委員會認為該等稅務服務費用(就服務性質及相對於核數費用的總額而言)並沒有對德勤的獨立性構成影響。

高級管理人員薪酬

支付予高級管理人員之酬金包括在本集團5名最高薪人士之內並且已載列於附註10。

董事關於賬目的責任聲明

董事會確認其對各財政年度所編制的本公司財務報表的責任，該等財務報表應遵從有關法律及上市規則的披露規定，真確地反映本集團於該年度的業務狀況、業績及現金流。

在編制截至2017年12月31日止年度之綜合財務報表時，董事已選取合適的會計政策，並貫徹應用；採用適當的香港財務報告準則及香港會計準則；作出審慎及合理的調整估計；及按持續經營基準編制財務報表。截至本報告日止，董事並不獲悉任何將會嚴重地影響本集團持續經營基準的重大不確定因素。

CORPORATE GOVERNANCE REPORT 企業管治報告

Directors' Responsibility Statement *(Continued)*

The directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group. The directors also have general responsibilities for setting up an appropriate internal control system, which is mainly to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors have reviewed the internal control system of the Group and are satisfied that the internal control system of the Group is functioning properly.

Shareholders' Rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under the CG Code.

董事關於賬目的責任聲明(續)

董事亦負責保存適當的會計紀錄，使於任何時間能合理準確地反映本集團的財務狀況。董事亦有一般責任設立適當的內部監控系統，其主要目的為保障本集團資產與防止及揭發舞弊以及其他不當的行為。董事已檢討過本集團的內部監控系統並認為本集團的內部監控系統行之有效。

股東權利

根據企業管治守則的強制性披露規定須予披露的本公司股東的若干權利摘要如下。

CORPORATE GOVERNANCE REPORT 企業管治報告

Shareholders' Rights (Continued)

Convening General Meeting on Request

Shareholder(s) may request the Directors to convene an extraordinary general meeting pursuant to Section 566 to 568 of the Companies Ordinance.

In accordance with Section 566 of the Companies Ordinance, the Directors are required to call a general meeting if the Company has received requests to do so from members of the Company representing at least 5% of the total voting rights of all the members having a right to vote at general meeting. Such requests must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such requests may be sent to the Company in hard copy form (by depositing at the registered office of the Company at Suite 4901, 49th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for the attention of the Board) or in electronic form (by email: cs@silvergrant.com.hk); and must be authenticated by the person or persons making it. In accordance with Section 567 of the Companies Ordinance, the Directors must call a meeting within 21 days after the date on which they become subject to the requirement under Section 566 of the Companies Ordinance and such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting.

If the directors of the Company do not within 21 days from the date of the deposit of the requisition proceed duly to convene an extraordinary general meeting for a day not more than 28 days after the date on which the notice convening the extraordinary general meeting is given, the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an extraordinary general meeting, provided that the extraordinary general meeting so convened shall not be held after the expiration of 3 months from the said date.

股東權利(續)

應請求召開股東大會

股東可根據公司條例第566至568條要求董事召開股東特別大會。

根據公司條例第566條，如本公司收到佔全體有權在股東大會上投票之股東之總投票權最少5%之本公司股東之要求，要求召開股東大會，則董事須召開股東大會。有關要求須述明有待在大會上處理之事務之一般性質，及可包含可在該大會上恰當地動議並擬在該大會上動議之決議案之文本。有關要求可採用印本形式(透過送達本公司之註冊辦事處，地址為香港灣仔港灣道1號會展廣場辦公大樓49樓4901室，註明董事會為收件人)或電子形式(透過電郵至cs@silvergrant.com.hk)送交本公司，及須經提出該要求之人士認證。根據公司條例第567條，董事須於彼等受到新公司條例第566條規定所規限之日期後之21日內召開大會，而該大會須在召開大會通知日期後之28日內舉行。

倘董事在該分請求書存放日期起計21天內，未有在召開股東特別大會通告發出日期後28天內妥為安排召開股東特別大會，則該等股東或佔該等全體股東總表決權一半以上的任何股東，可自行召開股東特別大會，但如此召開的股東特別大會不得在上述日期起計3個月屆滿後舉行。

CORPORATE GOVERNANCE REPORT 企業管治報告

Shareholders' Rights (Continued)

Convening General Meeting on Request (Continued)

The extraordinary general meeting convened by shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the directors of the Company.

Procedures for Directing Shareholders' Enquires to the Board

Shareholders can raise enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company at Suite 4901, 49/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for the attention of the Company Secretary.

Putting Forward Proposals at Annual General Meetings

To put forward a resolution at an annual general meeting, shareholders are requested to follow the requirements and procedures set out in Sections 615 and 616 of the Company Ordinance.

股東權利(續)

應請求召開股東大會(續)

由股東召開的股東特別大會，須盡可能以接近董事召開股東特別大會的相同方式召開。

向董事會傳達股東查詢的程序

股東可向董事會作出查詢。所有查詢均須為書面形式，並以郵遞方式送達本公司註冊辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓49樓4901室)，由公司秘書收啟。

於股東週年大會上提出議案

倘擬於股東週年大會上提呈一項決議案，股東須依照公司條例第615條及616條進行。

CORPORATE GOVERNANCE REPORT 企業管治報告

Shareholders' Rights (Continued)

Putting Forward Proposals at Annual General Meetings (Continued)

Section 615 of the Company Ordinance provides that the Company must give notice of a resolution if it has received requests that it do so from (a) the members of the Company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or (b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the requests relate. Such requests (a) may be sent to the Company in hard copy form (by depositing at the registered office of the Company at Suite 4901, 49th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for the attention of the Board) or in electronic form (by email: cs@silvergrant.com.hk); (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the person or persons making it; and (d) must be received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting. Section 616 of the Company Ordinance provides that the Company that is required under Section 615 of the Company Ordinance to give notice of a resolution must send a copy of it at the Company's own expense to each member of the Company entitled to receive notice of the annual general meeting (a) in the same manner as the notice of the meeting; and (b) at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

Proposing Director for Election at General Meetings

In respect of proposing a person for election as a director of the Company at general meetings, please refer to the procedures available on the website of the Company at www.silvergrant.com.hk.

Constitutional Documents

During the year, there is no significant change in the Company's constitutional documents.

股東權利(續)

於股東週年大會上提出議案(續)

公司條例第615條訂明，本公司如收到以下股東之要求，要求發出某決議案之通知，則須發出該通知(a)佔全體有權在該要求所關乎之股東週年大會上，就該決議案投票之股東之總投票權最少2.5%之本公司股東；或(b)最少50名有權在該要求所關乎之股東週年大會上就該決議案投票之股東。有關要求(a)可採用印本形式(透過送達本公司之註冊辦事處，地址為香港灣仔港灣道1號會展廣場辦公大樓49樓4901室，註明董事會為收件人)或電子形式(透過電郵至cs@silvergrant.com.hk)送交本公司；(b)須指出有待發出通知所關乎之決議案；(c)須經提出該要求之人士認證；及(d)須於不遲過以下時間送抵本公司：(i)該要求所關乎之股東週年大會舉行前之6個星期之前；或(ii)該大會通知發出之時。公司條例第616條訂明，根據公司條例第615條須就某決議案發出通知之本公司須(a)按發出大會通知之同樣方式；及(b)在發出該大會通知之同時，或在發出該大會通知後，在合理切實可行之範圍內盡快，自費將該決議案之通知之文本，送交每名有權收到股東週年大會通知之本公司股東。

在股東大會上建議候選董事

就擬在股東大會上建議候選本公司董事的人士而言，請參閱本公司網站www.silvergrant.com.hk所載之程序。

憲章文件

於本年度內，本公司的組織章程文件並無重大變動。

CORPORATE GOVERNANCE REPORT 企業管治報告

Communication with Shareholders

The Company endeavours to maintain a high level of transparency in communicating with shareholders and investors at large. In order to enhance the transparency of shareholders' voting in general meeting, separate resolutions are proposed at general meeting on each substantially separate issue, including the election of individual director and all resolutions are voted on by poll. The Company will engage external scrutineer to count the vote. The poll voting results will be published on the websites of the Company and the Stock Exchange at a later time on the same business day. In addition, the requirement for resolutions to be voted by poll is stated in the circular or annual report to be despatched to shareholders. Moreover, at general meeting but before voting, the chairman of the meeting will explain to shareholders the described procedures for conducting a poll.

The Company has maintained a website at <http://www.silvergrant.com.hk> which enables shareholders, investors and the general public to have an open access to the information of the Company. Financial information and all corporate communications of the Company are made available on the Company's website and are updated regularly.

Shareholders who wish to raise any queries with the Board may write to the Company Secretary at Suite 4901 49/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

與股東的溝通

本公司在與股東及大眾投資者溝通時，一直盡量保持透明度。此外，為了加強股東大會上股東投票的透明度，本公司於股東大會上對所有涉及具體事項的決議案包括選舉個別董事等均分開進行議案表決，而所有議案均採取按點票進行表決。為此，本公司會委任外部監票員進行點票工作，點票方式的投票結果亦會於有關大會結束後的同一個工作日上稍後時間上載及刊登於本公司及聯交所網站。此外，有關議案採取按點票方式進行表決的規定也會列於寄給股東的通函或年報內。同時於股東大會舉行但投票進行之前，會議主席會首先向股東解釋以按點票方式進行表決的詳細程序。

本公司常設一個網站於 <http://www.silvergrant.com.hk>，以為股東、投資者及公眾人士提供一個公開渠道取得本公司之資料。本公司財務資料及所有與股東之間的公司通訊均已上載於本公司網站，並且會定期作出更新。

倘若股東需要向董事會提出查詢，可隨時致函本公司公司秘書，地址為：香港灣仔港灣道1號會展廣場辦公大樓49樓4901室。

DIRECTORS' REPORT 董事會報告

The Board present their annual report and the audited consolidated financial statements for the year ended 31 December 2017.

Principal Activities

The Company is an investment holding company and engaged in property investment and securities trading. The Company and its subsidiaries are principally engaged in property leasing, other investments, production and trading of petrochemical products and the provision of sub-contracting service. Details of the principal activities of the Company's subsidiaries and the Group's associates are set out in note 42 to the consolidated financial statements.

Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss on page 89.

As the Board intends to retain more working capital for the Group, the Board has resolved not to recommend payment of final dividend for the year ended 31 December 2017.

董事會謹提呈截至2017年12月31日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一家投資控股公司並從事物業投資及證券買賣業務。本公司及其附屬公司的主要業務為從事物業租賃、其他投資、石油化工產品生產及銷售及提供加工服務。本公司各附屬公司及本集團各聯營公司的主要業務詳情載列於綜合財務報表附註42。

業績及分配

截至2017年12月31日止年度，本集團的業績及本公司的分配載於第89頁之綜合損益表。

鑒於董事會希望為本集團保留更多營運資金，董事會已通過決議，不建議派付截至2017年12月31日年度末期股息。

DIRECTORS' REPORT 董事會報告

Business Review

The business review of the Group for the year ended 31 December 2017 is set out below:

業務審視

本集團截至2017年12月31日止年度的業務審視分別載如下：

	Section in the Annual Report 載列於年報之部份	Page No. of the Annual Report 年報之頁數
a. Fair view of the Company's business 對本公司業務的中肯審視	Managing Director's Statements 董事總經理報告	5 to 28 5至28
b. Description of the principal risks and uncertainties facing the Company 對本公司面對的主要風險及不明朗因素的描述	Directors' Report 董事會報告	69 to 70 69至70
c. Particulars of important events affecting the Company that have occurred since the year ended 31 December 2017 在截至2017年12月31日止年度終結後發生的、對本公司有影響的重大事件的詳情	Directors' Report 董事會報告	79 79
d. Indication of likely future development in the Company's business 本公司業務相當可能有的未來發展的揭示	Managing Director's Statements 董事總經理報告	22 to 24 22至24
e. Analysis using financial key performance indicators 運用財務關鍵表現指標進行的分析	Financial Summary 財務概要表	231 231
f. Discussion on the Company's environmental policies and performance 對本公司的環境政策及表現的探討	Environmental, Social and Governance 環境、社會及管治	36 to 38 36至38
g. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depend 本公司與其僱員、顧客及供應商的重要關係的說明以及本公司與符合以下說明的其他人士的重要關係的說明：該人士對本公司有重大影響，而該公司的興盛繫於該人士	Environmental, Social and Governance 環境、社會及管治	36 to 38 36至38
h. Discussion on the Company's compliance with the relevant laws and regulations that have significant impact on the Company 對本公司遵守對本公司有重大影響的有關法律及規例的情況的探討	Managing Director's Statements, Corporate Governance Report, Directors' Report 董事總經理報告、 企業管治報告、 董事會報告	5 to 28, 39 to 66, 67 to 79 5至28 39至66 67至79

DIRECTORS' REPORT 董事會報告

Key Risk Factors

The following paragraphs list out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below. Besides, this annual report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

Risk Pertaining to the Property Market on the Mainland

The Group has material interests in residential and commercial property investment on the mainland and is therefore subject to the risks associated with China's property market. The Group's operations on the mainland may also be exposed to the risks of policy change, interest rate change, demand-supply imbalance, and the overall economic conditions, which may pose an adverse impact on the Group's business, financial condition or results of operations.

Operational Risks

The Group's operation is subject to a number of risk factors distinctive to direct investment, property investment and property related businesses. Default on the part of our buyers, tenants and strategic business partners, and inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to financial loss, litigation or damage in reputation.

主要風險因素

以下列出本集團面對的主要風險及不明朗因素。此處未能詳錄所有因素；除下列主要範疇外，亦可能存在其他風險及不明朗因素。此外，本年報不對任何人就投資本公司證券作出任何建議或意見。投資者在投資本公司證券之前，應自行判斷或徵詢其投資顧問的意見。

內地房地產市場的相關風險

本集團在內地於住宅和商用物業的投資項目中持有重大權益，因而受到中國房地產市場的相關風險所影響。政策轉變、利率轉變、供求失衡及整體經濟狀況都可能對集團在內地的業務造成風險，對集團的業務、財務狀況或營運業績造成負面影響。

營運風險

本集團的營運受到直接投資、地產投資及地產相關業務多種特有的風險因素所影響。來自買家、租戶及策略性業務夥伴的失責行為、內部流程、人為及系統性不足或失誤，或其他外圍因素對營運可能構成不同程度的負面影響。另外，即使集團已制定了防範意外的系統和政策，意外仍然可能發生，因而引致財政損失、訴訟或聲譽受損。

DIRECTORS' REPORT 董事會報告

Policy Risks

The Group's principal operating activities are in the mainland China. The mainland market operates a system of planned economy. New laws and regulations are launched from time to time to regulate and/or promote economic activities. The enactment of any new regulatory policies may have various levels of negative impact on the results of operations.

International Crude Oil Prices Risks

A principal operation of the Group is the manufacturing and sale of petrochemical products. Crude oil is the critical raw material for production process. Significant fluctuations in international crude oil prices and persistent drop in international crude oil prices will have a material adverse impact on the operating result in respect of sales of petrochemical products.

Past Performance and Forward Looking Statements

The performance and the results of operation of the Group as set out in this annual report are historical in nature and past performance is not a guarantee of future performance. This annual report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual result may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialize or turns out to be incorrect.

政策風險

本集團主要於中國內地從事經營活動。內地市場採用計劃經濟系統。新的法律及規則將不時推出作為調節及／或鼓勵經濟活動。新出台任何新的規劃政策將可能會對本集團的營運業績帶來不同程度負面影響。

國際原油價格風險

本集團其中一項主要營運乃生產及銷售石油化工產品。原油則是生產程序的關鍵原材料。倘若國際原油價格大幅波動甚至長期下跌將會對石油化工產品銷售之經營業績帶來重大的負面影響。

過往表現及前瞻性陳述

本集團在本年報所載的業務表現及營運業績僅屬歷史數據，過往表現並不保證日後表現。本年報或載有前瞻性陳述及意見而當中涉及風險及不明朗因素。實際業務表現可能與前瞻性陳述及意見中論及的預期表現有重大差異。集團、其董事、僱員及代理均不承擔倘因任何前瞻性陳述或意見不能實現或變得正確而引致的任何責任。

DIRECTORS' REPORT 董事會報告

Fixed Assets

The Group's leasehold land and buildings were revalued at 31 December 2017. Surplus on revaluation of the leasehold land and buildings amounted to approximately HK\$41,097,000 has been credited to the asset revaluation reserve.

During the year, the Group revalued all of its investment properties at 31 December 2017. The net increase in fair value of investment properties, which has been charged directly to the consolidated statement of profit or loss, amounted to approximately HK\$55,285,000.

Details of the valuation and movements of the investment properties and property, plant and equipment of the Group during the year are set out in notes 15 and 16 to the consolidated financial statements respectively.

Details of the major investment properties of the Group at 31 December 2017 are set out in the section under "Summary of Investment Properties" of this Annual Report.

Charitable Donations

Donations to charitable organisations by the Group during the year ended 31 December 2017 amounted to HK\$10,000.

Share Capital

Details of movements during the year in the share capital of the Company are set out in note 30 to the consolidated financial statements.

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2017 comprised the retained profits of approximately HK\$531,331,000.

Equity Linked Agreements

No equity linked agreements were entered into during the year or subsisted at the end of the year.

固定資產

本集團的租賃土地及樓宇於2017年12月31日之價值經已作出重估。租賃土地及樓宇重估收益金額約41,097,000港元已計入資產重估儲備。

於年內，本集團經已重估其所有投資物業於2017年12月31日之價值。投資物業公允值增加之淨額約為55,285,000港元，並經已直接於綜合損益表中扣除。

有關本集團的投資物業及物業、廠房及設備於年內之估值詳情及變動，經已分別載於綜合財務報表附註15及16。

有關本集團主要投資物業於2017年12月31日之詳情，已載於本年報之「投資物業概要」部分。

慈善捐款

本集團於2017年12月31日之年內對慈善機構之捐款金額為10,000港元。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註30。

本公司的可供分派儲備

本公司於2017年12月31日的可供分派予股東之儲備包括保留溢利約531,331,000港元。

股票掛鈎協議

本公司於本年度終結日或年內任何時間概無訂立任何股票掛鈎協議。

DIRECTORS' REPORT 董事會報告

Directors

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

Executive Directors

Gao Jian Min (*Managing Director*)
Liu Tianni (*Deputy Managing Director*)
Ma Yilin (appointed on 20 January 2017)
Gu Jianguo (resigned on 20 January 2017)

Non-executive Directors

Luo Zhenhong (*Chairman*) (appointed on 28 August 2017)
Wu Songyun (*Chairman*) (appointed on 20 January 2017 and resigned on 28 August 2017)
Chen Xiaozhou (*Chairman*) (resigned on 20 January 2017)
Hui Xiao Bing (*Vice Chairman*)
Chen Qiming (*Vice Chairman*)

Independent non-executive Directors

Liang Qing
Zhang Lu
Hung Muk Ming

The term of office of each Director, including the non-executive Directors and independent non-executive Directors, is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

In accordance with the provisions of the Company's Articles of Association, Mr. Luo Zhenhong who was appointed as a Director on 28 August 2017 will hold office only until the forthcoming annual general meeting. Messrs. Gao Jian Min, Chen Qiming and Zhang Lu shall retire by rotation at the forthcoming annual general meeting, and they, being eligible, offer themselves for re-election. The remaining Directors shall remain in office.

Directors of Subsidiaries

Other than the Directors named in the section headed "Directors", the persons who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report included Mr. Gao Jian Min, Mr. Liu Tianni, Mr. Sung Yeung Leon, Mr. Chow Kwok Wai, Mr. Kwok Chung Lun, Mr. 湯俊宏, Mr. Chen Yongcun, Ms. Fu Bo, Ms. 張淑華, Mr. 高子翰, Mr. 張東林, Mr. 張和平, Mr. 趙建東, Mr. 陳峰, Mr. Ma Hon Yeung, Mr. 歐陽向群, Mr. 李志強, Mr. 王平, Mr. 徐昊, Ms. 李雪梅, Mr. 季濤, Ms. 周曉霞, Ms. 倪琳 and Ms. Zhu Feng.

董事

年內及截至本報告刊發日期當日之董事如下：

執行董事

高建民(*董事總經理*)
劉天倪(*副董事總經理*)
馬澤林(於2017年1月20日獲委任)
顧建國(於2017年1月20日辭任)

非執行董事

羅振宏(*主席*)(於2017年8月28日獲委任)
吳松雲(*主席*)(於2017年1月20日獲委任並於2017年8月28日辭任)
陳孝周(*主席*)(於2017年1月20日辭任)
惠小兵(*副主席*)
陳啓明(*副主席*)

獨立非執行董事

梁青
張璐
洪木明

每位董事包括非執行董事及獨立非執行董事的任期為直至其根據本公司的組織章程細則輪值告退當日為止之期間。

按照本公司組織章程細則之條文，於2017年8月28日委任為董事之羅振宏先生只可任職直至應屆股東周年大會為止。高建民先生、陳啓明先生及張璐先生均須於應屆股東週年大會上輪值告退，而彼等均符合資格並尋求膺選連任。其餘董事將會繼續留任。

附屬公司之董事

除於「董事」一節所提及的董事姓名外，年內及截至本報告刊發日期當日擔任本公司附屬公司董事會的人士包括高建民先生、劉天倪先生、宋陽先生、周國偉先生、郭鐘麟先生、湯俊宏先生、陳永存先生、傅波女士、張淑華女士、高子翰先生、張東林先生、張和平先生、趙建東先生、陳峰先生、馬漢揚先生、歐陽向群先生、李志強先生、王平先生、徐昊先生、李雪梅女士、季濤先生、周曉霞女士、倪琳女士及朱楓女士。

DIRECTORS' REPORT 董事會報告

Directors' Service Contracts

Other than as disclosed in the section headed "CONNECTED TRANSACTION" below, no Director proposed for re-election at the forthcoming annual general meeting has a service contract, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Change in Profile of Directors

During the period from 28 August 2017 (as the date of approval of 2017 Interim Report of the Company) to 23 March 2018 (as the date of approval of the 2017 Annual Report of the Company), change in Director's biographical details which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules, is set out below:

Hung Muk Ming

Mr. Hung Muk Ming was appointed as an independent non-executive director of IBO Technology Company Limited (Stock code: 2708), a company listed on the Stock Exchange of Hong Kong Limited, with effect from 6 December 2017.

董事之服務合約

除下文「關連交易」部份所披露者外，於即將舉行之股東週年大會膺選連任之董事概無與本集團訂立於一年之內不作出賠償(法定賠償除外)則不可終止之服務合約。

董事簡介之變動

於2017年8月28日(為批准本公司2017年中期報告當日)至2018年3月23日(為批准本公司2017年年報當日)期間，根據上市規則第13.51(2)及13.51B(1)條規定須予披露之董事簡介之變動載列如下：

洪木明

洪木明先生自2017年12月6日起獲委任為於香港聯合交易所有限公司上市的艾伯科技股份有限公司(股份代號：2708)之獨立非執行董事。

DIRECTORS' REPORT 董事會報告

Directors' Interest in Shares

As at 31 December 2017, none of the Directors and the chief executive of the Company nor any of its associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporation, or had exercised any such right during the year.

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company, its parent company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate, and neither the Directors nor the chief executive of the Company nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Other than as disclosed in the section headed "CONNECTED TRANSACTION" below, no transactions, arrangements or contracts of significance to which the Company, its parent company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事之股份權益

於2017年12月31日，本公司的董事及行政總裁及其任何關聯人士概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須存置於本公司的登記冊或根據上市發行人董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益或淡倉。概無董事或彼等的配偶或十八歲以下的子女獲授任何權利以認購本公司或其任何相聯法團的股本或債券，或於年內已行使任何上述權利。

購買股份或債權證的安排

本公司、其母公司或其任何附屬公司或同系附屬公司概無於年內的任何時間以訂約一方身分訂立任何安排以促使董事可籍購入本公司或任何其他法人實體的股份或債權證以得益，及亦無董事或本公司行政總裁或任何彼等配偶或十八歲以下子女，擁有任何權利可認購本公司證券或曾行使任何該等權利。

董事於重大交易，安排或合約的利益

除於下文「關連交易」部分所披露者外，本公司、其母公司或其任何附屬公司或同系附屬公司於年結日或於年內任何時間，概無以訂約一方身分訂立任何董事或其關連實體於其中擁有(不論是直接或間接的)重大利益的重大交易，安排或合約。

DIRECTORS' REPORT 董事會報告

Management Contracts

No contracts, other than employment contracts, concerning the management and administration of the whole or any part of the Company's business was entered into during the year or subsisted at the end of the year.

Permitted Indemnity Provision

Pursuant to the Company's Articles of Association, subject to the statutes, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereon. The Company has arranged appropriate liability insurance to indemnify its directors and officers in respect of legal actions against the directors.

Substantial Shareholders

As at 31 December 2017, persons other than a director or chief executive of the Company having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 31 December 2017 are set out below:

管理合約

在本年內，除僱員聘任合約外，本公司並無就全盤業務或其中任何重要部份簽訂或存有管理及行政合約。

獲准許之彌償條文

根據本公司之組織章程細則，每名董事均有權就所有在執行其職位或與此有關之職責時蒙受或招致或與之有關之損失或法律責任，獲得本公司從其資產中賠償。本公司已安排適當責任保險以就針對董事的法律訴訟向董事及管理人員作出彌償保證。

主要股東

於2017年12月31日，於本公司根據證券及期貨條例第336條規定須予存置的登記冊記錄所顯示，除本公司董事或最高行政人員以外，擁有佔本公司已發行股本5%或以上權益的人士如下：

於2017年12月31日，於本公司股份及相關股份的好倉載列如下：

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of ordinary shares 普通股股份數目	Total interests 權益總額	Percentage of the issued share capital 佔全部已發行股本百分比
Silver Grant Group Limited 銀建集團有限公司	Beneficial owner 實益擁有人	277,114,022	277,114,022 (Note i) (附註 i)	12.02%
China Cinda Asset Management Co., Ltd 中國信達資產管理股份有限公司	Interest of controlled corporation 受控制法團權益	438,056,000	438,056,000 (Note ii) (附註 ii)	19.01%
China Guangdong Nuclear Power Holding Co., Ltd. (now known as: China General Nuclear Power Corporation) 中國廣東核電集團有限公司(現稱為：中國廣核集團有限公司)	Interest of controlled corporation 受控制法團權益	364,140,000	364,140,000 (Notes iii and iv) (附註 iii 及 iv)	15.80%

DIRECTORS' REPORT 董事會報告

Substantial Shareholders (Continued)

Notes:

- i. Messrs. Gao Jian Min and Liu Tianni, both of whom are directors of the Company, each has a 30% interest in Silver Grant Group Limited as at 31 December 2017.
- ii. The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Co., Ltd:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Co., Ltd 中國信達資產管理股份有限公司	100%	—	438,056,000
Regent Star International Limited 星耀國際有限公司	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	438,056,000	—

- iii. The following is a breakdown of the interests in shares of the Company held by China Guangdong Nuclear Power Holding Co., Ltd.:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
CGNPC International Limited 中廣核國際有限公司	China Guangdong Nuclear Power Holding Co., Ltd. (now known as: China General Nuclear Power Corporation) 中國廣東核電集團有限公司 (現稱為：中國廣核集團有限公司)	100%	364,140,000	—

- iv. As notified by China General Nuclear Power Corporation, its percentage of control in CGNPC International Limited has been changed from 99.99% to 100%.

Other than as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any other interest or short position in the shares and underlying shares of the Company as at 31 December 2017.

主要股東(續)

附註：

- i. 高建民先生及劉天倪先生，彼等均為本公司董事，於2017年12月31日各自擁有銀建集團有限公司30%權益。
- ii. 以下為中國信達資產管理股份有限公司所持有本公司之股份權益細節：

Percentage of control 控制百分率	Total interest in shares 股份權益總數	
	Direct interest 直接權益	Indirect interest 間接權益
100%	—	438,056,000
100%	438,056,000	—

- iii. 以下為中國廣東核電集團有限公司所持有本公司之股份權益細節：

Percentage of control 控制百分率	Total interest in shares 股份權益總數	
	Direct interest 直接權益	Indirect interest 間接權益
100%	364,140,000	—

- iv. 就中國廣核集團有限公司通知，其於中廣核國際有限公司所持之控制百分率由99.99%更改為100%。

除上文所披露者外，根據證券及期貨條例第336條規定須予存置的登記冊所顯示，本公司並無接獲有關於2017年12月31日在本公司股份及相關股份中擁有任何其他權益或淡倉的申報。

DIRECTORS' REPORT 董事會報告

Annual Confirmation of Independence

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

Connected Transaction

A service agreement dated 28 December 2004 was entered into between Mr. Gao Jian Min ("Mr. Gao") and the Company. Pursuant to the terms and conditions set out therein, the Company agreed to employ and Mr. Gao agreed to serve the Company as a Managing Director by providing the Company with the services as described in the service agreement for a term of three years from 28 December 2004 to 27 December 2007, which term shall continue thereafter until determined by either party giving to the other not less than 3-months prior written notice.

Buy-Back, Sales or Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries bought back, sold or redeemed any of its listed securities.

獨立性的年度確認

本公司已取得各獨立非執行董事根據上市規則第3.13條項下就其獨立性所作出的年度確認函。本公司認為所有獨立非執行董事均為獨立的。

關連交易

於2004年12月28日，高建民先生（「高先生」）與本公司簽訂一份服務協議。根據該協議所載之條款及條件，本公司同意聘請高先生，而高先生同意受聘出任本公司董事總經理職務，為本公司提供服務協議內所羅列之服務，任期三年，由2004年12月28日至2007年12月27日止。該任期將維持有效直至任何一方給予對方不少於三個月之書面事前通知終止為止。

回購、出售或贖回上市證券

年內，本公司或其任何附屬公司概無回購、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT 董事會報告

Emolument Policy

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

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

Annual General Meeting

The annual general meeting of the Company will be held at Boardroom 8, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Monday, 28 May 2018 at 10:30 a.m. (the "Annual General Meeting").

