



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

(Stock Code 股份代號 : 0161)

2018
ANNUAL REPORT
年度報告

公司基本信息 Basic Information of the Company

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

執行董事

劉洪德先生 董事長
賴偉宣先生 副董事長
由鐳先生 副董事長
劉軍先生
傅方興先生(於2018年12月11日獲委任)
周春華女士(於2018年12月11日辭任)
陳宏良先生

獨立非執行董事

黃慧玲女士
鄔煒先生(於2018年6月12日獲
重選擔任獨立非執行董事)
魏煒先生

監事

焦燕女士 主席(於2018年6月12日獲委任)
梁赤先生
劉永澤先生
楊喜先生
曹江先生 (於2018年6月12日辭任)

聯席公司秘書

鍾思均先生(於2019年1月15日辭任)
肖章林先生(於2018年2月5日獲委任)

審核委員會

黃慧玲女士 主席
鄔煒先生
魏煒先生

薪酬委員會

魏煒先生 主席
劉洪德先生
陳宏良先生
黃慧玲女士
鄔煒先生

提名委員會

鄔煒先生 主席
劉洪德先生
陳宏良先生
黃慧玲女士
魏煒先生

公司法定地址

中國深圳市福田區
華富路1018號
中航中心大廈39樓

香港主要營業地址

香港皇后大道中29號
華人行16樓1603室

H股股份過戶登記處

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

獨立核數師

德勤•關黃陳方會計師行

法律顧問(香港法律)

龍炳坤、楊永安律師行

主要銀行

中國銀行
中國農業銀行
中國工商銀行
上海銀行

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

EXECUTIVE DIRECTORS

Mr. Liu Hong De, *chairman*
Mr. Lai Wei Xuan, *vice chairman*
Mr. You Lei, *vice chairman*
Mr. Liu Jun
Mr. Fu Fang Xing (*appointed on 11 December 2018*)
Ms. Zhou Chun Hua (*resigned on 11 December 2018*)
Mr. Chen Hong Liang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling
Mr. Wu Wei (*re-elected as an independent
non-executive director on 12 June 2018*)
Mr. Wei Wei

SUPERVISORS

Ms. Jiao Yan, *chairman (appointed on 12 June 2018)*
Mr. Liang Chi
Mr. Liu Yong Ze
Mr. Yang Xi
Mr. Cao Jiang (*resigned on 12 June 2018*)

JOINT COMPANY SECRETARY

Mr. Zhong Si Jun (*resigned on 15 January 2019*)
Mr. Xiao Zhang Lin (*appointed on 5 February 2018*)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

LEGAL ADDRESS OF THE COMPANY

39/F, AVIC Center Building,
No. 1018 Huafu Road,
Futian Dist., Shenzhen, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

STOCK-H SHARE REGISTRAR (FOR STOCK TRANSFER)

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

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISER AS TO HONG KONG LAWS

LOONG & YEUNG

PRINCIPAL BANKS

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

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財務摘要

業績摘要

(截至2018年12月31日止年度)

(人民幣千元)

	2018年	2017年 (經重列)	2016年	2015年	2014年
收入和溢利：					
收入	54,290,366	46,276,689	33,007,917	34,350,511	33,960,290
除稅前盈利	743,027	2,350,778	1,797,895	1,555,792	1,825,396
除稅後盈利*	351,505	1,834,948	1,287,972	1,683,491	1,258,394
分佔於：					
本公司權益持有人應佔盈利	-568,314	510,942	806,066	1,212,308	642,026
非控制性權益	919,819	1,324,006	481,906	471,183	616,368
每股基本盈利—本公司權益持有人應佔盈利 (人民幣元)	-0.51	0.41	0.67	1.03	0.55
每股攤薄盈利—本公司權益持有人應佔盈利 (人民幣元)	不適用	0.26	0.41	0.62	0.34
每股股息—本公司權益持有人(人民幣元)	0.00	0.05	0.10	0.20	0.10

* 除稅後盈利包含來自已終止業務的溢利/(虧損)。

資產摘要

(於2018年12月31日·綜合)

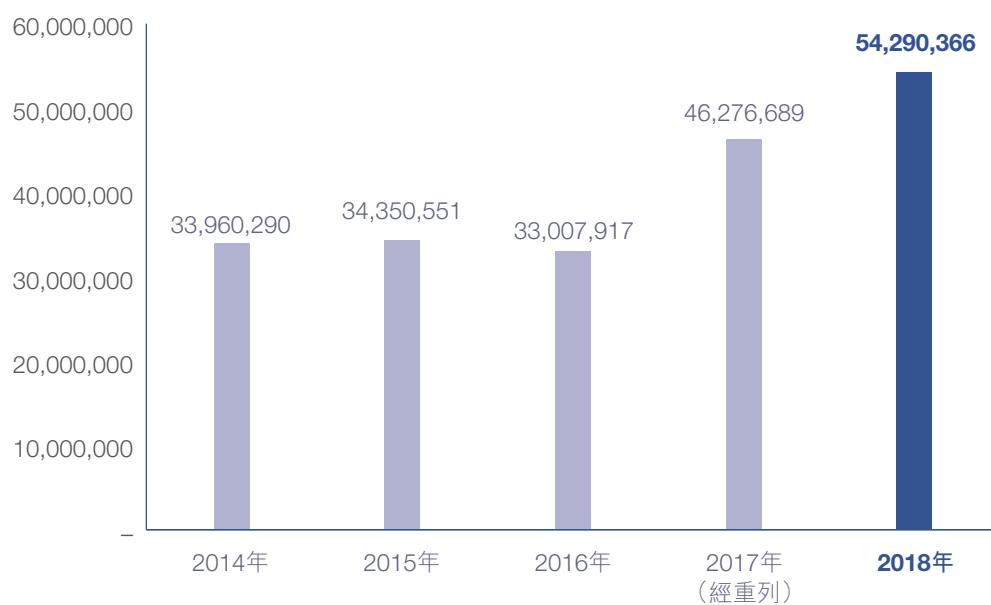
(人民幣千元)

	2018年	2017年 (經重列)	2016年	2015年	2014年
總資產	101,287,295	98,010,042	64,780,737	64,626,108	57,807,672
總負債	62,602,517	60,595,307	39,414,224	40,284,992	39,389,575
總權益	38,684,778	37,414,735	25,366,513	24,341,116	18,418,097
本公司權益持有人權益	13,394,660	13,401,019	12,039,247	11,539,763	9,648,260
少數股東權益	25,290,118	24,013,716	13,327,266	12,801,353	8,769,837
基本每股淨資產—本公司權益持有人應佔 淨資產(人民幣元)	11.49	11.49	10.32	9.90	8.69
攤薄每股淨資產—本公司權益持有人應佔 淨資產(人民幣元)	6.81	6.81	6.12	5.86	5.05

財務摘要

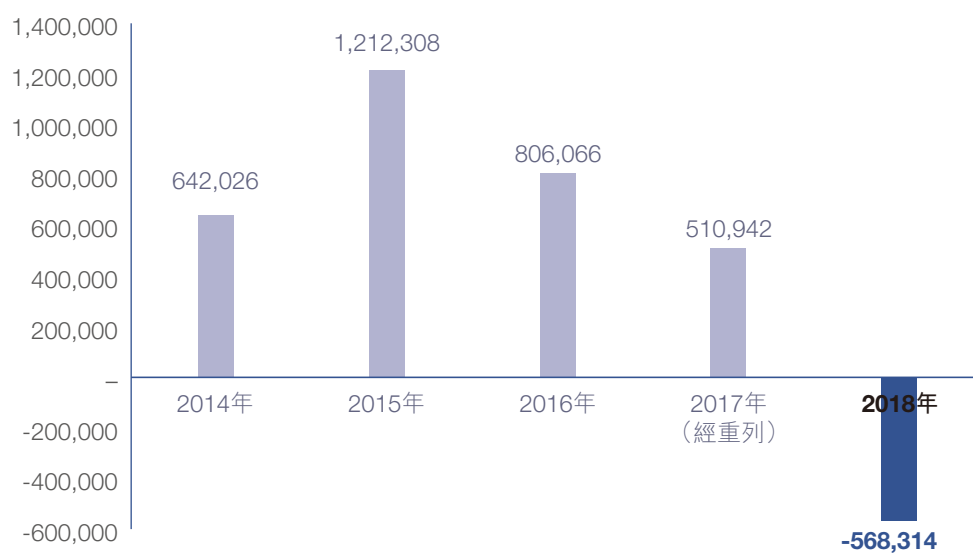
營業收入

人民幣千元



本公司權益持有人應佔溢利

人民幣千元



董事長致辭



本人很榮幸代表本公司董事(「董事」)會(「董事會」)，向各位股東、合作夥伴及關心支持中航國際控股股份有限公司(「本公司」)及其附屬公司(合稱「本集團」)之各界人士提呈本公司2018年度報告。

截至2018年12月31日止之年度(「報告期」)，本集團錄得營業收入約人民幣54,290,366,000元，較上年人民幣46,276,689,000元(包含已終止業務收益)增長約17.32%；因國際工程與貿易物流業務受宏觀環境及行業波動影響而導致的虧損，本集團權益持有人應佔盈利錄得虧損約為人民幣568,314,000元，較上年盈利約人民幣510,942,000元下降約人民幣1,079,256,000元。

2018年，國內外宏觀經濟環境錯綜複雜，國際貿易摩擦日益增加，國內經濟下行壓力加大，行業跨界競爭與融合加速，安全、環保等政策要求不斷提高。面對複雜嚴峻的外部環境，本集團緊緊圍繞「變革重構、聚焦突破、價值增長」的戰略主題，進一步優化業務結構，加快包括房地產開發業務在內的既定業務的退出。





報告期間，電子高科技業務緊貼市場需求，以前瞻性產品開發和重點項目建設為主綫加速產業升級，以優化客戶結構和提升關鍵運營能力為抓手推進運營效益增長。平板顯示業務規模持續增長，創新技術保持行業領先。天馬公司持續堅持對柔性顯示、觸控一體化等前瞻性技術的戰略性布局，獲得多項技術榮譽，在中小尺寸高端顯示領域奠定了領先地位；低溫多晶硅技術(LTPS)智能機面板、液晶顯示器(LCD)全面屏出貨量穩居全球第一；車載薄膜晶體管(TFT)出貨量領跑中國大陸、全球排名升至前三，在POS終端機、航空電子等多個細分市場份額繼續保持全球領先。PCB互聯業務產出創歷史新高，盈利能力大幅提升。2018年，深南電路聚焦關鍵客戶，緊抓訂單獲取及交付質量，積極把握通信、醫療、工控等市場機遇，持續優化產品結構，加速布局智能製造，印製電路板(PCB)、基板、PCBA三項業務產出持續創出歷史新高，營業收入和利潤雙雙大幅增長。零售與消費品業務著力借用數字化、智能化等科技手段推進轉型升級，創新商業模式，著力推動日常業務內涵式增長。國際工程與貿易物流業務受國際經濟貿易環境及行業周期影響，部分業務經營業績相應下滑，同時出於謹慎性原則，計提了商譽、壞賬等減值準備，導致國際工程與貿易物流業務利潤大幅下滑。

2019年，在外部環境複雜嚴峻、經濟面臨下行壓力的背景下，我國發展仍然擁有足夠的韌性、巨大的潛力，經濟長期向好的態勢不會改變。當前的宏觀形勢對本集團既是挑戰，更是發展的戰略機遇。在國家推動製造業高質量發展、推動先進製造業和現代服務業深度融合的大背景下，本集團電子高科技、零售與消費品及國際工程與貿易物流三項核心主業將獲得更大的發展空間，基於聚焦主業的戰略導向，本集團將持續推進地產業務剝離，預期將形成一定的投資收益。

展望2019年，本集團將以前瞻性課題研究為抓手加強戰略引領，提高對外部環境的應變及把握能力，貫徹執行「變革重構、聚焦突破、價值增長」的戰略主題，保持和擴大優勢業務的領先態勢，提升戰略與運營管理能力，扎實推進各項改革與發展舉措，轉換發展動能、提升風險抗力，全力以赴實現高質量發展。

不忘初心，再啟征程。在變革創新的道路上，我們將擁抱機遇，迎接挑戰，達成使命。本人僅代表董事會，向本集團勤奮敬業之全體員工，以及鼎力支持本集團之各位股東、合作夥伴、各界人士致以誠摯的謝意。我們將加倍努力，永不懈怠，致力於為股東、客戶及本集團員工創造更多價值。

管理層討論與分析

公司權益結構表



*註：中國航空技術廈門有限公司持有天馬公司1.78%股權，本集團合計持有天馬公司16.02%股權。



業務回顧

本公司於截至2018年12月31日止年度(「報告期間」或者「年度」)內綜合業績之綜合營業收入及溢利貢獻主要來自下列業務板塊及附屬公司：

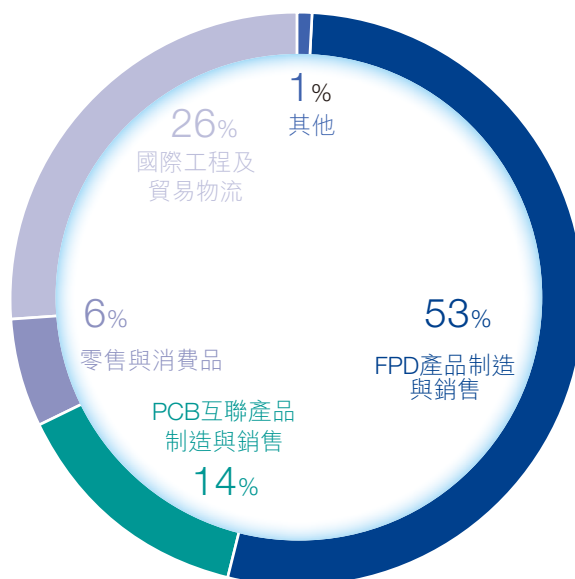
業務板塊	附屬公司名稱	本公司持有權益之比例	主要業務
電子高科技	天馬微電子股份有限公司 (「天馬公司」)	14.24%*	製造及銷售液晶顯示屏及模塊 (「平板顯示」)
	深南電路股份有限公司 (「深南電路」)	69.74%	製造及銷售印製電路板及封裝基板 (「PCB互聯」)
零售與消費品	飛亞達(集團)股份有限公司 (「飛亞達」)	37.15%	中高檔手錶製造及世界名表連鎖銷售
國際工程與貿易物流	中國航空技術國際工程有限公司 (「工程公司」)	100%	國際建築工程總承包為主，兼營海外地產開發和國內建築工程總承包業務
	中國航空技術北京有限公司 (「北京公司」)	100%	水泥工程、機械車輛等
	中航國際船舶控股有限公司 (「船舶公司」)	73.87%	船舶工程、船舶設計、船舶貿易等
	中航威海船廠有限公司 (「威海船廠」)	69.77%	船舶建造
	中國航空技術廣州有限公司 (「廣州公司」)	100%	醫療設備及瀝青工程
	中航路通實業有限公司 (「路通公司」)	50%	瀝青工程
	中國航空技術廈門有限公司 (「廈門公司」)	100%	貿易物流
	中航技國際經貿發展有限公司 (「經貿公司」)	100%	招標代理、信息化服務和自動化控制等
	中航國際新能源發展有限公司 (「新能源公司」)	100%	電站建設、節能管理和新能源設備的購銷

*註：中國航空技術廈門有限公司持有天馬公司1.78%股權，本集團合計持有天馬公司16.02%股權。

業務回顧(續)

業務板塊	附屬公司名稱	本公司持有權益之比例	主要業務
其他	北京中航瑞信投資管理有限公司 (「北京瑞信」)	90%	住宅開發業務為主，兼營工業地產開發等
	成都中航瑞賽置業有限公司 (「成都瑞賽」)	60%	住宅開發業務為主，兼營工業地產開發等
	深圳航空標準件有限公司 (「航標公司」)	100%	高強度螺栓、精密螺絲及螺母、異形件等緊固件
	廣東國際大廈實業有限公司 (「廣東國際公司」)	75%	酒店經營

2018年按業務板塊劃分之營業額構成





業務回顧(續)

2018年，國內外宏觀經濟環境錯綜複雜，國際貿易摩擦不斷升級，國內經濟下行壓力加大，行業跨界競爭與融合加速，安全、環保等政策要求提高。面對複雜嚴峻的外部環境，本集團緊緊圍繞「變革重構、聚焦突破、價值增長」的戰略主題，進一步優化業務結構，加快包括房地產開發業務在內的既定業務的退出。

截至2018年12月31日止年度，本集團錄得營業收入約人民幣54,290,366,000元，較上年約人民幣46,276,689,000元增長約17.32%；因國際工程與貿易物流業務受宏觀環境及行業波動影響而導致的虧損，本集團錄得本公司權益持有人應佔虧損約人民幣568,314,000元，較上年盈利約人民幣510,942,000元下降約人民幣1,079,256,000元。



業務回顧(續)

電子高科技產品業務：加速產業升級，推進效益增長

	2018年 營業收入 人民幣千元	同比變動	2018年 淨利潤 人民幣千元	同比變動
電子高科技產品	35,926,003	23.94%	1,618,270	-17.01%
其中：平板顯示	28,537,031	21.52%	914,585	-38.86%
PCB互聯	7,388,972	34.28%	703,685	54.96%

本集團電子高科技產品主要通過旗下附屬公司天馬公司及深南電路致力於平板顯示及PCB互聯產品的研發(「研發」)、設計、製造、銷售及服務。報告期間，本集團電子高科技產品緊貼市場需求，以前瞻性產品開發和重點項目建設為主線加速產業升級，以優化客戶結構和提升關鍵運營能力為抓手推進運營效益增長。

(一) 平板顯示：業務規模持續增長，創新技術保持行業領先

天馬公司聚焦平板顯示市場發展，產品主要應用於智能手機、平板電腦等消費品顯示領域，以及車載、醫療服務、工控等專業顯示領域。

報告期間，天馬公司完成收購廈門天馬微電子有限公司(「廈門天馬公司」)100%股權及上海天馬有機發光顯示技術有限公司(「天馬有機公司」)60%股權，提升了在低溫多晶硅技術(「LTPS」)、主動矩陣有機發光二極體面板(「AMOLED」)等新興顯示技術的研發和生產能力，業務規模進一步擴大，行業影響力進一步增強。





業務回顧(續)

電子高科技產品業務：加速產業升級，推進效益增長(續)

(一) 平板顯示：業務規模持續增長，創新技術保持行業領先(續)

天馬公司持續堅持對柔性顯示、觸控一體化等前瞻性技術的戰略性佈局，獲得多項技術榮譽，在中小尺寸高端顯示領域奠定了領先地位：LTPS智能機面板、液晶顯示器(LCD)全面屏出貨量穩居全球第一；車載薄膜晶體管(TFT)出貨量領跑中國大陸、全球排名升至前三，在POS終端機、航空電子等多個細分市場份額繼續保持全球領先。重點項目武漢G6 AMOLED產線順利實現部分量產，二期項目正式啟動。

報告期間，天馬公司因產能爬坡導致毛利率下降和三項費用增加；同時由於部分客戶出現經營風險，天馬公司基於謹慎性原則對應收賬款計提壞賬準備約人民幣4.92億元，導致天馬公司盈利同比下降。

(二) PCB互聯：產出創歷史新高，盈利能力大幅提升

深南電路PCB互聯產品包括中高端多層印製電路板(PCB)、封裝基板及電子裝聯(「PCBA」)，主要應用於通訊、航空航天、醫療、新能源汽車、工控等高技術領域。

2018年，深南電路聚焦關鍵客戶，緊抓訂單獲取及交付質量，積極把握通訊、醫療、工控等市場機遇，持續優化產品結構，加速佈局智能製造，PCB、封裝基板及PCBA三項業務產出持續創出歷史新高，營業收入和利潤雙雙大幅增長。



業務回顧(續)

電子高科技產品業務：加速產業升級，推進效益增長(續)

(二) PCB互聯：產出創歷史新高，盈利能力大幅提升(續)

深南電路在保持通訊、航空航天等高技術領域領先優勢的同時，積極佈局智能製造領域。南通智能工廠取得開門紅，全年毛利額超預期，定義了行業領先產能新標杆；無錫基板工廠提前完成封頂。通過上述舉措，深南電路憑藉領先的技術、過硬的產品質量、優質的服務贏得了核心客戶的高度讚譽，市場領先地位持續強化。

報告期間，深南電路於2018年11月12日採納限制性股票激勵計劃，並於2019年1月28日完成向145名員工授出2,800,000股限制性股票。有關限制性股票激勵計劃的詳情，請參閱本公司日期為2018年11月12日及2019年1月28日的公告。

零售與消費品業務：持續推進轉型升級，穩步推進商業模式創新

	2018年 營業收入 人民幣千元	同比變動	2018年 淨利潤 人民幣千元	同比變動
零售與消費品業務	3,376,464	1.61%	183,080	-18.43%

本集團零售與消費品業務通過旗下飛亞達致力於中高檔手錶的生產、品牌運營及世界名表的連鎖銷售和服務。報告期間，零售與消費品業務著力借用數字化、智能化等科技手段推進轉型升級，創新商業模式，着力推動日常業務內涵式增長。

2018年，飛亞達公司深入推進產品升級和品牌重塑，加快組織變革，強化研發、設計等專業平台對自有品牌的支持和協同；飛亞達航天表及應用項目榮獲第五屆「中國工業大獎」，該獎是中華人民共和國(「中國」)國務院批准設立的工業領域最高獎項；亨吉利全力推進渠道優化，客單價和客戶服務實現有效提升，精細化運營能力顯著增強，利潤實現較大增長；飛亞達智能表探索實現初步突破，業務模式創新實踐穩步推進。





業務回顧(續)

零售與消費品業務：持續推進轉型升級，穩步推進商業模式創新(續)

報告期間，飛亞達公司於2018年11月12日採納限制性股票激勵計劃，並於2019年1月28日向128名員工授出4,224,000股限制性股票。有關限制性股票激勵計劃的詳情，請參閱本公司日期為2018年11月12日及2019年1月28日的公告。

國際工程與貿易物流業務

本集團通過旗下工程公司、北京公司、船舶公司、威海船廠及經貿公司等從事工程承包、水泥工程、機電工程、船舶工程、招標代理等業務。

報告期間，國際工程與貿易物流業務受國際經濟貿易環境及行業週期影響，利潤大幅下滑，主要表現為：1)全球經濟形勢低迷，水泥工程業務新簽訂單數量嚴重不足，營業收入大幅下滑。考慮到水泥行業的低迷和公司經營業績下滑，出於謹慎性原則，對德國洪堡(KHD)計提商譽減值，導致水泥與機電工程業務出現較大虧損；2)威海船廠受船運市場不景氣影響，開工率不足，導致營業收入大幅下降。同時，由於原材料及設備價格上漲、商譽減值增加、三項費用增加及匯率波動，威海船廠出現大額虧損；3)經貿公司基於謹慎原則，對提供給連續三年虧損無法償還債務的使用權益法入賬的投資企業的債權計提壞賬準備。綜上，國際工程與貿易物流板塊全年錄得營業收入約為人民幣14,191,301,000元，較上年約人民幣13,239,645,000元增長約7.19%，虧損約為人民幣1,466,825,000元，較上年虧損約人民幣299,228,000元增加約1,167,598,000元。



業務回顧(續)

國際工程與貿易物流業務(續)

面對國際經濟環境的變化和艱難的行業經營局面，本集團國際工程與貿易物流業務緊緊圍繞提升核心能力，開展商業模式研討、明確業務發展方向，並結合年度戰略更新逐一落實，狠抓內部運營提質增效；成立項目評審、項目運營、財務資源共享等3個跨企業專業委員會，統籌整體戰略協同並加強風險控制。繼續推進「一帶一路」重點國別、重點業務的拓展，工程承包業務全年新簽約項目17個，合同金額達到35億美元。通過內部管理提升，工程公司實現日常經營利潤扭虧為盈，榮登2018年度美國《工程新聞紀錄(ENR)》「全球最大250家國際承包商」榜單第118位。

業務展望

2019年，在外部環境複雜嚴峻、經濟面臨下行壓力的背景下，中國發展仍然擁有足夠的韌性、巨大的潛力，經濟長期向好的態勢不會改變。當前的宏觀形勢對本集團既是挑戰，更是發展的戰略機遇。在國家推動製造業高質量發展、推動先進製造業和現代服務業深度融合及「一帶一路」的大背景下，本集團電子高科技、零售與消費品及國際工程與貿易物流三項核心主業將獲得更大的發展空間；基於聚焦主業的戰略導向，本集團將持續推進地產業務剝離，預期將形成一定的投資收益。

2019年，本集團將以前瞻性課題研究為抓手加強戰略引領，提高對外部環境的應變及把握能力，貫徹執行「變革重構、聚焦突破、價值增長」的戰略主題，保持和擴大優勢業務的領先態勢，提升戰略與運營管理能力，扎實推進各項改革與發展舉措，轉換發展動能、提升風險抗力，全力以赴實現高質量發展。

電子高科技業務

本集團電子高科技業務將持續向產業鏈高端環節發展，加速突破前瞻性產品開發和重點項目建設，持續提升技術研發能力和先進製造能力，以良率提升、工藝升級、智能製造等為牽引，切實提升各重大項目投入產出水平。

平板顯示業務將加快推進有機發光二極管(OLED)業務取得商業成功，確保武漢G6一期和上海G5.5產線良率及產能爬坡、武漢G6二期建設取得重大進展。PCB互聯業務將全面把握5G建設的市場機遇，推動智能工廠建設，實現無錫基板工廠連線投產，探索從元器件製造商向解決方案供應商轉型和向適度輕資產模式發展。





業務展望(續)

零售與消費品業務

本集團零售與消費品業務將進一步貼近和洞察客戶需求，強化客戶理念，提升市場應變能力。推動多品牌管理平台及名表全面服務商模式轉型落地，切實提升組織效率，加快培養產品與服務創新能力和品牌運營能力。

飛亞達公司將深入推進品牌重塑，持續拓展渠道，深化品牌和渠道融合，增進業務協同，加強跨界合作，持續打造以消費者需求為核心的商業生態，創新盈利模式，推動價值增長。同時加快培育智能表、精密製造等新增長動能。

國際工程與貿易物流業務

2019年，本集團國際工程與貿易物流業務將基於已經形成的國際業務協同機制，深化業務資源的融合，提高共有業務流程的規範性；同時落實責任，針對關鍵環節加強管控，切實改善持續虧損企業的經營，力爭達成減虧、扭虧目標。

工程承包業務將聚焦核心市場及重點業務，持續深耕東南亞、遠東以及「一帶一路」區域；大力拓展航空基礎設施類業務，創新商業模式；全力促進安哥拉國際機場、斯里蘭卡南部高速公路等重大項目的順利執行。水泥工程業務將加強市場開發，力促核心項目簽約即生效，做好在手項目執行工作，保證已生效項目實現預期利潤；德國洪堡(KHD)將優化組織架構、降低採購成本，提高項目執行的實際利潤率。船舶工程業務將深耕目標細分市場，擴大細分市場佔有率，提升產品邊際貢獻率。

董事及監事簡介

執行董事

劉洪德先生，58歲，哈爾濱工程大學管理科學與工程專業博士及研究員級高級工程師，彼享受中國國務院政府特殊津貼。劉先生於經營管理、科研管理、組織及文化建設方面擁有豐富工作經驗。劉先生於2017年2月15日獲委任為本公司執行董事兼董事會主席，現任中國航空技術國際控股有限公司(「中航國際」)董事長、中國航空工業國際控股(香港)有限公司(「中航工業國際」)(其股份於聯交所上市及買賣，股份代碼：232)董事會主席。加入中航國際前，劉先生曾出任哈爾濱東安發動機公司副總裁、哈爾濱東安汽車動力股份有限公司(其股份於上海證券交易所上市及買賣，股份代碼：600178)總裁及董事長、哈爾濱航空工業(集團)有限公司董事及常務副總裁、江西昌河汽車股份有限公司(其股份於上海證券交易所上市及買賣)董事長、中國航空汽車工業總公司總裁、中國航空科技工業股份有限公司(其股份於聯交所上市及買賣，股份代碼：2357)副總裁、中國航空工業第二集團公司企業文化部部長、中國航空工業集團有限公司(前稱中國航空工業集團公司)(「航空工業集團」)企業文化部部長以及航空工業集團工會常務副主席及航空工業集團監事。

賴偉宣先生，55歲，高級會計師，同濟大學管理學博士及北京大學光華管理學院EMBA。賴先生現任本公司執行董事兼副主席、中國航空技術國際控股有限公司總裁兼董事、中航工業國際執行董事。賴先生於1983年加入中航深圳，曾任中國航空技術深圳有限公司(「中航深圳」)副總經理、飛亞達董事長、天馬公司(飛亞達及天馬公司為本公司附屬公司，其股份於深圳證券交易所上市，飛亞達股份代碼：000026、200026，天馬公司股份代碼：000050)副董事長、天虹商場股份有限公司董事長(其股份於深圳證券交易所上市，股份代碼：002419)。賴先生具有豐富的財務及經營管理經驗，曾於2004年至2012年擔任本公司執行董事，並於2014年再次獲委任為本公司執行董事。

由鐳先生，50歲，高級工程師，同濟大學工商管理碩士、中歐國際工商學院高層管理人員工商管理碩士，現任本公司執行董事兼副主席、中航國際董事、中航深圳董事長，曾任中航國際副總裁、中航深圳總裁、天馬公司董事長及深南電路(其股份於深圳證券交易所上市，股份代碼：002916)董事長。由先生於1991年加入中航深圳，於1997年加入本集團。由先生具有豐富的企業經營及商業管理經驗，於2003年獲委任為執行董事。

劉軍先生，57歲，北京航空學院工程學士學位，具有豐富的經營管理經驗。劉先生現任本公司執行董事、中國航空技術國際控股有限公司副總裁。劉先生於1989年加入中國航空技術進出口總公司(中航國際的前身)，1990年至1993年派駐中航技德國公司工作，曾任中國航空技術北京有限公司(本公司附屬公司)總經理、董事長。2012年劉先生獲委任為本公司執行董事。





執行董事(續)

傅方興先生，45歲，於1996年獲投資經濟管理學士學位，並於2005年取得會計學碩士學位。傅先生現任本公司執行董事、中航國際董事及總會計師，中航工業國際執行董事。傅先生曾任幸福控股(香港)有限公司(其股份於聯交所上市及買賣，股份代號：260)執行董事，中航國際財務管理部副部長、部長，中航國際航空發展有限公司總會計師及中航國際成套設備有限公司副總會計師。傅先生為高級會計師，在財務管理、投融資管理、投資並購等方面具有豐富的經驗，於2018年被委任為本公司執行董事。

陳宏良先生，51歲，同濟大學工商管理碩士學位。陳先生現任天馬公司董事長。陳先生曾任中國航空技術國際控股有限公司副總裁及中國航空技術深圳有限公司副總裁。陳先生具有豐富的行政及人事管理經驗，於2012年獲委任為本公司執行董事。

獨立非執行董事

黃慧玲女士，57歲，於1983年11月取得香港大學文學士學位，並於1985年7月於英國倫敦大學倫敦政治經濟學院取得會計及財務文憑。彼自1991年6月起註冊為香港執業會計師，並分別自1995年5月及2001年2月起成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員。黃女士於會計及審計方面擁有超過二十年經驗，主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。彼於1993年於香港成立會計師事務所前，曾於主要國際會計師事務所及本地會計師事務所任職。黃女士現為本公司獨立非執行董事，華僑城(亞洲)控股有限公司(其股份於聯交所主板上市，股份代碼：3366)的獨立非執行董事及審核委員會主席，永盛新材料有限公司(其股份於聯交所主板上市，股份代碼：3608)的獨立非執行董事、審核委員會主席及薪酬委員會主席以及衍生集團(國際)控股有限公司(其股份於聯交所主板上市，股份代碼：6893)的非執行董事。黃女士曾擔任中國瑞風新能源控股有限公司(其股份於聯交所主板上市，股份代碼：527)的獨立非執行董事，但已於2019年1月31日辭任。亦曾擔任同景新能源集團控股有限公司(前稱JC Group Holdings Limited，其股份於聯交所創業板上市，股份代碼：8326)的執行董事及朝威控股有限公司(其股份於聯交所創業板上市，股份代碼：8059)的獨立非執行董事，並已分別於2016年10月18日及2016年3月22日辭任。黃女士於2008年獲委任為本公司獨立非執行董事，於2017年獲重選為本公司獨立非執行董事。

獨立非執行董事(續)

鄔煒先生，46歲，持有美國哥倫比亞大學文學士學位，主修經濟及工業工程，現任本公司獨立非執行董事，深圳市麥星投資管理有限公司合夥人，曾任中信證券國際有限公司董事，負責私募基金業務。鄔先生具備逾二十年的企業投資及投資銀行經驗，曾服務於德意志銀行亞洲公司、英國宏信環球投資亞洲基金及雷曼兄弟亞洲公司。彼於2009年獲委任為本公司獨立非執行董事，並於2018年獲重選委任為本公司獨立非執行董事。

魏煒先生，54歲，持有清華大學企業管理碩士及華中科技大學管理科學與工程博士。彼亦為北京大學匯豐商學院教授。魏先生現為本公司獨立非執行董事，無錫和晶科技股份有限公司(其股份於深圳證券交易所上市，股份代碼：300279)非執行董事。魏先生亦曾擔任天音通信控股股份有限公司(其股份於深圳證券交易所上市，股份代碼：000829)、創維數碼控股有限公司(其股份於聯交所主板上市，股份代碼：751)、獐子島集團股份有限公司(其股份於深圳證券交易所上市，股份代碼：002069)、長園集團股份有限公司(其股份於上海證券交易所上市，股份代碼：600525)及中興通訊股份有限公司(其股份於深圳證券交易所及聯交所上市，股份代碼分別為：000063和763)獨立非執行董事。彼亦曾為新疆工學院管理工程系副教授、新疆大學經濟與管理學院副院長及北京大學中國經濟研究中心博士後。魏先生於2014年獲委任為本公司獨立非執行董事。

監事

焦燕女士，53歲，高級經濟師，北京大學法學學士，現任中航國際董事會秘書、總法律顧問兼法律事務部部長。焦女士曾任北京航空航天大學管理學院講師，中國航空技術進出口總公司(中航國際的前身)經理部法規處處長、副總法律顧問，中航國際副總法律顧問等職務。焦女士於2018年6月12日獲委任為本公司監事兼監事會主席。

梁赤先生，61歲，中國註冊律師及房地產評估師，中山大學法學學士，現為廣東方典律師事務所律師，香港寶申控股有限公司獨立非執行董事(其股份於聯交所創業板上市及買賣，股份代碼：8151)。梁先生具備超過三十年的法律工作經驗，他曾擔任深圳市得潤電子股份有限公司第四屆及第五屆董事會獨立董事(該公司股份於深圳證券交易所上市，股份代碼：002055)。梁先生自2015年獲委任為本公司監事。





監事(續)

劉永澤先生，69歲，東北財經大學管理學博士學位，現任東北財經大學會計學院教授及中國內部控制研究中心主任，中國會計學會副會長。劉先生曾任東北財經大學會計學院院長、大連港股份有限公司(其股份於上海證券交易所及聯交所上市，股份代碼為：601880和2880)及錦州港股份有限公司(其股份於上海證券交易所上市，股份代碼：600190)之獨立董事。他現在為聯美量子股份有限公司(前稱「聯美控股股份有限公司」，其股份於上海證券交易所上市，股份代碼：600167)、大連華銳重工集團股份有限公司(其股份於深圳證券交易所上市，股份代碼：002204)、大連熱電股份有限公司(其股份於上海證券交易所上市，股份代碼：600719)及深圳鍵橋通訊技術股份有限公司(其股份於深圳證券交易所上市，股份代碼：002316)之獨立董事。劉先生自2015年獲委任為本公司監事。

楊喜先生，59歲，中級經濟師，畢業於烏魯木齊財貿學校，現任本公司物業資產經營部副經理。彼曾任中航物業管理有限公司北京分公司總經理、北京凱迪克蘭雲天大酒店副總經理及深圳觀瀾格蘭雲天國際酒店總經理。楊先生於2015年獲委任為本公司監事。

聯席公司秘書

肖章林先生，43歲，上海交通大學工商管理學碩士，於2015年獲航空工業集團認可為高級工程師。現任本公司聯席公司秘書、規劃與經營部部長，及中航善達股份有限公司(前稱中航地產股份有限公司，其股份於深圳證券交易所上市，股份代碼：000043)、深南電路、飛亞達、天虹股份的董事。肖先生曾任天馬公司董事並於2018年6月5日辭任、以及中航國際零售與高端消費品辦公室主任和戰略發展部副部長。彼於2018年2月獲委任為本公司的聯席公司秘書。

鐘思均先生，43歲，高級經濟師，西北工業大學管理學碩士，現任中航國際控股(珠海)有限公司董事長。於報告期間擔任本公司聯席秘書。鐘先生曾任上海天馬微電子有限公司董事會秘書、本公司經營管理部經理、飛亞達董事、中航地產股份有限公司董事、天馬公司董事、天虹股份董事，於新加坡證券交易所上市之中航國際船舶控股有限公司董事。鐘先生於2019年1月15日辭任本公司聯席公司秘書。

企業管治報告

一、 企業管治常規

本公司始終堅信有效踐行企業管治可提升公司的可靠性及透明度，符合全體股東利益。本公司一直遵守《中華人民共和國公司法》、香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「《上市規則》」）以及《公司條例》（香港法例第622章）的要求，嚴格履行《上市規則》附錄14之《企業管治守則》及《企業管治報告》所要求之義務，按照訂立的各項管治制度指導日常活動，並不時檢討公司的經營、管理行為，堅守良好的企業管治準則，提高公司運作的透明度和獨立性，致力於不斷提升企業管治水平，確保公司穩健發展並努力提升股東價值。

除守則條文A.2.1外，於2018年1月1日至2018年12月31日止期間，本公司採納及遵守上市規則（如適用）附錄14所載企業管治守則的守則條文。

有關上述守則條文A.2.1的偏離，詳見以下「四、主席及行政總裁」一段。

二、 董事及監事的證券交易

本公司已採納香港聯交所《上市規則》附錄10所列載的《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為自身有關證券交易的操守守則。

本公司在向所有本公司董事（「董事」）及本公司監事（「監事」）作出特定查詢後，截至2018年12月31日止，發行人的董事及監事均嚴格遵守《標準守則》所定有關董事進行證券交易的標準及其本身所訂有關的行為準則。





三、董事會

董事會組成

本公司的董事會由9名董事組成，其中執行董事6名，分別為：劉洪德先生(董事長)、賴偉宣先生(副董事長)、由鐳先生(副董事長)、周春華女士(於2018年12月11日辭任)、劉軍先生、陳宏良先生及傅方興先生(於2018年12月11日獲委任)；獨立非執行董事3名，分別為：黃慧玲女士、鄔煒先生、魏煒先生。

獨立董事

本公司獨立非執行董事為黃慧玲女士、鄔煒先生及魏煒先生。獨立非執行董事的人數符合上市規則的規定。其中黃慧玲女士為合資格會計師，擁有豐富的會計及財務經驗。於截至2018年12月31日止年度，各獨立非執行董事已按照上市規則第3.13條的規定就其獨立身份作出書面確認，公司認為所有獨立非執行董事均符合上市規則第3.13條所載的獨立身份指引規定。

根據守則條文第A.4.3條，若獨立非執行董事在任超過九年，其進一步委任須經股東以獨立決議案批准方可作實。故此，雖然鄔煒先生已擔任本公司獨立非執行董事超過九年，董事會認為鄔先生乃具備誠信以及獨立判斷及性格之人士。彼獨立於管理層，並無任何業務或其他關係或情況可重大干擾彼作出獨立判斷。董事會認為，鄔先生符合上市規則第3.13條所載之獨立性指引，並認為其獨立性不受彼長期服務本公司所影響。故此，董事會認為鄔先生為獨立人士，鄔先生於2018年6月12日舉行的本公司2017年度股東周年大會上重選為本公司獨立非執行董事。

董事的委任、重選及辭任

根據本公司章程，每名董事成員(包括獨立非執行董事)經由股東大會選舉或更換，任期3年，任期屆滿後可連選連任。本公司董事會下設的提名委員會對每位董事候選人的任職資格及經驗作審慎考慮，負責就委任新董事、重選董事或填補董事空缺人選作出評價，並向董事會提交建議。董事會通過有關董事候選人的提名議案後，提交股東大會審議批准。

除退任董事及經董事會推薦的董事候選人外，股東在公司發出有關進行董事競選的股東大會通知第2天開始，有權向公司發出書面通知提名董事候選人，向公司發出書面通知的期限至少10天。股東大會在遵守有關法律、行政法規規定的前提下，可以普通決議的方式罷免任何任期屆滿的董事，包括任何兼任公司經理或其他管理職位的董事，但依據任何合同可提出的索賠要求不受此影響。

本公司獨立非執行董事每屆任期與其他董事任期相同，獨立非執行董事在本公司任職年限應符合有關法律和監管機構的規定。

三、 董事會(續)

董事會多元化政策

本公司董事會已於2018年12月31日修訂並採納了董事會多元化政策(「董事會多元化政策」)。提名委員會委員根據董事會多元化政策，從多個方面考慮董事會成員的多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期，外部獨立董事人數等，不時檢討董事會成員組成、經驗及技能，以確保董事會擁有均衡的架構及董事的獨立性，使董事會的決策更為科學合理，確保董事會由適當的人選組成以滿足本集團的需求，最終提名委員會將按董事候選人的優勢及可為董事會提供的貢獻向董事會提交委任建議，並經董事會提請股東大會批准任命。截至報告期內，本公司執行董事由有工程管理、工商管理、財務與金融、會計等專業背景的董事任職，有熟悉企業戰略管理、組織與文化建設、企業經營與商業管理、國際會計準則和香港會計準則的會計師、國際投行背景的投資銀行家及知名商學院教授等背景的專業人士擔任獨立非執行董事，本公司多元化的董事結構在不同領域為本公司提供專業意見，為董事會帶來廣闊視野和高水準的專業經驗。本公司董事會共有9名董事，其中6名為執行董事，獨立非執行董事3名，獨立非執行董事佔董事會席位的三分之一，這也保持了董事會應有的獨立與平衡，確保本公司董事會在審議和研究重大事項時能夠有效做出獨立判斷和科學決策。

董事會成員構成	執行董事		獨立非執行董事	
	6名		3名	
性別	男性		女性	
	8名		1名	
年齡	40歲-45歲	46歲-50歲	51歲-55歲	55歲-60歲
	1名	2名	3名	3名





三、 董事會(續)

董事會及委員會會議舉行及出席情況

截至2018年12月31日止財政年度本公司所召開的股東大會、董事會和其他委員會會議的次數及出席情況如下，所有會議均由各董事親自出席，沒有替任出席的情形：

董事會	股東大會 (包括股東 週年大會及 股東特別大會)		董事會 出席率	審核委員會 出席次數/ 召開會議次數	薪酬委員會 出席次數/ 召開會議次數	提名委員會 出席次數/ 召開會議次數
	出席次數/ 召開會議次數	出席次數/ 召開會議次數				
執行董事						
劉洪德	2/4	18/18	100%		3/3	3/3
賴偉宣	2/4	18/18	100%			
由鏞		18/18	100%			
周春華(於2018年 12月11日辭任)		16/18	89%			
劉軍		18/18	100%			
陳宏良		18/18	100%		3/3	3/3
傅方興(2018年 12月11日獲委任)		1/1	100%			
獨立非執行董事						
黃慧玲		18/18	100%	4/4	3/3	3/3
鄔煒		18/18	100%	4/4	3/3	3/3
魏煒		18/18	100%	4/4	3/3	3/3

三、 董事會(續)

董事會與管理層職責

按照本公司章程規定以及上市規則之相關規定，董事會主要職責包括制定本集團的整體目標及戰略、審批經營計劃及投資建議，制訂年度財務預算，提出利潤分配議案，實施審慎有效的內部監控及風險管理運行機制，評估、監督管理層的表現，召開股東週年大會與股東特別大會及執行股東週年大會及股東特別大會之決議等。

此外，董事會還監督影響所有股東權益的具體事項，包括監控財務表現、人力資源配備、投資與融資、上市規則所述的須予公布的交易活動、風險管理策略和重大風險管理解決方案，以及資本重組等依據公司章程或股東大會的授權而作的管理決策。董事會亦負責呈報本集團財務報表，保證財務報表根據法律法規規定及適用的會計準則編製，並按照持續經營本公司財務狀況表達真實及公平意見，保證及時刊發本集團的財務報表。

本公司章程中已詳細列明董事會在公司發展戰略和管理方面的職權以及董事會對公司發展和經營的監督和檢查職權。

由於本公司為投資控股型公司，目前由執行董事代為行使本公司管理層職能，按照公司章程規定需由董事會審批的所有項目均由董事會審查並進行決策。各執行董事的職責分工如下：

劉洪德先生：主持公司全面工作。

賴偉宣先生：協助董事長主持日常經營工作；負責運營管理、戰略性投資評審工作；

由鏞先生：負責電子高科技板塊、零售與消費品板塊、協管戰略規劃；

劉軍先生：負責國際化拓展、外事、海外機構管理工作，負責貿易物流板塊相關業務；

傅方興先生：負責財務管理、財務與策略性投資、資本運營工作；

陳宏良先生：負責人力資源、法律事務、審計、紀檢監察工作。





三、 董事會 (續)

董事合規

截至2018年12月31日止年度，董事不存在任何未能遵守《上市規則》第3.10(1)及(2)條，第3.10A條的情形；獨立非執行董事不存在任何未能符合《上市規則》第3.13條列載的其中一項或多項評估獨立性指引的情形，董事會成員之間不存在任何關係，包括財務、業務、家屬或其他重大／相關的關係。

董事培訓

所有新委任的董事均獲提供必要的入職培訓及資料，確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下的責任有適當程度的瞭解。公司秘書亦不時為董事提供上市規則以及其他相關法律及監管規定的最新發展及變動的資料。

此外，本公司鼓勵所有董事參與持續專業發展，發掘並更新彼等的知識及技能。根據上市規則企業管治守則，本公司為董事安排了上市規則合規培訓、研討會及閱覽資料等內部培訓。根據董事向本公司所提供的記錄，截至2018年12月31日止年度期間本公司董事所接受的培訓概要如下：

	培訓人： 香港法律顧問培訓課程： 最新上市規則更新 (2018.3.20)	培訓人： 香港法律顧問培訓課程： 董事職責 (2018.8.24)
執行董事：		
劉洪德(董事長)	✓	✓
賴偉宣(副董事長)	✓	✓
由鏞(副董事長)	✓	✓
周春華(2018年12月11日辭任)	✓	✓
劉軍	✓	✓
陳宏良	✓	✓
傅方興(2018年12月11日獲委任)		
獨立非執行董事：		
黃慧玲	✓	✓
鄔煒	✓	✓
魏煒	✓	✓

四、 主席及行政總裁

根據守則條文第A.2.1條，主席及行政總裁職責應予以區分，不應由同一人擔任。主席及行政總裁之間的職責分工須以書面形式清晰地確立。由於本公司為投資控股型公司，於截至2018年12月31日止年度，由執行董事代為行使本公司管理層職能，本公司並未委任任何行政總裁。執行董事兼本公司董事長劉洪德先生，以及本公司董事會將定期開會，以考慮影響本集團營運的主要事宜。董事會認為，該架構不會損害董事會與本公司管理層之間的權力及權限平衡。各執行董事及高級管理層(負責不同職能)的角色補足主席及行政總裁的角色。董事會相信，這種架構有利於建立穩健而一致的領導，讓本集團得以有效地營運。

五、 董事會轄下的委員會

本公司董事會現設有三個委員會，分別為董事會審核委員會(「審核委員會」)、董事會薪酬委員會(「薪酬委員會」)以及董事會提名委員會(「提名委員會」)。各委員會的角色、職能分別如下：

1、 審核委員會

本公司董事會下設立審核委員會，審核委員會由本公司獨立非執行董事組成，審核委員會主席由黃慧玲女士擔任，其為合資格會計師，擁有豐富的會計及財務經驗，另外兩名成員為獨立非執行董事鄒煒先生及魏煒先生。審核委員會主席具備專業資格，符合上市規則第3.21條規定。

審核委員會的主要職責包括建議、批准本公司外聘核數師的薪酬及聘用條款，審閱本公司財務資料、監管本公司財務申報制度、檢討風險管理及內部監控系統的有效性，監控內部審計功能的有效性，審閱內部核數程序的有效性及其客觀性等工作。審核委員會於2018年12月31日召開會議修訂並採納了審核委員會職權範圍。詳情請參見2018年12月31日刊載於香港聯交所網站及本公司網站的審核委員會職權範圍。





五、 董事會轄下的委員會(續)

1、 審核委員會(續)

審核委員會於報告期內舉行了四次會議，審閱、討論並建議董事會批准的事項如下：

- (1) 本公司2017年度核數師報告、業績公告及董事會報告；
- (2) 本公司關連交易及持續關連交易合規性報告；
- (3) 本公司2017年度公司治理及內部控制工作相關報告；
- (4) 本公司續聘羅兵咸永道會計師行為本公司核數師；
- (5) 更換德勤•關黃陳方會計師行為本公司核數師；
- (6) 本公司截至2018年中期未經審核之中期財務報表、中期業績公告及董事會報告；
- (7) 本公司2018年中期公司治理及內部控制工作相關報告等；及
- (8) 修訂審核委員會職權範圍。

報告期內審核委員會會議出席情況請參見本企業管治報告標題為「三、董事會—董事會及委員會會議舉行及出席情況」一段會議出席情況統計表。

2、 薪酬委員會

本公司董事會下設立薪酬委員會，薪酬委員會由本公司執行董事劉洪德先生、陳宏良先生及獨立非執行董事黃慧玲女士、鄔煒先生及魏煒先生組成，薪酬委員會主席由獨立非執行董事魏煒先生擔任。

薪酬委員會的主要職責為就各董事及高級管理人員之表現、聘用、薪酬及獎勵方面向董事會提出建議，制訂整體薪酬政策。薪酬委員會具體的職權範圍可於聯交所網站及本公司網站查閱。

五、 董事會轄下的委員會(續)

2、 薪酬委員會(續)

於報告期內薪酬委員會召開了三次會議，審閱、討論並建議董事會批准的事項如下：

- (1) 審議本公司董事及高級管理人員2017年度薪酬制度的議案；
- (2) 審議本公司薪酬政策及架構的議案；
- (3) 本公司全體董事及高級管理人員的特定薪酬待遇等議案；
- (4) 鄔煒先生之薪酬福利及董事服務合同；
- (5) 提議調整獨立非執行董事薪酬議案；及
- (6) 擬委任執行董事傅方興先生之薪酬福利及董事服務合同。

薪酬委員會就以上審議內容向董事會提供了意見供董事會批准。薪酬委員會之職權範圍遵照上市規則之相關規定，薪酬委員會會議於截至2018年12月31日止年度的出席情況請參見本企業管治報告標題為「三、董事會－董事會及委員會會議舉行及出席情況」一段會議出席情況統計表。

3、 提名委員會

董事會下設的提名委員會，提名委員會由本公司執行董事劉洪德先生、陳宏良先生及獨立非執行董事黃慧玲女士、鄔煒先生及魏煒先生組成，提名委員會主席由獨立非執行董事鄔煒先生擔任。

提名委員會負責至少每年檢討董事會的架構、人數及組成，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；在評估及挑選候選人擔任董事時，提名委員會應當確保公司董事會成員具備切合公司業務所需的技能、知識、經驗及多元觀點。提名委員會就候選人的資格、經驗、品格及對本公司作貢獻的潛力考慮出任董事的合適人選，並依據上市規則第3.13條所述的獨立性規定判斷獨立非執行董事的獨立性並在企業管治報告中作出相關披露。





五、 董事會轄下的委員會(續)

3、 提名委員會(續)

報告期內，提名委員會批准了修訂提名委員會之職權範圍，包括提名候選人時應考慮多項因素，包括但不限於候選人的技能、經驗及專業知識；候選人的多元化、被提名為獨立董事的獨立性等原則。

本公司提名委員會職權範圍經修訂後的提名程序如下：

1. 如提名委員會確定需要增加或替換董事，委員會可採取其認為合適的措施以物色及評估候選人。
2. 提名委員會可向董事會建議由本公司股東推薦或提名的候選人，作為董事會選任的被提名人。董事的委任或重選委任、以及董事的繼任計劃，須經董事會批准。
3. 提名委員會於推薦候選人時，可將候選人的個人簡介及建議交予董事會考慮。為使建議有效，建議必須明確指出提名意向及候選人同意被提名，個人簡介必須包括及／或附有根據上市規則要求披露候選人的全部詳情，包括根據上市規則所規定的數據及／或確認。如果被推薦的候選人將獲委任為獨立非執行董事，他／她須根據上市規則所載因素評估其獨立性，惟香港聯交所可能不時對該等因素作出修訂。
4. 董事會應遵守董事會成員多元化政策為董事會實現多元化。

於報告期內提名委員會召開了三次會議，審閱、討論並建議董事會批准的事項如下：

- (1) 董事會的架構、人數及組成(包括技能、知識及經驗方面)；
- (2) 董事委任或重新委任以及董事繼任計劃；
- (3) 本公司獨立非執行董事的獨立性；
- (4) 鄒煒先生之薪酬福利及董事服務合同；
- (5) 建議委任傅方興先生擔任本公司執行董事；及
- (6) 提名委員會建議修訂提名委員會之職權範圍。

五、 董事會轄下的委員會(續)

3、 提名委員會(續)

提名委員會會議於2018年12月31日止年度的舉行及參會情況請參見本企業報告標題為「三、董事會—董事會及委員會會議舉行及出席情況」一段會議出席情況統計表。

4、 企業管治

董事會負責履行的企業管治職責包括下列各項：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察董事及僱員適用的操守準則及合規手冊；
- (e) 檢討本公司遵守上市規則附錄14(企業管治守則及企業管治報告)的情況；及
- (f) 對本公司風險進行管理、評估、監督與控制，對本公司內部控制情況進行評價。董事會認為本公司的風險管理與內部控制系統有效。





六、核數師酬金

截至2018年12月31日止年度本集團就外部核數師德勤•關黃陳方會計師行為其提供的核數及非核數服務已付／應付的酬金總額為人民幣3,908,000元。

本公司核數師羅兵咸永道會計師事務為本公司提供審計服務已達11年，根據國務院國有資產監督管理委員會（「國資委」）及中國財政部頒布的相關規定，倘外部會計公司連續承擔同一家中央國有企業財務審核業務的任期超過一定年限時，該企業應考慮或按要求更換會計公司。據此，本公司於2018年6月12日召開的2017年度股東週年大會上審議通過了更換德勤•關黃陳方會計師行為本公司核數師的議案。

七、董事及核數師對綜合財務報表所承擔責任

全體董事均知悉彼等須就編製截至2018年12月31日止年度賬目及本公司綜合財務報表承擔責任。本公司核數師知悉其須就截至2018年12月31日止年度財務報表承擔獨立核數師報告之申報責任。董事會在財務及會計部門協助下負責編製本公司及本集團的財務報表。董事會已根據國際財務報告準則編製財務報表，並一直貫徹使用及應用合適的會計政策。董事會已定期就本集團的財務報告程序、風險管理、內部監控系統、外聘會計師的意見及其委任，辭任或撤任（如有），進行審議及監控，並於截至2018年12月31日年內已檢討本集團的內部監控系統是否有效。董事並不知悉任何有關可能會嚴重影響發行人持續經營能力的重大不明朗事件或情況，故董事於編製綜合財務報表時繼續採納持續經營會計方式。本公司審核委員會認為外聘核數師的甄選、委任符合公司實際需求，其核數及非核數服務能夠真實反映本公司真實的財務狀況。

八、 關連交易與持續關連交易

董事會授權審核委員會審閱本集團持續關連交易。本公司外聘的核數師參照Practice Note(《實務說明》)第740號Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules(「關於香港《上市規則》所述持續關連交易的核數師函件」)，就本集團的持續關連交易作出彙報。外聘核數師已根據《上市規則》第14A.56條發出載有上述披露的交易的核證結果的函件。本公司已將該報告副本提呈給香港聯交所。

九、 董事及高級管理人員的薪酬及董事會評核

本公司支付予執行董事之基本薪金及津貼總額為人民幣0元；及各執行董事可獲董事會按本集團薪酬政策確定之年終花紅。

本年支付獨立非執行董事之酬金總額約為人民幣510,000元。

十、 公司秘書

本公司公司秘書(「公司秘書」)肖章林先生為本公司全職僱員，熟悉掌握本公司的日常事務。公司秘書向主席彙報，並負責就管治事宜向董事會提供建議。就截至2018年12月31日止年度而言，公司秘書確認其已接受不少於15小時的相關專業培訓。

十一、 股東權利

本公司章程明確規定了股東權利，包括出席股東大會、接收會議通知及於會議上表決的權利。股東要求召集臨時股東大會或者類別股東大會，應當按照下列程序辦理：

- (1) 合計持有在該擬舉行的會議上有表決權的股份10%以上(含10%)的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式及內容的書面要求，提請董事會召集臨時股東大會或者類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召集臨時股東大會或者類別股東會議。前述持股數按股東提出書面要求日計算。
- (2) 如果董事會在收到前述書面要求後30日內沒有發出召集會議的通告，提出該要求的股東可以在董事會收到該要求後4個月內自行召集會議。召集的程序應當儘可能與董事會召集股東會議的程序相同。





十一、股東權利(續)

在股東大會提出建議

公司召開股東週年大會，持有公司表決權的股份總數5%以上(含5%)的股東，有權以書面形式向公司提出新的提案，公司應當將提案中屬於股東大會職責範圍內的事項，列入該次會議的議程。但該提案需於前述會議通知發出之日起30日內送達公司，股東可通過電話：86-755-21246901，傳真：86-755-83790228，或電子郵件：avic161-ir@avic-intl.cn提出上述提案。

股東溝通

董事會知悉與本公司股東保持及時有效溝通的重要性。本公司致力於通過刊發年度報告、中期報告、公告、通函及其他公告等，確保股東及潛在投資者可及時瞭解本運營信息。股東週年大會是本公司與股東的主要溝通途徑。股東大會之主席就每項獨立事宜提出個別決議案。於2018年，董事會主席及外聘核數師均有出席股東週年大會回答股東提問。

向董事會作出查詢

如欲向董事會提出問題及意見，請直接聯絡本公司，地址為：中國廣東省深圳市福田區華富路1008號中航中心大廈39樓，電話：86-755-21246901；傳真：86-755-83790228，或電子郵件：avic161-ir@avic-intl.cn。

十二、組織章程文件的變動

根據中國共產黨中央委員會頒布的《關於在深化國有企業改革中堅持黨的領導加強黨的建設的若干意見》，董事會建議對公司章程進行修訂，將黨建工作總體要求納入公司章程，2018年6月12日之2017年度本公司股東週年大會特別決議案通過該章程修正案，於2018年8月21日，本公司已經取得深圳市市場監督管理局之公司章程備案。

十三、風險管理及內部監控

有效的風險管理及內部監控體系有助於集團預測風險、採取管控措施應對威脅，以及有效地貫徹既定目標。董事會認為，風險管理及內部監控是營運及管治的至關重要的一環。董事會整體上負責維持穩健有效的風險管理及內部監控體系，並檢討成效，保障股東投資及本公司之資產。為此，本集團設立相應責任機構及部門，以保障風險管理及內部監控體系的有效運行。良好的風險管理及內部監控體系旨在管理而非消除未能實現業務目標的風險，且只能提供合理而非絕對的保證。

風險管理及內部監控管理體系架構

本集團的風險管理及內部監控體系是以治理結構為基礎的「五個層面」加「三道防綫」模式，清晰界定架構內多個層面各自角色及責任，具體如下：

「五個層面」

董事會	<ul style="list-style-type: none">• 批准風險管理方案和報告，包括企業風險管理總體目標、風險偏好、風險承受度，風險管理策略和重大風險管理解決方案，重大決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制，風險管理措施，以及風險管理監督評價審計報告等。• 進行重大決策的風險管理，批准重大決策的風險管理報告，並做出有效控制風險的決策。加強企業風險管理文化的培育，包括下發決議、批准獎懲和業績考核規定等。
審核委員會	<ul style="list-style-type: none">• 審核風險管理組織機構設置及其職責方案、風險管理基本制度。• 審查及批准年度內部控制評價工作方案。• 定期總結和彙報，瞭解內控建設和評價工作的進展。• 與本公司審計師就內部控制審計的工作範圍、審計發現和審計意見等進行討論。• 瞭解內部控制評價測試的方法、範圍以及測試發現的主要缺陷和整改情況。• 聽取管理層的風險管理報告及內部控制報告，並定期檢討公司的風險管理及內部監控體系。• 監督公司管理層風險管理及內部監控體系的實施。





十三、風險管理及內部監控(續)

風險管理及內部監控管理體系架構(續)

[五個層面](續)

<p>風險管理與 內部控制委員會</p>	<ul style="list-style-type: none"> • 推動風險管理體系建設，確定風險管理組織機構設置及其職責方案。 • 定期審議、監督公司風險管理相關的政策、制度、流程及其實施情況，包括風險策略和重大風險管理解決方案，重大決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制，公司的風險管理計劃，風險管理部門對風險管理情況的彙報，風險管理工作的考核結果的彙報，以及風險管理監督評價審計報告等。 • 為重大決策提供風險管理意見，審議並提交重大決策的風險管理報告，針對風險提出風險應對措施的建議。 • 督導公司整體風險管理文化的培育。 • 定期向審核委員會報告風險管理的工作。
<p>審計監察部</p>	<ul style="list-style-type: none"> • 組織、統籌各職能部門開展業務層面的重大風險識別和評估工作，並對上述信息進行匯總分析，形成業務層面重大風險管理報告及各項風險管理報告，並向風險管理和內部控制委員會彙報。 • 負責統籌、協調風險管理和內部控制委員會及高級管理層對公司層面的風險進行識別、評估，研究提出公司層面重大風險管理的相關措施和方案。 • 匯總公司層面及業務層面的所有風險管理結果提呈風險管理和內部控制委員會。

十三、風險管理及內部監控(續)

風險管理及內部監控管理體系架構(續)

「五個層面」(續)

	<ul style="list-style-type: none">• 推進公司全面風險管理體系建設，監督落實風險管理政策及內部風險控制流程，改善內部管理。• 依照相關法律、規定，制訂內部審計規章制度和業務規範並組織實施，負責內部審計工作規範化、信息化建設。• 負責制定並組織實施公司內部審計工作計劃，制定審計整改方案並監督檢查實施情況，並定期向審核委員會報告工作，上報工作規劃、工作計劃、工作總結。• 建立和完善內部審計工作體系，指導和監督所屬單位按規定建立內部審計機構，配備內部審計人員，開展內部審計工作。• 提供風險管理及內審相關的培訓及指導、並組織分享風險管理知識及最佳方法。
風險管理執行層	<ul style="list-style-type: none">• 各部門設置兼職風險管理執行崗人員，負責配合風險管理和內部控制委員會、審計監察部根據所屬業務開展具體風險管理的工作。• 定期更新所屬業務的風險清單、風險管理等相關工作。• 從可能性及影響程度兩方面，結合業務特性對風險進行評估。• 制定所屬業務的相關風險應對方案，並實施應對方案；負責具體風險管理措施的推進和實施。• 對所屬業務的各類風險進行監控，及時向審計監察部報告風險信息。• 開展風險管理的其他相關工作。





十三、風險管理及內部監控(續)

風險管理及內部監控管理體系架構(續)

[三道防綫]

集團已明確風險管理與內部監控的三道防綫：其中集團各附屬公司業務單元組成風險管理與內部監控的第一道防綫，是風險管理與內部控制運行的執行機構，在經營業務的同時有效管理；集團審計監察部及各職能部門組成風險管理與內部監控的第二道防綫，主要對第一道防綫的內容進行日常監督並定期開展風險和合規方面的檢查；內部審計、紀檢監察、監事會組成風險管理與內部監控的第三道防綫，以獨立於管理層的角度進行持續的監督和評估，並定期向審核委員會進行彙報。

董事會對維持健全有效的風險管理及內部監控體系承擔整體責任。審核委員會及風險管理與內部控制委員會代表董事會監控本集團的財務報告體系、風險管理及內部監控體系，審閱及監察內部審計職能的成效以及檢討公司的企業管治政策及常規。

風險管理程序

本集團已制訂《風險管理手冊》，定義了風險管理工作方法和程序。另外，本集團根據國務院國資委《中央企業全面風險管理指引》和財政部、證監會等五部委聯合發布的《企業內部控制基本規範》及配套指引，結合本集團實際情況，已制定了《全面風險管理工作規定》。該規定適用於集團總部及附屬公司，明確了風險監控與報告工作形式和彙報機制。

本集團企業風險管理方針具有結構分明的機制

集團建立了以「事前」、「事中」及「事後」控制為核心的閉環的風險管理方針，通過提前識別風險，積極制定應對措施進行事前控制，積極跟進風險應對情況，對風險涉及內部控制開展評價工作進行事中控制，通過對出險事項的管理完善事後控制。

十三、風險管理及內部監控(續)

本集團企業風險管理方針具有結構分明的機制(續)

事前控制－風險識別、評估及應對措施制定

- 風險識別：基於行業經驗、公司現有風險清單及公司的實際業務風險現狀，編製／更新集團層面風險清單及風險描述，並与管理層溝通確認風險的全面性、準確性，形成集團風險清單；
- 編製風險問卷：根據風險清單編製風險調查問卷，從影響的程度和發生可能性兩個維度建立評分標準，並確定風險調查問卷的填寫人，下發並回收風險調查問卷結果，統計出集團層面關注的重點風險；
- 開展風險評估：通過管理層訪談、資料檢查以及德勤的專業判斷對集團層面的重點關注風險進行評估和篩選，結合問卷風險評分得出風險評估結果，篩選出集團核心風險，並與集團管理層進行討論確認；
- 分析應對策略／措施：對風險進行排序並形成風險熱力圖，分析集團及下屬單位的現有應對措施和計劃。

事中控制－核心風險的持續監控

- 核心風險應對措施跟進：本集團核心風險的應對措施，定期／不定期對核心風險應對情況開展跟進，對應對效果較差的風險，需重新審視、討論應對策略及措施；
- 核心風險涉及控制活動梳理：梳理核心風險涉及的內控關鍵控制點，檢討流程設置是否滿足控制點控制需要，同時對內控執行情況進行定期評價，保證其執行有效性。

事後控制－出險跟蹤管理

- 出險事件專項處理機制：針對集團內企業已出險事項，集團組織建立專項小組，分析出險事件原因及影響，編製出險應對方案，並持續指導、監督、跟進後續工作；
- 出險事件庫編製：集團針對所有下屬公司出險事項，建立出險事件庫，積極組織相關學習、討論，總結出險原因，分析經驗教訓，確保在實際經營過程中對該類風險進行主動防控。





十三、風險管理及內部監控(續)

內部審計及監控程序

董事會通過審核委員會及公司的審計監察部，履行對內控體系的獨立監督職能。本集團審計監察部已配置具有專業資質的內審人員，各附屬公司根據公司規模配有專職內審人員。

2018年的審計工作由本集團審計監察部聯合中介機構形成審計小組，完成多項審計工作，包括下屬企業年度決算審計、部分下屬公司總經理離任審計、招標監督、效能監察、廉潔風險防控、工作制度流程審核等工作，並組織開展對審計發現問題及內控缺陷的整改。

本集團下屬獨立上市的天馬公司、飛亞達和深南電路還聘請了審計師對本集團財務報告相關內部監控的有效性進行審計，以內控審計報告的形式提供獨立客觀的評價與建議。

本集團的內部審計工作採用以風險為導向的審計方法編製審計計劃，明確需要被審計的具體業務流程、各流程的風險評級和審計關注點，並圍繞本集團整體戰略目標結合各業務單位的實際情況，制定年度審計工作計劃，並根據年初的審計工作計劃和審計工作程序開展工作，對集團的經營活動及內部控制進行獨立的檢查、監督與評價。

內審工作由審計監察部向審核委員會彙報，審核委員會代表董事會評估本集團內部監控風險管理及內部監控體系的效能，確保資產不會被濫用及未經授權處理，維持恰當之會計紀錄及真實公平之財務報表，並確保遵守相關法律及規定。內部監控就是否存在重大錯誤陳述或損失做出合理而非絕對之保證，而非消除與本集團業務活動有關之風險。對於如在風險管理以及內部監控有效性審查過程中發現的嚴重內部監控缺失的情況，本集團已著手在管理制度中明確管理的程序以及職責等。

風險管理及內部監控體系檢討

董事會通過年內歷次會議檢討本集團的業務運營和風險管理狀況、風險變化情況及應對能力、關鍵業務運作的內部監控、合規情況、內部及外部審計報告產生的重大事宜的評估等諸多方面，並檢討了附屬企業對各自主要監控及風險管理活動做出的綜合評估的結果。確保有關管理層對風險管理及內部監控的自我評估的支持文件經恰當審閱。

本年度，董事會亦聘請專業機構對本集團一家附屬公司進行了關鍵業務流程內部審閱，協助管理層發現關鍵業務流程潛在內控缺陷，並提出整改意見，協助附屬公司優化流程，更好防範風險。

十三、風險管理及內部監控(續)

風險管理及內部監控體系檢討(續)

董事會已檢討對本集團內部審計、會計及財務彙報職能所投入資源的充足性、人員的資質與經驗，隨著本集團業務的發展，本集團將持續檢討其對會計、內部審核以及財務彙報職能投入的總資源，並繼續增加人員招聘與培訓以及信息技術系統的投資及預算。

董事會認為，集團本年度風險管理及內部監控體系持續有效運行，積極化解了潛在風險，為企業經營起到了保駕護航的作用。

內幕消息

集團高度重視其於證券及期貨條例、上市規則及首要原則下有關處理及發放內幕資料的程序及內部監控責任，本集團：

- 有責任根據證券及期貨條例的要求及當中規定的安全港條文及時公布內幕消息；
- 嚴格遵照香港現行適用法律及法規執行；
- 已明文嚴格禁止未經授權使用保密及內幕消息；
- 已制定監控、報告及向我們的股東發布內幕消息的持續披露政策及指引說明；以及
- 已制定措施維持內幕資料保密及確保獲發信息者明白其對有關信息須維持保密的責任。

十四、股息政策

董事會於2018年12月31日通過採納派付股息政策。董事會可能在認為適當的情況下，不時決定及派發中期股息予本公司股東。董事會可能建議派發年度股息，但須獲本公司股東於股東周年大會上批准。

本公司之股息政策允許其股東分享本公司的利潤，同時，為本公司的未來發展保留足夠的儲備。經股東同意並符合有關法律規定，如本集團盈利，營運環境穩定且本集團並無重大投資或出資，本公司須向股東支付年度股息。董事會可不時向股東派發董事認為對本集團利潤來說為合理的中期股息。除此之外，董事會可在認為適當的情況下，宣布派發特別股息。





十四、股息政策(續)

考慮因素：

董事會應考慮下列因素，以決定或建議任何財政年度／期間任何股息的派發次數，金額和形式：

- (a) 本公司的實際財務表現及預期財務表現；
- (b) 本公司及本集團各成員公司的未分配利潤及可分配儲備金；
- (c) 本集團的債務股本比率，股本回報率及相關財務約定事項；
- (d) 本集團的貸款方就股息支付施加的任何限制；
- (e) 本集團的預期營運資金需求及未來擴展計劃；
- (f) 本集團的一般經濟狀況，本集團業務的商業周期及可能對本公司的業務或財務表現及狀況產生影響的其他內部及外部因素；以及
- (g) 董事會認為適當的任何其他因素

每年的股息支付率將會有所差異，本公司不會確保在任何特定期間派發任何特定金額的股息。

股息形式

根據本公司的章程及中國法律，股息可以以現金派發。董事會或會考慮發行紅股，而相關配發基準必須符合適用的法律和法規所規定。

十五、投資者關係管理

本公司堅持以投資者為中心、以提升投資者體驗和提高工作效率為目標，及時準確向投資者披露公司信息，與資本市場各類投資者和分析師保持良好及有效的溝通，以多種形式向投資者全面、客觀傳遞本集團的公司戰略、經營業績及重大事件。通過與投資者的有效的溝通，提高投資者對公司的認同度和忠誠度，進而實現公司價值最大化。報告期內，本公司嚴格按照香港聯交所《上市規則》的規定向投資者及時準確披露有關信息，透過定期與臨時公告及時披露重大信息以及可能影響投資者利益的有關事態，致力提高信息披露資料的質量。

董事會報告

本公司董事(「董事」)會(「董事會」)提呈本公司(連同其附屬公司，統稱「本集團」)截至2018年12月31日止年度(「本年度」)之董事會報告及經審核之財務報表(「財務報表」)。

主要財務指標

	2018年 (人民幣千元)	2017年 (人民幣千元)	變動比率
營業收入	54,290,366	46,276,689	17%
除稅前利潤	743,027	2,350,778	(68%)
本公司權益持有人應佔盈利	(568,314)	510,942	不適用
每股攤薄盈利—本公司權益持有人應佔盈利 (人民幣元)	不適用	0.2597	不適用
每股攤薄淨資產—本公司權益持有人應佔淨資產 (人民幣元)	6.81	6.81	不適用
營運活動產生的現金淨額	2,080,222	5,110,940	(59%)

附註1：選擇主要財務指標的原因及與本集團目標的關係

本公司為於中華人民共和國(「中國」)註冊的股份有限公司，其H股於香港聯合交易所有限公司(「聯交所」)上市。本集團主要從事電子高科技、零售與消費品、國際工程與貿易物流業務，乃一間綜合業務的集團公司。主要財務指標的選擇，可以促使本集團深入研究和瞭解市場需求包括電子信息市場、消費品市場需求的變化。主要財務指標也可以促使評估本集團在全年度之生產業績表現，正確決定本集團生產發展方向，優化相關產品升級與聚集專業領域，加強本集團相關主要財務指標的管理，增強本集團的競爭力。

附註2：由各項主要財務指標列示的趨勢

營業收入、除稅前利潤、本公司權益持有人應佔盈利以及每股攤薄盈利乃最基礎且最重要的財務指標，雖然今年主要財務指標相比去年有所降低，但主要財務指標可以反映出本集團在業務聚焦，完成住宅地產開發業務退出的同時，企業的經營活動仍然正常進行。本集團將加強內部管理工作，盡量降低公司的各種費用成本，從而進一步評估本集團在經營中產生的利潤，使本集團能夠做出更多正確的商業決策。每股攤薄淨資產的主要財務指標反映了本公司控股股東在本公司發行的永久次級可換股證券轉股後的真實權益，該指標的增長說明本集團持續創造價值，具備合理的資本與債務結構，並具有投資潛力。營運活動產生的現金淨額的主要財務指標乃本集團核心經營指標，現金流健康程度與企業經營發展息息相關，本年度公司營運活動產生的現金淨額同比顯著增長，說明公司在行業競爭力、戰略客戶合作關係等方面取得長足進步。

關於主要趨勢的進一步信息分析，請參閱「管理層討論及分析」。

附註3：主要財務表現指標與財務報表的差異

據悉主要財務表現指標與財務報表並無差異。





主要業務

本集團為一間多元化策略投資控股公司，主要於中國從事電子高科技、零售與消費品、國際工程與貿易物流業務。本公司各附屬公司目前主要業務之詳情載於附列之財務報表附註53。

業務回顧

有關主要業務活動的進一步討論及分析(包括本集團於截至2018年12月31日止年度的業務回顧、本集團業務的類似未來發展指示及本集團面對的主要風險及不確定性)，載於本年報題為「管理層討論與分析」一節之「業務回顧」一段內。

主要風險

本集團面對多項主要風險及不明朗因素，倘沒有妥善管理，可能會為集團帶來影響。全面的風險評估及風險緩解措施有助集團確保該等風險得到適當管理及有效控制。本集團集中解決以下主要風險。

主要風險	說明	主要緩解措施
商業環境風險	中美貿易摩擦對電子高科技板塊可能產生不確定影響，主要體現在加徵關稅可能導致集團部分境外銷售子公司的潛在損失；另外貿易禁令或加徵關稅影響企業部分客戶，從而間接造成不利影響；最後企業部分原材料為境外進口，中美貿易戰若持續加劇可能影響原材料關稅，進而間接影響企業供應鏈。	<ul style="list-style-type: none"> • 本集團將搭建商業模式工具，提升戰略規劃思路應對商業環境的變化； • 通過相關部門對宏觀政策、宏觀經濟、商業環境及行業政策進行研究分析對政策變化帶來的影響制定應對措施； • 各下屬單位積極優化供應鏈及客戶結構，積極開展安全庫存管理，保證經營活動的有序開展。

主要風險(續)

主要風險	說明	主要緩解措施
海外運營風險	由於各國國情千差萬別、政治經濟環境迥異，本集團海外業務的運營面臨著舊市場深耕和新市場開拓方面的多元化風險；此外，部分海外項目管理工作亦受海外政治經濟環境的影響。因此存在海外項目的運營進展達不到預期的風險。	<ul style="list-style-type: none"> • 本集團將建立完善的制度及流程，對海外項目進行有效管理； • 在開展海外項目之前，本集團將審慎、全面地評估海外項目的可行性及評估本集團自身的業務管理能力； • 在海外項目開展過程中，本集團將建立風險預警指標及監控體系，強化日常監督。海外項目結束後，本集團將建立後評價機制。
匯兌風險	因本集團部分業務以外幣結算且國際匯率頻繁波動，本集團面臨匯兌損失的風險。匯兌風險可能會使公司蒙受經濟損失。	<ul style="list-style-type: none"> • 積極開展收集、分析及識別工作； • 制定標準的應對流程降低匯兌風險的影響； • 亦通過選擇合適的金融產品降低匯兌風險的影響。





主要風險	說明	主要緩解措施
創新風險	市場上高科技產品因5G發展而導致的更新迭代迅速加快，若創新能力不足或對技術研發投入不夠，可能導致技術產品跟不上市場需求或技術被淘汰；另外集團部分下屬單位屬零售與消費品產業，在面對消費升級，顧客變化的市場環境，整體創新意識與創新能力不足，可能導致公司業務增長面臨瓶頸。	<ul style="list-style-type: none"> • 明確研發架構，制定研發管理制度及創新激勵政策，促進創新工作的開展； • 持續加大技術創新工作的資金投入，同時加強專業人才儲備； • 集團層面積極開展管理創新、微創新、及商業模式創新的課題研究。
應收賬款回收風險	本集團多家下屬公司的產品基於為客戶提供信貸除銷，若未及時與客戶對賬、未對逾期應收賬款跟踪管理與分析、催收措施力度與及時性不足，不利於應收賬款的及時收回，可能對本集團或下屬公司構成重大不利影響。	<ul style="list-style-type: none"> • 本集團多家下屬公司均建立了應收賬款管理制度，建立了市場分析機制； • 持續關注客戶信用風險，對下游客戶日常經營、資信狀況等信息持續跟踪管理，並對其信用等級與授信額度進行動態管理； • 本集團將進一步加強、完善應收賬款及客戶信用管理體系，建立風險預警體系，降低應收賬款給本集團帶來的風險。

除上述主要風險外，亦可能存在其他風險及不利因素，本公司將開展各項工作積極應對，但投資者在投資本公司證券之前，應自行判斷或諮詢投資顧問的意見。

環境政策及表現

本集團倡導綠色發展，積極實施節能減排，不斷推動環保事業的發展。本集團加強清潔生產，應用新科技推動低碳經濟。本集團積極開展綠色環保倡導活動，在日常運營中倡導員工節約用紙、用電、用水，旗下生產型企業積極建設內部能源管理體系及能源管理中心，提高能源使用效率。附屬公司深南電路深圳工廠取得ISO14001環境管理體系認證，新能源公司提供節能管理服務，為全社會綠色環保，和諧發展做出了貢獻。

與供應商、客戶、僱員及其他利益相關者之關係

本集團始終遵守對商業道德的承諾，堅定尋求在每一次商業活動中的共贏，不遺餘力的為供應商、客戶、社會等利益相關者創造價值。對供應商，我們堅持原則，公平而審慎挑選，建立長效合作機制；對客戶，我們不斷提升服務，提供優質及價格合理的產品；對員工，我們堅持以人為本，高度重視員工利益；對其他利益相關者，我們將社會公益活動制度化、體系化，通過商業活動推動社會發展。

與供貨商的關係

本集團與依法存續並且正常經營，財務狀況良好的企業建立良好與持久的供求關係，保證所需商品供應的穩定。例如本集團電子高科技業務的原材料及其他所需商品通常會從已建立起合作關係的供貨商採購。為維持產品的高標準質量及信譽，我們亦按照市場條件及價格向供貨商採購所需商品，並優先向聲譽良好之大型供貨商採購優質原材料及設備。

本集團通常會針對供貨商實行多種措施監察供貨商的表現，包括抽樣檢查及實地檢查。在與供貨商訂立供應協議時，本集團要求供貨商提供達到協議質量要求的商品，並對任何的產品瑕疵所導致的問題負責。我們的供應協議並無自動續期條款。





與供應商、客戶、僱員及其他利益相關者之關係(續)

與客戶的關係

本集團以客戶為中心，重視交付的產品質量與服務質量，嚴格把控產品與服務的每一個生產和提供環節，做到讓客戶滿意放心。本集團會遵照《中華人民共和國產品質量法》以及本集團相關規定，為廣大客戶提供符合標準的產品服務，並承擔售後責任。本集團根據不同行業的行規，通常先向客戶收取預付款，在產品或服務驗收、交付完成後，再收取尾款。本集團對客戶信息保護工作非常重視，實施嚴格的保密規定，保護銷售和客戶投訴環節中獲取的信息。此外，本集團憑藉良好的信譽及技術支持，具有為客戶提供定制化產品及服務的潛力。

與僱員的關係

本集團提供具有競爭力之薪酬方案以吸引及激勵僱員。本集團定期審閱僱員的薪酬方案，並做出必要的調整以符合市場標準，並提供培訓及發展機會，令他們能夠發揮最佳表現及實現企業目標。

於2018年末，本集團共有員工61,874人，人員總數比2017年增加22,817人。2018年度本集團發生人工成本約人民幣6,264,809,000元。本集團結合人力資源戰略，基於不同崗位序列，建立起了以員工業績和能力為導向的薪酬體系，並通過績效考核體系將每年度的經營目標與員工的業績考核關聯，為本集團人才的招募、保留與激勵提供了有效保障。本集團通過中航商學院，為員工提供系統的培訓與公平的晉升機會，幫助員工不斷完善知識、技能與經驗的積累，實現人生價值。此外，本集團對所有與公司建立勞動關係的在職員工均足額繳納各項法定社會保險與福利，並設立了愛心基金及心理輔導熱線，在工作之余關心員工心理健康，幫助生活遇到困難的員工解決燃眉之急。

遵守相關法律及法規

本公司為一間在中華人民共和國(「中國」)境內註冊成立的國有企業，受中國法律法規的約束以及中國國務院國有資產管理委員會等其他相關監管部門的監管。本集團嚴格遵守《中華人民共和國公司法》、《中華人民共和國證券法》、《中華人民共和國環境保護法》、《企業國有資產交易監督管理辦法》等境內法律法規。其中國資監管的相關規定，更加保護了本集團在資產交易當中的權益，有利於實現本集團資產的保值增值。

本公司H股股份於香港聯交所上市，所以本公司亦受聯交所及香港證券及期貨事務監察委員會等部門監管。本集團嚴格按照香港法例第571章證券及期貨條例及《上市規則》等法律法規的規章制度運營。上市規則的相關規定，保證了本集團在各項交易中不斷尋求更加公平合理的機會，從而有利於保護股東利益。

此外，本集團在不同國家開展業務，需要遵守業務開展地的相關法律法規。本集團在經營過程中嚴格遵守不同國家地區的各项法律法規，促進了本集團規範運作，有利於保護股東及其他利益相關者的利益。截止2018年12月31日止年度，本集團於所有重大方面遵守不同國家地區的各项法律法規。

有關上述環境政策及表現、與供貨商、客戶、僱員及其他利益相關者之關係及遵守相關法律及法規之詳細內容，請參考本公司將於2019年6月30日或之前刊發的《環境、社會及管治報告》。

附屬公司

本集團各主要附屬公司、聯營公司及合營公司之有關資料載於附列之財務報表附註24及53。

業務分部資料

本集團各業務分部之有關資料載於附列之財務報表附註7。





業績

本集團截至2018年12月31日止年度之業績詳情載於附列財務報表內。

可供分配儲備

本集團截至2018年12月31日止根據中國會計準則所編製之法定帳目所呈報，其可供分配儲備約為人民幣4,979,842,000元。

溢利分配

根據中國公司法及本公司之公司章程，於每年分派淨溢利時，本公司須將中國法定帳目所載的淨溢利的10%撥作法定盈餘公積金(除非該公積金已達本公司註冊股本金額50%)。法定盈餘公積金除儲備設立之目的外，不得用作其他用途及不得用作現金股息分配。截至2018年12月31日止年度，本公司法定盈餘公積金情況如下：

	2018年		2017年	
	百分比	人民幣千元	百分比	人民幣千元
法定盈餘公積金	24.47%	285,394	18.91%	220,505

儲備

本集團及本公司之儲備於本年度之變動詳情載於綜合權益變動表及財務報表附註37及附註54。

五年財務摘要

本集團截至2018年12月31日止過去五個財政年度之經營業績、資產及負債概要載於本年報題為「財務摘要」內。

管理合約

截至2018年12月31日止，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

主要客戶及供貨商

截至2018年12月31日止年度，本集團五位最大供貨商之總採購額為人民幣4,196,918,000元，佔本集團截至2018年12月31日止年度總採購額約9.19%。最大供貨商佔本集團之綜合採購額約2.54%。

截至2018年12月31日止年度，本集團五位最大客戶佔本集團本年度營業額約34.75%(2017年：約19.73%)，最大客戶佔本集團之營業額約11.89%(2017年：約4.90%)。

於2018年12月31日，各董事、其緊密關連人士(定義見上市規則)或任何股東(據董事所知擁有本公司股本5%以上者)均無於本集團最大之五名客戶及最大之五名供貨商中擁有任何實質權益。

投資物業

本集團持有作為投資用途之主要物業之詳情載於附列之財務報表附註22。

物業、廠房及設備

本集團固定資產於截至2018年12月31日止年度之變動詳情載於附列之財務報表附註20。

銀行貸款

截至2018年12月31日止年度，本集團銀行貸款之有關資料載於附列之財務報表附註39。

稅項

截至2018年12月31日止年度，本集團之稅項詳情載於附列之財務報表附註12。

稅收政策

根據中國有關所得稅法，除非另有適用優惠稅率，否則本集團於中國成立的附屬公司適用所得稅率為25%。





主要股東

於2018年12月31日，就本公司之董事或最高行政人員所知，下列人士(除本公司董事、監事或最高行政人員外)於本公司股份(「股份」)及相關股份中擁有根據香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部第2及3分部之條文須向本公司披露之權益或淡倉或已知會本公司之權益或淡倉：

股份好倉：

股東姓名／名稱	身份	證券數目及類別	於同類別 證券之 概約持股 百分比	於總註冊 股本中之 概約持股 百分比
中國航空工業集團有限公司 (「航空工業集團」)	受控制公司之權益	1,634,608,792股 內資股(附註1)	196.24%	140.17%
中國航空技術國際控股有限公司 (「中航國際」)	受控制公司之權益	1,634,608,792股 內資股(附註1)	196.24%	140.17%
中國航空技術深圳有限公司 (「中航深圳」)	實益持有人	429,774,574股 內資股(附註1)	51.60%	36.85%
其它股東				
長江和記實業有限公司	受控制公司之權益	57,144,000股 H股(附註2)	17.15%	4.90%
長江企業控股有限公司	受控制公司之權益	57,144,000股 H股(附註2)	17.15%	4.90%
Cheung Kong Investment Company Limited	受控制公司之權益	28,573,000股 H股(附註2)	8.58%	2.45%
Empire Grand Limited	實益持有人	28,573,000股 H股(附註2)	8.58%	2.45%
和記黃埔有限公司	受控制公司之權益	28,571,000股 H股(附註2)	8.58%	2.45%
Hutchison International Limited	實益持有人	28,571,000股 H股(附註2)	8.58%	2.45%

主要股東(續)

股份好倉：(續)

附註：

1. 航空工業集團擁有中航國際62.52%股權，而中航國際擁有中航深圳100%股權。因此，航空工業集團被視為或當作於中航國際及中航深圳分別擁有權益的全部股份中擁有權益。

中航國際擁有中航深圳100%股權，因此中航國際被視為或當作於中航深圳擁有權益的全部股份中擁有權益。

截至2018年12月31日：

- (1) 中航國際持有1,204,834,218股：(A) 437,264,906股內資股，相當於本公司已發行股本約37.50%；及(B)永久次級可換股證券，未轉換金額為人民幣2,663,465,514元，可按初步轉換價人民幣3.47元(可根據永久次級可換股證券條款調整)轉換為767,569,312股內資股。
 - (2) 中航深圳持有429,774,573股：(A) 395,709,091股內資股，相當於本公司已發行股本約33.93%；及(B)永久次級可換股證券，未轉換金額為人民幣118,207,225元，可按初步轉換價人民幣3.47元(可根據永久次級可換股證券條款調整)轉換為34,065,482股內資股。
2. Empire Grand Limited(「Empire Grand」)持有28,573,000股H股，而Empire Grand為Cheung Kong Investment Company Limited之全資附屬公司，而Cheung Kong Investment Company Limited為長江企業控股有限公司(「長江企業控股」)之全資附屬公司。因此，長江企業控股被視為於Empire Grand持有之28,573,000股H股中擁有權益。

Hutchison International Limited(「HIL」)持有28,571,000股H股，而HIL為和記黃埔有限公司之全資附屬公司。和記黃埔有限公司被視為於HIL持有之28,571,000股H股中擁有權益。長江企業控股有權在和記黃埔有限公司之股東大會上行使或控制行使三分之一或以上之投票權。因此長江企業控股被視為於HIL持有之28,571,000股H股中擁有權益。此外，長江企業控股為長江和記實業有限公司的全資附屬公司。因此長江和記實業有限公司被視為於Empire Grand及HIL持有的57,144,000股H股中擁有權益。

股本

本公司股本之詳情載於附列之財務報表附註36。

優先認股權

本公司之公司章程及中國法律均無優先認股權條款，規定本公司發行新股時須先讓現任股東按其持股比例購買新增股份。





董事及董事服務合約

於截至2018年12月31日止年度及本報告刊登之日，在任之董事如下：

執行董事

劉洪德先生(董事長)

賴偉宣先生(副董事長)

由鐳先生(副董事長)

劉軍先生

周春華女士(已於2018年12月11日辭任)

傅方興先生(於2018年12月11日委任)

陳宏良先生

獨立非執行董事

黃慧玲女士

鄔煒先生

魏煒先生

劉洪德先生、賴偉宣先生、由鐳先生、劉軍先生、陳宏良先生、黃慧玲女士、鄔煒先生及魏煒先生各自與本公司訂立服務合約，自2018年6月12日起至2021年召開的2020年股東周年大會止。傅方興先生與本公司訂立服務合約，自2018年12月11日起至2021年本公司召開的2020年股東周年大會止。

概無董事或監事訂有任何不可由本公司於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

董事及監事之簡歷

董事及監事之簡歷載列於本年度報告之「董事及監事簡介」一節內。

董事及監事之股份權益

於截至2018年12月31日止，就董事所知，本公司董事、監事概無於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益(包括證券及期貨條例之條文董事、監事或最高行政人員被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條須列入本公司存置之登記冊中之權益或根據上市規則附錄10所載之上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之權益。

董事及監事購買股份或債券之權利

於截至2018年12月31日止年度間任何時間，本公司、其附屬公司或其控股公司概無參與任何安排，致令本公司任何董事、監事或管理層成員藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事及監事之合約權益

於截至2018年12月31日止，各董事及監事概無在與本公司業務有重大關係之任何重大合約或安排中直接或間接佔有重大權益。

除本年報所披露者外，於截至2018年12月31日止年度，本公司或其任何附屬公司及控股股東或其任何附屬公司概無訂立任何重大合約或有任何重大合約存續。

董事及監事之酬金

董事及監事酬金之詳情載於附列之財務報表附註14。

執行董事並無收取本公司任何酬金。獨立非執行董事之酬金乃經參考經濟狀況及彼等於本公司之責任及職務而釐定。

股息

董事會不建議就截至2018年12月31日止年度派付末期股息。

流動性及資本資源

截至2018年12月31日，本集團之現金及現金等價物約為人民幣8,526,106,000元（2017年（經重列）：人民幣13,381,444,000元），其主要由下列來源產生：年初現金及銀行存款；銀行貸款及關聯借款所得及營業運作所得。

截至2018年12月31日，本集團之借款總額約為人民幣34,150,836,000元（2017年（經重列）：人民幣33,462,320,000元），年利率為0.00%到6.16%之間（2017年（經重列）：0.00%到6.53%）；其中流動貸款總額約為人民幣15,095,016,000元（2017年（經重列）：人民幣16,641,191,000元）；非流動借款總額約為人民幣19,055,820,000元（2017年（經重列）：人民幣16,821,129,000元）。





流動性及資本資源(續)

截至2018年12月31日止年度，本集團之資本性開支約為人民幣8,765,244,000元，詳細描述如下：

公司名稱	項目名稱	金額 人民幣千元
天馬微電子股份有限公司	武漢天馬第6代LTPS AMOLED生產線項目、等各類技改項目	7,298,483
深南電路股份有限公司	無錫半導體通信用IC載板項目、數通用多層印製板項目、 等各類技改項目	1,123,505
中航威海船廠有限公司	港口基建及設備	35,756
中航路通實業有限公司	瀝青庫建設及維護	25,891
湖南中航緊固系統有限公司	衡陽市松木工業園專案(設備安裝)	19,738
中國航空技術北京有限公司	東非集團公司專案基建投入及航空城裝修	75,121
中國航空技術廣州有限公司	萊斯巴基斯坦電站工程總承包(EPC)專案	12,743
中國航空技術國際工程有限公司	境外項目公司資本性支出	34,267
中國航空技術廈門有限公司	中航紫金廣場	10,088
飛亞達(集團)股份有限公司	光明新區鐘錶工業基地配套建設及其他專案	129,652
		8,765,244

抵押資產

於2018年12月31日，本集團透過抵押以下各項取得銀行貸款人民幣6,347,533,000元(2017年12月31日(經重列)：人民幣2,533,085,000元)：

	2018年 人民幣千元	2017年 人民幣千元 (經重列)
投資物業	1,954,602	–
樓宇	1,156,502	1,167,465
土地使用權	622,392	375,821
抵押銀行存款	7,094	–
在建工程	–	27,042
存貨	–	4,688
	3,740,590	1,575,016

負債比率

於2018年12月31日，本集團之借款股東權益比率（借款總額佔股東權益之比）為88.28%（2017年（經重列）：89.44%），負債股東權益比率（負債總額佔股東權益之比）為161.83%（2017年（經重列）：161.96%）。

委託存款及逾期定期存款

於截至2018年12月31日止年度內，本公司並無任何形式之委託存款及逾期定期存款。

發行、購買、出售或贖回股份

於截至2018年12月31日年度內，本公司及其任何附屬公司並無發行、購買、出售或贖回本公司的上市證券。

僱員人數及薪酬

於2018年天馬公司完成資產重組，本集團僱員增加至61,874名（2017年：39,057名），人工成本增加至約人民幣6,264,809,000元（2017年（經重列）：人民幣5,083,713,000元）。本集團按照市場及僱員自身表現作為參考，制定具有市場競爭力的薪酬政策。

社會保險計劃

本集團已參與由深圳市社會保險局（「社會保險局」）管理之養老保險計劃及醫療保險計劃。根據有關規定，本集團每月須向社會保險局繳納養老保險基金及醫療保險基金，供款額分別為僱員月薪之22%及8%。本集團分別承擔其中之14%及7%，其餘款項由僱員本身承擔。

根據以上社會保險計劃，深圳市社會保險局須負責支付退休金予本集團退休僱員以及為本集團僱員支付一般醫療費用。

截至2018年12月31日止年度，本集團提取社會保險計劃之費用約為人民幣690,326,000元（2017年（經重列）：約人民幣537,082,000元）。





董事、監事及高級管理人員之變動

2018年6月12日，於本公司召開的2017年度股東週年大會上，劉洪德先生、賴偉宣先生、由鏞先生、周春華女士、劉軍先生、陳宏良先生獲重選為執行董事，黃慧玲女士、鄒煒先生、魏煒先生獲重選為獨立非執行董事，任期至本公司2021年召開的2020年股東週年大會止。2018年12月11日，於本公司召開的股東特別大會上，周春華女士因工作調整辭去執行董事職務及傅方興先生獲委任為執行董事，任期至本公司2021年召開的2020年股東週年大會止。

2018年6月12日，於本公司召開的2017年度股東周年大會上，焦燕女士獲委任為監事，任期至本公司2021年召開的2020年股東周年大會止，曹江先生因退休辭去監事職務。

有關詳情請參閱本公司日期為2018年6月12日、2018年10月24日及2018年12月11日的公告以及本公司日期為2018年4月16日及2018年10月27日的通函。

外匯風險

由於本集團產品主要以國內銷售為主，外銷主要以美元或港元結算，故本集團已開展外匯風險管理工作，預期不會產生重大不利影響。

商譽減值評估

截至2018年12月31日，本集團合併資產負債表商譽為人民幣624,225,000元，在進行商譽減值評估時，董事會對已分配商譽的現金產生單位的價值進行評估，本集團具有減值跡象的商譽情況，包括：2011年，本公司收購威海船廠69.77%股權產生的商譽約人民幣227,107,000元；2014年，北京公司收購德國洪堡(KHD)產生的商譽約人民幣352,320,000元。於截至2018年12月31日止年度本集團的船舶業務及水泥工程業務持續錄得虧損，此乃由於國際船舶及水泥市場持續低迷。在商譽減值評估過程中，董事會會使用一些關鍵的假設用於確定該現金產生單位的可收回金額，包括確定現金產生單位、預計收入增長率、毛利率，以及預測未來現金流量採用的折現率等。此外，該等商譽減值評估依賴於獨立的第三方評估機構出具的估值報告。

減值虧損

本集團於報告期內錄得減值虧損約為人民幣418,628,000元。導致報告期內錄得減值虧損的原因、事件及情況細列如下：

1. 北京公司及其附屬公司德國洪堡(KHD)在拓展海外貿易及國際工程業務中，受海外貿易環境波動及低迷的水泥市場影響嚴重，暫停數項海外工程項目導致相關公司錄得虧損，管理層就此計提較大金額商譽減值撥備。
2. 由於國際航運市場持續放緩，中航威海船廠持續錄得虧損，且短期內較難實現盈利，基於該等因素管理層就中航威海船廠計提相對較大的商譽減值撥備。

資產減值的獨立估值詳情如下：

(a) 估值採用的參數值如下：

	威海船廠	KHD
賬面價值(人民幣千元)	–	160,799
年收入增長率	–	1.00%
毛利率	13.61%	12.59%
年貼現率	13.66%	15.26%

(b) 估值採用之基準及假設：

1. 交易假設
交易假設是假定所有待評估資產已經處在交易的過程中，評估是根據待評估資產的交易條件等仿真市場進行估價。交易假設是資產評估得以進行的一個最基本的前提假設。
2. 資產持續經營假設
資產持續經營假設是指評估時需根據被評估資產按目前的用途和使用的方式、規模、頻度、環境等情況繼續使用，或者在有所改變的基礎上使用，相應確定評估方法、參數和依據。
3. 外部環境無重大變化
評估假設評估基準日外部經濟環境不變，中國現行的宏觀經濟不發生重大變化。
4. 社會經濟環境無重大變化
企業所處的社會經濟環境以及所執行的稅賦、稅率等政策無重大變化。





減值虧損(續)

(b) 估值採用之基準及假設：(續)

5. 基礎數據的真實完整性

評估假設委託方及產權持有單位提供的基礎數據和財務數據真實、準確、完整。

6. 評估範圍

評估範圍僅以委託方及產權持有單位提供的評估申報表為準，未考慮委託方及產權持有單位提供列表以外可能存在的或有資產及或有負債。

7. 不考慮通貨膨脹因素

評估測算的各項參數取值不考慮通貨膨脹因素的影響。

或然負債

於2018年12月31日及2017年12月31日，本集團有以下未履行財務擔保：

擔保方	擔保方與 本集團的關係	擔保對象	擔保對象 與本集團 的關係	2018年 未償還 擔保金額 人民幣千元	2017年 未償還 擔保金額 人民幣千元
天馬公司	本集團附屬公司	上海天馬有機發光 顯示技術有限公司 (「天馬有機公司」)	聯營公司	—	757,386
北京公司	本集團附屬公司	拓富遠洋海運有限公司	第三方	105,260	126,168
工程公司	本集團附屬公司	中航建築工程有限公司	聯營公司	—	53,900
				105,260	937,454

重大訴訟

於2014年6月13日，Tang Energy Group Limited(「Tang Energy」)、Soaring Wind Energy LLC.(「Soaring Wind」)及其他成員公司(統稱「申索人」)就合資協議產生的爭議(「爭議」)入稟美國仲裁協會向中航國際美國公司(「中航國際美國」)、本公司控股股東及本公司若干附屬公司(包括(其中包括)中國航空工業集團有限公司(「航空工業集團」)、中國航空技術國際控股有限公司(「中航國際」)及新能源公司(統稱「被告人」)提出仲裁索償(「仲裁索償」)。仲裁索償為申索人就Tang Energy與中航國際美國於2008年訂立的合資協議(「合資協議」)所產生的爭議向被告人提出的索償。申索人將中航國際美國視為航空工業集團在美國的代理，將所有涉及的航空工業集團及其附屬公司視為「一個整體」，均應受到合資協議的排他條文的約束。因此，申索人就指稱違反合資協議要求被告人支付合共22.5億美元的損害賠償。於2015年12月被告人接獲國際仲裁審裁處(International Arbitration Tribunal)轄下國際爭議解決中心就仲裁索償頒佈的最終裁決(「裁決」)後，據此，被告人須就爭議共同及個別地向申索人支付合共金額(「該金額」)為約71,000,000美元的損害賠償及費用(包括但不限於賠償金、律師費及開支)，本集團已聘請律師事務所就仲裁索償提供協助並已對裁決採取進一步法律行動。於2016年3月，本集團入稟管轄法院，申請反對執行裁決並要求撤銷裁決(「反對申請」)。於2018年8月15日，被告人接獲美國德克薩斯州達拉斯分區北區地區法院發出的命令，指出上述對中航國際美國的裁決為有效，而申索人對其他被告人提出的要求由法院另案進行判決。如有任何進一步發展，本公司將另行刊發公告。有關詳情，請參閱本公司日期為2015年4月29日、2015年12月22日及2018年8月15日的公告。

除上文披露者外，於本年度報告之日，董事概不知悉本集團任何成員公司涉及任何尚未了結或面臨威脅之重大訴訟或索償。

獨立非執行董事就持續關連交易之確認

獨立非執行董事已審閱以下所載之本集團持續關連交易，並確認該等交易乃是本集團在日常及一般業務過程中，按正常商業條款及相關協議而訂立，該等交易均為公平合理並符合本公司股東的整體利益。

重大事項及關連交易

於財務報表附註52披露的關聯方交易中，根據上市規則第14A章有關「關連交易」或「持續關連交易」的定義，以下交易構成本公司的關連交易或持續關連交易，並須根據上市規則第14A.71條及第14A.72條於本年度報告中披露。本公司確認本公司已經符合上市規則第十四A章的披露規定。請見下列就遵守上市規則第十四A章的規定而須披露的數據。





重大事項及關連交易(續)

重大事項

一、 須予披露交易、關連交易、非常重大收購交易及非常重大出售交易—天馬公司收購廈門天馬等2家標的公司及建議天馬公司配售A股

於2017年3月10日，天馬公司與(a)中航國際、中航國際深圳有限公司(「中航深圳」)、中國航空技術廈門有限公司(「廈門公司」)及廈門金財產業發展有限公司(「廈門金財」)就收購廈門天馬公司100%股權；及(b)上海工業投資(集團)有限公司(「上海投資公司」)及上海張江(集團)有限公司(「上海張江公司」)就收購天馬有機公司60%股權(「廈門天馬收購事項」及「天馬有機收購事項」，統稱「該等收購事項」)獨立訂立兩份獨立框架協議(「廈門天馬框架協議」及「天馬有機框架協議」，統稱「該等框架協議」)。

根據該等框架協議，該等收購事項之代價將於相關該等收購事項完成後透過按發行價每股A股人民幣17.23元向該等框架協議之賣方發行代價股份(「代價股份」)悉數償付(發行價經參考A股基準價釐定且不低於A股基準價，即該等收購事項(定義見本公司日期為2017年3月10日的公告)平均價之90%)。廈門天馬框架協議及天馬有機框架協議項下將予發行之代價股份最高數目將分別為613,821,008股及39,267,579股。

根據擬配發及發行代價股份之最高數目及發行價每股A股人民幣17.23元，預期廈門天馬收購事項及天馬有機收購事項之最高代價將分別為人民幣10,576,135,967.80元及人民幣676,580,386.17元。

該等收購事項並非互為條件。

根據該等框架協議，天馬公司建議向不多於十名投資者發行(「配售股份」)不多於111,987,085股新A股(「建議A股配售」)。配售股份的配售價不得低於建議A股配售平均價之90%(定義見本公司日期為2017年3月10日的公告以及本公司日期為2017年5月28日的通函)，且不得低於該等框架協議項下之代價股份的發行價，而有關發行價須遵守中國證監會及深圳交易所規則及規例釐定。建議A股配售項下擬籌得款項將用作廈門天馬公司LTPS及彩色濾光片(CF)生產線在建工程(包括設備購買及工程安裝支出)等符合中國證券監督管理委員會(「中國證監會」)規定的用途。建議A股配售之成功與否將不影響該等收購事項及代價發行。

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第十四及第十四A章，廈門天馬收購事項構成本公司的非常重大收購事項及關連交易，並須遵守申報、公告及獨立股東批准規定。

另一方面，根據上市規則第十四章，天馬有機收購事項構成本公司的須予披露交易，並須遵守上市規則項下申報及公告規定。

重大事項及關連交易(續)

重大事項(續)

一、 須予披露交易、關連交易、非常重大收購交易及非常重大出售交易—天馬公司收購廈門天馬等2家標的公司及建議天馬公司配售A股(續)

假設所有該等收購事項已完成，於發行代價股份(「代價發行」)(假設已發行該等框架協議項下規定之最高數目代價股份)後，本公司持有天馬公司之股權將由約20.81%攤薄至約15.98%(包括本公司全資附屬公司廈門公司所持1.79%股權)。倘天馬公司於該等收購事項完成後繼續進行建議A股配售，本公司持有天馬公司之股權於建議A股配售完成後將進一步攤薄至天馬公司經擴大已發行股本約15.16%(包括本公司全資附屬公司廈門公司所持1.70%股權)(假設發行111,987,085股新A股)。因代價發行及建議A股配售分別攤薄天馬公司之權益，根據上市規則第14.29條將構成視作出售本公司持有之天馬公司權益。由於代價發行及建議A股配售之一個或多個適用百分比率(定義見上市規則)超過75%，本公司於天馬公司之權益因代價發行及建議A股配售攤薄，其構成上市規則第14.06條項下本公司非常重大出售，故根據上市規則第十四章須遵守公告、申報及股東批准之規定。該等認購事項及建議A股配售已由本公司獨立股東於2017年6月12日舉行的股東特別大會上批准。詳情請參見本公司於2017年3月10日刊發的公告、日期為2017年5月28日寄發的通函及本公司日期為2017年6月12日之股東特別大會按股數投票表決結果公告。

廈門天馬公司及天馬有機公司之資產估值報告已分別於2017年8月17日及2017年8月22日取得國務院國有資產監督管理委員會備案。

於2017年8月23日，天馬公司根據該等框架協議訂立有關廈門天馬收購事項及天馬有機收購事項之以下正式協議(統稱「該等正式協議」)：

- (1) 與中航國際、中航深圳、廈門公司及廈門金財以總代價人民幣10,452,506,800元(相當於約12,241,681,897港元)收購廈門天馬公司合共100%股權之資產收購協議(「廈門天馬正式協議」)；及
- (2) 與上海投資公司及上海張江公司以總代價人民幣656,900,600元(相當於約769,343,501港元)收購天馬有機公司合共60%股權之資產收購協議(「天馬有機正式協議」)。





重大事項及關連交易(續)

重大事項(續)

- 一、 須予披露交易、關連交易、非常重大收購交易及非常重大出售交易—天馬公司收購廈門天馬等2家標的公司及建議天馬公司配售A股(續)

考慮到天馬公司已於2017年7月26日實施分派2016年度之股息，故該等收購的代價股份之發行價與建議A股配售之建議發行價已調整至每股A股人民幣17.17元，該等收購事項項下之代價將由天馬公司合共發行647,024,307股A股作為代價股份而悉數償付，而配售股份數目將為不超過110,658,124股。詳情請參閱本公司日期為2017年8月23日的公告。

該等收購事項及建議A股配售已獲國務院國有資產監督管理委員會及天馬公司股東大會批准。有關更多詳情，請參閱本公司日期為2017年9月8日及9月15日的公告。

2017年12月6日，天馬公司獲中國證監會通知代價發行及建議A股配售已於中國證監會上市公司併購重組審核委員會於2017年12月6日召開的2017年第68次工作會議上獲批准。詳情請參閱本公司於2017年12月6日刊發的公告。

於2018年1月15日，天馬公司接獲中國證監會於2018年1月11日發出的代價發行及建議A股配售之書面批准，有效期為自發出日期起十二個月。批准之主要條款如下：

1. 天馬公司獲批准就代價發行分別向廈門金財、中航國際、中航深圳、廈門公司、上海投資公司及上海張江公司發行389,610,040股新A股、89,488,555股新A股、93,141,147股新A股、36,525,940股新A股、25,505,748股新A股及12,752,877股新A股；及
2. 天馬公司獲批准就建議A股配售籌集不多於人民幣1,900,000,000元。

詳情請參閱本公司於2018年1月15日刊發的公告。

於2018年1月18日，天馬公司完成了對廈門天馬公司及天馬有機公司等兩家標的公司的該等收購事項，於該等收購事項完成當日，上海天馬微電子有限公司(「上海天馬」)及廈門天馬公司各自己成為天馬公司之全資附屬公司，故上海天馬與廈門天馬公司於2016年3月4日簽署的《委托管理協議》已告終止。天馬公司向中航國際、中航深圳、廈門公司及廈門金財等6家轉讓方合共發行647,024,307股A股(即該等收購事項項下之代價股份總數)，該些A股已於2018年2月2日在深圳證券交易所上市。有關更多詳情請參閱本公司於2018年1月22日與2018年1月31日刊發的公告。

重大事項及關連交易 (續)

重大事項 (續)

- 一、 須予披露交易、關連交易、非常重大收購交易及非常重大出售交易－天馬公司收購廈門天馬等2家標的公司及建議天馬公司配售A股 (續)

於2018年4月12日，代價股份之收市價於廈門天馬收購事項完成後六個月內連續20个交易日跌至低於發行價（即每股A股人民幣17.17元）。根據中航國際、中航深圳及廈門公司作出之承諾，中航國際、中航深圳及廈門公司分別持有之89,488,555股A股、93,141,147股A股及36,525,940股A股之禁售期將自動延長六個月。有關更多詳情請參閱本公司於2018年4月12日刊發的公告。

於2018年9月10日，天馬公司分別與(a)中航國際、中航深圳、廈門公司及廈門金財（「廈門天馬補充協議」）；及(b)上海投資公司及上海張江公司（「天馬有機補充協議」）就建議A股配售的配售股份定價及配售價獨立訂立兩份補充協議（「該等補充協議」），據此，該等框架協議的條款「配售股份之配售價不得低於代價股份之發行價」予以刪除。

由於訂立廈門天馬補充協議及天馬有機補充協議構成獨立股東先前於2017年6月12日批准該等框架協議項下建議A股配售條款之重大變動，本公司根據上市規則第14.36條的規定就該等變動刊發公告。

由於建議A股配售之一個或多個適用百分比率超過25%但少於75%，建議A股配售構成上市規則第十四章項下本公司主要交易，故根據上市規則第十四章須遵守申報、公告、通函及股東批准之規定。

根據上市規則第14.44條，本公司已於2018年9月28日取得中航國際及中航深圳（為一組聯繫緊密之股東，合共持有本公司全部已發行股本約71.43%）之股東書面批准，以取代舉行股東大會。詳情請參見本公司於2018年9月10日刊發的公告，於2018年11月13日刊發的通函，及於2018年9月28日刊發的股東書面批准公告。

由於接獲中國證監會對天馬公司發行代價股份收購廈門天馬公司等兩家標的公司及建議A股配售的書面批准，於2018年2月2日，天馬公司完成該等收購事項及代價發行。

由於資本市場環境的變動及波動，建議A股配售不能自中國證監會發出書面批准日期（即2018年1月11日）起計十二個月內完成，因此，於2019年1月10日中國證監會的書面批准有效期自動到期。詳情請參見本公司於2019年1月10日刊發的公告以及本公司於2018年11月13日發佈的通函。





重大事項及關連交易(續)

重大事項(續)

二、 有關潛在主要出售事項之建議授權及關連交易

董事會於2017年5月17日議決出售本公司持有中航萬科有限公司(「中航萬科」)的47.12%股權(「中航萬科權益」)。由於本公司及中航國際為國有企業，中航萬科權益構成國有資產，故本公司出售中航萬科股權(「建議出售事項」)須根據規管國有資產出售的有關法律及法規通過產權交易所進行公開投標。根據建議，本公司將聯同中航國際透過北京產權交易所就其分別於中航萬科之47.12%及12.88%股權出售中航萬科合計60%權益。

基於中航萬科於2016年12月31日之初步評估值，預計建議出售事項之最低標價將介於人民幣1,780,440,000元至人民幣1,876,680,000元之間。中航萬科權益之最低標價將基於中航萬科之評估值及參考市場價格釐定，惟須獲得中國國有資產有關監管機關之審批。