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, during the year and up to the date of this report, there is sufficient public float, as not less than 25% of the Company's issued shares as required under the Listing Rules.

Major Customers and Suppliers

The Group's revenue comprises rental income from leasing of properties, dividend income from listed and unlisted securities, income from property management and income from production and trading of petrochemical products and provision of sub-contracting service.

The accumulated amount of purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases and revenue for the year.

The accumulated amount of revenue attributable to the Group's five largest customers and our largest customer were approximately 86% the Group's total revenue for the year.

During the year ended 31 December 2017, none of our Directors or any of their close associates or any of our Shareholders who, to the knowledge of the Board, owned more than 5% of our shares had interest in any of our five largest customers.

酬金政策

本集團僱員的酬金政策乃由薪酬委員會按僱員的功績、資歷及能力制定。

董事的酬金乃由薪酬委員會經考慮本公司的經營業績、個人表現及可供比較的市場慣例後釐定。

股東週年大會

本公司將於2018年5月28日(星期一)上午十時三十分假座香港灣仔港灣道一號香港萬麗海景酒店閣樓會議廳八舉行股東週年大會(「股東週年大會」)。

公眾持股量的足夠性

根據本公司取得的公開資料及就董事所知悉，於年內及截至本報告日，本公司的已發行股份有足夠並超過上市規則項下規定之25%公眾持股量。

主要客戶及供應商

本集團的收入包含出租物業之租金收入、上市及非上市證券之股息收入、物業管理收入及石油化工產品生產及銷售及提供加工服務之收入。

年內，本集團於五大供應商的累積採購額佔本集團的採購總額不足30%。

年內，本集團於五大客戶和最大客戶的累積收入佔本集團之收入約86%。

截至2017年12月31日止年度內，本公司之董事、其緊密聯繫人或任何股東(據董事會所知擁有5%以上本公司之股份者)，並沒有擁有本集團任何五大客戶的權益。

DIRECTORS' REPORT 董事會報告

Closure of Register of Members

To ascertain shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 23 May 2018 to Monday, 28 May 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar of the Company, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 21 May 2018.

Event after the Reporting Period

No significant event occurring after the end of the reporting period.

Auditor

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

By order of the Board

Luo Zhenhong

Chairman

Hong Kong, 23 March 2018

暫停辦理股份過戶登記

為確定有權出席股東週年大會及投票之股東，本公司將於2018年5月23日(星期三)起至2018年5月28日(星期一)止期間(首尾兩天包括在內)暫停辦理本公司股份過戶登記手續，期間不會登記任何股份轉讓。為確保符合資格出席股東週年大會及投票之股東，所有填妥之股份過戶文件連同有關股票，最遲須於2018年5月21日(星期一)下午四時三十分前送達本公司股份過戶登記處，卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心22樓。

本報告期後事項

有關本報告期後並無發生重大事項。

核數師

有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會提呈。

承董事會命

主席

羅振宏

香港，2018年3月23日



德勤

**TO THE MEMBERS OF
SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED**

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Silver Grant International Industries Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 89 to 230, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

致

銀建國際實業有限公司列位股東

(於香港註冊成立的有限責任公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第89頁至第230頁的銀建國際實業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2017年12月31日的綜合財務狀況表及於截至該日止年度的綜合損益表、綜合損益表及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映 貴集團於2017年12月31日之綜合財務狀況及截至該日止年度 貴集團之綜合財務表現及其綜合現金流量，並已遵照香港公司條例妥為擬備。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Basis for Opinion

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

Key Audit Matters

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們之審計如何對關鍵審計事項進行處理

Valuation of investment properties and leasehold land and building under property, plant and equipment

物業、廠房及設備項下投資物業以及租賃土地及樓宇之估值

We identified the valuation of investment properties and leasehold land and buildings under property, plant and equipment (the "Properties") as a key audit matter due to the balances of the Properties are significant to the Group and the Properties are stated at fair value, by reference to the valuations performed by independent valuers, which are subjective by its nature with significant judgements applied to the valuations. Key judgements, such as those unobservable data, are disclosed in notes 15 and 16 to the consolidated financial statements of the Group. As at 31 December 2017, the value of the Group's Properties are HK\$2,876 million.

我們將物業、廠房及設備項下投資物業以及租賃土地及樓宇(該等「物業」)估值識別為關鍵審計事項，原因為該等物業結餘對綜合財務報表整體之重要性，加上由獨立評估師評估而釐定公允值時所涉及由其性質而主觀之重大判斷。關鍵判斷如不可被觀察之信息已載列於貴集團之綜合財務報表附註15及16。於2017年12月31日貴集團之物業為2,876,000,000港元。

Our procedures in relation to the valuation of the investment properties included:
我們對有關投資物業估值之程序包括：

- Assessing the competence, capabilities and objectivity of the independent valuers;
評估獨立評估師之勝任程度、能力及客觀性；
- Discussing with the management and independent valuers on the valuation process to understand the performance of property markets, significant assumptions adopted and data used in the valuation and the management's critical judgmental areas;
與管理層和獨立評估師商討並了解物業市場表現、採納之重大假設、估值所用之數據及管理層的關鍵判斷範疇；
- Evaluating the reasonableness of the methodologies adopted in the valuation models;
and
檢討評估模式中採納方法之合理性；及
- Assessing the reasonableness of key inputs used in the valuation by, on a sample basis, checking to the publicly available information and comparing the inputs to entity-specific historical information.
以樣本基礎檢查公眾可取得資料並與特定實體之歷史資料之輸入值作比較評估估值所用之主要輸入值之合理性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

我們之審計如何對關鍵審計事項進行處理

Recoverability of amount due from an associate

應收聯營公司款之可回收性

As at 31 December 2017, the carrying amount of the Group's amount due from an associate was HK\$671 million. As the amount due from an associate is significant to the Group's and its impairment requires significant management's estimates, the recoverability of the amounts due from an associate is included as key audit matter.

於2017年12月31日，貴集團應收聯營公司款賬面值為671,000,000港元。應收聯營公司款之可回收性包括於關鍵審計事項，因應收聯營公司款對本集團之重要性及其減值需要管理層作出重大估算。

The identification of impairment events and the determination of impairment losses require the management assessment of the recoverability of the amount due from an associate by estimating of future cash inflow of the associate. The preparation of the cash flow projection involved the application of judgement and subjective assumptions by the management.

減值事件證明及決定減值損失需要管理層以估算聯營公司款將來之現金流入去評估應收聯營公司款之可回收性。現金流量預測之編製包括應用管理層之判斷及主觀假設。

Our procedures in relation to the recoverability of the amount due from an associate included:

我們對關於可回收應收聯營公司款之程序包括：

- Evaluating the management's assessment as to whether there had been any indicator of impairment of amount due from an associate with reference to the financial information of the associate.
- 以聯營公司之財務資料去檢討管理層之評估應收聯營公司款有沒有減值訊號。
- Obtaining the cash flow projection from the management and assessing its reasonableness by checking to the relevant underlying documents, such as agreements and valuation reports.
- 由管理層取得現金流量預測並以檢查內在的有關文件例如合同和評報告評估其合理性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

其他資料

貴公司董事須對其他資料負責。其他資料包括在年報內的資料，但不包括在綜合財務報表及我們的核數師報告內。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況有重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及負責管治人員就綜合財務報表須承擔的責任

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements *(Continued)*

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及負責管治人員就綜合財務報表須承擔的責任(續)

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

負責管治人員須負責監督 貴集團的綜合財務報告過程。

核數師就審計綜合財務報表承擔之責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，根據香港公司條例第405條，我們僅向 閣下(作為整體)報告並出具包括我們意見的核數師報告，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

核數師就審計綜合財務報表承擔之責任 (續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

核數師就審計綜合財務報表承擔之責任 (續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內各實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們為審計意見承擔全部責任。

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

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

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

The engagement partner on the audit resulting in the independent auditor's report is Wan Chi Lap.

出具本獨立核數師報告的審計項目合夥人為尹志立。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 March 2018

德勤•關黃陳方會計師行
執業會計師
香港
2018年3月23日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Continuing operations	持續經營業務			
Rental income	租金收入	5	100,439	120,280
Sales of petrochemical products	石油化工產品銷售	5	90,143	48,814
Sub-contracting income	加工費收入	5	715,158	—
			905,740	169,094
Cost of sales and services	銷售及服務成本		(558,982)	(53,622)
			346,758	115,472
Dividend income from listed and unlisted securities	上市及非上市證券股息收入	5	23,494	5,216
Other income, gains and losses	其他收入、收益及虧損	7	95,446	72,477
Change in fair value of held-for-trading investments	持作買賣投資公允值變動		7,425	(12,189)
Administrative expenses	行政費用		(295,430)	(290,111)
Other expenses	其他費用	12	—	(22,318)
Gain on disposal of available-for-sale investments	出售可供出售投資收益		—	28,190
Change in fair value of investment properties	投資物業之公允值變動	15	55,285	69,995
Change in fair value of loan receivable with embedded derivative	附有嵌入式衍生工具之應收貸款之公允值變動		—	75,778
Finance costs	財務費用	8	(178,446)	(173,161)
Change in fair value of structured finance securities	結構性金融證券之公允值變動		168	103
Share of results of associates	攤佔聯營公司業績		311,112	12,917
Profit (loss) before taxation	除稅前溢利(虧損)		365,812	(117,631)
Taxation	稅項	11	(45,259)	(39,436)
Profit (loss) for the year from continuing operations	年內來自持續經營業務溢利(虧損)	12	320,553	(157,067)
Discontinued operation	已終止經營業務			
Profit for the year from discontinued operation	年內來自已終止經營業務溢利	6	648	5,958
Profit (loss) for the year	年內溢利(虧損)		321,201	(151,109)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 31 December 2017

截至2017年12月31日止年度

	Note 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Profit (loss) attributable to owners of the Company:	本公司擁有人應佔年內溢利 (虧損):		
— from continuing operations	— 來自持續經營業務	259,834	(40,442)
— from discontinued operation	— 來自已終止經營業務	367	5,320
		260,201	(35,122)
Profit (loss) attributable to non-controlling interests:	非控制權益應佔年內溢利 (虧損):		
— from continuing operations	— 來自持續經營業務	60,719	(116,625)
— from discontinued operation	— 來自已終止經營業務	281	638
		61,000	(115,987)
		321,201	(151,109)
Earnings (loss) per share (in HK cents)	每股盈利 (虧損) (以港仙列示)		
From continuing and discontinued operations	來自持續及已終止經營業務		
— Basic	— 基本	13	(1.52)
From continuing operations	來自持續經營業務		
— Basic	— 基本	13	(1.75)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益表及其他全面收益表

For the year ended 31 December 2017

截至2017年12月31日止年度

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Profit (loss) for the year	年內溢利(虧損)	321,201	(151,109)
Other comprehensive income (expense)	其他全面收益(支出)		
<i>Items that will not be reclassified to profit or loss:</i>	<i>將不可轉入損益表之項目：</i>		
Gain arising on revaluation of leasehold properties	重估租賃物業產生之收益	41,097	14,608
Exchange differences arising on translation	換算產生之滙兌差額	443,910	(424,732)
Income tax related to items that will not be reclassified	不可重列項目之相關所得稅	(5,216)	(1,432)
Reclassification adjustments relating to foreign operation disposed of during the year	年內出售海外業務相關之重新分類調整	(1,776)	—
		478,015	(411,556)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可於期後轉入損益表之項目：</i>		
Fair value gain arising on revaluation of available-for-sale investments	可供出售投資重估產生之公允價值收益	—	28,173
Reclassified to profit or loss upon disposal of available-for-sale investments	於出售可供出售投資時重列至損益表	—	(28,190)
Share of other comprehensive income (expense) of associates	攤佔聯營公司其他全面收益(支出)	25,710	(5,573)
		25,710	(5,590)
Other comprehensive income (expense) for the year (net of tax)	年內其他全面收益(支出) (除稅後)	503,725	(417,146)
Total comprehensive income (expense) for the year	年內全面收益(支出)總額	824,926	(568,255)
Total comprehensive income (expense) attributable to:	全面收益(支出)總額應佔：		
Owners of the Company	本公司擁有人	746,306	(433,084)
Non-controlling interests	非控制權益	78,620	(135,171)
		824,926	(568,255)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2017

於2017年12月31日

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investment properties	投資物業	15	2,583,770	2,355,619
Property, plant and equipment	物業、廠房及設備	16	3,918,338	3,744,918
Land use rights	土地使用權	17	191,955	182,465
Goodwill	商譽	18	39,462	46,463
Interests in associates	聯營公司權益	19	1,334,651	865,037
Structured finance securities	結構性金融證券	21	6,999	6,831
Available-for-sale investments	可供出售投資	22	300,655	288,903
Loan receivables	應收貸款	23	223,044	—
			8,598,874	7,490,236
Current assets	流動資產			
Inventories	存貨	24	102,425	98,928
Available-for-sale investment	可供出售投資	22	606,242	—
Held-for-trading investments	持作買賣投資	25	100,526	146,668
Trade receivables	應收賬款	26	70,350	18,886
Deposits, prepayments and other receivables	按金、預付款及其他應收款	27	311,364	697,014
Amounts due from associates	應收聯營公司款	20	671,372	1,140,253
Loan receivables	應收貸款	23	—	407,682
Pledged bank deposits	抵押銀行存款	28	844	1,730
Structured bank deposits	結構性銀行存款	28	1,182,473	—
Bank balances and cash	銀行結餘及現金	28	301,850	734,988
			3,347,446	3,246,149
TOTAL ASSETS	資產總值		11,946,320	10,736,385

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2017

於2017年12月31日

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
EQUITY	股本			
Capital and reserves	資本及儲備			
Share capital	股本	30	3,626,781	3,626,781
Reserves	儲備	31	3,476,619	2,730,313
Equity attributable to owners of the Company	本公司擁有人應佔股本		7,103,400	6,357,094
Non-controlling interests	非控制權益		385,093	233,711
TOTAL EQUITY	股本總值		7,488,493	6,590,805
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	32	989,915	1,487,075
Deferred tax liabilities	遞延稅項負債	33	232,383	214,412
			1,222,298	1,701,487
Current liabilities	流動負債			
Trade and bills payables	應付賬款及票據	34	7,886	76,571
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款	35	948,746	717,056
Borrowings	借貸	32	2,241,205	1,621,026
Taxation payable	應付稅項		37,692	29,440
			3,235,529	2,444,093
TOTAL LIABILITIES	負債總值		4,457,827	4,145,580
TOTAL EQUITY AND LIABILITIES	股本及負債總值		11,946,320	10,736,385
Net current assets	淨流動資產		111,917	802,056
Total assets less current liabilities	資產總值減流動負債		8,710,791	8,292,292

The consolidated financial statements on pages 89 to 230 were approved and authorised for issue by the board of directors on 23 March 2018 and are signed on its behalf by:

第89頁至第230頁之綜合財務報表已獲董事會於2018年3月23日認可及授權發行並經下列授權代表簽署確認：

Mr. Gao Jian Min
高建民先生
Director 董事

Mr. Liu Tianni
劉天倪先生
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動報表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔股本					Non-controlling interests		Total equity
		Share capital	Asset revaluation reserve	Investment revaluation reserve	Translation reserve	Retained profits	Total	非控制權益	股本總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note)					
				(附註)					
At 1 January 2016	於2016年1月1日	3,626,781	216,983	17	490,314	2,456,083	6,790,178	370,889	7,161,067
Loss for the year	年內虧損	—	—	—	—	(35,122)	(35,122)	(115,987)	(151,109)
Other comprehensive income (expense) for the year	年內其他全面收益(支出)	—	13,176	(17)	(411,121)	—	(397,962)	(19,184)	(417,146)
Total comprehensive income (expense) for the year	年內其他全面收益(支出)總額	—	13,176	(17)	(411,121)	(35,122)	(433,084)	(135,171)	(568,255)
Dividend paid to non-controlling interests of a subsidiary (Note 42(c))	對一家附屬公司之非控制權益之已付股息(附註42(c))	—	—	—	—	—	—	(70,607)	(70,607)
Capital injected from non-controlling interests of a subsidiary	一家附屬公司之非控制權益的資本投入	—	—	—	—	—	—	68,600	68,600
At 31 December 2016	於2016年12月31日	3,626,781	230,159	—	79,193	2,420,961	6,357,094	233,711	6,590,805
Profit for the year	年內溢利	—	—	—	—	260,201	260,201	61,000	321,201
Other comprehensive income for the year	年內其他全面收益	—	35,881	—	450,224	—	486,105	17,620	503,725
Total comprehensive income for the year	年內全面收益總額	—	35,881	—	450,224	260,201	746,306	78,620	824,926
Disposal of leasehold properties under revaluation model	於重估模式下出售租賃物業	—	(12,899)	—	—	12,899	—	—	—
Dividend paid to non-controlling interests of a subsidiary (Note 42(c))	對一家附屬公司之非控制權益之已付股息(附註42(c))	—	—	—	—	—	—	(8,101)	(8,101)
Capital contribution from non-controlling interests of a subsidiary (Note 42(c))	一家附屬公司之非控制權益的資本貢獻(附註42(c))	—	—	—	—	—	—	83,763	83,763
Disposal of subsidiaries (Note 36)	出售附屬公司(附註36)	—	—	—	—	—	—	(2,900)	(2,900)
At 31 December 2017	於2017年12月31日	3,626,781	253,141	—	529,417	2,694,061	7,103,400	385,093	7,488,493

Note: Fair value change of available-for-sale investment measured at fair value is recognised in other comprehensive income and accumulated in investment revaluation reserve, until the available-for-sale investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously accumulated in investment revaluation reserve is reclassified to profit or loss.

附註：按公允值計量之可供出售投資之公允值變動於其他全面收益確認並累積於投資重估儲備，直至該可供出售投資被出售或被定為減值時，之前於投資重估儲備確認的累計收益或虧損將會劃轉至損益表。

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

	Note 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit (loss) before taxation from continuing operation	來自持續經營業務之除稅前溢利(虧損)	365,812	(117,631)
Profit before taxation from discontinued operation	來自已終止經營業務之除稅前溢利	3,480	8,806
Adjustments for:	調整：		
Share of results of associates	攤佔聯營公司業績	(311,112)	(12,917)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	231,668	69,424
Release of land use rights	土地使用權攤銷	4,140	4,194
Finance costs	財務費用	178,446	173,161
Dividend income from listed and unlisted securities	上市及非上市股息收入	(23,494)	(5,216)
Interest income	利息收入	(90,995)	(77,821)
Gain on disposal of available-for-sale investments	出售可供出售投資收益	—	(28,190)
Net loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)淨額	3,145	(149)
Change in fair value of investment properties	投資物業之公允值變動	(55,285)	(69,995)
Change in fair value of loan receivable with embedded derivative	附有嵌入式衍生工具之應收貸款之公允值變動	—	(75,778)
Change in fair value of structured finance securities	結構性金融證券之公允值變動	(168)	(103)
Change in fair value of held-for-trading investments	持作買賣投資之公允值變動	(7,425)	12,189
Reversal of impairment loss on inventories	存貨減值回撥	(27,678)	—
Operating cash flows before movements in working capital	營運資金變動前的經營業務現金流	270,534	(120,026)
Decrease in inventories	存貨減少	30,895	1,226
Decrease (increase) in held-for-trading investments	持作買賣投資減少(增加)	53,567	(45,859)
Increase in trade receivables	應收賬款增加	(69,491)	(6,789)
Decrease (increase) in deposits, prepayments and other receivables	按金、預付款及其他應收款減少(增加)	159,639	(130,133)
Decrease in trade and bills payables	應付賬款及票據減少	(30,630)	(179,192)
Increase in accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款增加	66,809	87,092
Cash generated from (used in) operations	經營業務所得(所用)之現金	481,323	(393,681)
Dividend received	已收股息	21,239	5,216
Interest paid	已付利息	(152,243)	(158,787)
Tax paid	已付稅款	(17,441)	(3,387)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營業務所得(所用)之淨現金	332,878	(550,639)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

	Note 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
INVESTING ACTIVITIES			
Addition of available-for-sale investments	投資業務 增加可供出售投資	(604,948)	(22,500)
Purchase of property, plant and equipment	購入物業、廠房及設備	(122,067)	(50,128)
Settlement of construction costs payables	支付建造成本	(162,543)	(228,446)
Interest received	已收利息	18,789	10,968
Net cash used in disposal of subsidiaries	出售附屬公司所用之淨現金	36	—
Repayment from an associate	來自一家聯營公司還款	591,090	—
Advance to an associate	墊支一家聯營公司款項	—	(18,878)
Advance to a third party	墊支第三方	—	(100,000)
Repayment from a third party	來自一名第三方之還款	224,555	22,321
Advance of loan receivables	墊支應收貸款	(220,682)	(155,450)
Receipt of loan receivables	收取應收貸款	416,082	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	81,714	668
Proceeds on disposal of available-for-sale investments	出售可供出售投資所得款項	21,912	62,350
Proceeds on redemption of loan receivable with embedded derivative	提前贖回附有嵌入式衍生工具之應收貸款之所得款項	—	812,644
Capital injection to an associate	向一家聯營公司之資本投入	(77,606)	(158,926)
Withdrawal of pledged bank deposits	提取抵押銀行存款	976	26,283
Purchase of structured bank deposits	購買結構性銀行存款	(1,182,473)	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資業務(所用)所得淨現金	(1,095,051)	200,906
FINANCING ACTIVITIES			
Other loans raised	融資業務 其他貸款融資	680,413	1,053,346
Repayment of other loans	償還其他貸款	(259,480)	(371,275)
Bank loans raised	銀行貸款融資	824,206	1,395,344
Repayment of bank loans	償還銀行貸款	(1,338,852)	(1,404,443)
Proceeds received on behalf of an entity controlled by a director of the Company	代一間由本公司一位董事控制之公司收取之款項	375,688	—
Dividend paid to non-controlling interests of non-wholly owned subsidiaries	對一家非全資擁有之附屬公司之非控制權益之已付股息	(8,101)	(70,607)
Capital injection from non-controlling interest of a non-wholly owned subsidiary	對一家非全資擁有的附屬公司之非控制權益的資本投入	—	68,600
NET CASH FROM FINANCING ACTIVITIES	融資業務所得淨現金	273,874	670,965
NET (DECREASE) INCREASE CASH AND CASH EQUIVALENTS	現金及現金等值增加(減少)淨額	(488,299)	321,232
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	現金及現金等值年初數額	734,988	459,665
Effect of foreign currency rate changes	外幣匯率變動之影響	55,161	(45,909)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	現金及現金等值年末數額	301,850	734,988
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash	現金及現金等值結餘分析 銀行結餘及現金	301,850	734,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

1. General

Silver Grant International Industries Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in the annual report.

The functional currency of the Company is Renminbi (“RMB”), which is the currency of the primary economic environment in which the subsidiaries of the Company operate. For the convenience of the financial statements users, the consolidated financial statements are presented in Hong Kong dollars (“HKD”), as the Company’s shares are listed on the Stock Exchange.

The Company is an investment holding company and is engaged in property investment and securities trading. The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in investment holding, property leasing and production and trading of petrochemical products and provision of sub-contracting service. Details of the principal activities of the Company’s subsidiaries and the Group’s associates are set out in note 42.

1. 一般事項

銀建國際實業有限公司(「本公司」)為一家於香港註冊成立的公眾有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點的地址於本年報的「企業資料」部份披露。

由於人民幣作為本公司之附屬公司經營之主要經濟環境之貨幣，本公司之功能貨幣為人民幣。由於本公司之股票於聯交所上市，為便利財務報告使用者，本綜合財務報表以港元呈列。

本公司為一家投資控股公司，並從事物業投資及證券買賣。本公司及其附屬公司(統稱為「本集團」)主要從事投資控股、物業租賃及石油化工產品生產及銷售和提供加工服務。本公司各附屬公司及本集團各聯營公司的詳情載列於附註42。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of the annual improvements to HKFRSs 2014-2016 cycle

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

Amendments to HKAS 7 Disclosure initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flow; (ii) changes arising from obtaining or losing control of subsidiaries or other business, (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)

本年度已強制生效之新訂香港財務報告準則之修訂

本集團於本年度首次採用下列由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則的修訂本：

香港會計準則第7號之修訂本	披露倡議
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號之修訂本	作為2014年至2016年週期之香港財務報告準則年度改進其中部份

除下文描述者外，應用上述本年度之香港財務報告準則的修訂本對本集團於本年度及過往年度的財務表現及狀況及／或此等綜合財務報所載之披露並無重大影響。

香港會計準則第7號之修訂本披露倡議

本集團於本年度首次應用此等修訂本。修訂本規定實體提供披露事項以使財務報表使用者可評估因融資活動而產生之負債變動，包括現金及非現金變動外。另外，修訂本亦規定提供金融資產的披露事項倘若來自該金融資產之現金流(或未來的現金流將會)包括在融資活動現金流之內。

具體上，修訂本規定須就以下事項作出披露：(i) 融資性現金流之變動；(ii) 取得或失去附屬公司或其他業務的控制權；(iii) 外幣匯率變動之影響；(iv) 公允值變動之影響；及(v) 其他變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

Amendments to HKAS 7 Disclosure initiative

(Continued)

A reconciliation between the opening and closing balances of these items is provided in note 46. consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 46, the application of these amendments has had no impact on consolidated financial statements.

New and revised to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers and the related amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance contracts ⁴
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration ¹
HK(IFRIC) – Int 23	Uncertainty over income tax treatments ²
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 “Financial instruments” with HKFRS 4 “Insurance contracts” ¹
Amendments to HKFRS 9	Prepayment features with negative compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKAS 28	Long-term interests in associates and joint ventures ²
Amendments to HKFRSs	Annual improvements to HKFRSs 2015 – 2017 cycle ²
Amendments to HKAS 40	Transfers of investment property ¹
Amendments to HKAS 28	As part of the annual improvements to HKFRSs 2014 – 2016 cycle ¹

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第7號之修訂本披露倡議(續)

該等項目期初及期末結餘的對賬於附註46披露。按該等修訂本的過度條文的一致性，本集團並未披露去年的比較資料。除另加披露於附註46外，其修訂本之應用在綜合財務報表並無重大影響。

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新訂香港財務報告準則及其修訂本：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益及有關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合同 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性 ²
香港財務報告準則第2號(修訂本)	以股份為基礎付款的交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	與香港財務報告準則第4號「保險合同」一併應用的香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第9號(修訂本)	具有負補償提前的償還特性 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 ³
香港會計準則第28號(修訂本)	於聯營公司及合營公司的長期權益 ²
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進 ²
香港會計準則第40號(修訂本)	轉讓投資物業 ¹
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期的年度改進的一部分 ¹

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

New and revised to HKFRSs in issue but not yet effective (Continued)

- ¹ Effective for annual periods beginning on or after 1 January 2018.
- ² Effective for annual periods beginning on or after 1 January 2019.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2021.

HKFRS 9 Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- ¹ 於二零一八年一月一日或之後開始的年度期間生效。
- ² 於二零一九年一月一日或之後開始的年度期間生效。
- ³ 於將釐定之日期或之後開始的年度期間生效。
- ⁴ 於二零二一年一月一日或之後開始的年度期間生效。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入金融資產、金融負債以及金融資產的一般對沖會計處理及減值分類及計量的新要求。

香港財務報告準則第9號之主要規定載述如下：

- 所有屬香港財務報告準則第9號範圍內之已確認金融資產其後均須按攤銷成本或公允值計量。具體而言，目的是收取合約現金流量之業務模式內持有之債務投資，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於其後會計期間結算日按攤銷成本計量。以業務模式持有的債權產品，目的是以收取合約現金流及出售財務資產，財務資產之合約條款引起現金流之指定日期僅為償還本金及尚未償還的本金利息是以透過其他全面收入按公平價值列賬。所有其他債務投資及股本投資均於其後報告期末按公允值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列股本投資(並非持作買賣者)公允值之其後變動，只有股息收入一般於損益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 9 Financial instruments (Continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the Directors anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement

- Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 22: these securities qualified for designation as measured at FVTOCI under HKFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investment revaluation reserve. Upon initial application of HKFRS 9, the fair value gains relating to these securities, representing the differences between cost less impairment and fair value would be adjusted to investment revaluation reserve as at 1 January 2018; and
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

- 就金融資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初次確認以來的變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於二零一七年十二月三十一日的金融工具及風險管理政策，董事預期初步應用香港財務報告準則第9號將產生以下潛在影響：

分類及計量

- 股本證券分類為可供出售投資以成本扣除減值計量(誠如附註22披露)：該證券合資格以香港財務報告準則第9號計量為透過其他全面收入按公平價值列賬及本集團於報告期後計量該證券之公允值其公允值之溢利或虧損將於其他全面收益確認並累積於投資重估儲備。應用香港財務報告準則第9號，有關該證券之公允值溢利，其差額為成本扣除減值，其公允值將於2018年1月1日調整至投資重估儲備；及
- 所有其他金融資產及金融負債將根據現時基準以香港會計準則39計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 9 Financial instruments (Continued)

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provision upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company: if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on loan receivables, trade and other receivables and amount due from an associate. Such further impairment recognised under expected credit loss model would reduce the opening retained profits at 1 January 2018.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related Interpretations when it becomes effective.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

減值

總體而言，本公司董事預計採用香港財務報告準則第9號的預期信貸損失模式，將導致就有關集團按經攤銷成本計量的金融資產，以及於本集團採用香港財務報告準則第9號時須作出減值撥備的其他項目之尚未產生信貸損失需提早作出撥備。

倘本集團應用預期信貸虧損模式，則本集團於二零一八年一月一日將予確認的減值虧損累計金額將較根據香港會計準則第39號確認的累計金額略微增加，主要乃由於應收貸款、應收賬款和其他應收款和應收聯營公司款的預期信貸虧損撥備。根據預期信貸虧損模式確認的有關進一步減值將減少二零一八年一月一日的期初保留溢利。

香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號頒佈及制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋之收益確認指引。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 15 Revenue from contracts with customers

(Continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號來自客戶合約的收益(續)

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

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

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

於2016年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主事人與代理人之間之考量因素，以及許可之應用指引。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 15 Revenue from contracts with customers

(Continued)

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

HKFRS 16 Leases

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號來自客戶合約的收益(續)

本公司董事預期應用香港財務報告準則第15號未來可能會產生更多的披露，但本公司董事並不預期應用香港財務報告準則第15號會對本集團在本年度及過往年度的財務表現及狀況及／或此等綜合財務報表之披露造成重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於生效時將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及租賃低值資產外，經營租約與融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，而其後乃按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就利息及租賃付款，以及(其中包括)租賃修訂的影響而作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地及該等分類為投資物業之租賃土地之前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為營運現金流量。根據香港財務報告準則第16號，有關租賃負債之租賃付款將分配為本集團本金及利息部分(呈列為融資現金流量)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 16 Leases (Continued)

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

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has no non-cancellable operating lease commitments as disclosed in note 37. In addition, the Group currently considers refundable rental deposits received as obligations under leases to which HKAS17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

根據香港會計準則第17號，本集團已就融資租賃安排及租賃土地(本集團為承租人)之預付租賃付款確認資產及相關融資租賃負債。應用香港財務報告準則第16號將視乎本集團單獨或於倘擁有資產時將呈列之相應有關資產的同一項目內呈列使用權資產而可能導致該等資產之分類發生潛在變動。

與承租人會計處理相反，香港財務報告準則第16號充分推進香港會計準則第17號之出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求全面的披露。

本集團於2017年12月31日沒有不可撤銷經營租賃承擔於附註37披露。此外，本集團現時收取可回收租務按金列為租賃責任根據香港會計準則第17號之應用。根據香港財務報告準則第16號租賃付款的定義，其按金並非有關資產使用之付款，因此，其按金之賬面值可能調整至攤銷成本及其調整考慮為額外租賃付款。可收回租賃按金付款調整包括可使用資產之賬面值。可收回租賃按金收入調整考慮為墊支租賃付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKFRS 16 Leases (Continued)

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

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

3. Significant Accounting Policies

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

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

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

2. 應用新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

此外，採用新規定可能產生上述計量、呈列及披露之變動。

本公司董事預期，應用其他新訂及經修訂的香港財務報告準則於可預見將來不會對本集團的綜合財務報表造成重大影響。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則以及香港公司條例編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例(「公司條例」)規定之適用披露資料。

除若干物業及金融工具是於各報告期末以重估值或公允值(如適用)計量外，本綜合財務報表是按歷史成本為基準編制。所採納之主要會計政策如下。

歷史成本一般乃按交換貨品及服務所付出代價之公允值釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

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

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

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

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

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

3. 主要會計政策(續)

公允值為於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債所支付之價格，而不論該價格為可直接觀察或可使用其他估值技術估計。於估計資產或負債之公允值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露目的之公允值乃按此基準釐定，惟香港財務報告準則第2號範圍內以股份為基礎的支付交易、香港會計準則第17號「租賃」範圍內之租賃交易及與公允值類似但並非公允值之計量(如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值)除外。

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

金融工具及投資物業轉為公允值及估值技術之不可被觀察之信息用於報告期後計量公允值，估值技術是標準的，所以估值技術之結果與交易價相同。

此外，就財務呈報目的而言，公允值計量根據公允值計量輸入數據之可觀察程度及輸入數據對公允值計量之整體重要性分類為第1、第2或第3類，載述如下：

- 第1類輸入數據乃於計量日期實體可得之相同資產或負債在活躍市場之報價(未經調整)；
- 第2類輸入數據乃根據第1類所列報價以外之可直接或間接觀察資產或負債之輸入數據；及
- 第3類輸入數據乃資產或負債之不可觀察輸入數據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

The principal accounting policies are set out below:

Basis of consolidation

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

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

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. 主要會計政策(續)

主要會計政策載列如下：

綜合賬目基準

本綜合財務報表包括本公司及被本公司及其附屬公司控制的各公司的財務報表。本公司可取得控制權：

- 對被投資公司擁有控制權；
- 承擔參與被投資公司之變動回報之風險或享有權利；及
- 擁有運用其權力以影響其回報之能力。

倘根據事實及情況，上述三個控制權因素中之一個或以上發生變化，則本集團重新評估其是否擁有被投資公司之控制權。

綜合附屬公司於本集團取得附屬公司之控制權時開始，並於本集團失去附屬公司之控制權時終止。尤其是，於本年度收購或出售附屬公司之收入及費用，乃由本集團收購生效日期或截至出售生效日期(視情況而定)計入綜合損益表內。

為使附屬公司之會計政策與本集團之會計政策一致，附屬公司之財務報表會在有需要之情況下作出調整。

所有集團公司之間的資產及負債、權益、收入、費用及有關本集團成員公司之間交易的現金流量均於綜合賬目時悉數抵銷。

於附屬公司之非控制權益與本集團於當中之權益分開呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

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

Changes in the Group's ownership interests in existing subsidiaries

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

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

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

3. 主要會計政策(續)

綜合賬目基準(續)

損益及其他全面收益之各項目歸屬於本公司擁有人及非控制權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控制權益，即使此舉導致非控制權益出現虧損結餘。

本集團於現有附屬公司之擁有權益之變動

倘本集團於現有附屬公司之擁有權益變動不導致本集團失去附屬公司控制權，股權變動須被列作權益交易。本集團有關權益成分及非控股權益的賬面值須作出調整以反映其附屬公司權益的變動，包括根據本集團及非控股權益按比例分佔的權益而重新歸屬本集團及非控股權益之間的有關儲備。

任何非控股權益的調整金額和已付或已收代價的公平值之間的差額須直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去附屬公司控制權，附屬公司及非控股權益的資產及負債(如有)會終止確認。收益或虧損於損益內確認且以下列兩者之間的差額計算：(i) 已收代價之公平值與任何剩餘權益之公平值的總和及(ii) 資產(包括商譽)之先前賬面值與歸屬於本公司擁有人之該附屬公司負債。過往在該附屬公司之其他全面收益確認之所有金額均須入賬，猶如本集團已直接出售附屬公司之相關資產或負債(即按適用之香港財務報告準則具體規定/准許重新分類至損益或轉移至其他股本類別)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Business combinations

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

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

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

3. 主要會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併之轉讓代價按公允值計量，而計算方法為本集團所轉讓之資產於收購日之公允值、本集團對所被購者原擁有人產生之負債及本集團發行股本權益的總額以置換被購者之控制權。有關收購涉及之費用一般於產生時於損益表中確認。

於收購日期，所收購之可識別資產及所承擔之負債乃按彼等之公允值確認。

商譽之計算是以所轉讓之代價、於被購者中非控股權益所佔金額及收購方以往持有的被購者股權之公允值(如有)之總和，扣除於收購日期可供識別資產及承擔的負債之淨額後，所超出之差額計量。倘經重新評估後，被購者的可識別淨資產與所承擔的負債於收購日期之淨額、非控股權益於被購者中所佔金額以及收購方以往持有的被購者股權之公允值(如有)之總和高於轉讓之代價，則該差額即時於損益表內確認為折價購買收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

Goodwill

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

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

3. 主要會計政策(續)

業務合併(續)

非控制權益屬現時擁有者權益且於清盤時賦予其持有人可按比例分佔該實體之淨資產，可初步按公允值或非控制權益應佔被購者可識別淨資產的已確認金額按比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控制權益乃按其公允值或(如適用)其他香港財務報告準則規定之基準計量。

商譽

因收購業務而產生之商譽是按收購業務當日達成(見上述會計政策)的成本值減任何累計減值虧損，如有。

就減值測試而言，商譽乃被分配至預期從合併的協同效應中受益之各有關現金產生單位，其代表最低類別的商譽將被監察為內部管理目的及其不會大於經營分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Goodwill (Continued)

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

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in associates

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

3. 主要會計政策(續)

商譽(續)

已獲配商譽之現金產生單位(「現金產生單位」)每年及凡單位有可能出現減值跡象時進行減值測試。於報告期間因收購而產生的商譽，獲分配商譽的現金產生單位需要於報告期間完結前進行減值測試。當現金產生單位之可回收金額少於其賬面值時，減值虧損首先被分配以削減分配至該單位的商譽，不足的則以單位內各資產之賬面值為基準按比例分配至並削減該單位之其他資產之賬面值。

於出售有關現金產生單位時，計量出售收益應包括相關應佔商譽的金額。

聯營公司投資

聯營公司指本集團對其行使重大影響力的實體。重大影響指有權參與投資對象之財務及營運政策之制定，但並非對該等政策有控制權或共同控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

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

3. 主要會計政策(續)

聯營公司投資(續)

聯營公司之業績、資產及負債乃採用權益會計法計入該等綜合財務報表。以權益法入賬之聯營公司之財務報表在類似情況下以本集團相似交易及事件之統一方法入賬。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表確認，其後作出調整，以確認本集團所佔該聯營公司之損益及其他全面收益。當本集團所佔聯營公司的虧損超越本集團於該聯營公司的權益(包括實質上構成本集團對該聯營公司淨投資的任何長期權益)，本集團將不再確認額外應佔虧損。僅於本集團具有法定或推定責任或代表該聯營公司付款時，方會確認額外虧損。

於聯營公司之投資採用權益法自被投資公司成為聯營公司當日起入賬。收購於聯營公司之投資時，投資成本超過本集團應佔被投資公司之可識別資產及負債之公允值淨額之任何部份均確認為商譽，並計入投資之賬面值。本集團應佔可識別資產及負債之公允值淨額超過投資成本之任何部份(經重新評估後)於收購投資之期間即時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

3. 主要會計政策(續)

聯營公司投資(續)

香港會計準則第39號之規定獲應用以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。於有需要時，投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公允值減出售成本之較高者)與賬面值進行比較，任何已確認減值虧損構成投資賬面值之一部份。有關減值虧損之任何撥回於該項投資可收回金額其後增加時根據香港會計準則第36號「資產減值」確認。

當集團實體與本集團之聯營公司有交易往來時，與該聯營公司進行交易所產生之損益以與本集團無關之該聯營公司權益為限於本集團之綜合財務報表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Investment properties

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

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net sales proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property to derecognised.

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost or revalued amount less subsequent accumulated depreciation and accumulated impairment loss, if any.

3. 主要會計政策(續)

投資物業

投資物業是指持作賺取租金及／或資本增值的物業。

投資物業於首次確認時按成本包括任何相關的直接支出計量。於首次確認後，投資物業是以公允值計量。投資物業的公允值變動所產生的收益或虧損於產生期間直接確認於損益表。

當投資物業被出售或該投資物業永久不再被使用，或預期出售該物業將不會產生未來經濟利益時，該項投資物業不再被確認。因不再確認為資產而產生的任何收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於物業不再確認期間於損益表內入賬。

物業、廠房及設備

物業、廠房及設備包括持有作為生產、提供貨品或服務或行政管理用途(在建工程除外)的租賃土地(分類為融資租賃)及樓宇乃按成本或公允值減去其後累計折舊及累計減值虧損(如有)載入綜合財務狀況表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Factory for the use in the production or supply of goods or services are stated in the consolidated statement of financial position at cost less any recognised impairment loss. For those leasehold land and buildings used for administrative purposes, are stated in the consolidated statement of financial position at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated impairment losses and subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Depreciation is recognised so as to write off the cost or fair value of property, plant and equipment other than construction in progress less residual value over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)

物業、廠房及設備(續)

在建工程指正在建造以供生產或自用之物業、廠房及設備。在建工程以成本減累計減值虧損列賬。在建工程於完成後可供用於擬定用途時重新分類為物業、廠房及設備之適當類別。此等資產之折舊基準與其他物業資產相同，乃於資產可供於擬定用途時開始計提。

廠房用作生產或提供貨品或服務乃按其成本減去任何已確認之減值虧損於綜合財務狀況表內列賬。該等持有用作行政管理用途的租賃土地及樓宇，乃按其重估值於綜合財務狀況表內列賬，而重估值即指重估當日之公允值減去任何其後之累積減值虧損及其後之累積折舊。由於定期進行重估，賬面值與於本報告期末所釐定之公允值沒有重大差距。

除在建工程外之折舊乃按物業、廠房及設備預計可使用年限減剩餘價值，以直線法撇銷其成本或公允值。在各報告期末將檢討預計可使用年限、剩餘價值及折舊方法，據此產生的估計變動之影響以後續方式列賬，以預期基準估計任何變動之影響進行檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Any revaluation increase arising on revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Inventories

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

3. 主要會計政策(續)

物業、廠房及設備(續)

重估租賃土地及樓宇所產生的任何重估盈餘是撥入資產重估儲備，惟倘有關盈餘用作沖回該項資產於過往已確認為支出的重估值減，在該情況下則盈餘是計入損益表，但限於過往已確認為支出的金額。因重估資產而減少的賬面淨值是當作開支處理，若有因過往重估該項資產而產生的重估儲備結餘，則以該結餘扣減後之餘額作開支處理。於隨後出售或報廢該重估資產時，相關重估盈餘將劃轉至保留溢利。

該物業、廠房及設備被出售或預期繼續使用該資產不會為將來帶來經濟利益時，該項物業、廠房及設備不再被確認。因不再確認為資產而產生的任何收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於不再確認年度的損益表內入賬。

存貨

存貨按成本與可變現淨值之較低者入賬。存貨之成本採用加權平均法計算。可變現淨值為存貨之估計銷售價減所有估計完成成本及因銷售產生之必要成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related tax.

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Other interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策(續)

撥備

倘本集團因過往事件而須承擔當前法定或推定責任，而本集團很大機會須清償該責任，以及該責任的金額能可靠地估計，則須確認撥備。

確認為撥備之金額乃經考慮有關責任相關的風險及不確定因素後，根據報告期間結束時為抵償該現有責任而須承擔之代價的最佳估計。倘撥備使用抵償該現有責任的估計現金流量計量，其賬面值為該等現金流量之現值(如貨幣的時間價值影響重大)。

收入的確認

收入按已收或應收款項之公允值計量，並代表貨物銷售及於正常經營過程中提供之服務的應收款項，惟須扣除折扣及與銷售相關的稅項。

收入被確認當營業金額能可靠地計量；交易帶來的經濟利益很可能流入本集團及特別狀況合乎本集團之活動，如下述情況。

來自金融資產之利息收入於經濟利益可能流入本集團，且收入之金額能可靠地計量時確認。來自金融資產之其他利息收入以時間基準並參照未償還本金及適用之實際利率計算，而該利率乃透過金融資產之預期年期完全貼現估計未來現金收入至於首次確認時之資產之賬面淨值之利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Commission income are recognised when services are provided.

Revenue from the sale of petrochemical products is recognised when the goods are delivered and titles have passed.

Property management fee income is recognised when management service is rendered.

Rental income under operating leases is recognised on a straight line basis over the term of the leases.

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

Sub-contracting income is recognised when services are provided.

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

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

收入的確認(續)

佣金收入於提供服務時確認。

石油化工產品銷售之收入於貨品已付運及擁有權已過戶。

物業管理費收入於提供管理服務時確認。

營運租約之租金收入於租約期限內以直線基準確認。

投資所得股息收入乃於股東收取該項付款之權利獲確立時確認。

加工費收入於提供加工服務時確認。

本集團營運租賃之收入確認之會計政策於下述會計政策中描述。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文之訂約方後，於綜合財務狀況表中確認。金融資產及金融負債初步按公允值計量。因收購或發行金融資產及金融負債(於損益表按公允值處理的金融資產及金融負債除外)而直接產生之交易費用於初次確認時加入金融資產及金融負債(如適用)之公允值或自金融資產及金融負債(如適用)之公允值扣除。因收購於損益表按公允值處理的金融資產或金融負債而直接產生之交易費用即時於損益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified into one of three categories: financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees, points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團之金融資產分類為以下三個類別之其中一類：於損益表按公允值處理的金融資產、貸款及應收款項及可供出售的金融資產。分類取決於金融資產的性質及目的並於初次確認時決定。所有日常買賣之金融資產於交易日確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時限交收資產之金融資產買賣。

實際利率法

實際利率法是計算金融資產的攤銷成本及於相關期間攤分利息收入的方法。實際利率是指於金融資產預期有效期或於首次確認時之賬面淨值之較短期間(如適用)確實地折現估計未來收取現金(包括構成整體部分的實際利率、點子、交易成本及其他溢價或折扣所付或所收的所有費用)之利率。

債權工具之利息收入以實際利率基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

於損益表按公允值處理的金融資產

當金融資產是持作買賣或指定於損益表按公允值處理，即金融資產被分類為於損益表按公允值處理。

金融資產於以下情況下界定為持作買賣：

- 購入之目的主要為於短期內出售；或
- 於首次確認時屬於由本集團統一管理的一項可識別金融工具組合的一部分並且於最近期間確實存在短期套利紀錄；或
- 屬於未有指定類型的衍生工具並實際是一項對沖工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "Financial instruments: Recognition and measurement" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gain or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets. Fair value is determined in the manner described in note 45.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

於損益表按公允值處理的金融資產(續)

除持作買賣用途之金融資產外，其他金融資產於首次確認時在下屬情況下可能被指定為於損益表按公允值處理：

- 此分類能抵銷或大幅減少計量或減少引起確認的不一致性；或
- 此金融資產是屬於一組金融資產或一組金融負債或兩者之一部份，該組金融資產或金融負債是根據本集團成文的風險管理及投資策略來管理並按公允值衡量其表現，且內部使用作分類資料亦建基於此；或
- 此金融資產是包含一個或多個嵌入式衍生工具之合約的組成部份，並且香港會計準則第39號「金融工具：確認及計量」容許整個結合式合約(資產或負債)指定為於損益表按公允值處理。

於損益表按公允值處理的金融資產以公允值計量，重新計量所產生的任何收益或虧損將於損益表確認。於損益表確認的淨收益或虧損並不包括來自該金融資產的股息或利息。釐定公允值的方式已載列於附註45。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables, loan receivables, amounts due from associates, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity securities traded in an active market and debt securities held by the Group that are classified as available-for-sale are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale debt securities relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為沒有活躍市場報價而附帶固定或可釐定付款額之非衍生性質金融資產。於首次確認後，貸款及應收款項(包括應收賬款、按金及其他應收款項、應收聯營公司款、抵押銀行存款、銀行結餘及現金及應收貸款)採用實際利率法以攤銷成本，扣減任何已識別減值虧損列賬(見下述財務資產減值之會計政策)。

可供出售之金融資產

可供出售之金融資產為指定可供出售的非衍生項目，或未有分類為於損益表按公允值處理之金融資產、貸款及應收賬款或持有至到期日之投資。

於活躍市場買賣之股本證券及本集團持有分類為可供出售之債務證券乃於各報告期末按公允值計量。以實際利息法計量、與利息收入有關之可供出售債務證券之賬面值變動及可供出售股本投資乃於損益表中確認。可供出售金融資產之其他賬面值變動乃於其他收益中確認，並累積於投資重估儲備。投資被出售或被定為減值時，之前於投資重估儲備確認之累計收益或虧損將會劃轉至損益表(見下文有關金融資產減值虧損之會計政策)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

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

3. 主要會計政策(續)

金融工具(續)

金融資產之減值

除了於損益表按公允值處理的金融資產外，金融資產於各本報告期末評估減值指標。倘若有客觀佐證顯示，因一項或多項事故於首次確認金融資產後出現而導致該金融資產被視為減值，其估計未來現金流量已受影響。

就可供出售之股本投資而言，相關投資的公允值出現重大或長期下跌並低於該項投資的成本，則被視為減值的客觀佐證。

就所有其他金融資產而言，減值之客觀佐證可以包括：

- 發行人或交易方出現重大財政困難；或
- 拖欠或逾期支付利息或本金；或
- 可能出現借貸人將陷入破產或財務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables which are assessed not to be impaired individually are, in addition, subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, other receivables, amounts due from associates, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When other receivables, trade receivables, amounts due from associates are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產之減值(續)

若干類別的金融資產如應收賬款，不會就減值作單獨考核而是另外在其後以整體性基準進行減值考核。一組應收款項的減值之客觀性佐證可以包括本集團以往收款的經驗、組合內逾期付款次數的增加並超逾平均的信用期、能察覺的國家性或地區性經濟狀況引致應收款項無法收回。

就按攤銷成本列賬之金融資產而言，減值虧損金額確認是按資產賬面值與按金融資產原實際利率折讓之估計未來現金流量之現值的差額計算。

就按成本列賬之金融資產而言，減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折讓估計未來現金流量之現值間之差額計算。有關減值虧損不會於繼後期間回撥。

金融資產之賬面值因其減值虧損而直接減少，惟應收賬款、其他應收款及應收聯營公司款之賬面值則透過使用撥備賬減少。所有撥備賬賬面值之變動於損益表內確認。倘應收賬款、其他應收款及應收聯營公司款應收賬款被認為不可收回，則於撥備賬內撇銷。其後收回之已撇銷數額計入損益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses on available-for-sale investments previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產之減值(續)

當可供出售金融資產被視為減值時，之前於其他全面溢利確認之累計收益或虧損將會於減值發生之期間劃轉至損益表。

就按攤銷成本列賬之金融資產而言，倘若於後期減值虧損之金額減少及該減少能客觀地與確認減值後發生的事項相關，則以前已確認之減值虧損可於損益表內撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之攤銷成本。

就可供出售股權投資，可供出售投資以前於損益確認之減值虧損將不會於損益表撥回。減值虧損後的任何公允值增幅直接於其他全面溢利確認及累計於其他儲備中。就可供出售債務投資而言，倘若該投資之公允值增幅能客觀地與確認減值虧損後發生的事項相關，則相關減值虧損會於其後於損益表撥回。

金融負債及股本工具

由集團公司發行之金融負債及股本權益工具，按所訂立之合約安排性質，及金融負債及股本權益工具之定義而分類為金融負債或股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities including borrowings, trade and bills payables and other payables are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

股本工具

股本權益工具為帶有集團資產剩餘權益(經扣除其所有負債後)之任何合約。

由本公司發行之股本工具乃按已收取所得款項減直接發行費用記錄。

實際利率法

實際利率法是計算金融負債的攤銷成本及於相關期間攤分利息費用的方法。實際利率是指於金融負債預期有效期或於首次確認時賬面淨值之較短期間(如適用)確實地折現估計未來支付現金(包括構成整體部份的實際利率、交易成本及其他溢價或折扣所付或所收的所有費用及點子)之利率。

利息費用乃按實際利率基準而確認。

金融負債按攤銷成本

金融負債包括借貸、應付賬款及票據、其他應付款項及應付附屬公司款，於其後採用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

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

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

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. 主要會計政策(續)

金融工具(續)

終止確認

倘若從資產收取現金流量之合約權利已到期，則本集團將終止確認該金融資產。

於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於其他全面溢利及累積於股本權益被確認之累計損益的總差額，將於損益表內確認。

若本集團之責任獲解除、取消或屆滿時，本集團將終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價的差額，乃於損益表內確認。

借貸費用

因收購、建築及生產為合資格資產(即須一段長時間始能達至其擬定用途或予以銷售的資產)所產生的直接應計借貸成本被加至有關資產之成本中，直至當此等資產大致上已完成並可作其預計用途或銷售時。當指定借貸尚未支付合資格資產開支而用作臨時投資時，所賺取的投資收入會從資產借貸成本中扣除。

所有其他借貸成本於產生期間在損益表內被確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策(續)

政府補貼

除非能合理確定本集團將符合補貼附帶之條件及將會收取有關補貼，否則政府補貼不予確認。

政府補貼乃就本集團擬將利用補貼補償之相關成本確認為開支之期間按系統化基準於損益表中確認。具體而言，首要條件為本集團應購買、建造或以其他方式收購非流動資產之政府補貼於綜合財務狀況表內確認為遞延收入，並於相關資產之可使用年期內按有系統及合理基準轉撥至損益表。作為開支或已產生的虧損之補償，或是以給予本集團即時財務資助為目的而發放，且無未來相關成本之政府補助，在應收期間內於損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Impairment of assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

3. 主要會計政策(續)

除商譽外之資產減值虧損(見上述有關商譽之會計政策)

於本報告期末，本集團檢測其有限可使用年限資產之賬面值以決定該等資產有否出現任何減值虧損跡象。如有任何跡象產生，該資產之可回收金額需估算以決定減值虧損(如有)之程度。當不可能估算單一資產之可產生回收金額，本集團估算該資產屬於之現金產生單位之可回收金額。當合理的及一致之分配基準可識別時，公司資產可分配於個別現金產生單位，或其分配於現金產生單位之最少團體以識別為合理及一致之分配基準。

可回收金額是公允值減出售之成本及使用價值之較高者。於評估使用價值，估計將來現金流量以稅前貼現率去計算其現值以反映現時市場評估金錢的時間價值及該資產之風險，將來現金流量之估計並不可調整。倘若資產之可回收金額(或現金產生單位)之估計是少於其賬面值，則該資產之賬面值(或現金產生單位)需減少到其可回收金額。

一項減值虧損即時在損益表內被確認，除非有關資產是根據另一項準則以重估值列賬，則有關減值虧損將根據該準則而被視為重估值減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Impairment of assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

除商譽外之資產減值虧損(見上述有關商譽之會計政策)(續)

當減值虧損於其後撥回，有關資產(或現金產生單位)賬面值將予調升至經修正之估計可收回金額，惟僅限於經調升後之賬面值不會超過有關資產於先前年度未有減值虧損前之賬面值。減值虧損之撥回即時被確認為收入，除非有關資產是根據另一項準則以重估值列賬，則有關減值虧損之撥回將根據該準則被視為重估值增加。

稅項

利得稅支出指即期應付稅項與遞延稅項總額。

即期應付稅項乃按年內應課稅前溢利計算。應課稅溢利不包括其他年度的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與綜合損益表所呈報的溢利淨額不同。本集團即期稅項負債乃按於本報告期末已頒佈或實質已頒佈之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 主要會計政策(續)

稅項(續)

遞延稅項乃確認為就綜合財務報表內資產及負債的賬面值與計算應課稅溢利所採用的相應稅基之暫時差異。遞延稅項負債一般就所有應課稅暫時差異確認。遞延稅項資產則基本上於可扣減暫時差異有可能用以抵銷應課稅溢利時確認。如暫時差異由商譽或由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，相關資產及負債不予確認。

遞延稅項負債須就投資於附屬公司、聯營公司及投資於合營公司所產生的應課稅暫時差異予以確認，除非本集團可控制暫時差異的回撥時間，而此暫時差異在可預見的將來很可能不會回撥。有關投資之暫時差異而產生之遞延稅項資產只會於當有足夠應課稅溢利而很大機會可以利用暫時差異之好處時被確認及此暫時差異於可見將來很可能會回撥。

遞延稅項資產的賬面值於各本報告期末進行檢討，並於沒可能會有足夠應課稅溢利恢復全部或部份資產價值時作出調減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債，乃依據於本報告期末已頒佈或實質上已頒佈之稅率(及稅務法例)，按預期適用於償還負債或變現資產期間之稅率計算。遞延稅項負債及資產之計量反映出倘按本集團預期於報告日期收回或結算其資產及負債賬面值計算的稅項結果。

就計量按公允值模式計量之投資物業遞延稅項而言，除非假設在若干情況下被駁回，該等物業之賬面值乃假設完全是透過出售予以回收。當投資物業可予折舊及於業務模式(其業務目標是隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益)方式持有時，有關假設會被推翻。

除非與於其他全面收益或直接於股本中確認之項目有關，即期及遞延稅項則亦分別直接於其他全面收益或股本中確認，否則即期及遞延稅項於損益表中確認。由初次計算業務合併而引起之即期稅項或遞延稅項，該稅項影響應計入業務合併計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HKD) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 主要會計政策(續)

外幣

於編製各個別集團公司的財務報表時，以該公司功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即該公司主要經營的經濟環境之貨幣)於交易日起當時之匯率記錄。於各本報告期末，以外幣列值的貨幣項目以本報告期末的匯率重新換算。按公允值列賬而以外幣為單位之非貨幣項目按釐定公允值當日適用之匯率再次換算。以外幣公允值列賬之非貨幣項目則以釐定該公允值當日的匯率重新換算。以外幣歷史成本列賬之非貨幣項目則不予重新換算。

結算貨幣項目所產生的滙兌差額於產生期間計入損益表。由於重新換算按公允值列賬之非貨幣項目所產生的滙兌差額計入產生期間的損益，惟重新換算非貨幣項目產生的相關的差額相關的收益或虧損並已直接於其他全面溢利確認者除外，在該情況下，滙兌差額亦直接於其他全面溢利確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債並且是以人民幣計價均按報告期末之匯率換算為本集團之呈列貨幣(即港元)。收入及開支則按年內平均匯率換算。所產生之滙兌差額(如有)均於其他全面收益內確認，及累積於滙兌儲備項下之股權(適當分配至非控制權益)。

出售海外業務(本集團出售其海外業務全部權益，或出售其附屬公司之潛在控制權益包括海外業務，或出售部分合作安排權益或其聯營公司包括海外業務，其保留權益會成為金融資產)，全部滙兌差額累計於其業務股本在本公司擁有人應佔轉入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Leasing

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

The Group as lessor

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

The Group as lessee

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

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

3. 主要會計政策(續)

租賃

融資租賃指租賃條款將擁有資產的風險及回報絕大部份轉移至承租人之租賃。所有其他租賃均分類為營運租賃。

本集團作為出租人

營運租賃之租金收入乃按有關租約年期以直線基準於損益表內確認。

本集團作為承租人

營運租賃費用乃於有關租約年期內以直線基準確認為支出。作為促使訂立營運租賃的已收及應收獎勵之利益於租約年期內以直線基準確認為租金開支中扣減。

倘獲取促使訂立營運租賃之租賃獎勵，該等獎勵確認為負債。獎勵之利益總額以直線基準確認為租金開支扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Leasing (Continued)

Leasehold land and building

When the Group makes payments for a property includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire is generally classified as if the leasehold land is under financial lease.