最終代價將取決於中航萬科權益中標人提供之最終標價，但將無論如何不低於有關最低標價。

鑒於(i)中航國際為持有本公司約37.50%已發行股本之控股股東，且其持有中航深圳之100%股權，而中航深圳為持有本公司約33.93%已發行股本之控股股東；及(ii)中航國際直接持有中航萬科12.88%股權，中航萬科為中航國際之聯營公司及本公司之關連人士，而根據上市規則第十四A章，建議出售事項(如作實)將構成本公司一項關連交易。因此，中航國際及其聯繫人士將於即將舉行之股東特別大會上就授予建議授權之決議案放棄投票。

由於上市規則所載有關建議出售事項之一項或多項適用百分比率高於25%但低於75%，建議出售事項亦構成本公司於上市規則第十四章項下之主要交易。

因此，建議出售事項及其項下擬進行之交易須遵守上市規則第十四章及第十四A章之申報、公告及獨立股東批准之規定。建議出售事項已由本公司獨立股東於2017年10月11日舉行之股東特別大會上批准。詳情請參見本公司於2017年5月17日及2017年5月18日的公告、本公司日期為2017年9月22日之通函以及本公司日期為2017年10月11日之股東特別大會投票表決結果公告。

重大事項及關連交易(續)

重大事項(續)

二、 有關潛在主要出售事項之建議授權及關連交易(續)

2017年10月23日，中航萬科有關建議出售事項之評估報告草稿已獲航空工業集團批准，最終中航萬科100%股權評估值為人民幣3,847,131,600元，據此，建議出售事項之最低標價定為人民幣1,812,768,410元。2017年11月3日，建議出售事項之正式公開投標過程將根據國有股權轉讓之相關適用規定，於2017年11月6日在北京產權交易所(「北京產權交易所」)展開。建議出售事項之最低代標價為人民幣1,812,768,410元，乃經參考中航萬科之評估值(經航空工業集團審批)釐定。

2018年1月2日，本公司及中航國際與橫琴中長勝啟航投資中心(有限合夥)就建議出售事項及出售中航國際於中航萬科所持之12.88%股權訂立股權交易協議，總代價人民幣2,348,278,960元。出售中航萬科權益之代價為人民幣1,844,181,743.25元。建議出售事項完成後，本公司不再於中航萬科擁有任何權益。詳情請參閱本公司於2018年1月2日刊發的公告。

三、 關連交易－通過公開招標可能出售中航建築工程24.5%股權

2017年11月29日董事會決議，批准本公司全資附屬公司工程公司聯同中航深圳透過北京產權交易所就其分別於中航建築工程有限公司(「中航建築工程」)之24.5%及51%股權共同出售中航建築工程合計75.5%權益。基於中航建築工程於2017年6月30日之評估值，預期工程公司持有的中航建築工程24.5%股權出售事項(「潛在出售事項」)之最低標價將不低於人民幣39,440,500元。

由於有關潛在出售事項的一項或多項適用百分比率均高於0.1%但有關交易的所有適用百分比率均低於5%，故潛在出售事項須遵守上市規則第十四A章之申報及公告規定，惟獲豁免遵守獨立股東批准之規定。

潛在出售事項之公開掛牌程序於2017年11月30日開始，於2018年1月23日，工程公司及中航深圳與深圳聯恒投資有限公司(「深圳聯恒」)就出售由工程公司持有之中航建築工程24.5%權益及出售由中航深圳持有之中航建築工程51%股權訂立股權交易合同總代價為人民幣121,541,200元。出售中航建築工程24.5%權益之代價為人民幣39,440,520元。

於2018年2月9日，中航建築工程已經完成資產交割及工商變更，潛在出售事項完成後，工程公司不再持有中航建築工程之任何股權。詳情請參閱本公司於2018年1月23日刊發的公告。





重大事項及關連交易(續)

重大事項(續)

四、 委任聯席公司秘書

於2018年2月5日，董事會宣布，自即日起肖章林先生已獲委任為本公司聯席公司秘書。當時任職之本公司公司秘書鍾思均先生將繼續擔任本公司另一名聯席公司秘書。有關詳情請參見本公司於2018年2月5日刊發的公告。

五、 須予披露及關連交易—有關成都瑞賽潛在出售成都聚錦的股權和債權

於2018年6月27日，董事會宣佈成都瑞賽(本公司的非全資附屬公司)將在信息預披露後就其出售(「成都聚錦出售事項」)(i)其所持成都聚錦商貿有限公司(「成都聚錦」)的20%股權(「成都聚錦股權」)及(ii)其所持成都聚錦的債權(「成都聚錦債權」)(統稱「成都聚錦權益」)通過北京產權交易所進行正式公開招標程序。

茲建議，成都瑞賽將聯同北京瑞賽科技有限公司(「北京瑞賽」)在北京產權交易所出售其各自所持的20%及80%成都聚錦的股權以及各自所持成都聚錦的債權。成都聚錦出售事項完成後，成都瑞賽不再於成都聚錦擁有任何權益。

根據(i)成都聚錦於2017年10月31日的初步估值及(ii)截至2017年12月31日止年度成都聚錦的經審核財務報表，成都聚錦股權的初步估值約為人民幣229,087,240元及成都聚錦債權的審計結果約為人民幣190,000,000元。因此，潛在出售事項的初步最低投標價約為人民幣419,087,240元。於本公司日期為2018年9月26日的公告中所披露，成都聚錦出售事項的最終最低投標價為人民幣426,886,221元，此乃參考成都聚錦債權及航空工業集團所批准的成都聚錦全部股權的評估價值後釐定。

由於(i)航空工業集團直接及間接持有北京瑞賽全部股權；及(ii)航空工業集團持有中航國際(持有本公司已發行股本約37.50%的控股股東)約62.52%股權，而中航國際繼而擁有中航深圳(持有本公司已發行股本約33.93%的控股股東)的全部股權，故北京瑞賽為本公司的關連人士，而根據上市規則第十四A章，成都聚錦出售事項(倘落實)則將構成本公司的關連交易。

由於上市規則所載有關成都聚錦出售事項的一項或多項適用百分比率高於5%但低於25%，故根據上市規則第十四章，成都聚錦出售事項(倘落實)亦將構成本公司的須予披露交易。

重大事項及關連交易(續)

重大事項(續)

五、 須予披露及關連交易－有關成都瑞賽潛在出售成都聚錦的股權和債權(續)

因此，根據上市規則第十四及十四A章，成都聚錦出售事項及其項下擬進行的交易須遵守申報、公佈及獨立股東批准規定。成都聚錦出售事項已由本公司獨立股東於2018年8月13日舉行之股東特別大會上批准。詳情請參見本公司於2018年6月15日及2018年6月27日刊發的公告、本公司日期為2018年7月27日之通函以及本公司日期為2018年8月13日之股東特別大會投票表決結果公告。

有關於2018年8月10日獲獨立股東批准的成都聚錦出售事項正式公開招標程序已於2018年11月22日屆滿。於2018年9月28日開始為期20個營業日的公開招標公布期限內，概無潛在投標人表明有意購買成都聚錦權益。

董事會於2018年12月28日決議就出售成都聚錦權益進行新公開招標，並就出售成都聚錦權益重新遵守上市規則。

根據(i)成都聚錦於2018年8月31日的新初步評估價值及(ii)成都聚錦截至2018年8月31日止八個月的經審核財務報表，成都聚錦股權的新初步評估價值約為人民幣204,242,160元，而成都聚錦債權(包括利息)的經審核結果約為人民幣197,798,972元。因此，為進行成都聚錦出售事項，董事會決議，成都聚錦出售事項的新初步最低投標價應約為人民幣402,041,132元。

成都聚錦出售事項的最終最低投標價將參考市價釐定，受成都聚錦的最終評估價值所規限，惟無論如何不會低於新初步最低投標價。誠如本公司日期為2019年2月19日的公告所披露，最終最低投標價為人民幣403,998,972元，此乃參考成都聚錦債權及成都聚錦全部股權的新評估價值後釐定。

最終代價將視乎中標人對成都聚錦權益提出的最終投標價而定，惟無論如何不會低於新初步最低投標價。

如同以上所說明，成都聚錦出售事項構成本公司的一項須予披露及關連交易，本公司須就新評估項下潛在出售事項及其項下擬進行的交易重新遵守上市規則第十四章及第十四A章的申報、公告及獨立股東批准規定。潛在出售事項已獲本公司獨立股東於2019年2月19日舉行之股東特別大會上批准。有關詳情，請參閱本公司日期為2018年12月28日之公告，本公司日期為2019年1月31日之通函，以及日期為2019年2月19日之本公司股東特別大會的投票結果公告。





重大事項及關連交易(續)

重大事項(續)

六、 執行董事辭任及執行董事委任

2018年10月24日，前執行董事周春華女士因工作變動已向董事會提呈辭任執行董事職務，自本公司將予召開的股東特別大會結束後生效。同日，傅方興先生獲提名為於股東特別大會上選舉為執行董事之候選人，惟須待本公司股東批准方可作實。建議傅先生的建議服務任期為股東特別大會日期起至本公司將於2021年舉行之2020年股東周年大會日期止期間。委任傅方興先生為執行董事已於2018年12月11日舉行之股東特別大會上獲本公司股東正式通過且有關委任即時生效。股東特別大會結束後，周春華女士辭任執行董事一職。詳情請參見本公司於2018年10月24日的公告，本公司於2018年10月27日的通函，及2018年12月11日刊發的股東特別大會結果公告。

七、 本公司於中國發行人民幣債券的一般授權建議

2018年11月30日，董事會考慮及批准有關發行債券的一般授權的決議案，以於自獲本公司股東通過當日起計36個月期間，以中期票據方式分批發行人民幣債券，而根據此一般授權將予發行的中期票據的最高未償還金額合計將不超過人民幣10億元。於2019年1月15日，有關授予董事會一般授權以發行債券的決議案已獲本公司股東正式批准。詳情請參見本公司於2018年11月30日刊發的公告，2018年12月10日的通函，及於2019年1月15日本公司股東特別大會結果公告。

八、 聯席公司秘書辭任及更換授權代表

鐘思均先生因工作變動辭任本公司聯席公司秘書，自2019年1月15日起生效，並自當天起不再擔任本公司授權代表。於同日，肖章林先生由替代授權代表轉任為授權代表。詳情請參見本公司於2019年1月15日刊發的公告。

關連交易

一、 關連交易—增資協議

於2018年11月17日，本公司與航空工業集團、陝西航空產業發展集團有限公司(「陝西航空產業發展」)、西安工業投資集團有限公司(「西安工業投資」)、中航飛機股份有限公司(「中航飛機」)、西安飛機工業(集團)有限責任公司(「西安飛機工業」)、中航機載系統有限公司(「中航機載系統」)、中航國際航空發展有限公司(「中航國際航空發展」)及中航航空電子系統有限責任公司(「中航航空電子系統」)訂立增資協議(「增資協議」)，據此，航空工業集團、陝西航空產業發展、西安工業投資、中航飛機及西安飛機工業同意向中航西飛民用飛機有限責任公司(「中航西飛」)注資約人民幣67.23億元(相當於約76.40億港元)(「增資」)。

重大事項及關連交易(續)

關連交易(續)

一、 關連交易－增資協議(續)

於增資完成後，(i)中航西飛的註冊資本將由人民幣19億元增加至人民幣86.22億元；及(ii)中航西飛的股權將分別由航空工業集團、中航飛機、西安飛機工業、中航機載系統、本公司、中航國際航空發展、中航航空電子系統、陝西航空產業發展及西安工業投資持有約11.5494%、18.8895%、20.7889%、2.3540%、1.7655%、1.7655%、1.1770%、18.6114%及23.0988%。因此，本公司所持有的中航西飛股權將由7.895%攤薄至1.7655%。

由於航空工業集團為本公司的控股股東，持有中航國際(為控股股東，持有本公司已發行股本約37.50%)約62.52%股權，而中航國際擁有中航深圳(為控股股東，持有本公司已發行股本約33.93%)的全部股權，且中航飛機、西安飛機工業、中航機載系統、中航國際航空發展及中航航空電子系統(為航空工業集團或中航國際的附屬公司)均為本公司的關連人士，故增資協議項下的交易構成本公司的關連交易。

根據中國公司法第34條，本公司就增資擁有優先購買權。由於本公司決定不行使購股權以認購中航西飛的已增加註冊資本，根據上市規則第14A.24(2)(b)條，本公司就增資而放棄優先購買權亦構成關連交易。

就增資而言，由於上市規則項下的一項或多項適用百分比率高於0.1%但低於5%，故增資及根據增資協議擬進行的交易須遵守(其中包括)上市規則第十四A章項下申報及公告的規定，但獲豁免遵守獨立股東批准的規定。

二、 關連交易－出售中航國際仿真科技服務有限公司60%股權

2018年10月24日，本公司(作為賣方)與中航國際(作為買方)訂立股權轉讓協議(「該股權轉讓協議」)，據此，本公司同意出售及中航國際同意購買本公司持有的中航國際仿真科技服務有限公司60%股權，代價為人民幣31,611,120元。

中航國際為本公司的控股股東，持有本公司已發行股本約37.50%，根據上市規則第十四A章，中航國際為本公司的關連人士，而該股權轉讓協議及其項下擬進行的交易構成本公司的關連交易。

由於該股權轉讓協議及其項下擬進行交易的適用百分比率低於5%，根據上市規則第十四A章，該股權轉讓協議及其項下擬進行的交易須遵守申報及公告的規定，惟獲豁免獨立股東批准的規定。





重大事項及關連交易(續)

關連交易(續)

三、 持續關連交易—重續金融服務協議

於2018年9月26日，本公司與中航工業集團財務有限責任公司(「中航財務」)訂立2018年金融服務協議(「2018年金融服務協議」)以重續日期為2015年9月29日的2015年金融服務協議(「2015年金融服務協議」)。根據2018年金融服務協議，中航財務將不時應本公司要求向本集團提供一系列金融服務，期限自生效日期起至2021年12月31日止。中航財務向本集團提供的金融服務載列如下：

	截至 2019年 12月31日 止年度 (人民幣元)	截至 2020年 12月31日 止年度 (人民幣元)	截至 2021年 12月31日 止年度 (人民幣元)
存款服務(每日最高結餘)(存款上限)	4,000,000,000	4,000,000,000	4,000,000,000

	截至 2019年 12月31日 止年度期間 (美元)	截至 2020年 12月31日 止年度期間 (美元)	截至 2021年 12月31日 止年度期間 (美元)
外匯交易結算及銷售 (每日最高交易金額) (即期外匯交易上限)	26,000,000	26,000,000	26,000,000

航空工業集團為本公司及中航財務之最終控股公司，根據上市規則第十四A章，中航財務為本公司之關連人士，2018年金融服務協議項下擬進行之交易構成本公司之持續關連交易。由於存款上限用百分比率超過5%，根據上市規則第十四A章，存款服務須遵守申報、公告及獨立股東批准之規定。由於存款上限之一項或多項適用百分比率超過25%，故2018年金融服務協議項下擬進行之存款服務根據上市規則第十四章構成本公司之主要交易。由於即期外匯交易上限之每項適用百分比率均超過0.1%但低於5%，因此外匯服務項下擬進行之交易須遵守上市規則第十四A章項下之申報、年度審核及公告規定，惟獲豁免獨立股東批准之規定。

2018年金融服務協議已獲本公司股東特別大會正式通過。有關2018年金融服務協議的詳情請參見本公司於2018年9月26日刊發的公告，本公司日期為2018年11月16日的通函，及於2018年12月11日舉行的本公司股東特別大會投票結果公告。

重大事項及關連交易 (續)

持續關連交易

本集團過往年度簽定協議並在報告期內履行的持續關連交易載列如下：

一、 持續關連交易－有關出租及物業框架協議

本公司與中航國際就本集團向中航國際及／或其下屬公司出租房地產物業所訂立日期為2014年1月13日之出租框架協議(「中航國際出租框架協議」)，本公司與中航國際就中航國際及／或其下屬公司向本集團出租房地產物業所訂立日期為2014年1月13日之租賃框架協議(「中航國際租賃框架協議」)，以及本公司與中航國際就中航國際及／或其下屬公司向本集團提供物業管理服務所訂立日期為2014年1月13日之物業管理框架協議(「中航國際物業管理框架協議」)，統稱為中航國際框架協議。中航國際框架協議於2016年12月31日屆滿，為重續該等協議，本公司於2017年1月13日與中航國際訂立新中航國際出租框架協議(「新中航國際出租框架協議」)、新中航國際租賃框架協議(「新中航國際租賃框架協議」)及新中航國際物業管理框架協議(「新中航國際物業管理框架協議」)，各協議期限由其簽立日期起至2019年12月31日止。新中航國際出租框架協議、新中航國際租賃框架協議及新中航國際物業管理框架協議統稱為新中航國際框架協議，其主要條款概述如下：

- (1) 新中航國際出租框架協議：本集團同意於新中航國際出租框架協議期內向中航國際及／或其下屬公司出租房地產物業。自2017年起至2019年止三個年度建議上限金額均為人民幣35,000,000元。
- (2) 新中航國際租賃框架協議：中航國際及／或其下屬公司同意於新中航國際租賃框架協議期內向本集團出租房地產物業。自2017年至2019年三個年度建議上限金額分別為人民幣5,000,000元、人民幣7,000,000元及人民幣7,000,000元。
- (3) 新中航國際物業管理框架協議：中航國際及／或其下屬公司將於新中航國際物業管理框架協議期內向本集團提供物業管理服務。自2017年起至2019年三個年度建議上限金額均為人民幣45,000,000元。

由於中航國際(包括其下屬公司)為本公司的關連人士，故根據上市規則第十四A章，新中航國際框架協議及其項下擬進行的交易構成本公司的持續關連交易。





重大事項及關連交易(續)

持續關連交易(續)

一、 持續關連交易－有關出租及物業框架協議(續)

由於(1)新中航國際出租框架協議；(2)新中航國際租賃框架協議及(3)新中航國際物業管理框架協議各自的適用百分比率超過0.1%但低於5%，故(1)新中航國際出租框架協議；(2)新中航國際租賃框架協議及(3)新中航國際物業管理框架協議各自將須遵守上市規則第十四A章項下申報及公告的規定，惟獲豁免遵守獨立股東批准的規定。詳情請參見本公司於2017年1月13日刊發的公告。

二、 持續關連交易－本集團未來三年持續關連交易框架協議

於2014年10月16日訂立之現有框架協議載列本集團(一方)與航空工業集團或中航國際(包括彼等各自之聯繫人士，如適用)(另一方)進行交易之基礎內容。由於上述協議將於2017年12月31日屆滿，2017年10月24日，本公司(或其附屬公司)分別(i)與航空工業集團簽署《新航空工業銷售框架協議》(「新航空工業銷售框架協議」)、《新航空工業採購框架協議》(「新航空工業採購框架協議」)、《新航空工業提供代理服務框架協議》(「新航空工業提供代理服務框架協議」)、《新航空工業接受代理服務框架協議》(「新航空工業接受代理服務框架協議」)、《新航空工業提供財務資助框架協議》(「新航空工業提供財務資助框架協議」)、《新航空工業接受財務資助框架協議》(「新航空工業接受財務資助框架協議」)；及(ii)與中航國際簽署《新中航國際銷售框架協議》(「新中航國際銷售框架協議」)、《新中航國際採購框架協議》(「新中航國際採購框架協議」)、《新中航國際提供代理服務框架協議》(「新中航國際提供代理服務框架協議」)、《新中航國際接受代理服務框架協議》(「新中航國際接受代理服務框架協議」)、《新中航國際提供財務資助框架協議》(「新中航國際提供財務資助框架協議」)、《新中航國際接受財務資助框架協議》(「新中航國際接受財務資助框架協議」)。同日，本公司全資附屬公司工程公司與中航國際訂立新中航國際建築服務框架協議(「新中航國際建築服務框架協議」)，本公司與航空工業集團訂立新航空工業物業租賃(出租)框架協議(「新航空工業物業租賃(出租)框架協議」)。該等框架協議的主要信息列載如下：

重大事項及關連交易(續)

持續關連交易(續)

二、 持續關連交易－本集團未來三年持續關連交易框架協議

合同名稱	合同內容	年度金額上限		
		2018年 (人民幣元)	2019年 (人民幣元)	2020年 (人民幣元)
新航空工業銷售框架協議	銷售商品	100,000,000	100,000,000	100,000,000
新航空工業採購框架協議	採購商品	60,000,000	60,000,000	60,000,000
新中航國際銷售框架協議	銷售商品	2,000,000,000	2,000,000,000	2,000,000,000
新中航國際採購框架協議	採購商品	2,500,000,000	2,500,000,000	2,500,000,000
新航空工業提供代理服務 框架協議	提供代理服務	150,000,000	150,000,000	150,000,000
新航空工業接受代理服務 框架協議	接受代理服務	80,000,000	80,000,000	80,000,000
新中航國際提供代理服務 框架協議	提供代理服務	180,000,000	180,000,000	180,000,000
新中航國際接受代理服務 框架協議	接受代理服務	50,000,000	50,000,000	50,000,000
新航空工業提供財務資助 框架協議	提供借款／擔保	500,000,000	500,000,000	500,000,000
	收取的利息／保費	30,000,000	30,000,000	30,000,000
新航空工業接受財務資助 框架協議	接受貸款／擔保	2,000,000,000	2,000,000,000	2,000,000,000
	支付的利息／保費	80,000,000	80,000,000	80,000,000
新中航國際提供財務資助 框架協議	提供借款／擔保	1,700,000,000	1,700,000,000	1,700,000,000
	收取的利息／保費	75,000,000	75,000,000	75,000,000
新中航國際接受財務資助 框架協議	接受貸款／擔保	10,000,000,000	10,000,000,000	10,000,000,000
	支付的利息／保費	110,000,000	110,000,000	110,000,000
新中航國際建築服務框架 協議	提供建築服務	700,000,000	500,000,000	400,000,000
新航空工業物業租賃 (出租)框架協議	出租物業	6,000,000	6,000,000	6,000,000





重大事項及關連交易(續)

持續關連交易(續)

二、 持續關連交易—本集團未來三年持續關連交易框架協議(續)

有關以上持續關連交易詳情請參閱本公司於2017年10月24日刊發的公告及2017年12月12日寄發的通函。上述持續關連交易已獲本公司獨立股東於2017年12月28日舉行的本公司股東特別大會批准。詳情請參閱本公司於2017年12月28日刊發的投票結果公告以及本公司於2017年12月12日發佈的的通函。

三、 持續關連交易—特許專櫃框架合同

2017年12月28日，天虹商場股份有限公司(「天虹商場公司」)與本公司附屬公司飛亞達訂立2017年天虹特許專櫃框架合同(「2017年天虹特許專櫃框架合同」)。根據2017年天虹特許專櫃框架合同，天虹商場公司同意准許飛亞達於2018年1月1日起至2020年12月31日止三年期間，在中國境內多個城市使用天虹商場部分面積，以設立本身銷售櫃檯，銷售飛亞達手錶及國際名錶等產品。2017年天虹特許專櫃框架合同項下，自2018年至2020年三個年度，飛亞達應付天虹商場公司營業額佣金之建議年度上限分別為不超過人民幣27,500,000元、人民幣30,000,000元及人民幣32,500,000元。

由於中航深圳為本公司控股股東，持有本公司已發行股本總額約33.93%。天虹商場公司約43.40%股權由中航深圳擁有，故天虹商場公司為本公司之關連人士。

由於2017年天虹特許專櫃框架合同下擬進行交易之年度上限之最高適用百分比率高於0.1%但低於5%，故2017年天虹特許專櫃框架合同(包括其年度上限)僅須遵守上市規則第十四A章項下之申報及公告規定，惟獲豁免遵守獨立股東批准之規定。詳情請參閱本公司於2017年12月28日刊發的公告。

核數師確認

根據《上市規則》第14A.56條之規定，本公司委任核數師德勤•關黃陳方會計師行，根據香港會計師公會頒佈的香港鑒證業務準則第3000號「歷史財務資料審核或審閱以外之鑒證業務」及參考實務說明第740號—《香港上市規則規定的持續關連交易的核數師函件》對本公司持續關連交易執行情況進行核查。核數師已就本公司持續關連交易函件呈交一份副本予聯交所，就該等披露持續關連交易而言：

- (a) 核數師並無注意到任何事項令彼相信所披露的相關持續關連交易未獲董事會批准。
- (b) 就本集團提供貨品或服務所涉及的交易而言，核數師並無注意到任何事項令彼相信該等交易在所有重大方面未有按照本集團的定價政策進行。
- (c) 核數師並無注意到任何事項令彼相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行。
- (d) 就所披露的持續關連交易的各自總額而言，核數師並無注意到任何事項令彼相信各交易金額超出貴公司先前公告披露的年度上限。

遵守企業管治常規守則

根據適用上市規則附錄十四所載之企業管治守則（「守則」）條文第A.2.1條，董事會主席及行政總裁職責應予以區分，不應由同一人擔任。董事會主席及行政總裁之間的職責分工須以書面形式清晰地確立。於截至2018年12月31日止財政年度，本公司由執行董事代為行使管理層職能，本公司並未委任任何行政總裁。執行董事兼董事會主席（「主席」）以及董事會定期開會，以考慮影響本集團營運的主要事宜。董事會認為，該架構不會損害董事會與本公司管理層之間的權力及權限平衡。各執行董事（負責不同職能）的角色補足主席的角色。董事會相信，該架構有利於建立穩健而一致的領導，讓本集團得以有效地營運。除上述情況之外，於截至2018年12月31日止財政年度，本公司一直遵守守則的所有守則條文。

董事及監事之證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事及本公司監事（「監事」）進行證券交易的守則。本公司向所有董事及監事作出特定查詢後確定，於截至2018年12月31日止財政年度，所有董事及監事一直遵守標準守則所規定的證券交易標準。





審核委員會

董事會已根據上市規則成立了審核委員會(「審核委員會」)，以履行檢討及監察本公司財務彙報程序及內部監控職責。審核委員會成員目前全部為獨立非執行董事，即黃慧玲女士、鄔煒先生及魏煒先生。審核委員會已審閱並確認本公司截至2018年12月31日止年度之業績公告及本集團截至2018年12月31日止年度之經審核財務報表。

獨立非執行董事之獨立性

於截至2018年12月31日止年度，董事會已收到獨立非執行董事按照香港聯交所上市規則第3.13條就其獨立性而提交之確認函。董事會認為於截至2018年12月31日止年度，獨立非執行董事均仍符合香港聯交所上市規則第3.13條所載之規定，認為屬於獨立人士。

公眾持股量

根據本公司所獲公開資料並就刊發本年度報告於最後可行日期據董事所深知，本公司維持上市規則所訂明不少於25%的公眾持股量。

核數師

本公司核數師羅兵咸永道會計師行為本公司提供審計服務已達11年，根據國資委及中國財政部頒布的相關規定，倘外部會計公司連續承擔同一家中央國有企業財務審核業務的任期超過一定年限時，該企業應考慮或按要求更換會計公司。據此，本公司於2018年6月12日召開的2017年度股東周年大會上審議通過了更換德勤•關黃陳方會計師行為本公司核數師的議案。

承董事會命

中航國際控股股份有限公司

董事長

劉洪德

中國，深圳，2019年3月15日

董事會屬下委員會報告

一、 審核委員會報告

本公司審核委員會(「審核委員會」)現由黃慧玲女士、鄔煒先生、魏煒先生組成，黃慧玲女士擔任主席。截至2018年12月31日止年度，董事會屬下審核委員會嚴格按照守則條文所賦予的職責，對本公司截至2018年12月31日止年度的各項財務收支及經營活動實施了有效的監管，審閱了本公司的財務報表、半年報，年報，履行對公司內部控制和信息披露等方面的監督職責，加強與核數師的有效溝通，確保審核委員會對公司經營管理的有效監督。現對公司審核委員會於截至2018年12月31日止年度的工作總結如下：

- (一) 瞭解本公司、控股公司及附屬公司於報告期內的實際經營情況和重大事項的進展情況，審閱公司編製的財務會計報表；
- (二) 根據上市規則對上市發行人信息披露的要求，監督內部審計質量與財務信息的披露，在向董事會提交中期及年度財務報表前督促審計工作並先行審閱，並與核數師進行有效溝通，就審計報告中的重大方面達成一致意見；
- (三) 遵照獨立、客觀、公正的職業準則，審察公司的財務報表、中期報告、年度報告的完整性，並審閱財務報告中所載有關財務申報的重大意見；
- (四) 根據守則條文，擔任發行人與外聘核數師之間溝通的主要代表，並監察二者之間的關係；並按照適用的標準檢討及監察外聘核數師是否具有獨立性及審計程序是否有效；
- (五) 審閱了本公司截至2018年12月31日止年度發生的關連交易執行情況；
- (六) 就內部控制工作提供指導，審議並通過了本公司截至2018年12月31日止年度內部審計工作計劃。

本集團截至2018年12月31日止年度的全年業績及綜合財務報表已經審核委員會審閱。





一、 審核委員會報告(續)

截至2018年12月31日止年度，審核委員會共召開4次審核委員會。會議召開的具體內容如下：

屬下委員會名稱	審核委員會
委員名單	黃慧玲女士、鄔焯先生、魏焯先生
會議召開的次數	4次
會議召開的時間	2018年3月16日 2018年5月10日 2018年8月17日 2018年12月31日
審議議案的名稱	<ol style="list-style-type: none"> 1. 《審議本公司2017年度核數師報告、業績公告及董事會報告的議案》 2. 《審議本公司2017年關連交易合規性的議案》 3. 《審議加強本公司公司治理及內部控制的議案》 4. 《審議續聘羅兵咸永道會計師行為本公司核數師的議案》 5. 《審議更換德勤•關黃陳方會計師行為本公司核數師的議案》 6. 《審議本公司2018年中期財務報告及中期綜合業績報告的議案》 7. 《審議本公司2018年度中期公司治理及內部控制的議案》 8. 《審議修訂審核委員會之職權範圍的議案》

二、 薪酬委員會報告

本公司薪酬委員會(「薪酬委員會」)現由劉洪德先生、陳宏良先生、黃慧玲女士、鄔焯先生、魏焯先生組成，魏焯先生擔任主席。截至2018年12月31日止年度，薪酬委員會對董事、監事薪酬制度、兌現方案等議案進行了審議，並對本公司年報中關於董事、監事薪酬披露的情況進行了審核，認為公司對董事、監事薪酬標準的制定符合聯交所的相關規定及公司的薪酬制度要求，本公司年報所披露的薪酬數據真實、準確。現對公司薪酬委員會於截至2018年12月31日止年度的工作總結如下：

- (一) 截至2018年12月31日止年度，薪酬委員會嚴格按照法律法規及本公司的《公司章程》履行職責，檢查全體執行董事、監事的薪酬計劃或方案，並向公司董事會就非執行董事的薪酬提出建議，確保無任何董事自行釐訂薪酬；獲董事會轉授以下職責，釐定包括非金錢利益、退休金及賠償金額(包括喪失或終止職務或委任的賠償)：

二、 薪酬委員會報告(續)

- (二) 薪酬委員會已監督制訂正規、透明的董事、監事的薪酬體系，薪酬政策及架構；
- (三) 截至2018年12月31日止年度，薪酬委員會已對公司董事、監事薪酬進行了審核，並認為其釐定薪酬程序及發放標準符合薪酬體系的規定；
- (四) 截至2018年12月31日止年度，薪酬委員會已審查公司董事、監事的履行職責情況並對其進行年度績效考評；負責對公司薪酬制度執行情況進行監督。

截至2018年12月31日止年度，薪酬委員會召開3次薪酬委員會。會議召開的具體內容如下：

屬下委員會名稱	薪酬委員會
委員名單	劉洪德先生、陳宏良先生、黃慧玲女士、鄔煒先生、魏煒先生
會議召開的次數	3次
會議召開的時間	2018年3月16日 2018年6月20日 2018年12月11日
審議議案的名稱	1. 《審議董事、監事2017年度薪酬制度的議案》 2. 《審議本公司制訂薪酬政策之程序》 3. 《審議鄔煒先生之薪酬、福利及董事服務合同》 4. 《審議本公司獨立非執行董事薪酬調整的議案》 5. 《審議本公司擬委任傅方興先生為執行董事的董事服務合同草稿》





三、 提名委員會報告

本公司提名委員會(「提名委員會」)現由劉洪德先生、陳宏良先生、黃慧玲女士、鄔煒先生、魏煒先生組成，鄔煒先生擔任主席。截至2018年12月31日止年度，提名委員會對董事會的架構、人數及組成，候選人的資格及經驗，以及獨立非執行董事的獨立性等議案進行了審議，認為董事會的架構符合上市規則的要求，各董事均勝任(包括彼等的技能、知識及經驗)出任本公司之董事一職；所有獨立非執行董事截至2018年12月31日止年度均能達到上市規則第3.13條對獨立非執行董事獨立性的要求。現對公司提名委員會於截至2018年12月31日止年度的工作總結如下：

- (一) 截至2018年12月31日止年度，審議、回顧及檢討董事會的架構、人數及組成(包括董事的技能、知識及經驗方面)，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；
- (二) 提名委員會就候選人的資格、經驗、品格及對本公司作貢獻的潛力考慮出任董事的合適人選；及
- (三) 提名委員會根據上市規則第3.13條所載的獨立性規定評核獨立非執行董事的獨立性。

截至於2018年12月31日止年度，提名委員會共召開3次提名委員會。會議召開的具體內容如下：

屬下委員會名稱	提名委員會
委員名單	劉洪德先生、陳宏良先生、黃慧玲女士、鄔煒先生及魏煒先生
會議召開的次數	3次
會議召開的時間	2018年3月16日 2018年12月11日 2018年12月31日
審議議案的名稱	<ol style="list-style-type: none"> 1. 《審議本公司董事會的架構、人數及組成》 2. 《審議本公司獨立非執行董事的獨立性》 3. 《審議董事會的多元化政策》 4. 《審議董事委任或重新委任以及董事繼任計劃》 5. 《審議鄔煒先生繼續擔任獨立非執行董事之建議》 6. 《審議委任傅方興先生為本公司執行董事之建議》 7. 《審議修訂提名委員會之職權範圍》

監事會報告

本公司於2018年6月12日召開的2017年度股東周年大會上重選或委任的監事共同組成了監事會(「監事會」)。本屆監事會任期三年，至本公司將於2021年召開的2020年度股東周年大會日止。

本屆監事會由4名監事組成，分別為：焦燕女士(監事會主席)、梁赤先生、劉永澤先生、楊喜先生(職工代表監事)。

2018年度內，本公司全體監事會成員按照《中華人民共和國公司法》、《公司章程》及《監事會議事規則》等規定和要求，認真履行了監督職責，依法獨立行使職權，推動監事會的各项工作。監事會成員通過列席董事會、召開監事會等途徑，對公司依法運作、公司財務、股東大會決議執行情況、董事會重大決策程序及公司經營管理活動的合法合規性、董事及高級管理人員履行職責情況等進行了監督和檢查，促進公司規範運作，維護公司、股東及員工的合法權益。

監事會認為，截至2018年12月31日止年度內，公司在依法運作、財務核算及成果和日常經營管理活動方面，均能夠根據香港聯合交易所《上市規則》及《公司章程》等有關規定規範行為，董事會和高級管理人員履行公司職責能夠做到恪盡職守，無違法違規和利用職權損害公司利益的行為發生。

監事會就截至2018年12月31日止年度內履行工作情況發表如下意見：

監事會對公司依法運作情況的獨立意見

截至2018年12月31日止年度內，公司嚴格遵守了《中華人民共和國公司法》、《中華人民共和國證券法》、《公司章程》及香港聯合交易所《上市規則》等法律、法規的規定，建立了完善的內部控制制度，公司規範運作，決策程序合法。股東大會、董事會會議的召集、召開均按照有關法律、法規及《公司章程》規定的程序進行，有關決議的內容合法有效。董事在履行職責時，能自覺維護公司及股東的利益，遵循誠信、勤勉的義務，未發生違反法律、法規或損害公司利益的行為。





監事會對檢查公司財務情況的獨立意見

監事會認真審閱了2018年中期報告、2018年年度報告及由公司核數師德勤·關黃陳方會計師事務所出具的無保留意見的2018年度核數師報告等有關資料，監事會認為，公司財務制度健全、內部控制制度完善、財務運作規範、財務狀況良好，核數師報告能真實、客觀和公正地反映了公司2018年度財務狀況和經營成果。

監事會對公司收購、出售資產情況的獨立意見

截至2018年12月31日止年度內，本公司在收購、出售資產交易時均按照《中華人民共和國公司法》、《中華人民共和國證券法》及《上市規則》等有關法律、法規以及《公司章程》的規定，履行了規定的審議程序，不存在損害上市公司利益或造成公司資產流失的情況。

監事會對公司關聯交易的獨立意見

截至2018年12月31日止年度內，監事會對公司本年度發生的關聯交易及持續關聯交易進行了監督和核查，認為：公司本年度發生的關聯交易符合公司業務發展及長遠發展的需要，並嚴格按照《上市規則》、《公司章程》及本公司頒布的《重大事項及關聯交易內部報告制度指引》的規定，履行了審批程序及信息披露程序，不存在損害公司及股東利益的情形。

特此報告。

承監事會命
焦燕
監事會主席

中國，深圳，2019年3月15日

Financial Highlights

RESULTS SUMMARY

(For the year ended 31 December 2018)

(RMB'000)	2018	2017 (Restated)	2016	2015	2014
Revenue and profit:					
Revenue	54,290,366	46,276,689	33,007,917	34,350,511	33,960,290
Profit before taxation	743,027	2,350,778	1,797,895	1,555,792	1,825,396
Profit after taxation*	351,505	1,834,948	1,287,972	1,683,491	1,258,394
Profit attributable to:					
Profit attributable to owners of the Company	-568,314	510,942	806,066	1,212,308	642,026
Non-controlling interests	919,819	1,324,006	481,906	471,183	616,368
Basic earnings per share – profit attributable to owners of the Company (RMB)	-0.51	0.41	0.67	1.03	0.55
Diluted earnings per share – profit attributable to owners of the Company (RMB)	N/A	0.26	0.41	0.62	0.34
Dividends per share – owners of the Company (RMB)	0.00	0.05	0.10	0.20	0.10

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

ASSETS SUMMARY

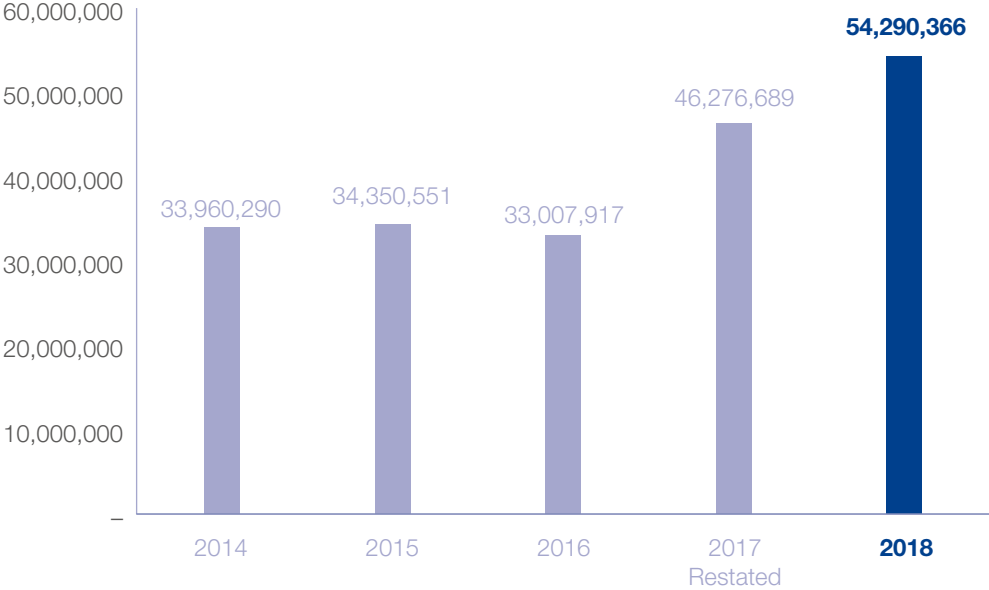
(As at 31 December 2018, consolidated)

(RMB'000)	2018	2017 (Restated)	2016	2015	2014
Total assets	101,287,295	98,010,042	64,780,737	64,626,108	57,807,672
Total liabilities	62,602,517	60,595,307	39,414,224	40,284,992	39,389,575
Total equity	38,684,778	37,414,735	25,366,513	24,341,116	18,418,097
Equity attributable to owners of the Company	13,394,660	13,401,019	12,039,247	11,539,763	9,648,260
Minority interests	25,290,118	24,013,716	13,327,266	12,801,353	8,769,837
Basic net assets per share – net assets attributable to owners of the Company (RMB)	11.49	11.49	10.32	9.90	8.69
Diluted net assets per share – net assets attributable to owners of the Company (RMB)	6.81	6.81	6.12	5.86	5.05

Financial Highlights

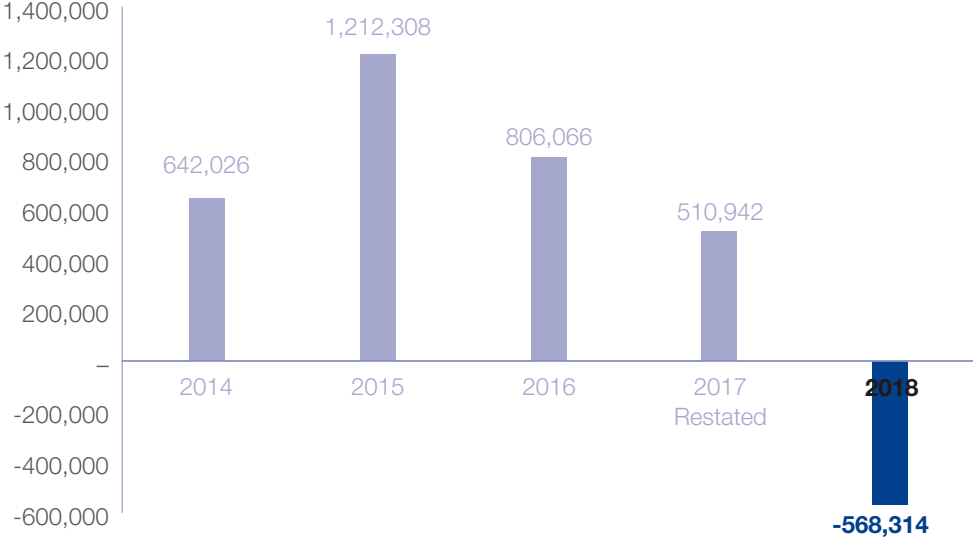
REVENUE

RMB'000



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RMB'000



Chairman's Statement



It is my honor to present the 2018 annual report of AVIC International Holdings Limited (the “Company”) on behalf of the board (the “Board”) of directors (the “Directors”) of the Company, to the shareholders, business partners and people from all walks of life who support the Company and its subsidiaries (collectively, the “Group”).

For the year ended 31 December 2018 (the “Reporting Period”), the Group recorded revenue of approximately RMB54,290,366,000 (including the revenue from discontinued operations), which represented an increase of approximately 17.32% over the previous year of approximately RMB46,276,689,000. Due to the loss in the international engineering and trading and logistics business caused by macro-environment and industry fluctuations, the Group recorded a loss in profit attributable to owners of the Company of approximately RMB568,314,000, representing a decline of approximately RMB1,079,256,000 compared with the profit of approximately RMB510,942,000 for the previous year.

The year of 2018 witnessed an intricate macroeconomic environment at home and abroad, escalating international trade frictions, growing downward pressure in the domestic economy, accelerating cross-sector competition and integration within the industry, as well as enhanced policy requirements on security and environmental protection. Confronted by such complex and grim external environment, the Group closely followed its strategic theme of “Reform and Restructure, Focus and Breakthrough, and Value Growth”, further optimized its business structure, and expedited its exit from established businesses including real estate development business.





During the Reporting Period, the Group kept abreast of market demand in high-tech electronic products, expedited its industrial upgrade mainly through the development of pioneering products and construction of key projects, and promoted operational efficiency growth by optimizing its customer structure and improving key operational capabilities. FPD business continued growth in business scale and sustained industry leadership in innovative technologies. Tianma Company maintained its strategic presence in visionary technologies such as flexible display and in-cell/on-cell integration touch technology, obtained a number of technological awards, and established its leading position in high-end small and medium-sized displays. Specifically, Tianma Company ranked first globally in LTPS smartphone panels and liquid-crystal display (LCD) full displays, with the consistently highest shipment worldwide; its thin-film transistor (TFT) shipment also led the Market of Mainland China and surged to top three around the globe; and the company continued to lead the world in its share in market segments such as POS terminal and aviation electronics. PCB business had a fresh record high in output and a significant rise in profitability. In 2018, SCC, with its focus on key customers, worked vigorously on obtaining orders and delivering quality, actively grasping the market opportunities communications, medical service and industrial control, continuously optimized product structure, and established its presence in smart manufacturing at a faster pace. As a result, SCC continued to record fresh historic highs in three of its business segments, namely PCB, substrate and PCBA, with substantial growth in both revenue and profit. The retails and consumer products business focused on the application of digital and intelligent technological approaches to promote transformation and upgrading, innovate business models, and strive for connotative growth of daily operations. The international engineering and trading and logistics business was affected by international economic and trading environment as well as industry cycle, and the operating performance of some businesses declines correspondingly. Meanwhile, due to the principle of prudence, impairment provisions such as goodwill and bad debts are set aside, the international engineering and trading and logistics business saw a major decline in profit.

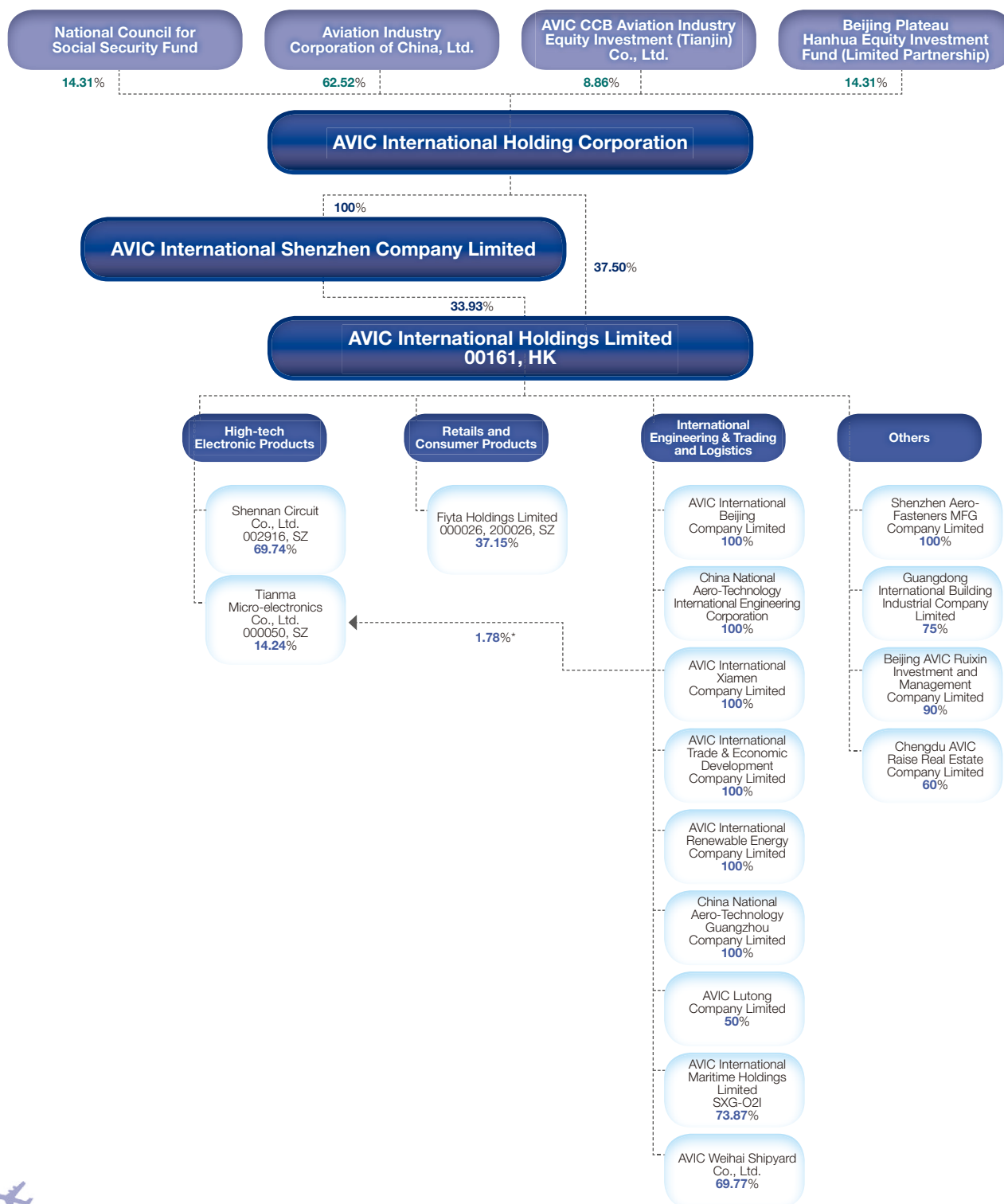
In 2019, against the backdrop of a complex and grim external environment and downward pressure on the economy, PRC still possesses enough resilience and enormous potential in its development, with economic momentum remaining positive in the long run. The current macro picture presents not just a challenge, but a strategic opportunity for development of the Group. As the country seeks to drive high-quality development of the manufacturing sector, the in-depth integration of advanced manufacturing and the modern service sector as well as the Belt and Road Initiative, the Group will gain even more room for development for its three core principal businesses, namely high-tech electronic products, retails and consumer products business as well as international engineering, trading and logistics. Based on the strategic orientation of its focus on principal businesses, the Group will continue to strip away its real estate business, which is expected to generate certain investment revenue.

Looking into 2019, the Group will work on prospective subject studies to bolster its strategic leadership and enhance its ability to respond to the external environment. The Group will put into practice its strategic theme of "Reform and Restructure, Focus and Breakthrough, and Value Growth", maintain and widen the leadership of its advantageous businesses, boost strategic and operational management capabilities, carry out various reforms and development initiatives with solid efforts, convert its development drive, enhance risk resistance and attain high-quality development with full force.

Never forgetting why we started, we will continue to move forward. On our way of transformation and innovation, we will embrace opportunities, face up to challenges and complete our mission. On behalf of the Board, I would like to express my sincere gratitude to all the staff for their devotion and dedication, to all the Group's shareholders, business partners and people from all walks of life for their unremitting support. We will double our efforts, keep moving forward and stay committed to creating greater returns for our shareholders, customers and the staff of the Group.

Management Discussion and Analysis

CORPORATE ORGANIZATION CHART



* Note: AVIC International Xiamen Company Limited holds 1.78% equity interests in Tianma Company and the Group holds an aggregate of 16.02% equity interests in Tianma Company.



BUSINESS REVIEW

The consolidated revenue and profit contributions of the Company in its consolidated results for the year ended 31 December 2018 (the “Reporting Period” or the “year”) were primarily derived from the following business segments and subsidiaries:

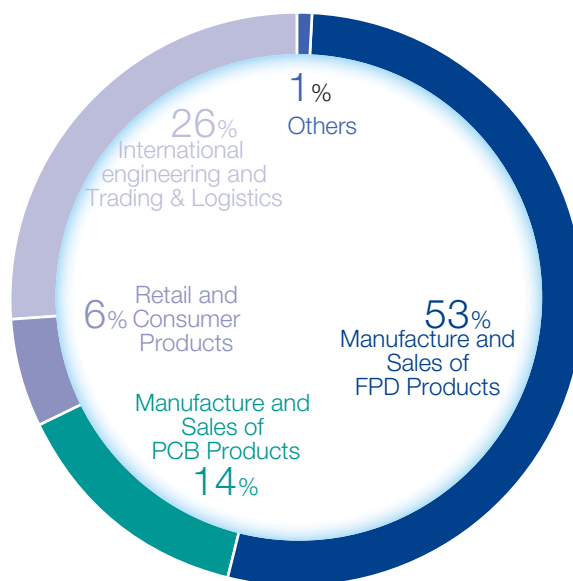
Business segment	Name of subsidiary	Percentage of equity interests held by the Company	Principal activities
High-tech electronic products	Tianma Micro-electronics Co., Ltd (“Tianma Company”)	14.24%*	Manufacture and sales of flat panel displays (“FPD”) and modules
	Shennan Circuits Co., Ltd (“SCC”)	69.74%	Manufacture and sales of printed circuit boards and packaging substrate (“PCB”)
Retails and consumer products	Fiyta Holdings Limited (“Fiyta”)	37.15%	Manufacture of middle to high-end wrist watches and chain store sales of luxury watches
International engineering, trading and logistics	China National Aero-Technology International Engineering Corporation (“Engineering Company”)	100%	Mainly engaged in general contracting of international engineering construction; and engaged in overseas property development and general contracting of domestic construction engineering
	AVIC International Beijing Company Limited (“Beijing Company”)	100%	Cement construction, machinery vehicles, etc.
	AVIC International Maritime Holdings Limited (“AVIC Maritime”)	73.87%	Ship engineering, design and trading, etc.
	AVIC Weihai Shipyard Co., Ltd. (“Weihai Shipyard”)	69.77%	Ship construction
	China National Aero-Technology Guangzhou Company Limited (“Guangzhou Company”)	100%	Medical facilities and bitumen engineering
	AVIC Lutong Company Limited (“Lutong Company”)	50%	Bitumen engineering
	AVIC International Xiamen Company Limited (“Xiamen Company”)	100%	Trading and logistics
	AVIC International Trade & Economic Development Company Limited (“TED Company”)	100%	Tendering agency, informationization service, automation control, etc.
	AVIC International Renewable Energy Company Limited (“RE Company”)	100%	Power station construction, energy-saving management, and purchase and sales of renewable energy equipment

* Note: AVIC International Xiamen Company Limited holds 1.78% equity interests in Tianma Company and the Group holds an aggregate of 16.02% equity interests in Tianma Company.

BUSINESS REVIEW *(continued)*

Business segment	Name of subsidiary	Percentage of equity interests held by the Company	Principal activities
Others	Beijing AVIC Ruixin Investment and Management Company Limited ("Beijing Ruixin")	90%	Mainly engaged in the residential premises development business; and engaged in industrial property development, etc.
	Chengdu AVIC Raise Real Estate Company Limited ("Chengdu Raise")	60%	Mainly engaged in the residential premises development business; also engaged in industrial property development, etc.
	Shenzhen Aero Fasteners MFG Company Limited ("AFM Company")	100%	High intensity bolts, precision screws and nuts, shaped fasteners and other fasteners
	Guangdong International Building Industrial Company Limited ("GIB Company")	75%	Hotel operation

2018 TURNOVER COMPOSITION BY BUSINESS SEGMENTS





BUSINESS REVIEW *(continued)*

The year of 2018 witnessed an intricate macroeconomic environment at home and abroad, escalating international trade frictions, growing downward pressure in the domestic economy, accelerating cross-sector competition and integration within the industry, as well as enhanced policy requirements on security and environmental protection. Confronted by such complex and grim external environment, the Group closely followed its strategic theme of “Reform and Restructure, Focus and Breakthrough, and Value Growth”, further optimized its business structure, and expedited its exit from established businesses including real estate development business.

For the year ended 31 December 2018, the Group recorded revenue of approximately RMB54,290,366,000, which represented an increase of approximately 17.32% over the previous year of approximately RMB46,276,689,000. Due to the loss in the international engineering and trading and logistics business caused by macro-environment and industry fluctuations, the Group recorded a loss attributable to owners of the Company of approximately RMB568,314,000, representing a decline of approximately RMB1,079,256,000 compared with the profit of approximately RMB510,942,000 for the previous year.



BUSINESS REVIEW (continued)

High-Tech Electronic Products Business: Fast-tracking Industrial Upgrade and Promoting Efficiency Growth

	Revenue in 2018 RMB'000	Year-on-year change	Net profit in 2018 RMB'000	Year-on-year change
High-Tech electronic products	35,926,003	23.94%	1,618,270	-17.01%
of which: FPD	28,537,031	21.52%	914,585	-38.86%
PCB	7,388,972	34.28%	703,685	54.96%

In respect of high-tech electronic products, the Group is engaged in research and development (“R&D”), design, manufacture, sales and service of FPD and PCB products mainly through its subsidiaries, namely Tianma Company and SCC. During the Reporting Period, the Group kept abreast of market demand in high-tech electronic products, expedited its industrial upgrade mainly through the development of pioneering products and construction of key projects, and promoted operational efficiency growth by optimizing its customer structure and improving key operational capabilities.

(I) FPD: Continued growth in business scale and sustained industry leadership in innovative technologies

Tianma Company focuses on the market development of FPD, with products mainly applied to the displays of consumer products such as smartphones and tablets as well as professional displays such as those for in-vehicle products, medical service and industrial control.

During the Reporting Period, Tianma Company completed its acquisition of 100% equity interest in Xiamen Tianma Microelectronics Co., Ltd. (廈門天馬微電子有限公司) (“Xiamen Tianma Company”) and 60% equity interest in Shanghai Tianma Organic Light Emitting Display Technology Co., Ltd (上海天馬有機發光顯示技術有限公司) (“Tianma Organic Company”), which improved the R&D and production capabilities in emerging display technologies such as low temperature poly-silicon (“LTPS”) and active matrix organic light-emitting diode panels (主動矩陣有機發光二極體面板) (“AMOLED”), further expanded the business scale and boosted its industry influence.