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People’s Republic of China (the “PRC”), excluding Hong Kong and Macau, and to the Mandatory Provident Fund Scheme for staff in Hong Kong are defined contribution retirement benefit payments and are recognised as expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

倘本集團為物業付款包括租賃土地及樓宇部份，則本集團根據對各部份之擁有權附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立評估將各部份分類為融資或營運租賃，除非顯然兩個部份均為營運租賃，則在該情況下，整份租約分類為營運租賃。具體而言，全部代價(包括任何一次過預付款項)乃按租賃土地部份及樓宇部份初次確認時之租賃權益相對公允值比例於土地及樓宇部份之間分配。

倘能夠可靠地分配租賃款項，則作為營運租賃入賬之租賃土地權益於綜合財務狀況表內呈列為「土地使用權」，並按直線基準於租期內攤銷(分類及按公允值模式入賬列作投資物業除外)。當租賃款項未能於租賃土地及樓宇部份之間可靠地分配，整份一般分類為融資租賃如該為租賃土地。

退休福利成本

就中華人民共和國(「中國」)，不包括香港及澳門員工參與的由國家管理的退休福利計劃及香港員工參與的強制性公積金計劃所作出之供款屬固定供款退休福利供款於僱員在提供其服務後即有權享受該等供款時確認為費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

3. Significant Accounting Policies (Continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策(續)

短期及其他長期僱員福利

短期僱員福利均按預期將於僱員提供服務時支付之未貼現福利金額確認。除非另一項香港財務報告準則規定或准許將福利計入資產之成本中，否則所有短期僱員福利均確認為開支。

僱員應計福利(如工資及薪金、年假及病假)經扣除任何已付金額後確認為負債。

就其他長期僱員福利所確認之負債按預期將由本集團就僱員直至報告日期所提供之服務產生之估計未來現金流出之現值計量。因服務成本、利息及重新計量而導致負債賬面值之任何變動均於損益表中確認，惟另一項香港財務報告準則規定或准許將變動計入資產之成本中除外。

4. 重大會計判斷及估計不確定之主要來源

應用本集團的會計政策(如附註3所述)時，本公司董事須就未能輕易地從其他來源確定的資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據被視作合適的過往經驗及其他因素作出。實際結果可能與此等估計不同。

該等估計及相關假設會持續作出檢討。倘修訂僅影響該修訂期，會計估計的修訂於該修訂期內確認倘該修訂只影響該期間；或倘該修訂影響本期間及未來期間，則於修訂期及未來期間確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Critical judgments in applying accounting policies

The following are the critical judgments that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purpose of measuring deferred taxation arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties of HK\$2,583,770,000 (2016: HK\$2,355,619,000), representing properties for commercial use are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of these investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to these investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4. 重大會計判斷及估計不確定之主要來源(續)

應用會計政策的重大判斷

以下是本公司董事於應用本集團會計政策時所作出的重大判斷，並對綜合財務報表內確認的金額構成最重大的影響。

投資物業的遞延稅項

就計量投資物業產生的遞延稅項(採用公允值模式計量者)而言，本公司董事已審閱本集團的投資物業組合，並認為本集團的投資物業為2,583,770,000港元(2016年：2,355,619,000港元)作商業用途的物業乃按隨時間而銷售消耗投資物業內含的絕大部分經濟利益為目的商業模式持有。因此，計量本集團投資物業的遞延稅項時，本公司董事已釐定採用公允值模式計量的該等投資物業的賬面值全部透過銷售收回的假設已被駁回。因此，有關此等投資物業的遞延稅項已根據全部透過銷售收回賬面值的稅務結果計量。

估計不確定的主要來源

以下是於本報告期末關於對未來的重要假設及其他估計不確定的主要來源，該等假設及估計存在可能導致下一個財政年度的資產及負債之賬面值有重大調整風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Recoverability of amounts due from associates

At the end of the reporting period, the Group has HK\$671,372,000 (2016: HK\$1,140,253,000) amounts due from associates. The Group assesses the recoverability of the amounts due from associates on individual basis, when there is objective evidence of impairment loss on the amounts due from associates, the Group estimates the future cash flow of amounts due from associates for impairment testing purpose by reference to the relevant underlying documents, such as agreements and valuation reports. The preparation of the cash flow projection involved the application of judgement and subjective assumptions by management. The amount of the impairment loss is measured as the difference between the amounts due from associates' carrying amount and the present value of estimated future cash flow where the actual future cash flows is less than expected a material impairment loss may arise in future financial periods.

Fair value of investment properties and leasehold land and buildings

At the end of the reporting period, the Group's investment properties and leasehold land and buildings are stated at fair value of HK\$2,583,770,000 (2016: HK\$2,355,619,000) and HK\$292,251,000 (2016: HK\$277,407,000) respectively based on the valuation performed by independent qualified professional valuers. In determining the fair value, the valuers have based on market value basis which involves, inter-alia, certain estimates, including comparable market transactions. In relying on the valuation, management has exercised their judgment and is satisfied that the method of valuation is reflective of the current market conditions.

4. 重大會計判斷及估計不確定之主要來源(續)

估計不確定的主要來源(續)

可收回的應收貸款及應收聯營公司款

於本報告期末，本集團的應收聯營公司款為671,372,000港元(2016年：1,140,253,000港元)。本集團按個別準則評估可收回的應收聯營應收款，當有客觀證據於應收聯營公司款需要作減值，集團會按相關基礎文件如合同和評估報告之應收聯營公司款之未來現金流作出減值測試目的評估。現金流量預測包括管理層之判斷和主觀假設。減值之金額為應收聯營公司款的賬面值及估計未來現金流的現值的折扣值之差別作計算，當未來現金流預期減少，於未來的財政時期或會出現重大之減值。

投資物業及租賃土地及樓宇的公允值

於本報告期末，本集團的投資物業及租賃土地及樓宇乃基於獨立合資格專業估值師的評估按公允值列賬分別為2,583,770,000港元(2016年：2,355,619,000港元)及292,251,000港元(2016年：277,407,000港元)，在釐定公允值，估值師根據市值作基準，當中包括，尤其是，若干估計包括可比較的市場交易。於信賴有關評估時，管理層亦運用其判斷及滿意有關的評估方法已有效地反映現時的市場狀況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of goodwill

In impairment testing, the Group determines the recoverable amount of the cash generating unit to which the assets belongs. Determining whether impairment needs to be provided requires an estimation of future cash flows expected to arise from the cash generating units. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of the recoverable amount calculation for cash generating units are set out in note 18.

5. Revenue and Segment Information

Revenue from major products, investments and services is analysed as follows:

4. 重大會計判斷及估計不確定之主要來源(續)

估計不確定的主要來源(續)

商譽之預期減值

於減值測試中，本集團決定該資產屬於之現金產生單位之可回收金額。於決定是否需要提供減值要求估計該現金產生單位預計之將來現金流量。使用價值計算要求本集團估計現金產生單位之預計將來現金流量及合適之貼現率以計算現值。當實際將來現金流量少於估計，會產生重大減值虧損。現金產生單位之可收回金額之計算詳情載列於附註18。

5. 收入及分部資料

由主要產品、投資及服務的收入分析如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Rental income	租金收入	100,439	120,280
Dividend income from listed and unlisted securities	上市及非上市證券股息收入	23,494	5,216
Sales of petrochemical products	石油化工產品銷售	90,143	48,814
Sub-contracting income	加工費收入	715,158	—
		929,234	174,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

The Group is currently organised into three operating divisions: (1) investments (including the results from held-for-trading investments, available-for-sale investments, structured finance securities and loan receivables); (2) property leasing; and (3) production and trading of petrochemical products and provision of sub-contracting service. These operating divisions are the basis of the internal reports about components of the Group that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, in order to allocate resources to segments and to assess their performance. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2017, the Group disposed of its entire interest in Straight View and its subsidiary, which engaged in the Group's property management operation (the "Property Management Operation"). Property Management Operation was classified as discontinued operation as described in note 6.

Besides, the Group's distressed assets operation and sales of properties operation were not presented in segment information, as the directors considered the financial information related to these operations are insignificant.

No segment assets or liabilities is presented as the chief operating decision maker does not regularly review segment assets and liabilities.

5. 收入及分部資料(續)

本集團現時由三個營運部門組成：(一)投資(包括持作買賣投資、可供出售投資、結構性金融證券及應收貸款之業績)、(二)物業租賃及(三)石油化工產品生產及銷售及提供加工服務。此等營運部門是由本公司之執行董事，即主要營運決策者，在決定分部資源分配及評估其表現上所定期審閱本集團各個組成部分之內部報告作為識別經營分部之基礎。在設定本集團之報告分部時，主要營運決策者所識別的經營分部概未彙集計算。

於截至2017年12月31日止年度內，本集團出售藝景及其附屬公司全部權益及其從事物業管理業務(「物業管理業務」)的附屬公司。物業管理業務分部已歸類為終止經營業務並於附註6作出詳述。

此外，分部資料並無呈報本集團之不良資產業務及物業銷售業務，因為董事認為與該等業務相關的財務資料均屬無意義的。

由於主要營運決策者並無定期審閱分部資產及負債，所以並沒有呈列分部資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segment:

5. 收入及分部資料(續)

分部收入及業績

以下是本集團來自持續經營業務之收入及業績按經營及報告：

		Investments 投資 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Production and trading of petrochemical products and provision of sub- contracting service 石油化工產品 生產及銷售及 提供加工服務 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Continuing operations	持續經營業務				
Revenue	收入	23,494	100,439	805,301	929,234
Segment profit	分部溢利	53,055	97,888	88,519	239,462
Other unallocated income, gains and losses	其他未分配收入、收益及虧損				69,420
Corporate expenses	公司費用				(75,736)
Finance costs	財務費用				(178,446)
Share of results of associates	攤佔聯營公司業績				311,112
Profit before taxation	除稅前溢利				365,812
Year ended 31 December 2016 (Restated)	截至二零一六年十二月三十一日止年度(經重列)				
Continuing operations	持續經營業務				
Revenue	收入	5,216	120,280	48,814	174,310
Segment profit (loss)	分部溢利(虧損)	113,804	143,372	(213,951)	43,225
Other unallocated income, gains and losses	其他未分配收入、收益及虧損				55,722
Corporate expenses	公司費用				(56,334)
Finance costs	財務費用				(173,161)
Share of results of associates	攤佔聯營公司業績				12,917
Loss before taxation	除稅前虧損				(117,631)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment profit (loss) represents the results of each segment without allocation of items which are not actively reviewed by the chief operating decision maker, including other unallocated income, gains and losses, comprising interest income other than those from loan receivables, net foreign exchange loss, net (loss) gain on disposal of corporate property, plant and equipment and certain miscellaneous unallocated income. The unallocated corporate expenses, finance costs and share of results of associates are not allocated into individual segment as they are under central management. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

5. 收入及分部資料(續)

分部收入及業績(續)

經營分部之會計準則與本集團於附註3形容之會計準則是一致的。

分部溢利(虧損)指各分部的業績，主要營運決策者並無主動檢討之項目，當中包括，其他未分配收入、收益及虧損，包含除應收貸款以外之利息收入、滙兌虧損淨額、出售公司物業、廠房及設備之(虧損)收益淨額及若干未分配雜項收入。由於未予分配公司費用，財務費用及攤佔聯營公司業績，是基於中央管理下並不分類為獨立分部。這乃就資源分配及分部表現評估向主要營運決策者呈報之方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

5. 收入及分部資料(續)

Other segment information

其他分部資料

	Investments 投資 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Production and trading of petro- chemical products and provision of sub- contracting service 石油化工 產品生產 及銷售及 提供加工服務 HK\$'000 千港元	Unallocated 未予分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
--	--------------------------------------	--	---	--	---------------------------------------

Continuing operations

持續經營業務

Year ended 31 December 2017

截至2017年12月31日止年度

Amounts included in the measure of segment profit or loss or segment assets:

包括於量度分部溢利或虧損或分部資產之金額：

Depreciation	折舊	—	(2,835)	(217,895)	(9,243)	(229,973)
Release of land use rights	土地使用權攤銷	—	—	(4,140)	—	(4,140)
Reversal of impairment loss on inventories	存貨減值回撥	—	—	27,678	—	27,678
Change in fair value of structured finance securities	結構性金融證券之 公允值變動	168	—	—	—	168
Interest income from loan receivables	應收貸款之利息收入	22,157	—	—	—	22,157
Change in fair value of held-for-trading investments	持作買賣投資公允值變動	7,425	—	—	—	7,425
Change in fair value of investment properties	投資物業公允值變動	—	55,285	—	—	55,285
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備產 生之虧損淨額	—	(76)	(16)	(3,030)	(3,122)

Amounts regularly provided to the chief operating decision maker:

定期提供給主要營運決策者的金額：

Capital additions	資本添置					
— property, plant and equipment	— 物業、廠房及設備	—	894	195,566	942	197,402
Interests in associates	聯營公司權益	—	—	1,228,078	106,573	1,334,651
Share of results of associates	攤佔聯營公司業績	—	—	251,467	59,645	311,112

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

5. 收入及分部資料(續)

Other segment information (Continued)

其他分部資料(續)

	Investments 投資 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Production and trading of petro- chemical products and provision of sub- contracting service 石油化工 產品生產 及銷售及 提供加工服務 HK\$'000 千港元	Unallocated 未予分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元

Continuing operations

持續經營業務

Year ended 31 December 2016 (Restated)

截至2016年12月31日止年度(經重列)

Amounts included in the measure of segment profit or loss or segment assets:

包括於量度分部溢利或虧損或分部資產之金額：

Depreciation	折舊	—	(2,581)	(55,325)	(8,757)	(66,663)
Release of land use rights	土地使用權攤銷	—	—	(4,194)	—	(4,194)
Change in fair value of structured finance securities	結構性金融證券之 公允價值變動	103	—	—	—	103
Change in fair value of loan receivable with embedded derivative	附有嵌入式衍生工具之 應收貸款之公允價值變動	75,778	—	—	—	75,778
Interest income from loan receivables	應收貸款之利息 收入	16,755	—	—	—	16,755
Change in fair value of held-for-trading investments	持作買賣投資公允價值 變動	(12,189)	—	—	—	(12,189)
Gain on disposal of available-for-sale investments	出售可供出售投資 收益	28,190	—	—	—	28,190
Change in fair value of investment properties	投資物業公允價值變動	—	69,995	—	—	69,995
Net gain (loss) on disposal of property, plant and equipment	出售物業、廠房及 設備產生之虧損 淨額	—	220	—	(1)	219

Amounts regularly provided to the chief operating decision maker:

定期提供給主要營運決策者的金額：

Capital additions	資本添置					
— property, plant and equipment	— 物業、廠房及設備	—	7,603	77,557	1,721	86,881
Interests in associates	聯營公司權益	—	—	823,680	41,357	865,037
Share of results of associates	攤佔聯營公司業績	—	—	28,955	(16,038)	12,917

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

5. Revenue and Segment Information (Continued)

Information about major customers

During the year, revenue from an associate Zhong Hai You Qi (as defined in the note 19) contributed over 10% of total revenue of the Group. Total sub-contracting income and sales of petrochemical products generated from Zhong Hai You Qi was HK\$715,158,000 (2016: nil) and HK\$80,957,000 (2016: nil) respectively.

Geographical information

The Group's operations are located in the PRC and Hong Kong. The Group's revenue from external customers is based on the location of the Group's operations to derive the revenue and information about its non-current assets by geographical location of the assets are detailed below:

Continuing operations

5. 收入及分部資料(續)

主要客戶資料

於年內，由聯營公司中海油氣(定義於附註19)的收入貢獻超過本集團收入總額之10%。由中海油氣貢獻的加工費收入及銷售石油化工產品給中海油氣分別為715,158,000港元(2016年：無)及80,957,000港元(2016年：無)。

地域資料

本集團之營運地點是中國及香港。本集團由外在顧客中之收入是基於本集團之營運地點以取得收入及該非流動資產以地域分類的資料載列如下：

持續經營業務

		Revenue 收入		Non-current assets 非流動資產	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Hong Kong	香港	5,753	5,847	324,067	294,004
PRC	中國	923,481	168,463	7,744,109	6,900,498
		929,234	174,310	8,068,176	7,194,502

Note: Non-current assets excluded financial instruments.

附註：非流動資產不包括金融工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

6. Discontinued Operation

On 28 April 2017, the Group entered into a sale and purchase agreement to dispose of a subsidiary, Straight View, and its non-wholly owned subsidiary, Beijing Yinda Property Management Limited (“Yinda”), which carried out the Group’s Property Management Operation. The sale and purchase agreement was entered between the Group and the two directors of Yinda (the “Purchasers”) and the total consideration for this disposal was HK\$31.7 million. The disposal was completed on 30 June 2017, on which date control of Straight View passed to the Purchasers and Straight View and its subsidiary were ceased to be subsidiaries of the Company.

The profit for the year from the Property Management Operation is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the Property Management Operation as discontinued operation.

The result of the discontinued operation which has been included in the consolidated statement of profit or loss, was as follows:

6. 已終止經營業務

於2017年4月28日，本集團訂立一份買賣協議出售附屬公司藝景及其非全資擁有附屬公司北京銀達物業管理有限責任公司（「銀達」），該公司從事本集團之全部物業管理業務，該買賣協議由本集團與銀達之兩名董事（「收購方」）簽訂，出售之總代價為31,700,000港元。該出售已於2017年6月30日完成，並於同日轉移藝景及其附屬公司之控制權予收購方並停止作為本公司之附屬公司。

年內來自物業管理業務之溢利載列如下。綜合損益表所載之對比數字已予重列以體現物業管理業務作為一項已終止經營之業務。

包括在綜合損益表內來自已終止經營之物業管理業務之業績載列如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	收入	103,245	252,450
Cost of sales	銷售成本	(69,538)	(170,101)
Other income, gains or losses	其他收入、收益及虧損	2,048	6,674
Administrative expenses	行政費用	(32,275)	(80,217)
Profit before taxation	除稅前溢利	3,480	8,806
Taxation	所得稅支出	(1,719)	(2,848)
Profit for the year	年內溢利	1,761	5,958
Loss on disposal of subsidiaries (Note 36)	出售附屬公司之虧損(附註36)	(1,113)	—
Profit for the year from discontinued operation	年內來自已終止經營業務溢利	648	5,958
Profit from discontinued operation attributable to:	來自已終止經營業務應佔溢利：		
— Owners of the Company	— 本公司擁有人	367	5,320
— Non-controlling interests	— 非控制權益	281	638
		648	5,958

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

6. Discontinued Operation (Continued)

Profit for the year from discontinued operation includes the following:

6. 已終止經營業務(續)

年內來自己終止經營業務溢利包括下列項目：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Auditor's remuneration	核數師酬金	—	—
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	(1,695)	(2,761)
Operating lease rentals in respect of land and building	土地及樓宇之營運租約租金	(1,007)	(1,454)
Staff cost	員工費用	(47,197)	(107,566)
Interest income — bank deposits	利息收入 — 銀行存款	217	612
Interest income — others	利息收入 — 其他	826	2,075
Commission income	佣金收入	999	3,095
Loss on disposal of property, plant and equipment	出售物業廠房及設備虧損	(23)	(70)
Government grants	政府補貼	—	826
Other income	其他收入	29	20
Cash flows from discontinued operation:	來自己終止經營業務之現金流：		
Net cash outflow used in operating activities	經營業務所用淨現金流	(46,951)	(50,824)
Net cash (outflow) inflow from investing activities	投資業務(所用)所得淨現金流	(1,505)	15,484
Net cash outflow used in financing activities	融資業務所用淨現金流	(3,121)	—

The carrying amounts of the assets and liabilities of Straight View and its subsidiary at the date of disposal are disclosed in note 36.

於出售日，藝景與其附屬公司之資產及負債之賬面值載列於附註36。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

7. OTHER INCOME, GAINS AND LOSSES

7. 其他收入、收益及虧損

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Continuing operations	持續經營業務		
Interest income	利息收入		
— bank deposits	— 銀行存款	2,864	5,422
— amounts due from an associate (note 20)	— 應收一家聯營公司款 (附註20)	65,138	52,258
— loan receivables	— 應收貸款	22,157	16,755
— others	— 其他	836	699
Net foreign exchange gain (loss)	滙兌收益(虧損)淨額	1,786	(3,439)
Net (loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損) 收益淨額	(3,122)	219
Government grant	政府補貼	3,869	—
Others	其他	1,918	563
		95,446	72,477

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

8. Finance Costs

8. 財務費用

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Continuing operations			
持續經營業務			
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行借款利息	112,123	123,740
Interest on other loans wholly repayable within five years	須於五年內悉數償還的 其他借貸利息	66,323	49,421
		178,446	173,161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

9. Directors' and Chief Executive's Remuneration

9. 董事及行政總裁酬金

The emoluments paid or payable to each of the directors and the chief executive were as follows:

已付或須付予各董事及行政總裁的酬金如下：

		2017				
		Fees	Salaries and other benefits	MPF contribution	Performance bonus	Total
		袍金	薪金及其他福利	強積金供款	表現花紅	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Note b)				
		(附註b)				
Executive directors	執行董事					
Gao Jian Min (Note a)	高建民(附註a)	500	4,797	18	1,800	7,115
Liu Tianni	劉天倪	400	—	—	—	400
Ma Yilin (Note d)	馬擇林(附註d)	400	—	—	—	400
Gu Jianguo (Note c)	顧建國(附註c)	—	—	—	—	—
		1,300	4,797	18	1,800	7,915

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上列執行董事酬金乃其為本公司及本集團有關業務管理提供服務的酬金。

Non-executive directors	非執行董事					
Luo Zhenhong (Note e)	羅振宏(附註e)	500	—	—	—	500
Hui Xiao Bing	惠小兵	500	—	—	—	500
Chen Qiming	陳啓明	500	—	—	—	500
Chen Xiaozhou (Note c)	陳孝周(附註c)	—	—	—	—	—
Wu Songyun (Note f)	吳松雲(附註f)	—	—	—	—	—
		1,500	—	—	—	1,500

The non-executive directors' emoluments shown above were for their services as directors of the Company.

上列非執行董事酬金乃其成為本公司董事之服務酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

9. Directors' and Chief Executive's Remuneration (Continued)

9. 董事及行政總裁酬金(續)

		2017				
		Salaries and other benefits	MPF contribution	Performance bonus	Total	
		Fees				
		袍金	薪金及其他福利	強積金供款	表現花紅	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Note b)				
		(附註b)				
Independent non-executive directors	獨立非執行董事					
Liang Qing	梁青	400	—	—	—	400
Zhang Lu	張璐	400	—	—	—	400
Hung Muk Ming	洪木明	300	—	—	—	300
		1,100	—	—	—	1,100
Total	總額	3,900	4,797	18	1,800	10,515

The independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上列獨立非執行董事酬金乃其成為本公司或其附屬公司之董事之服務酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

9. Directors' and Chief Executive's Remuneration (Continued)

9. 董事及行政總裁酬金(續)

		2016				
		Fees	Salaries and other benefits	MPF contribution	Performance bonus	Total
		袍金	薪金及其他福利	強積金供款	表現花紅	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
					(Note b)	
					(附註b)	
Executive directors	執行董事					
Gao Jian Min (Note a)	高建民(附註a)	500	4,817	18	630	5,965
Liu Tianni	劉天倪	400	—	—	—	400
Gu Jianguo (Note c)	顧建國(附註c)	400	—	—	—	400
		1,300	4,817	18	630	6,765

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上列執行董事酬金乃其為本公司及本集團有關業務提供服務的酬金。

Non-executive directors	非執行董事					
Chen Xiaozhou (Note c)	陳孝周(附註c)	500	—	—	—	500
Hui Xiao Bing	惠小兵	500	—	—	—	500
Chen Qiming	陳啓明	500	—	—	—	500
		1,500	—	—	—	1,500

The non-executive directors' emoluments shown above were for their services as directors of the Company.

上列非執行董事酬金乃其成為本公司或其附屬公司董事之服務酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

9. Directors' and Chief Executive's Remuneration (Continued)

9. 董事及行政總裁酬金(續)

		2016					
		Fees	Salaries and other benefits	MPF contribution	Performance bonus	Total	
		袍金	薪金及其他福利	強積金供款	表現花紅	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
					(Note b) (附註b)		
Independent non-executive directors	獨立非執行董事						
Liang Qing	梁青	400	—	—	—	400	
Zhang Lu	張璐	400	—	—	—	400	
Hung Muk Ming	洪木明	300	—	—	—	300	
		1,100	—	—	—	1,100	
The independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.		上列獨立非執行董事酬金乃其成為本公司或其附屬公司之董事之服務酬金。					
Total	總額	3,900	4,817	18	630	9,365	

No directors of the Company waived or agreed to waive any emoluments in both years.

本公司董事於兩個年度沒有放棄任何袍金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

9. Directors' and Chief Executive's Remuneration (Continued)

Notes:

- (a) Mr. Gao Jian Min is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.
- (b) The performance related incentive payments are determined having regard to the performance of individuals and market trends.
- (c) Mr. Chen Xiaozhou and Mr. Gu Jianguo resigned as the director of the Company on 20 January 2017.
- (d) Mr. Ma Yilin appointed as director of the Company on 20 January 2017.
- (e) Mr. Luo Zhenhong appointed as director of the Company on 28 August 2017.
- (f) Mr. Wu Songyun appointed as director of the Company on 20 January 2017 and resigned his office from 28 August 2017.

9. 董事及行政總裁酬金(續)

附註：

- (a) 高建民先生同時亦為本公司之行政總裁及上文披露其袍金已包括彼作為行政總裁所提供服務的酬金。
- (b) 按表現發放之花紅乃經參考個人表現及市場趨勢後釐定。
- (c) 陳孝周先生及顧建國先生於2017年1月20日辭任本公司董事。
- (d) 馬懌林先生於2017年1月20日獲委任為本公司董事。
- (e) 羅振宏先生於2017年8月28日獲委任為本公司董事。
- (f) 吳松雲先生於2017年1月20日獲委任為本公司董事及由2017年8月28日辭任其職務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

10. Employees' Remuneration

The five highest paid individuals of the Group included one (2016: one) director and the chief executive, details of whose emolument are set out in note 9 above. The emoluments of the remaining four (2016: four) individuals are as follows:

10. 員工之酬金

本集團五名最高薪人士包括一(2016年：一)名董事及行政總裁，彼等的酬金詳情載列於上文附註9。其餘四(2016年：四)名人士的酬金如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Salaries and other benefits	薪金及其他福利	7,870	7,823
Performance related incentive payments	按表現發放之獎金	23,760	2,292
Retirement benefit costs	退休福利成本	133	54
		31,763	10,169

Their emoluments are within the following bands:

彼等的酬金介乎下列區間：

		Number of employees 僱員人數	
		2017	2016
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	—	2
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	—	2
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	—
HK\$7,500,001 to HK\$8,000,000	7,500,001 港元至 8,000,000 港元	2	—
HK\$13,000,001 to HK\$13,500,000	13,000,001 港元至 13,500,000 港元	1	—
		4	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

11. Taxation

11. 稅項

Continuing operations

持續經營業務

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Tax charge comprises:	稅項支出包括：		
PRC Enterprise Income Tax — current tax	中國企業所得稅 — 即期	18,353	22,573
PRC Enterprise Income Tax — underprovision in prior years	中國企業所得稅 — 前年度提撥不足	14,151	11
		32,504	22,584
Deferred taxation: (note 33)	遞延稅項：(附註33)		
— current year	— 本年度	12,755	16,852
		45,259	39,436

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong incurred tax losses.

兩個年度之香港利得稅乃以預計應課稅溢利按16.5%計提。由於本公司及其於香港之附屬公司錄得稅務虧損，故並沒有提撥香港利得稅。

The taxation charge of the PRC Enterprise Income Tax for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

年內之中國企業所得稅乃本集團於中國之附屬公司以估計的應課稅溢利按適用的所得稅法例計算所得之稅項支出。

The withholding tax arising from dividend income received from PRC subsidiaries is calculated at approximately 5%.