BUSINESS REVIEW *(continued)*

High-Tech Electronic Products Business: Fast-tracking Industrial Upgrade and Promoting Efficiency Growth *(continued)*

(I) **FPD: Continued growth in business scale and sustained industry leadership in innovative technologies** *(continued)*

Tianma Company maintained its strategic presence in visionary technologies such as flexible display and in-cell/on-cell integration touch technology, obtained a number of technological awards, and established its leading position in high-end small and medium-sized displays. Specifically, Tianma Company ranked first globally in LTPS smartphone panels and liquid-crystal display (LCD) full displays, with the consistently highest shipment worldwide; its thin-film transistor (TFT) shipment also led the Market of Mainland China and surged to top three around the globe; and continued to lead the world in its share in market segments such as POS terminal and aviation electronics. As a key project, the Wuhan G6 AMOLED production line realized partial mass production while Phase II of the project has commenced officially.

During the Reporting Period, Tianma Company saw a decline in gross profit margin and an increase in three items of expenses due to the ramp-up of its production capacity. Meanwhile, due to the operational risks among some customers, provision of approximately RMB492 million was made for bad debts in accounts receivable by Tianma Company on a prudent basis, resulting in a year-on-year decrease in its profit.

(II) **PCB: A fresh record high in output and a significant rise in profitability**

SCC's PCB products cover middle to high-end multilayer PCBs, packaging substrate and printed circuit board assembly ("PCBA"), which are mainly applied to high-tech fields such as telecommunications, aviation, medical service, new energy vehicles and industrial control.

In 2018, SCC, with its focus on key customers, worked vigorously on obtaining orders and delivering quality, actively grasping the market opportunities communications, medical service and industrial control, continuously optimized product structure, and established its presence in smart manufacturing at a faster pace. As a result, SCC continued to record fresh historic highs in three of its business segments, namely PCB, packaging substrate and PCBA, with substantial growth in both revenue and profit.



BUSINESS REVIEW (continued)

High-Tech Electronic Products Business: Fast-tracking Industrial Upgrade and Promoting Efficiency Growth (continued)

(II) PCB: A fresh record high in output and a significant rise in profitability (continued)

While maintaining its leading advantage in high-tech fields such as communications and aviation, SCC has been actively establishing its presence in smart manufacturing. Its smart factory in Nantong had an auspicious start with annual gross profit exceeding expectations, setting a new benchmark for leading industrial production capacity; and the substrate factory in Wuxi completed construction ahead of schedule. As such, leveraging on its leading technology, superior product quality and premium service, SCC has earned high recognition from its core customers, and enhanced its market leadership position continuously.

During the Reporting Period, SCC adopted a restricted share incentive scheme on 12 November 2018, and completed granting 2,800,000 restricted shares to 145 employees on 28 January 2019. For details of the restricted share incentive scheme, please refer to the announcements of the Company dated 12 November 2018 and 28 January 2019.

Retails and Consumer Products Business: Proceeding with Transformation and Upgrading and Steadily Promoting Business Model Innovation

	Revenue in 2018 RMB'000	Year-on- year change	Net profit in 2018 RMB'000	Year-on- year change
Retails and consumer products business	3,376,464	1.61%	183,080	-18.43%

In respect of retails and consumer products, the Group is engaged in the production and brand operation of middle to high-end watches as well as chain sales and services of luxury watches through its subsidiary, Fiyta. During the Reporting Period, the retails and consumer products business focused on the application of digital and intelligent technological approaches to promote transformation and upgrading, innovate business models, and strive for connotative growth of daily operations.

In 2018, Fiyta upgraded its products and reshaped its brand in an in-depth manner, accelerated organizational reform, and beefed up the support and synergy to its own brands from professional platforms such as R&D and design. Fiyta aerospace watches and application projects won the fifth China Industry Award (中國工業大獎), the highest industrial award set up by the State Council of the People's Republic of China (the "PRC"). Harmony worked on channel optimization with full force, leading to effective improvement in per customer transaction and customer service, appreciably enhanced capability in meticulous operation, and major profit growth. In addition, Fiyta achieved initial breakthrough in its exploration of smart watches, and made steady progress in business model innovation.





BUSINESS REVIEW *(continued)*

Retails and Consumer Products Business: Proceeding with Transformation and Upgrading and Steadily Promoting Business Model Innovation *(continued)*

During the Reporting Period, Fiyta adopted a restricted share incentive scheme on 12 November 2018, and completed granting 4,224,000 restricted shares to 128 employees on 28 January 2019. For details of the restricted share incentive scheme, please refer to the announcements of the Company dated 12 November 2018 and 28 January 2019.

International Engineering and Trading and Logistics Business

The Group is engaged in engineering contracting, cement engineering, mechatronics engineering, ship engineering and tendering agency businesses through its subsidiaries, namely Engineering Company, Beijing Company, AVIC Maritime, Weihai Shipyard and TED Company.

During the Reporting Period, affected by international economic and trading environment as well as industry cycle, the international engineering and trading and logistics business saw a major decline in profit, which was mainly manifested in the following aspects: 1) Under a sluggish global economy, there was a severe shortfall in newly signed orders for cement engineering, causing the dramatic fall in revenue. Taking into account the downbeat cement sector and the sliding corporate operating results, provision was made for impairment on goodwill of KHD Humboldt Wedag International AG (KHD) based on the principle of prudence, which resulted in a considerable loss in the cement and mechatronics engineering businesses; 2) Weihai Shipyard, affected by the stagnant shipping market, reflected low utilization of capacity, resulting in a marked decline in revenue. At the same time, Weihai Shipyard suffered heavy losses due to rising prices of raw materials and equipment, higher impairment on goodwill, greater amount of three items of expenses and exchange rate fluctuations; 3) in line with the principle of prudence, TED Company made bad debt provisions for the debts of investment enterprises accounted for using the equity method that incurred losses for three consecutive years and were unable to repay debts. Based on the aforementioned, the Group recorded revenue of approximately RMB14,191,301,000 from international engineering and trading and logistics segment for the year, representing an increase of approximately 7.19% over the previous year of RMB13,239,645,000. The loss amounted to approximately RMB1,466,825,000, representing an increase of approximately RMB1,167,598,000 as compared to approximately RMB299,228,000 for the previous year.



BUSINESS REVIEW *(continued)*

International Engineering and Trading and Logistics Business *(continued)*

Faced by changes in international economic environment and difficulties in operation within the industry, the Group has been closely focused on upgrading core capabilities in international engineering and trading and logistics business. Discussions have taken place on business model to have a clear view of the direction of business development, with step-by-step implementation under renewed annual strategies, all in an effort to intensively work on internal operation and improve quality and efficiency. On top of that, three cross-enterprise professional committees have been established, covering project review, project operation and financial resources sharing, to coordinate overall strategic collaboration and enhance risk control. Furthermore, the Group continued with expansion of its key business and in key countries under the “Belt and Road” initiative. As a result, 17 new projects were entered into for the engineering contracting business over the year, with a contract amount of US\$3.5 billion. By improving internal management, the Engineering Company managed to turn loss into profit for its daily operation, and ranked 118th among the world’s top 250 international contractors compiled by the American Engineering News-Record (ENR) in 2018.

BUSINESS PROSPECTS

In 2019, against the backdrop of a complex and grim external environment and downward pressure on the economy, PRC still possesses enough resilience and enormous potential in its development, with economic momentum remaining positive in the long run. The current macro picture presents not just a challenge, but a strategic opportunity for development of the Group. As the PRC seeks to drive high-quality development of the manufacturing sector, the in-depth integration of advanced manufacturing and the modern service sector as well as the Belt and Road Initiative, the Group will gain even more room for development for its three core principal businesses, namely high-tech electronic products, retails and consumer products business as well as international engineering, trading and logistics. Based on the strategic orientation of its focus on principal businesses, the Group will continue to strip away its real estate business, which is expected to generate certain investment revenue.

In 2019, the Group will work on prospective subject studies to bolster its strategic leadership and enhance its ability to respond to the external environment. The Group will put into practice its strategic theme of “Reform and Restructure, Focus and Breakthrough, and Value Growth”, maintain and widen the leadership of its advantageous businesses, boost strategic and operational management capabilities, carry out various reforms and development initiatives with solid efforts, convert its development drive, enhance risk resistance and attain high-quality development with full force.

High-tech Electronic Products Business

As for high-tech electronic products business, the Group will keep on evolving towards the high-end part of the industrial chain, achieving breakthroughs in developing visionary products and constructing key projects at a faster rate, continuously improve its technological R&D and advanced manufacturing capabilities, and effectively improve the return on investment of major projects by improving the yield, upgrading technological process and smart manufacturing.

As for the FPD business, the Group will push for commercial success in its organic light-emitting diode (OLED) business, and ensure significant progress in ramping up the yield and production capacity of Wuhan G6 Phase I and the Shanghai G5.5 production line as well as the construction of Wuhan G6 Phase II. As for the PCB business, the Group will fully capitalize on the market opportunities of 5G construction, promote the construction of smart factories, enable the Wuxi substrate factory to connect production lines and commence production, and explore its transformation from a component manufacturer to a solution provider with the development into a moderately light asset model.





BUSINESS PROSPECTS *(continued)*

Retails and Consumer Products Business

As to retails and consumer products business, the Group will further its efforts to comprehend and cater to customer demand, strengthen customer-oriented philosophy and improve its adaptability in responding to the market. Efforts will be made to materialize the multibrand management platform and a comprehensive service provider model for luxury watches. Work will also be done to effectively raise organizational efficiency, and cultivate the capabilities in product and service innovation as well as brand operation.

Fiyta will reshape its brand at a deeper level, expand channels continuously and deepen brand and channel integration. Fiyta will also enhance business synergy, bolster cross-sector cooperation, build a business ecosystem centered on consumer demand with continuous efforts and innovate profit models to drive value growth. In the meantime, Fiyta will quicken its pace to develop new growth points such as smart watches and precision manufacturing.

International Engineering and Trading and Logistics Business

In 2019, in respect of international engineering and trading and logistics business, the Group will build on the established mechanism of international business collaboration, deepen business resource integration and standardize common business processes. Meanwhile, the Group will meet its responsibilities with more rigorous control over key links and improve the operation of continuously loss-making businesses in a practical manner so that such loss can be reduced and even turned into profit.

In respect of engineering contracting business, the Group will focus on core markets and key business, and continue to work intensively on Southeast Asia, Far East and the “Belt and Road” regions; vigorously expand the aviation infrastructure business and innovate business models; and spare no effort to facilitate smooth execution of major projects such as Angola International Airport and Southern Sri Lanka Highway. In respect of cement construction, the Group will intensify its market development, strive to enter into contracts for core projects, properly execute the ongoing projects, and ensure that the commenced projects deliver their expected profits; KHD will optimize its organizational structure, lower purchase cost, and boost the actual profit margin of project implementation. In respect of ship engineering business, the Group will commit intensive efforts to market segments, enlarge its market shares in such segments and raise the contribution margin ratio of its products.

Profile of Directors and Supervisors

EXECUTIVE DIRECTORS

Mr. Liu Hong De, aged 58, Ph.D. in management science and engineering of Harbin Engineering University (哈爾濱工程大學) and a professorate senior engineer, enjoys the special government allowance of the State Council of the PRC. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu was appointed as an executive Director and chairman of the Board of the Company on 15 February 2017. He is currently the chairman of the board of directors of AVIC International Holding Corporation (“AVIC International”), and the chairman of the board of directors of AVIC International Holding (HK) Limited (中國航空工業國際控股(香港)有限公司) (“AVIC Int'l”) (the shares of which are listed and traded on the Stock Exchange, stock code: 232). Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dong'an Engine Corporation (哈爾濱東安發動機公司), the general manager and the chairman of the board of directors of Harbin Dong'an Auto Engine Company Limited (哈爾濱東安汽車動力股份有限公司) (the shares of which are listed and traded on the Shanghai Stock Exchange, stock code: 600178), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Company Limited (哈爾濱航空工業(集團)有限公司), the chairman of the board of directors of Jiangxi Changhe Automobile Company Limited (江西昌河汽車股份有限公司) (the shares of which are listed and traded on the Shanghai Stock Exchange), the president of AVIC Automobile Industry Corporation (中國航空汽車工業總公司), the vice-president of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (the shares of which are listed and traded on the Stock Exchange, stock code: 2357), the head of the corporate cultural department of China Aviation Industry Corporation II (中國航空工業第二集團公司), the head of the corporate cultural department of Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司) (formerly known as Aviation Industry Corporation of China (中國航空工業集團公司) (“Aviation Industry Group”), the vice executive chairman of the trade union of Aviation Industry Group, and a supervisor of Aviation Industry Group.

Mr. Lai Wei Xuan, aged 55, senior accountant, holding a doctorate degree in Management of Tongji University (同濟大學) and an EMBA of Guanghua School of Management, Peking University, is now an executive Director and a vice chairman of the Company, the Chief Executive Officer and director of AVIC International Holding Corporation, an executive director of AVIC Int'l. Mr. Lai joined AVIC International Shenzhen Company Limited (中國航空技術深圳有限公司) (“AVIC Shenzhen”) in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the chairman of Fiyta and the deputy chairman of Tianma Company (the shares of both Fiyta and Tianma Company, being subsidiaries of the Company, are listed and traded on Shenzhen Stock Exchange, stock code: 000026 and 200026 for Fiyta and 000050 for Tianma Company), and the chairman of Rainbow Department Store Company Limited (天虹商場股份有限公司) (the shares of which are listed on Shenzhen Stock Exchange, stock code: 002419). Mr. Lai has rich experience in finance and operation management, and once acted as an executive Director of the Company from 2004 to 2012. He was re-appointed as an executive Director of the Company in 2014.

Mr. You Lei, aged 50, senior engineer, MBA of Tongji University and EMBA of China Europe International Business School, is now holding the positions of executive Director and vice chairman of the Company, the director of AVIC International, and chairman of the board of directors of AVIC Shenzhen. Mr. You used to be a vice president of AVIC International, the president of AVIC Shenzhen, the chairman of the board of directors of Tianma Company, and the chairman of the board of directors of SCC (the shares of which are listed on Shenzhen Stock Exchange, stock code: 002916). Mr. You joined AVIC Shenzhen in 1991 and the Group in 1997. He has rich experience in corporate operation and business administration, and was appointed as an executive Director in 2003.

Mr. Liu Jun, aged 57, holds a bachelor's degree in engineering from Beijing Aviation College (北京航空學院) and has rich experience in operation management. He is currently an executive Director of the Company and the vice president of AVIC International Holding Corporation. He joined China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International, in 1989. Between 1990 and 1993, he was seconded to station at AVIC Germany. He served as the general manager and chairman of AVIC International Beijing Company Limited, a subsidiary of the Company. Mr. Liu was appointed as an executive Director of the Company in 2012.





EXECUTIVE DIRECTORS *(continued)*

Mr. Fu Fang Xing, aged 45, obtained a Bachelor's Degree in Investment, Economics and Management in 1996 and a Master's Degree in Accountancy in 2005. Mr. Fu is currently an executive Director of the Company, a director and the chief accountant of AVIC International, and the executive director of AVIC Int'l. He previously served as the executive director of AVIC Joy Holdings (HK) Limited (whose shares are listed and traded on the Stock Exchange, stock code: 260), the deputy head of the financial management department, the head of the financial management department of AVIC International, the chief accountant of AVIC International Aviation Development Co., Ltd. and the deputy chief accountant of AVIC-INTL Project Engineering Company. Mr. Fu is a senior accountant and has extensive experience in financial management, investment and financing management and mergers and acquisitions. He was appointed as an executive Director of the Company in 2018.

Mr. Chen Hong Liang, aged 51, holds a master's degree in business administration from Tongji University. He is currently the chairman of the board of directors of Tianma Company. Mr. Chen acted as a vice president of AVIC International Holding Corporation and a vice president of AVIC International Shenzhen Company Limited. Mr. Chen has extensive experience in administrative and human resources management. He was appointed as an executive Director of the Company in 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling, aged 57, received a bachelor's degree of arts from the University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a certified public accountant in Hong Kong since June 1991 and has become a fellow member of the Association of Chartered Certified Accountants and a fellow member of Hong Kong Institute of Certified Public Accountants since May 1995 and February 2001, respectively. Ms. Wong has over twenty years of experience in accounting and auditing and mainly provides independent judgments towards the Company's strategies, performance, resources and industry practices. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993. She is currently an independent non-executive Director of the Company, an independent non-executive director and chairlady of the audit committee of Overseas Chinese Town (Asia) Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3366), and an independent non-executive Director, chairlady of the audit committee and chairlady of the remuneration committee of Yongsheng Advanced Materials Company Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3608) and appointed as a non-executive director of Hin Sang Group (International) Holding Co. Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 6893). Ms. Wong was once an independent non-executive director of China Ruifeng Renewable Energy Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 527), an executive director of Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8326) and the independent non-executive director of Glory Flame Holdings Limited (the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8059), and resigned on 18 October 2016 and 22 March 2016 respectively. Ms. Wong was appointed as an independent non-executive Director of the Company in 2008 and was re-elected as an independent non-executive Director of the Company in 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Wu Wei, aged 46, holds the bachelor's degree of arts from Columbia University, U.S.A. majoring in economy and industrial engineering. He is now an independent non-executive Director of the Company and a partner of Maison Capital Co., Ltd. He served as a director of CITIC Securities International Company Limited, responsible for private equity fund business. He has over 20 years of experience in enterprise investment and investment bank, and worked in Deutsche Bank Asia, Henderson Global Investors Asian Fund and Lehman Brothers Asia Limited. He was appointed as an independent non-executive Director of the Company in 2009 and was re-elected as an independent non-executive Director of the Company in 2018.

Mr. Wei Wei, aged 54, holds a master's degree in corporate management from Tsinghua University and a doctorate degree in management science and engineering from Huazhong University of Science & Technology. He is also a professor in Peking University HSBC Business School. Mr. Wei is currently an independent non-executive Director of the Company and a non-executive director of Wuxi Hodgen Technology Co., Ltd (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 300279). Mr. Wei was also an independent non-executive director of Telling Telecommunication Holding Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 000829), Skyworth Digital Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 751), Zhangzidao Group Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002069), Changyuan Group Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 600525) and ZTE Corporation (the shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange, stock code: 000063 and 763 respectively). He was also the associate professor of the Department of Management Engineering in Xinjiang Institute of Technology, the deputy dean of the Institute of Economics and Administration in Xinjiang University and a postdoctorate in the China Centre for Economics Research, Peking University. Mr. Wei was appointed as an independent non-executive Director of the Company in 2014.

SUPERVISORS

Ms. Jiao Yan, aged 53, senior economist, holds a bachelor's of laws from Peking University. She is currently the secretary of the board, general counsel and head of legal affairs department of AVIC International. Ms. Jiao once served as a lecturer at the school of management of Beijing University of Aeronautics and Astronautics (北京航空航天大学), the director of the legal division of the management department, and the deputy general counsel of China National Aero-Technology Import and Export Corporation, the predecessor of AVIC International, and the deputy general counsel of AVIC International. Ms. Jiao was appointed as a Supervisor and the chairlady of the Supervisory Committee of the Company on 12 June 2018.

Mr. Liang Chi, aged 61, registered PRC lawyer and real estate valuer, holds a bachelor's degree of laws from Sun Yatsen University. He is currently a lawyer of Guangdong Fangdian Law Firm (廣東方典律師事務所) and an independent non-executive director of Bao Shen Holdings Limited (the shares of which are listed and traded on the Growth Enterprise Market of the Stock Exchange, stock code: 8151). Mr. Liang has over 30 years of experience in legal works and served as an independent director of the fourth and fifth sessions of the board of directors of Shenzhen Deren Electronics Co., Ltd (深圳市得潤電子股份有限公司) (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002055). Mr. Liang was appointed as a Supervisor of the Company in 2015.





SUPERVISORS *(continued)*

Mr. Liu Yong Ze, aged 69, holds a doctorate degree of management from Dongbei University of Finance and Economics. He is currently a professor of the School of Accountancy of Dongbei University of Finance and Economics and the director of China Internal Control Research Center (中國內部控制研究中心), as well as the vice chairman of the Accounting Society of China (中國會計學會). Mr. Liu acted as the Dean of the School of Accountancy of Dongbei University of Finance and Economics, an independent director of Dalian Port (PDA) Company Limited (大連港股份有限公司), the shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange (stock code: 601880 and 2880) and the Stock Exchange (stock code: 2880), and Jinzhou Port Co., Ltd. (錦州港股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600190). He is currently an independent director of Luenmei Quantum Co., Ltd. (聯美量子股份有限公司, formerly known as Luenmei Holding Co., Ltd.), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600167), Dalian Huarui Heavy Industry Group Co., Ltd. (大連華銳重工集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002204), Dalian Thermal Power Co., Ltd. (大連熱電股份有限公司), the shares of which are listed on Shanghai Stock Exchange (stock code: 600719) and Shenzhen Keybridge Communications Co., Ltd. (深圳鍵橋通訊技術股份有限公司), the shares of which are listed on Shenzhen Stock Exchange (stock code: 002316). Mr. Liu was appointed as a Supervisor of the Company in 2015.

Mr. Yang Xi, aged 59, intermediate economist, is a graduate of Urumqi University of Finance and Economics. He is currently an assistant manager for property asset operation department of the Company. Mr. Yang served as the general manager of the Beijing branch of CATIC Property Management Co., Ltd (中航物業管理有限公司), the deputy general manager of Grand Skylight Hotel of Beijing (北京凱迪克格蘭雲天大酒店) and the general manager of Grand Skylight International Hotel Guanlan of Shenzhen (深圳觀瀾格蘭雲天國際酒店). Mr. Yang was appointed as a Supervisor of the Company in 2015.

JOINT COMPANY SECRETARIES

Mr. Xiao Zhang Lin, aged 43, holds an MBA degree from Shanghai Jiao Tong University (上海交通大學). In 2015, Mr. Xiao was recognized as a senior engineer by Aviation Industry Group. Currently, he is a joint company secretary and the head of the planning and operations department of the Company, and a director of AVIC Sunda Holding Company Limited (the shares of which are listed on Shenzhen Stock Exchange, stock code: 000043), SCC, Fiyta and Rainbow Ltd. Mr. Xiao was a director of Tianma Company and resigned on 5 June 2018, and the head of retail and high-end consumer products office and the deputy head of the strategic development department of AVIC International. He was appointed as a joint company secretary of the Company in February 2018.

Mr. Zhong Si Jun, aged 43, was a senior economist and holds a master's degree of Management from Northwestern Polytechnical University. He is currently the chairman of the board of directors of AVIC International Holding (Zhuhai) Co., Ltd (中航國際控股(珠海)有限公司). During the Reporting Period, he was a joint company secretary of the Company. Mr. Zhong used to serve as the secretary to the board of directors of Shanghai Tianma Micro-electronics Co., Ltd., the manager of the operating management department of the Company, a director of Fiyta, AVIC Real Estate Holding Company Limited, Tianma Company and Rainbow Ltd., as well as a director of AVIC International Maritime Holdings Limited, which is listed on the Singapore Exchange Limited. Mr. Zhong resigned as a joint company secretary of the Company on 15 January 2019.

Corporate Governance Report

1. CORPORATE GOVERNANCE PRACTICES

The Company remains convinced that effective corporate governance can improve the reliability and transparency of a company, which is in the interests of all shareholders. The Company was consistent in complying with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), strictly performed the obligations required by the Corporate Governance Code and the Corporate Governance Report set out in Appendix 14 to the Listing Rules. The Company has also directed its daily activities in strict compliance with various established corporate governance systems, reviewed its operations and management conducts from time to time, and adhered to good principles of corporate governance, all in an effort to improve the transparency and independence of corporate operation, enhance its corporate governance standards on an on-going basis, ensure stable development of the Company and strive to boost shareholders' value.

Except code provision A.2.1 of the Code, during the period from 1 January 2018 to 31 December 2018, the Company adopted and complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (where applicable).

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

2. SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

The Company, having made specific enquiries with all directors of the Company (the "Directors") and supervisors of the Company (the "Supervisors"), confirmed that, as of 31 December 2018, Directors of the Issuer and Supervisors complied with the required standards of dealing in securities specified in the Model Code and the relevant code of conduct of the Company in respect of securities transactions by the Directors.





3. THE BOARD

Composition of the Board

The Board of the Company comprises 9 Directors, including 6 executive Directors, namely, Mr. Liu Hong De (Chairman), Mr. Lai Wei Xuan (Vice Chairman), Mr. You Lei (Vice Chairman), Ms. Zhou Chun Hua (resigned on 11 December 2018), Mr. Liu Jun, Mr. Chen Hong Liang and Mr. Fu Fang Xing (appointed on 11 December 2018), and 3 independent non-executive Directors, namely, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei.

Independent Directors

The independent non-executive Directors are Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei. The number of independent non-executive Directors is in compliance with the provisions of the Listing Rules. In particular, Ms. Wong Wai Ling is a qualified accountant with extensive experience in accounting and finance. The Company has received the confirmation letters in respect of independence from each of the independent non-executive Directors during the year ended 31 December 2018 pursuant to Rule 3.13 of the Listing Rules, and considers that all the independent non-executive Directors complied with the requirements on independence set out in Rule 3.13 of the Listing Rules.

Under Code Provision A.4.3, if an independent non-executive Director serves more than 9 years, his/her further appointment should be subject to a separate resolution to be approved by the Shareholders. As such, although Mr. Wu Wei has been serving as an independent non-executive Director of the Company for more than nine years, the Board considers that Mr. Wu is a person of integrity and independent in judgement and character. He is independent of the management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement. The Board considers that Mr. Wu meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and is of the view that his independence is not affected by his long service with the Company. Hence, the Board considered Mr. Wu as independent and Mr. Wu was re-elected as an independent non-executive Director of the Company at the 2017 annual general meeting of the Company held on 12 June 2018.

Appointment, Re-Election and Resignation of Directors

According to the articles of association of the Company, each Director (including the independent non-executive Directors) shall be elected or replaced at the shareholders' general meeting and serve for a term of 3 years. A Director may serve consecutive terms if re-elected upon the expiration of his/her term. The nomination committee under the Board will carefully consider the qualifications and experience of each candidate, before making evaluation and submitting its recommendations to the Board on the candidates for the appointment of new Directors, re-election of Directors and filling any vacancy in the Board. After the Board approves the proposal in relation to the nomination of candidates for Directors, the proposal will be submitted to the shareholders' general meeting for consideration and approval.

Except retired Directors and candidates recommended by the Board, commencing on the second day after the Company dispatches the notice of the general meeting appointed for election of Director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate candidates for Directors; the period for lodgment of such a written notice shall be at least 10 days. Subject to relevant laws and administrative regulations, any Director (including Directors acting as the manager or other management officers) may be removed upon expiry of his/her term of office by an ordinary resolution at the shareholders' general meeting, without prejudice to any claim for compensation pursuant to any contract.

The term of office of the independent non-executive Directors of the Company shall be the same as that of other Directors pursuant to the requirements of relevant legal and regulatory bodies.

3. THE BOARD *(continued)*

The Board's Diversity Policy

The Board of the Company has amended and adopted the board diversity policy (the "Board Diversity Policy") on 31 December 2018. Members of the nomination committee of the Board has considered board diversity from multiple aspects in accordance with the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, and number of external independent Directors. The nomination committee reviewed the composition of the Board and the experience and skills of the Board members from time to time, to ensure that the Board has a balanced structure and independence of Directors, that the decisions of the Board are more scientific and reasonable and that the Board is composed of suitable candidates to meet the needs of the Group. Ultimately, the nomination committee will submit proposals for appointment to the Board based on merit and contribution the candidates will bring to the Board, and then the Board would propose at the general meeting for approval. As of the reporting period, the executive Directors of the company were represented by Directors with professional backgrounds in engineering management, business administration, finance and accounting. The independent non-executive Directors are represented by professionals including an accountant who is familiar with corporate strategic management, organizational and cultural development, corporate operation and business management, international accounting standards and Hong Kong accounting standards, an investment banker with international investment banking backgrounds, and a professor from a renowned business school. The diversified structure of the Company's Board can provide professional advice to the Company in different areas, bringing wide perspective and high standard of professional experience to the Board. The Board of the Company consists of a total of 9 Directors, including 6 executive Directors and 3 independent non-executive Directors who comprise one third of the Board. This maintains the independence and balance of the Board, and ensures the effective exercise of independent judgement and scientific decision by the Board when considering and studying significant matters.

Board Composition	Executive Directors		Independent Non-executive Directors	
	6 persons		3 persons	
Gender	Male			Female
	8 persons			1 person
Age	40 to 45	46 to 50	51 to 55	55 to 60
	1 person	2 persons	3 persons	3 persons





3. THE BOARD *(continued)*

Details and attendance of meetings of the Board and committees

Below sets out the number and attendance of general meetings, Board meetings and meetings of other committees held during the financial year ended 31 December 2018, all of which were attended by the Directors in person with no alternate Director being appointed:

The Board	General meetings (including annual general meeting and extraordinary general meetings) Attendance/ number of meetings	The Board Attendance/ number of meetings	Attendance rate	Audit Committee Attendance/ number of meetings	Remuneration Committee Attendance/ number of meetings	Nomination Committee Attendance/ number of meetings
Executive Directors						
Liu Hong De	2/4	18/18	100%		3/3	3/3
Lai Wei Xuan	2/4	18/18	100%			
You Lei		18/18	100%			
Zhou Chun Hua (resigned on 11 December 2018)		16/18	89%			
Liu Jun		18/18	100%			
Chen Hong Liang		18/18	100%		3/3	3/3
Fu Fang Xing (appointed on 11 December 2018)		1/1	100%			
Independent non-executive Directors						
Wong Wai Ling		18/18	100%	4/4	3/3	3/3
Wu Wei		18/18	100%	4/4	3/3	3/3
Wei Wei		18/18	100%	4/4	3/3	3/3

3. THE BOARD *(continued)*

Responsibility of the Board and the management

According to the relevant regulations of the articles of the associations of the Company and the Listing Rules, the Board is responsible for setting the overall targets and strategies of the Group, approving operational plans and investment proposals, preparing annual financial budgets, raising profit distribution proposals, implementing a prudent and effective system for internal control and risk management, assessing and monitoring the performance of senior management, convening annual general meetings and extraordinary general meetings and executing the resolutions passed thereat.

In addition, the Board supervises on specific matters which may affect the interest of all shareholders, such as monitoring financial performance, human resources, investment and financing, transaction activities that are notifiable as defined under the Listing Rules, risk management strategies and solutions to the management of significant risks, and exercises its management and decision-making powers authorized under the articles of association or by general meetings in terms of capital reconstructing. The Board is also responsible for reporting the financial statements of the Company and ensuring that the financial statements are prepared in accordance with the requirements of laws and regulations as well as appropriate accounting standards. The Board expresses true and fair opinions on the statement of financial condition of the Company as a going concern, and ensures timely publication of the financial statements of the Group.

Details of the responsibilities and powers of the Board in terms of the Company's development strategies and management as well as its responsibilities and powers to supervise and monitor the Company's development and operation are set out in the articles of association of the Company.

As the Company is an investment holding company, the executive Directors exercise the function of the management of the Company and the projects that require approval by the Board in accordance with the Articles of Association will be reviewed and decided by the Board. The responsibilities of each executive Director are as follows:

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

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

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

Mr. Liu Jun: responsible for international expansion, foreign issues, overseas institution management and responsible for the business relating to the trading and logistics segment;

Mr. Fu Fang Xing: responsible for financial management, finance and strategic investment and capital operation;

Mr. Chen Hong Liang: responsible for human resources, legal affairs, audit and disciplinary inspection.





3. THE BOARD *(continued)*

Compliance of the Directors

There was no non-compliance with Rule 3.10(1) and (2) and Rule 3.10A of the Listing Rules by the Directors during the year ended 31 December 2018. None of the independent non-executive Directors failed to comply with one or more independence assessment guidelines set out in Rule 3.13 of the Listing Rules. In addition, members of the Board had no financial, business, family or other material/related relationship with one another.

Directors' training

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

In addition, all Directors are encouraged to participate in continuous professional development so as to develop and refresh their knowledge and skills. In accordance with the Corporate Governance Code of the Listing Rules, the Company has arranged internal trainings for Directors, including trainings, seminars and reading materials regarding compliance with the Listing Rules. Below is a summary of training received by the Directors of the Company for the year ended 31 December 2018 based on the records provided by the Directors to the Company:

	Trainer: Training course by the legal adviser as to Hong Kong Laws: Updates on the latest Listing Rules (20 March 2018)	Trainer: Training course by the legal adviser as to Hong Kong Laws: Director's duties (24 August 2018)
Executive Directors:		
Liu Hong De (Chairman)	✓	✓
Lai Wei Xuan (Vice Chairman)	✓	✓
You Lei (Vice Chairman)	✓	✓
Zhou Chun Hua (resigned on 11 December 2018)	✓	✓
Liu Jun	✓	✓
Chen Hong Liang	✓	✓
Fu Fang Xing (appointed on 11 December 2018)		
Independent non-executive Directors:		
Wong Wai Ling	✓	✓
Wu Wei	✓	✓
Wei Wei	✓	✓

4. CHAIRMAN AND CHIEF EXECUTIVE

In accordance with code provision A.2.1 of the Code, roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The responsibility of the chairman and the chief executive should be clearly established and set out in writing. During the year ended 31 December 2018, as the Company is engaged in investment holding, the executive Directors exercised the function of the management of the Company and the Company did not appoint any chief executive. The executive Director and Chairman of the Company, Mr. Liu Hong De and the Board held meetings regularly to consider major matters that influenced the operation of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. Each executive Director with their different functions complements the role of the Chairman. The Board believes that this structure is conducive to establishing stable and consistent leadership, which will enable effective operation of the Group.

5. SUBCOMMITTEES OF THE BOARD

The Board established three committees, namely the audit committee of the Board (the “Audit Committee”), the remuneration committee of the Board (the “Remuneration Committee”) and the nomination committee of the Board (the “Nomination Committee”). The roles and responsibilities of each committee are as follows:

(1) Audit Committee

The Board of the Company has established the Audit Committee which comprises the independent non-executive Directors of the Company. Ms. Wong Wai Ling acts as the chairman of the audit committee. She is a qualified accountant with extensive experience in accounting and finance. The other two independent non-executive Directors are Mr. Wu Wei and Mr. Wei Wei. The Chairman of the Audit Committee possessing professional qualifications complies with section 3.21 of the Listing Rules.

The main responsibilities of the Audit Committee include recommending and approving the remuneration and employment terms of external auditors, reviewing the financial information of the Company, supervising the financial reporting system of the Company, evaluating the effectiveness of risk management and internal control systems, monitoring the effectiveness of internal audit functions, and reviewing the effectiveness and objectiveness of the internal auditing procedure. The terms of reference of the Audit Committee were amended and adopted in the meeting convened on 31 December 2018. For details, please refer to the terms of reference of the Audit Committee published on the website of the Hong Kong Stock Exchange and the Company on 31 December 2018.





5. SUBCOMMITTEES OF THE BOARD *(continued)*

(1) Audit Committee *(continued)*

During the reporting period, the Audit Committee held four meetings where its members reviewed and discussed the following matters and made recommendations to the Board for approval:

- (1) the auditor's report, results announcement and report of the Directors of the Company for the year of 2017;
- (2) the compliance report on the connected transactions and continuing connected transactions of the Company;
- (3) the report on the corporate governance and internal control of the Company for the year of 2017;
- (4) reappointment of PricewaterhouseCoopers as the auditor of the Company;
- (5) change to Deloitte Touche Tohmatsu as the auditors of the Company;
- (6) the 2018 unaudited interim financial statements, interim results announcement and report of the Board of the Company;
- (7) the 2018 interim report on the corporate governance and internal control of the Company; and
- (8) amendment to the terms of reference of the Audit Committee.

Please refer to the table of attendance records in the paragraph headed "3. Board – Details and attendance of meetings of the Board and committees" in this Corporate Governance Report for the attendance of the meetings held by the Audit Committee during the reporting period.

(2) Remuneration Committee

The Board of the Company has established the Remuneration Committee which comprises Mr. Liu Hong De and Mr. Chen Hong Liang (executive Directors of the Company) and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei (independent non-executive Directors), of which independent non-executive Director Mr. Wei Wei acts as the chairman.

The Remuneration Committee is mainly responsible for providing recommendations to the Board in the aspects of the performance, engagement, remuneration and award of each Director and senior management member and drawing up the overall remuneration policy. Details of the terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

5. SUBCOMMITTEES OF THE BOARD *(continued)*

(2) Remuneration Committee *(continued)*

During the reporting period, the Remuneration Committee held three meetings where its members reviewed and discussed the following matters and made recommendations to the Board for approval:

- (1) the resolution on the remuneration policy for Directors and senior management of the Company for the year of 2017;
- (2) the resolution on reviewing the remuneration policy and structure of the Company;
- (3) the resolution on the specific remuneration packages of all Directors and senior management of the Company;
- (4) the remuneration, benefits and Director service contract of Mr. Wu Wei;
- (5) the proposal of adjusting the remuneration of independent non-executive Directors; and
- (6) the remuneration, benefits and Director service contract for the proposed appointment of Mr. Fu Fang Xing as an executive Director.

The Remuneration Committee provided recommendation to the Board regarding the above matters for approval. The terms of reference of the Remuneration Committee complied with the relevant regulations of the Listing Rules. Please refer to the table of attendance records in the paragraph headed “3. Board – Details and attendance of meetings of the Board and committees” in this Corporate Governance Report for the attendance of the meetings held by the Remuneration Committee for the year ended 31 December 2018.

(3) Nomination Committee

The Board has set up the Nomination Committee which comprises Mr. Liu Hong De and Mr. Chen Hong Liang (executive Directors of the Company) and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei (independent non-executive Directors), of which independent non-executive Director Mr. Wu Wei acts as the chairman.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board at least annually and providing recommendations as to the proposed changes in the Board according to the corporate strategy of the Company. In accessing and selecting candidates for directorship, the Nomination Committee shall ensure that the members of the Board possess the skills, knowledge, experience and diversified perspectives that fit into the needs of the Company's business. The Nomination Committee will identify suitable candidates for directorship by taking into consideration their qualifications, experience, integrity and potential contribution to the Company, as well as assessing the independence of the independent non-executive Directors pursuant to the requirements stipulated in Rule 3.13 of the Listing Rules and making relevant disclosure in the Corporate Governance Report.





5. SUBCOMMITTEES OF THE BOARD *(continued)*

(3) **Nomination Committee** *(continued)*

During the reporting period, the Nomination Committee approved the amendment to its terms of reference, taking into consideration multiple factors when nominating candidates, including but not limited to their skills, experience, expertise, diversity and independence being nominated as independent Directors.

The nomination procedures after amendment of the terms of reference of the Nomination Committee are as follows:

1. If the Nomination Committee determines that an additional or replacement Director is required, the Committee may take such measures that it considers appropriate to identify and evaluate a candidate.
2. The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board. The appointment or re-appointment of and succession plans for Directors are subject to the approval of the Board.
3. On making recommendation, the Nomination Committee may submit the candidate's personal profile and a proposal to the Board for consideration. In order to be valid, the proposal must specify the nomination intention and the candidate's consent to be nominated, and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the data and/or confirmation required under the Listing Rules. If the candidate is proposed to be appointed as an independent non-executive Director, his or her independence shall be assessed in accordance with the factors set out in the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
4. The Board shall observe the Board Diversity Policy to achieve the diversity of the Board.

During the reporting period, the Nomination Committee held three meetings where its members reviewed and discussed the following matters and made recommendations to the Board for approval:

- (1) the structure, size and composition of the Board (including skills, knowledge and experience);
- (2) the appointment or re-appointment of and succession plans for Directors;
- (3) the independence of the independent non-executive Directors of the Company;
- (4) The remuneration, benefits and Director service contract of Mr. Wu Wei;
- (5) Proposed appointment of Mr. Fu Fang Xing as an executive Director of the Company; and
- (6) Proposed amendment to the terms of reference of the Nomination Committee.

5. SUBCOMMITTEES OF THE BOARD *(continued)*

(3) **Nomination Committee** *(continued)*

Please refer to the table of attendance records in the paragraph headed “3. Board – Details and attendance of meetings of the Board and committees” in this Corporate Governance Report for the details of meetings and attendance of the meetings held by the Nomination Committee for the year ended 31 December 2018.

(4) **Corporate Governance**

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

- (a) to formulate and review the corporate governance policy and practice of the Company;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (d) to formulate, review and monitor the code of conduct and compliance handbook applicable to employees and Directors;
- (e) to review whether the Company has complied with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report); and
- (f) to manage, evaluate, monitor and control the risks of the Company, and to evaluate internal control condition of the Company. The Board considers that the Company’s risk management and internal control systems are effective.





6. AUDITOR'S REMUNERATION

The aggregate remuneration paid/payable to the external auditors, Deloitte Touche Tohmatsu, in relation to their audit and non-audit services provided to the Group for the year ended 31 December 2018 is RMB3,908,000.

The Company's auditor, PricewaterhouseCoopers, has provided audit services for the Company for 11 consecutive years. According to the relevant regulations promulgated by the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC") and the Ministry of Finance of the PRC, if an external auditor continuously undertakes financial review for the same state-owned enterprise for a certain number of years, the enterprise shall consider replacing the auditor as required. Accordingly, the Company have reviewed and approved the replacement of PricewaterhouseCoopers by Deloitte Touche Tohmatsu as the auditor of the Company at the 2017 annual general meeting convened on 12 June 2018.

7. DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

All of the Directors acknowledged their responsibility for preparing the accounts and consolidated financial statements of the Company for the year ended 31 December 2018. The auditor of the Company acknowledged its reporting responsibility for the independent auditor's report in respect of the financial statements for the year ended 31 December 2018. The Board was responsible for preparing the financial statements of the Company and the Group with the assistance of the financial and accounting departments. The Board has prepared the financial statements in accordance with the International Financial Reporting Standards. Appropriate accounting policies have also been used and applied consistently. The Board has regularly reviewed and monitored the financial reporting procedures, risk management, internal control system and recommendation of the external auditor and its appointment, retirement and removal (if any), and reviewed the effectiveness of the internal control system of the Group for the year ended 31 December 2018. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to operate as a going concern. Therefore, the Directors continue to adopt the going concern approach in preparing the consolidated financial statements. The audit committee of the Company is of the view that the selection and appointment of external auditors met the actual requirement of the Company and its audit and non-audit services can truly reflect the financial condition of the Company.

8. CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Board authorized the Audit Committee to review the continuing connected transactions of the Group. The external auditor of the Company reported on the Group's continuing connected transactions with reference to practice note ("Practice Note") No.740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". The external auditor has issued a letter containing the findings and conclusions in respect of the transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. The Company has submitted a copy of the report to the Hong Kong Stock Exchange.

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

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

The aggregate remuneration paid to independent non-executive Directors was RMB510,000 for the year.

10. COMPANY SECRETARY

Mr. Xiao Zhang Lin, the company secretary of the Company (the "Company Secretary"), is a full-time employee of the Company and is familiar with its day-to-day affairs. The Company Secretary report to the Chairman and is responsible for providing recommendations on governance matters to the Board. The Company Secretary has confirmed that he accepted no less than 15 hours of relevant professional training in the year ended 31 December 2018.

11. RIGHTS OF SHAREHOLDERS

The articles of association of the Company have clearly stipulated the rights of shareholders, including attending general meetings, receiving notices of the meetings and their right to vote at the meetings. A shareholder who requests to convene an extraordinary general meeting or class meeting of the shareholders shall proceed in accordance with the following procedures:

- (1) Two or more shareholders who collectively hold 10% or more of the voting shares at the proposed meeting may make a proposal to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with the same content and in the same format, and illustrate the meeting agenda. The Board shall convene such a meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares held shall be calculated as of the date when the written request was put forward by the shareholders.
- (2) In the event that the Board fails to give a notice of convening such a meeting within 30 days after receipt of the aforesaid written request, the shareholders who put forward the request may convene such a meeting within 4 months after receipt of the request by the Board. The procedures shall be the same as those for convening a general meeting by the Board where possible.





11. RIGHTS OF SHAREHOLDERS *(continued)*

Proposals at the General Meeting

When the Company convenes an annual general meeting, shareholders who hold 5% or more of the Company's total shares carrying voting rights are entitled to make new proposals to the Company in writing. Where such proposals contain matters within the purview of the general meeting, the Company shall include such matters in the agenda of the general meeting. However, the proposal shall be delivered to the Company within 30 days from the date of dispatching the notice of such a meeting. Shareholders can make aforementioned proposals by telephone (86-755-21246901), fax (86-755-83790228) or email (avic161-ir@avic-intl.cn).

Communication with Shareholders

The Board recognizes the importance of maintaining timely and effective communication with the shareholders of the Company. The Company also works to ensure that its shareholders and potential investors can keep abreast of the operational information of the Company through its publication of annual reports, interim reports, announcements, circulars and other announcements. The annual general meeting is the primary channel of communication between the Company and its shareholders. The Chairman of the general meeting proposes separate resolutions for each issue to be considered. In 2018, the Chairman of the Board and external auditors attended the annual general meeting to answer shareholders' questions.

Inquiry to the Board

For any questions and opinions to the Board, please contact the Company directly at 39/F, AVIC Centre Building, No.1018 Huafu Road, Futian District, Shenzhen, Guangdong Province, China, or by telephone (86-755-21246901), fax (86-755-83790228) or email (avic161-ir@avic-intl.cn).

12. CHANGE IN CONSTITUTIONAL DOCUMENTS

According to the "Several opinions on Maintaining Party Leadership and Strengthening Party Building in Deepening the Reform of State-Owned Enterprises" (《關於在深化國有企業改革中堅持黨的領導加強黨的建設的若干意見》) promulgated by the Central Committee of the Communist Party of PRC, the Board proposed amendments to the articles of association of the Company to include the general requirements of Party building. The amendments have been approved by way of a special resolution at the 2017 annual general meeting of the Company on 12 June 2018. On 21 August 2018, the Company obtained the registration of amendments to the articles of association from the Market Supervision Administration Bureau of Shenzhen Municipality (深圳市市場監督管理局).

13. RISK MANAGEMENT AND INTERNAL CONTROL

An effective risk management and internal control system helps the Group predict risks, adopt control measures to address such threats, and meet its objectives effectively. Hence, the Board considers risk management and internal control as a critical part of operation and governance. In general, the Board is responsible for maintaining a robust and effective system for risk management and internal control, reviewing its effectiveness and safeguarding the shareholders' investments and the assets of the Company. In this regard, the Company has established corresponding institutions and departments to ensure effective operation of its risk management and internal control system. A well-established system for risk management and internal control is designed to manage, rather than eliminate, the risk of failing to achieve business objectives and is only capable of providing reasonable, not absolute assurance.

Structure of the Risk Management and Internal Control System

Built on its governance structure, the Group's risk management and internal control system is structured in a model that features "Five Aspects" and "Three Defense Lines". Within the structure, the roles and responsibilities of each aspect are clearly specified, which are stated as follows:

"Five Aspects"

The Board	<ul style="list-style-type: none"> • Approving risk management solutions and reports, including the overall objectives on corporate risk management, risk preference, risk tolerance, risk management strategies and significant risk management solutions, judgment criteria or mechanism for significant decision-making, risks, events and business procedures, risk management measures, as well as risk management supervision, evaluation and audit reports. • Performing risk management for significant decision-making, approving risk management reports of significant decision-making, and making decisions on effective risk control. Strengthening the training on corporate risk management culture, including issuing resolutions, approving rewards and punishments, and regulations on performance appraisal.
Audit Committee	<ul style="list-style-type: none"> • Reviewing the setting of risk management authority, its responsibilities and the fundamental system for risk management. • Reviewing and approving the annual work plan on internal control and evaluation. • Providing regular summaries and reports to learn the progress in developing the internal control system and evaluation work. • Discussing the scope of work, findings and opinions of internal control audit with the auditors of the Company. • Understanding the main defects and rectification in the approach, scope and findings of internal control evaluation tests. • Listening to the risk management reports and internal control reports by the management, and regularly reviewing the risk management and internal control system of the Company. • Overseeing the management of the Company in implementing the risk management and internal control system.





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

Structure of the Risk Management and Internal Control System *(continued)*

"Five Aspects" *(continued)*

Risk Management and Internal Control Committee	<ul style="list-style-type: none"> • Promoting the establishment of a risk management system, and determining the setting of risk management authority and its responsibilities. • Regularly reviewing and overseeing the policies, systems, procedures and implementation of corporate risk management, including risk management strategies and significant risk management solutions, judgment criteria or mechanism for significant decision-making, risks, events and business procedures, the risk management plan of the Company, reporting by the risk management department on risk management situation, reporting on the result of risk management appraisals, as well as risk management supervision, evaluation and audit reports. • Providing risk management advice for significant decision-making, reviewing and submitting risk management reports on significant decision-making, and recommending targeted measures against such risks. • Supervising the cultivation of risk management culture for the Company as a whole. • Regularly reporting risk management work to the Audit Committee.
Audit Supervision Department	<ul style="list-style-type: none"> • Organizing and arranging each functional department to identify and assess significant risks at the business level, synthesize and analyze the above information to prepare management reports on significant risks at the business level and all other risks, and reporting to the Risk Management and Internal Control Committee. • Organizing and coordinating with the Risk Management and Internal Control Committee and senior management to identify and assess the risks at the corporate level, studying and raising measures and plans on managing significant risks at the corporate level. • Synthesizing all the risk management results at both corporate and business levels, to present such results to the Risk Management and Internal Control Committee.

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

Structure of the Risk Management and Internal Control System *(continued)*

"Five Aspects" *(continued)*

Execution Level for Risk Management	<ul style="list-style-type: none"> • Promoting the development of a comprehensive risk management system for the Company, overseeing the implementation of risk management policies and internal-risk control procedures, and improving internal management. • Preparing and organizing the implementation of internal audit regulations and business standards in accordance with relevant laws and regulations, and engaging in the standardization and informatization of internal audit work. • Preparing and organizing the implementation of internal audit plans for the Company, preparing rectification plans on audit and checking their implementation, as well as regularly reporting to the Audit Committee in respect of work plans and summaries. • Establishing and improving the internal audit system, guiding and overseeing subordinate units to establish their internal audit arms according to regulations, providing internal auditors for such arms and carrying out internal audits. • Providing training and guidance on risk management and internal control, as well as sharing the knowledge and best approaches of risk management. • Each department is equipped with part-time risk management executives who are responsible for the specific risk management work in respective business and coordinate with the Risk Management and Internal Control Committee and the Audit Supervision Department. • Regularly updating the risk list and risk management of the respective business. • Assessing risks in terms of possibility and impact, taking into account of the characteristics of such business. • Preparing and executing solutions to the risks relating to respective business, and carrying out the specific measures on risk management. • Monitoring various risks in the respective business, and reporting the information of such risks to the Audit Supervision Department in a timely manner. • Working on other fronts in relation to risk management.
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13. RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Structure of the Risk Management and Internal Control System *(continued)*

“Three Defense Lines”

The Group has identified three lines of defense for risk management and internal control: the business units of the Group’s subsidiaries form the first line of defense for risk management and internal control. They are the executive body for risk management and internal control operation, providing effective management in tandem with business operations. The Group’s Audit and Supervision Department and its functional departments form the second line of defense for risk management and internal control. They mainly conduct daily supervision over the contents of the first line of defense and conduct regular inspections on risks and compliance. Internal auditors, discipline inspectors and the Supervisory Committee form the third line of defense. They carry out ongoing supervision and assessment from a perspective independent of the management and report to the Audit Committee regularly.

The Board assumes overall responsibility for maintaining a sound and effective risk management and internal control system. The Audit Committee and the Risk Management and Internal Control Committee represent the Board in monitoring the financial reporting system and the risk management and internal control system of the Group, reviewing and monitoring the effectiveness of the internal audit function, and reviewing the Company’s corporate governance policies and practices.

Procedures of Risk Management

The Group has also prepared the Risk Management Manual which defines risk management methods and procedures. In addition, the Group has prepared the Comprehensive Risk Management Work Regulations, taking into account the actual condition of the Group and according to the Comprehensive Risk Management Guidance for State-owned Enterprises (《中央企業全面風險管理指引》) by the SASAC, the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and supporting guidelines jointly issued by five national ministries and commissions, including the Ministry of Finance and CSRC. Such regulations, applicable to the Group’s headquarters and subsidiaries, have specified the form of work and reporting mechanism of risk control and reporting.

The Group’s corporate risk management approach has a well-structured mechanism

The Group has established a closed-loop risk management policy centered on control before, during and after the incident. By identifying risks in advance, we actively develop measures to control potential triggers for risks, actively follow up the handling of risks, and control the incidents through evaluation of risk-related internal control, and improve the post-incident control through management of risk-related matters.

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

The Group's corporate risk management approach has a well-structured mechanism *(continued)*

Control before the incident – Risk identification, assessment and preparation of measures

- Risk identification: A list of risks at the group level together with risk descriptions shall be prepared/ updated based on industry experience, as well as the existing risk list of and actual status-quo of business risks faced by the Company; and communication shall take place with the management to confirm the comprehensiveness and accuracy of the risk and form a group risk list;
- Prepare risk questionnaire: Compiling a questionnaire based on the risk list. The scoring standard shall be established on the basis of two dimensions, namely, the degree of influence and likelihood, with the person filling the risk questionnaire identified. Then, risk questionnaires are distributed and results collected, followed by statistical analysis to work out the key risks of concern at the group level;
- Carrying out risk assessment: Key risks of concern at the group level shall be assessed and screened through interview with the management, data inspection and the professional judgment of Deloitte. This, together with the scores of risk questionnaire, will lead to risk assessment results, based on which the Group will identify its key risks and discuss and confirm with the management accordingly;
- Analysis and strategies/measures: Risks shall be sorted in order to form a risk “thermograph” for analyzing the existing measures and plans of the Group and its subordinate units.

Control during the incident – Continuous monitoring of key risks

- Following up the measures against key risks: Efforts will be made regularly/from time to time, to track the handling of key risks in relation to the measures for tackling such risks. With regard to risks which are addressed less effectively, it is necessary to re-examine such risks and discuss the strategies and measures;
- Key risks involving control activities: Efforts shall be made to sort out the critical internal control points involving key risks, review whether the setting of procedures meet the control requirements of the control points, and regularly evaluate the implementation of internal control to ensure its effectiveness.

Post-incident control: Follow-up management of risk incidents

- A special mechanism for handling risk incidents: For risk incidents that occur to members of the Group, the Group will establish a special team to analyze the causes for and impact of such incidents, prepare a plan for handling such incidents, and provide continuous guidance, supervision and follow-up work;
- Preparation of a database of risk incidents: The Group has established a database of risk incidents for its subsidiaries, actively organizes relevant learning and discussion sessions, summarizes the causes for such risks, analyzes the lessons learned, and ensures proactive prevention and control of such risks in the actual operational process.





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

Internal Audit and Control Procedures

The Board performs its function of independently supervising the internal control system through the Audit Committee and the Audit Supervision Department of the Company. The Audit Supervision Department of the Group is equipped with internal auditors with professional qualifications, while each subsidiary has engaged dedicated internal auditors based on its size.

In 2018, the Audit Supervision Department of the Group joined hands with intermediaries to form an audit team and complete various audit assignments, including the final account audits of subsidiaries, the audit on departures of general managers of some subsidiaries, supervision of tendering activities, performance monitoring, clean practice, risk prevention and control, as well as the review of work systems and procedures. In addition, rectification took place in response to the issues identified during such audit and internal control defects.

Tianma Company, Fiyta and SCC, all being the Group's subsidiaries listed separately, have engaged auditors to examine the effectiveness of the Group's internal control over financial reporting. The auditors have also raised independent and objective comments and suggestions in the form of internal audit report.

In respect of internal audit work, the Group prepares its audit plan by a risk-oriented audit approach. The plan specifies the business procedures that require auditing, the ranking of risks in each procedure and audit focuses. The Group also prepares an annual audit work plan based on its overall strategic objectives, taking into account the actual conditions of each business unit. Work is carried out according to the audit work plan and procedures set out at the beginning of the year, with the Group's operational activities and internal control put under independent inspection, supervision and evaluation.

In respect of internal audit work, the Audit Supervision Department reports to the Audit Committee. On behalf of the Board, the Audit Committee assesses the performance of the Group's risk management and internal control system, ensures that no abuse or unauthorized disposal of assets would occur, maintains proper accounting records as well as true and fair financial statements, and ensures compliance with relevant laws and regulations. Internal control provides reasonable (but not absolute) assurance against material misstatement or loss, rather than eliminate the risks associated with the Group's business activities. For any severe deficiency of internal control identified during the review of the effectiveness of risk management and internal control, the Company has set out clear management procedures and responsibilities under its management system.

Review on the Risk Management and Internal Control System

During the year, the Board hosted a number of meetings to review the Group's business operation and risk management, changes to such risks and response capability, the internal control relating to key business operations, compliance, as well as the evaluation of significant issues arising from internal and external audit reports. At the meetings, the Board also reviewed the integrated assessment results of subsidiaries in relation to their respective principal activities of control and risk management. Efforts were also made to ensure that the supporting documents on the management's self-analysis of risk management and internal control are reviewed properly.

During the year, the Board also engaged a professional agency to conduct internal audit on the key business processes of one of the Group's subsidiaries. The agency assisted the management to identify potential defects in the internal control of such processes, raised opinions on rectification, and assisted the subsidiary to optimize its processes to better prevent risks.