源自收取一家中國附屬公司股息收入之預扣稅乃按照約5%稅率計提。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中國企業所得稅法(「所得稅法」)及所得稅法的實施細則，從2008年1月1日起，於中國之附屬公司適用之稅率為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

11. Taxation (Continued)

Taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

11. 稅項(續)

年內稅項可與綜合損益表中除稅前虧損對賬如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Profit (loss) before taxation	除稅前溢利(虧損)	365,812	(117,631)
Taxation at the PRC Enterprise Income Tax rate of 25%	按中國企業所得稅稅率25%之稅項	91,453	(29,408)
Tax effect of expenses not deductible for tax purpose	就稅務用途不得扣減開支的稅務影響	27,672	16,604
Tax effect of income not taxable for tax purpose	就稅務用途無須課稅收入的稅務影響	(29,650)	(45,447)
Tax effect of share of results of associates	攤佔聯營公司業績的稅務影響	(77,778)	(3,229)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	5,173	75,901
Withholding tax arising from dividend income received from PRC subsidiaries	收取中國附屬公司股息收入之預扣稅	—	8,152
Withholding tax arising from dividend income received from PRC available-for-sale investment	收取中國可供出售投資股息收入之預扣稅	1,786	—
Utilisation of tax losses previously not recognised	前年度未確認使用之稅務虧損	(303)	—
Tax effect of change in fair value of investment properties	投資物業價值變動的稅務影響	12,755	16,852
Underprovision in prior year	以前年度提撥不足	14,151	11
Income tax expenses for the year	年內所得稅支出	45,259	39,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

11. Taxation (Continued)

The following is an analysis of the tax effect relating to other comprehensive income:

11. 稅項(續)

以下是有關其他全面收益稅務影響之分析：

		2017			2016		
		Before-tax amount	Tax expense	Net-of-tax amount	Before-tax amount	Tax expense	Net-of-tax amount
		除稅前金額	稅務支出	除稅後金額	除稅前金額	稅務支出	除稅後金額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
					(Restated)	(Restated)	(Restated)
					(經重列)	(經重列)	(經重列)
Exchange difference arising on translation	換算產生之滙兌差額	443,910	—	443,910	(424,732)	—	(424,732)
Reclassification of translation reserve upon disposal of subsidiaries	於出售附屬公司時重列至滙兌儲備	(1,776)	—	(1,776)	—	—	—
Fair value gain on available-for-sale investments	可供出售投資之公允值收益	—	—	—	28,173	—	28,173
Reclassification of revaluation reserve upon disposal of available-for-sale investments	於出售可供出售投資時重列至重估儲備	—	—	—	(28,190)	—	(28,190)
Gain arising on revaluation of leasehold properties	重估租賃物業產生之收益	41,097	(5,216)	35,881	14,608	(1,432)	13,176
Share of other comprehensive income (expense) of associates	攤佔聯營公司之其他全面收入(支出)	25,710	—	25,710	(5,573)	—	(5,573)
		508,941	(5,216)	503,725	(415,714)	(1,432)	(417,146)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

12. Profit (loss) for the Year

Profit (loss) for the year from continuing operations has been arrived at after charging (crediting):

Continuing operations

12. 年內溢利(虧損)

年內來自持續經營業務之溢利(虧損)經已扣除(計入):

持續經營業務

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Auditor's remuneration	核數師酬金	2,800	2,800
Cost of inventories recognised as an expense	存貨成本計入費用	92,332	47,947
Depreciation for property, plant and equipment	物業、廠房及設備之折舊	229,973	66,663
Release of land use rights	土地使用權攤銷	4,140	4,194
Operating lease rentals in respect of land and buildings	土地及樓宇之營運租約租金	1,133	1,545
Staff costs including directors' and chief executive's remuneration	員工費用包括董事及行政總裁酬金	159,541	115,292
Rental income under operating leases for investment properties, less outgoings of HK\$6,793,000 (2016: HK\$5,675,000)	投資物業項下營運租約之租金收入，扣除開支6,793,000港元(2016年：5,675,000港元)	(93,646)	(114,605)
Reversal of impairment loss on inventories	存貨減值回撥	(27,678)	—

Other expenses

Starting from the second half of the year ended 31 December 2013, the Group's subsidiary Tai Zhou United East Petrochemical Company Limited ("TZ United East") voluntarily suspended production due to shortage of raw materials. Direct costs, such as wages, depreciation expenses, consumables and other direct attributable costs incurred by TZ United East during this suspension period were recognised to profit or loss as other expenses for the year ended 31 December 2016.

其他費用

於2013年12月31日止年度的下半年開始，本集團之附屬公司泰州東聯化工有限公司(「泰州東聯化工」)因原材料短缺而自願暫停生產。於截至2016年12月31日止期間泰州東聯化工於暫停生產期間發生的直接成本如薪金、折舊支出、消耗品及其他直接相關成本於損益表確認為其他費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

13. Earnings (loss) Per Share

From continuing operations

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

13. 每股盈利(虧損)

來自持續經營業務

本公司擁有人應佔來自持續經營業務的每股基本盈利(虧損)乃根據下列數據計算所得：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Earnings (loss):	盈利(虧損)：		
Earnings (loss) for the purpose of basic earnings (loss) per share (profit (loss) for the year attributable to owners of the Company)	用以計算每股基本盈利(虧損)之盈利(虧損)(本公司擁有人應佔年內溢利(虧損))	260,201	(35,122)
Less: Profit for the year from discontinued operation attributable to owners of the Company	減：來自已終止經營業務本公司擁有人應佔年內溢利	(367)	(5,320)
Earnings (loss) for the purpose of basic earnings (loss) per share from continuing operations	用以計算來自持續經營業務之每股基本盈利(虧損)之盈利(虧損)	259,834	(40,442)
		2017 In thousand 千股	2016 In thousand 千股
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	用以計算每股基本盈利(虧損)之加權平均普通股股份數目	2,304,850	2,304,850

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

13. Earnings (loss) Per Share (Continued)

From continuing and discontinued operations

The calculation of the basic earnings (loss) per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Earnings (loss):	盈利(虧損)：		
Earnings (loss) for the purpose of basic earnings (loss) per share (profit (loss) for the year attributable to owners of the Company)	用以計算每股基本盈利(虧損)之盈利(虧損)(本公司擁有人應佔年內溢利(虧損))	260,201	(35,122)

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is HK\$0.02 cents per share (2016: HK\$0.23 cents per share), based on the profit for the year attributable to owners of the Company from the discontinued operation of HK\$367,000 (2016: HK\$5,320,000).

No diluted earnings (loss) per share were presented as the Company has no potential ordinary shares for the years ended 31 December 2017 and 2016.

13. 每股盈利(虧損)(續)

來自持續及已終止經營業務

本公司擁有人應佔來自持續及已終止經營業務的每股基本盈利(虧損)乃根據下列數據計算所得：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Earnings (loss):		
用以計算每股基本盈利(虧損)之盈利(虧損)(本公司擁有人應佔年內溢利(虧損))	260,201	(35,122)

來自已終止經營業務

已終止經營業務之每股基本和攤薄盈利為每股0.02港仙(2016年：每股0.23港仙)，基於來自已終止經營業務之本公司擁有人應佔年內溢利367,000港元(2016年：5,320,000港元)。

截至2017年及2016年12月31日止年度，由於本公司並無潛在普通股股份，因此並沒有列示每股攤薄盈利(虧損)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

14. Dividend

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2017, nor has any dividend proposed since the end of the reporting period (2016: nil).

14. 股息

於截至2017年12月31日內並無派付或建議派付股息予本公司普通股股東，同時於報告期末後亦無建議宣派任何股息(2016年：無)。

15. Investment Properties

15. 投資物業

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Fair Value	公允值		
At the beginning of the year	於年初	2,355,619	2,443,340
Exchange adjustments	滙兌調整	172,866	(157,716)
Change in fair value recognised in profit or loss	於損益表確認之公允值變動 淨額	55,285	69,995
At the end of the year	於年末	2,583,770	2,355,619
Unrealised gain on property revaluation included in profit or loss	包括於損益表物業重估之 未變現收益	55,285	69,995

At 31 December 2017, the legal title of the Group's investment properties with carrying value of approximately HK\$24,762,000 (2016: HK\$22,790,000) situated in the PRC has not been passed to the Group.

於2017年12月31日，本集團位於中國的投資物業之賬面值約為24,762,000港元(2016年：22,790,000港元)的業權仍未過戶至本集團。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

15. Investment Properties (Continued)

The carrying value of the investment properties comprises:

15. 投資物業(續)

投資物業之賬面值包括：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Held under long-term lease/land use right:	以長期租約／土地使用權方式持有：		
— situated in the PRC	— 位於中國	32,869	30,335
— situated in Hong Kong	— 位於香港	78,000	73,700
		110,869	104,035
Held under medium-term lease/land use right:	以中期租約／土地使用權方式持有：		
— situated in the PRC	— 位於中國	2,472,901	2,251,584
		2,583,770	2,355,619

All the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

所有本集團以營運租約方式持有作收租或資本增值用途的物業權益均以公允值模式計量，並分類及列賬為投資物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

15. Investment Properties (Continued)

Fair value measurements and valuation process

The fair value of the investment properties of the Group at 31 December 2017 and 2016 have been arrived at on the basis of valuations carried out on the respective dates by Vigers Appraisal & Consulting Limited (“Vigers”) and A-Plus Surveyors Limited (“A-Plus”), both are independent qualified professional valuer not connected to the Group. Vigers and A-Plus are members of the Institute of Valuers of Hong Kong.

The fair value was determined by reference to comparable sales transactions available in the relevant market or by investment approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for these types of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields derived from analysing the sales transactions of similar commercial properties and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group’s investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The investment properties measured at fair value subsequently to initial recognition, are grouped to Level 3 based on the degree to which the inputs to the fair value are observable and the significance of these inputs.

There was no transfer into or out of Level 3 for both years.

15. 投資物業(續)

公允值計量及估值程序

本集團的投資物業於2017年及2016年12月31日之公允值乃基於威格斯資產評估顧問有限公司(「威格斯」)及恒信測量師行有限公司(「恒信」)，兩者與本集團並無關連的獨立合資格專業估值師就該日的價值進行評估所得。威格斯及恒信是估值師學會成員。

公允值是參考於相關市場之可供比較的銷售交易或投資方式藉評估所有可出租物業單位之市場租金及使用投資者就此類物業所預期的市場回報率折現釐定。市場租金評估是參考已完成出租物業單位之租金及其他鄰近相近之出租物業。資本化利率是參考分析於香港之相似商業物業之銷售交易及調整物業投資者對市場的期望從而反映本集團投資物業之特別因素。

就估算物業之公允值而言，物業之現有用途是最高及最佳用途。

首次確認後之投資物業以公允值計算，並根據可觀察公允值之信息之程度及該信息之重要性之程度分類為第3類。

於兩個年度並沒有第3類的轉換出入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

15. Investment Properties (Continued)

Fair value measurements and valuation process (Continued)

At the end of the reporting period, the management of the Group works closely with the independent qualified professional valuer to establish and determine the appropriate valuation techniques and inputs of the valuation. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the management of the Group.

Information about fair value measurements using significant unobservable input (Level 3)

The following table shows the valuation techniques used in the determination of fair value for investment properties and the key unobservable inputs used in the valuation models.

Description 項目	Fair value at 31 December 於12月31日之公允值		Valuation techniques 評估技術	Unobservable inputs 不可被觀察之信息	Range of unobservable inputs 不可被觀察之信息範圍		Relationship of unobservable inputs to fair value 不可被觀察之信息與公允值之關係
	2017 HK\$'000 千港元	2016 HK\$'000 千港元			2017	2016	
Office 辦公室	25,570	23,549	Investment approach 投資方法	(i) Capitalisation rate 資本化利率	6%	6%	Slightly higher the capitalisation rate, slightly lower the fair value 資本化利率微高，公允值微低
				(ii) Market rent 市場租金	RMB121 — RMB131 per square meter per month 每月每平方米人民幣121元 — 人民幣131元	RMB120 — RMB130 per square meter per month 每月每平方米人民幣120元 — 人民幣130元	Slightly higher the market rent, slightly higher the fair value 市場租金微高，公允值微高

15. 投資物業(續)

公允值計量及估值程序(續)

於報告期末，本集團之管理層與獨立合資格專業估值師緊密合作於建立及釐定適當評估技術及評估信息。若資產之公允值有重大變動，其變動之成因將會向本集團之管理層呈報。

關於用重大不可被觀察之信息計量公允值之資料(第3類)

下表顯示用於投資物業公允值計量之評估技術及用於評估模式中主要不可被觀察之信息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

15. Investment Properties (Continued)

Fair value measurements and valuation process

(Continued)

Information about fair value measurements using significant unobservable input (Level 3) (Continued)

15. 投資物業(續)

公允值計量及估值程序(續)

關於用重大不可被觀察之信息計量公允值之資料(第3類)(續)

Description 項目	Fair value at 31 December 於12月31日之公允值		Valuation techniques 評估技術	Unobservable inputs 不可被觀察之信息	Range of unobservable inputs 不可被觀察之信息範圍		Relationship of unobservable inputs to fair value 不可被觀察之信息與公允值之關係
	2017 HK\$'000 千港元	2016 HK\$'000 千港元			2017	2016	
Carpark 停車場	164,466	152,902	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	RMB4,787 — RMB7,446 per square meter 每平方米人民幣 4,787元 — 人民幣7,446元	RMB3,723 — RMB7,446 per square meter 每平方米人民幣 3,723元 — 人民幣7,446元	Slightly higher the adjusted price slightly higher the fair value 經調整價微高，公允值微高
Commercial A 商業甲	1,030,012	948,661	Investment approach 投資方法	(i) Capitalisation rate 資本化利率	6%	6%	Slightly higher the capitalisation rate, slightly lower the fair value 資本化利率微高，公允值微低
				(ii) Market rent 市場租金	RMB71 — RMB138 per square meter per month 每月每平方米 人民幣71元 — 人民幣138元	RMB70 — RMB135 per square meter per month 每月每平方米 人民幣70元 — 人民幣135元	Slightly higher the market rent, slightly higher the fair value 市場租金微高，公允值微高

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

15. Investment Properties (Continued)

Fair value measurements and valuation process

(Continued)

Information about fair value measurements using significant unobservable input (Level 3) (Continued)

15. 投資物業(續)

公允值計量及估值程序(續)

關於用重大不可被觀察之信息計量公允值之資料(第3類)(續)

Description 項目	Fair value at 31 December 於12月31日之公允值		Valuation techniques 評估技術	Unobservable inputs 不可被觀察之信息	Range of unobservable inputs 不可被觀察之信息範圍		Relationship of unobservable inputs to fair value 不可被觀察之信息與公允值之關係
	2017 HK\$'000 千港元	2016 HK\$'000 千港元			2017	2016	
Residential A 住宅甲	1,260,960	1,134,017	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	RMB42,978 — RMB49,908 per square meter 每平方米人民幣 42,978元 — 人民幣49,908元	RMB42,169 — RMB46,739 per square meter 每平方米人民幣 42,169元 — 人民幣46,739元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值微高
Residential B 住宅乙	78,000	73,700	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	HK\$24,690 — HK\$28,384 per square feet 每平方呎 24,690港元 — 28,384港元	HK\$21,039 — HK\$29,889 per square feet 每平方呎 21,039港元 — 29,889港元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值微高
Commercial B 商業乙	24,762	22,790	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	RMB49,609 — RMB50,000 per square meter 每平方米人民幣 49,609元 — 人民幣50,000元	RMB44,444 — RMB47,987 per square meter 每平方米人民幣 44,444元 — 人民幣47,987元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值微高

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Leasehold land and buildings		Furniture and fixtures	Office equipment	Motor vehicles	Factory, plant and machinery	Construction in progress	Total
		租賃土地及樓宇	租賃物業裝修	傢俬及設備	辦公室設備	汽車	工廠、廠房及機器	在建工程	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST OR VALUATION	成本值或估值								
At 1 January 2016	於2016年1月1日	278,030	7,882	14,651	15,722	38,238	195,196	3,569,417	4,119,136
Exchange adjustments	滙兌調整	(1,067)	(318)	(1,247)	(1,050)	(2,266)	(167,627)	(87,182)	(260,757)
Transferred upon completion	完成後劃轉	–	–	–	1,431	–	3,465,335	(3,466,766)	–
Additions	添置	–	7,122	3,909	1,916	5,020	1,583	72,738	92,288
Disposals	出售	–	–	(328)	(734)	(3,250)	–	–	(4,312)
Revaluation	重估	6,235	–	–	–	–	–	–	6,235
At 31 December 2016	於2016年12月31日	283,198	14,686	16,985	17,285	37,742	3,494,487	88,207	3,952,590
Exchange adjustments	滙兌調整	402	514	350	293	1,786	261,854	18,529	283,728
Additions	添置	–	–	9	508	3,536	8,399	186,740	199,192
Disposals	出售	(16,830)	–	(20)	(627)	(1,800)	(67,807)	–	(87,084)
Disposal of subsidiaries	出售附屬公司	–	–	(11,162)	(12,185)	(9,911)	–	–	(33,258)
Revaluation	重估	32,419	–	–	–	–	–	–	32,419
At 31 December 2017	於2017年12月31日	299,189	15,200	6,162	5,274	31,353	3,696,933	293,476	4,347,587
Comprising:	包括:								
At cost	按成本值	–	15,200	6,162	5,274	31,353	3,696,933	293,476	4,048,398
At professional valuation – 2017	按2017年之專業估值	299,189	–	–	–	–	–	–	299,189
		299,189	15,200	6,162	5,274	31,353	3,696,933	293,476	4,347,587
DEPRECIATION	折舊								
At 1 January 2016	於2016年1月1日	5,465	7,882	7,092	10,987	23,734	107,609	–	162,769
Exchange adjustments	滙兌調整	(741)	(100)	(440)	(716)	(1,363)	(8,995)	–	(12,355)
Provided for the year	年度準備	9,440	2,247	1,171	1,593	3,651	51,322	–	69,424
Eliminated on disposals	出售時撇銷	–	–	(295)	(663)	(2,835)	–	–	(3,793)
Eliminated on revaluation	重估時撇銷	(8,373)	–	–	–	–	–	–	(8,373)
At 31 December 2016	於2016年12月31日	5,791	10,029	7,528	11,201	23,187	149,936	–	207,672
Exchange adjustments	滙兌調整	100	257	(5)	159	1,165	20,115	–	21,791
Provided for the year	年度準備	9,725	2,344	919	1,014	3,532	214,134	–	231,668
Eliminated on disposals	出售時撇銷	–	–	(16)	(589)	(1,620)	–	–	(2,225)
Disposal of subsidiaries	出售附屬公司	–	–	(7,427)	(8,374)	(5,178)	–	–	(20,979)
Eliminated on revaluation	重估時撇銷	(8,678)	–	–	–	–	–	–	(8,678)
At 31 December 2017	於2017年12月31日	6,938	12,630	999	3,411	21,086	384,185	–	429,249
CARRYING VALUES	賬面值								
At 31 December 2017	於2017年12月31日	292,251	2,570	5,163	1,863	10,267	3,312,748	293,476	3,918,338
At 31 December 2016	於2016年12月31日	277,407	4,657	9,457	6,084	14,555	3,344,551	88,207	3,744,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

16. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line over the following years:

Leasehold land and buildings	50 years or over the lease term, whichever is shorter
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor vehicles	6 – 10 years
Factory, plant and machinery	10 – 20 years

At 31 December 2017, the legal titles of the Group's properties and a container terminal with carrying value of approximately HK\$35,022,000 (2016: HK\$32,233,000) and HK\$150,857,000 (2016: HK\$108,610,000) situated in the PRC have not been passed to the Group.

The carrying value of the leasehold properties comprises:

16. 物業、廠房及設備(續)

除在建工程外以上物業、廠房及設備之項目是以下述之年份以直線法折舊：

租賃土地及樓宇	50年或以租約年期以短為準
租賃物業裝修	3年
傢俬及設備	10年
辦公室設備	5年
汽車	6 — 10年
工廠、廠房及機器	10 — 20年

於2017年12月31日，本集團位於中國之物業及集裝箱碼頭之賬面值約為35,022,000港元(2016年：32,233,000港元)及150,857,000港元(2016年：108,610,000港元)之業權仍未過戶至本集團。

租賃物業之賬面值包括：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Long-term leasehold properties situated in Hong Kong	在香港的長期租賃物業	247,880	218,250
Properties under medium-term land use right situated in the PRC	在中國以中期土地使用權持有的物業	44,371	59,157
		292,251	277,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

16. Property, Plant and Equipment (Continued)

During the year ended 31 December 2017, the Group disposed certain of leasehold properties. The accumulated fair value change of HK\$12,899,000 was reclassified from asset revaluation reserve to retained profits.

The fair values of the Group's leasehold land and buildings at 31 December 2017 and 2016 have been arrived at on the basis of valuations carried out on the respective dates by Vigers and A-Plus. The valuations were arrived at using direct comparison method by reference to sales evidence as available on the market. The revaluation surplus on revaluation of the leasehold land and buildings amounted to approximately HK\$41,097,000 (2016: HK\$14,608,000) was credited to asset revaluation reserve.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The leasehold land and buildings measured at fair value subsequent to initial recognition are grouped to Level 3 based on the degree to which the inputs to the fair value are observable and the significance of these inputs.

There was no transfer into or out of Level 3 for both years.

16. 物業、廠房及設備(續)

於2017年12月31日年內，本集團出售若干租賃物業。累計公允值變動為12,899,000港元並由資產重估儲備重列至保留盈利。

本集團的租賃土地及樓宇於2017年及2016年12月31日之公允值乃基於威格斯及恆信就該日所作出之價值評估所得。評估值乃使用直接比較法經參照合適的市場可取得的銷售證據而釐定。租賃土地及樓宇重估盈利金額約為41,097,000港元(2016年：14,608,000港元)港元已計入資產重估儲備。

就估算物業之公允值而言，物業之現有用途是最高及最佳用途。

首次確認後之租賃土地及樓宇物業以公允值計算，並根據可觀察公允值之信息之程度及該信息之重要性之程度分類為第3類。

於兩個年度並沒有第3類的轉換出入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

16. Property, Plant and Equipment (Continued)

Information about fair value measurements using significant unobservable input (Level 3)

The following table shows the valuation techniques used in the determination of fair values for the Group's major leasehold land and buildings and the key unobservable inputs used in the valuation models.

16. 物業、廠房及設備(續)

關於用重大不可被觀察之信息計量公允價值之資料(第3類)

下表顯示用於本公司及本集團之主要租賃土地及樓宇公允價值計量之評估技術及用於評估模式中主要不可被觀察之信息。

Description 項目	Fair value 公允值		Valuation techniques 評估技術	Unobservable inputs 不可被觀察之信息	Range of unobservable inputs 不可被觀察之信息範圍		Relationship of unobservable inputs to fair value 不可被觀察之信息與公允值之關係
	2017 HK\$'000 千港元	2016 HK\$'000 千港元			2017	2016	
Office A 辦公室甲	35,022	32,233	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	RMB37,114 — RMB37,234 per square meter 每平方米人民幣 37,114元 — 人民幣37,234元	RMB32,000 — RMB37,500 per square meter 每平方米人民幣 32,000元 — 人民幣37,500元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值 微高
Office B 辦公室乙	228,300	200,500	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	HK\$42,567 — HK\$51,195 per square feet 每平方呎42,567 港元 — 51,195 港元	HK\$41,922 — HK\$52,231 per square feet 每平方呎41,922 港元 — 52,231 港元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值 微高
Residential 住宅	23,085	37,415	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	HK\$4,793 — HK\$13,483 per square feet 每平方呎4,793 港元 — 13,483 港元	HK\$3,390 — HK\$11,303 per square feet 每平方呎3,390 港元 — 11,303 港元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值 微高
Car park 停車場	—	424	Comparison approach 比較方法	Adjusted transaction price 經調整交易價	N/A 不適用	RMB160,000 — RMB170,000 per car park space 每個停車場單位 人民幣160,000 元 — 人民幣 170,000元	Slightly higher the adjusted price rate, slightly higher the fair value 經調整價微高，公允值 微高

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

16. Property, Plant and Equipment (Continued)

Information about fair value measurements using significant unobservable input (Level 3) (Continued)

Certain leasehold interest in land cannot be allocated reliably between the land and buildings elements, the leasehold interest in land continues to be accounted for as property, plant and equipment.

If leasehold properties had not been revalued, they would have been included at a historical cost basis at the following amounts:

16. 物業、廠房及設備(續)

關於用重大不可被觀察之信息計量公允價值之資料(第3類)(續)

若干租賃土地之權益無法可靠地分配至土地及樓宇部分，則土地之租賃權益將繼續列賬為物業、廠房及設備。

倘租賃物業未予重估，則該等物業會以歷史成本基準列賬如下：

		HK\$'000 千港元
COST		
	成本	
At 1 January 2017	於2017年1月1日	157,074
Disposal	出售	(8,142)
<hr/>		
At 31 December 2017	於2017年12月31日	148,932
ACCUMULATED DEPRECIATION		
	累計折舊	
At 1 January 2017	於2017年1月1日	113,841
Provided	準備	9,775
Eliminated on disposal	出售時撤銷	(6,948)
<hr/>		
At 31 December 2017	於2017年12月31日	116,668
CARRYING VALUE		
	賬面值	
At 31 December 2017	於2017年12月31日	32,264
<hr/>		
At 31 December 2016	於2016年12月31日	43,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

17. Land Use Rights

17. 土地使用權

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1 January 2016	於2016年1月1日	199,615
Exchange adjustments	滙兌調整	(12,956)
Released for the year	年度攤銷	(4,194)
<hr/>		
At 31 December 2016	於2016年12月31日	182,465
Exchange adjustments	滙兌調整	13,630
Released for the year	年度攤銷	(4,140)
<hr/>		
At 31 December 2017	於2017年12月31日	191,955

The land use rights of the Group were held under medium-term lease in the PRC and released over the term of the lease of 50 years.

本集團之土地使用權是位於中國以中期租賃持有並以租賃期50年攤銷。

18. Goodwill

18. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1 January 2016 and 31 December 2016	於2016年1月1日及12月31日	72,987
Disposal of Straight View	出售藝景	(33,525)
<hr/>		
At 31 December 2017	於2017年12月31日	39,462
<hr/>		
IMPAIRMENT	減值	
At 1 January 2016 and 31 December 2016	於2016年1月1日及12月31日	(26,524)
Eliminated on disposal of Straight View	出售藝景撤銷	26,524
<hr/>		
At 31 December 2017	於2017年12月31日	—
<hr/>		
CARRYING VALUE	賬面值	
At 31 December 2017	於2017年12月31日	39,462
<hr/>		
At 31 December 2016	於2016年12月31日	46,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

18. Goodwill (Continued)

Included in the carrying value of goodwill as at 31 December 2017 and 2016, HK\$39,462,000 has been allocated to cash-generating unit for production and trading of petrochemical products ("Unit B").

As at 31 December 2017, the recoverable amount of Unit B has been determined based on a value in use calculation by Pan-China Appraisal Co., Ltd. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period based on the estimated production capacity of Unit B with a discount rate of 10.26% (2016: 14.70%). Cash flows after the five years period are extrapolated at zero (2016: zero) growth rate. Another key assumption for the value in use calculation is the budgeted revenue and gross margin, which is determined based on the unit's past performance and management's expectations for the market development.

In the opinion of the directors of the Company, there is no impairment required as at the end of the reporting period.

Included in the carrying value of goodwill as at 31 December 2016, HK\$7,001,000 has been allocated to the CGU for property management ("Unit A"), which was eliminated in the disposal of Straight View during the year ended 31 December 2017.

18. 商譽(續)

包含於2017年及2016年12月31日之商譽帳面值39,462,000港元是分配至生產及銷售石油化工產品之現金產生單位之賬面值(「單位B」)。

於2017年12月31日，單位B之可回收金額由天健興業資產評估有限公司基於使用價值計算釐定。計算方法使用經管理層批核、基於估計單位B之生產能力以10.26% (2016年：14.70%)。貼現率計算的5年財政預算所得的現金流預測。其後5年之現金流推定為零 (2016年：零) 年增長率。使用價值計算的另一項主要假定為預算收入及毛利率，乃按單位之過往表現及管理層對市場發展之預期釐定。

本公司之董事意見認為於本報告期末並沒有減值之需要。

包含於2016年12月31日之商譽，賬面值7,001,000港元是分配至物業管理之現金單位賬面值(「單位A」)，並已抵銷於2017年12月31日出售藝景內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

19. Interests in Associates

19. 聯營公司權益

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cost of investments in associates — unlisted	聯營公司投資成本值— 非上市	826,376	693,584
Share of post acquisition profits and other comprehensive income, net of dividends received	攤佔收購後盈利及其他全面收益、扣除已收股息	508,275	171,453
		1,334,651	865,037

Details of each of the Group's associates at the end of the reporting period are set out in note 42(b).

本集團之聯營公司的詳情載列於附註42(b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

19. Interests in Associates (Continued)

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

19. 聯營公司權益(續)

聯營公司財務資料摘要

本集團每家聯營公司之財務資料摘要載列如下。以下之財務資料摘要代表顯示於聯營公司之財務報表之金額是根據香港財務報告準則以而編製。

所有該等聯營公司是採用會權益法計入綜合財務報表內。

		Zhong Hai You Qi (Taizhou) Petrochemical Company Limited (“Zhong Hai You Qi”) 中海油氣(泰州)石化 有限公司(「中海油氣」)		Cinda Jianrun Property Company Limited (“Cinda Jianrun”) 信達建潤地產有限公司 (「信達建潤」)	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current assets	流動資產	4,279,565	3,598,260	1,198,212	1,288,222
Non-current assets	非流動資產	7,945,472	7,830,014	33	32
Current liabilities	流動負債	(4,388,777)	(4,775,148)	(843,002)	(1,150,397)
Non-current liabilities	非流動負債	(4,114,810)	(4,157,125)	—	—
Revenue	收入	19,003,632	2,978,084	—	—
Profit (loss) for the year	年內溢利(虧損)	762,022	87,742	198,816	(53,459)
Other comprehensive (expense) income for the year	年內其他全面(支出)收益	76,375	(21,254)	1,688	4,803
Total comprehensive income (expense) for the year	年內全面收益(支出)總額	838,397	66,488	200,504	(48,656)
Dividend received from associates during the year	年內收取聯營公司之股息	—	—	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

19. Interests in Associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		Zhong Hai You Qi 中海油氣		Cinda Jianrun 信達建潤		Total 總額	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net assets	淨資產	3,721,450	2,496,001	355,243	137,857	4,076,693	2,633,858
Proportion of the Group's ownership interest	本集團之擁有權益所佔比例	33.00% (Note) (附註)	33.00% (Note) (附註)	30.00%	30.00%	N/A 不適用	N/A 不適用
Carrying amount of the Group's interest	本集團權益賬面值	1,228,078	823,680	106,573	41,357	1,334,651	865,037

Note: Zhong Hai You Qi is an associate of Tai Zhou Dong Thai Petrochemical Company Limited ("TZ Dong Thai"), a non-wholly owned subsidiary of the Group. During the year ended 31 December 2017, TZ Dong Thai and other shareholders of Zhong Hai You Qi made additional capital injection to Zhong Hai You Qi on proportion of their shareholding in Zhong Hai You Qi. The additional capital injected by TZ Dong Thai was RMB66,493,000 equivalent to approximately HK\$77,606,000 (2016: RMB136,879,000 equivalent to approximately HK\$158,926,000). There is no change in proportion of shareholding after this capital injection.

19. 聯營公司權益(續)

上述財務資料摘要與於綜合財務報表確認之聯營公司權益賬面值的調節表：

附註：中海油氣是本集團非全資擁有附屬公司、泰州東泰石化有限公司（「泰州東泰」）的聯營公司。於2017年12月31日之年內，泰州東泰及其他中海油氣股東按其在中海油氣之股權比例對中海油氣作額外資本投入。泰州東泰投入額外資本人民幣66,493,000元（相當於約77,606,000港元）（2016年：人民幣136,879,000元相當於約158,926,000港元）。該資本投入後並沒有股權比例變動。

20. Amounts Due from Associates

The amounts as at 31 December 2017 and 2016 are unsecured, interest-free and are expected to realise in the next 12 months from the end of the reporting period, except that as at 31 December 2016, an amount of HK\$363,750,000 borne interest at 13.5% per annum.

20. 應收聯營公司款

除於2016年12月31日，金額363,750,000港元是以年利率13.5%計收利息外，於2017年及2016年12月31日之金額均為無抵押、免息及預期於本報告期末後12個月內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

21. Structured Finance Securities

The structured finance securities represent a debt security with interest payments based on the return from United States Treasury Bond and distribution from preference shares in a private company which invests in a portfolio of asset-backed securities. Expected maturity date of the debt security is Year 2021. The structured finance securities contain an embedded early redemption option and the return which is determined by reference to the distribution from the private company which is dependent on the annual default rate of its underlying asset-backed securities and the return from United States Treasury Bond. The Group designated the entire structured finance securities as financial assets at FVTPL at initial recognition.

The fair value of the structured finance securities is determined by the directors of the Company with reference to the valuation provided by the counterparty financial institution at the end of the reporting period. This fair value is determined by reference to the value of a comparable new issue of the similar structured finance securities under the market situation as at 31 December 2017 and 2016.

21. 結構性金融證券

結構性金融證券指債務證券，其利息款項乃根據美國國庫債券及來自一家私人公司優先股份之分派計算，該私人公司投資於一組資產擔保證券。該債券證券之預期到期日為2021年。由於結構性金融證券嵌入提早贖回權及回報以私人公司之分派決定並取決於其相關資產擔保證券之年違約率及美國國庫債券之回報，本集團將整份結構性金融證券於首次確認時確認為於損益表按公允值處理的金融資產。

於本報告期末，結構性金融證券的公允值乃由本公司董事參照交易對手金融機構提供的估值而釐定。該引用價格乃通過根據於2017年及2016年12月31日的市場狀況下新發行具有可比性的類似結構性金融證券之價值估計得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

22. Available-for-sale Investments

22. 可供出售投資

Available-for-sale investments comprise:

可供出售投資包括：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Unlisted investments:	非上市投資：		
Unlisted equity securities, at cost (Note a)	非上市股本證券， 按成本計(附註a)	274,552	285,360
Club debentures, at cost	會所債券，按成本計	5,613	5,613
Unlisted fund, at fair value (Note b)	非上市基金按公允值計 (附註b)	628,802	—
		908,967	290,973
Less: Impairment loss recognised	減：已確認減值虧損	(2,070)	(2,070)
Total	合計	906,897	288,903
Presented as non-current assets	呈列於非流動資產	300,655	288,903
Presented as current assets	呈列於流動資產	606,242	—
Total	合計	906,897	288,903

Notes:

附註：

- (a) Unlisted equity investments represent investments in unlisted equity securities issued by private entities. The business of these companies include, but not limited to power and financial services. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. During the year ended 31 December 2017, the Group entered into a sales and purchase agreement with an independent third party to dispose the unlisted equity securities of RMB19,000,000 (equivalent to HK\$21,912,000) at the consideration of RMB19,000,000 (equivalent to HK\$21,912,000). No gain or loss on disposal was recognised in the profit or loss.

- (a) 非上市股本證券乃指投資於由私人實體發行之非上市股本證券。該等公司之業務包括但不限於電力及金融服務行業。由於估計所得的合理公允值範圍太大，本公司董事意見認為其公允值無法可靠地計量，因此該等投資乃於報告期末以成本扣除減值計量。於截至2017年12月31日年內，本集團與一位獨立第三方以收益金額人民幣19,000,000元(相當於21,912,000港元)出售非上市股本證券人民幣19,000,000元(相當於21,912,000港元)。無出售之收益或虧損確認於損益表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

22. Available-for-sale Investments (Continued)

Available-for-sale investments comprise:

(Continued)

Notes: (Continued)

- (b) On 24 November 2017, a subsidiary of the Group entered into a trust agreement with the National Trust Ltd. (“National Trust”). National Trust is a non-banking financial institution regulated by the China Banking Regulatory Commission and is an independent third party to the Group. Pursuant to the trust agreement, the Group invested RMB500 million in a portfolio of investment managed and maintained by the National Trust (“Trust Scheme”). The purpose of the Trust Scheme is to invest in mergers, acquisitions and reorganisations funds through certain limited liability partnerships formed under the Trust Scheme specifically for investing in mergers, acquisitions and reorganisations funds.

Pursuant to the term of the trust agreement, the Trust Scheme shall last for an initial term of one year and shall be renewable for another year or terminated at the option of the Group.

The fund is measured at fair value subsequent to initial recognition and grouped to level 3 based on the degree to which the inputs to the fair value are unobservable and the significance of these inputs.

22. 可供出售投資(續)

可供出售投資包括：(續)

附註：(續)

- (b) 於2017年11月24日，本集團之一間附屬公司與國民信託有限公司(「國民信託」)訂立信託協議。國民信託為一間受中國銀行業監督管理委員會規管之非銀行金融機構及本集團之獨立第三方。根據該信託協議，本集團投資人民幣500,000,000元於信託計劃及由國民信託管理及持有。信託計劃之目的為透過國民信託組成若干有限債務合伙投資於合併、收購及重組基金。

根據該信託協議，信託計劃將自生效日期起計初步為期一年及可選擇重續一年或終止信託計劃。

該基金於首次確認後按公允值計量及並根據可觀察公允值之信息之程度及該信息之重要性之程度分類為第3類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

23. Loan Receivables

23. 應收貸款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current :			
Fixed-rate loan interest receivables (Note a)	非流動： 定息應收貸款(附註a)	223,044	—
Current:			
Fixed-rate loan receivables (Note b)	流動： 定息應收貸款(附註b)	—	155,450
Variable-rate loan receivables (Note c)	浮息應收貸款(附註c)	—	252,232
		223,044	407,682

Notes:

附註：

(a) As at 31 December 2017, an amount of US\$20,900,000 (equivalent to HK\$163,020,000) is unsecured, guaranteed by Taizhou Xin Bin Jiang Development Limited("TZ Xin Bin Jiang") 泰州新濱江開發責任公司(「泰州新濱江」), a non-controlling shareholder of a subsidiary of the Group, carries fixed interest rate at 4.75% per annum and repayable in Year 2019.

(a) 於2017年12月31日，一筆20,900,000美元(相當於163,020,000港元)是無抵押，由本集團之一家附屬公司的非控制股東，泰州新濱江開發責任公司(「泰州新濱江」)保證，並按4.75%固定年利率計息及將於2019年償還。

As at 31 December 2017, an amount of RMB50,000,000 (equivalent to HK\$60,024,000) to an independent third party is unsecured, carries fixed interest rate at 4.75% per annum and repayable in Year 2020.

於2017年12月31日，一筆人民幣50,000,000元(相當於60,024,000港元)予一位獨立第三方，該筆借款是無抵押，並按4.75%固定年利率計息及將於2020年償還。

(b) As at 31 December 2016, an amount of US\$20,000,000 (equivalent to HK\$155,450,000) was unsecured, guaranteed by TZ Xin Bin Jiang 泰州新濱江, a non-controlling shareholder of a subsidiary of the Group, carried fixed interest rate at 4.5% per annum. The loan was repaid in full during the year ended 31 December 2017.

(b) 於2016年12月31日，其中一筆20,000,000美元(相當於155,450,000港元)是無抵押，由本集團之一家附屬公司的非控制股東，泰州新濱江開發責任公司保證，並按4.5%固定年利率計息。該借款已全數於2017年12月31日償還。

(c) As at 31 December 2016, an amount of HK\$252,232,000 was secured by the equity interest of the borrower, carried floating interest rate at 25% above the People's Bank of China ("PBOC") interest rate. The loan was repaid in full during the year ended 31 December 2017.

(c) 於2016年12月31日，金額252,232,000港元是由借款人股本權益作抵押，以浮動利率中國人民銀行(「人民銀行」)基準利率上浮25%計息。該借款已全數於2017年12月31日償還。

The Group assessed the financial strength and repayment ability for the borrowers, in the opinion of the directors of the Company, the risk of non-recoverability of the amount is minimum, and no impairment is considered necessary as at 31 December 2017.

本集團已評估借款人之財務狀況及還款能力，本公司董事意見，於2017年12月31日不能收回該金額之風險是最低及未有需要考慮減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

24. Inventories

24. 存貨

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Consumables	消耗品	10,287	45,105
Raw materials	原材料	92,138	53,823
		102,425	98,928

25. Held-for-trading Investments

25. 持作買賣投資

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市的股本證券， 按公允值計	100,526	146,668

Fair value of listed held-for-trading investments were based on quoted market bid price in the active market.

持作買賣投資之公允值是由活躍市場之買入報價釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

26. Trade Receivables

The Group allows a credit period of 30 to 60 days to its trade customers.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
0 to 30 days	0至30日	70,350	12,074
31 to 90 days	31日至90日	—	2,432
91 to 180 days	91日至180日	—	1,412
181 to 360 days	181日至360日	—	1,403
Over 360 days	超過360日	—	1,565
		70,350	18,886

The Group's trade receivables that are neither past due nor impaired are those debtors with satisfactory credit quality under the management's assessment and with good past repayment records.

As at 31 December 2016, included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$5,530,000 which were past due at the end of the reporting period for which the Group had not provided for impairment loss. The Group did not hold any collateral over these balances. The average age of these receivable was 269 days.

As at 31 December 2017, included in the Group's trade receivables, HK\$62,600,000 was due from the Group's associate.

26. 應收賬款

本集團給予其貿易客戶30至60日信用期。

下列是按發票日為基準之應收賬款與相對之收入確認日期相約之應收賬款於本報告期末之賬齡分析：

本集團之應收賬款均屬於未到期或無須作出減值的，即基於管理層評估後認為是具有良好的信貸質素及還款記錄的債務人。

於2016年12月31日，本集團之應收賬款賬面值包括5,530,000港元於本報告期末已到期但本集團並沒有作減值虧損。本集團並沒有對該餘額持有任何抵押，該應收賬款之平均賬齡為269日。

於2017年12月31日，包括於本集團之應收賬款中62,600,000港元是本集團之應收聯營公司款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

26. Trade Receivables (Continued)

Aging of trade receivables which are past due but not yet impaired:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
31 to 90 days	31日至90日	—	1,150
91 to 180 days	91日至180日	—	1,412
181 to 360 days	181日至360日	—	1,403
Over 360 days	超過360日	—	1,565
		—	5,530

Movement in the allowance for bad and doubtful debts:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Balance at beginning of the year	於年初結餘	3,551	3,801
Disposal of subsidiaries (Note 36)	出售附屬公司(附註36)	(3,669)	—
Exchange adjustments	滙兌調整	118	(250)
Balance at end of the year	於年末結餘	—	3,551

As at 31 December 2017, no allowance for bad and doubtful debt was made to the trade receivables. As at 31 December 2016, included in the allowance for bad and doubtful debts were impaired trade receivables with an aggregate balance of HK\$3,551,000 which were aged over one year.

26. 應收賬款(續)

應收賬款已到期但並未被減值之賬齡分析：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
31 to 90 days	—	1,150
91 to 180 days	—	1,412
181 to 360 days	—	1,403
Over 360 days	—	1,565
	—	5,530

壞賬準備之變動：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Balance at beginning of the year	3,551	3,801
Disposal of subsidiaries (Note 36)	(3,669)	—
Exchange adjustments	118	(250)
Balance at end of the year	—	3,551

於2017年12月31日，沒有應收賬款之壞賬準備。於2016年12月31日，包括於壞賬準備之減值應收賬款之總結餘3,551,000港元賬齡已超過一年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

27. Deposits, Prepayments and Other Receivables

27. 按金、預付款及其他應收款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Value-added tax receivable (Note a)	可收回之增值稅(附註 a)	223,479	266,144
Loan interest receivables	應收貸款利息	15,023	60,873
Amount receivable from a third party (Note b)	應收一位第三者款金額(附註 b)	—	220,540
Others	其他	72,862	149,457
		311,364	697,014

Notes:

- (a) Amount being the value-added tax recoverable from the purchase of property, plant and equipment and raw materials by a subsidiary, TZ United East. The amount will be subsequently utilised to offset the value added tax generated from sales of goods in the future.
- (b) Amount being the receivable from an independent third party. The amount was unsecured, interest-free and was expected to realise in the next 12 months from the end of the reporting period. The amount was settled in full during the year ended 31 December 2017.

附註：

- (a) 此乃一家附屬公司，泰州東聯化工購買物業、廠房及設備及原材料之可收回之增值稅。該金額將於泰州東聯化工將來用以抵扣銷售貨品產生之增值稅。
- (b) 此乃一位獨立第三者之應收款金額。該金額是無抵押、免息及預期由報告期末之未來12個月套現。金額全數於截至2017年12月31日歸還。

28. Pledged Bank Deposits, Structured Bank Deposit and Bank Balances and Cash

28. 抵押銀行存款，結構性銀行存款及銀行結餘及現金

The Group's pledged bank deposits carry fixed interest rate with effective interest at an average of 0.35% (2016: 0.30%) per annum and an original maturity of one year or less. Pledged bank deposits represent deposits pledged to banks to secure settlements for certain of Group's purchase of raw materials.

本集團之抵押銀行存款以平均0.35%實際固定年利率計息(2016年：0.30%)及開首到期日為一年或以內。抵押銀行存款為用以保證本集團支付購買若干原材料之還款而抵押予銀行之存款。

The structured bank deposits are interest rate-linked principal protected deposits entered with banks in the PRC which are repayable on demand. The counterparty banks guaranteed 100% of the invested capital and the returns of which were determined by reference to the fluctuation of Interbank Offered Rate of PRC and the effective interest rate of these deposits range from 1.0% to 1.8% per annum.

結構性銀行存款是利率與本金聯繫保本及與位於中國之銀行訂立及於需要時還款。對方銀行保證100%之投資股本及回報是由中國銀行同業拆放利率及按該存款實際年利率由1.0%至1.8%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

28. Pledged Bank Deposits, Structured Bank Deposit and Bank Balances and Cash

(Continued)

The Group's bank balances and cash comprise cash and short-term bank deposits carrying prevailing market deposit rates with effective interest at an average of 0.07% (2016: 0.25%) per annum and an original maturity of three months or less. Included in the Group's bank balances and cash at 31 December 2017 was an aggregate amount of approximately HK\$1,453,354,000 (2016: HK\$649,742,000) respectively which was denominated in RMB and is not freely convertible into other currencies.

29. Pledge of Assets

At 31 December 2017, the Group pledged certain investment properties, leasehold land and buildings, land use rights and factory, plant and machinery with an aggregate carrying value at the end of the reporting period of approximately HK\$2,424,730,000 (2016: HK\$2,205,246,000), HK\$228,300,000 (2016: HK\$200,500,000), HK\$131,791,000 (2016: HK\$182,465,000) and HK\$737,486,000 (2016: HK\$719,823,000) respectively to secure general banking facilities granted to the Group (note 32), other loan (note 32) and other payable to an independent third party (note 35).

At 31 December 2017, the Group pledged HK\$844,000 (2016: HK\$1,730,000) bank deposits to secure settlements for certain of Group's purchase of raw materials.

28. 抵押銀行存款，結構性銀行存款及銀行結餘及現金(續)

本集團之銀行結餘及現金包括現金及開首到期日為三個月或以內，以現行實際平均市場存款年利率0.07% (2016年：0.25%)計息的短期銀行存款。本集團於2017年12月31日之銀行結餘及現金包括有約1,453,354,000港元(2016年：649,742,000港元)是以人民幣為計價單位，並且是不能自由兌換為其他貨幣。

29. 資產抵押

於2017年12月31日，本集團已將其於本報告期末累計賬面總額分別約為2,424,730,000港元(2016年：2,205,246,000港元)、228,300,000港元(2016年：200,500,000港元)、131,791,000港元(2016年：182,465,000港元)及737,486,000港元(2016年：719,823,000港元)之若干投資物業、租賃土地及樓宇、土地使用權及工廠、廠房及機器抵押作為本集團獲授予一般性銀行融資的條件(附註32)、其他貸款(附註32)及一名獨立第三方的其他應付款(附註35)。

於2017年12月31日，本集團將其844,000港元(2016年：1,730,000港元)之銀行存款抵押以擔保本集團購入若干原材料之還款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

30. Share Capital

30. 股本

		Number of shares	Nominal value
		股份數目	票面值
		<i>In thousand</i>	<i>HK\$'000</i>
		千股	千港元
<i>Issued and fully paid</i>	<i>已發行及已繳足股本</i>		
At 1 January 2016 and	於2016年1月1日及2016年及		
31 December 2016 and 2017	2017年12月31日	2,304,850	3,626,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

31. Reserves

31. 儲備

		Attributable to owners of the Company 本公司 擁有人應佔 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Asset revaluation reserve	資產重估儲備			
At 1 January 2016	於2016年1月1日	216,983	—	216,983
Gain on revaluation of leasehold properties	重估租賃物業收益	14,608	—	14,608
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	(1,432)	—	(1,432)
At 31 December 2016	於2016年12月31日	230,159	—	230,159
Gain on revaluation of leasehold properties	重估租賃物業收益	41,097	—	41,097
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	(5,216)	—	(5,216)
Disposal of leasehold properties	出售租賃物業	(12,899)	—	(12,899)
At 31 December 2017	於2017年12月31日	253,141	—	253,141
Investment revaluation reserve	投資重估儲備			
At 1 January 2016	於2016年1月1日	17	—	17
Change in fair value arising on revaluation of available-for-sale investments	重估可供出售投資產生之公允值變動	28,173	—	28,173
Reclassified to profit or loss upon disposal of available-for-sale investment	於出售可供出售投資重列至損益表	(28,190)	—	(28,190)
At 31 December 2016 and 2017	於2016及2017年12月31日	—	—	—
Translation reserve	滙兌儲備			
At 1 January 2016	於2016年1月1日	490,314	10,976	501,290
Exchange difference arising on translation	換算產生之滙兌差額	(405,548)	(19,184)	(424,732)
Share of reserves of associates	攤佔聯營公司儲備	(5,573)	—	(5,573)
At 31 December 2016	於2016年12月31日	79,193	(8,208)	70,985
Exchange difference arising on translation	換算產生之滙兌差額	426,290	17,620	443,910
Share of reserves of associates	攤佔聯營公司儲備	25,710	—	25,710
Reclassification adjustments relating to foreign operation disposed of during the year	關於本年度出售外資營運之重列調整	(1,776)	—	(1,776)
At 31 December 2017	於2017年12月31日	529,417	9,412	538,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

32. Borrowings

32. 借貸

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Bank loans — secured and unguaranteed	銀行貸款 — 有抵押及無擔保	1,594,238	2,034,867
Bank loans — secured and guaranteed	銀行貸款 — 有抵押及有擔保	420,168	—
Other loan — secured	其他貸款 — 有抵押	447,081	664,329
Other loans — unsecured	其他貸款 — 無抵押	769,633	408,905
		3,231,120	3,108,101
Carrying amounts repayable:	應償還之賬面金額：		
Within one year	一年之內	2,039,524	1,416,515
More than one year, but not exceeding two years	一年以上但 不超過二年	359,663	566,763
More than two years, but not more than five years	二年以上但 不超過五年	126,050	406,919
Over five years	超過五年	504,201	513,393
		3,029,438	2,903,590
Add: Carrying amounts of bank loans containing a repayment on demand clause (shown under current liabilities) with scheduled repayment set out in the loan agreements due:	加：包含按要求還款 條文並於貸款協議所載之預 定還款之銀行貸款之 賬面金額 (列為流動負債)：		
— within one year	— 一年之內	201,682	202,830
— more than one year, but not exceeding two years	— 一年以上但 不超過二年	—	1,681
		201,682	204,511
Less: Amounts due within one year shown under current liabilities	減：於一年之內到期並列為 流動負債之金額	(2,241,205)	(1,621,026)
Amounts shown under non-current liabilities	列為非流動負債之金額	989,915	1,487,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

32. Borrowings (Continued)

Bank borrowings are secured by certain investment properties, leasehold land and buildings, land use rights and factory, plant and machinery for both years. Details are disclosed in note 29.

As at 31 December 2017, bank loans of the Group of HK\$200,000,000 (2016: HK\$200,000,000) are denominated in HKD, which are not denominated in the functional currency of the Group. The bank loans carry floating rates at Hong Kong Interbank Offered Rate (“HIBOR”) plus 2.5% (2016: HIBOR plus 2.5%), i.e. effective interest rate of 3.38% (2016: 2.89%) per annum. Bank loans of HK\$1,682,000 (2016: HK\$4,510,000) are denominated in HKD, functional currency of the relevant group entities, and carry a floating rate of prime rate minus 2.7% (2016: prime rate minus 2.7%) per annum or effective interest rate of 2.3% (2016: 2.3%) per annum. Bank loans of HK\$240,096,000 (2016: HK\$390,625,000) are denominated in RMB, functional currency of the relevant group entities and carry floating interest rate at 30% (2016: ranging from 110% to 118%) of PBOC one-year interest rate or effective interest rate of 5.655% (2016: 4.785% to 5.137%) per annum.

As at 31 December 2017, bank loans of HK\$240,096,000 (2016: nil) are denominated in RMB, functional currency of the relevant group entities and carries floating interest rate ranging from 50 basis point to 81.3 basis point (2016: nil) plus Shanghai Pudong Development Bank (“SHPB”) one-year loan rate or effective interest rate ranging from 4.85% to 5.163% (2016: nil) per annum. These loans are guaranteed by TZ Xin Bin Jiang 泰州新濱江.

As at 31 December 2017, bank loan of HK\$180,072,000 (2016: nil) are denominated in RMB, functional currency of the relevant group entities and carries floating interest rate at 48.5 basis point plus loan prime rate or effective interest rate at 4.785% (2016: nil) per annum. This loan is guaranteed by a subsidiary of a state-owned enterprise.

32. 借貸(續)

銀行借貸由若干投資物業、租賃土地及樓宇、土地使用權及工廠、廠房及機器於兩年作抵押。詳情載列於附註29。

於2017年12月31日，本集團的銀行貸款200,000,000港元(2016年：200,000,000港元)乃以港元為單位，而港元並非本集團之功能貨幣。銀行貸款以浮動利率按香港銀行同業拆息「香港銀行同業拆息」加2.5%(2016年：銀行同業拆息加2.5%)，實際年利率分別為3.38%(2016年：2.89%)。除本公司外，集團公司之銀行貸款1,682,000港元(2016年：4,510,000港元)以相關集團公司的功能貨幣港元為單位，分別以浮動利率按最優惠利率減2.7%(2016年：最優惠利率減2.7%)或實際年利率2.3%(2016年：2.3%)計息。本集團銀行貸款240,096,000港元(2016：390,625,000港元)及以人民幣為單位是相關集團公司的功能貨幣及按人民銀行一年之浮動利率30%(2016：上浮10%至18%)區間或以實際年利率5.655%(2016年：4.785%至5.137%)。

於2017年12月31日，銀行貸款240,096,000港元(2016年：無)乃以人民幣為單位並是相關集團之功能貨幣及按最優惠利率之浮動利率上浮50至81.3基點(2016年：無)加上上海浦東發展銀行(「上海浦東發展銀行」)一年借款利率或實際年利率由4.85%至5.163%(2016年：無)。該借款是由泰州新濱江擔保。

於2017年12月31日，銀行貸款180,072,000港元(2016年：無)乃以人民幣為單位並是相關集團之功能貨幣及按最優惠利率之浮動利率上浮48.5基點或實際年利率4.785%(2016年：無)。該借款是由一家國有企業之附屬公司擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

32. Borrowings (Continued)

As at 31 December 2017, other loan of HK\$447,081,000 (2016: HK\$664,327,000) payable to a subsidiary of a substantial shareholder was denominated in RMB, functional currency of the relevant group entities, which is secured by certain factory, plant and machineries and carries floating interest rate at 110% (2016: 110%) of PBOC three-year interest rate or effective interest rate of 5.225% (2016: 5.225%) per annum.

As at 31 December 2017, other loans of HK\$769,663,000 (2016: HK\$358,124,000) payable to non-controlling shareholders of subsidiaries were denominated in RMB, functional currency of the relevant group entities, which are unsecured, bear fixed interest ranged from 5.35% to 7.5% (2016: 5.35% to 7%) per annum and repayable on demand.

As at 31 December 2016, other loan of HK\$50,781,000 was denominated in HKD, which is not denominated in the functional currency of the Company, and was borrowed from a shareholder of the Company which is unsecured, bears fixed interest at 4% per annum. The amount was repaid in full during the year ended 31 December 2017.

The remaining bank loans of the Group are denominated in RMB, functional currency of the relevant group entities and carry floating interest rate ranging from 110% to 135% (2016: 115% to 135%) of PBOC over five-year interest rate or effective interest rate of 5.390% to 6.615% (2016: 5.635% to 6.615%) per annum. As at 31 December 2016, bank loans of HK\$468,750,000 are denominated in RMB, functional currency of the relevant group entities and carry floating interest rate ranging from 105% to 110% of PBOC five-year interest rate or effective interest rate of 4.988% to 5.225% per annum.

32. 借貸(續)

於2017年12月31日，其他貸款之447,081,000港元(2016年：664,327,000)支付予一間附屬公司之一位重大股東是以人民幣為單位，是相關集團公司之功能貨幣為單位，並由若干工廠、廠房及機器抵押及按人民銀行三年之浮動利率上浮10%(2016年：上浮10%)或以實際年利率5.225%(2016年5.225%)計息。

於2017年12月31日，其他貸款之769,663,000港元(2016年：358,124,000港元)支付予非控制股東之附屬公司以人民幣為單位，而以相關集團公司之功能貨幣為單位為無抵押、分別按固定年利率5.35%至7.5%(2016年：5.35%至7%)區間及於需要時還款。

於2016年12月31日，其他貸款之50,781,000港元是以港元為計價單位，而並非本公司之功能貨幣及由本公司的一名股東借出，並無抵押，按固定年利率4%計息及於需要時還款。該金額已全數於2017年12月31日年內歸還。

本集團的其餘銀行貸款以相關集團公司的功能貨幣人民幣為單位，並按人民銀行五年之浮動利率上浮10%至35%區間(2016年：上浮15%至35%)或以實際年利率區間由5.390%至6.615%計息(2016年：5.635%至6.615%)。於2016年12月31日，銀行貸款468,750,000港元以相關公司的功能貨幣人民幣為單位，並按人民銀行五年之浮動利率上浮5%至10%區間或以實際年利率區間由4.988%至5.225%計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

33. Deferred Taxation

The followings are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

33. 遞延稅項

以下為於本年度及以往年度的主要已確認遞延稅項資產與負債及其於本期間及以往年度的變動：

		Accelerated tax depreciation 加速稅務折舊 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	(55)	(197,881)	1,808	(196,128)
Charge to profit or loss for the year (Note 11)	於本年度損益表扣除 (附註11)	—	(16,852)	—	(16,852)
Charge to other comprehensive income for the year	於本年度其他全面收益扣除	—	(1,432)	—	(1,432)
At 31 December 2016	於2016年12月31日	(55)	(216,165)	1,808	(214,412)
Charge to profit or loss for the year (Note 11)	於本年度損益表扣除 (附註11)	—	(12,755)	—	(12,755)
Charge to other comprehensive income for the year	於本年度其他全面收益扣除	—	(5,216)	—	(5,216)
At 31 December 2017	於2017年12月31日	(55)	(234,136)	1,808	(232,383)

At the end of the reporting period, the Group had unused tax losses of approximately HK\$1,021,645,000 (2016: HK\$1,002,165,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$10,957,000 (2016: HK\$10,957,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,010,688,000 (2016: HK\$1,065,180,000) due to unpredictability of future profit streams and such tax losses may be carried forward indefinitely.

於本報告期末，本集團有可扣減未來溢利的未動用稅務虧損約1,021,645,000港元(2016年：1,002,165,000港元)。該等虧損中約10,957,000港元(2016年：10,957,000港元)已確認遞延稅項資產。鑒於未來收益的不可預測性及稅務虧損可無限期待承上結轉並無就其餘1,010,688,000港元(2016年：1,065,180,000港元)確認為遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

33. Deferred Taxation (Continued)

Under the EIT Law, withholding tax is imposed on dividends declared to overseas investors in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries, amounting to HK\$2,136,810,000 (2016: HK\$2,367,801,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

34. Trade and Bills Payables

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

33. 遞延稅項(續)

於所得稅法下，由2008年1月1日開始，中國附屬公司所得溢利而分派予海外投資者之股息需徵收預扣稅。由於本集團能夠控制撥回暫時差異的時間及於可見的將來暫時差異的時間將不會撥回，因此，於中國附屬公司的2,136,810,000港元(2016年：2,367,801,000港元)累計溢利之暫時差異而產生的遞延稅項並未計入綜合財務報表內。

34. 應付賬款及票據

下述是按發票日為基準之應付賬款及票據於本報告期末之賬齡分析：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
0 to 30 days	0至30日	7,886	23,998
31 to 90 days	31日至90日	—	13,424
91 to 180 days	91日至180日	—	2,772
181 to 360 days	181日至360日	—	2,816
Over 360 days	超過360日	—	33,561
		7,886	76,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

35. Accrued Charges, Rental Deposits and Other Payables

At 31 December 2017, the balance includes an amount of HK\$45,259,000 (2016: HK\$42,076,000) payable to an independent third party in relation to purchase of land use right in the PRC. The amount is secured by certain investment properties of HK\$69,388,000 (2016: HK\$60,156,000), bears fixed interest at 4.68% per annum for both years and is repayable on demand. As at 31 December 2017, the relevant interest payable is HK\$46,702,000 (2016: HK\$43,419,000).