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

Review on the Risk Management and Internal Control System *(continued)*

The Board has reviewed the adequacy of resources for the internal audit, accounting and financial reporting functions of the Group as well as staff qualifications and experience. Following its business development, the Group will review the overall resources for accounting, internal audit and financial reporting on an on-going basis, and continue to boost staff recruitment and training as well as the investment in and budget of information technology systems.

The Board is of the view that, the risk management and internal control system of the Group continued to function effectively for the year, proactively addressed potential risks and safeguarded corporate operations.

Inside Information

The Group attaches great importance to its responsibility of processing and releasing inside information as well as internal control under the Securities and Futures Ordinance, the Listing Rules and primary principles. The Group:

- has the responsibility for timely releasing its inside information in accordance with the Securities and Futures Ordinance and the safe-haven provision thereunder;
- strictly complies with the current laws and regulations applicable in Hong Kong;
- strictly and expressly prohibits unauthorized use of confidential and inside information;
- has prepared a continuous disclosure policy and guideline on monitoring, reporting and releasing inside information to our shareholders; and
- has prepared measures to maintain the confidentiality of inside information and ensure that the receiver of such information understands his/her responsibility for maintaining the confidentiality of such information.

14. DIVIDEND POLICY

The Board has adopted its dividend policy on 31 December 2018. The Board may, as it deems appropriate, determine and distribute an interim dividend to shareholders of the Company from time to time. The Board may recommend the payment of an annual dividend, subject to the approval by shareholders of the Company at annual general meetings.

The Company's dividend policy is to allow shareholders to share the Company's profits whilst preserving adequate reserves for the Company's future development. Subject to the approval of shareholders and requirement of relevant laws, if the Group makes a profit, the operating environment remains stable and the Group has no plans for material investment or capital contribution, the Company shall pay annual dividends to its shareholders. The Board may, from time to time, pay to the shareholders such interim dividends as the Directors deem reasonable to the profit of the Group. Moreover, the Board may, where considered appropriate, declare special dividends.





14. DIVIDEND POLICY *(continued)*

Considerations:

In deciding or proposing the number of distribution and the amount and form of dividend for any financial year/period, the Board shall consider the following factors:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and respective members of the Group;
- (c) the debt-to-equity ratio, rate of return on equity and relevant financial covenants of the Group;
- (d) any restrictions imposed by the lenders of the Group in terms of dividend payment;
- (e) the Group's expected working capital requirements and future expansion plans;
- (f) the Group's general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (g) any other factors that the Board may consider appropriate

The dividend payout ratio will vary from year to year. There is no assurance that a dividend will be declared in any particular amount for any given period.

Form of Dividend

In accordance with the articles of association of the Company and laws of the PRC, dividend may be paid in cash. The Board may consider bonus issue, and its relevant basis must comply with applicable laws and regulations.

15. INVESTOR RELATIONS MANAGEMENT

Adhering to the investor-oriented principle and the target of improving investor experience and increasing work efficiency, the Company discloses timely and accurate corporate information to the investors, maintains positive and effective communication with various investors and analysts in the capital markets, and delivers the corporate strategies, operating results and material events of the Company to investors in various forms in a comprehensive and objective manner. Through effective communication with investors, we aim to boost recognition and loyalty of investors to the Company, thus further achieving value maximization of the Company. During the Reporting Period, the Company makes timely and accurate disclosures investors in strict accordance with the Listing Rules of the Hong Kong Stock Exchange, and timely discloses important information and relevant progress which may influence the interests of the investors through regular or temporary announcements, striving to improve the quality of information disclosure.

Report of the Directors

The board (the “Board”) of directors (the “Directors”) of the Company presents their report together with the audited financial statements (the “Financial Statements”) of the Company (together with its subsidiaries, the “Group”) for the year ended 31 December 2018 (the “Year” or the “Reporting Period”).

KEY FINANCIAL FIGURES

	2018 (RMB'000)	2017 (RMB'000)	Change
Revenue	54,290,366	46,276,689	17%
Profit before taxation	743,027	2,350,778	(68%)
Profit attributable to owners of the Company	(568,314)	510,942	N/A
Diluted earnings per share – profit attributable to owners of the Company (RMB)	N/A	0.2597	N/A
Diluted net assets per share – net assets attributable to owners of the Company (RMB)	6.81	6.81	N/A
Net cash generated from operating activities	2,080,222	5,110,940	(59%)

Note 1: Reason for choosing the key financial figures and relationship with the Group’s objective

The Company is a joint stock limited company registered in the People’s Republic of China (the “PRC”), the H shares of which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group is principally engaged in electronic high-tech, retail and consumer products, international engineering and trade logistics businesses. It is a group with comprehensive businesses. The selection of key financial figures can prompt the Group to conduct in-depth research and understand the changes in market demand including the demand in electronic information and consumer goods market. The key financial figures can also prompt the Group to assess the performance of the Group’s production throughout the Year, correctly determine the direction of production development of the Group, optimise related products upgrading and focus on professional fields. Strengthening the management of the relevant key financial figures of the Group can enhance the competitiveness of the Group.

Note 2: Trends represented by each key financial figure

The revenue, profit before taxation and profit and diluted earnings per share attributable to owners of the Company are the most basic and most important financial figures. Although the key financial figures of the year indicate a decline as compared to last year, the key financial figures can reflect that while the Group is focusing on its business after its exit of the residential real estate development business, the business activities of the Group still remain normal. The Group will strengthen its internal management work and minimise the Company’s various costs so as to further assess the Group’s profit generated from its operations and enable the Group to make more correct business decisions. The key financial figure of diluted net assets per share reflects the real interest of the controlling shareholder of the Company after conversion of the permanent subordinate convertible securities issued by the Company. The growth of this financial figure indicates that the Group continues to create value with reasonable capital and debt structure and potential for investment. The key financial figure of net cash generated from operating activities is the core operating indicator of the Group. The health level of cash flow is closely related to the business development of the Company. The net cash generated from the Company’s operating activities for the Year increased significantly year-on-year, which shows that the Company has made great strides in industrial competitiveness and strategic customer cooperation.

For further information analysis on major trends, please refer to “Management Discussion and Analysis”.

Note 3: Difference between the key financial figures and financial statements



No difference is noted between the key financial figures and the Financial Statements.



PRINCIPAL ACTIVITIES

The Group is an investment holding company with diversified strategies and is principally engaged in high-tech electronic products, retails and consumer products, international engineering and trading and logistics business. Details of the current principal activities of its subsidiaries are set out in Note 53 to the Financial Statements.

BUSINESS REVIEW

Further discussion and analysis of the principal business activities, including a business review of the Group for the year ended 31 December 2018, an indication of likely future developments in the Group's business and the principal risks and uncertainties facing the Group, are set out in the paragraph headed "Business Review" under the section headed "Management Discussion and Analysis" of this annual report.

THE MAIN RISKS

The Group is facing a number of major risks and uncertainties that may affect the Group if they are not managed properly. A comprehensive risk assessment and risk mitigation measures help the Group to ensure that the risks are managed properly and controlled effectively. The Group focuses on dealing with the following major risks.

Major risks	Descriptions	Major mitigation measures
Business environment risk	Trade dispute between China and the United States may bring uncertainties to high-tech electronic products, which are reflected mainly in the potential loss for some of the offshore sales subsidiaries of the Group due to increasing tariffs. In addition, some clients of the enterprise are affected by the trade prohibition or higher tariff, which could impose an adverse impact indirectly. Lastly, some raw materials used by the enterprise are imported from overseas, the tariff of which may be affected if the Sino-US trade war continues to worsen, leading to an indirect impact on the supply chain of the enterprise.	<ul style="list-style-type: none"> The Group will establish business model instrument to enhance strategic planning ideas to respond to changes in the business environment; We will conduct research and analysis of macroeconomic policies, macroeconomics, business environment and industry policies and formulate countermeasures in response to the impact of policy changes through relevant departments; Each subordinate unit actively optimises the supply chain and client structures and develops secure reserve management to ensure an orderly development of operating activities.

THE MAIN RISKS *(continued)*

Major risks	Descriptions	Major mitigation measures
Overseas operation risk	Due to the wide range of national conditions and different political and economic environments of various countries, the operation of the Group's overseas business faces the diversified risk in deepening the old market and opening up new markets. In addition, the management of some overseas projects is also affected by overseas political and economic environments. Therefore, there is exposure to the risk of underperformance in operation progress of the overseas projects.	<ul style="list-style-type: none"> The Group will establish sound system and procedures to conduct effective management of overseas projects; Before proceeding with the overseas projects, the Group will conduct prudent and comprehensive evaluation on the feasibility of the overseas projects and assess the business management capabilities of the Group; During the process of the overseas projects development, the Group will establish risk warning indicators and monitoring systems to strengthen daily supervision. After the completion of overseas projects, a post-evaluation mechanism will be established by the Group.
Exchange risk	As part of the Group's businesses are settled in foreign currencies and there are frequent fluctuations in international exchange rates, the Group is exposed to the risk of exchange losses. The exchange risk may lead to the economic loss of the Company.	<ul style="list-style-type: none"> We will actively commence the collection, analysis and identification work; We will formulate standard response procedures to reduce the impact of exchange risk; We will select appropriate financial products to reduce the impact of exchange risk.





Major risks	Descriptions	Major mitigation measures
Innovation risk	The 5G development has sped up the replacement of high-tech products in the market. If there is insufficient innovative capability or investment in technological research and development, the technology products might not meet the needs of the market or the technology might then be eliminated. In addition, as for some subordinate units of the Group of the retail and consumer goods sector facing with consumption upgrade and changing market environment, an overall inadequacy of awareness in innovation and innovative capability could lead to bottlenecks in the business growth of the Company.	<ul style="list-style-type: none"> We will define the research and development structure, formulate a management system for research and development and reform the incentive policy in order to facilitate the development of innovative works; We will continue to increase capital investment in technological and innovation works, while strengthening the talent pool of professionals; We will actively research into topics covering management and innovation, micro-innovation and innovative business model at the group level.
Recovery risk of accounts receivable	The products of many subsidiaries of the Group are based on the provision of credit sales for customers. If those subsidiaries fail to reconcile their accounts with customers in a timely manner and there are no tracking management and analysis on overdue accounts receivable with collection measures lacking of strength and timeliness, it will not be conducive to the timely recovery of accounts receivable. This may have a material adverse effect on the Group or its subsidiaries.	<ul style="list-style-type: none"> Many subsidiaries of the Group have established accounts receivable management systems and market analysis mechanism; We will continue to focus on customer credit risk, carry on tracking and management of the downstream customers' daily operations, credit status and other information, and conduct dynamic management on their credit ratings and credit limits; The Group will further strengthen and optimise the management systems on accounts receivable and customer credit, establish risk early warning system and reduce the risk posed by accounts receivable to the Group.

In addition to the above main risks, there may be other risks and unfavourable factors. The Company will actively respond to various tasks, while investors are suggested to make judgment on their own or seek opinions from investment advisors before investing in the Company's securities.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group promotes green development, actively implements energy saving and emissions reduction and continuously promotes the development of environmental protection. The Group strengthens clean production and applies new technologies to promote a low-carbon economy. The Group actively carries out green environmental promotion activities. During its daily operations, it advocates that employees shall save paper, electricity and water. The production-oriented enterprises of the Group actively build internal energy management systems and energy management centers to improve energy efficiency. The Shenzhen factories of SCC, a subsidiary, have obtained the ISO14001 environmental management system certification. RE Company has provided energy-saving management services and made contributions to the green and environmental protection and harmonious development for all aspects of society.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS

The Group has always complied with its commitment to business ethics. The Group steadfastly pursues win-win results in every commercial activity, and spares no effort to create value for suppliers, customers, society and other stakeholders. For suppliers, we adhere to the principle of fair and prudent selection and establish a long-term cooperation mechanism. For customers, we continuously improve our services and provide high-quality and reasonably priced products. For employees, we remain people-oriented and attach great importance to the interests of our employees. For other stakeholders, we institutionalise and systemise social welfare activities and promote social development through commercial activities.

Relationship with Suppliers

The Group establishes good and lasting supply and demand relationships with the suppliers which legally exist under the laws with normal operation and sound financial condition. The purpose is to ensure the stability of the supply of required goods. For example, the raw materials and other commodities required by the electronic high-tech business of the Group are usually sourced from suppliers with which the Group has already established cooperative relationships. In order to maintain the high standard quality and reputation of the products, we also purchase the required commodities from the suppliers in accordance with the market terms and market price. We will first purchase raw materials and equipment with good quality from large reputable suppliers.

The Group usually implements various measures to monitor the performance of suppliers. The monitoring measures include sampling inspections and field inspections. When entering into a supply agreement with a supplier, the Group requires the supplier to provide goods that meet the quality requirements under the agreement and be responsible for any product defect. Our supply agreements do not have an automatic renewal clause.





RELATIONSHIP WITH SUPPLIERS, CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS *(continued)*

Relationship with Customers

The Group is customer-centric and puts emphasis on the quality of products delivered and the quality of services provided. The Group strictly controls every aspect of production of products and provision of services so as to ensure the satisfaction of the customers. The Group complies with the Product Quality Law of People's Republic of China and the relevant regulations of the Group to provide the customers with products and services that meet the required standards and also assume responsibility for after-sales. According to the rules and regulations of different industries, the Group usually collects prepayments from customers and collects the final payments after the products have been delivered and accepted or the services have been provided and accepted. The Group pays great attention on customer information protection and implements strict confidentiality rules and regulations to protect the information obtained during the process of sales and handling customer complaints. In addition, the Group has potential for providing customers with customised products and services by virtue of its good reputation and technical support.

Relationship with Employees

The Group provides competitive remuneration packages to attract and motivate employees. The Group regularly reviews employees' remuneration plans and makes necessary adjustments to meet market standards, and provides training and development opportunities to the employees so that they can perform at their best to achieve the corporate goals.

At the end of 2018, the Group had a total 61,874 employees and the total number of employees increased by 22,817 over 2017. In the year of 2018, the Group incurred staff costs of approximately RMB6,264,809,000. Based on the position sequence combining with human resources strategies, the Group has established a payment system that is oriented by employees' performance and competency. Through the performance appraisal system, the Group correlates the annual business objectives with the performance appraisal of the employees, which provides an effective guarantee for the recruitment, retention and motivation of the Group's talents. The Group has established AVIC Business School which provides the employees with systematic training and fair promotion opportunities to help the employees continuously improve the accumulation of knowledge, skills and experience and realise the value of their lives. In addition, the Group pays all statutory social insurance and welfare benefits for all employees who have already established labour relations with the Company. The Group has established a love fund and a psychological counseling hotline which cares for employees' mental health during their spare time and helps those who are in life difficulties to resolve their immediate needs.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company is a state-owned enterprise incorporated in the People's Republic of China (the "PRC"). It is governed by laws and regulations of the PRC and regulated by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and other relevant regulatory authorities. The Group strictly abides by domestic laws and regulations such as the Company Law of the PRC, the Securities Law of the PRC, the Environmental Protection Law of the PRC and Administrative Measures on Supervision of State-owned Assets Transactions. The relevant provisions on state-owned assets supervision further protect the interests of the Group in asset transactions and are conducive to the maintenance and appreciation of the Group's assets.

The H shares of the Company are listed on the Stock Exchange, so the Company is also regulated by authorities such as the Stock Exchange and Securities and Futures Commission of Hong Kong. The Group operates in strict accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules and other laws and regulations. The relevant provisions of the Listing Rules ensure that the Group will continue to seek more fair and reasonable opportunities in various transactions, which will help protect the interests of shareholders.

In addition, the Group conducts business in different countries and needs to comply with the relevant laws and regulations in the places where business develops. The Group strictly abides by various laws and regulations in different countries and regions in the course of its operations, which promotes the standardised operation of the Group and helps protect the interests of shareholders and other stakeholders. During the year ended 31 December 2018, the Group had complied in all material respects with various laws and regulations of different countries and regions.

For details of the above environmental policies and performance, relationship with suppliers, customers, employees and other stakeholders and compliance with relevant laws and regulations, please refer to the Environmental, Social and Governance Report which is to be published by the Company on or before 30 June 2019.

SUBSIDIARIES

Information on the principal subsidiaries, associates and joint ventures of the Group is set out in Note 24 and Note 53 to the Financial Statements.

INFORMATION OF BUSINESS SEGMENTS

Information on each of the Group's business segments is set out in Note 7 to the Financial Statements.





RESULTS

Details of the Group's results for the year ended 31 December 2018 are set out in the Financial Statements enclosed.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the distributable reserves of the Group were approximately RMB4,979,842,000 as reported in the statutory accounts prepared in accordance with accounting standards of the PRC.

ALLOCATION OF PROFITS

According to the Company Law of the PRC and the articles of association of the Company, when distributing net profit each year, the Company shall set aside 10% of its net profit as reported in the PRC statutory accounts for the statutory general reserve fund (except where the fund has reached 50% of the Company's registered share capital). The statutory general reserve fund cannot be used for purposes other than those for which they are created and are not distributable as cash dividends. For the year ended 31 December 2018, the statutory general reserve fund of the Company is as follows:

	2018		2017	
	%	RMB'000	%	RMB'000
Statutory general reserve fund	24.47%	285,394	18.91%	220,505

RESERVES

Details of movements in the reserves of the Group and the Company for the year are set out in the consolidated statement of changes in equity and Note 37 and Note 54 to the Financial Statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the Group's operating results, assets and liabilities for the past five financial years ended 31 December 2018 is set out in the section headed "Financial Highlights" in this annual report.

MANAGEMENT CONTRACTS

As at 31 December 2018, the Company has not entered into or maintained any contracts in respect of the management or administration of the whole or any substantial part of the business of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018, the Group's total purchases from the five largest suppliers were RMB4,196,918,000, accounting for approximately 9.19% of the Group's total purchases for the year ended 31 December 2018. The largest supplier accounted for approximately 2.54% of the Group's total purchases.

For the year ended 31 December 2018, the Group's sales to the five largest customers accounted for approximately 34.75% (2017: approximately 19.73%) of the Group's turnover for the year. The largest customer accounted for approximately 11.89% (2017: approximately 4.90%) of the Group's turnover.

As at 31 December 2018, none of the Directors, their close associates (as defined in the Listing Rules), or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) are effectively interested in the five largest customers or the five largest suppliers of the Group.

INVESTMENT PROPERTIES

Details of major properties held for investment of the Group are set out in Note 22 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in fixed assets of the Group during the year ended 31 December 2018 are set out in Note 20 to the Financial Statements.

BANK LOANS

Information on the bank loans of the Group for the year ended 31 December 2018 is set out in Note 39 to the Financial Statements.

TAXATION

Details of the Group's taxation for the year ended 31 December 2018 are set out in Note 12 to the Financial Statements.

TAXATION POLICY

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





SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, to the knowledge of the Directors or chief executive of the Company, the following parties (other than the Directors, Supervisors or chief executives of the Company) had interests or short positions in the shares (the “Shares”) of the Company and underlying shares of the Company which would fall to be disclosed to the Company or otherwise notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”):

Long positions in the Shares:

Name of shareholder	Capacity	Number and class of securities	Approximate shareholding percentage of the same class of securities	Approximate shareholding percentage of total registered share capital
Aviation Industry Corporation of China, Ltd. (“Aviation Industry Group”)	Interest of controlled corporation	1,634,608,792 domestic shares (Note 1)	196.24%	140.17%
AVIC International Holding Corporation (“AVIC International”)	Interest of controlled corporation	1,634,608,792 domestic shares (Note 1)	196.24%	140.17%
AVIC International Shenzhen Company Limited (“AVIC Shenzhen”)	Beneficial owner	429,774,574 domestic shares (Note 1)	51.60%	36.85%
Other shareholders				
CK Hutchison Holdings Limited	Interest of controlled corporation	57,144,000 H shares (Note 2)	17.15%	4.90%
Cheung Kong (Holdings) Limited	Interest of controlled corporation	57,144,000 H shares (Note 2)	17.15%	4.90%
Cheung Kong Investment Company Limited	Interest of controlled corporation	28,573,000 H shares (Note 2)	8.58%	2.45%
Empire Grand Limited	Beneficial owner	28,573,000 H shares (Note 2)	8.58%	2.45%
Hutchison Whampoa Limited	Interest of controlled corporation	28,571,000 H shares (Note 2)	8.58%	2.45%
Hutchison International Limited	Beneficial owner	28,571,000 H shares (Note 2)	8.58%	2.45%

SUBSTANTIAL SHAREHOLDERS *(continued)*

Long positions in the Shares: *(continued)*

Notes:

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

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

As at 31 December 2018:

- (1) AVIC International held 1,204,834,218 shares: (A) 437,264,906 domestic shares, representing approximately 37.50% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the outstanding amount of RMB2,663,465,514 which may be converted into 767,569,312 domestic shares at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
 - (2) AVIC Shenzhen held 429,774,573 shares: (A) 395,709,091 domestic shares, representing approximately 33.93% of the issued share capital of the Company; and (B) perpetual subordinated convertible securities in the outstanding amount of RMB118,207,225 which may be converted into 34,065,482 domestic shares at the initial conversion price of RMB3.47 (subject to the adjustment pursuant to the terms of perpetual subordinated convertible securities).
2. Empire Grand Limited ("Empire Grand") holds 28,573,000 H shares and Empire Grand is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong (Holdings)"). Accordingly, Cheung Kong (Holdings) was deemed to be interested in the 28,573,000 H shares held by Empire Grand.

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

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 36 to the Financial Statements.

PRE-EMPTIVE RIGHTS

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





DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year ended 31 December 2018 and up to the date of this report were:

Executive Directors

Mr. Liu Hong De (*Chairman*)

Mr. Lai Wei Xuan (*Vice Chairman*)

Mr. You Lei (*Vice Chairman*)

Mr. Liu Jun

Ms. Zhou Chun Hua (resigned on 11 December 2018)

Mr. Fu Fang Xing (appointed on 11 December 2018)

Mr. Chen Hong Liang

Independent Non-executive Directors

Ms. Wong Wai Ling

Mr. Wu Wei

Mr. Wei Wei

Each of Mr. Liu Hong De, Mr. Lai Wei Xuan, Mr. You Lei, Mr. Liu Jun, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei had entered into a service contract with the Company which commences from 12 June 2018 and will expire at the 2020 annual general meeting to be held in 2021. Mr. Fu Fang Xing had entered into a service contract with the Company which commences from 11 December 2018 and will expire at the 2020 annual general meeting to be held by the Company in 2021.

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

PROFILE OF DIRECTORS AND SUPERVISORS

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

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES

As at 31 December 2018, to the knowledge of the Directors, none of the Directors, Supervisors of the Company is interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, Supervisors or chief executives were taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At any time during the year ended 31 December 2018 was the Company, its subsidiaries or its holding company a party to any arrangement to enable any Directors, supervisors of the Company or management members of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

As at 31 December 2018, none of the Directors or Supervisors had, either directly or indirectly, any significant interest in any contract or arrangement of significance to the business of the Company.

Save as disclosed in this annual report, no contract of significance has been entered into, or was subsisting, between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year ended 31 December 2018.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors are set out in Note 14 to the Financial Statements.

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

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2018.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2018, the cash and cash equivalents of the Group amounted to approximately RMB8,526,106,000 (2017 (Restated): RMB13,381,444,000), which were mainly derived from the following sources: cash and bank deposits at the beginning of the year; bank loans, borrowings from related parties and revenue from operations.

As at 31 December 2018, the total borrowings of the Group amounted to approximately RMB34,150,836,000 (2017 (Restated): RMB33,462,320,000) with annual interest rate ranging from 0.00% to 6.16% (2017 (Restated): 0.00% to 6.53%), of which current borrowings totalled approximately RMB15,095,016,000 (2017 (Restated): RMB16,641,191,000) and non-current borrowings totalled approximately RMB19,055,820,000 (2017 (Restated): RMB16,821,129,000).





LIQUIDITY AND CAPITAL RESOURCES *(continued)*

During the year ended 31 December 2018, the capital expenditure of the Group amounted to approximately RMB8,765,244,000, the details of which are set forth below:

Company Name	Project Name	Amount RMB'000
Tianma Micro-electronics Co., Ltd	Project for the sixth-generation LTPS AMOLED production lines of Wuhan Tianma, and various technological transformation projects	7,298,483
Shennan Circuit Co., Ltd	Wuxi project for semiconductor IC substrates for communications purposes, the digital general multilayer PCB project, and various technological transformation projects	1,123,505
AVIC Weihai Shipyard Co., Ltd	Port infrastructure and equipment	35,756
AVIC Lutong Company Limited	Construction and maintenance of bitumen bases	25,891
Hunan AVIC Fastening Systems Co., Ltd.	Hengyang Songmu Industrial Park Project (equipment installation)	19,738
AVIC International Beijing Company Limited	Project infrastructure investment and aviation city renovation for the Group's company in East Africa	75,121
China National Aero-Technology Guangzhou Company Limited	Rice-Pakistan Power Station Engineering, Procurement Construction (EPC) Project	12,743
China National Aero-Technology International Engineering Corporation	Capital expenditure on overseas project companies	34,267
AVIC International Xiamen Company Limited	AVIC Zijin Plaza (中航紫金廣場)	10,088
Fiyta Holdings Limited	Ancillary construction for the watch industrial base in Guangming New District, and other project	129,652
		8,765,244

PLEGGED ASSETS

As at 31 December 2018, bank loans of RMB6,347,533,000 (31 December 2017 (Restated): RMB2,533,085,000) of the Group were secured by the following:

	2018 RMB'000	2017 RMB'000 (Restated)
Investment properties	1,954,602	–
Buildings	1,156,502	1,167,465
Land use rights	622,392	375,821
Pledged bank deposits	7,094	–
Construction-in-progress	–	27,042
Inventories	–	4,688
	3,740,590	1,575,016

LOAN-TO-EQUITY RATIO

As at 31 December 2018, the Group's loan-to-shareholders' equity ratio (total borrowings divided by shareholders' equity) was 88.28% (2017 (Restated): 89.44%), whilst the liability-to-shareholders' equity ratio (total liabilities divided by shareholders' equity) was 161.83% (2017 (Restated): 161.96%).

ENTRUSTED DEPOSITS AND OVERDUE TERM DEPOSITS

During the year ended 31 December 2018, the Company did not have entrusted deposits or overdue term deposits in any form.

ISSUE, PURCHASE, SALE OR REDEMPTION OF SHARES

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

EMPLOYEES AND REMUNERATION

As Tianma Company completed its asset restructuring in 2018, the number of the Group's employees increased to 61,874 (2017: 39,057), with staff costs increased to approximately RMB6,264,809,000 (2017 (Restated): RMB5,083,713,000). The Group has formulated market-competitive remuneration policies with reference to market conditions and individual employees' performance.

SOCIAL INSURANCE SCHEMES

The Group has participated in the retirement insurance scheme and health insurance scheme managed by Shenzhen Social Security Fund Management Bureau (深圳市社會保險局) (the "Bureau"). Pursuant to relevant regulations, the Group shall make monthly contributions of retirement insurance fund and health insurance fund to the Bureau, which amount to 22% and 8% of the monthly salary of its employees respectively. Among such contributions, the Group shall bear 14% and 7% respectively, with the remaining amounts borne by the employees.

Pursuant to the above social insurance schemes, Shenzhen Social Security Fund Management Bureau shall pay pensions to the retired employees of the Group and bear general medical expenses for the employees of the Group.

For the year ended 31 December 2018, the fees withdrawn from the social insurance schemes of the Group amounted to approximately RMB690,326,000 (2017 (Restated): approximately RMB537,082,000).





CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

At the 2017 annual general meeting of the Company convened on 12 June 2018, Mr. Liu Hong De, Mr. Lai Wei Xuan, Mr. You Lei, Ms. Zhou Chun Hua, Mr. Liu Jun and Mr. Chen Hong Liang were re-elected as executive Directors, and Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei were re-elected as independent non-executive Directors, with a term up to the 2020 annual general meeting to be held by the Company in 2021. At the extraordinary general meeting of the Company convened on 11 December 2018, Ms. Zhou Chun Hua resigned as an executive Director due to change of job assignments and Mr. Fu Fang Xing was appointed as an executive Director, with a term up to the 2020 annual general meeting to be convened by the Company in 2021.

At the 2017 annual general meeting held by the Company on 12 June 2018, Ms. Jiao Yan was appointed as a supervisor, with a term up to the 2020 annual general meeting to be held by the Company in 2021; Mr. Cao Jiang resigned as a supervisor due to retirement.

For details, please refer to the announcements of the Company dated 12 June 2018, 24 October 2018 and 11 December 2018, as well as the circulars of the Company dated 16 April 2018 and 27 October 2018.

FOREIGN EXCHANGE RISKS

As the Group's products are mainly distributed domestically and its export business is mainly settled in US dollar or HK dollar, the Group has been managing its foreign exchange risks and does not expect any material adverse impact.

IMPAIRMENT ASSESSMENT OF GOODWILL

As at 31 December 2018, the goodwill in the Group's consolidated balance sheet was RMB624,225,000. During the process of the impairment assessment on the goodwill, the Board conducted assessment on the value of the cash-generating units to which goodwill was allocated and considered that the Group has the indication of impairment on goodwill, including the goodwill generated by the acquisition of 69.77% equity interest in Weihai Shipyard by the Company in 2011 amounting to approximately RMB227,107,000 and the goodwill generated by the acquisition of KHD Humboldt Wedag International AG (KHD) by Beijing Company in 2014 amounting to approximately RMB352,320,000. The Group's ship business and cement engineering business continued to record a loss for the year ended 31 December 2018, caused by the continual slowdown in international shipping and cement market. During the process of the impairment assessment on the goodwill, the Board will use some key assumptions to determine the recoverable amount of the cash-generating units, including the cash-generating units, estimated income growth rate, gross profit margin and the discount rate for estimating the future cash flows. In addition, impairment assessment of goodwill will also rely on the valuation report issued by a valuation institution which is an independent third-party of the Company.

IMPAIRMENT LOSS

The Group recorded an impairment loss of approximately RMB418,628,000 during the Reporting Period. The reasons, events and circumstances that led to the impairment loss during the Reporting Period are as follows:

1. During the process of expansion of overseas trading and international engineering business, Beijing Company and KHD Humboldt Wedag International AG (KHD) were heavily affected by the fluctuation of the overseas trading environment and the sluggish cement market. The suspension of several overseas engineering projects led relevant companies to record losses and a large amount of provision for impairment of goodwill was made by the management based on the above.
2. As the international shipping market continued to slow down, Weihai Shipyard continued to record losses and it was difficult to achieve profitability in the short term. Based on these factors, the management made a relatively large amount of provision for impairment of goodwill on Weihai Shipyard.

Details of the independent valuations on asset impairment are as follows:

(a) The value of inputs used in the valuations are as follows:

	Weihai Shipyard	KHD
Carrying amount (RMB'000)	–	160,799
Annual revenue growth rates	–	1.00%
Gross margins	13.61%	12.59%
Annual discount rates	13.66%	15.26%

(b) Basis and assumptions used in the valuations:

1. *Trading assumption*
The trading assumption assumes that all assets to be valued are already in the process of trading, and the valuation is based on the simulated market such as the trading conditions of the assets to be valued. The trading assumption is one of the most basic premise assumptions for asset valuation.
2. *Assumption on continuous operation of the assets*
The assumption of continuous operation of the assets means that when conducting the valuation, the valuation methods, value of inputs and basis are determined in accordance with the assumption that the valuation assets will continue to be used while maintaining the current usage, the way, scale, frequency and environment of use or will continue to be used on the basis of change.
3. *No material change of external environment*
The valuation assumed that the external economic environment remains unchanged and there are no material changes in the current macroeconomic conditions in the PRC as at the valuation benchmark date.
4. *No material change of social-economic environment*
There are no material changes in either the social-economic environment where the enterprise operates or the tax policy and tax rates enacted.





IMPAIRMENT LOSS (continued)

(b) Basis and assumptions used in the valuations: (continued)

5. *Accuracy and completeness of basic information*
The valuation assumed that the basic information and financial information provided by the instructing party and the entity being valued were true, accurate and complete.
6. *Scope of valuation*
The scope of the valuation was based only on the declaration lists provided by the instructing party and the entity being valued, without taking into account the contingent assets or contingent liabilities which may have existed but were not listed by the instructing party and the entity being valued.
7. *The inflation is not considered*
The value of inputs measured and evaluated does not take into account the effects of inflation.

CONTINGENT LIABILITIES

As at 31 December 2018 and 31 December 2017, the Group had the following financial guarantees outstanding:

Guarantor	Guarantor's relationship with the Group	Guarantee	Guarantee's relationship with the Group	2018 Outstanding amounts guaranteed RMB'000	2017 Outstanding amounts guaranteed RMB'000
Tianma Company	Subsidiary of the Group	Shanghai Tianma Organic Light-Emitting Technology-Company Limited (the "Tianma Organic Company")* (上海天馬有機發光顯示技術有限公司)	Associate	–	757,386
Beijing Company	Subsidiary of the Group	Tuofu Yuanyang Shipping Company Limited* (拓富遠洋海運有限公司)	Third Party	105,260	126,168
Engineering Company	Subsidiary of the Group	CATIC Construction Engineering Company Limited* (中航建築工程有限公司)	Associate	–	53,900
				105,260	937,454

* For identification purpose only

MAJOR LITIGATION

On 13 June 2014, Tang Energy Group Limited (“Tang Energy”), Soaring Wind Energy LLC. (“Soaring Wind”) and its other group members (collectively, the “Claimants”) filed an arbitration claim with the American Arbitration Association against AVIC International USA, Inc (“AVIC USA”), the controlling shareholders of the Company and subsidiaries of the Company (including, among others, Aviation Industry Corporation of China, Ltd. (“Aviation Industry Group”), AVIC International Holding Corporation (“AVIC International”) and RE Company (collectively, the “Respondents”) in respect of a dispute (the “Dispute”) arising out of a joint venture agreement (the “Arbitration Claim”). The Arbitration Claim is the claim brought by the Claimants against the Respondents in respect of a dispute arising out of a joint venture agreement entered into between Tang Energy and AVIC USA in 2008 (the “JV Agreement”), whereby the Claimants treated AVIC USA as the agent of Aviation Industry Group in the USA, and all involved Aviation Industry Group and their subsidiaries are deemed as a “single group”, all of which shall be bound by the exclusivity provisions under the JV Agreement. Therefore, the Claimants sought damages totalling US\$2.25 billion from the Respondents for the alleged breach of the JV Agreement. After the Respondents receiving final decision on the Arbitration Claim issued by the International Centre for Dispute Resolution of International Arbitration Tribunal in December 2015 (the “Award”), pursuant to which the Respondents were jointly and severally liable to pay to the Claimants damages and fees (including but not limited to compensation, attorneys’ fees and expenses) in relation to the Dispute in the total amount (the “Amount”) of approximately US\$71,000,000, the Group had engaged a law firm to assist in the Arbitration Claim and has taken further legal action against the Decision. In March 2016, the Group had filed an application to the competent court to oppose the enforcement of the Award and request for the vacation of the Award (the “Opposition Application”). On 15 August 2018, the Respondents received the orders issued by the United States District Court for the Northern District of Texas Dallas Division. The orders ruled that the aforesaid Decision against AVIC USA was effective, and the requests made by the Claimants’ against other Respondents shall be determined by the court in a separate action. The Company will issue further announcement if there is any further development. For details, please refer to the Company’s announcements published on 29 April 2015, 22 December 2015 and 15 August 2018.

Save as disclosed above, as at the date of this annual report, the Directors were not aware of any litigation or claim of material importance pending or threatened against any member of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS’ CONFIRMATION ON CONTINUING CONNECTED TRANSACTIONS

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

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS

Among the related party transactions disclosed in Note 52 to the Financial Statements, the following transactions constitute connected transactions or continuing connected transactions for the Company under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 and Rule 14A.72 of the Listing Rules. The Company confirmed that the Company complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Please see below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events

1. *Discloseable Transaction, Connected Transaction, Very Substantial Acquisition and Very Substantial Disposal – Acquisition of Two Subject Companies Including Xiamen Tianma Company by Tianma Company and Proposed Placing of A Shares by Tianma Company*

On 10 March 2017, Tianma Company entered into two separate framework agreements (the “Xiamen Tianma Framework Agreement” and the “Tianma Organic Framework Agreement”, collectively, the “Framework Agreements”) with (a) AVIC International, AVIC International Shenzhen Company Limited (“AVIC Shenzhen”), AVIC International Xiamen Company Limited (“Xiamen Company”) and Xiamen Jincai Industrial Development Company Limited (廈門金財產業發展有限公司) (“Xiamen Jincai”) in relation to the acquisition of 100% equity interest in Xiamen Tianma Company; and (b) Shanghai Industrial Investment (Group) Co., Ltd. (“Shanghai Investment Company”) and Shanghai Zhangjiang (Group) Co., Ltd. (“Shanghai Zhangjiang Company”) in relation to the acquisition of 60% equity interest in Tianma Organic Company (the “Xiamen Tianma Acquisition” and the “Tianma Organic Acquisition”, collectively, the “Acquisitions”).

Pursuant to the Framework Agreements, the consideration for the Acquisitions will be fully settled by issue of consideration shares (the “Consideration Shares”) to the vendors under the Framework Agreements upon completion of the respective Acquisitions at an issue price of RMB17.23 per A share, which was determined with reference to and not lower than the benchmarked price of the A shares, being 90% of the Average Price for the Acquisitions (as defined in the announcement of the Company dated 10 March 2017). The maximum number of Consideration Shares to be issued under the Xiamen Tianma Framework Agreement and the Tianma Organic Framework Agreement will be 613,821,008 and 39,267,579, respectively.

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

The Acquisitions are not inter-conditional with each other.

Pursuant to the Framework Agreements, Tianma Company proposes to issue not more than 111,987,085 new A shares (the “Placing Shares”) to not more than 10 investors (the “Proposed A Shares Placing”). The placing price of the Placing Shares shall not be lower than 90% of the Average Price for the Proposed A Shares Placing (as defined in the announcement of the Company dated 10 March 2017 and the circular of the Company dated 28 May 2017) and shall not be lower than the issue price of the Consideration Shares under the Framework Agreements, which is subject to the rules and regulations of China Securities Regulatory Commission (中國證券監督管理委員會) (the “CSRC”) and Shenzhen Stock Exchange. The proceeds to be raised under the Proposed A Shares Placing will be used for the construction of LTPS and colour filter (CF) production line of Xiamen Tianma Company, including expenses on purchase of equipment and installation, which is in line with the requirement of CSRC. The success or failure of the Proposed A Shares Placing would not affect the Acquisitions and the Consideration Issue.

The Xiamen Tianma Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under Chapters 14 and 14A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and is subject to the reporting, announcement and independent shareholders’ approval requirements.

On the other hand, the Tianma Organic Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements pursuant to the Listing Rules.

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

1. *Discloseable Transaction, Connected Transaction, Very Substantial Acquisition and Very Substantial Disposal – Acquisition of Two Subject Companies Including Xiamen Tianma Company by Tianma Company and Proposed Placing of A Shares by Tianma Company (continued)*

Assuming the Acquisitions have been completed, upon issue of the Consideration Shares (the “Consideration Issue”) (assuming the maximum number of Consideration Shares as provided under the Framework Agreements are issued), the equity interest of the Company held in Tianma Company will be diluted from approximately 20.81% to approximately 15.98% (including 1.79% equity interest held by Xiamen Company, a wholly-owned subsidiary of the Company). If Tianma Company proceeds with the Proposed A Shares Placing after completion of the Acquisitions, the equity interests of the Company held in Tianma Company will be further diluted to approximately 15.16% (including 1.70% equity interest held by Xiamen Company, a wholly-owned subsidiary of the Company) of the enlarged issued share capital of Tianma Company (assuming 111,987,085 new A Shares are issued) upon completion of the Proposed A Shares Placing. Such dilution in interest in Tianma Company as a result of the Consideration Issue and the Proposed A Shares Placing will constitute a deemed disposal of interest in Tianma Company held by the Company pursuant to Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Consideration Issue and the Proposed A Shares Placing exceed(s) 75%, the dilution of the Company’s equity interest in Tianma Company as a result of the Consideration Issue and the Proposed A Shares Placing constitutes a very substantial disposal of the Company under Rule 14.06 of the Listing Rules and the transactions are therefore subject to announcement, reporting and shareholders’ approval requirements under Chapter 14 of the Listing Rules. The Acquisitions and the Proposed A Shares Placing have been approved by the independent shareholders of the Company at the extraordinary general meeting held on 12 June 2017. For details, please refer to the announcement of the Company published on 10 March 2017, the circular despatched on 28 May 2017 and the poll results announcement of the extraordinary general meeting of the Company dated 12 June 2017.

The asset appraisal reports of Xiamen Tianma Company and Tianma Organic Company have been filed with State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) on 17 August 2017 and 22 August 2017, respectively.

On 23 August 2017, Tianma Company entered into the following formal agreements (collectively, the “Formal Agreements”) in relation to the Xiamen Tianma Acquisition and the Tianma Organic Acquisition as contemplated under the Framework Agreements:

- (1) the asset acquisition agreement in relation to the acquisition of an aggregate of 100% equity interest in Xiamen Tianma Company with AVIC International, AVIC Shenzhen, Xiamen Company and Xiamen Jincai at an aggregate consideration of RMB10,452,506,800 (equivalent to approximately HK\$12,241,681,897) (the “Xiamen Tianma Formal Agreement”); and
- (2) the asset acquisition agreement in relation to the acquisition of an aggregate of 60% equity interest in Tianma Organic Company with Shanghai Investment Company and Shanghai Zhangjiang Company at an aggregate consideration of RMB656,900,600 (equivalent to approximately HK\$769,343,501) (the “Tianma Organic Formal Agreement”).





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

1. *Discloseable Transaction, Connected Transaction, Very Substantial Acquisition and Very Substantial Disposal – Acquisition of Two Subject Companies Including Xiamen Tianma Company by Tianma Company and Proposed Placing of A Shares by Tianma Company (continued)*

Considering that Tianma Company has already distributed dividend for the year of 2016 on 26 July 2017, the issue price of the Consideration Shares under the Acquisitions and the proposed issue price of the Proposed A Shares Placing was adjusted to RMB17.17 per A share. The consideration under the Acquisitions will be settled in full by the issue of a total of 647,024,307 A shares by Tianma Company as Consideration Shares, and the number of Placing Shares will be not more than 110,658,124. For details, please refer to the announcement of the Company dated 23 August 2017.

Each of the Acquisitions and the Proposed A Shares Placing has been approved by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) and the general meeting of Tianma Company. For more details, please refer to the announcements of the Company dated 8 September and 15 September 2017.

On 6 December 2017, Tianma Company was informed by CSRC that the Consideration Issue and the Proposed A Shares Placing had been approved at the 68th conference meeting for 2017 of the Review Committee of Merger, Acquisition and Reorganisation of Listed Companies (上市公司併購重組審核委員會) of CSRC convened on 6 December 2017. For details, please refer to the announcement of the Company published on 6 December 2017.

On 15 January 2018, Tianma Company received a written approval from CSRC issued on 11 January 2018 on the Consideration Issue and the Proposed A Shares Placing with a validity period of twelve months from the date of issue. The major terms of the approval are as follows:

1. Tianma Company was approved to issue 389,610,040 new A shares, 89,488,555 new A Shares, 93,141,147 new A shares, 36,525,940 new A shares, 25,505,748 new A Shares and 12,752,877 new A shares to Xiamen Jincai, AVIC International, AVIC Shenzhen, Xiamen Company, Shanghai Investment Company and Shanghai Zhangjiang Company respectively for the Consideration Issue; and
2. Tianma Company was approved to raise no more than RMB1,900,000,000 for the Proposed A Shares Placing.

For details, please refer to the Company's announcement published on 15 January 2018.

On 18 January 2018, Tianma Company completed the Acquisitions of two subject companies, namely Xiamen Tianma Company and Tianma Organic Company. On the date of completion of the Acquisitions, each of Shanghai Tianma Microelectronics Co., Ltd. (上海天馬微電子有限公司) ("Shanghai Tianma") and Xiamen Tianma Company became wholly-owned subsidiaries of Tianma Company; hence, the entrusted management agreement signed between Shanghai Tianma and Xiamen Tianma Company on 4 March 2016 has been terminated. Tianma Company issued an aggregate of 647,024,307 A shares (equivalent to the total number of Consideration Shares under the Acquisitions) to six transferees, including AVIC International, AVIC Shenzhen, Xiamen Company and Xiamen Jincai. Such A shares were listed on the Shenzhen Stock Exchange on 2 February 2018. For more details, please refer to the announcements of the Company published on 22 January 2018 and 31 January 2018.

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

1. *Discloseable Transaction, Connected Transaction, Very Substantial Acquisition and Very Substantial Disposal – Acquisition of Two Subject Companies Including Xiamen Tianma Company by Tianma Company and Proposed Placing of A Shares by Tianma Company (continued)*

On 12 April 2018, the closing price of the Consideration Shares fell below the issue price, which is RMB17.17 per A share, in consecutive 20 trading days within six months after completion of the Xiamen Tianma Acquisition. According to the undertaking made by AVIC International, AVIC Shenzhen and Xiamen Company, the lock-up period of 89,488,555 A shares, 93,141,147 A shares and 36,525,940 A shares held by AVIC International, AVIC Shenzhen and Xiamen Company respectively, shall automatically be extended for six months. For more details, please refer to the announcement of the Company published on 12 April 2018.

On 10 September 2018, Tianma Company entered into two separate supplemental agreements (the “Supplemental Agreements”) with (a) AVIC International, AVIC Shenzhen, Xiamen Company, and Xiamen Jincui (the “Xiamen Tianma Supplemental Agreement”); and (b) Shanghai Investment Company and Shanghai Zhangjiang Company (the “Tianma Organic Supplemental Agreement”) respectively, in relation to the price determination and placing price of the Placing Shares for the Proposed A Shares Placing, pursuant to which the term in the Framework Agreements that “the placing price of Placing Shares shall not be lower than the issue price of the Consideration Shares” shall be deleted.

As the entering into of the Xiamen Tianma Supplemental Agreement and the Tianma Organic Supplemental Agreement constitutes a material variation to the terms of Proposed A Shares Placing under the Framework Agreements previously approved by the independent shareholders on 12 June 2017, the Company made an announcement pursuant to the requirements under Rule 14.36 of the Listing Rules with regard to the variation.

As one or more of the applicable percentage ratios in respect of the Proposed A Shares Placing are more than 25% but are less than 75%, the Proposed A Shares Placing constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders’ written approval has been obtained on 28 September 2018 from AVIC International and AVIC Shenzhen, being a closely allied group of shareholders holding in aggregate approximately 71.43% of the entire issued share capital of the Company. For details, please refer to the announcement published on 10 September 2018, the circular published on 13 November 2018 and the announcement of written shareholders’ approval published on 28 September 2018 by the Company.

With the receipt of written approval from CSRC for Tianma Company to issue Consideration Shares for the Acquisitions of two subject companies including Xiamen Tianma Company and the Proposed A Shares Placing, on 2 February 2018, Tianma Company completed the Acquisitions and Consideration Issue.

Due to changes and fluctuations in the environment of the capital market, the Proposed A Shares Placing could not be completed within twelve months from the date of issue of written approval by CSRC which was 11 January 2018, and therefore, the validity period for the written approval from CSRC expired automatically on 10 January 2019. For details, please refer to the announcement of the Company published on 10 January 2019 and the circular of the Company published on 13 November 2018.





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

2. *Proposed Mandate in Relation to the Possible Major Disposal and Connected Transaction*

On 17 May 2017, the Board resolved to dispose of 47.12% equity interest (the “AVIC Vanke Interest”) in AVIC International Vanke Company Limited (“AVIC Vanke”) held by the Company. As the Company and AVIC International both are state-owned enterprises and the AVIC Vanke Interest constitutes state-owned assets, the disposal of the AVIC Vanke Interest by the Company (the “Proposed Disposal”) is required to be conducted through public tender via an equity exchange in accordance with the relevant laws and regulations of the governing the disposal of state-owned assets. It was proposed that the Company would, jointly with AVIC International, conduct the disposal of the 60% interest in AVIC Vanke in aggregate in relation to their respective 47.12% and 12.88% equity interest in AVIC Vanke through China Beijing Equity Exchange.

Based on the preliminary appraised value of AVIC Vanke as at 31 December 2016, it was expected that the minimum bidding price for the Proposed Disposal shall be in the range of RMB1,780,440,000 to RMB1,876,680,000. The minimum bidding price of the AVIC Vanke Interest will be determined based on the appraised value of AVIC Vanke with reference to prevailing market prices, subject to the approval from relevant regulatory authorities of state-owned assets in the PRC.

The final consideration will depend on the final bidding price offered by the successful bidder for the AVIC Vanke Interest, but will in any event be no less than the relevant minimum bidding price.

Given that (i) AVIC International is a controlling shareholder holding approximately 37.50% of the issued share capital of the Company, and it holds 100% equity interest of AVIC Shenzhen, which in turn is a controlling shareholder holding approximately 33.93% of the issued share capital of the Company; and (ii) AVIC International directly held 12.88% equity interest in AVIC Vanke, and AVIC Vanke is an associate of AVIC International and a connected person of the Company, the Proposed Disposal, if materialised, will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, AVIC International and its associates will abstain from voting in respect of the resolution(s) relating to the grant of the proposed mandate at the forthcoming extraordinary general meeting.

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Proposed Disposal were more than 25% but less than 75%, the Proposed Disposal also constituted a major transaction of the Company under Chapter 14 of the Listing Rules.

As such, the Proposed Disposal and the transactions contemplated thereunder were subject to the reporting, announcement and independent shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules. The Proposed Disposal was approved by the independent shareholders of the Company at the extraordinary general meeting held on 11 October 2017. For details, please refer to the announcements of the Company dated 17 May 2017 and 18 May 2017, the circular of the Company dated 22 September 2017 and the poll results announcement of the extraordinary general meeting of the Company dated 11 October 2017.

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

2. *Proposed Mandate in Relation to the Possible Major Disposal and Connected Transaction (continued)*

On 23 October 2017, the draft appraisal report of AVIC Vanke in relation to the Proposed Disposal was approved by Aviation Industry Group and the final appraised value of the 100% equity interest in AVIC Vanke was RMB3,847,131,600, pursuant to which, the minimum bidding price for the Proposed Disposal was set at RMB1,812,768,410. On 3 November 2017, the formal process of public tender in respect of the Proposed Disposal was set to take place at China Beijing Equity Exchange (“CBEE”) on 6 November 2017 in accordance with the relevant requirements applicable to the transfer of state-owned equity interest. The minimum bidding price for the Proposed Disposal was RMB1,812,768,410, which was determined with reference to the appraised value of AVIC Vanke approved by Aviation Industry Group.

On 2 January 2018, the Company and AVIC International entered into an equity transaction agreement with Hengqin Zhong Chang Sheng Qi Hang Investment Centre (Limited Partnership) (橫琴中長勝啟航投資中心(有限合夥)) in respect of the Proposed Disposal and the disposal of 12.88% equity interest in AVIC Vanke held by AVIC International at an aggregate consideration of RMB2,348,278,960. The consideration for the disposal of AVIC Vanke Interest was RMB1,844,181,743.25. Upon completion of the Proposed Disposal, the Company ceased to have any equity interest in AVIC Vanke. For details, please refer to the announcement of the Company published on 2 January 2018.

3. *Connected Transaction – Potential Disposal of 24.5% Equity Interest in AVIC Construction Engineering through Public Tender*

On 29 November 2017, the Board resolved to approve Engineering Company (a wholly-owned subsidiary of the Company) and AVIC Shenzhen to conduct the disposal of the 75.5% interest in AVIC Construction Engineering Company Limited (“AVIC Construction Engineering”) in aggregate in relation to their respective 24.5% and 51% equity interest in AVIC Construction Engineering through CBEE. Based on the appraised value of AVIC Construction Engineering as at 30 June 2017, it is expected that the minimum bidding price for the disposal of 24.5% equity interest in AVIC Construction Engineering held by Engineering Company (the “Potential Disposal”) would not be lower than RMB39,440,500.

As one or more of the applicable percentage ratios in respect of the Potential Disposal were more than 0.1% but all the applicable percentage ratios in respect of such transactions are less than 5%, the Potential Disposal was subject to the reporting and announcement requirements, but was exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The public tender process for the Potential Disposal commenced on 30 November 2017. On 23 January 2018, Engineering Company and AVIC Shenzhen entered into an equity transaction agreement with Shenzhen Lian Heng Investment Company Limited (深圳市聯恒投資有限公司) (“Shenzhen Lian Heng”) in respect of the disposal of 24.5% equity interest in AVIC Construction Engineering held by Engineering Company and the disposal of 51% equity interest in AVIC Construction Engineering held by AVIC Shenzhen at an aggregate consideration of RMB121,541,200. The consideration for the disposal of 24.5% equity interest in AVIC Construction Engineering was RMB39,440,520.

On 9 February 2018, AVIC Construction Engineering completed assets transfer and the registration for such industrial and commercial changes. Upon completion of the Potential Disposal, the Engineering Company no longer holds any equity interest in AVIC Construction Engineering. For details, please refer to the announcement published by the Company on 23 January 2018.





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

4. *Appointment of Joint Company Secretary*

On 5 February 2018, the Board announced that with immediate effect, Mr. Xiao Zhang Lin (肖章林) had been appointed as a joint company secretary of the Company. Mr. Zhong Si Jun (鍾思均), the then existing company secretary of the Company, will continue to serve as the other joint company secretary of the Company. For details, please refer to the announcement of the Company published on 5 February 2018.

5. *Discloseable and Connected Transaction – Potential Disposal of Equity Interest and Creditor’s Rights of Chengdu Jujin by Chengdu Raise*

On 27 June 2018, the Board announced that Chengdu Raise, a non-wholly owned subsidiary of the Company, would conduct the formal process of public tender in relation to the disposal (the “Chengdu Jujin Disposal”) of (i) its 20% equity interest in Chengdu Jujin Trading Co., Ltd. (成都聚錦商貿有限公司) (“Chengdu Jujin”) (the “Chengdu Jujin Equity Interest”) and (ii) the creditor’s rights in Chengdu Jujin held by it (the “Chengdu Jujin Creditor’s Rights”) (collectively, the “Chengdu Jujin Interest”) through CBEE after the preliminary disclosure.

It was proposed that Chengdu Raise would, jointly with Beijing Raise Science Co., Ltd. (“Beijing Raise”), conduct the disposal of their respective 20% and 80% equity interest and their respective creditor’s rights in Chengdu Jujin through CBEE. Upon completion of the Chengdu Jujin Disposal, Chengdu Raise will no longer have any interests in Chengdu Jujin.

Based on (i) the preliminary appraised value of Chengdu Jujin as at 31 October 2017 and (ii) the audited financial statements of Chengdu Jujin for the year ended 31 December 2017, the preliminary appraised value of Chengdu Jujin Equity Interest is approximately RMB229,087,240 and the audited result for Chengdu Jujin Creditor’s Rights is approximately RMB190,000,000. Therefore, the preliminary minimum bidding price for the Potential Disposal shall be approximately RMB419,087,240. As disclosed in the announcement of the Company dated 26 September 2018, the final minimum bidding price for the Chengdu Jujin Disposal shall be RMB426,886,221, which was determined with reference to the Chengdu Jujin Creditor’s Rights and the appraised value of the entire equity interest of Chengdu Jujin approved by Aviation Industry Group.

Given that (i) Beijing Raise is directly and indirectly held as to 100% by Aviation Industry Group; and (ii) Aviation Industry Group holds approximately 62.52% of the equity interest in AVIC International (a controlling shareholder holding approximately 37.50% of the issued share capital of the Company), which in turn owns 100% equity interest of AVIC Shenzhen (a controlling shareholder holding approximately 33.93% of the issued share capital of the Company), Beijing Raise is a connected person of the Company and the Chengdu Jujin Disposal, if materialised, will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Chengdu Jujin Disposal are more than 5% but less than 25%, the Chengdu Jujin Disposal, if materialised, will also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

5. *Discloseable and Connected Transaction – Potential Disposal of Equity Interest and Creditor's Rights of Chengdu Jujin by Chengdu Raise (continued)*

As such, the Chengdu Jujin Disposal and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules. The Chengdu Jujin Disposal was approved by the independent shareholders of the Company at the extraordinary general meeting held on 13 August 2018. For details, please refer to the announcements of the Company published on 15 June 2018 and 27 June 2018, the circular of the Company dated 27 July 2018 and the poll results announcement of the extraordinary general meeting of the Company dated 13 August 2018.

The formal process of the public tender in respect of the Chengdu Jujin Disposal, which had been approved by the independent shareholders on 10 August 2018, expired on 22 November 2018. During the publication period for the public tender which commenced on 28 September 2018 and lasted for 20 Business Days, there was no potential bidder indicating interest in purchasing the Chengdu Jujin Interest.

On 28 December 2018, the Board decided to conduct a new public tender in relation to the disposal of Chengdu Jujin Interest and re-comply with the Listing Rules in relation to the disposal of Chengdu Jujin Interest.

Based on (i) the new preliminary appraised value of Chengdu Jujin as at 31 August 2018 and (ii) the audited financial statements of Chengdu Jujin for eight months ended 31 August 2018, the new preliminary appraised value for Chengdu Jujin Equity Interest is approximately RMB204,242,160 and the audited result for Chengdu Jujin Creditor's Rights including interest is approximately RMB197,798,972. Therefore, for the purpose of proceeding with the Chengdu Jujin Disposal, the Board decided that the new preliminary minimum bidding price for the Chengdu Jujin Disposal shall be approximately RMB402,041,132.

The final minimum bidding price for the Chengdu Jujin Disposal will be determined with reference to the market price and subject to the final appraised value of Chengdu Jujin, but will in any event be no less than the new preliminary minimum bidding price. As disclosed in the announcement of the Company dated 19 February 2019, the final minimum bidding price is RMB403,998,972, which was determined with reference to the Chengdu Jujin Creditor's Rights and the new appraised value of the entire equity interest of Chengdu Jujin.

The final consideration will depend on the final bidding price offered by the successful bidder for the Chengdu Jujin Interest, but will in any event be no less than the new preliminary minimum bidding price.

As explained above, the Chengdu Jujin Disposal constituted a discloseable and connected transaction of the Company and the Company is required to re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules in respect of the Potential Disposal under the new appraisal and the transactions contemplated thereunder. The Potential Disposal was approved by the independent shareholders of the Company on the extraordinary general meeting held on 19 February 2019. For details, please refer to the announcement of the Company dated on 28 December 2018, the circular of the Company dated 31 January 2019 and the poll results announcement of the extraordinary general meeting of the Company dated 19 February 2019.





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Significant Events *(continued)*

6. *Resignation of Executive Director and Appointment of Executive Director*

On 24 October 2018, Ms. Zhou Chun Hua (周春華), previously an executive Director, tendered her resignation as an executive Director with effect from the close of the extraordinary general meeting to be convened by the Company due to the change of job assignments. On the same day, Mr. Fu Fang Xing (傅方興) has been nominated as a candidate for election at the extraordinary general meeting as an executive Director subject to the approval by the shareholders of the Company. The proposed term of service will be for the period from the date of the extraordinary general meeting to the date of the 2020 annual general meeting of the Company to be held in 2021. At the extraordinary general meeting held on 11 December 2018, the appointment of Mr. Fu Fang Xing as an executive Director has been duly approved by the shareholders of the Company and such appointment took effect immediately thereafter. With effect from the close of the extraordinary general meeting, Ms. Zhou Chun Hua resigned as an executive Director. For details, please refer to the announcement of the Company on 24 October 2018, the circular of the Company dated 27 October 2018 and the poll results announcement of the extraordinary general meeting published on 11 December 2018.

7. *Proposal of General Mandate to Issue Debentures Denominated in Renminbi in the PRC by the Company*

On 30 November 2018, the Board considered and approved a resolution in relation to the general mandate to issue debentures denominated in Renminbi, in tranches, by way of medium-term notes for a period of 36 months from the date of approval by the shareholders of the Company, and the maximum outstanding repayment amount of the medium-term notes to be issued under this general mandate shall not exceed RMB1 billion in aggregate. On 15 January 2019, the resolution in relation to the grant of general mandate to the Board to issue the debentures has been duly approved by the shareholders of the Company. For details, please refer to the announcement published by the Company on 30 November 2018, the circular dated 10 December 2018 and the poll results announcement of the extraordinary general meeting of the Company on 15 January 2019.

8. *Resignation of Joint Company Secretary and Change of Authorised Representative*

Mr. Zhong Si Jun (鐘思均) resigned as a joint company secretary of the Company to the Board with effect from 15 January 2019 due to change of work positions and ceased to be an authorised representative of the Company from the same day. On the same date, Mr. Xiao Zhang Lin (肖章林) has been designated from the position of alternate authorised representative to authorised representative. For details, please refer to the announcement published by the Company on 15 January 2019.

Connected Transactions

1. *Connected Transactions – Capital Increase Agreement*

On 17 November 2018, the Company entered into a capital increase agreement (the “Capital Increase Agreement”) with Aviation Industry Group, Shaanxi Aviation Industry Development Group Co., Ltd. (陝西航空產業發展集團有限公司) (“Shaanxi Aviation Industry Development”), Xi’an Industrial Investment Group Co., Ltd. (西安工業投資集團有限公司) (“Xi’an Industrial Investment”), AVIC Aircraft Corporation (中航飛機股份有限公司) (“AVIC Aircraft”), Xi’an Aircraft Industry (Group) Co., Ltd. (西安飛機工業(集團)有限責任公司) (“Xi’an Aircraft Industry”), AVIC Airborne Systems Co., Ltd. (中航機載系統有限公司) (“AVIC Airborne Systems”), AVIC International Aviation Development Co., Ltd. (中航國際航空發展有限公司) (“AVIC International Aviation Development”) and AVIC Aviation Electronics Systems Co., Ltd. (中航航空電子系統有限責任公司) (“AVIC Aviation Electronics Systems”), pursuant to which Aviation Industry Group, Shaanxi Aviation Industry Development, Xi’an Industrial Investment, AVIC Aircraft and Xi’an Aircraft Industry agreed to make capital contributions (the “Capital Increase”) of approximately RMB6.723 billion (equivalent to approximately HK\$7.640 billion) to AVIC Xifei Civil Aircraft Co., Ltd. (中航西飛民用飛機有限責任公司) (“AVIC Xifei”).

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Connected Transactions *(continued)*

1. *Connected Transactions – Capital Increase Agreement (continued)*

Upon completion of the Capital Increase, (i) the registered capital of AVIC Xifei will be increased from RMB1.9 billion to RMB8.622 billion; and (ii) the equity interest of AVIC Xifei will be held as to approximately 11.5494%, 18.8895%, 20.7889%, 2.3540%, 1.7655%, 1.7655%, 1.1770%, 18.6114% and 23.0988% by Aviation Industry Group, AVIC Aircraft, Xi'an Aircraft Industry, AVIC Airborne Systems, the Company, AVIC International Aviation Development, AVIC Aviation Electronics Systems, Shaanxi Aviation Industry Development and Xi'an Industrial Investment, respectively. Accordingly, the equity interest in AVIC Xifei held by the Company will be diluted from 7.895% to 1.7655%.

As Aviation Industry Group is the controlling shareholder of the Company holding approximately 62.52% of the equity interest in AVIC International (a controlling shareholder holding approximately 37.50% of the issued share capital of the Company), which in turn owns 100% equity interest of AVIC Shenzhen (a controlling shareholder holding approximately 33.93% of the issued share capital of the Company), and AVIC Aircraft, Xi'an Aircraft Industry, AVIC Airborne Systems, AVIC International Aviation Development and AVIC Aviation Electronics Systems, which are either subsidiaries of Aviation Industry Group or AVIC International, are connected persons of the Company. Therefore, the transaction under the Capital Increase Agreement constitutes a connected transaction of the Company.

Pursuant to section 34 of the Company Law of the PRC, the Company has the right of first refusal in relation to the Capital Increase. As the Company decided not to exercise the option to subscribe for the increased registered capital of AVIC Xifei, the waiver of right of first refusal by the Company in relation to the Capital Increase also constitutes a connected transaction pursuant to Rule 14A.24(2)(b) of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Increase under the Listing Rules is/are more than 0.1% but less than 5%, the Capital Increase and the transactions contemplated under the Capital Increase Agreement are subject to, among other things, the reporting and announcement requirements and exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. *Connected Transaction – Disposal of 60% Equity Interest in AVIC International Simulation Technology Services Co., Ltd.*

On 24 October 2018, the Company (as vendor) and AVIC International (as purchaser) entered into an equity transfer agreement (the "Equity Transfer Agreement"), pursuant to which the Company agreed to sell and AVIC International agreed to purchase 60% equity interest in AVIC International Simulation Technology Service Co., Ltd. held by the Company at the consideration of RMB31,611,120.

AVIC International is a controlling shareholder of the Company holding approximately 37.50% of the issued share capital of the Company. AVIC International is a connected person of the Company and the Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the Equity Transfer Agreement and the transactions contemplated thereunder are below 5%, the Equity Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Connected Transactions *(continued)*

3. Continuing Connected Transactions – Renewal of the Financial Services Agreement

On 26 September 2018, the Company and AVIC Finance Co., Ltd. (中航工業集團財務有限責任公司) (“AVIC Finance”) entered into the 2018 financial services agreement (the “2018 Financial Services Agreement”) for renewal of the 2015 financial services agreement dated 29 September 2015 (the “2015 Financial Services Agreement”). Pursuant to the 2018 Financial Services Agreement, AVIC Finance will provide to the Group a range of financial services as the Company may request from time to time for a term commencing from the effective date to 31 December 2021. The financial services provided by AVIC Finance to the Group are set out below:

	For the the year ending 31 December 2019 (RMB)	For the the year ending 31 December 2020 (RMB)	For the the year ending 31 December 2021 (RMB)
Deposit services (the maximum daily outstanding balances) (the deposit cap)	4,000,000,000	4,000,000,000	4,000,000,000

	For the period for the year ending 31 December 2019 (US\$)	For the period for the year ending 31 December 2020 (US\$)	For the period for the year ending 31 December 2021 (US\$)
Foreign exchange settlement and sale (the maximum daily transaction amount) (the spot FX trading cap)	26,000,000	26,000,000	26,000,000

Aviation Industry Group is the ultimate holding company of the Company and AVIC Finance. AVIC Finance is a connected person of the Company and the transactions contemplated under the 2018 Financial Services Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As the applicable percentage ratios for the deposit cap exceed 5%, the deposit service is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios for the deposit cap exceed(s) 25%, the deposit services contemplated under the 2018 Financial Services Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. As each of the applicable percentage ratios in respect of spot FX trading cap is more than 0.1% but less than 5%, the transactions contemplated under the foreign exchange services are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The 2018 Financial Services Agreement has been duly approved by the extraordinary general meeting of the Company. For details in relation to the 2018 Financial Services Agreement, please refer to the announcement published by the Company on 26 September 2018, the circular of the Company dated 16 November 2018 and the poll results announcement of the extraordinary general meeting of the Company held on 11 December 2018.

SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Continuing Connected Transactions

The continuing connected transactions with agreements signed during the past years and performed during the reporting period by the Group are set out below:

1. *Continuing Connected Transactions – Framework Agreements in Relation to Leasing and Management of Properties*

The rental framework agreement dated 13 January 2014 and entered into between the Company and AVIC International in relation to the leasing of real estate properties by the Group to AVIC International and/or its associated companies (the “AVIC International Rental Framework Agreement”), the tenancy framework agreement dated 13 January 2014 and entered into between the Company and AVIC International in relation to the leasing of real estate properties to the Group by AVIC International and/or its associated companies (the “AVIC International Tenancy Framework Agreement”) and the property management framework agreement dated 13 January 2014 and entered into between the Company and AVIC International in relation to the provision of property management services to the Group by AVIC International and/or its associated companies (the “AVIC International Property Management Framework Agreement”) are collectively referred to as the AVIC International Framework Agreements. The AVIC International Framework Agreements expired on 31 December 2016. To renew the agreements, the Company entered into the new AVIC International rental framework agreement (the “New AVIC International Rental Framework Agreement”), new AVIC International tenancy framework agreement (the “New AVIC International Tenancy Framework Agreement”) and new AVIC International property management framework agreement (the “New AVIC International Property Management Framework Agreement”) with AVIC International on 13 January 2017, each of which for a term from the date of its execution to 31 December 2019. The New AVIC International Rental Framework Agreement, the New AVIC International Tenancy Framework Agreement and the New AVIC International Property Management Framework Agreement are collectively referred to as the New AVIC International Framework Agreements, a summary of the major terms of which is set out as follow:

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

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





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Continuing Connected Transactions *(continued)*

1. *Continuing Connected Transactions – Framework Agreements in Relation to Leasing and Management of Properties* *(continued)*

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

2. *Continuing Connected Transactions – Framework Agreements for the Continuing Connected Transactions of the Group in the Coming Three Years*

The existing framework agreements, setting out the basic content of the transactions between the Group on one hand, and Aviation Industry Group or AVIC International (including their respective associates, where applicable) on the other hand, were entered into on 16 October 2014. As the aforesaid agreements would expire on 31 December 2017, the Company (or its subsidiaries) entered into a (i) new Aviation Industry sale framework agreement (the "New Aviation Industry Sale Framework Agreement"), new Aviation Industry purchase framework agreement (the "New Aviation Industry Purchase Framework Agreement"), new Aviation Industry agency services provision framework agreement (the "New Aviation Industry Agency Services Provision Framework Agreement"), new Aviation Industry agency services acceptance framework agreement (the "New Aviation Industry Agency Services Acceptance Framework Agreement"), new Aviation Industry financial assistance provision framework agreement (the "New Aviation Industry Financial Assistance Provision Framework Agreement") and new Aviation Industry financial assistance acceptance framework agreement (the "New Aviation Industry Financial Assistance Acceptance Framework Agreement") with Aviation Industry Group; and (ii) new AVIC International sale framework agreement (the "New AVIC International Sale Framework Agreement"), new AVIC International purchase framework agreement (the "New AVIC International Purchase Framework Agreement"), new AVIC International agency services provision framework agreement (the "New AVIC International Agency Services Provision Framework Agreement"), new AVIC International agency services acceptance framework agreement (the "New AVIC International Agency Services Acceptance Framework Agreement"), new AVIC International financial assistance provision framework agreement (the "New AVIC International Financial Assistance Provision Framework Agreement") and new AVIC International financial assistance acceptance framework agreement (the "New AVIC International Financial Assistance Acceptance Framework Agreement") with AVIC International on 24 October 2017. Engineering Company, a wholly-owned subsidiary of the Company, entered into a new AVIC International construction services framework agreement (the "New AVIC International Construction Services Framework Agreement") with AVIC International, and the Company entered into a new Aviation Industry property rental (letting) framework agreement (the "New Aviation Industry Property Rental (Letting) Framework Agreement") with Aviation Industry Group on the same date. Details of these framework agreements are set out as below:

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

2. Continuing Connected Transactions – Framework Agreements for the Continuing Connected Transactions of the Group in the Coming Three Years (continued)

Name of agreement	Content of agreement	Annual cap amount		
		2018 (RMB)	2019 (RMB)	2020 (RMB)
New Aviation Industry Sale Framework Agreement	Sales of goods	100,000,000	100,000,000	100,000,000
New Aviation Industry Purchase Framework Agreement	Procurement of goods	60,000,000	60,000,000	60,000,000
New AVIC International Sale Framework Agreement	Sales of goods	2,000,000,000	2,000,000,000	2,000,000,000
New AVIC International Purchase Framework Agreement	Procurement of goods	2,500,000,000	2,500,000,000	2,500,000,000
New Aviation Industry Agency Services Provision Framework Agreement	Provision of agency services	150,000,000	150,000,000	150,000,000
New Aviation Industry Agency Services Acceptance Framework Agreement	Acceptance of agency services	80,000,000	80,000,000	80,000,000
New AVIC International Agency Services Provision Framework Agreement	Provision of agency services	180,000,000	180,000,000	180,000,000
New AVIC International Agency Services Acceptance Framework Agreement	Acceptance of agency services	50,000,000	50,000,000	50,000,000
New Aviation Industry Financial Assistance Provision Framework Agreement	Provision of borrowings/ guarantee	500,000,000	500,000,000	500,000,000
	Charge interest/guarantee fee	30,000,000	30,000,000	30,000,000
New Aviation Industry Financial Assistance Acceptance Framework Agreement	Acceptance of borrowings/ guarantee	2,000,000,000	2,000,000,000	2,000,000,000
	Provision of interest/ guarantee fee	80,000,000	80,000,000	80,000,000
New AVIC International Financial Assistance Provision Framework Agreement	Provision of borrowings/ guarantee	1,700,000,000	1,700,000,000	1,700,000,000
	Charge interest/guarantee fee	75,000,000	75,000,000	75,000,000
New AVIC International Financial Assistance Acceptance Framework Agreement	Acceptance of loans/guarantee	10,000,000,000	10,000,000,000	10,000,000,000
	Provision of interest/ guarantee fee	110,000,000	110,000,000	110,000,000
New AVIC International Construction Services Framework Agreement	Provision of construction services	700,000,000	500,000,000	400,000,000
New Aviation Industry Property Rental (Letting) Framework Agreement	Property letting	6,000,000	6,000,000	6,000,000





SIGNIFICANT EVENTS AND CONNECTED TRANSACTIONS *(continued)*

Continuing Connected Transactions *(continued)*

2. *Continuing Connected Transactions – Framework Agreements for the Continuing Connected Transactions of the Group in the Coming Three Years (continued)*

For details of the aforementioned continuing connected transactions, please refer to the announcement published on 24 October 2017 and the circular of the Company despatched on 12 December 2017. The abovementioned continuing connected transactions had been approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 28 December 2017. Please refer to the poll results announcement of the Company published on 28 December 2017 and the circular of the Company published on 12 December 2017 for details.

3. *Continuing Connected Transactions – Concessionaire Framework Agreement*

On 28 December 2017, Rainbow Department Store Co., Ltd. (天虹商場股份有限公司) (“Rainbow Department Store Company”) and Fiyta (a subsidiary of the Company) entered into the 2017 rainbow concessionaire framework agreement (the “2017 Rainbow Concessionaire Framework Agreement”), pursuant to which Rainbow Department Store Company agreed to allow Fiyta to use part of the areas in the Rainbow Department Stores in various cities across the PRC and to establish its own sales counters for the sale of Fiyta watches and world-famous watches, etc. for a term of three years commencing on 1 January 2018 and expiring on 31 December 2020. According to the 2017 Rainbow Concessionaire Framework Agreement, the proposed annual caps in respect of the turnover commission payable by Fiyta to Rainbow Department Store Company for the three years from 2018 to 2020 shall not exceed RMB27,500,000, RMB30,000,000 and RMB32,500,000, respectively.

As AVIC Shenzhen is a controlling shareholder of the Company holding approximately 33.93% of the total issued share capital of the Company and approximately 43.40% equity interest of Rainbow Department Store Company is owned by AVIC Shenzhen, Rainbow Department Store Company is a connected person of the Company.

As the highest applicable percentage ratios for the annual caps of the transactions contemplated under the 2017 Rainbow Concessionaire Framework Agreement are more than 0.1% but less than 5%, the 2017 Rainbow Concessionaire Framework Agreement (including the respective annual caps) are only subject to reporting and announcement requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company published on 28 December 2017.

AUDITOR'S CONFIRMATION

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In accordance with code provision A.2.1 of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules, the roles of the chairman of the Board and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman of the Board and chief executive should be clearly established in writing. For the financial year ended 31 December 2018, the executive Directors exercised the function of the management of the Company and the Company did not appoint any chief executive. The chairman (the "Chairman") of the Board, who is an executive Director, and the Board hold meetings regularly to consider major matters that influence the operation of the Group. The Board considers that the structure will not impair the balance of authority and power between the Board and the management of the Company. Each executive Director assigned with different functions will complement the role of the Chairman. The Board believes that this structure is beneficial for establishing a stable and consistent leadership, which will enable an effective operation of the Group. Except for the aforesaid, for the financial year ended 31 December 2018, the Company has complied with all the code provisions of the Code.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") has been adopted as the code of securities transactions for the Directors and the supervisors of the Company (the "Supervisors"). The Company, having made specific enquiries with all Directors and Supervisors, confirmed that, during the financial year ended 31 December 2018, all Directors and Supervisors had complied with the required standards of dealing in securities specified in the Model Code.



AUDIT COMMITTEE

The Board has established an audit committee (the “Audit Committee”) in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting processes and internal control of the Company. The members of the Audit Committee currently are all independent non-executive Directors, namely Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei. The Audit Committee had reviewed and confirmed the Company’s results announcement for the year ended 31 December 2018 and the audited financial statements of the Group for the year ended 31 December 2018.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has obtained written confirmations from all independent non-executive Directors concerning their independence in accordance with Rule 3.13 of the Listing Rules during the year ended 31 December 2018. The Board considered that the independent non-executive Directors had remained independent based on the requirements set out in Rule 3.13 of the Listing Rules during the year ended 31 December 2018.

PUBLIC FLOAT

Based on information that was publicly available to the Company and to the best knowledge of the Directors and as at the latest practicable date with respect to the publication of this annual report, the Company maintained the prescribed public float of no less than 25% under the Listing Rules.

AUDITORS

The Company’s auditor, PricewaterhouseCoopers, has provided audit services for the Company for 11 consecutive years. According to the relevant regulations promulgated by the SASAC and the Ministry of Finance of the PRC, if an external auditor continuously undertakes financial review for the same state-owned enterprise for a certain number of years, the enterprise shall consider replacing the auditor as required. Accordingly, the Company have reviewed and approved the replacement of PricewaterhouseCoopers by Deloitte Touche Tohmatsu as the auditor of the Company at the 2017 annual general meeting convened on 12 June 2018.

By order of the Board

AVIC International Holdings Limited

Liu Hong De

Chairman

Shenzhen, the PRC, 15 March 2019

Reports of the Board's Subcommittees

I. REPORT OF THE AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Ms. Wong Wai Ling. During the year ended 31 December 2018, the Audit Committee, a subcommittee of the Board, performed its duties in strict compliance with the Code and had effectively monitored the Company's financial incomes and expenses and its operating activities for the year ended 31 December 2018. It had reviewed the Company's financial statements and interim and annual reports, as well as supervised the internal control and information disclosure of the Company, and enhanced its communication with the auditors to ensure that they have imposed effective supervision on the Company's operation and management. The works of the Audit Committee during the year ended 31 December 2018 are summarized as follows:

- I) Understanding the actual operations and the progress of major events of the Company, its controlling companies and its subsidiaries, and reviewed the financial statements compiled by the Company;
- II) Overseeing the quality of internal auditing and the disclosure of financial information pursuant to the disclosure requirements of the Listing Rules for listed issuers, reviewing the interim and annual financial statements prior to the submission to the Board, and communicating closely with the auditors to reach a consensus in all material aspects of the audit report;
- III) Examining the completeness of the Company's financial statements and interim and annual reports and reviewing the major opinions in respect of financial reporting set out in the financial statements in accordance with the professional ethics of independence, objectiveness and fairness;
- IV) Acting as the major representative for the communications between the Company and the external auditors pursuant to the Code and monitoring their relationship; reviewing and examining the independence of the external auditors and the effectiveness of the audit procedures in accordance with applicable standards;
- V) Reviewing the implementation of the connected transactions of the Company in the year ended 31 December 2018;
- VI) Providing guidance in respect of internal control, and considering and approving the working plan for internal auditing for the year ended 31 December 2018.

The annual result and consolidated financial statements for the year ended 31 December 2018 of the Group had been reviewed by the Audit Committee.





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

The Audit Committee held four meetings during the year ended 31 December 2018, the details of which are as follows:

Subcommittee Members	Audit Committee
Number of meetings held	Ms. Wong Wai Ling, Mr. Wu Wei, Mr. Wei Wei
Date of meetings held	4
	16 March 2018
	10 May 2018
	17 August 2018
	31 December 2018
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Auditor's Report, Results Announcement and Report of Directors of the Company for 2017 2. The Proposal to Review the Compliance of the Connected Transactions of the Company for 2017 3. The Proposal to Review the Enhancement of Corporate Governance and Internal Control of the Company 4. The Proposal to Reappoint PricewaterhouseCoopers as the Auditor of the Company 5. The Proposal to Review the Change to Deloitte Touche Tohmatsu as the Auditor of the Company 6. The Proposal to Review the Interim Financial Report and the Interim Report on Consolidated Results of the Company for 2018 7. The Proposal to Review the Corporate Governance and Internal Control of the Company for the Interim Period of 2018 8. The Proposal to Review and Revise the Terms of Reference of the Audit Committee

II. REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") currently comprises Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Mr. Wei Wei. During the year ended 31 December 2018, the Remuneration Committee had reviewed the remuneration policy and the payment method for the Directors and supervisors. It had also made an assessment on the disclosure of the remuneration of the Directors and supervisors in the Company's annual report and is of the opinion that the remuneration standard set for the Directors and supervisors was in compliance with the relevant requirements of the Stock Exchange and the Company's remuneration policy and the remuneration disclosures in the Company's annual report were true and accurate. The works of the Remuneration Committee in the year ended 31 December 2018 are summarized as follows:

- I) During the year ended 31 December 2018, the Remuneration Committee had reviewed the remuneration policy or scheme for all executive Directors and supervisors of the Company in accordance with laws, statutes and the articles of associations of the Company, and made recommendations to the Board on the remuneration of non-executive Directors to ensure that none of the Directors was involved in the determination of his remuneration. It was delegated with the responsibility by the Board to determine the amount of benefits in kind, pension and compensation payments, including any compensation payable for loss or termination of their office or appointment;

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

- II) The Remuneration Committee had supervised the establishment of a formal and transparent procedure to formulate the remuneration policy and structure of the Directors and supervisors of the Company;
- III) The Remuneration Committee had reviewed the remunerations of the Company's Directors and supervisors for the year ended 31 December 2018, and considered that the procedure for the determination of remuneration and distribution standard complied with the provisions of the remuneration system;
- IV) The Remuneration Committee had reviewed the performance of duties by the Directors and supervisors, and assessed their annual performance for the year ended 31 December 2018. It had also monitored the implementation of the Company's remuneration policies.

The Remuneration Committee held three meetings during the year ended 31 December 2018, the details of which are as follows:

Subcommittee Members	Remuneration Committee Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei, Mr. Wei Wei
Number of meeting held	3
Date of meeting held	16 March 2018 20 June 2018 11 December 2018
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Remuneration System of the Directors and Supervisors for 2017 2. The Proposal to Review the Procedure for the Determination of the Remuneration Policy of the Company 3. The Proposal to Review the Remuneration, Benefits and Director Service Contract of Mr. Wu Wei 4. The Proposal to Review the Remuneration Adjustment of the independent non-executive Directors of the Company 5. The Proposal to Review the Draft of Director Service Contract for the Proposed Appointment of Mr. Fu Fang Xing as an executive Director by the Company





III. REPORT OF THE NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") currently comprises Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei, and is chaired by Mr. Wu Wei. During the year ended 31 December 2018, the Nomination Committee had reviewed the structure, size and composition of the Board, as well as the qualification and experience of the candidates. It also had reviewed the independence of independent non-executive Directors. The Nomination Committee considered that the structure of the Board complies with the requirement of the Listing Rules, all of the Directors are competent to act as director of the Company, including their skills, knowledge and experience. All of the independent non-executive Directors met the requirement of independence under Rule 3.13 of the Listing Rules during the year ended 31 December 2018. The works of the Nomination Committee during the year ended 31 December 2018 are summarized as follows:

- I) During the year ended 31 December 2018, the committee had considered and reviewed the structure, size and composition of the Board, including skills, knowledge and experience of the Directors, and made recommendations to the Board regarding any proposed change to the structure of the Board to complement the Company's corporate strategy;
- II) The Nomination Committee had considered the suitability of a candidate to act as a director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company; and
- III) The Nomination Committee had assessed the independence of independent non-executive Directors under the requirements set out in Rule 3.13 of the Listing Rules.

The Nomination Committee held three meetings during the year ended 31 December 2018, the details of which are as follows:

Subcommittee Members	Nomination Committee
Number of meetings held	Mr. Liu Hong De, Mr. Chen Hong Liang, Ms. Wong Wai Ling, Mr. Wu Wei and Mr. Wei Wei
Date of meetings held	3
	16 March 2018
	11 December 2018
	31 December 2018
Proposals considered	<ol style="list-style-type: none"> 1. The Proposal to Review the Structure, Size and Composition of the Board of the Company 2. The Proposal to Review the Independence of Independent Non-executive Directors of the Company 3. The Proposal to Review the Board's Diversity Policy 4. The Proposal on the Appointment or Re-appointment and Succession of Directors 5. The Proposal to Review the Recommendation of Re-appointing Ms. Wu Wei as an Independent Non-executive Director 6. The Proposal to Review the Recommendation of Appointing Mr. Fu Fang Xing as an Executive Director of the Company 7. The Proposal to Review and Revise the Terms of Reference of the Nomination Committee

Report of the Supervisory Committee

Supervisors re-elected or appointed at the 2017 annual general meeting held on 12 June 2018 formed a supervisory committee (the “Supervisory Committee”) The Supervisory Committee of the current session will take office for 3 years, until the annual general meeting for the year of 2020 of the Company to be held in 2021.

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

During the year of 2018, all members of the Supervisory Committee earnestly performed the function of supervision in accordance with the regulations and requirements of the Company Law of the People’s Republic of China, the articles of associations of the Company and the procedure rules of the Supervisory Committee. By means of exercising their functions independently pursuant to the laws through attending the meetings of board of Directors and convening the meeting of the Supervisory Committee, the members of the Supervisory Committee supervised and examined the operations of the Company in accordance with the laws, the financial position of the Company, the implementation of resolutions passed in the shareholders’ general meetings, the process of making major decisions by the Board, the legality and compliance for the operation and management activities of the Company as well as the performance of duties by the Directors. It was thus procured that the Company is operated legally with a view to safeguard the benefits of the Company, its shareholders and employees.

The Supervisory Committee considers that during the year ended 31 December 2018, the Company’s operation, financial auditing and result and daily operation and management complied with relevant provisions of the Listing Rules and the articles of associations of the Company; the Board members are scrupulous about their duties, without breach of laws or rules or damaging the Company’s benefits by utilizing their powers.

The Supervisory Committee expresses the following opinions for the performance of the operation of the Company during the year ended 31 December 2018:

THE SUPERVISORY COMMITTEE’S INDEPENDENT OPINIONS ON THE LEGAL OPERATION OF THE COMPANY

During the year ended 31 December 2018, the Company strictly compiled with the laws and statutes such as the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, articles of association of the Company and the Listing Rules of the Hong Kong Stock Exchange, established sound internal control system, while the Company conducts standard operation and lawful decision-making procedure. The shareholders’ general meetings and the Board meetings were convened in accordance with the procedures as provided in relevant laws, regulations and the Company’s articles of association, where the contents of the relevant resolutions were legal and valid. When fulfilling duties, the Directors are able to consciously safeguard the benefits of the Company and its shareholders, adhere to the principles of good faith and diligence, and do not violate any laws or regulations, or damage the Company’s benefits.





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

The Supervisory Committee carefully reviewed the relevant information such as the 2018 interim report, 2018 annual report and 2018 auditor's report presented by Deloitte Touche Tohmatsu, the auditor of the Company, with unqualified opinion. The Supervisory Committee considered that the Company's finance system and internal control system are sound, the financial operation is normal and financial status is good, and that the auditor's report can truly, objectively and fairly reflect the financial position and operating results of the Company in the year of 2018.

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

During the year ended 31 December 2018, the acquisition and disposal of assets by the Company were in compliance with the requirements of laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Listing Rules as well as the articles of association of the Company and the required review procedures had been performed to ensure that there was no damage to the interests of the Company nor any impairment to the Company's assets.

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

The Supervisory Committee had reviewed the connected transactions and continuing connected transactions of the Company during the year ended 31 December 2018 and considered that such connected transactions of the Company during the year were in line with the Company's needs for business development and long-term growth, and strictly in compliance with the requirements of the Listing Rules, the articles of association of the Company and the Internal Reporting System for Major Events and Connected Transactions issued by the Company. The Company had conducted the approval and information disclosure procedures such that the interests of the Shareholders and the Company were not prejudiced.

We hereby report.

By Order of the Supervisory Committee

Jiao Yan

Chairman of the Supervisory Committee

Shenzhen, the PRC, 15 March 2019

獨立核數師報告

Independent Auditor's Report

Deloitte.

德勤

獨立核數師報告
致中航國際控股股份有限公司股東

(於中華人民共和國註冊成立的有限公司)

Independent Auditor's Report
To the Shareholders of
AVIC International Holdings Limited

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

意見

我們已審計第175至448頁所載中航國際控股股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其包括於2018年12月31日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合損益及其他全面收益報表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

我們認為，該等綜合財務報表已根據由國際會計準則理事會頒佈的國際財務報告準則真實及公允地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

OPINION

We have audited the consolidated financial statements of AVIC International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 175 to 448, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.





意見的基礎

我們已根據《國際審計準則》進行審計。根據該等準則我們承擔的責任在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據國際會計師專業操守理事會頒佈的《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道德責任。我們相信所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

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就此出具意見時進行處理的，故我們不會對這些事項提供單獨的意見。

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ 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.

關鍵審計事項

Key audit matter

商譽減值評估

Impairment assessment of goodwill

由於評估過程涉及複雜情況及重大判斷，故我們將商譽減值評估釐定為關鍵審計事項。

釐定商譽是否出現減值時，需要管理層估計獲分配該商譽的現金產生單位（「現金產生單位」）的使用價值。於估計現金產生單位的使用價值時，管理層使用的關鍵假設包括估計年收入增長率、毛利率及未來現金流量預測採納的貼現率。

誠如綜合財務報表附註23所披露，於截至2018年12月31日止年度，本集團已確認商譽減值人民幣418,628,000元，而於2018年12月31日，商譽賬面值為人民幣624,225,000元。商譽減值測試的詳情於綜合財務報表附註23披露。

We identified the impairment assessment of goodwill as a key audit matter due to the complexity and significant judgements involved in the assessment process.

Determining whether goodwill is impaired required management's estimation of the value in use of the cash generating units ("CGUs") to which the goodwill have been allocated. In estimating the value in use of the CGUs, key assumptions used by management included the estimated annual revenue growth rates, gross margins and the discounted rates adopted in future cash flow forecasts.

As disclosed in note 23 to the consolidated financial statements, the Group recognised an impairment of goodwill of RMB418,628,000 during the year ended 31 December 2018 and the carrying amount of goodwill as at 31 December 2018 was RMB624,225,000. Details of impairment assessment of goodwill is disclosed in Note 23 to the consolidated financial statements.

我們的審計如何處理關鍵審計事項

How our audit addressed the key audit matter

我們就商譽減值估值進行的程序包括：

- 取得管理層批准的現金流量預測，並透過參考未來業務計劃及行業報告，評估預測現金流量的合理性，以評估作為貼現現金流量模式基礎的關鍵假設（包括估計年收入增長率及毛利率）；
- 委任內部估值專家，透過根據市場數據及若干公司特定參數制定獨立範圍評估貼現率的合理性；
- 透過比較過往預測的未來現金流量及本年度的實際結果，並了解存在重大差異的原因，從而評估過往準確性；
- 評估 貴集團管理層提供的敏感度分析及重新進行該敏感度分析，以評估使用價值的範圍及影響。

Our procedures in relation to impairment assessment of goodwill included:

- Obtaining approved cash flow forecasts from management, and evaluating the key assumptions underpinning the discounted cash flow model, including estimated annual revenue growth rates and gross margin though assessing the reasonableness of forecasted future cash flows by reference to the future business plan and industry reports;
- Involving our internal valuation experts to assess the reasonableness of the discount rates by developing an independent range based on market data and certain company specific parameters;
- Evaluating the historical accuracy of the forecasted future cash flows by comparing them to actual results on the current year and understanding the causes for the significant variances;
- Evaluating the reasonableness of and reperforming the sensitivity analysis provided by management of the Group to assess the extent and impact on the value in use.





關鍵審計事項
Key audit matter

我們的審計如何處理關鍵審計事項
How our audit addressed the key audit matter

來自工程、採購及建設項目(「EPC項目」)的收入

Revenue from engineering, procurement and construction projects (“EPC Projects”)

由於釐定完全履行履約責任的進度時需要作出重大管理層判斷及估計，故我們將來自EPC項目的收入釐定為關鍵審計事項。

來自EPC項目的收入根據 貴集團為完成履約責任的付出或投入相對完成有關履約責任的總預期投入的情況進行確認，有關方法最能反映 貴集團於轉移商品或服務控制權時的履約情況。

We identified the revenue from EPC Projects as a key audit matter due to the significant management judgement and estimation required in determining the progress towards complete satisfaction of the performance obligation.

The revenue from EPC Projects is recognised on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

我們就來自EPC項目的收入進行的程序包括：

- 了解及評估 貴集團就來自EPC項目預算擬備的內部控制；
- 通過將預算成本與相關合約、報價及勞工費用核對一致，評估預期總投入(包括承包相關合約的分包成本、勞工成本及材料成本)是否合理；並經計及所達致的履約進度，將預算數據與記錄的實際數據進行比較；

Our procedures in relation to revenue from EPC Projects included:

- Understanding and evaluating the Group's internal control over budget preparation of EPC Projects;
- Evaluating the reasonableness of total expected inputs, including for subcontracting costs contracted for, labor costs and costs of material, by agreeing the budgeted costs to the underlying contracts, quotation and rate of labor; and comparing the budgeted data with the actual data recorded, taking into account the performance progress reached;

關鍵審計事項
Key audit matter

我們的審計如何處理關鍵審計事項
How our audit addressed the key audit matter

來自工程、採購及建設項目(「EPC項目」)的收入(續)

Revenue recognition from engineering, procurement and construction projects (“EPC Projects”) (continued)

截至2018年12月31日止年度，貴集團確認來自EPC項目的收入人民幣9,517,229,000元，佔貴集團收入總額17.53%。收入詳情及相應會計政策分別於附註6及4披露。

During the year ended 31 December 2018, the Group recognised RMB9,517,229,000 revenue from EPC Projects, representing 17.53% of the total revenue of the Group. Details of revenue and the corresponding accounting policies are disclosed in Notes 6 and 4 respectively.

- 檢查供應商發票及其他證明文件，抽樣測試投入是否準確及存在；
- 抽樣到訪工地及與工地項目經理討論履約進度，評估履約進度是否合理；及
- 根據迄今為止履行履約責任的付出或投入相對履行該履約責任的總預期投入的情況及評估，重新計算履約進度。
- Testing the accuracy and existence of the inputs, on a sample basis, by checking to supplier invoices and other supporting documents;
- Evaluating the reasonableness of the performance progress by performing sites visit and discussing with the site project managers on the performance progress, on a sample basis; and
- Recalculating the performance progress based on the efforts or inputs to the satisfaction of a performance obligation to date relative to the total expected inputs to the satisfaction of that performance obligation and assess.





其他事項

本集團截至2017年12月31日止年度的綜合財務報表已由另一核數師審計，其於2018年3月20日就該等報表發表無保留意見。

其他信息

貴公司董事須對其他信息負責。其他信息包括年報所載的信息，但不包括綜合財務報表及我們就此出具的核數師報告。

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

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

董事及治理層就綜合財務報表承擔的責任

貴公司董事須負責根據由國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定擬備真實及公允的綜合財務報表，並對其認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 20 March 2018.

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 IFRSs issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

治理層須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標是根據協定的委聘條款，對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告，且僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證為高水平的保證，但不能保證按《國際審計準則》進行的審計在某一重大錯誤陳述存在時總能被發現。錯誤陳述可由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視為重大。

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

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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.





- 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。
- 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.
- 評估董事所採用會計政策的恰當性以及所作出會計估計及相關披露的合理性。
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與可能導致對 貴集團持續經營能力產生重大疑慮的事項或情況有關的重大不確定性。如果我們認為存在重大不確定性，則須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。
- 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.
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)，以及綜合財務報表是否以中肯呈列方式反映相關交易及事項。
- 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.
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責指導、監督和執行 貴集團的審計。我們對審計意見承擔全部責任。
- 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.

獨立核數師報告 Independent Auditor's Report

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

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關道德要求，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及其他事項，以及於適用情況下的相關防範措施。

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

出具獨立核數師報告的審計項目合夥人是楊譽民。

德勤•關黃陳方會計師行
執業會計師

香港，2019年3月15日

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yeung Yu Man.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 15 March 2019



綜合損益表

Consolidated Statement of Profit or Loss

截至2018年12月31日止年度 For the year ended 31 December 2018

		截至12月31日止年度 Year ended 31 December		
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)	
		附註 Notes		
收入	Revenue	6	54,290,366	46,276,689
銷售成本	Cost of sales		(45,959,310)	(37,815,273)
毛利	Gross profit		8,331,056	8,461,416
銷售費用	Distribution costs		(2,148,705)	(2,027,451)
其他收入	Other income	8	1,342,769	1,203,658
其他收益及虧損	Other gains and losses	9	130,432	492,831
行政開支	Administrative expenses		(4,662,300)	(4,419,246)
商譽減值	Impairment of goodwill	23	(418,628)	-
預期信用虧損模式下的減值虧損，扣除撥回	Impairment losses under expected credit loss model, net of reversal	11	(1,107,396)	(403,118)
投資物業公允價值收益	Fair value gain on investment properties	22	216,480	172,619
經營溢利	Operating profit		1,683,708	3,480,709
融資收入	Finance income		489,605	497,211
融資成本	Finance costs		(1,716,425)	(1,854,761)
融資成本－淨額	Finance costs – net	10	(1,226,820)	(1,357,550)
應佔合營企業及聯營公司業績	Share of results of joint ventures and associates	24	286,139	227,617
除所得稅前溢利	Profit before income tax		743,027	2,350,776
所得稅開支	Income tax expense	12	(391,522)	(515,828)
本年度溢利	Profit for the year	13	351,505	1,834,948
應佔：	Attributable to:			
本公司擁有人	Owners of the Company		(568,314)	510,942
非控股股東權益	Non-controlling interests		919,819	1,324,006
			351,505	1,834,948
本公司擁有人 年內應佔每股 (虧損)/盈利： (每股以人民幣元列示) 每股基本(虧損)/盈利	(Losses)/earnings per share attributable to the owners of the Company for the year: (RMB per share) Basic (losses)/earnings per share	17	(0.5112)	0.4143
每股攤薄盈利	Diluted earnings per share		不適用 N/A	0.2597

綜合其他全面收益報表

Consolidated Statement of Other Comprehensive Income

截至2018年12月31日止年度 For the year ended 31 December 2018

截至12月31日止年度
Year ended 31 December

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
本年度溢利	Profit for the year	351,505	1,834,948
其他全面收益：	Other comprehensive income:		
不可重新分類至損益的項目	<i>Items that will not be reclassified to profit or loss</i>		
重新計量退休及其他 補充福利責任	Remeasurements of retirement and other supplemental benefit obligations	84	2,812
自住物業轉為投資物業時 的公允價值變動 (扣除稅款)	Fair value changes on transfer of owner-occupied property to investment property, net of tax	632,439	183,136
其後可能重新分類至損益的 項目	<i>Item that may be subsequently reclassified to profit or loss</i>		
外幣折算差額	Currency translation differences	46,651	(43,075)
年內其他全面收益 (扣除所得稅)	Other comprehensive income for the year, net of income tax	679,174	142,873
年內全面總收益 (扣除所得稅)	Total comprehensive income for the year, net of income tax	1,030,679	1,977,821
應佔：	Attributable to:		
本公司擁有人	Owners of the Company	87,991	635,996
非控股股東權益	Non-controlling interests	942,688	1,341,825
年內全面總收益	Total comprehensive income for the year	1,030,679	1,977,821



綜合財務狀況表

Consolidated Statement of Financial Position

於2018年12月31日 As at 31 December 2018

		附註 Notes	於12月31日 As at 31 December		於1月1日 As at 1 January
			2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
資產	ASSETS				
非流動資產	Non-current assets				
土地使用權	Land use rights	18	3,005,686	2,729,189	2,303,950
無形資產	Intangible assets	19	941,192	957,241	917,311
物業、廠房及設備	Property, plant and equipment	20	36,640,634	33,094,986	20,515,957
在建工程	Construction-in-progress	21	13,312,025	11,197,997	14,318,435
投資物業	Investment properties	22	4,483,326	2,458,127	1,968,682
商譽	Goodwill	23	624,225	989,343	960,054
使用權益法入賬 的投資	Investments accounted for using the equity method	24	2,383,560	2,614,019	4,525,143
合約資產	Contract assets	28	228,595	-	-
貿易及其他應收款項	Trade and other receivables	27	254,254	399,150	1,727,577
可供出售金融資產	Available-for-sale financial assets	26	-	54,617	55,560
按公允價值計量 且其變動計入 損益的金融資產	Financial assets at fair value through profit or loss	25	214,358	-	-
遞延所得稅資產	Deferred income tax assets	38	743,796	688,747	618,885
其他非流動資產	Other non-current assets	32	198,688	278,691	614,749
			63,030,339	55,462,107	48,526,303
流動資產	Current assets				
存貨	Inventories	29	8,686,301	7,405,143	6,254,639
發展中物業	Properties under development	33	445,876	871,690	679,923
合約資產	Contract assets	28	1,206,757	-	-
貿易及其他應收款項	Trade and other receivables	27	19,248,287	18,465,691	16,310,641
應收客戶合約工程 款項	Amounts due from customers for contract work	28	-	2,038,512	1,841,368
按公允價值計量 且其變動計入 損益的金融資產	Financial assets at fair value through profit or loss	25	5,391	15,371	2,901
抵押銀行存款	Pledged bank deposits	30	138,238	370,084	981,169
現金及現金等價物	Cash and cash equivalents	31	8,526,106	13,381,444	9,616,391
			38,256,956	42,547,935	35,687,032
總資產	Total assets		101,287,295	98,010,042	84,213,335

綜合財務狀況表

Consolidated Statement of Financial Position

於2018年12月31日 As at 31 December 2018

		於12月31日		於1月1日	
		As at 31 December		As at	
		2018年	2017年	2017年	
		2018	2017	2017	
		人民幣千元	人民幣千元	人民幣千元	
		RMB'000	RMB'000	RMB'000	
			(經重列)	(經重列)	
			(Restated)	(Restated)	
權益	EQUITY				
本公司擁有人應佔	Capital and reserves attributable				
資本與儲備	to owners of the Company				
股本	Share capital	36	1,166,162	1,166,162	1,166,162
股份溢價	Share premium	36	1,512,380	1,512,380	1,512,380
其他儲備	Other reserves	37	2,790,075	2,104,922	1,520,643
永久次級可換股證券	Perpetual subordinated convertible securities	40	2,781,674	2,781,674	2,781,674
未分配利潤	Retained earnings		5,144,369	5,835,881	5,459,790
			13,394,660	13,401,019	12,440,649
非控股股東權益	Non-controlling interests		25,290,118	24,013,716	21,905,982
總權益	Total equity		38,684,778	37,414,735	34,346,631
負債	LIABILITIES				
非流動負債	Non-current liabilities				
借款	Borrowings	39	19,055,820	16,821,129	13,744,427
遞延所得稅負債	Deferred income tax liabilities	38	889,470	712,722	662,252
政府補貼的遞延收入	Deferred income on government grants	42	1,653,794	2,172,383	2,116,065
撥備	Provisions	45	269,662	143,933	196,461
貿易及其他應付款項	Trade and other payables	34	187,981	124,510	73,390
退休及其他補充福利責任	Retirement and other supplemental benefit obligations	41	405,105	404,731	414,274
其他非流動負債	Other non-current liabilities	43	287	75,673	80,332
			22,462,119	20,455,081	17,287,201



綜合財務狀況表

Consolidated Statement of Financial Position

於2018年12月31日 As at 31 December 2018



		於12月31日		於1月1日
		As at 31 December		As at
		2018年	2017年	2017年
		2018	2017	2017
		人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000
			(經重列)	(經重列)
			(Restated)	(Restated)
流動負債	Current liabilities			
貿易及其他應付款項	Trade and other payables	34	23,494,666	22,664,639
合約負債	Contract liabilities	35	2,325,792	-
應付客戶合約工程 款項	Amounts due to customers for contract work	28	-	489,700
借款	Borrowings	39	13,882,445	16,532,239
流動所得稅負債	Current income tax liabilities		321,108	436,232
退休及其他補充 福利責任	Retirement and other supplemental benefit obligations	41	15,473	15,910
其他流動負債	Other current liabilities	43	100,914	1,506
			40,140,398	40,140,226
				32,579,503
總負債	Total liabilities		62,602,517	60,595,307
				49,866,704
總權益及負債	Total equity and liabilities		101,287,295	98,010,042
				84,213,335

董事：劉洪德
DIRECTOR: Liu Hong De

董事：賴偉宣
DIRECTOR: Lai Wei Xuan

第175至448頁的綜合財務報表已於2019年3月15日經董事會批准，並由董事代表簽署。

The consolidated financial statements on pages 175 to 448 were approved by the Board of Directors on 15 March 2019 and were signed on its behalf.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2018年12月31日止年度 For the year ended 31 December 2018

		本公司擁有人應佔 Attributable to Owners of the Company							非控股 股東權益	總權益
		股本	股份溢價	其他儲備	永久次級 可換股證券 Perpetual subordinated convertible securities	未分配利潤	總計	Non- controlling interests	Total equity	
		Share capital	Share premium	Other reserve	人民幣千元 RMB'000	Retained earnings	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
於2017年1月1日的結餘 (如先前呈報)	Balance as at 1 January 2017 (as previously reported)	1,166,162	1,512,380	1,175,232	2,781,674	5,403,799	12,039,247	13,327,266	25,366,513	
共同控制下業務合併的影響	Effect of business combination under common control	-	-	345,411	-	55,991	401,402	8,578,716	8,980,118	
於2017年1月1日的結餘 (經重列)	Balance as at 1 January 2017 as restated	1,166,162	1,512,380	1,520,643	2,781,674	5,459,790	12,440,649	21,905,982	34,346,631	
本年度溢利	Profit for the year	-	-	-	-	510,942	510,942	1,324,006	1,834,948	
其他全面收益	Other comprehensive income	-	-	125,054	-	-	125,054	17,819	142,873	
全面總收益	Total comprehensive income	-	-	125,054	-	510,942	635,996	1,341,825	1,977,821	
與權益持有人的交易	Transactions with owners									
應佔一間聯營公司的儲備	Share of reserves of an associate	-	-	(1,127)	-	-	(1,127)	-	(1,127)	
與非控股股東權益的交易	Transaction with non-controlling interests	-	-	-	-	-	-	(5,845)	(5,845)	
一間附屬公司的首次公開發售	Initial public offering of a subsidiary	-	-	441,616	-	-	441,616	828,345	1,269,961	
出售附屬公司	Disposals of subsidiaries	-	-	-	-	-	-	(11,518)	(11,518)	
特別儲備－安全生產基金	Special reserve-safety production fund	-	-	501	-	-	501	105	606	
提取其他儲備	Appropriation to other reserves	-	-	31,449	-	(31,449)	-	-	-	
2016年股息	Dividend for 2016	-	-	-	-	(116,616)	(116,616)	(45,178)	(161,794)	
與權益持有人的交易總額	Total transactions with owners	-	-	472,439	-	(148,065)	324,374	765,909	1,090,283	
於2017年12月31日 的結餘(經重列)	Balance as at 31 December 2017 as restated	1,166,162	1,512,380	2,118,136	2,781,674	5,822,667	13,401,019	24,013,716	37,414,735	



綜合權益變動表

Consolidated Statement of Changes in Equity

截至2018年12月31日止年度 For the year ended 31 December 2018

		本公司擁有人應佔 Attributable to Owners of the Company							
		股本 Share capital 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	其他儲備 Other reserve 人民幣千元 RMB'000	永久次級 可換股證券 Perpetual subordinated convertible securities 人民幣千元 RMB'000	未分配利潤 Retained earnings 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	非控股 股東權益 Non- controlling interests 人民幣千元 RMB'000	總權益 Total equity 人民幣千元 RMB'000
於2018年1月1日的結餘 (經重列)	Balance as at 1 January 2018 as restated	1,166,162	1,512,380	2,118,136	2,781,674	5,822,667	13,401,019	24,013,716	37,414,735
調整(附註3)	Adjustment (Note 3)	-	-	(13,214)	-	13,214	-	-	-
於2018年1月1日的 經調整結餘(經重列)	Balance as at 1 January 2018 as restated with adjustment	1,166,162	1,512,380	2,104,922	2,781,674	5,835,881	13,401,019	24,013,716	37,414,735
本年度溢利	Profit for the year	-	-	-	-	(568,314)	(568,314)	919,819	351,505
其他全面收益	Other comprehensive income	-	-	656,305	-	-	656,305	22,869	679,174
全面總收益	Total comprehensive income	-	-	656,305	-	(568,314)	87,991	942,688	1,030,679
與權益持有人的交易	Transactions with owners								
應佔一間聯營公司的儲備	Share of reserves of an associate	-	-	(1,015)	-	-	(1,015)	-	(1,015)
與非控股股東權益的交易	Transaction with non-controlling interests	-	-	(43,629)	-	-	(43,629)	713,079	669,450
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	-	-	-	-	-	-	(21,243)	(21,243)
特別儲備-安全生產基金	Special reserve-safety production fund	-	-	8,603	-	-	8,603	(202)	8,401
提取其他儲備	Appropriation to other reserves	-	-	64,889	-	(64,889)	-	-	-
2017年股息	Dividend for 2017	-	-	-	-	(58,309)	(58,309)	(357,920)	(416,229)
與權益持有人的交易總額	Total transactions with owners	-	-	28,848	-	(123,198)	(94,350)	333,714	239,364
於2018年12月31日 的結餘	Balance as at 31 December 2018	1,166,162	1,512,380	2,790,075	2,781,674	5,144,369	13,394,660	25,290,118	38,684,778

綜合現金流量表

Consolidated Statement of Cash Flows

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
營運活動	Operating activities		
除所得稅前溢利	Profit before income tax	743,027	2,350,776
經調整	Adjustments for		
來自貼現銀行承兌匯票的虧損	Losses from discounting bank acceptance bills	15,923	31,570
陳舊存貨撥備	Provision for inventory obsolescence	142,273	253,224
預期信用虧損模式下的 減值虧損，扣除撥回	Impairment losses under expected credit loss model, net of reversal	1,107,396	403,118
撤銷預付款項	Write-off of prepayment	11,649	-
物業、廠房及設備折舊	Depreciation of property, plant and equipment	3,853,631	2,974,470
土地使用權攤銷	Amortisation of land use rights	68,019	62,971
無形資產攤銷	Amortisation of intangible assets	97,179	90,443
投資物業公允價值收益	Fair value gain on investment properties	(216,480)	(172,619)
政府補貼的遞延收入	Deferred income on government grants	(1,190,120)	(1,076,079)
出售聯營公司收益	Gain on disposal of associates	(7,847)	(444,522)
出售合營企業收益	Gain on disposal of joint ventures	-	(73,685)
出售可供出售金融資產的虧損	Loss on disposal of available-for-sale financial assets	-	944
衍生金融工具的公允價值變動	Fair value changes on derivative financial instruments	-	(8,667)
出售可供出售金融資產的收益	Gain on available-for-sale financial assets	-	(51)
按公允價值計量且其變動 計入損益的金融資產的 公允價值變動(「按公允價值 計量且其變動計入損益」)	Fair value changes of financial assets at fair value through profit or loss ("FVTPL")	(4,324)	-
出售按公允價值計量且其變動 計入損益的金融資產的收益	Gain on disposal of financial assets at FVTPL	(9,527)	-
重新計量一間聯營公司過往 於天馬有機收購事項股本 權益的公允價值收益	Gain on fair value remeasurement of previously held equity interest of an associate in the Tianma Organic Acquisition	(128,196)	-
自按公允價值計量且其變動 計入損益的金融資產收取 的股息	Dividends received from financial assets at FVTPL	(51)	-
出售附屬公司的收益	Gain on disposal of subsidiaries	(6,042)	-
出售物業、廠房及設備的 虧損/(收益)	Loss/(gain) on disposal of property, plant and equipment	10,397	(2,655)
出售無形資產的虧損	Loss on disposals of intangible assets	741	-
出售土地使用權的收益	Gain from disposals of land use right	(1,848)	-
利息收入	Interest income	(238,147)	(319,329)
利息開支	Interest expenses	1,450,881	1,442,658
匯兌虧損淨額	Net foreign exchange losses	14,086	234,221
應佔聯營公司溢利	Share of profits of associates	(296,881)	(224,776)
應佔合營企業溢利	Share of profits of joint ventures	10,742	(2,841)
物業、廠房及設備減值	Impairment of property, plant and equipment	52,216	1,834
無形資產減值	Impairment of intangible assets	149	-
在建工程減值	Impairment of construction-in-progress	6,561	-
商譽減值	Impairment of goodwill	418,628	-
營運資金變動	Changes in working capital	5,904,035	5,521,005

綜合現金流量表

Consolidated Statement of Cash Flows

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
存貨增加	Increase in inventories	(1,423,431)	(1,150,504)
發展中物業減少／(增加)	Decrease/(increase) in properties under development	425,814	(191,767)
應收客戶合約工程款項增加	Increase in amounts due from customers for contract work	-	(197,144)
合約資產減少	Decrease in contract assets	1,216,655	-
貿易及其他應收款項增加	Increase in trade and other receivables	(2,855,622)	(525,276)
合約負債減少	Decrease in contract liabilities	(1,865,279)	-
應付客戶合約工程款項減少	Decrease in amounts due to customers for contract work	-	(485,836)
貿易及其他應付款項增加	Increase in trade and other payables	2,727,546	3,314,943
抵押銀行存款減少	Decrease in pledged bank deposits	231,846	611,085
經營業務產生的現金	Cash generated from operations	4,361,564	6,896,506

綜合現金流量表

Consolidated Statement of Cash Flows

截至2018年12月31日止年度 For the year ended 31 December 2018

截至12月31日止年度
Year ended 31 December

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
營運活動	Operating activities		
經營業務產生的現金	Cash generated from operations	4,361,564	6,896,506
已付利息	Interest paid	(1,786,114)	(1,331,960)
已付所得稅	Income tax paid	(495,228)	(453,606)
營運活動產生的現金淨額	Net cash generated from operating activities	2,080,222	5,110,940
投資活動	Investing activities		
在建工程增加	Addition to construction-in-progress	(5,790,792)	(10,873,778)
購置物業、廠房及設備	Purchase of property, plant and equipment	(1,583,625)	(2,026,104)
購置土地使用權	Purchase of land use rights	(72,004)	(9,993)
購置無形資產	Purchase of intangible assets	(70,853)	(53,846)
其他非流動資產付款	Payment for other non-current assets	(13,180)	(84,817)
收購一間附屬公司所得款項，扣除已付現金	Proceeds for acquisition of a subsidiary, net of cash paid	61,943	—
收購及注資聯營公司款項	Payment for the acquisition of and capital injection to associates	—	(8,600)
收購及注資合營企業款項	Payment for the acquisition of and capital injection to joint ventures	2,237	—
出售附屬公司的現金流入	Cash inflow from disposals of subsidiaries	33,110	602,529
購買按公允價值計量且其變動計入損益的金融資產的支付款項	Payment to purchasing of financial assets at FVTPL	(2,972,585)	—
出售按公允價值計量且其變動計入損益的金融資產的所得款項	Proceeds from disposal of financial assets at FVTPL	2,810,374	—
出售物業、廠房及設備所得款項	Proceeds from disposals of property, plant and equipment	32,080	150,205
出售無形資產所得款項	Proceeds from disposals of intangible assets	4,915	113
出售土地使用權所得款項	Proceeds from disposals of land use rights	13,912	—
出售於聯營公司的投資所得款項	Proceeds from disposals of investments in associates	39,440	680,438
出售於合營企業的投資所得款項	Proceeds from disposals of investments in joint ventures	829,882	1,014,300
已收政府補貼	Government grants received	813,171	1,320,446
已收利息	Interest received	267,592	305,195
關聯方貸款	Loans to related parties	(911,365)	(1,492,947)
關聯方償還貸款	Repayments of loans to related parties	549,288	1,383,713
已收股息	Dividends received	48,179	161,056
投資活動所用現金淨額	Net cash used in investing activities	(5,908,281)	(8,932,090)

綜合現金流量表

Consolidated Statement of Cash Flows

截至2018年12月31日止年度 For the year ended 31 December 2018



		截至12月31日止年度 Year ended 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
融資活動	Financing activities		
借款所得款項	Proceeds from borrowings	19,519,991	21,580,408
償還借款	Repayments of borrowings	(21,560,860)	(13,795,235)
關聯方借款	Borrowings from related parties	3,687,059	1,341,573
向關聯方償還借款	Repayments of borrowings from related parties	(2,471,640)	(2,496,254)
非控股股東權益 向附屬公司注資	Capital contribution to subsidiaries from non-controlling interests	-	1,269,961
派付予本公司股東的股息	Dividend paid to shareholders of the Company	(58,309)	(116,616)
派付予附屬公司非控股股東 權益的股息	Dividends paid to non-controlling interests of subsidiaries	(246,580)	(41,050)
融資活動(所用)/所得的現金 淨額	Net cash (used in)/generated from financing activities	(1,130,339)	7,742,787
現金及現金等價物的 (減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(4,958,398)	3,921,637
年初的現金及現金等價物	Cash and cash equivalents at beginning of year	13,381,444	9,616,391
匯率變動對現金及 現金等價物的影響	Effects of exchange rate changes on cash and cash equivalents	103,060	(156,584)
年末的現金及現金等價物	Cash and cash equivalents at end of year	8,526,106	13,381,444

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2018年12月31日止年度 For the year ended 31 December 2018

1. 一般資料

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

本公司的直接控股公司為中國航空技術國際控股有限公司(「中航國際」)，最終控股公司為中國航空工業集團有限公司(「航空工業集團」)，均為國務院國有資產監督管理委員會控制的中國國有企業。

本公司及其附屬公司(統稱「本集團」)主要於中國從事平板顯示屏、印製電路板及手錶的製造與銷售、國際工程及貿易物流業務、船舶建造及有關工程、採購及建設項目(「EPC項目」)相關的業務。

本公司主要營業地點及註冊辦事處的地址為中國深圳市福田區華富路1018號中航中心大廈39樓。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司及其主要附屬公司的功能貨幣。

綜合財務報表已於2019年3月15日批准刊發。

1. GENERAL INFORMATION

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

The immediate holding company of the Company is AVIC International Holding Corporation (“AVIC International”) and the ultimate holding company of the Company is Aviation Industry Corporation of China, Ltd. (“Aviation Industry Group”), both are state-owned enterprises in the PRC controlled by the State-Owned Assets Supervision and Administration Commission of the State Council.