At 31 December 2017, the balance includes an aggregated amount of HK\$42,890,000 (2016: HK\$13,426,000) interest payables to five (2016: five) non-controlling shareholders of two (2016: two) subsidiaries. These non-controlling shareholders are able to exercise significant influence over respective subsidiaries.

At 31 December 2017, the balance includes an aggregated amount of HK\$37,500,000 (2016: HK\$37,500,000) payable to a non-controlling shareholder of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

At 31 December 2017, the balance includes an aggregated amount of HK\$226,543,000 (2016: HK\$289,042,000) payable to independent third parties in relation to construction costs payable for property, plant and equipment in the PRC. The amounts are unsecured, non-interest bearing and are repayable within one year from the end of the reporting period.

At 31 December 2017, the balance includes an aggregated amount of HK\$9,257,000 (2016: HK\$101,989,000) being receipt in advance from customers. The amounts are unsecured and non-interest bearing.

35. 應計費用、租務按金及其他應付款

於2017年12月31日之結餘包括就於中國收購土地使用權而應付予獨立第三方的款項，金額為45,259,000港元(2016年：42,076,000港元)。該金額由若干投資物業約69,388,000港元(2016年：60,156,000港元)作抵押，兩個年度按固定年利率4.68%計息及應要求隨時需予歸還。於2017年12月31日，相關應付利息為46,702,000港元(2016年：43,419,000港元)。

於2017年12月31日之餘額包括一項總金額為42,890,000港元(2016年：13,426,000港元)之兩家(2016年：兩家)附屬公司之五個(2016年：五個)非控制股東款。該非控制股東有給予行使重大影響予相關附屬公司。

於2017年12月31日，餘額包括總金額37,500,000港元(2016年：37,500,000港元)為應付金額支付予非控制股東。該金額為無抵押，免息及應要求隨時需予歸還。

於2017年12月31日，餘額包括總金額為226,543,000港元(2016年：289,042,000港元)應付予獨立第三方有關位於中國之物業、廠房及設備之應付工程成本。該金額為無抵押，免息及需於報告期後一年內歸還。

於2017年12月31日，餘額包括總金額9,257,000港元(2016年：101,989,000港元)由客戶收取之預收款。該金額為無抵押及免息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

35. Accrued Charges, Rental Deposits and Other Payables (Continued)

At 31 December 2017, the balance includes an amount of HK\$391,076,000 (2016: nil) payable to an entity controlled by a director of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

At 31 December 2016, the balance includes an amount of HK\$55,804,000 refundable deposit received from an independent third party for the disposal of an investment held by the Group. During the year ended 31 December 2017, the deposit was refunded in full as the proposed transaction was terminated.

36. Disposal of Subsidiaries

As referred to note 6, the Group discontinued the Property Management Operation at the time of disposal of Straight View and its subsidiary. The consolidated net assets of Straight View and its subsidiary at the date of disposal were as follows:

Consideration received:

Cash received

已收取代價：

已收現金

HK\$'000

千港元

31,700

35. 應計費用、租務按金及其他應付款 (續)

於2017年12月31日，餘額包括金額391,076,000港元(2016年：無)應付一間由本公司一位董事控制之公司。該金額為無抵押，免息及應要求隨時需予歸還。

於2016年12月31日，餘額包括金額55,804,000港元因出售本集團持有的投資而由獨立第三方收取之可退還按金。於2017年12月31日之年內，因擬定之交易終止而該按金已全數退還。

36. 出售附屬公司

根據附註6，本集團於出售藝景及其附屬公司的同時終止其物業管理業務。藝景及其附屬公司於出售日期之綜合淨資產載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

36. Disposal of Subsidiaries (Continued)

36. 出售附屬公司(續)

HK\$'000

千港元

Analysis of assets and liabilities over which control was lost:	失去控制權之資料及負債分析：	
Property, plant and equipment	物業、廠房及設備	12,279
Goodwill	商譽	7,001
Inventories	存貨	768
Trade and other receivables	應收賬款及其他應收款	74,047
Bank balances and cash	銀行結餘及現金	111,550
Trade and other payables	應付賬款及其他應付款	(158,893)
Tax payable	應付稅金	(9,263)
Net assets disposed of	出售之淨資產	37,489
Loss on disposal of subsidiaries:	出售附屬公司虧損：	
Consideration received	已收取代價	31,700
Net assets disposed of	出售之淨資產	(37,489)
Non-controlling interests	非控制權益	2,900
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of the subsidiaries	由股本重列至損益之附屬公司淨資產於失去該附屬公司控制權時的累計匯兌差異	1,776
Loss on disposal	出售之虧損	(1,113)
Net cash outflow arising on disposal:	出售產的的淨現金流出：	
Cash consideration	現金代價	31,700
Less: Bank balances and cash disposed of	減：銀行結餘及現金	(111,550)
		(79,850)

The impact of Straight View and its subsidiary on the Group's results and cash flows in the current and prior periods is disclosed in note 6.

於本年及前年度藝景及其附屬公司對本集團之業績及現金流之影響載列於附註6。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

37. Operating Lease Arrangements

As lessor

Property rental income earned by the Group during the year was approximately HK\$100,439,000 (2016: HK\$120,280,000). The properties held have committed tenants for lease terms ranged from 1 year to 20 years (2016: 1 year to 8 years).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內屆滿	76,924	76,177
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	72,334	66,632
After five years	五年以後	22,255	6,332
		171,513	149,141

As lessee

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內屆滿	—	1,001

37. 營運租約安排

以出租人身份

本集團於年內賺取的物業租金收入約為100,439,000港元(2016年: 120,280,000港元)。持有之物業有已有訂約租客，租期範圍由1年至20年(2016年: 1年至8年)不等。

於本報告期末，本集團與租客訂立合同收取下述未來最低租金：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內屆滿	76,924	76,177
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	72,334	66,632
After five years	五年以後	22,255	6,332
		171,513	149,141

以承租人身份

於本報告期末，根據不可撤銷的營運租約項下，本集團需承擔之未來最低租賃付款如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within one year	一年內屆滿	—	1,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

38. Capital Commitments

38. 資本承擔

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Capital commitments in respect of property, plant and equipment:	關於購入物業、廠房及設備之資本承擔：		
– contracted for but not provided in the consolidated financial statements	— 已落實但並未於綜合財務報表中反映	69,624	20,409
Capital commitments in respect of unlisted equity securities:	關於非上市股本證券之資本承擔：		
– contracted for but not provided in the consolidated financial statements (Notes a, b & c)	— 已落實但並未於綜合財務報表中反映 (附註a、b及c)	249,700	254,464

Notes:

附註：

- (a) During the year ended 31 December 2015, the Group entered into a shareholders' agreement with several parties to incorporate a jointly-controlled entity, namely Zhongxin Zhangbei Solar Energy Thermal Power Generation Co., Ltd. ("Solar Energy Thermal Power") to invest in a solar energy project. Total capital of Solar Energy Thermal Power would be RMB1,000,000,000 and the Group has committed to inject RMB150,000,000 (equivalent to HK\$180,072,000) (2016: RMB150,000,000 (equivalent to HK\$167,410,000)) represents 15% equity interest of Solar Energy Thermal Power. As at 31 December 2017 and 2016, the Group has not yet paid its committed amount.
- (b) During the year ended 31 December 2015, the Group entered into a capital injection agreement with Beijing TeraSolar Photothermal Technologies Co., Ltd. ("Beijing TeraSolar"), which is principally engaged in construction, management and technical consultancy of concentrated solar power projects, pursuant to which, the Group agreed to subscribe 8% of the enlarged share capital of Beijing TeraSolar for a total consideration of RMB116,000,000 (equivalent to HK\$139,256,000) (2016: RMB116,000,000 (equivalent to HK\$129,464,000)). As at 31 December 2016 and 2017, the Group has paid HK\$69,628,000 and subscribed 4% of the enlarged capital of Beijing TeraSolar. The remaining HK\$69,628,000 (2016: HK\$64,732,000) will be paid upon the request of Beijing TeraSolar.

- (a) 於截至2015年12月31日止年度內，本集團與若干公司共同簽訂合營股東協議成立合營公司，中信張北太陽能熱發電有限公司（「太陽能熱發電公司」）投資太陽能熱發電項目。太陽能熱發電公司總資本將達人民幣1,000,000,000元，本集團承擔注資人民幣150,000,000元（相當於180,072,000港元）（2016年：人民幣150,000,000元（相當於167,410,000港元）），為太陽能熱發電公司15%股本權益。於2017年及2016年12月31日，本集團尚未繳付有關金額。
- (b) 於截至2015年12月31日止年度內，本集團簽訂協議投資北京兆陽光熱技術有限公司（「兆陽光熱」），其主要從事建設、管理及提供技術顧問於太陽能熱發電項目。本集團同意認購兆陽光熱增資後8%股權，總金額為人民幣116,000,000元（相當於139,256,000港元）（2016年：人民幣116,000,000元（相當於129,464,000港元））。於截至2016年及2017年12月31日止年度內，本集團已付69,628,000港元並持有兆陽光熱增資後4%股權。其餘69,628,000港元（2016年：64,732,000港元）將按兆陽光熱要求再支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

38. Capital Commitments (Continued)

- (c) During the year ended 31 December 2016, the Group incorporated a company, with other two independent third parties. This investee principally engaged in provision of service for trading of financial instruments and consultancy service. Total capital of the investee is RMB100,000,000 of which the Group has committed to inject RMB20,000,000 (equivalent to HK\$22,321,000) representing 20% equity interest in this investee. Pursuant to the relevant investment agreements, the Group has no representative in the board of directors of the investee.

During the year ended 31 December 2017, the Group has injected the committed amount of RMB20,000,000 (equivalent to HK\$22,560,000) and recognised as available-for-sale investment.

39. Retirement Benefits Plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group and are held in funds under the control of trustees.

The employees of the subsidiaries in the PRC are members of a state-managed retirement benefits schemes operated by the PRC government. The relevant PRC subsidiaries are required to contribute a specified percentage of payroll costs to the retirement scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total cost charged to profit or loss of HK\$2,996,000 (2016: HK\$3,189,000) represents contributions to these schemes by the Group in respect of the current accounting period. As at 31 December 2017 and 2016, no contributions due in respect of the reporting period had not been paid over to the scheme.

38. 資本承擔(續)

- (c) 於截至2016年12月31日之年內，本集團與兩家獨立第三方成立一家公司。該被投資公司主要從事金融工具交易服務及諮詢服務。被投資公司總資本達人民幣100,000,000元，本集團承擔注資人民幣20,000,000元(相當於22,321,000港元)，佔該被投資公司之20%股本權益。根據相關投資協議，本集團並沒有委任被投資公司之董事會。

於截至2017年12月31日之年內，本集團已承擔注資人民幣20,000,000元(相當於22,560,000港元)及確認為可供出售投資。

39. 退休福利計劃

本集團為所有於香港僱用的合資格員工推行一項計劃。該計劃項下之資產與本集團資產已分割，並且是由信託人控制的基金持有。

位於中國之附屬公司的僱員乃由中國政府運作的退休福利計劃之成員。有關的中國附屬公司需要就退休計劃按人工成本之指定百分比作出供款，以資助該等福利。本集團關於退休福利計劃之唯一責任是作出該指定供款。

於本會計期間計入損益表之成本總額約為2,996,000港元(2016年：3,189,000港元)，代表本集團就該等計劃項下的供款。於2017年及2016年12月31日，就相關報告期間，並無該等計劃項下到期之供款未予支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

40. Related Party Transactions

40. 關聯方交易

During the year, the Group entered into the following transactions with related parties:

年內，本集團與關聯方進行下述交易：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元 (Restated) (經重列)
Sub-contracting income from an associate	來自一家聯營公司的加工費收入	715,158	—
Sales of petrochemical products to an associate	石油化工產品銷售予一家聯營公司	80,957	—
Interest income from an associate	一家聯營公司的利息收入	65,138	52,258
Interest expense to a substantial shareholder	一家主要股東之利息支出	469	3,507
Interest expense to non-controlling shareholders of subsidiaries	附屬公司非控制股東之利息支出	35,020	19,420
Interest expense to a subsidiary of a substantial shareholder	一家附屬公司的主要股東之利息支出	33,497	28,913
Dividend paid to non-controlling shareholders of a subsidiary	股息支付予一家附屬公司之非控制股東	—	70,607

Details of balances with related parties and other transactions with related parties are set out in the consolidated statement of financial position and notes 6, 20, 26, 32 and 35.

與關聯公司結餘及與關聯方之其他交易詳情載列於綜合財務狀況表及附註6、20、26、32及35。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

41. Major Non-Cash Transactions

During the year ended 31 December 2017, HK\$77,125,000 (2016: HK\$42,160,000) in relation to the addition of property, plant and equipment was not settled as at 31 December 2017 and was included in accrued charges, rental deposits and other payables. Details are set out in note 35.

During the year ended 31 December 2017, amount of approximately HK\$65,138,000 (2016: HK\$52,258,000) in relation to interest income generated from loan advanced to an associate, which was not settled as at 31 December 2017 and was included in amounts due from associates as at 31 December 2017.

During the year ended 31 December 2017, amount of approximately HK\$7,068,000 (2016: HK\$14,595,000) in relation to interest income generated from loan receivable to a third party, which was not settled as at 31 December 2017 and was included in deposits, prepayment and other receivables as at 31 December 2017.

During the year ended 31 December 2017, HK\$32,424,000 (2016: HK\$19,420,000) in relation to finance costs, which were not settled as at 31 December 2017 and were included in accrued charges, rental deposits and other payable as at 31 December 2017.

During the year ended 31 December 2017, the non-controlling shareholder of a subsidiary made capital injection of HK\$83,763,000 (2016: nil) by capitalisation of shareholder's loan due from this subsidiary.

41. 主要非現金交易

於截至2017年12月31日止年度內，有關添置物業、廠房及設備中之77,125,000港元(2016年：42,160,000港元)於2017年12月31日尚未支付並已包括於應計費用、租務按金及其他應付款內。詳情載列於附註35。

於截至2017年12月31日止年度內，有關墊支予一家聯營公司而產生之利息收入金額約65,138,000港元(2016年：52,258,000港元)尚未支付並已計入於2017年12月31日之應收聯營公司款內。

於截至2017年12月31日止年度內，有關第三者應收貨款之利息收入之約7,068,000港元(2016年：14,595,000港元)於2017年12月31日尚未支付並已包括按金、預付款及其他應收款內。

於截至2017年12月31日止年度內，有關財務費用金額約32,424,000港元(2016年：19,420,000港元)於2017年12月31日尚未支付並包括在應計費用、租務按金及其他應付款內。

於截至2017年12月31日止年度內，附屬公司的非控制權益股東資本化其附屬公司的應收股東借款進行增資83,763,000港元(2016年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates

42. 附屬公司及聯營公司

(a) General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

(a) 附屬公司一般資料

本公司直接或間接持有的附屬公司詳情於本報告期末載列如下：

Name of subsidiary 公司名稱	Country/ place of incorporation/ establishment 註冊/成立 國家/所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本/ 註冊資本面值比例				Principal activities 主要業務
			2017		2016		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Beijing East Gate Development Co., Ltd. ("Beijing East Gate") 北京東環置業有限公司(「北京東環」)	PRC (Note i) 中國(附註i)	US\$100,413,500 100,413,500美元	—	100%	—	100%	Property development and investment 物業發展及投資
Yinda 銀達	PRC (Note ii) 中國(附註ii)	RMB10,000,000 人民幣10,000,000元	—	— (Note v) (附註v)	—	90%	Property management 物業管理
Beijing Ju Fu Real Estate Development Company Limited ("Beijing Ju Fu") 北京巨福房地產開發有限公司(「北京巨福」)	PRC (Note iii) 中國(附註iii)	RMB105,000,000 人民幣105,000,000元	—	90%	—	90%	Property development and investment 物業發展及投資
Greenhill Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Likesway Limited 利時威有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	100%	—	Property holding and investment 持有物業及投資
Real China Development Limited 泰境發展有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	100%	—	Property holding and investment 持有物業及投資
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	—	Inactive 暫無業務
Silver Grant Infra-Structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Ju Fu San Yan Jing Investment Company Limited 巨福三眼井投資有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	—	100%	Investment holding 投資控股
Silver Grant International Securities Investment Limited 銀建國際證券投資有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	—	100%	Securities trading 證券買賣

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(a) General information of subsidiaries (Continued)

(a) 附屬公司一般資料(續)

Name of subsidiary 公司名稱	Country/ place of incorporation/ establishment 註冊/成立 國家/所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本/ 註冊資本面值比例				Principal activities 主要業務
			2017		2016		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Silver Grant Securities Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Straight View 藝景	Hong Kong (Note v) 香港(附註v)	HK\$100 100港元	— (Note v) (附註v)	—	100%	—	Investment holding 投資控股
SYJ Holding Limited	British Virgin Islands 英屬處女群島	HK\$2,170 2,170港元	100%	—	100%	—	Investment holding 投資控股
Twin Sparkle Limited 康而富有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	100%	—	Property holding and investment 持有物業及投資
Winner Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	—	100%	Investment holding 投資控股
Sun Steed International Investment Limited 日駿國際投資有限公司	British Virgin Islands 英屬處女群島	US\$100 100美元	100%	—	100%	—	Investment holding 投資控股
Silver Grant International Petrochemical Limited 銀建國際石化有限公司	Hong Kong 香港	HK\$100 100港元	—	100%	—	100%	Investment holding 投資控股
TZ Dong Thai 泰州東泰	PRC (Note iii) 中國(附註iii)	RMB420,000,000 人民幣420,000,000元	—	69.78%	—	69.78%	Investment holding and investment 投資控股及投資
TZ United East [†] 泰州東聯化工	PRC (Note iv) 中國(附註iv)	RMB463,645,186 人民幣463,645,186元	—	66.77%	—	66.77%	Production and trading of petrochemical products and provision of subcontracting service 生產及銷售石油化工產品 及提供加工服務
Platinum Two Limited	Mauritius 毛里裘斯	US\$1 1美元	— (Note vi) (附註vi)	—	100%	—	Inactive 暫無業務
Silver Grant International Assets Investment Limited 銀建國際資產投資有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	100%	—	Inactive 暫無業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(a) General information of subsidiaries (Continued)

(a) 附屬公司一般資料(續)

Name of subsidiary 公司名稱	Country/ place of incorporation/ establishment 註冊/成立 國家/所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本/ 註冊資本面值比例				Principal activities 主要業務
			2017		2016		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Xin Jiang Zhong Qing Luan Chuang Technology Company Limited ("Zhong Qing") 新疆中青聯創科技有限公司(「中青」)	PRC (Note iv) 中國(附註iv)	RMB5,000,000 人民幣5,000,000元	—	60%	—	60%	Investment holding 投資控股
Fast Winner Investments Limited	British Virgin Islands 英屬處女群島	US\$1,000 1,000美元	100%	—	100%	—	Inactive 暫無業務
Aesco Limited	Hong Kong 香港	HK\$200,000 200,000港元	100%	—	100%	—	Investment holding 投資控股
Beijing Runda International Investment Management Limited ("Beijing Runda") 北京潤達國際投資管理有限公司 (「北京潤達」)	PRC (Note iii) 中國(附註iii)	RMB100,000,000 人民幣100,000,000元	—	100%	—	100%	Investment holding 投資控股
Long Bright Capital Limited 長輝資本有限公司	British Virgin Islands 英屬處女群島	US\$100 100美元	70%	—	70%	—	Investment holding 投資控股
Konson Investment Limited 港丰投資有限公司	Hong Kong 香港	HK\$100 100港元	—	70%	—	70%	Investment holding 投資控股
Fast Growing International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Taizhou Yinjian Energy Investment Co. Limited ("Taizhou Yinjian") 泰州銀建能源投資有限公司 (「泰州銀建」)	PRC (Note iii) 中國(附註iii)	RMB100,000,000 人民幣100,000,000元	—	100%	—	100%	Environmental conservation and renewable energy investment 環境保育及再生能源投資
Silver Grant International Infra- structure Investment Limited 銀建國際基建投資有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	—	100%	Investment holding 投資控股
Jing Yin International Investment Consultant (Beijing) Company Ltd (Jing Yin) 京銀國際投資諮詢(北京)有限公司 (京銀)	PRC (Note iii) 中國(附註iii)	RMB100,000,000 人民幣100,000,000元	—	100%	—	100%	Inactive 暫無業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

(a) General information of subsidiaries (Continued)

- [^] The names in English are for identification only.
[#] Three out of five directors of this subsidiary are appointed by the Group. The Group control 60% of the voting right in general meeting.

Notes:

- (i) It is registered as a wholly foreign-owned enterprise.
- (ii) It is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute RMB9,000,000 to the registered capital of Yinda and share 90% of the profits and losses of Yinda.
- (iii) These subsidiaries are registered domestic enterprises.
- (iv) It is a sino-foreign equity joint venture company established in the PRC.
- (v) These subsidiaries had been disposed of during the year ended 31 December 2017.
- (vi) This subsidiary had been deregistered during the year ended 31 December 2017.

None of the subsidiaries had issued any debt securities at the end of the year.

Other than the investment holding companies incorporated in the British Virgin Islands which have no principal place of operation, and Beijing East Gate, Beijing Ju Fu, TZ Dong Thai, TZ United East, Jing Ying, Taizhou Yinjian, Zhong Qing and Beijing Runda which operate principally in the PRC, all other subsidiaries principally operate in Hong Kong (2016: Beijing East Gate, Yinda, Beijing Ju Fu, TZ Dong Thai, TZ United East, Jing Yin, Taizhou Yinjian, Zhong Qing and Beijing Runda which operate principally in the PRC, all other subsidiaries principally operate in Hong Kong).

42. 附屬公司及聯營公司(續)

(a) 附屬公司一般資料(續)

- [^] 英文名稱僅供參考。
[#] 該附屬公司的五名董事的其中三名由本集團委任。本集團於股東大會上控制60%投票權。

附註：

- (i) 此附屬公司是以一家全外資擁有企業方式註冊。
- (ii) 這是一家於中國成立之中外合資企業。根據合營合同，本集團負責出資人民幣9,000,000元作為銀達之註冊資本，並且有權分享銀達90%損益。
- (iii) 該等附屬公司為註冊內資企業。
- (iv) 該附屬公司為於中國成立之中外合資企業。
- (v) 該附屬公司於2017年12月31日之年內出售。
- (vi) 該附屬公司於2017年12月31日之年內終止註冊。

於年末，並無附屬公司有發行任何形式的債券。

除英屬處女群島註冊成立之投資控股公司並無主要營業地點以及北京東環、北京巨福、泰州東泰、泰州東聯化工、京銀、泰州銀建、中青及北京潤達主要是於中國營運外，所有其他附屬公司均主要於香港經營(2016年：北京東環、銀達、北京巨福、泰州東泰、泰州東聯化工、京銀、泰州銀建、中青及北京潤達主要是於中國營運外，所有其他附屬公司均主要於香港經營。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(b) Particulars of the Group's associates at 31 December 2017 and 2016 are as follows:

(b) 本集團之聯營公司於2017年及2016年12月31日的詳情如下：

Name of company 公司名稱	Form of business structure 業務型態	Place/ country of incorporation/ establishment 註冊/成立 國家地點/ 所在地	Principal place of business 主要營業地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/ registered capital held by 所持有已發行普通股股本/ 註冊資本面值比例		Principal activities 主要業務
					2017	2016	
Cinda Jianrun 信達建潤	Domestic enterprise 內資企業	PRC 中國	PRC 中國	Registered capital 註冊資本	30%	30%	Investment holding 投資控股
Zhong Hai You Qi 中海油氣	Domestic enterprise 內資企業	PRC 中國	PRC 中國	Registered capital 註冊資本	23.03%	23.03%	Production and trading of petroleum and petrochemical products 生產及銷售石油及石油化工產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017
截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests

(c) 存在重大非控制權益之非全資擁有附屬公司之詳情

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

下表列出存在重大非控制權益之非全資擁有附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 成立所在地及主要營運地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控制權益之擁有權益之比例及投票權		Profit (loss) allocated to non-controlling interests 分配予非控制權益之溢利(虧損)		Accumulated non-controlling interests 累計之非控制權益	
		2017	2016	2017	2016	2017	2016
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
TZ Dong Thai 泰州東泰	PRC 中國	30.22%	30.22%	65,635	2,255	252,235	173,156
TZ United East 泰州東聯化工	PRC 中國	33.23%	33.23%	(9,000)	(118,872)	119,486	41,534
Individually immaterial subsidiaries with non-controlling interests 存在非控制權益之個別非重大附屬公司				4,365	630	13,372	19,021
						385,093	233,711

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控制權益之本集團各附屬公司之財務資料摘要載列如下。以下的財務資料摘要表示內部抵銷前之金額。

Note: During the year ended 31 December 2017, two immaterial subsidiaries declared and distributed dividend of HK\$47,806,000 to their shareholders. HK\$8,101,000 were distributed to their non-controlling shareholders.

附註：截至2017年12月31日之年度內，兩家不重大的附屬公司宣佈及派發股息47,806,000港元予其股東。8,101,000港元發放給其非控制權益股東。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

(c) 存在重大非控制權益之非全資擁 有附屬公司之詳情(續)

TZ Dong Thai

泰州東泰

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current assets	流動資產	159,084	231,291
Non-current assets	非流動資產	1,210,404	816,494
Current liabilities	流動負債	(534,825)	(474,800)
Non-current liabilities	非流動負債	—	—
Equity attributable to owners of the Company	本公司擁有人應佔股本	(582,428)	(399,829)
Non-controlling interest	非控制權益	(252,235)	(173,156)
Revenue	收入	—	—
Other income, gains and losses	其他收入、收益及虧損	258,660	40,827
Expenses	支出	(41,469)	(33,364)
Profit for the year	年內溢利	217,191	7,463
Profit for the year attributable to:	年內溢利應佔：		
Owners of the Company	本公司擁有人	151,556	5,208
Non-controlling interests	非控制權益	65,635	2,255
Profit for the year	年內溢利	217,191	7,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

(c) 存在重大非控制權益之非全資擁 有附屬公司之詳情(續)

TZ Dong Thai (Continued)

泰州東泰(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Total comprehensive income (expense)	全面收入(支出)總額應佔：		
attributable to:			
Owners of the Company	本公司擁有人	182,599	(32,790)
Non-controlling interests	非控制權益	79,079	(14,201)
Total comprehensive income (expense) for the year	年內全面收入(支出)總額	261,678	(46,991)
Dividend paid to non-controlling interests of TZ Dong Thai (Note)	對泰州東泰之非控制權益之已 付股息(附註)	—	70,607
Net cash outflow from operating activities	經營業務之淨現金流出	(32,664)	(22,199)
Net cash outflow from investing activities	投資業務之淨現金流出	(77,709)	(164,994)
Net cash inflow from financing activities	融資業務之淨現金流入	133,471	171,042
Net cash inflow (outflow)	淨現金流入(流出)	23,098	(16,151)

Note: During the year ended 31 December 2016, TZ Dong Thai declared and distributed RMB0.4762 (equivalent to HK\$0.5563) per share dividend to its shareholders, approximately HK\$70,607,000 was distributed to its non-controlling shareholders.

附註：於截至2016年12月31日之年度內，泰州東泰分派及派付股息每股人民幣0.4762元(相當於0.5563港元)予其股東，非控制權益股東共分派約70,607,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

(c) 存在重大非控制權益之非全資擁有 附屬公司之詳情(續)

TZ United East

泰州東聯化工

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current assets	流動資產	665,212	524,695
Non-current assets	非流動資產	3,864,208	3,683,972
Current liabilities	流動負債	(3,838,252)	(3,230,850)
Non-current liabilities	非流動負債	(331,550)	(852,812)
Equity attributable to owners of the Company	本公司擁有人應佔股本	(240,132)	(83,471)
Non-controlling interest	非控制權益	(119,486)	(41,534)
Revenue	收入	805,301	48,814
Other income, gains and losses	其他收入、收益及虧損	6,468	1,701
Expenses	支出	(838,855)	(408,284)
Loss for the year	年內虧損	(27,086)	(357,769)
Loss for the year attributable to:	年內虧損應佔：		
Owners of the Company	本公司擁有人	(18,086)	(238,897)
Non-controlling interests	非控制權益	(9,000)	(118,872)
Loss for the year	年內虧損	(27,086)	(357,769)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

42. Particulars of Subsidiaries and Associates (Continued)

42. 附屬公司及聯營公司(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

(c) 存在重大非控制權益之非全資擁有 附屬公司之詳情(續)

TZ United East (Continued)

泰州東聯化工(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Total comprehensive expense attributable to:	全面支出總額應佔：		
Owners of the Company	本公司擁有人	(11,677)	(250,295)
Non-controlling interests	非控制權益	(5,811)	(124,542)
Total comprehensive expense for the year	年內全面支出總額	(17,488)	(374,837)
Net cash inflow (outflow) from operating activities	經營業務之淨現金流入(流出)	364,702	(307,885)
Net cash outflow from investing activities	投資業務之淨現金流出	(118,015)	(365,934)
Net cash inflow from financing activities	融資業務之淨現金流入	149,860	433,486
Net cash inflow (outflow)	淨現金流入(流出)	396,547	(240,333)

Note: During the year ended 31 December 2017, the non-controlling shareholder made capital injection of RMB69,774,000 (equivalent to HK\$83,763,000) (2016: nil) by capitalisation of shareholder's loan due from this subsidiary.