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

The address of the principal place of business and the registered office of the Company is 39/F, AVIC Centre Building, No.1018 Huafu Road, Futian District, Shenzhen, PRC.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its principal subsidiaries.

The consolidated financial statements have been approved for issue on 15 March 2019.





2. 編製基準

本集團的綜合財務報表是根據國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)以及香港聯合交易所有限公司證券上市規則與香港《公司條例》的適用披露規定編製。

綜合財務報表按歷史成本法編製，並就投資物業、按公允價值計量且其變動計入損益的金融資產及養老金設定收益計劃重估作出修訂。綜合財務報表以人民幣(「人民幣」)呈列，除非另有所指，否則所有金額均已約整至最接近的千位。編製該等綜合財務報表所採用的會計政策及基準與本集團根據中華人民共和國企業會計準則(2006)(「中國會計準則2006」)編製法定賬目時採用者有所不同。

編製符合國際財務報告準則的財務報表需要採用若干關鍵會計估計。管理層亦須在應用本集團會計政策的過程中作出判斷。涉及較高程度之判斷或複雜性之範疇，或假設及估計對綜合財務報表屬重要之範疇，已於附註5披露。

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and the applicable disclosure regarding the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and defined benefit pension plans. The consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except where otherwise indicated. The accounting policies and bases adopted in the preparation of these consolidated financial statements differ from those used in the statutory accounts of the Group which are prepared in accordance with the Accounting Standards for Business Enterprises (2006) of the People’s Republic of China (“CAS 2006”).

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

2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併

於2017年3月10日，本公司附屬公司天馬微電子股份有限公司(「天馬公司」)就收購於廈門天馬公司及天馬有機公司的權益訂立兩項獨立框架協議，代價為天馬公司將向有關賣方發行及配發約647,024,307股A股股份(「該等天馬交易」)。有關詳情如下：

- (i) 天馬公司向中航國際(本公司的直接控股公司)、中國航空技術深圳有限公司(「中航深圳」)(中航國際的全資附屬公司)、中國航空技術廈門有限公司(「中航廈門」)(本集團的全資附屬公司)及廈門金財產業發展有限公司(「廈門金財」)(獨立第三方)分別收購廈門天馬公司的14.7%、15.3%、6%及64%股權(合共100%股權)(「廈門天馬收購事項」)；及
- (ii) 天馬公司向上海工業投資(集團)有限公司(獨立第三方)及上海張江(集團)有限公司(獨立第三方)分別收購天馬有機公司的40%及20%股權(合共60%股權)。

2. BASIS OF PREPARATION (continued)

Business combinations in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xiamen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”)

On 10 March 2017, Tianma Micro-electronics Co. Ltd. (“Tianma Company”), a subsidiary of the Company entered into two separate framework agreements for acquiring the interests in Xiamen Tianma Company and Tianma Organic Company in consideration for which Tianma Company will issue and allot approximately 647,024,307 A Shares to the related selling parties (“Tianma Transactions”). The details are as follows:

- (i) Tianma Company acquired 14.7%, 15.3%, 6% and 64% equity interest (in aggregate 100% equity interest) in Xiamen Tianma Company from AVIC International, the immediate holding company of the Company, AVIC International Shenzhen Company Limited (“AVIC Shenzhen”), a wholly owned subsidiary of AVIC International, CATIC Xiamen Company Limited (“AVIC Xiamen”), a wholly owned subsidiary of the Group, and Xiamen Jincai Industrial Development Company Limited (“Xiamen Jincai”), an independent third party, respectively (“Xiamen Tianma Acquisition”); and
- (ii) Tianma Company acquired 40% and 20% equity interest (in aggregate 60% equity interest) in Tianma Organic Company from Shanghai Industrial Investment (Group) Co., Ltd., an independent third party and Shanghai Zhangjiang (Group) Co., Ltd., an independent third party, respectively.





2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

自廈門天馬公司成立之日起，廈門金財將其於廈門天馬公司34%的投票權轉讓予中航深圳，因此，中航深圳持有廈門天馬公司合共49.3%投票權。此外，中航深圳有合約權委任廈門天馬公司董事會五名董事中的三名董事。因此，於廈門天馬收購事項前，廈門天馬公司自成立之日起為中航深圳的附屬公司。

該等天馬交易於2018年2月2日完成。於該等天馬交易完成後，廈門天馬公司成為天馬的全資附屬公司，而天馬公司持有天馬有機公司60%股權。

收購天馬有機公司股權按涉及非共同控制實體業務合併入賬，收購廈門天馬公司股權視為涉及共同控制實體業務合併，並按合併會計法入賬。

由於本公司及廈門天馬公司由中航國際共同控制，廈門天馬公司的資產及負債按先前於中航國際的綜合財務報表所確認的賬面值於本集團的綜合財務報表中確認。綜合損益表及綜合損益及其他全面收益報表包括廈門天馬公司自合併業務首次受共同控制之日起的業績。本集團的綜合財務報表已經重列，猶如該等業務於首次受共同控制時合併。

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xianmen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

Since the date of establishment of Xiamen Tianma Company, Xiamen Jincai transferred its 34% voting rights of Xiamen Tianma Company to AVIC Shenzhen, hence AVIC Shenzhen held 49.3% voting rights of Xiamen Tianma Company collectively. In addition, AVIC Shenzhen has the contractual right to appoint three out of five directors to the board of directors of Xiamen Tianma Company. Accordingly, Xiamen Tianma Company has been the subsidiary of AVIC Shenzhen since the date of its establishment prior to the Xiamen Tianma Acquisition.

The Tianma Transactions were completed on 2 February 2018. Upon completion of the Tianma Transactions, Xiamen Tianma Company became a wholly owned subsidiary of Tianma, while Tianma Company held 60% equity interests in Tianma Organic Company.

The acquisition of equity interests in Tianma Organic Company was accounted for as business combination involving entity not under common control, and the acquisition of equity interests in Xiamen Tianma Company was treated as business combination involving entity under common control and accounted for on the basis of merger accounting.

Since the Company and Xiamen Tianma Company are under common control of AVIC International, the assets and liabilities of Xiamen Tianma Company have been recognised in the consolidated financial statements of the Group at the carrying amounts recognised previously in AVIC International's consolidated financial statements. The consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income includes the results of Xiamen Tianma Company since the date when the combining businesses first came under the common control. The consolidated financial statements of the Group have been restated as if the businesses had been combined when they first came under common control.

2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

上述重列對於2017年12月31日的綜合財務狀況表的影響如下：

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xiamen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

The effect of restatements described above on the consolidated statement of financial position as at 31 December 2017 and is as follows:

		本集團 (如先前呈報) The Group as previously reported 人民幣千元 RMB'000	廈門天馬 公司的合併 Merger of Xiamen Tianma Company 人民幣千元 RMB'000	撇減 (附註) Eliminations (Note) 人民幣千元 RMB'000	本集團 (經重列) The Group as restated 人民幣千元 RMB'000
非流動資產	Non-current assets	35,204,022	21,036,824	(778,739)	55,462,107
流動資產	Current assets	38,359,034	5,070,242	(881,341)	42,547,935
總資產	Total assets	73,563,056	26,107,066	(1,660,080)	98,010,042
非流動負債	Non-current liabilities	13,423,142	7,056,726	(24,787)	20,455,081
流動負債	Current liabilities	32,325,180	8,649,092	(834,046)	40,140,226
總負債	Total liabilities	45,748,322	15,705,818	(858,833)	60,595,307
總權益	Total equity	27,814,734	10,401,248	(801,247)	37,414,735





2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

附註：

撇減調整主要包括：

- (i) 終止確認本公司全資附屬公司中航廈門持有的廈門天馬公司可供出售(「可供出售」)金融資產人民幣627,150,000元。
- (ii) 撇減廈門天馬公司的股本人民幣8,800,000,000元。
- (iii) 撇減本公司股東應佔未分配利潤人民幣833,668,000元。
- (iv) 確認非控股股東權益人民幣9,192,018,000元，乃由於廈門天馬收購事項完成後，本公司於天馬公司的股權由20.81%攤薄至16.32%。

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xianmen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

Note:

The eliminations adjustments mainly include:

- (i) Derecognition of available-for-sale(“AFS”) financial assets amounting to RMB627,150,000 in Xiamen Tianma Company held by AVIC Xiamen, a wholly owned subsidiary of the Company.
- (ii) Elimination of Xiamen Tianma Company’s share capital amounting to RMB8,800,000,000.
- (iii) Elimination of retained earnings attributable to shareholders of the Company amounting to RMB833,668,000.
- (iv) The recognition of non-controlling interests amounting to RMB9,192,018,000, due to that the Company’s equity interests in Tianma Company were diluted from 20.81% to 16.32% after the completion of the Xiamen Tianma Acquisition.

2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

上述重列對於2017年1月1日綜合財務狀況表的影響如下：

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xiamen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

The effect of restatements described above on the consolidated statement of financial position as at 1 January 2017 and is as follows:

		本集團 (如先前呈報) The Group as previously reported 人民幣千元 RMB'000	廈門天馬 公司的合併 Merger of Xiamen Tianma Company 人民幣千元 RMB'000	撤減 (附註) Eliminations (Note) 人民幣千元 RMB'000	本集團 (經重列) The Group as restated 人民幣千元 RMB'000
非流動資產	Non-current assets	31,579,538	17,695,604	(748,839)	48,526,303
流動資產	Current assets	33,201,199	3,649,738	(1,163,905)	35,687,032
總資產	Total assets	64,780,737	21,345,342	(1,912,744)	84,213,335
非流動負債	Non-current liabilities	11,734,776	5,552,425	-	17,287,201
流動負債	Current liabilities	27,679,448	6,032,990	(1,132,935)	32,579,503
總負債	Total liabilities	39,414,224	11,585,415	(1,132,935)	49,866,704
總權益	Total equity	25,366,513	9,759,927	(779,809)	34,346,631





2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

附註：

撇減調整主要包括：

- (v) 終止確認本公司全資附屬公司中航廈門持有的廈門天馬公司可供出售金融資產人民幣528,000,000元。
- (vi) 撇減廈門天馬公司的股本人民幣8,800,000,000元。
- (vii) 撇減本公司股東應佔未分配利潤人民幣497,411,000元。
- (viii) 確認非控股股東權益人民幣8,769,738,000元，乃由於廈門天馬收購事項完成後，本公司於天馬公司的股權由20.81%攤薄至16.32%。

上述重列對截至2017年12月31日止年度綜合損益及其他全面收益報表的影響如下：

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xiamen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

Note:

The eliminations adjustments mainly include:

- (v) Derecognition of AFS financial assets amounting to RMB528,000,000 in Xiamen Tianma Company held by AVIC Xiamen, a wholly owned subsidiary of the Company.
- (vi) Elimination of Xiamen Tianma Company's share capital amounting to RMB8,800,000,000.
- (vii) Elimination of retained earnings attributable to shareholders of the Company amounting to RMB497,411,000.
- (viii) The recognition of non-controlling interests amounting to RMB8,769,738,000, due to that the Company's equity interests in Tianma Company were diluted from 20.81% to 16.32% after the completion of the Xiamen Tianma Acquisition.

The effect of restatements described above on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 and is as follows:

		本集團 (如先前呈報)	廈門天馬 公司的合併 Merger of Xiamen Tianma Company	撇減 (附註) Eliminations (Note)	本集團 (經重列) The Group as restated
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
收入	Revenue	36,581,679	11,401,910	(1,706,900)	46,276,689
本年度溢利	Profit for the year	1,118,811	641,321	74,816	1,834,948

2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

附註：該等調整指撇減本集團與廈門天馬公司之間的集團內公司間交易及結餘，包括銷售及購買貨品及服務，亦包括確認廈門天馬收購事項的交易成本。

上述重列對截至2017年12月31日止年度綜合現金流量的影響如下：

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xiamen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

Note: The adjustments represent elimination of intra-group transactions and balances between the Group and Xiamen Tianma Company which include sales and purchase of goods and services, also include recognition of transaction cost of Xiamen Tianma Acquisition.

The effects of restatements described above on the consolidated cash flow for the year ended 31 December 2017 are as follows:

		截至 2017年 12月 31日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000
營運活動產生的現金淨增加額	Net increase in cash generated from operating activities	1,575,729
投資活動所用的現金淨增加額	Net increase in cash used in investing activities	(4,272,410)
融資活動產生的現金淨增加額	Net increase in cash generated from financing activities	3,260,089
現金及現金等價物淨增加額	Net increase in cash and cash equivalents	563,408
年初現金及現金等價物淨增加額	Net increase in cash and cash equivalents at beginning of year	596,010
年末現金及現金等價物淨增加額	Net increase in cash and cash equivalents at ending of year	1,159,418





2. 編製基準(續)

有關廈門天馬微電子有限公司(「廈門天馬公司」)及上海天馬有機發光顯示有限公司(「天馬有機公司」)的業務合併(續)

上述重列對截至2017年12月31日止年度每股盈利(「每股盈利」)的影響如下：

2. BASIS OF PREPARATION (continued)

Business combination in relation to Xiamen Tianma Microelectronics Co., Ltd. (“Xianmen Tianma Company”) and Shanghai Tian Ma Organic Light-Emitting Company Limited (“Tianma Organic Company”) (continued)

The effects of restatements described above on the earnings per share (“EPS”) for the year ended 31 December 2017 are as follows:

		截至 2017年 12月 31日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000
調整前每股基本盈利	Basic EPS before adjustment	0.3261
因收購受共同控制的附屬公司 所作調整	Adjustments arising from acquisition of subsidiary under common control	0.0882
調整後每股基本盈利	Basic EPS after adjustment	0.4143
調整前每股攤薄盈利	Diluted EPS before adjustment	0.2074
因收購受共同控制的附屬公司 所作調整	Adjustments arising from acquisition of subsidiary under common control	0.0523
調整後每股攤薄盈利	Diluted EPS after adjustment	0.2597

3. 應用新訂國際財務報告準則及其修訂

於本年度強制生效的新訂國際財務報告準則及其修訂

本集團於本年度已首次採用以下由國際會計準則理事會頒佈的新訂國際財務報告準則及其修訂以及詮釋：

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約的收入及相關修訂
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
國際財務報告準則第2號的修訂	以股份基礎支付交易的分類及計量
國際財務報告準則第4號的修訂	與國際財務報告準則第9號金融工具一併應用的國際財務報告準則第4號保險合約
國際會計準則第28號的修訂	作為國際財務報告準則2014年至2016年週期年度改進的一部分
國際會計準則第40號的修訂	轉讓投資物業

除下文所述者外，於本年度應用新訂國際財務報告準則及其修訂以及詮釋對本集團於本年度及過往年度的財務表現及狀況及／或於該等綜合財務報表所載的披露事項概無重大影響。

3.1 國際財務報告準則第15號來自客戶合約的收入

本集團於本年度首次應用國際財務報告準則第15號。國際財務報告準則第15號取代國際會計準則第18號收入、國際會計準則第11號建築合約及相關詮釋。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

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

The group has applied the following new and amendments to IFRSs and an interpretation issued by the International Accounting Standards Board for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRS Standards 2014-2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

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

3.1 IFRS 15 Revenue from Contracts with Customers

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





3. 應用新訂國際財務報告準則及其修訂(續)

3.1 國際財務報告準則第15號來自客戶合約的收入(續)

本集團已追溯應用國際財務報告準則第15號，而首次應用此準則的累計影響已於首次應用日期2018年1月1日確認。於首次應用日期的任何差額已於年初保留溢利(或權益的其他部分，如適用)確認，且並無重列比較資料。此外，根據國際財務報告準則第15號的過渡條文，本集團已選擇僅就於2018年1月1日尚未完成的合約追溯應用該準則。因此，由於比較資料根據國際會計準則第18號收入及國際會計準則第11號建築合約以及相關詮釋編製，故若干比較資料可能無法用作比較。

本集團確認來自以下主要來源(來自客戶合約)的收入：

- 平板顯示屏及模組(「FPD」)產品製造與銷售。
- 印製電路板(「PCB」)產品製造與銷售。
- 製造中高檔腕錶及名貴手錶連鎖店銷售。
- 國際工程服務、有關水泥工程及船舶建造業務的EPC項目、貿易物流。
- 其他，諸如物業經營及標準件產品的製造與銷售。

有關本集團履約責任及應用國際財務報告準則第15號所產生會計政策的資料分別於附註6及4披露。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.1 IFRS 15 Revenue from Contracts with Customers (continued)

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 *Revenue* and IAS 11 *Construction Contracts* and the related interpretations.

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

- Manufacture and sales of flat panel displays and modules (“FPD”) products.
- Manufacture and sales of printed circuit boards (“PCB”) products.
- Manufacture of middle to high-end wrist watches and chain store sales of luxury watches.
- International engineering service, EPC Projects related to cement engineering and shipping building business, trading and logistics.
- Others such as property operation and manufacture and sales of standard parts products.

Information about the Group’s performance obligations and the accounting policies resulting from application of IFRS 15 are disclosed in Notes 6 and 4 respectively.

3. 應用新訂國際財務報告準則及其修訂(續)

3.1 國際財務報告準則第15號來自客戶合約的收入(續)

首次應用國際財務報告準則第15號所產生影響的概要

以下為對於2018年1月1日綜合財務狀況表中確認的金額進行的調整。未受變動影響的項目並不包括在內。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15

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

		附註 Notes	於2017年 12月31日 根據合併 會計法重列 的賬面值 Carrying amounts restated under merger accounting at 31 December 2017 人民幣千元 RMB'000	重新分類 Reclassification 人民幣千元 RMB'000	於2018年 1月1日 國際財務報告 準則第15號 項下的賬面值* Carrying amounts under IFRS 15 at 1 January 2018* 人民幣千元 RMB'000
非流動資產	Non-current Assets				
合約資產	Contract assets		-	175,173	175,173
貿易及其他應收款項	Trade and other receivables	(b)	399,150	(175,173)	223,977
流動資產	Current Assets				
貿易及其他應收款項	Trade and other receivables	(b)	18,465,691	(359,298)	18,106,393
合約資產	Contract assets		-	2,397,810	2,397,810
應收客戶合約 工程款項	Amounts due from customers for contract work	(a)	2,038,512	(2,038,512)	-
流動負債	Current Liabilities				
貿易及其他應付款項	Trade and other payables	(c)	22,664,639	(3,701,371)	18,963,268
合約負債	Contract liabilities		-	4,191,071	4,191,071
應付客戶合約 工程款項	Amounts due to customers for contract work	(a)	489,700	(489,700)	-

* 此列金額已就應用國際財務報告準則第9號進行調整。

* The amounts in this column are after the adjustments from the application of IFRS 9.





3. 應用新訂國際財務報告準則及其修訂(續)

3.1 國際財務報告準則第15號來自客戶合約的收入(續)

首次應用國際財務報告準則第15號所產生影響的概要(續)

- (a) 就先前根據國際會計準則第11號入賬的建築合約而言，於首次應用國際財務報告準則第15號的日期前，本集團持續採用輸入法估計已履行的履約責任。應收／應付客戶合約工程款項人民幣2,038,512,000元及人民幣489,700,000元分別已重新分類至合約資產及合約負債。
- (b) 於首次應用日期，建築合約產生的質保金及未開單收入合共人民幣534,471,000元須待本集團達成合約所規定的指定里程碑後，方可作實，因此該結餘已從貿易及其他應收款項重新分類至合約資產。
- (c) 於2018年1月1日，先前計入貿易及其他應付款項有關客戶合約代價的客戶墊支人民幣3,701,371,000元已重新分類至合約負債。

經本公司董事評估後，應用國際財務報告準則第15號對已確認收入的時間及金額並無重大影響。

下表概述採用國際財務報告準則第15號對本集團於2018年12月31日的綜合財務狀況表的影響。本集團於本期間的綜合損益及其他全面收益報表並無受到影響。未受變動影響的項目並不包括在內。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15 (continued)

- (a) In relation to construction contracts previously accounted under IAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date upon initial application of IFRS 15. RMB2,038,512,000 and RMB489,700,000 of amounts due from/to customers for contract work were reclassified to contract assets and contract liabilities respectively.
- (b) At the date of initial application, a total of RMB534,471,000 retention deposits and unbilled revenue arising from construction contracts are conditional on the Group's achieving specified milestones as stipulated in the contracts, and hence such balance was reclassified from trade and other receivables to contract assets.
- (c) As at 1 January 2018, advances from customers of RMB3,701,371,000 in respect of consideration for contracts with customers previously included in trade and other payables were reclassified to contract liabilities.

The directors of the Company assessed that the application of IFRS 15 have no material impact on the timing and amounts of revenue recognised.

The following tables summarise the impacts of applying IFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018. There is no impact on the Group's consolidated statement of profit or loss and other comprehensive income for the current period. Line items that were not affected by the changes have not been included.

3. 應用新訂國際財務報告準則及其修訂(續)

3.1 國際財務報告準則第15號來自客戶合約的收入(續)

首次應用國際財務報告準則第15號所產生影響的概要(續)

對綜合財務狀況表產生的影響

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSS (continued)

3.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15 (continued)

Impact on the consolidated statement of financial position

		如呈報 As reported 人民幣千元 RMB'000	重新分類 Reclassification 人民幣千元 RMB'000	未應用 國際財務報告 準則第15號 的金額 Amounts without application of IFRS 15 人民幣千元 RMB'000
非流動資產	Non-current Assets			
合約資產	Contract assets	228,595	(228,595)	-
貿易及其他應收款項	Trade and other receivables	254,254	228,595	482,849
流動資產	Current Assets			
貿易及其他應收款項	Trade and other receivables	19,248,287	310,924	19,559,211
合約資產	Contract assets	1,206,757	(1,206,757)	-
應收客戶合約工程款項	Amounts due from customers for contract work	-	895,833	895,833
流動負債	Current Liabilities			
貿易及其他應付款項	Trade and other payables	23,494,666	1,885,055	25,379,721
合約負債	Contract liabilities	2,325,792	(2,325,792)	-
應付客戶合約工程款項	Amounts due to customers for contract work	-	440,737	440,737





3. 應用新訂國際財務報告準則及其修訂(續)

3.1 國際財務報告準則第15號來自客戶合約的收入(續) 首次應用國際財務報告準則第15號所產生影響的概要(續) 對綜合現金流量表的影響

3. AMENDMENTS TO IFRSS (continued)

3.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15 (continued)

Impact on the Consolidated statement of cash flow

	如呈報 As reported 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000	未應用 國際財務報告 準則第15號 的金額 Amounts without application of IFRS 15 人民幣千元 RMB'000
營運活動	Operating activities		
應收客戶合約工程款項 減少		Decrease in amounts due from customers for contract work	
	-	2,038,512	2,038,512
貿易及其他應收款項增加	(2,855,622)	Increase in trade and other receivables	(3,677,479)
合約資產減少	1,216,655	Decrease in contract assets	-
合約負債減少	(1,865,279)	Decrease in contract liabilities	-
貿易及其他應付款項增加	2,727,546	Increase in trade and other payables	862,267

除上文所述者外，採用國際財務報告準則第15號並無對綜合財務報表匯報的金額造成重大影響。

Except as described above, the application of IFRS 15 has had no material impact on the amount reported in the consolidated financial statements.

3. 應用新訂國際財務報告準則及其修訂(續)

3.2 國際財務報告準則第9號金融工具
於本年度，本集團已應用國際財務報告準則第9號金融工具及與其他國際財務報告準則相關的相應修訂。國際財務報告準則第9號就1) 金融資產及金融負債的分類及計量、2) 金融資產、合約資產、融資租賃應收款項及財務擔保合約的預期信用虧損(「預期信用虧損」)及3) 一般對沖會計引入新規定。

本集團已根據國際財務報告準則第9號所載的過渡條文應用國際財務報告準則第9號，即對2018年1月1日(首次應用日期)尚未終止確認的工具追溯應用分類及計量要求(包括減值)，且對2018年1月1日已終止確認的工具並無應用該等要求。於2017年12月31日的賬面值與於2018年1月1日的賬面值之間的差額毋須重列比較資料，於年初保留溢利及權益的其他部分確認。

因此，若干比較資料未必具可比性，因比較資料乃根據國際會計準則第39號金融工具：確認及計量編製。

應用國際財務報告準則第9號所產生會計政策於附註4披露。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSS (continued)

3.2 IFRS 9 Financial instruments

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

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

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

The accounting policies resulting from application of IFRS 9 are disclosed in Note 4.





3. 應用新訂國際財務報告準則及其修訂(續)

3.2 國際財務報告準則第9號金融工具(續)

首次應用國際財務報告準則第9號所產生影響的概要

下表列示於首次應用日期2018年1月1日根據國際財務報告準則第9號及國際會計準則第39號面臨預期信用虧損的金融資產及其他項目的分類及計量(包括減值)。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.2 IFRS 9 Financial instruments (continued)

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

	附註 Note	按國際會計 準則第39號/ 國際財務報告 準則第9號規定 按公允價值 計量且其變動 計入損益的 金融資產 Financial assets at Fair value through profit or loss ("FVTPL") AFS financial assets 人民幣千元 RMB'000	可供出售 金融資產 計入損益的 金融資產 Financial assets at Fair value through profit or loss ("FVTPL") required by IAS 39/IFRS 9 人民幣千元 RMB'000	可供出售 累計儲備 AFS accumulated reserve 人民幣千元 RMB'000	未分配利潤 Retained earnings 人民幣千元 RMB'000
於2017年12月31日根據 合併會計法重列的年末 結餘—國際會計準則 第39號					
Closing balance as restated under merger accounting at 31 December 2017 -IAS 39		54,617	-	13,214	5,822,667
首次應用國際財務報告 準則第9號產生的影響： 重新分類					
Effect arising from initial application of IFRS 9: Reclassification					
自可供出售	(a)	(54,617)	54,617	(13,214)	13,214
From AFS					
於2018年1月1日 的年初結餘		-	54,617	-	5,835,881
Opening balance at 1 January 2018					

3. 應用新訂國際財務報告準則及其修訂(續)

3.2 國際財務報告準則第9號金融工具(續)

首次應用國際財務報告準則第9號所產生影響的概要(續)

- (a) 可供出售投資
自可供出售投資重新分類為按公允價值計量且其變動計入損益

於國際財務報告準則第9號首次應用日期，本集團人民幣54,617,000元的股本投資已自按國際會計準則第39號規定按公允價值計量的可供出售投資重新分類為按國際財務報告準則第9號規定按公允價值計量且其變動計入損益的金融資產。有關先前以公允價值列賬的該等工具的公允價值收益人民幣13,214,000元已由可供出售重估儲備轉撥至未分配利潤。

- (b) 預期信用虧損模式下的減值

本集團應用國際財務報告準則第9號簡化方法計量預期信用虧損，就所有合約資產、貿易應收款項及租賃應收款項使用全期預期信用虧損。為計量預期信用虧損，合約資產及貿易應收款項已根據共同信用風險特徵分組。合約資產與建築合約及質保金有關，並與同類合約的貿易應收款項具有大致相同的風險特徵。因此，本集團得出結論認為，貿易應收款項的預期虧損率與合約資產虧損率合理相若。

按攤銷成本計量的其他金融資產的虧損撥備(主要包括其他應收款項、抵押銀行存款以及現金及現金等價物)按12個月預期信用虧損(「12個月預期信用虧損」)基準計量，自初步確認以來信用風險並無顯著增加。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.2 IFRS 9 Financial instruments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

- (a) AFS investments
From AFS investments to FVTPL

At the date of initial application of IFRS 9, the Group's equity investments of RMB54,617,000 were reclassified from AFS investments measured at fair value under IAS 39 to financial assets at FVTPL under IFRS 9. The fair value gains of RMB13,214,000 relating to those instruments previously carried at fair value were transferred from AFS revaluation reserve to retained earnings.

- (b) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets, trade receivables and lease receivables. To measure the ECL, contract assets and trade receivables have been grouped based on shared credit risk characteristics. The contract assets relate to construction contracts and retention deposits, and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

Loss allowances for other financial assets at amortised cost mainly comprise of other receivables, pledged bank deposits and cash and cash equivalents, are measured on 12-month ECL ("12m ECL") basis and there had been no significant increase in credit risk since initial recognition.





3. 應用新訂國際財務報告準則及其修訂(續)

3.2 國際財務報告準則第9號金融工具(續)

首次應用國際財務報告準則第9號所產生影響的概要(續)

(b) 預期信用虧損模式下的減值(續)

就向第三方提供的未償還財務擔保約人民幣747,640,000元而言，本集團認為自初步確認以來信用風險並無顯著增加，因此虧損撥備按12個月預期信用虧損基準計量。

於2017年12月31日的合約資產的虧損撥備與於2018年1月1日的年初虧損撥備的對賬如下。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.2 IFRS 9 Financial instruments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

(b) Impairment under ECL model (continued)

For outstanding financial guarantees provided to a third party of approximately RMB747,640,000, the Group considers there has been no significant increase in credit risk since initial recognition and hence the loss allowance is measured on 12m ECL basis.

The loss allowances for contract assets as at 31 December 2017 reconcile to the opening loss allowance as at 1 January 2018 is as follows.

		流動－ 應收客戶 合約工程款項 Current- Amounts due from customers for contract work 人民幣千元 RMB'000	流動－ 貿易及其他 應收款項 Current- Trade and other receivables 人民幣千元 RMB'000	流動－ 合約資產 Current- Contract assets 人民幣千元 RMB'000
於2017年12月 31日根據合併 會計法重列－國際 會計準則第39號 重新分類	At 31 December 2017 as restated under merger accounting – IAS 39	(69,507)	(9,971)	–
	Reclassification	69,507	9,971	(79,478)
於2018年1月1日	At 1 January 2018	–	–	(79,478)

3. 應用新訂國際財務報告準則及其修訂(續)

3.3 應用所有新訂準則、修訂及詮釋對年初綜合財務狀況表產生的影響

由於上述實體會計政策變動，年初綜合財務狀況表須予以重列。下表顯示就各單獨項目確認的調整。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

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

As a result of the changes in the entity's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each individual line item.

	2017年 12月31日 31 December 2017 人民幣千元 (根據合併 會計法重列) (附註) RMB'000 (Restated under merger accounting) (Note)	國際財務報告 準則第15號 IFRS 15 人民幣千元	國際財務報告 準則第9號 IFRS 9 人民幣千元	2018年 1月1日 1 January 2018 人民幣千元 (經重列) RMB'000 (Restated)
非流動資產				
可供出售投資	54,617	-	(54,617)	-
按公允價值計量且其變動計入損益的金融資產	-	-	54,617	54,617
合約資產	-	175,173	-	175,173
貿易及其他應收款項	399,150	(175,173)	-	223,977
流動資產				
貿易及其他應收款項	18,465,691	(359,298)	-	18,106,393
合約資產	-	2,397,810	-	2,397,810
應收客戶合約工程款項	2,038,512	(2,038,512)	-	-
流動負債				
貿易及其他應付款項	22,664,639	(3,701,371)	-	18,963,268
合約負債	-	4,191,071	-	4,191,071
應付客戶合約工程款項	489,700	(489,700)	-	-

附註：有關數字已就涉及共同控制下實體的業務合併予以重列，有關詳情請參閱附註2。

Note: The figures are restated for the merger accounting for business combination involving entities under common control, details refer to Note 2.





3. 應用新訂國際財務報告準則及其修訂(續)

3.3 應用所有新訂準則、修訂及詮釋對年初綜合財務狀況表產生的影響(續)

已頒佈但尚未生效的新訂國際財務報告準則及其修訂

本集團並未提早應用下列已頒佈但尚未生效的新訂國際財務報告準則及其修訂：

國際財務報告準則第16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
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 ¹
國際財務報告準則第3號的修訂	業務的定義 ⁴
國際財務報告準則第9號的修訂	反向補償提前還款特徵 ¹
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業的資產出售或投入 ²
國際會計準則第1號及國際會計準則第8號的修訂	重大的定義 ⁵
國際會計準則第19號的修訂	計劃修正、縮減或清償 ¹
國際會計準則第28號的修訂	於聯營公司及合營企業的長期權益 ¹
國際財務報告準則的修訂	國際財務報告準則2015年至2017年週期年度改進 ¹

¹ 於2019年1月1日或之後開始的年度期間生效。

² 於待定期限或之後開始的年度期間生效。

³ 於2021年1月1日或之後開始的年度期間生效。

⁴ 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

⁵ 於2020年1月1日或之後開始的年度期間生效。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSS (continued)

3.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards, amendments and interpretation (continued)

New and Amendments to IFRSSs in issue but not yet effective

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

IFRS 16	Leases ¹
IFRS 17	Insurance Contracts ³
IFRIC 23	Uncertainty over Income Tax Treatments ¹
Amendments to IFRS 3	Definition of a Business ⁴
Amendments to IFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IAS 1 and IAS 8	Definition of Material ⁵
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to IFRSSs	Annual Improvements to IFRSSs 2015-2017 Cycle ¹

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

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

⁵ Effective for annual periods beginning on or after 1 January 2020.

3. 應用新訂國際財務報告準則及其修訂(續)

3.3 應用所有新訂準則、修訂及詮釋對年初綜合財務狀況表產生的影響(續)

已頒佈但尚未生效的新訂國際財務報告準則及其修訂(續)

除以下所述新訂國際財務報告準則外，本公司董事預期應用所有其他新訂國際財務報告準則及其修訂以及詮釋於可預見未來不會對綜合財務報表造成重大影響。

3.4 國際財務報告準則第16號租賃

國際財務報告準則第16號就識別租賃安排及就出租人及承租人的會計處理引入一套全面模式。國際財務報告準則第16號於其生效時，將取代國際會計準則第17號租賃及相關詮釋。

國際財務報告準則第16號按照所識別資產是否由客戶控制區分租約與服務合約。此外，國際財務報告準則第16號規定，售後租回交易根據國際財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定釐定。國際財務報告準則第16號亦包含有關分租及租賃修訂方面的規定。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃的區分自承租人會計處理中剔除，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取代。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSS (continued)

3.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards, amendments and interpretation (continued)

New and Amendments to IFRSSs in issue but not yet effective (continued)

Except for the new IFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSSs and the interpretation will have no material impact on the consolidated financial statements in the foreseeable future.

3.4 IFRS 16 Leases

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

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

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





3. 應用新訂國際財務報告準則及其修訂(續)

3.4 國際財務報告準則第16號租賃(續)

使用權資產初步按成本計量，其後按成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按租賃款項(非當日支付)的現值計量。隨後，租賃負債就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將有關分類為投資物業的租賃土地的預付租賃款項呈列為投資現金流量，而其他經營租賃款項則呈列為經營現金流量。於應用國際財務報告準則第16號之後，本集團會將有關租賃負責的租賃款項分配為本金及利息部分，並按融資現金流量呈列。

根據國際會計準則第17號，本集團已就本集團為承租人的租賃土地的預付租賃款項確認資產。應用國際財務報告準則第16號可能導致該等資產的分類出現潛在變動，視乎本集團是否單獨呈列使用權資產或在擁有相應相關資產時將予呈列的相同項目內呈列。

除亦適用於出租人的若干規定外，國際財務報告準則第16號大致上轉承國際會計準則第17號的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，國際財務報告準則第16號要求作出更詳盡的披露。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.4 IFRS 16 Leases (continued)

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

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

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 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 IFRS 16.

3. 應用新訂國際財務報告準則及其修訂(續)

3.4 國際財務報告準則第16號租賃(續)

於2018年12月31日，本集團擁有附註47所披露不可撤銷經營租約承擔人民幣460,409,000元。初步評估顯示，該等安排將符合租賃的定義。於應用國際財務報告準則第16號後，本集團會就所有該等租賃確認使用權資產及相應負債，除非該等租賃符合資格作為低價值或短期租賃。

此外，本集團現時考慮將已支付的可退回租金按金人民幣51,274,000元及已收到的可退回租金按金人民幣58,180,000元作為國際會計準則第17號適用的租賃項下的權利及責任。根據國際財務報告準則第16號項下租賃款項的定義，該等按金不屬於使用相關資產的權利的付款，因此，該等按金的賬面值可能調整為攤銷成本。對已支付的可退回租金按金所作的調整將被視作額外租賃款項並包含在使用權資產的賬面值中。對已收到的可退回租金按金所作的調整將視為租賃款項的預付款。

應用新規定或會導致上文所述的計量、呈列及披露發生變動。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.4 IFRS 16 Leases (continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB460,409,000 as disclosed in Note 47. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB51,274,000 and refundable rental deposits received of RMB58,180,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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





3. 應用新訂國際財務報告準則及其修訂(續)

3.4 國際財務報告準則第16號租賃(續)

本集團擬選擇以可行的權宜方法，將國際財務報告準則第16號應用於過往應用國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號釐定一項安排是否包含租約而確定為租約的合約，惟不將該準則應用於過往應用國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號而未確定為包含租約的合約。因此，本集團不會重新評估合約是否為或是否包含於首次應用日期前已存在的租約。此外，本集團擬選擇經修訂的追溯法以作為承租人應用國際財務報告準則第16號，並將在不重列比較資料的情況下確認首次應用對年初保留溢利的累計影響。

本公司董事預期該等變動會增加本集團的資產及負債，惟不會於本集團未來財務報表的租期內對財務表現造成重大影響。

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS (continued)

3.4 IFRS 16 Leases (continued)

The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

The directors of the Company expect that, such changes would increase the assets and liabilities of the Group, but would not result in significant impact to the financial performance over the lease term of the Group's future financial statements.

4. 主要會計政策概要

編製該等綜合財務報表採用的主要會計政策載於下文。

除若干物業及金融工具按公允價值計量之外，綜合財務報表已按歷史成本基準編製，於下文所載會計政策說明。

歷史成本一般按交換貨品及服務時所付代價的公允價值計算。

公允價值為市場參與者於計量日在有序交易中出售資產所收取或轉讓負債所支付的價格，不論該價格是否可直接觀察或使用其他估值方法估計。於估計資產或負債的公允價值時，本集團會考慮資產或負債於計量日的特點。於綜合財務報表作計量及／或披露用途的公允價值按此基準釐定，惟國際財務報告準則第2號以股份基礎支付範圍內的以股份基礎支付交易、國際會計準則第17號租賃範圍內的租賃交易以及與公允價值類似惟並非公允價值的計量(例如國際會計準則第2號存貨中的可變現淨值或國際會計準則第36號資產減值中的使用價值)除外。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

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

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

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





4. 主要會計政策概要(續)

非金融資產的公允價值計量須計及市場參與者能否以最有效及最佳方式使用該資產，或將該資產出售予將以最有效及最佳方式使用該資產的其他市場參與者，從而產生經濟效益。

此外，就財務報告目的而言，公允價值計量根據公允價值計量輸入值的可觀察程度及輸入值對公允價值計量整體的重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入值是實體可於計量日取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入值是就資產或負債直接或間接地可觀察的輸入值(第一級包括的報價除外)；及
- 第三級輸入值是資產或負債的不可觀察輸入值。

主要會計政策載列如下。

4.1 綜合賬目

4.1.1 附屬公司

附屬公司是指本集團擁有控制權的所有實體(包括結構實體)。本集團於下列情況獲得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

The principal accounting policies are set out below.

4.1 Consolidation

4.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Group:

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

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

倘事實及情況表明以上所列的三項控制權要素有一項或多項發生變更，則本集團會重新評估其是否控制投資對象。

除應用下文附註4.1.1(a)所詳述涉及共同控制實體業務合併的業務合併外，附屬公司在控制權轉移至本集團之日起全面綜合入賬，並在控制權終止當日起終止綜合入賬。具體而言，年內收購或出售附屬公司的收入及開支會由本集團獲得控制權當日開始計入綜合損益及其他全面收益報表，直至本集團不再控制該附屬公司當日為止。

損益及其他全面收益的每個項目歸屬於本公司權益持有人及非控股股東權益。附屬公司的全面總收益歸屬於本公司權益持有人及非控股股東權益，即使此舉將導致非控股股東權益出現虧絀結餘。

必要時，可對附屬公司的財務報表作出調整，使其會計政策與本集團的會計政策貫徹一致。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

Except for business combinations applying business combination involving entities under common control as detailed in Note 4.1.1(a) below, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

倘相對其他股東的表決權的數量及分散情況，本集團的表決權數量使本集團獲得控制財務及經營政策等權力，則本集團擁有實際控制權。

本集團內公司間的交易、交易結餘及收支予以對銷。於資產確認的公司間交易產生的溢利及虧損亦予以對銷。

於附屬公司的非控股股東權益與本集團於當中的權益分開呈列，代表賦予其持有人權利於清盤時按比例分佔相關附屬公司資產淨值的目前擁有權權益。

本集團於現有附屬公司的權益變動

倘本集團於附屬公司的權益變動不會導致本集團對附屬公司失去控制權，則以權益交易入賬。本集團相關權益及非控股股東權益部分的賬面值會作調整，以反映其於附屬公司的相關權益變動，包括根據本集團及非控股股東權益的權益比例在兩者間重新分配相關儲備。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

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

Changes in the Group's interests in existing subsidiaries

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

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

本集團於現有附屬公司的權益變動(續)

非控股股東權益的調整金額與已付或已收代價的公允價值之間的任何差額直接於權益確認並歸屬於本公司權益持有人。

倘本集團失去對附屬公司的控制權，則終止確認該附屬公司的資產及負債及非控股股東權益(如有)。收益或虧損於損益確認，並按下列兩者的差額計算：(i)所收取代價公允價值及任何保留權益公允價值的總額與(ii)本公司權益持有人應佔附屬公司的資產(包括商譽)及負債的賬面值。先前就該附屬公司於其他全面收益確認的所有金額以猶如本集團已直接出售該附屬公司相關資產或負債的方式入賬(即按適用國際財務報告準則所訂明/允許重新分類至損益或轉撥至另一權益類別)。於失去控制權當日保留於前附屬公司的任何投資公允價值，則視為其後根據國際財務報告準則第9號/國際會計準則第39號進行會計處理時的初步確認公允價值，或(如適用)於聯營公司或合營企業的投資的初步確認成本。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

Changes in the Group's interests in existing subsidiaries (continued)

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 IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9/IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

- (a) 涉及共同控制實體的業務合併
就涉及共同控制實體的業務合併而言，綜合財務報表納入發生共同控制合併的合併實體或業務的財務報表，猶如其已自合併實體或業務首次受控制方控制當日起已合併計算。

合併實體或業務的資產淨值按控制方認為的現有賬面值綜合入賬。在控制方權益延續的情況下，並無就商譽或共同控制合併時收購方於被收購方的可識別資產、負債及或然負債公允淨值的權益超逾成本的差額確認任何金額。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

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

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

- (a) 涉及共同控制實體的業務合併(續)

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

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

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

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





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

- (b) 涉及共同控制實體以外的業務合併

涉及共同控制實體以外的所有業務合併均採用收購會計法入賬。就收購附屬公司轉讓的代價包括：

- 所轉讓資產的公允價值
- 對所收購業務前擁有人產生的負債
- 本集團發行的股權
- 或然代價安排所產生任何資產或負債的公允價值；及
- 附屬公司任何先前股權的公允價值。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

The acquisition method of accounting is used to account for all business combinations other than involving entities under common control. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

(b) 涉及共同控制實體以外的業務合併(續)

於業務合併時所收購的可識別資產及所承擔的負債及或然負債初步按收購日期的公允價值計量，惟：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據國際會計準則第12號所得稅及國際會計準則第19號僱員福利確認及計量；
- 與被收購方以股份基礎支付安排或本集團以股份基礎支付安排(訂立以取代被收購方以股份基礎支付安排)有關的負債或股本工具於收購日期根據國際財務報告準則第2號以股份基礎支付計量；及

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

- (b) 涉及共同控制實體以外的業務合併(續)

- 根據國際財務報告準則第5號持作出售的非流動資產及已終止業務分類為持作出售的資產(或出售組合)根據該項準則計量。

本集團按逐項收購基準，以公允價值或按非控股股東權益所佔被收購方可識別資產淨值已確認金額的比例，確認於被收購方屬目前擁有權權益且賦予持有人權利於清盤時按比例分佔相關附屬公司資產淨值的任何非控股股東權益。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

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

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

The Group recognises any non-controlling interest 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 in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.1 附屬公司(續)

- (b) 涉及共同控制實體以外的業務合併(續)
與收購相關的成本一般於產生時在損益中確認。

已轉讓代價、被收購方的任何非控股股東權益金額及任何先前於被收購方的股權於收購日期的公允價值超出於收購日期所收購可識別資產及所承擔負債的公允價值的差額入賬為商譽。於議價購買時，如已轉讓代價、已確認非控股股東權益及已計量先前所持權益的總額少於所收購附屬公司可識別資產及所承擔負債的公允價值，有關差額於綜合損益表直接確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.1 Subsidiaries (continued)

- (b) Business combination other than involving entities under common control (continued)
Acquisition-related costs are generally recognised in profit or loss as incurred.

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





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.2 商譽

因收購業務產生的商譽按收購業務日期確立的成本(見上述會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽分配給預期可從合併的協同效應中獲益的本集團各個現金產生單位(或現金產生單位組別)，指就內部管理目的而監察商譽的最低層面且不大於一個經營分部。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試，或於有跡象顯示單位可能出現減值時更頻密進行減值測試。就於報告期間進行收購產生的商譽而言，獲分配商譽的現金產生單位(或現金產生單位組別)已於報告期間結束前進行減值測試。倘可收回金額少於該單位的賬面值，則首先分配減值虧損以減低任何商譽的賬面值，其後根據單位(或現金產生單位組別)內各資產賬面值按比例分配至其他資產。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.2 Goodwill

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

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

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

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.2 商譽(續)

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

本集團有關收購一間聯營公司及一間合營企業產生的商譽的政策載於下文。

4.1.3 聯營公司

聯營公司指本集團對其有重大影響力的所有實體。重大影響力指參與被投資方財務及經營決策的權力，而非控制或共同控制有關政策的權力。於初步按成本確認後，於聯營公司的投資以權益會計法入賬(見下文(4.1.5))。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.2 Goodwill (continued)

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

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

4.1.3 Associates

Associates are all entities 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. Investments in associates are accounted for using the equity method of accounting (see (4.1.5) below), after initially being recognised at cost.





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.4 合營安排

於合營安排的投資分類為合營業務或合營企業。分類視乎各投資方的合約權利及責任而非合營安排的法律架構。本集團已評估其合營安排的性質，並將其釐定為合營企業。

合營企業

合營企業屬合營安排，對該安排具有共同控制權的訂約各方有權享有合營安排的資產淨值。共同控制權指按照合約協定對一項安排共享控制權，在相關活動決策必須獲得共享控制權的各方一致同意時方會存在。

於合營企業的權益在綜合財務狀況表初步按成本確認後使用權益法(見下文(4.1.5))入賬。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Joint ventures

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

Interests in joint ventures are accounted for using the equity method (see (4.1.5) below), after initially being recognised at cost in the consolidated statement of financial position.

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.5 權益會計法

就權益會計法使用的聯營公司或合營企業財務報表採用本集團就類似交易及類似情況下的事件所採納的相同會計政策編製。

根據權益會計法，投資初步按成本確認，其後進行調整，以於損益確認本集團應佔被投資方收購後損益，以及於其他全面收益確認本集團應佔被投資方其他全面收益的變動。除損益及其他全面收益外的聯營公司／合營企業的資產淨值變動不會入賬，除非有關變動已導致本集團所持有的擁有權權益變動，則作別論。

倘本集團應佔聯營公司或合營企業的虧損超出本集團於該聯營公司或合營企業的權益(包括實質上構成本集團於該聯營公司或合營企業的權益淨額一部分的任何長期權益)，則本集團會終止確認其應佔的進一步虧損。額外虧損的確認範圍僅限於本集團已產生法律或推定責任或代表該聯營公司或合營企業作出付款。已收或應收聯營公司及合營企業的股息確認為於投資賬面值的扣減。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.5 Equity accounting

The financial statements of associates or joint ventures used for equity method accounting purpose are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movement in other comprehensive income of the investee in other comprehensive income. Changes in net assets of the associate/joint venture other than profit of loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net interest in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.5 權益會計法(續)

自被投資方成為聯營公司或合營企業當日起，於聯營公司或合營企業的投資採用權益法入賬。收購於聯營公司或合營企業的投資時，投資成本超出本集團應佔被投資方可識別資產及負債公允淨值的數額確認為商譽，計入投資的賬面值。本集團所佔可識別資產及負債的公允淨值超出投資成本的數額於重新評估後在收購投資期間即時於損益內確認。

本集團評估是否存在客觀證據證明於聯營公司或合營企業的權益可能出現減值。倘存在任何客觀證據，投資的全部賬面值(包括商譽)通過比較其可收回金額(即使用價值與公允價值減出售成本的較高者)與其賬面值，根據國際會計準則第36號作為單一資產進行減值測試。任何已確認的減值虧損構成該項投資賬面值的一部分。該項減值虧損的任何撥回金額均按照國際會計準則第36號的規定，在投資的可收回金額其後增加的情況下進行確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.5 Equity accounting (continued)

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

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

4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.5 權益會計法(續)

倘本集團不再對聯營公司擁有重大影響力或不再對合營企業擁有共同控制權，其入賬列作出售於被投資方的全部權益，所產生的收益或虧損於損益確認。倘本集團保留於前聯營公司或合營企業的權益且該保留權益為國際財務報告準則第9號／國際會計準則第39號範圍內的金融資產，則本集團按該日的公允價值計量保留權益，該公允價值視為初步確認的公允價值。聯營公司或合營企業的賬面值及任何保留權益的公允價值與出售聯營公司或合營企業有關權益的任何所得款項之間的差額，於釐定出售該聯營公司或合營企業的收益或虧損時包括在內。此外，本集團會將先前在其他全面收益就該聯營公司或合營企業確認的所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所規定的基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收益確認的收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會於出售／部分出售相關聯營公司或合營企業時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.5 Equity accounting (continued)

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





4. 主要會計政策概要(續)

4.1 綜合賬目(續)

4.1.5 權益會計法(續)

當於聯營公司的投資成為於合營企業的投資，或於合營企業的投資成為於聯營公司的投資時，本集團繼續使用權益法。於發生該等擁有權權益變動時，不會對公允價值進行重新計量。

當本集團削減於聯營公司或合營企業的擁有權權益但繼續使用權益法時，倘以往於其他全面收益確認有關削減擁有權權益的收益或虧損部分將於出售相關資產或負債時重新分類至損益，則本集團會將該收益或虧損重新分類至損益。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易證實已轉讓資產出現減值則作別論。按權益法入賬的被投資方的會計政策已於必要時調整，以確保與本集團所採納政策一致。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Consolidation (continued)

4.1.5 Equity accounting (continued)

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

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

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

4. 主要會計政策概要(續)

4.2 分部報告

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

4.3 外幣折算

(a) 功能及列賬貨幣

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

(b) 交易及結餘

外幣交易採用交易日或估值日(當日重新計量項目)的匯率換算為功能貨幣。結算此等交易產生的匯兌收益及虧損以及將以外幣列值的貨幣資產和負債以年終匯率換算產生的匯兌收益及虧損在綜合損益表確認。

與借款以及現金及現金等價物相關的匯兌收益及虧損在綜合損益表中的「融資收入或成本」內呈列。所有其他匯兌收益及虧損在綜合損益表中的「其他收益或虧損」內呈列。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Segment reporting

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

4.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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





4. 主要會計政策概要(續)

4.3 外幣折算(續)

(b) 交易及結餘(續)

以外幣計值按公允價值列賬的非貨幣項目按釐定公允價值當日的現行匯率重新換算。按歷史成本以外幣計量的非貨幣項目不予重新換算。

(c) 集團公司

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

- 本集團業務的資產及負債按報告期間結束時的收市匯率換算；
- 收支項目按平均匯率換算(除非此平均匯率並非交易日現行匯率累計影響的合理約數，在此情況下，收支於交易日換算)；及
- 所有由此產生的匯兌差額在其他全面收益中確認並於權益內的其他儲備項下累計(於適當時轉撥至非控股股東權益)。

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Foreign currency translation (continued)

(b) Transactions and balances (continued)

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.

(c) Group companies

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

- Assets and liabilities of the Group's operations are translated at the closing rate at the end of reporting period;
- Income and expenses items are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of other reserves (attributable to non-controlling interests as appropriate).

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

4. 主要會計政策概要(續)

4.3 外幣折算(續)

(d) 出售海外業務及部分出售

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Foreign currency translation (continued)

(d) Disposal of foreign operation and partial disposal

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

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





4. 主要會計政策概要(續)

4.4 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應貨品或服務或作行政用途的樓宇(在建工程除外))按歷史成本減其後累計折舊及其後減值(如有)列賬。歷史成本包括收購該等項目直接應佔的開支。

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

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

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

資產剩餘價值及可使用年限在每個報告期間進行檢討，並在適當時調整。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at historical cost less subsequent accumulated depreciation and subsequent impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

4. 主要會計政策概要(續)

4.4 物業、廠房及設備(續)

倘資產賬面值高於其估計可收回金額時，其賬面值即時撇減至可收回金額(附註4.9)。

物業、廠房及設備項目於出售時或預期不會自持續使用資產獲得未來經濟利益時終止確認。

出售收益及虧損經比較所得款項與賬面值後釐定，並在綜合損益表的「其他收益或虧損」中確認。

4.5 投資物業

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 4.9).