附註：於截至2017年12月31日之年度內，非控股權益股東收應收這家附屬公司之股東借款資本化進行資本投入人民幣69,774,000元(相當於83,763,000港元)(2016年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

43. Statement of Financial Position and Reserves of the Company

43. 本公司財務狀況及儲備表

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Investment properties	投資物業	102,762	96,490
Property, plant and equipment	物業、廠房及設備	37,286	33,839
Unlisted investments in subsidiaries	投資於非上市附屬公司	678,299	735,073
Amounts due from subsidiaries	應收附屬公司款	3,076,109	2,345,046
Structured finance securities	結構性金融證券	6,999	6,831
Available-for-sale investments	可供出售投資	25,339	2,779
Loan receivable	應收貸款	163,020	—
		4,089,814	3,220,058
Current assets	流動資產		
Held-for-trading investments	持作買賣投資	100,526	146,668
Deposits, prepayments and other receivables	按金、預付款及其他應收款	10,634	102,069
Amounts due from subsidiaries	應收附屬公司款	320,804	777,706
Amounts due from associates	應收聯營公司款	10,410	10,410
Loan receivable	應收貸款	—	155,450
Bank balances and cash	銀行結餘及現金	25,904	78,372
		468,278	1,270,675
TOTAL ASSETS	資產總值	4,558,092	4,490,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

43. Statement of Financial Position and Reserves of the Company (Continued)

43. 本公司財務狀況及儲備表(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
EQUITY	股本		
Capital and reserves	資本及儲備		
Share capital	股本	3,626,781	3,626,781
Reserves	儲備	621,749	533,204
TOTAL EQUITY	股本總值	4,248,530	4,159,985
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	8,863	8,863
		8,863	8,863
Current liabilities	流動負債		
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款	42,015	21,912
Amounts due to subsidiaries	應付附屬公司款	58,684	49,192
Borrowings	借貸	200,000	250,781
		300,699	321,885
TOTAL LIABILITIES	負債總值	309,562	330,748
TOTAL EQUITY AND LIABILITIES	股本及負債總值	4,558,092	4,490,733
Net current assets	淨流動資產	167,579	948,790
Total assets less current liabilities	資產總值減流動負債	4,257,393	4,168,848

The financial statements were approved and authorised for issue by the board of directors on 23 March 2018 and are signed on its behalf by:

財務報表已獲董事會於2018年3月23日認可及授權發行並經下列授權代表簽署確認：

Mr. Gao Jian Min
高建民先生
Director 董事

Mr. Liu Tianni
劉天倪先生
Director 董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

43. Statement of Financial Position and Reserves of the Company (Continued)

43. 本公司財務狀況及儲備表(續)

Movement in the Company's reserve

本公司股權之變動

		Attributable to owners of the Company 本公司擁有人應佔		
		Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Retained profits 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	86,559	503,765	590,324
Loss for the year	年內虧損	—	(56,900)	(56,900)
Other comprehensive expense for the year	年內其他全面支出	(220)	—	(220)
Total comprehensive expense for the year	年內全面支出總額	(220)	(56,900)	(57,120)
At 31 December 2016	於2016年12月31日	86,339	446,865	533,204
Profit for the year	年內溢利	—	84,466	84,466
Other comprehensive income for the year	年內其他全面收入	4,079	—	4,079
Total comprehensive income for the year	年內全面收入總額	4,079	84,466	88,545
At 31 December 2017	於2017年12月31日	90,418	531,331	621,749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

44. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

Management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues and the issue of new debt or the redemption of the existing debt.

45. Financial Instruments

Categories of financial instruments

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Financial assets	金融資產		
FVTPL	於損益表按公允值處理		
— Held-for-trading	— 持作買賣	100,526	146,668
— Designated as at FVTPL	— 指定為於損益表按公允值處理	6,999	6,831
Loans and receivables	貸款及應收款項	2,734,276	2,975,694
Available-for-sale financial assets	可供出售金融資產	906,897	288,903
Financial liabilities	金融負債		
Amortised cost	攤銷成本	4,151,616	3,799,739

44. 資本風險管理

本集團透過使用最理想的債務與資本結餘管理其資本以保障集團內的公司能夠以持續經營方式持續並同時達至股東回報最大化。本集團的整體策略與以往年度維持一致。

本集團之資本結構由包括淨債務包括借貸、現金淨額及現金等值及本公司股本持有人應佔股本，其中包括已發行股本、儲備及保留盈利組成。

本集團管理層以持續性方式檢測集團的資本結構並同時考慮資金成本以及資金附帶的風險。本集團將透過發行新股份及發行新債務或贖回現有債務等方式致力平衡整體的資本結構。

45. 金融工具

金融工具之類別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include structured finance securities, available-for-sale investments, held-for-trading investments, amounts due from associates, trade receivables, deposits and other receivables, loan receivables, pledged bank deposits, bank balances, trade and bills payables, accrued charges, other payables and borrowings. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk from prior year.

Market risks

Interest rate risk management

The Group's fair value interest rate risk as at 31 December 2017 and 2016 relates primarily to its fixed-rate amounts due from associates, fixed-rate pledged bank deposits, fixed-rate loan receivables, fixed-rate other receivables, fixed-rate other payable and fixed-rate borrowings.

The Group's cash flow interest rate risk as at 31 December 2017 primarily relates to its bank balances carried at prevailing deposit rate, variable-rate structured bank deposits and floating-rate borrowings (2016: bank balances carried at prevailing deposit rate, variable-rate loan receivable and floating-rate borrowings).

The Group has not used any interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. However, management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated. In addition, the Group has concentration risk on its floating-rate loan receivables, bank balances and borrowings which expose the Group significantly towards the change in HIBOR, Hong Kong prime rate, the PBOC interest rate and the SHPB interest rate.

45. 金融工具(續)

金融風險管理目標及政策

本集團之主要金融工具包括結構性金融證券、可供出售投資、持作買賣投資、應收聯營公司賬款、應收賬款、按金及其他應收款項、應收貸款、抵押銀行存款、銀行結餘、應付賬款及票據、應計費用、其他應付款及借貸。與該等金融工具相關之風險及如何減低該等風險之政策載於下文。管理層會管理及監察該等風險，以確保及時與有效地採取適當措施。

本集團所面對的市場風險或管理及計量市場風險的方法與以往年度並無重大改變。

市場風險

利率風險管理

本集團於2017年及2016年12月31日之公允值利率風險基本上是源自以固定利率計算之聯營公司款、抵押銀行存款、應收貸款、附有嵌入式衍生工具之應收貸款、其他應收款、其他應付款及借款。

本集團於2017年12月31日之現金流利率風險基本上是當前存款利率之銀行結餘、浮動利率、浮動結構性銀行結餘及浮動借貸(2016: 基於其當前存款利率之銀行結餘，按浮動利率計息的應收貸款及借貸)。

本集團並無運用任何利率換期對沖利率現金利息帶來波動之風險，然而，管理層對利率風險進行監察並在預期面臨重大利率風險時考慮是否需採取其他必要的對應行動。另外，本集團風險集中於按浮動利率計息之應收貸款、銀行結餘及借貸，其於香港銀行同業拆息、人民銀行利率及上海浦東發展銀行利率改變對本集團有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Market risks (Continued)

Interest rate risk management (Continued)

The sensitivity analysis below have been determined based on the exposure to the floating-rate borrowings, variable-rate bank balances and variable-rate structured bank deposits (2016: floating-rate borrowings, variable-rate loan receivables and variable-rate bank balances) at the end of the reporting period and the reasonable possible change taking place at the beginning of each year, held constant throughout the year. The directors of the Company remained using 150 (2016: 150) basis points for assessing interest rate risk on the above balances (except for bank balances) after considering the impact of the volatile financial market conditions. The directors of the Company used 10 (2016: 10) basis points for assessing interest rate risk on bank balances because they considered that the fluctuations on the interest rate on bank balances would be less significant. If interest rates had been 150 basis points (2016: 150 basis points) higher/lower for the above balances (except for bank balances) and 10 basis points (2016: 10 basis points) higher/lower for bank balances and all other variables were held constant, the potential effect on post-tax profit for the year is as follows:

45. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

利率風險管理(續)

以下的敏感性分析乃基於浮動銀行借貸、浮動銀行結餘和浮動結構性銀行存款(2016年：按浮動利率計息的借貸及其他應付款予一家附屬公司之非控制股東、按浮動利率計息的應收貸款及按浮動利率計息的銀行結餘)於本報告期末的風險以及每年年初發生的合理可能變化並且其於整個年度內維持不變的假設計算所得。本公司董事考慮到金融市場環境反覆變化的影響而維持敏感率150(2016年：150)基點以作評核以上結餘(銀行結餘除外)的利率風險。本公司董事以10(2016年：10)基點作評核銀行結餘之利率風險，因為考慮到利率於銀行結餘的波動較次要。倘若利率於上述結餘(銀行結餘除外)出現150基點(2016年：150基點)的上升/下降及10基點(2016年：10基點)的上升/下降於銀行結餘並假設其他一切不變，對年內除稅後溢利的潛在影響如下：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Decrease in post-tax profit (2016: increase in post-tax loss) for the year	(28,178)	(24,194)
年內除稅後溢利減少(2016年：除稅後虧損增加)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Foreign currency risk management

The major financial assets and liabilities of the Group are denominated in the functional currency of the respective group entities. Other than the items stated below, the directors of the Company consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. The equivalent amounts of HKD are set out below:

45. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

外幣風險管理

以集團公司功能貨幣以外貨幣為計價單位的本集團主要金融資產及金融負債。除下述項目外，本公司董事認為本集團所面臨的外幣匯率風險並不顯著，因本集團的主要交易是以各獨立集團公司的功能貨幣為交易單位。其等值之港元數額列載如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金		
— HKD	— 港元	26,520	72,632
— Euro	— 歐元	—	7,452
— United States dollars	— 美元	1,753	2,846
		28,273	82,930
Loan receivable	應收貸款		
— United States dollars	— 美元	163,020	155,450
Other receivable	其他應收款		
— HKD	— 港元	10,058	101,397
Borrowings	借貸		
— HKD	— 港元	200,000	250,781
Other payables	其他應付款		
— HKD	— 港元	40,091	24,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Market risks (Continued)

Foreign currency risk management (Continued)

Basis of sensitivity analysis:

Sensitivity analysis is prepared to demonstrate the effect of foreign exchange differences by 10% change in exchange rate of the functional currency (mainly RMB) against the relevant foreign currencies of the Company and respective subsidiaries, assuming all other variables were held constant. A positive number below indicates an increase in post-tax profit or decrease in post-tax loss where the functional currencies weaken 10% against the relevant foreign currencies of the Company and respective subsidiaries. For a 10% strengthening of the functional currencies of the Company and respective subsidiaries, there would be an equal and opposite impact on the loss/profit for the year.

45. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

外幣風險管理(續)

敏感度分析基準：

假設其他可變因素維持不變，敏感度分析揭示外幣滙兌差額改變10%功能貨幣(以人民幣為主)之滙兌率對本公司及相關附屬公司。以下之正數表示當功能貨幣對其相關附屬公司相對外幣弱10%時稅後利潤之增加或稅後虧損之減少。當功能貨幣比本公司之相關附屬公司強10%，會引致對本年除稅虧損／利潤有相同及反方向的影響。

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Decrease in post-tax profit (2016: decrease in post-tax loss) for the year	(3,235)	5,368
年內除稅後溢利減少(2016年：除稅後虧損減少)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Price risk management

Equity investments

As at 31 December 2017, the Group is exposed to price risk through its held-for-trading investments and available-for-sale investments (2016: held-for-trading investments). For available-for-sale investments measured at cost less impairment, as the fair value could not be measured reliably, they have not been included in the sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to equity price risks at end of the reporting period. If the prices of the respective available-for-sale investments in listed equity securities, certain unlisted equities which measured at fair value and held-for-trading investments had been 10% (2016: 10%) higher/lower, assuming all other variables were held constant, the impact to the Group would be:

45. 金融工具(續)

金融風險管理目標及政策(續)

價格風險管理

股本投資

於2017年12月31日，本集團於其持作買賣投資及可供出售投資(2016年：持作買賣投資)面臨價格風險。而以成本扣減值計量的可供出售投資並沒有包括於敏感度分析，因其公允值並不能可靠計量。

下述的敏感度分析乃就於本報告期末之權本價格風險而釐定。倘若相關上市股本證券之可供出售投資、非上市股本按市計算及持作買賣投資之價格增加或減少10%(2016年：10%)，假設其他所有可變因素維持不變，對本集團的影響將會是：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Held-for-trading investments:	持作買賣投資：		
Increase/decrease in post-tax loss for the year (2016: Increase/decrease in post-tax loss for the year)	年內除稅後溢利增加／減少 (2016：年內除稅後虧損增加／減少)	8,394	12,247
Available-for-sale investments:	可供出售投資：		
Increase/decrease in other comprehensive income (net of tax)	增加／減少其他全面收入 (除稅後)	47,160	—

10% (2016: 10%) change in equity investment price represents the directors of the Company's assessment of the reasonable possible change in price.

10% (2016年：10%)於股本投資價格代表本公司董事判斷價格可能出現的合理變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Price risk management (Continued)

Equity investments (Continued)

As at 31 December 2017 and 2016, the Group is exposed to concentration risk on the held-for-trading investments as they comprise equity shares issued by several companies listed Hong Kong and an investment in a fund which is classified as available-for-sale investment.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

45. 金融工具(續)

金融風險管理目標及政策(續)

價格風險管理(續)

股本投資(續)

於2017年及2016年12月31日，本集團就持作買賣投資而言，存在過度集中的風險，因該等投資乃於香港上市的若干公司發行股份權益及於基金之投資其分類為可供出售投資。

流動資金風險

為管理流動資金風險，本集團監察並維持管理層認為之一定水平的現金及現金等值結餘以滿足集團之運作及去除現金流波動帶來之影響。管理層監察銀行貸款的使用情況並保障遵守貸款條款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating-rate, the undiscounted amount is derived from existing interest rate at the end of the reporting period.

45. 金融工具(續)

金融風險管理目標及政策(續)

流動資產風險(續)

流動資金列表

下述列表詳列本集團基於以特定還款條約之非衍生工具金融負債的剩餘到期合同。該列表是基於金融負債之不折現現金流及基於本集團可被要求於最早還款日製作。列表包括利息及本金的現金流。若利息流為浮動利率，折不折現值以現行利率於本報告期末計算。

		Weighted average interest rate 加權平均利率 %	On demand or less than 6 months 按要求或 少於6個月 HK\$'000 千港元	6 months to 1 year 6個月至1年 HK\$'000 千港元	1 – 2 years 1年至2年 HK\$'000 千港元	2 – 5 years 2年至5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total contractual undiscounted cash flow 未折現之 現金流總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
As at 31 December 2017	於2017年 12月31日								
Trade and bills payables	應付賬款 及票據	N/A 不適用	7,886	–	–	–	–	7,886	7,886
Other payables	其他應付款	N/A 不適用	912,610	–	–	–	–	912,610	912,610
Borrowings	借貸	5.62	1,667,624	684,328	412,106	222,405	575,062	3,561,525	3,231,120
			2,588,120	684,328	412,106	222,405	575,062	4,482,021	4,151,616
As at 31 December 2016	於2016年 12月31日								
Trade and bills payables	應付賬款 及票據	N/A 不適用	76,571	–	–	–	–	76,571	76,571
Other payables	其他應付款	N/A 不適用	615,067	–	–	–	–	615,067	615,067
Borrowings	借貸	5.36	930,547	824,141	646,042	519,291	606,390	3,526,411	3,108,101
			1,622,185	824,141	646,042	519,291	606,390	4,218,049	3,799,739

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

Bank loans with a repayment on demand clause are included in the “on demand or less than 6 months” time band in the above maturity analysis. As at 31 December 2017, the aggregate carrying amounts of these bank loans of the Group amounted to HK\$201,682,000 (2016: HK\$204,511,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans of the Group will be repaid in accordance with the scheduled repayment dates set out in the loan agreements in note 32. The aggregate principal and interest cash outflows of the Group will amount to HK\$202,149,000 (2016: HK\$205,091,000).

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

45. 金融工具(續)

金融風險管理目標及政策(續)

流動資產風險(續)

流動資金列表(續)

包含按要求還款條文之銀行貸款計入上述到期期限分析之「按要求或少於6個月」時段內。於2017年12月31日該等本集團銀行貸款之賬面值總額為201,682,000港元(2016年：204,511,000港元)。經考慮本集團之財務狀況，本公司董事並不相信銀行可能會行使其酌情權要求即時還款。本公司董事相信，該等本集團銀行貸款將會按照附註32呈列之貸款協議所載之預定還款日期償還。本集團之本金及利息現金流出總額為202,149,000港元(2016：205,091,000港元)。

若變動利率與本報告期末所定之估計利率有差異，以上非衍生金融負債之可變利率之金額將會改變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Financial risk management objectives and policies

(Continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group has significant concentration of credit risk in respect of amounts due from one (2016: two) associates of HK\$671,372,000 (2016: HK\$1,140,253,000), loan receivables from two (2016: two) independent third parties of total HK\$223,044,000 (2016: HK\$407,682,000), loan interest receivables from three (2016: two) independent third parties of total HK\$15,023,000 (2016: HK\$60,873,000), as at 31 December 2016 amount due from one third party of HK\$220,540,000 and HK\$62,600,000 (2016: nil) of trade receivables due from an associate. In order to minimise the credit risk, the Group reviews the recoverable amount of each individual debt throughout the year to ensure that adequate impairment losses are made for irrecoverable amounts at the end of the reporting period. In this regard, the Group considers that the Group's credit risk are significantly reduced.

The Group has a concentration of credit risk on liquid funds deposited with a few major banks. However, the credit risk on liquid funds is limited because the counterparties are banks with good reputation.

45. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險

於本報告期末，就交易對手未能履行其責任而導致本集團已確認的各種金融資產需要面對之最大信貸風險，為該等資產分別於綜合財務狀況表列載之賬面值。就其他應收款而言，本集團有重大的信貸過度集中風險，應收一家(2016年：兩家)聯營公司款671,372,000港元(2016年：1,140,253,000港元)、由應收兩名(2016年：兩名)獨立第三方貸款總數223,044,000港元(2016年：407,682,000港元)、應收三名(2016年：兩名)獨立第三方的貸款利息總數為15,023,000港元(2016年：60,873,000港元)，於2016年12月31日應收一名獨立第三方款220,540,000港元及應收聯營公司賬款62,600,000港元(2016年：無)。為達至減低信貸風險，本集團檢測各獨立的應收賬項於本報告期末的可回收金額以確保已就不可回收金額提撥足夠的減值虧損。故此，本集團認為，本集團之信貸風險已大幅減少。

本集團因資金存放於幾家主要銀行而存在信貸風險過度集中。然而流動資金之信貸風險僅為有限，因為交易對手均為擁有良好商譽的銀行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Fair value measurement of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 公允值於		Fair value hierarchy 公允值等級	Valuation technique(s) and key input(s) 估值方法及關鍵因素
	2017 HK\$'000 千港元	2016 HK\$'000 千港元		
1) Held-for-trading investment 持作買賣投資	100,526	146,668	Level 1 第1類	Quoted bid prices in an active market 於活躍市場之買入報價
2) Structured finance securities 結構性金融證券	6,999	6,831	Level 3 第3類	Valuation provided by counterparty. 由交易對手金融機構提供之估值。
3) Available-for-sale investment 可供出售投資	628,802	—	Level 3 第3類	Valuation provided by counterparty. 由交易對手金融機構提供之估值。

There is no transfer between Level 1 and Level 2 in the period.

45. 金融工具(續)

金融工具之公允值計量

本集團及本公司金融資產及金融負債之公允值乃按經常性基準以公允值計量

本集團部份金融資產及金融負債於每個報告期末是以公允值計量。下表提供如何釐定該等金融資產及金融負債的公允值的信息(特別是估值採用的方法及因素)。

期內，第1類及第2類之間並無轉移。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Fair value measurement of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

45. 金融工具(續)

金融工具之公允值計量(續)

本集團金融資產及金融負債之公允值非按經常性基準以公允值計量

本集團管理層採用折現現金流量分析，估計其按攤銷成本計量之金融資產及金融負債之公允值。

本集團管理層認為，於綜合財務報表按攤銷成本入賬之金融資產及金融負債之賬面值與其公允值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

Fair value measurement of financial instruments (Continued)

Fair value measurements and valuation process

The executive directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data or information provided by counterparty financial institutions to the extent it is available. Where Level 1 inputs are not available or counterparty financial institutions cannot provide sufficient information in relation to fair value, the management of the Group will engage third party qualified valuers to perform the valuation. The finance manager reports to management of the Group semi-annually to explain the cause of fluctuations in the fair value of the assets.

Fair value hierarchy as at 31 December 2017 and 2016.

45. 金融工具(續)

金融工具之公允值計量(續)

公允值計量及估值程序

本公司之執行董事負責釐定適用於計量公允值之估值技術及輸入值。

本集團之部份資產是以公允值計量財務報告之目的。估計一項資產或負債之公允值時，本集團採用可取得之可觀察市場數據或金融機構交易對手提供之資料。倘並無第1類輸入值或金融機構交易對手未能提供足夠有關公允值之資料，本集團管理層將聘用第三方合資格估值師以進行估值。財務經理會每半年向本集團管理層報告，解釋有關資產公允值波動之原因。

於2017年及2016年12月31日的公允值等級。

		31 December 2017 於2017年12月31日				31 December 2016 於2016年12月31日			
		Level 1 第1類	Level 2 第2類	Level 3 第3類	Total 總額	Level 1 第1類	Level 2 第2類	Level 3 第3類	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at FVTPL	於損益表按公允值處理的 金融資產								
Structured finance securities	結構性金融證券	—	—	6,999	6,999	—	—	6,831	6,831
Non-derivative financial assets held-for-trading	持作買賣投資之非衍生 金融資產	100,526	—	—	100,526	146,668	—	—	146,668
Available-for-sale investment	可供出售基金	—	—	628,802	628,802	—	—	—	—
Total	總額	100,526	—	635,801	736,327	146,668	—	6,831	153,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

45. Financial Instruments (Continued)

45. 金融工具(續)

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities

第3類金融資產及金融負債之公允值計算調整

			Loan receivable with embedded derivative 附有嵌入式衍生工具之應收貸款	Structured finance securities 結構性金融證券	Total 總額
		Fund 基金	衍生工具之 應收貸款	結構性 金融證券	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於2016年1月1日	—	736,866	6,728	743,594
Total gains or losses:	收益或虧損總額				
— Change in fair value (Note)	— 公允值變動 (附註)	—	75,778	103	75,881
Redemption	贖回	—	(812,644)	—	(812,644)
At 31 December 2016	於2016年12月31日	—	—	6,831	6,831
Total gains or losses:	收益或虧損總額：				
— Change in fair value (Note)	— 公允值變動 (附註)	—	—	168	168
Addition	新增	628,802	—	—	628,802
At 31 December 2017	於2017年12月31日	628,802	—	6,999	635,801

Note: Changes in fair value are recognised in the consolidated statement of profit or loss. The total gain for the year included in profit or loss of HK\$168,000 (2016: HK\$75,881,000) relates to the fund, structured finance securities (2016: loan receivable with embedded derivative and structured finance securities) held at the end of the reporting period.

附註：公允值變動已於綜合損益表中計入。於本報告期間包括損益中關於基金及結構性金融證券(2016年：附有嵌入式衍生工具之應收貸款及結構性金融證券)之收益總額為168,000港元(2016年：75,881,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

46. 由融資業務產生之負債調節表

下表詳列本集團由融資業務產生之負債包括現金及非現金變動。由融資產生之負債是本集團之合併現金流量表中由融資業務產生之現金流或將來之現金流。

		Amount payable to an entity controlled by a director of the Company 應付一間由本公司一位董事控制之公司 HK\$'000 千港元 (Note 35) (附註35)	Dividend payables 應付股息 HK\$'000 千港元 (Note 42(c)) (附註42(c))	Borrowings and interest payables 借貸及應付利息 HK\$'000 千港元 (Note 32 and 35) (附註32及35)	Total 合計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	—	—	3,126,853	3,126,853
Cash changes:	現金流變動：				
— Interest paid	— 已付利息	—	—	(152,243)	(152,243)
— Loan raised	— 貸款融資	—	—	1,504,619	1,504,619
— Repayment of loans	— 償還貸款	—	—	(1,598,332)	(1,598,332)
— Dividend paid	— 支付股利	—	(8,101)	—	(8,101)
— Proceeds received on behalf of an entity	— 代收款項	375,688	—	—	375,688
Non-cash changes:	非現金變動：				
Dividend declared to non-controlling interests of non-wholly-owned subsidiaries	股息宣佈予非全資擁有之附屬公司之非控制權股東	—	8,101	—	8,101
Finance cost recognised	已確認之財務費用	—	—	178,446	178,446
Foreign exchange translation	外匯換算	15,388	—	216,586	231,974
At 31 December 2017	於2017年12月31日	391,076	—	3,275,929	3,667,005

FINANCIAL SUMMARY 財務概要表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Year ended 31 December 截至12月31日止年度				2017
		2013	2014	2015	2016	HK\$ Million
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	百萬港元
		百萬港元	百萬港元	百萬港元	百萬港元	
Results	業績					
Revenue	收入	400.8	424.2	340.0	426.8	1,032.5
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利(虧損)	65.0	109.4	(65.8)	(35.1)	260.2
		At 31 December 於12月31日				2017
		2013	2014	2015	2016	HK\$ Million
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	百萬港元
		百萬港元	百萬港元	百萬港元	百萬港元	
Assets and liabilities	資產及負債					
Investment properties and property, plant and equipment	投資物業及物業、廠房及設備	5,082.4	5,948.1	6,399.7	6,100.5	6,502.1
Land use rights	土地使用權	222.8	216.3	199.6	182.5	192.0
Goodwill	商譽	46.5	46.5	46.5	46.5	39.5
Structured finance securities	結構性金融證券	6.2	6.6	6.7	6.8	7.0
Interests in associates	聯營公司權益	1,458.5	562.4	743.5	865.0	1,334.6
Available-for-sale investments	可供出售投資	480.1	352.3	310.2	288.9	300.7
Deposits paid for purchase of land use rights and property, plant and equipment	購買土地使用權及物業、廠房及設備之按金	91.7	—	—	—	—
Loan receivable with embedded derivative	附有嵌入式衍生工具之應收貸款	720.8	733.8	736.9	—	—
Loan receivables - non-current	應收貸款 - 非流動	127.9	570.3	—	—	223.0
Net current assets	淨流動資產	1,072.7	1,039.1	150.4	802.1	111.9
		9,309.6	9,475.4	8,593.5	8,292.3	8,710.8
Share capital	股本	461.0	3,626.8	3,626.8	3,626.8	3,626.8
Reserves	儲備	6,937.5	3,732.1	3,163.4	2,730.3	3,476.6
Equity attributable to owners of the Company	本公司擁有人應佔股本	7,398.5	7,358.9	6,790.2	6,357.1	7,103.4
Non-controlling interests	非控制權益	449.9	458.8	370.9	233.7	385.1
Non-current liabilities	非控制負債	1,461.2	1,657.7	1,432.4	1,701.5	1,222.3
		9,309.6	9,475.4	8,593.5	8,292.3	8,710.8

SUMMARY OF INVESTMENT PROPERTIES 投資物業概要

For the year ended 31 December 2017

截至2017年12月31日止年度

The following is a list of the Group's investment properties at 31 December 2017:

下列為本集團於2017年12月31日的投資物業清單：

Investment properties in the PRC

位於中國之投資物業

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
1. Basement 1, Basement 2, Level 0 and Level 1 to 3 of East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, The PRC 中國北京城區東中街19號東環廣場地庫1層、地庫2層、夾層及1層至3層	Medium term lease 中期	Commercial 商業	700,427
2. Level 4 to 31 of South Apartment Tower (including 401, 402, 403, 405, 406, 407, 408, 501, 502, 503, 505, 506, 507, 508, 30/F and 31/F) East Gate Plaza, 39 Dongzhong Street, Dongcheng District, Beijing, The PRC 中國北京市東城區東中街39號東環廣場南座公寓樓第4至31層(包括401, 402, 403, 405, 406, 407, 408, 501, 502, 503, 505, 506, 507, 508, 30樓及31樓)	Long lease 長期	Residential 住宅	31,171
3. Level 4 to 31, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, The PRC 中國北京市東城區東中街19號東環廣場北座公寓樓第4至31層	Long lease 長期	Residential 住宅	339,993
4. Portion of Level 2-5, 6 and 8 of Hua Po Lou, No. 28 Dong Zhong Jie Jia, Dongcheng District, Beijing, The PRC (Note) 中國北京市東城區東中街甲28號華波樓第2至5、6及8層部分(附註)	Medium term lease 中期	Commercial 商業	10,540

Note: The legal title of the properties have not been passed to the Group at 31 December, 2017.

附註：此等物業之產權於2017年12月31日尚未過戶予本集團。

Investment properties in the Hong Kong

位於香港之投資物業

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
Flat B, 9 Floor, 6A Bowen Road, Hong Kong 香港寶雲道6A 9樓B室	Long lease 長期	Residential 住宅	3,007



SILVER GRANT INTERNATIONAL
INDUSTRIES LIMITED

銀建國際實業有限公司

股份代號 Stock code: 171

Suite 4901, 49th Floor
Office Tower, Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

香港灣仔港灣道1號
會展廣場辦公大樓
49樓4901室