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.

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

4.5 Investment property

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





4. 主要會計政策概要(續)

4.5 投資物業(續)

當存在或僅當存在以下證據證明用途改變時，才可轉入或轉出投資物業：

- (a) 開始業主自用時，將投資物業轉為自用物業；
- (b) 進行開發用以出售時，將投資物業轉為發展中物業；
- (c) 終止業主自用時，將自用物業轉為投資物業；或
- (d) 開始向另一方進行經營租賃時，將存貨轉為投資物業。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Investment property (continued)

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

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

4. 主要會計政策概要(續)

4.5 投資物業(續)

倘業主自用物業轉變為投資物業
(以公允價值計量)：

- (a) 因此導致物業賬面值的任何減少在損益確認。
- (b) 因此產生的任何賬面值增加按以下方式處理：
 - (i) 若增加撥回先前就該物業確認的減值虧損，增加在損益確認。於損益確認的金額不會超出將賬面值回復至並無確認減值虧損情況下所釐定的賬面值(扣除折舊後)所需的金額。
 - (ii) 任何餘下增額則於其他全面收益確認，並增加權益項下的重估盈餘。於其後出售該投資物業時，計入權益的重估盈餘可轉撥至未分配利潤。由重估盈餘轉撥至未分配利潤毋須經損益作出。

以公允價值列賬的投資物業轉為業主自用物業時，該物業的視作成本為轉換用途當日的公允價值。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Investment property (continued)

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

- (a) Any resulting decrease in the carrying amount of the property is recognised in profit or loss.
- (b) Any resulting increase in the carrying amount is treated as follows:
 - (i) To the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised.
 - (ii) Any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

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





4. 主要會計政策概要(續)

4.6 無形資產

分開購入的有限期無形資產按成本減其後攤銷及任何累計減值虧損列賬。有限可使用年限的無形資產的攤銷按其估計可使用年限以直線法確認。估計可使用年限及攤銷法於各報告期末進行檢討，而任何估計改動的影響將以前瞻性基準列賬。

(a) 商標及特許權

分開購入的商標及特許權按歷史成本列示。在業務合併中購入的商標及特許權於收購日期按公允價值確認。具限定可使用年限的商標及特許權按成本減累計攤銷及任何累計減值虧損列賬。具限定可使用年限的無形資產的攤銷於其估計可使用年限按直線法除以其5至30年內的估計使用年限計提。

商標包括KHD Humboldt Wedag International AG (「KHD」) 的品牌名稱，具限定可使用年限並按成本減任何累計減值虧損列賬。由於品牌名稱的賬面值不會隨時間攤銷，故品牌名稱的估計可使用年限為無限期。

商標及特許權須每年作減值檢討，或在發生事件或情況變化顯示潛在減值時，更頻繁作減值檢討。商標及特許權賬面值與可收回金額作對比，而可收回金額為使用價值與公允價值減出售成本的較高者。任何減值均即時確認為開支。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less subsequent amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(a) Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licenses with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives of 5-30 years.

Trademarks include the brand name of KHD Humboldt Wedag International AG (「KHD」) have an indefinite useful life and are carried at cost less any accumulated impairment loss. The estimated useful life of the brand name is indefinite as the carrying value of the brand name will not amortise over time.

Trademarks and licenses impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of Trademarks and licenses are compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense.

4. 主要會計政策概要(續)

4.6 無形資產(續)

(b) 電腦軟件

所購電腦軟件程序初步按收購及投入使用特定軟件所產生的成本確認。有關成本按估計可使用年限5至10年以直線法攤銷。

與開發或維護不會產生未來經濟利益的電腦軟件程序相關的成本於產生時確認為開支。

(c) 專利權

專利權按估計可使用年限10至25年以直線法攤銷。

(d) 海事使用權

海事使用權按10至50年期限以直線法攤銷。

(e) 合約客戶關係

由業務合併獲得的合約客戶關係於收購日期按公允價值確認。合約客戶關係按成本減去累計攤銷及減值列賬。攤銷利用直線法自客戶關係估計年限5至20年後開始計算。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Intangible assets (continued)

(b) Computer software

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

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

(c) Patents

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

(d) Maritime rights of use

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

(e) Contractual customer relationships

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





4. 主要會計政策概要(續)

4.6 無形資產(續)

於報告期間結束時，本集團會審閱其有限可使用年限的無形資產的賬面值，以確定有否任何跡象顯示該等資產蒙受減值虧損。倘存在任何該等跡象，則估計有關資產的可收回金額，以確定減值虧損程度(如有)。無限可使用年限的無形資產及未可使用的無形資產須至少每年及於出現可能減值的跡象時進行減值測試。

無形資產於出售時或預期不會自使用或出售獲得未來經濟利益時終止確認。終止確認無形資產所產生的收益及虧損按該資產的出售所得款項淨額與賬面值之間的差額計量，於該資產終止確認時在損益中確認。

4.7 土地使用權

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

持作自用的土地使用權以成本列賬並以直線法按剩餘租賃期攤銷。

4.8 在建工程

在建工程指興建中的廠房及物業、機器及設備，按成本扣除任何已確認減值虧損列賬。成本包括建築成本、廠房及機器成本，以及於興建或安裝及測試期間用以撥支該等資產的借款的利息支出。當相關資產達致可使用狀態，其成本轉入物業、廠房及設備，並按上述有關政策計算折舊。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Intangible assets (continued)

At the end of the reporting period, the Group reviews the carrying amounts of its intangible assets with finite useful live to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.7 Land use rights

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

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

4.8 Construction-in-progress

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

4. 主要會計政策概要(續)

4.9 非金融資產的減值

於報告期間結束時，本集團會審閱其有限可使用年限的有形及無形資產的賬面值，以確定有否任何跡象顯示該等資產蒙受減值虧損。倘存在任何該等跡象，則估計有關資產的可收回金額，以確定減值虧損程度(如有)。無限可使用年限的無形資產及未可使用的無形資產須至少每年及於出現可能減值的跡象時進行減值測試。

有形及無形資產的可收回金額作個別估計，倘無法個別估計可收回金額時，本集團會估計資產所屬現金產生單位的可收回金額。倘可識別合理及持續的分配基礎，公司資產亦會分配至個別現金產生單位，否則，該等資產會分配至可識別合理及持續分配基礎的最小現金產生單位組別。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.





4. 主要會計政策概要(續)

4.9 非金融資產的減值(續)

可收回金額為公允價值減出售成本與使用價值兩者的較高者。在評估使用價值時，使用稅前貼現率將估計未來現金流量貼現至現值，該比率反映當前市場對貨幣時間價值的評估及尚未調整未來現金流量估計的資產(或現金產生單位)的特定風險。

倘資產(或現金產生單位)的可收回金額估計少於其賬面值，則該資產(或現金產生單位)的賬面值調減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，其後根據該單位各資產的賬面值按比例分配至其他資產。資產的賬面值不得調減至低於其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零(以最高者為準)。原已分配至該資產的減值虧損金額按比例分配到該單位的其他資產。減值虧損即時在損益中確認。

倘其後撥回減值虧損，資產(或現金產生單位)的賬面值會增加至經修訂的估計可收回金額，惟增加後的賬面值不得超過在過往年度並未確認該資產(或現金產生單位)的減值虧損時本應釐定的賬面值。減值虧損撥回即時在損益中確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 主要會計政策概要(續)

4.10 金融工具

金融資產及金融負債於集團實體成為金融工具合同條款的一方時確認。常規方式購買或出售金融資產於交易日期確認及終止確認。常規方式購買或出售為需要於市場規則或慣例制定的時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公允價值計量，惟來自客戶合約的貿易應收款項自2018年1月1日起初步根據國際財務報告準則第15號計量。初步確認時，收購或發行金融資產及金融負債(按公允價值計量且其變動計入損益的金融資產或金融負債除外)直接產生的交易成本計入金融資產或金融負債(如適用)的公允價值或自其公允價值扣除。收購按公允價值計量且其變動計入損益的金融資產或金融負債直接產生的交易成本即時於損益中確認。

實際利率法是指於相關期間計算金融資產或金融負債攤銷成本及分攤利息收入及利息開支的方法。實際利率是指將金融資產或金融負債預計年限或(如適用)更短期間內的估計未來現金收入及付款(包括構成實際利率不可或缺部分的所有已付或已收費用及費率、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) 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 FVTPL are recognised immediately in profit or loss.

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





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產

金融資產分類及其後計量(根據附註3的過渡情況應用國際財務報告準則第9號時)

滿足以下條件的金融資產其後按攤銷成本計量：

- 目的為收取合約現金流量的經營模式下持有的金融資產；及
- 合約條款使於指定日期產生的現金流量純粹為支付本金及未償還本金利息。

所有其他金融資產其後按公允價值計量且其變動計入損益計量，惟在首次應用／初步確認金融資產日期，倘該股本投資並非持作買賣亦非收購方於國際財務報告準則第3號業務合併適用的業務合併中確認的或然代價，則本集團可能不可撤銷地選擇於其他全面收益(「其他全面收益」)中呈列股本投資其後公允價值變動。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 3)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產分類及其後計量(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

倘金融資產屬以下情況，則歸類為持作買賣：

- 主要為於短期內出售而收購；或
- 於初步確認時，屬於本集團集中管理的可辨認金融工具組合的一部分，且近期出現實際短期獲利模式；或
- 屬於未被指定的衍生工具，並有效作為對沖工具。

此外，倘可消除或大幅減少會計錯配，本集團能不可撤銷地將須按攤銷成本或按公允價值計量且其變動計入其他全面收益(「按公允價值計量且其變動計入其他全面收益」)計量的金融資產指定為按公允價值計量且其變動計入損益計量。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 3) (continued)

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income (“FVTOCI”) as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產分類及其後計量(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

- (i) 攤銷成本及利息收入
其後按攤銷成本計量的金融資產使用實際利率法確認利息收入。利息收入是對金融資產賬面總值應用實際利率而計算得出，惟其後出現信用減值的金融資產除外(見下文)。就其後出現信用減值的金融資產而言，利息收入自下一個報告期間起對金融資產攤銷成本應用實際利率進行確認。倘出現信用減值的金融工具的信用風險有所改善，使金融資產不再出現信用減值，利息收入於釐定資產不再出現信用減值後的報告期間開始對金融資產賬面總值應用實際利率進行確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 3) (continued)

- (i) Amortised cost and interest income
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產分類及其後計量(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

- (ii) 按公允價值計量且其變動計入損益的金融資產
不符合按攤銷成本或按公允價值計量且其變動計入其他全面收益或指定為按公允價值計量且其變動計入其他全面收益計量的準則的金融資產，會按公允價值計量且其變動計入損益計量。

按公允價值計量且其變動計入損益的金融資產按各報告期間結束時的公允價值計量，任何公允價值收益或虧損於損益中確認。於損益中確認的收益或虧損淨額不包括該金融資產所賺取的任何股息或利息，並計入「其他收益或虧損」一項。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 3) (continued)

- (ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains or losses” line items.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)

本集團就根據國際財務報告準則第9號計算減值的金融資產(包括現金及現金等價物、抵押銀行存款、貿易及其他應收款項、合約資產、租賃應收款項及財務擔保合約)的預期信用虧損確認虧損撥備。預期信用虧損的金額於各報告日期更新，以反映自初步確認以來的信用風險變動。

全期預期信用虧損指於相關工具預期年限內所有可能發生的違約事件導致的預期信用虧損。相反，12個月預期信用虧損指預期於報告日期後12個月內可能發生的違約事件導致的部分全期預期信用虧損。評估是根據本集團的過往信用虧損經驗進行，並根據債務人的特定因素、整體經濟狀況以及於報告日期對當前狀況及對未來狀況預測的評估作出調整。

本集團就貿易應收款項、合約資產及租賃應收款項確認全期預期信用虧損。該等資產的預期信用虧損對於具有信用減值結餘的債務人進行個別評估，並按餘下債務人的性質及風險水平進行適當分組，使用撥備矩陣法進行集體評估。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including cash and cash equivalents, pledged bank deposits, trade and other receivables, contract assets, lease receivables and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECL on these assets are assessed individually for debtors with credit-impaired balances and collectively using provision matrix method with appropriate groupings by the nature and risk level of the remaining debtors.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

對於所有其他工具，本集團按相等於12個月預期信用虧損的金額計量虧損撥備，除非自初步確認以來信用風險顯著增加，則本集團確認全期預期信用虧損。評估是否應確認全期預期信用虧損是根據自初步確認以來發生違約的可能性或風險顯著增加而定。

- (i) 信用風險顯著增加
於評估自初步確認以來信用風險是否顯著增加時，本集團比較金融工具於報告日期出現違約的風險與金融工具於初步確認日期出現違約的風險。作此評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋需付出不必要成本或努力即可取得的前瞻性資料。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(i) 信用風險顯著增加(續)

特別是，於評估信用風險是否顯著增加時，會考慮以下資料：

- 金融工具外部(倘可獲得)或類似虧損模式的實際或預期顯著惡化；
- 信用風險的外部市場指標顯著惡化，如信用利差、債務人的信用違約掉期價大幅上升；
- 業務、財務或經濟狀況的現有或預測不利變動，預期會大幅削弱債務人履行其債務責任的能力；
- 債務人經營業績的實際或預期顯著惡化；或
- 債務人監管、經濟或技術環境的實際或預期的重大不利變動，大幅削弱債務人履行其債務責任的能力。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or similar loss patterns;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(i) 信用風險顯著增加(續)

不論上述評估的結果如何，本集團假定，當合約付款逾期超過30日時，信用風險已自初步確認以來顯著增加，除非本集團有合理可靠的資料說明信用風險並無顯著增加，則另作別論。

儘管如此，本集團假設在債務工具於報告日期釐定為信用風險較低的情況下，債務工具的信用風險自初步確認以來並無顯著增加。倘i)債務工具的違約風險低，ii)借款人有充足能力於短期內履行其合約現金流量責任及iii)長遠而言的經濟及業務狀況不利變動可能但未必會削弱借款人履行其合約現金流量責任的能力，則債務工具被釐定為信用風險較低。倘債務工具的內部或外部信用評級為按國際通用定義的「投資級別」，本集團認為其信用風險為低。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(i) 信用風險顯著增加(續)

就財務擔保合約而言，本集團成為不可撤回承諾的訂約方當日被視為就評估金融工具減值的初步確認日期。就財務擔保合約而言，本集團考慮特定債務人違約的風險變動。

本集團定期監察用以確定信用風險是否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信用風險顯著增加情況。

(ii) 違約的定義

就內部信用風險管理而言，本集團認為，違約事件在內部制訂或自外部來源取得的資料顯示債務人不大可能向其債權人(包括本集團)悉數還款(未計及本集團所持任何抵押品)時發生。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(i) Significant increase in credit risk (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. For financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(iii) 出現信用減值的金融資產
金融資產在一宗或多宗對其估計未來現金流量構成不利影響的違約事件發生時出現信用減值。顯示金融資產出現信用減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，如欠款或逾期事件；
- (c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由，向借款人批出貸款人在其他情況下不會考慮的優惠；
- (d) 借款人有可能面臨破產或其他財務重組，或
- (e) 因財務困難而導致該金融資產失去活躍市場。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisations, or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(iv) 撇銷政策

倘有資料顯示對手方陷入嚴重財務困難，且並無實際收回款項的可能時(如對手方已進行清盤或已進入破產程序)，則本集團撇銷金融資產。經考慮適當法律意見，已撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回均於損益中確認。

(v) 預期信用虧損的計量及確認

預期信用虧損的計量指違約概率、違約虧損率(即違約時虧損大小)及違約風險的函數。違約概率及違約虧損率根據經前瞻性資料調整的過往數據進行評估。預期信用虧損的估計反映無偏概率加權平均金額，以發生違約的風險為權數進行釐定。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(v) 預期信用虧損的計量及確認(續)

一般而言，預期信用虧損為根據合約應付本集團的所有合約現金流量與本集團預期將收取的按初步確認時釐定的實際利率貼現的現金流量之間的差額。就租賃應收款項而言，用於釐定預期信用虧損的現金流量與根據國際會計準則第17號租賃計量租賃應收款項時使用的現金流量一致。

就財務擔保合約而言，本集團僅需在債務人違約時，根據受擔保工具的條款作出付款。因此，預期虧損為預期償還持有人所產生信用虧損的款項減去本集團預期自持有人、債務人或任何其他方所收取任何金額的現值。

就無法釐定實際利率的財務擔保合同的預期信用虧損而言，本集團將應用反映貨幣時間價值的當前市場評估及特定現金流量風險的貼現率，惟僅在(及受限於)風險通過調整貼現率而非調整貼現現金短缺的情況下適用。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(v) Measurement and recognition of ECL (continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

(v) 預期信用虧損的計量及確認(續)

倘預期信用虧損按集體基準計量或顧及未必可獲個別工具層面的證據的情況，則金融工具按集體基準分組。

- 金融工具性質(即本集團貿易及其他應收款項以及融資租賃應收款項各自作為獨立組別評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信用評級(倘可獲得)

管理層定期檢討分組，以確保各組別的組成部分繼續共享類似信用風險特徵。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the collective basis.

- Nature of financial instruments (i.e. the Group's trade and other receivables and finance lease receivables are each assessed as a separate group;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(根據附註3的過渡情況應用國際財務報告準則第9號時)(續)

- (v) 預期信用虧損的計量及確認(續)

利息收入根據金融資產的賬面總值計算，除非金融資產出現信用減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

就財務擔保合約而言，虧損撥備就根據國際財務報告準則第9號釐定的虧損撥備金額與初步確認金額減(如適用)擔保期內確認的累計收入金額，以兩者中的較高者確認。

本集團通過調整賬面值於損益中確認所有金融工具的減值收益或虧損，惟貿易及其他應收款項以及合約資產於虧損撥賬中確認相應調整。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 3) (continued)

- (v) Measurement and recognition of ECL (continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables, contract assets and where the corresponding adjustment is recognised through a loss allowance account.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於2018年1月1日應用國際財務報告準則第9號前)

金融資產分類為下列特定類別：按公允價值計量且其變動計入損益的金融資產、可供出售金融資產以及貸款及應收款項。有關分類取決於金融資產的性質及目的，並於初步確認時釐定。所有一般金融資產買賣均於交易日／結算日確認及終止確認。一般買賣指須在市場規定或慣例設立的期限內交付資產的金融資產買賣。

- (i) 按公允價值計量且其變動計入損益的金融資產
當金融資產為持作買賣，則會分類為按公允價值計量且其變動計入損益的金融資產。

倘金融資產屬以下情況，則歸類為持作買賣：

- 主要為於短期內出售而收購；或
- 於初步確認時，屬於本集團集中管理的可辨識金融工具組合的一部分，且近期出現實際短期獲利模式；或
- 屬於未被指定的衍生工具，並有效作為對沖工具。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at FVTPL, AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

- (i) Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於2018年1月1日應用國際財務報告準則第9號前)(續)

(i) 按公允價值計量且其變動計入損益的金融資產(續)

按公允價值計量且其變動計入損益的金融資產按公允價值列賬，而重新計量產生的任何收益或虧損於損益中確認。於損益中確認的收益或虧損淨額不包括該等金融資產所賺取的任何股息或利息，並計入「其他收益及虧損」項目。公允價值按附註49所述方式釐定。

(ii) 可供出售金融資產
可供出售金融資產是指定作為可供出售或並未分類為貸款及應收款項或按公允價值計量且其變動計入損益的金融資產的非衍生工具。

當本集團收取股息的權利確立時，可供出售金融資產的股息於損益確認。

本集團所持有分類為可供出售金融資產的股本及債務證券於各報告期間結束時按公允價值計量，惟無報價股本投資的公允價值無法可靠計量。

就於活躍市場並無市場報價且其公允價值無法可靠計量的可供出售金融資產而言，於各報告期間結束時按成本減任何已識別減值虧損計量。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

(i) Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 49.

(ii) AFS financial assets
AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or financial assets at FVTPL.

Dividends on AFS financial assets are recognised in profit or loss when the Group's right to receive the dividends is established.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured.

AFS financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於2018年1月1日應用國際財務報告準則第9號前)(續)

(iii) 貸款及應收款項

貸款及應收款項指於活躍市場並無報價並具固定或可釐定付款的非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、抵押銀行存款以及現金及現金等價物)使用實際利率法按攤銷成本減任何減值計量。

利息收入使用實際利率確認，惟短期應收款項因利息收入不重大而不採用實際利率法確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用國際財務報告準則第9號前)

金融資產(按公允價值計量且其變動計入損益的金融資產除外)於各報告期間結束時評估減值跡象。倘有客觀證據顯示，金融資產於初步確認後出現一宗或多宗影響金融資產估計未來現金流量的事件，則金融資產被視為出現減值。

就可供出售股本投資而言，證券公允價值顯著或長期低於其成本，則被視為客觀減值證據。

就其他金融資產而言，客觀減值證據可包括：

- 發行人或對手方出現重大財務困難；或
- 違約，如拖久或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018)

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial asset, objective evidence of impairment could include:

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





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用國際財務報告準則第9號前)(續)

就若干金融資產類別(例如貿易應收款項)而言,即使資產評定為無個別減值,亦會集體評估減值。應收款項組合的客觀減值證據可包括本集團的過往收款經驗、組合內超過平均信用期的延遲付款數目增加,以及與拖欠應收款項互相關聯的國家或地區經濟狀況出現明顯變動。

就按攤銷成本列賬的金融資產而言,已確認的減值虧損金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

除貿易應收款項的賬面值透過使用撥備賬調減外,所有金融資產的賬面值按減值虧損直接扣減。當貿易應收款項被視為不可收回時,其將於撥備賬內撇銷。撥備賬的賬面值變動會於損益中確認。其後收回先前撇銷的款項則會計入損益。

倘可供出售金融資產被視為已減值,則先前於其他全面收益確認的累計收益或虧損於該期間重新分類至損益。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. 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, as well as 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 estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

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

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用國際財務報告準則第9號前)(續)

就按攤銷成本計量的金融資產而言，倘減值虧損金額於往後期間減少，且該減幅與確認減值虧損後發生的事件有客觀聯繫，則先前確認的減值虧損會透過損益撥回，惟於減值撥回當日的資產賬面值不得超過並無確認減值時所應有的攤銷成本。

就可供出售金融資產而言，先前於損益中確認的減值虧損不會透過損益撥回。減值虧損後任何公允價值的增加均於其他全面收益中確認，並於可供出售金融資產重估儲備中累計。

終止確認金融資產

於資產現金流量的合約權利屆滿時，或金融資產及該資產擁有權的絕大部分風險及回報已轉移予另一實體時，本集團方會終止確認金融資產。

於終止確認按攤銷成本計量的金融資產時，該項資產賬面值與已收及應收代價總和之間的差額於損益中確認。

於終止確認可供出售金融資產時，先前於可供出售重估儲備中累計的累計收益或虧損重新分類至損益。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the 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 AFS financial assets, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of AFS financial assets revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the AFS revaluation reserve is reclassified to profit or loss.





4. 主要會計政策概要(續)

4.10 金融工具(續)

金融負債及股本

分類為債務或股本

債務及股本工具按合約安排的內容以及金融負債及股本工具的定義分類為金融負債或股本。

股本工具

股本工具是證明實體於扣減其所有負債後的資產中擁有剩餘權益的任何合約。本公司發行的股本工具按收取的所得款項扣除直接發行成本確認。

金融負債

所有金融負債其後使用實際利率法按攤銷成本或按公允價值計量且其變動計入損益計量。

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項、借款及其他負債)其後使用實際利率法按攤銷成本計量。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, borrowings and other liabilities) are subsequently measured at amortised cost, using the effective interest method.

4. 主要會計政策概要(續)

4.10 金融工具(續)

金融負債及股本(續)

財務擔保合約

財務擔保合約是要求發行人就償付持有人因指定債務人未能根據債務工具條款支付到期款項所蒙受損失而作出特定付款的合約。財務擔保合約負債初步按其公允價值計量，其後按下列較高者計量：根據國際財務報告準則第9號(自2018年1月1日起)／國際會計準則第37號撥備、或然負債及或然資產(於2018年1月1日應用國際財務報告準則第9號前)釐定的虧損撥備金額；及初步確認金額減(如適用)於擔保期內確認的累計攤銷。

終止確認／大幅修訂金融負債

當(且僅當)本集團的責任獲解除、取消或屆滿時，本集團方會終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之間的差額於損益內確認。

本集團將與借款人交換條款明顯不同的金融負債入賬，以終止原金融負債及確認新金融負債。本集團將對現有金融負債或其中一部分的條款作出的大幅修訂(無論是否歸因於本集團的財務困難)入賬，以終止原金融負債及確認新金融負債。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

Financial liabilities and equity (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of: the amount of the loss allowance determined in accordance with IFRS 9 (since 1 January 2018)/ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (before application of IFRS 9 on 1 January 2018); and the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition/substantial modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.





4. 主要會計政策概要(續)

4.11 永久次級可換股證券

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

4.12 存貨

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

4.13 發展中物業

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Perpetual subordinated convertible securities

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

4.12 Inventories

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

4.13 Properties under development

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

4. 主要會計政策概要(續)

4.13 發展中物業(續)

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

於年末仍未出售的竣工物業以成本及可變現淨值兩者的較低者列賬。成本包括未出售物業應佔的開發成本。

可變現淨值參考於日常業務過程中出售物業的銷售所得款項減去適用可變動銷售開支，或由管理層根據當時市況作出的估計釐定。

倘發展中物業成為業主自用物業，其被重新分類為物業、廠房及設備。未來用作投資物業的發展中物業分類為在建投資物業。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Properties under development (continued)

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

Completed properties remaining unsold at year end are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

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





4. 主要會計政策概要(續)

4.14 借款成本

借款成本如直接歸屬於收購及興建物業、廠房及設備(需經較長時間收購及興建方能達至擬定用途)，在產生資產支出及借款成本以及為使資產達至擬定用途所需收購及興建活動展開時，開始資本化並列賬為該資產的部分成本。借款成本於所收購或興建資產達至擬定用途時停止資本化，其後產生的借款成本於綜合損益表確認。倘物業、廠房及設備的收購或興建發生異常中斷情況，且中斷持續3個月以上，借款成本暫停資本化，直至資產的收購或興建重新開始為止。

就特別為取得合資格資產的借款而言，合資格資本化的借款成本金額為於該期間就有關借款產生的實際借款成本減以該等借款進行臨時投資所獲的任何投資收入。

就與收購、興建及生產合資格資產有關的其他借款而言，合資格資本化的借款成本金額應為已產生實際借款成本與並非由特定借款提供資金的合資格資產金額兩者的較低者乘以資本化率。資本化率為該等借款的加權平均利率。

所有其他借款成本均在產生的期間內於損益確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Borrowing costs

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

For a borrowing that is specifically for the purpose of obtaining a qualifying asset, the amounts of borrowing costs eligible for capitalisation are the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of these borrowings.

For the other borrowings related to acquisition, construction and production of a qualifying asset, the amount of borrowing costs eligible for capitalisation shall be the lower of the actual borrowing costs incurred and the amount of qualifying asset not financed by specific borrowings multiplying capitalisation rate. The capitalisation rate is the weighted average interest rate of these borrowings.

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

4. 主要會計政策概要(續)

4.15 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於綜合損益表確認，惟與於其他全面收益或直接於權益確認的項目有關除外。在此情況下，稅項亦分別於其他全面收益或直接於權益確認。

(a) *即期所得稅*

即期應付稅項以年內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益報表所報「除稅前溢利」不同，因前者不包括在其他年度應課稅或可扣稅的收入或開支項目，亦不包括從未課稅或扣稅的項目。

即期所得稅支出根據本集團營運及產生應課稅收入所在國家於報告期間結束時已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關繳納的稅款設定撥備。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The 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 and other comprehensive income 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 current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.





4. 主要會計政策概要(續)

4.15 即期及遞延所得稅(續)

(b) 遞延所得稅

遞延所得稅就資產及負債的稅基與其於綜合財務報表中載賬面值之間的暫時差額作出確認。然而，倘遞延稅項負債自初步確認商譽產生，則不會予以確認，如遞延所得稅來自交易(業務合併除外)中對資產或負債的初步確認，而交易時會計損益或應課稅損益均不受影響，則不會入賬。遞延所得稅採用在結算日前已頒佈或實質頒佈及在相關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及稅法)釐定。

遞延所得稅就於附屬公司及聯營公司投資產生的暫時差額計提撥備，惟倘本集團可控制暫時差額的撥回時間，且暫時差額在可預見將來有可能不會撥回的遞延所得稅負債則除外。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Current and deferred income tax (continued)

(b) Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策概要(續)

4.15 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

就計量利用公允價值模式計量的投資物業的遞延稅項而言，該等物業的賬面值假設通過銷售全數收回，除非該假設被推翻。當投資物業可予折舊及以目的為隨時間而非透過銷售消耗投資物業所包含絕大部分經濟利益的經營模式下持有，有關假設會被推翻。

於暫時差額有可能於未來撥回及有充足應課稅溢利可用以抵銷暫時差額時，方會就於附屬公司、聯營公司及合營安排的投資產生的可扣稅暫時差額確認遞延所得稅資產。

(c) 抵銷

在有合法強制執行權利將即期稅項資產與即期稅項負債抵銷時，及在遞延所得稅資產及負債與同一稅務機關向同一應課稅實體或不同應課稅實體(如擬按淨額基準結算結餘)徵收的所得稅項有關時，遞延所得稅資產及負債方可抵銷。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

For the purposes 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.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.





4. 主要會計政策概要(續)

4.15 即期及遞延所得稅(續)

(c) 抵銷(續)

即期及遞延稅項於損益確認，除非其與於其他全面收益確認或直接於權益確認的項目相關，於此情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益確認。倘業務合併初步會計處理產生即期稅項或遞延稅項，則稅務影響計入業務合併的會計處理。

4.16 僱員福利

本集團設有多項離職後福利計劃，包括界定福利及界定供款退休金計劃以及離職後醫療計劃。

(a) 退休金責任

界定供款計劃屬退休金計劃，本集團可據此向單獨實體作出固定供款。倘基金並無持有充足資產向全體僱員支付與本期間及過往期間僱員服務有關的利益，本集團並無法定或推定責任進一步作出供款。界定福利計劃為並非屬界定供款計劃的退休金計劃。

一般而言，界定福利計劃確定僱員在退休時可收取的退休福利金額，一般會視乎年齡、服務年資及補償等一個或多個因素而定。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Current and deferred income tax (continued)

(c) Offsetting (continued)

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.

4.16 Employee benefit

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

4. 主要會計政策概要(續)

4.16 僱員福利(續)

(a) 退休金責任(續)

在綜合資產負債表內就有關界定福利退休金計劃確認的負債，為報告期間結束時界定福利責任的現值減計劃資產的公允價值。界定福利責任每年由獨立精算師以預計單位貸記法計算。界定福利責任現值透過將估計未來現金流出貼現釐定，而貼現率採用以支付福利的貨幣計值且到期日與有關退休金責任年期接近的高質素公司債券利率。就有關債券市場規模不大的國家而言，則採用政府債券的市場利率。

界定福利計劃的當期服務成本於綜合損益表僱員福利費用中確認，惟已計入資產成本者除外，以反映本年度僱員服務所產生界定福利責任的增加、福利的變動、縮減及結算。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefit (continued)

(a) Pension obligations (continued)

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.





4. 主要會計政策概要(續)

4.16 僱員福利(續)

- (a) 退休金責任(續)
過往服務成本即時於綜合損益表確認。

利息成本淨值按界定福利責任的結餘淨值及計劃資產的公允價值，以貼現率計算。該成本於綜合損益表中計入僱員福利費用內。

經驗調整所產生的精算收益及虧損以及精算假設變動，於產生期間自其他全面收益的權益中扣除或計入。

就界定供款計劃而言，本集團按強制、合約或自願基準向公營或私營退休金保險計劃作出供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利費用。有關計劃的資產由政府機關持有及管理，並獨立於本集團的資產。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefit (continued)

- (a) Pension obligations (continued)
Past-service costs are recognised immediately in consolidated statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

4. 主要會計政策概要(續)

4.16 僱員福利(續)

(b) 其他離職後責任

若干集團公司向其退休人士提供退休後醫療福利。享有該等福利的權利通常須以僱員於直至退休年齡前一直在任且完成最低服務期間為先決條件。該等福利的預計成本使用與界定福利退休金計劃所用的相同會計方法於僱用期間累計。經驗調整所產生的精算收益及虧損以及精算假設的變動於產生期間自其他全面收益的權益中扣除或計入。該等責任每年由獨立合資格精算師進行評估。

(c) 終止福利及提前退休福利

終止福利為在正常退休日之前本集團終止僱用而應付的款項或員工自願接受裁員以換取的福利。本集團於以下日期的較早者確認終止福利：(i)本集團無法再撤回所提供的福利；及(ii)實體就國際會計準則第37號範疇內的重組確認成本並涉及支付終止福利。於提出鼓勵自願接受裁員的要約情況下，終止福利按預期接納要約的僱員數目計量。於報告期間結束後超過12個月到期應付的福利貼現至其現值。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefit (continued)

(b) Other post-employment obligations

Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits and early retirement benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.





4. 主要會計政策概要(續)

4.16 僱員福利(續)

(d) 短期僱員福利

短期僱員福利按預期於僱員提供服務時支付的福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非另有國際財務報告準則要求或允許將福利納入資產成本。

經扣除任何已付金額的僱員應計福利(例如工資及薪金、年假及病假)會確認為負債。

4.17 研究及開發

研究開支在產生時確認為費用。開發項目(涉及新產品及改良產品的設計和測試)產生的成本在滿足下列條件時確認為無形資產：

- 技術上可行地完成該無形資產以供使用；
- 管理層有意完成並使用或出售該無形資產；
- 有能力使用或出售該無形資產；

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefit (continued)

(d) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS 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.

4.17 Research and development

Research expenditures is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;

4. 主要會計政策概要(續)

4.17 研究及開發(續)

- 可證明該無形資產將可產生未來經濟利益；
- 有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發並使用或出售該無形資產；及
- 歸屬於該無形資產開發階段的開支能可靠計量。

其他不符合該等標準的開發開支在產生時確認為費用。先前已確認為費用的開發成本不會在往後期間確認為資產。已資本化的開發成本列為無形資產，由資產可供使用時起於其估計可使用年限以直線法攤銷。

初步確認後，內部產生的無形資產按成本減累計攤銷及累計減值虧損報告，有關基準與分開購入的無形資產相同。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Research and development (continued)

- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.





4. 主要會計政策概要(續)

4.18 撥備

倘本集團因過往事件而產生現有法定或推定責任；很可能需有資源流出以清償責任；及金額能夠可靠估計，則須就環境復原、虧損合約和法律索償等確認撥備。概不就未來經營虧損確認撥備。

倘有多項類似義務，需於結算時資源流出的可能性按責任類別整體考慮而釐定。即使有關同一責任類別所含任何一個項目的資源流出可能性極低，仍須確認撥備。

撥備使用稅前利率按照預期需清償責任的開支現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間流逝而增加的撥備確認為利息支出。

根據相關貨品銷售法規的保證責任的預期成本於相關產品銷售日期按董事對清償本集團責任所需開支的最佳估計確認撥備。

繁瑣合約項下產生的現時責任確認及計量為撥備。倘本集團為達成合約責任所產生的不可避免成本超逾預期自該合約收取的經濟利益，即視為存在繁瑣合約。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Provisions

Provisions for environmental restoration, loss contracts, legal claims and etc. are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for the expected cost of warranty obligations under the relevant sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)

根據國際財務報告準則第15號，當(或於)本集團履行履約責任時(即與特定履約責任相關的貨品或服務的「控制權」轉移至客戶時)確認收入。

履約責任指獨特貨品及服務(或一組貨品或服務)或一系列大致相同的獨特貨品或服務。

倘符合下列其中一項標準，則控制權隨時間轉移，而收入則參照完全履行相關履約責任的進展情況而隨時間確認：

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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





4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)(續)

否則，收入於客戶獲得個別商品或服務控制權的時間點確認。

合約資產指本集團就換取本集團已向客戶轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據國際財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

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

與合約有關的合約資產及合約負債按淨額基準呈列入賬。

本集團確認來自以下主要來源的收入：

- 平板顯示屏及模組(「FPD」)產品製造與銷售
- 印製電路板(「PCB」)產品製造與銷售

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

The Group recognises revenue from the following major sources:

- Manufacture and sales of flat panel displays and modules ("FPD") products
- Manufacture and sales of printed circuit boards ("PCB") products

4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)(續)

- 製造中高檔腕錶及名貴手錶連鎖店銷售
- 國際工程服務、有關水泥工程及船舶建造業務的EPC項目、貿易物流
- 其他，如物業經營及標準件產品買賣

隨時間確認收入：計量完全履行履約責任的進度

輸入法

就來自EPC項目的收入於完全履行履約責任的進度乃根據輸入法計量，即根據本集團的努力或履行履約責任的總預期輸入確認收入，此最佳反映本集團於轉移商品或服務控制權方面的履約情況。

輸出法

就來自物業經營的收入於完全履行履約責任的進度乃根據輸出法計量，即基於迄今為止向客戶轉移的服務相對於合約下所承諾剩餘服務的價值直接計量，此最佳反映本集團於轉移服務控制權方面的履約情況。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Manufacture of middle to high-end wrist watches and chain store sales of luxury watches
- International engineering service, EPC Projects related to cement engineering and shipping building business, trading and logistics
- Others such as property operation and trading of standard parts products

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

Input method

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

Output method

The progress towards complete satisfaction of a performance obligation on the revenue from the property operation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.





4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)(續)

可變代價

對於包含可變代價的船舶建造合約，本集團使用(a)預期價值法或(b)最可能金額(視乎何種方法能讓本集團較準確預測其有權獲得的代價金額而定)以估計其有權獲得的代價金額。

只有於可變代價相關不明朗因素其後解決時，可變代價計入交易價格不大可能導致日後出現大額收入撥回，估計可變代價金額方會計入交易價格。

於各報告期間結束時，本集團使用最可能的金額更新所估計交易價格(包括更新其對可變代價估計是否受限的評估)，以忠實呈列報告期間結束時存在的情況以及於報告期間的情況變化。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Variable consideration

For shipping building contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price using the most likely amount (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)(續)

委託人與代理人

當另一方參與向貿易物流業務客戶提供商品或服務，本集團會釐定其承諾的性質是否為提供指定商品或服務本身的履約責任(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為委託人。

倘本集團的履行責任為安排另一方提供指定的商品或服務，則本集團為代理人。於此情況下，在將商品或服務轉讓予客戶之前，本集團不會控制另一方提供的指定商品或服務。當本集團為代理人時，須就為換取另一方安排提供的指定商品或勞務預期有權取得的任何收費或佣金金額確認收入。

保證

客戶不可選擇單獨購買一項保證。本集團按照國際會計準則第37號撥備、或然負債及或然資產將保證入賬，除非該項保證在除了保證產品符合協定的規格外亦為客戶提供一項服務(即服務型擔保)。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Principal versus agent

When another party is involved in providing goods or services to a customer in trading and logistics business, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Warranties

The customer does not have the option to purchase a warranty separately. The Group accounts for the warranty in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets unless the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications (i.e. service-type warranties).





4. 主要會計政策概要(續)

4.19 來自客戶合約的收入(根據附註3的過渡性應用國際財務報告準則第15號)(續)

獲得合約的增量成本

獲得合約的增量成本指本集團與客戶訂立合約產生的佣金，倘未獲得該合約，則不會產生有關佣金。

倘預期可收回有關成本(銷售佣金)，則本集團確認該等成本為一項資產。有關資產隨後按與向客戶轉讓該資產相關的貨品或服務一致的有系統地於損益攤銷。該資產須進行減值審查。

倘增量成本將在一年內悉數於損益攤銷，則本集團將應用可行的權宜方法，於該等成本發生時計入提益。

4.20 收入確認(於2018年1月1日前)

收入按已收或應收代價的公允價值計量，為就供應貨品應收的金額，並於扣除回扣及增值稅後列賬。倘收入金額能可靠計量；未來經濟利益可能流入實體；及本集團每項業務均符合具體標準時(如下文所述)，本集團將確認收入。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的具體情況作出估計。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those commissions that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

4.20 Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

4. 主要會計政策概要(續)

4.20 收入確認(於2018年1月1日前) (續)

- (a) 銷售貨品
銷售貨品在本集團實體已將貨品交付予客戶，而客戶已接收貨品且可合理確保有關應收款項能夠收回時確認。
- (b) 合約收入
個別建築合約收入採用「完成百分比法」確認。

倘建築合約結果能可靠估計，則於報告期間結束時參考合約活動完工階段確認收入及成本，並按迄今為止所進行工程產生的合約成本與估計總合約成本有關的比例計量。合約工程修改、申索及獎勵金計入合約收入，以能可靠計量且有可能收回其收款的金額為限。

倘建築合約結果不能可靠估計，則合約收入僅就可能收回的已產生合約成本予以確認。合約成本於其產生期間確認為支出。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Revenue recognition (prior to 1 January 2018) (continued)

- (a) *Sale of goods*
Sale of goods are recognised when a Group entity has delivered products to the customer. The customer has accepted the products and collectability of the related receivables is reasonably assured.
- (b) *Contract revenue*
Revenue from individual construction contracts is recognised by using the “percentage of completion method”.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.





4. 主要會計政策概要(續)

4.20 收入確認(於2018年1月1日前) (續)

- (b) 合約收入(續)
倘合約總成本將超過合約總收入，則預期虧損即時確認為開支。

倘迄今已產生合約成本加已確認溢利減已確認虧損超過進度付款，則超出數額列作應收客戶合約工程款項。就進度付款超過迄今已產生合約成本加已確認溢利減已確認虧損的合約而言，超出金額列作應付合約工程客戶款項。於進行有關工程前收取的款項乃於綜合財務狀況表計作負債，列為已收墊支。就已進行工程發出賬單惟客戶尚未支付的款項而言，計入綜合財務狀況表的貿易及其他應收款項。

- (c) 租賃收入
按經營租約出租的投資物業所得租賃收入以直線法於租賃期在綜合損益表內確認。
- (d) 服務收入
提供服務的收入在提供服務的會計期間確認。
- (e) 利息收入
利息收入採用實際利率法按時間比例基準確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Revenue recognition (prior to 1 January 2018) (continued)

- (b) Contract revenue (continued)
When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

- (c) Rental income
Rental income from investment properties leased out under an operating lease is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.
- (d) Services income
Revenue from rendering of services is recognised in the accounting period in which the services are rendered.
- (e) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

4. 主要會計政策概要(續)

4.20 收入確認(於2018年1月1日前) (續)

- (f) 股息收入
股息收入在收取款項的權利確定時確認。

4.21 股息分派

向本公司股東分派的股息在股息獲本公司股東批准(如適用)的期間內於本集團及本公司財務報表內確認為負債。

4.22 政府補貼

當能夠合理地保證可收取政府補貼，而本集團將會符合所有附帶條件時，政府提供的補貼將按其公允價值確認。

與成本有關的政府補貼遞延入賬，並按擬補償的成本配合所需期間在綜合損益表中確認。

與物業、廠房及設備有關的政府補貼列入非流動負債，作為政府補貼遞延收入，並按有關資產的預計年限以直線法計入綜合損益表。

按低於市場利率計息的政府貸款利益被視為政府補貼，並按已收所得款項與根據現行市場利率計算的貸款公允價值之間的差額計量。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Revenue recognition (prior to 1 January 2018) (continued)

- (f) Dividend income
Dividend income is recognised when the right to receive payment is established.

4.21 Dividend distribution

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

4.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income on government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.





4. 主要會計政策概要(續)

4.23 租賃

- (a) 倘本集團為出租人
- 融資租賃
- 融資租賃為將出租資產擁有權附帶的絕大部分風險和回報轉讓予承租人的租賃。於租賃期開始時，本集團將其可收取的最低租賃付款確認為融資租賃應收款項，並同時將無擔保剩餘價值列賬為資產。以下兩者(a)最低租賃付款與無擔保剩餘價值之和與(b)該等款項的現值(於綜合資產負債表中作為融資租賃應收款項淨額呈列)之間的差額確認為未賺取融資收入。最低租賃付款為承租人須或可能須於租賃期作出的付款加承租人(或與該承租人有關聯或無關聯的訂約方)向出租人擔保的任何剩餘價值。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Leases

- (a) Where the Group is the lessor
- Finance lease
- A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At the commencement of the lease term, the Group recognises the minimum lease payments receivable by the Group as a finance lease receivable and records the unguaranteed residual value as an asset at the same time. The difference between (a) the aggregate of the minimum lease payments and the unguaranteed residual value and (b) their present value (presented in the consolidated balance sheet as finance lease receivable, net) is recognised as unearned finance income. Minimum lease payments are the payments over the lease term that the lessee is or can be required to make plus any residual value guaranteed to the lessor by the lessee, or a party related or unrelated to the lessee.

4. 主要會計政策概要(續)

4.23 租賃(續)

- (a) 倘本集團為出租人(續)
 融資租賃(續)
 未賺取融資收入使用於各會計期間對融資收入及資本還款進行分配的精算法分配至租賃期各期間，致使融資收入就出租人於租賃的淨投資按固定定期回報率(隱含實際利率)確認。基本租金基於浮動利率的租賃協議，按租賃期開始時存在的浮動利率計入最低租賃付款；其後浮動利率變動所致租賃付款的任何增加或減少屬或然租金，並於利率變動期間入賬為租賃收入的增加或減少。

經營租賃

擁有權大部分風險和回報由本集團保留的租賃分類為經營租賃。根據經營租賃自承租人收取的付款於扣除給予承租人的任何獎勵金後，於租賃期內以直線法在綜合損益表確認。

- (b) 倘本集團為承租人
 擁有權大部分風險和回報由出租人保留的租賃分類為經營租賃。根據經營租賃作出的付款於扣除自出租人收取的任何獎勵金後，於租賃期內以直線法在綜合損益表扣除。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Leases (continued)

- (a) Where the Group is the lessor (continued)
 Finance lease (continued)
 Unearned financial income is allocated to each period during the lease term using actuarial method that allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income is recognised as a constant periodic rate of return (implicit effective interest rate) on the lessor's net investment in the lease. Lease agreements for which the base rent is based on floating interest rates are included in minimum lease payments based on the floating interest rate existing at the commencement of the lease; any increase or decrease in lease payments that result from subsequent changes in floating interest rate are contingent rentals and are recorded as an increase or a decrease in lease revenue in the period of the interest rate change.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. Payments received from lessees under operating leases (net of any incentives grant to the lessee) are recognised in the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

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





5. 關鍵會計估計及判斷

估計及判斷會持續予以評估，並以過往經驗及其他因素(包括在某些情況下被視為對未來事件的合理預計)為依據。

(a) 商譽減值

本集團每年或於出現減值跡象時測試商譽有否出現任何減值。商譽獲分配的現金產生單位的可收回金額已按使用價值計算釐定(附註23)。估計未來現金流量預測時，管理層對收入增長率、毛利率及貼現率作出假設。對該等關鍵假設合理可能變動的影響於附註23解釋。截至2018年12月31日止年度，已確認商譽減值人民幣418,628,000元。

(b) EPC項目的收入

本集團EPC項目的收入在某一段時間內按輸入法釐定的履約進度確認收入。根據管理層的最佳估計，EPC項目的履約進度及虧損合同的確認須由EPC項目的合約預算以及合約收入及估計總成本的合理估計釐定。倘合約成本可能超出合約收入，則虧損於相關期間確認。由於與EPC項目相關的活動性質，故在其進行過程中，本集團須就編製各EPC項目預算進行持續評估及修訂。於該修訂進行期間，該修訂可能會對與EPC項目有關的收入、溢利以及其他項目造成影響。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of goodwill

The Group tests goodwill for impairment annually or whenever there is an indication of impairment. The recoverable amount of cash-generating units to which the goodwill is allocated is determined based on value-in-use calculations (Note 23). In estimating the future cash flow forecasts, management makes assumptions on the revenue growth rates, gross margins and the discount rates. Effects of reasonable possible changes on these key assumptions are explained in Note 23. An impairment of goodwill of RMB418,628,000 was recognised during the year ended 31 December 2018.

(b) Revenue from EPC projects

Revenue from EPC projects of the Group is recognised over time, and the Group recognises revenue based on the performance progress which is determined by input method during the contract period. The performance progress of EPC projects and recognition of onerous contracts shall be determined by the contractual budget of EPC projects and a reasonable estimate of the contract revenue and estimated total cost, which are based on management's best estimation. If the contract costs are likely to exceed the contract revenue, losses are recognised in relevant period. Due to the nature of activities associated with EPC projects, the Group has to continuously review and revise budget prepared for each EPC project when it is in progress. Revision may have effect on revenue, profit and other items related to the EPC projects during the period where revision incurred.

5. 關鍵會計估計及判斷(續)

(c) 貿易應收款項及合約資產的預期信用虧損撥備

本集團使用撥備矩陣及個別評估計算貿易應收款項及合約資產的預期信用虧損。撥備矩陣以與各債務人分組相似的虧損模式為基準。撥備率乃基於本集團的歷史違約率而定，經考慮毋須付出不必要成本或努力即可取得的合理可靠的前瞻性資料。於各報告日期，在考慮前瞻性資料變動的情況下，歷史可觀察的違約率將重新評估。此外，出現信用減值的貿易應收款項及合約資產會個別進行預期信用虧損評估。釐定貿易應收款項及合約資產是否出現信用減值乃基於是否發生對估計未來現金流量造成負面影響的一項或多項違約事件。

有關預期信用虧損以及本集團貿易應收款項及合約資產的資料分別於附註49、27及28披露。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(c) Provision of ECL for trade receivables and contract assets

The Group uses provision matrix and individual assessment to calculate ECL for the trade receivables and contract assets. The provision matrix is based on similar loss patterns as groupings of various debtors. The provision rates are based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. Trade receivables and contract assets with credit-impaired are assessed for ECL individually. Determining whether trade receivables and contract assets are credit-impaired is based on evidence that one or more events of default that have a detrimental impact on the estimated future cash flows have occurred.

The information about the ECL and the Group's trade receivables and contract assets are disclosed in Notes 49, 27 and 28, respectively.





5. 關鍵會計估計及判斷(續)

(d) 物業、廠房及設備減值

物業、廠房及設備按成本減累計折舊列賬。倘發生事件或情況有變顯示可能無法收回賬面值，則就減值審閱該等賬面值。所確認的減值虧損為資產賬面值超過其可收回金額的數額。可收回金額為資產公允價值減銷售成本與使用價值兩者中的較高者。於估計資產的可收回金額時，將作出多項假設，包括與資產有關的未來現金流量、折舊及貼現率。倘未來事件與有關假設並未相符，將需修訂可收回金額，而此舉可能對本集團的經營業績或財務狀況構成影響。管理層認為毋須就截至2018年12月31日止年度的物業、廠房及設備的賬面值計提額外減值支出。

(e) 存貨撇減

於釐定陳舊及滯銷存貨的減值金額時，本集團將評估客戶訂單、存貨賬齡分析，並將存貨的賬面值與其各自可變現淨值作比較。於釐定有關減值時須作出大量判斷。倘影響存貨可變現淨值的條件惡化，則可能須作出額外撥備。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(d) Impairment of property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the assets and depreciation and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position. Management considered that there was no extra impairment charge required to be made to the carrying value of property, plant and equipment for the year ended 31 December 2018.

(e) Write-down of inventories

In determining the amount of impairment required for obsolete and slow-moving inventories, the Group would evaluate customers' orders, ageing analysis of inventories and compare the carrying amount of inventories to their respective net realisable value. A considerable amount of judgment is required in determining such impairment. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required.

5. 關鍵會計估計及判斷(續)

(f) 所得稅及遞延稅項

於釐定所得稅撥備時須作出重大判斷。在日常業務過程中，許多交易及計算的最終釐定並不確定。倘該等事項的最終稅務結果與最初記錄金額不同，則該差異將影響作出釐定期間的所得稅及遞延稅項撥備。

當管理層認為未來應課稅溢利有可能出現可用作抵銷暫時性差異或可動用稅項虧損時，若干暫時性差異及稅項虧損有關的遞延稅項資產會予以確認。實際使用結果可能不同。

(g) 投資物業估值

本集團的若干投資物業位於無活躍房產市場的區域，於此情況下，公允價值使用現金流量貼現法估計，其中包括多項主要假設，包括市場租金、佔用率及貼現率。假設須運用判斷及估計。倘預期與最初估計不同，則該差異將於估計改變期間影響投資賬面值及投資物業公允價值收益／虧損。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(f) Income taxes and deferred taxation

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(g) Investment property valuation

The Group's certain investment properties are located in areas where there are no active property market, in such cases, the fair value is estimated by discounted cash flow method, which involves a number of key assumptions, including market rents, occupancy rates and discounts rates. The assumptions require the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of investment and fair value gain/loss on investment property in the period in which such estimate has been changed.





6. 收入

A. 截至2018年12月31日止年度
(a) 來自客戶合約的收入明細

6. REVENUE

A. For the year ended 31 December 2018
(a) Disaggregation of revenue from contracts with customers

		截至2018年12月31日止年度 For the year ended 31 December 2018			
		電子 高科技產品	零售 與消費品	國際工程 與貿易物流	其他
		High-tech Electronic Products	Retails and Consumer Products	International Engineering & Logistics	Others
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
分部	Segments				
貨品或服務種類	Types of goods or services				
銷售貨品	Sales of goods				
- FPD	- FPD	28,527,368	-	-	-
- PCB	- PCB	7,350,149	-	-	-
- 鐘錶	- Watches	-	3,264,023	-	-
- 國際工程服務貿易及 標準件產品貿易	- trading under international engineering services and trading of standard parts products	-	-	4,480,527	496,700
		35,877,517	3,264,023	4,480,527	496,700
工程	Construction	-	-	9,517,229	-
物業銷售	Sale of properties	-	-	204,434	-
提供服務	Provision of services	-	-	768,597	210,976
總計	Total	35,877,517	3,264,023	14,970,787	707,676
地區市場	Geographical markets				
中國內地	Mainland China	27,704,891	3,186,166	5,204,626	605,448
香港	Hong Kong	507,872	52,666	282,452	-
歐美	Europe and America	3,813,764	5,753	2,442,913	102,228
東亞及東南亞	East Asia and Southeast Asia	3,533,321	19,235	2,309,155	-
非洲	Africa	-	-	2,617,766	-
其他	Others	317,669	203	2,113,875	-
總計	Total	35,877,517	3,264,023	14,970,787	707,676
收入確認時間	Timing of revenue recognition				
在某一時點確認	A point in time	35,877,517	3,264,023	4,684,961	496,700
在某一時間段確認	Over time	-	-	10,285,826	210,976
來自客戶合約的 收入總額	Total revenue from contracts with customers	35,877,517	3,264,023	14,970,787	707,676

6. 收入(續)

A. 截至2018年12月31日止年度(續)

(a) 來自客戶合約的收入明細(續)

來自客戶合約的收入與分部資料所披露的金額對賬載列如下。

6. REVENUE (continued)

A. For the year ended 31 December 2018

(continued)

(a) Disaggregation of revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amount disclosed in the segment information.

截至2018年12月31日止年度

For the year ended 31 December 2018

		分部收入 Segment revenue 人民幣千元 RMB'000	調整及對銷 Adjustments and eliminations 人民幣千元 RMB'000	綜合 Consolidated 人民幣千元 RMB'000
來自客戶合約的收入	Revenue from contracts with customers			
電子高科技產品	High-tech Electronic Products	35,877,517	-	35,877,517
零售與消費品	Retails and Consumer Products	3,264,023	(5,883)	3,258,140
國際工程與貿易物流	International Engineering and Trading & Logistics	14,970,787	(884,869)	14,085,918
其他	Others	707,676	-	707,676
		54,820,003	(890,752)	53,929,251
租賃收入	Rental income			
電子高科技產品	High-tech Electronic Products	48,486	-	48,486
零售與消費品	Retails and Consumer Products	118,324	-	118,324
國際工程與貿易物流	International Engineering and Trading & Logistics	105,383	-	105,383
其他	Others	88,922	-	88,922
		361,115	-	361,115
分部收入總額	Total segment revenue	55,181,118	(890,752)	54,290,366





6. 收入(續)

A. 截至2018年12月31日止年度(續)

- (b) 客戶合約的履約責任
銷售FPD及PCB產品(收入在某一時點確認)
銷售FPD及PCB產品的收入於產品獲客戶接收, 且有關應收款項的可收回性可合理獲得保證確保時確認。

銷售鐘錶(收入在某一時點確認)

就銷售鐘錶至批發市場而言, 收入於貨品控制權轉移時確認, 即貨品已出貨至批發商的指定地點。於交付後, 批發商全權酌情決定分銷方式及貨品銷售價格, 在銷售貨品時承擔主要責任, 並承擔與貨品有關的陳舊及損失的風險。

就銷售鐘錶至零售客戶而言, 收入於貨品控制權轉移時確認, 即客戶在零售店購買貨品時。

就互聯網銷售而言, 收入於貨品控制權轉移至客戶時確認, 即貨品交付予客戶時。當貨品已出貨至客戶的指定地點時, 將進行交付。

當客戶取得該資產的控制權時, 資產予以轉移。

6. REVENUE (continued)

A. For the year ended 31 December 2018

(continued)

- (b) *Performance obligations for contracts with customers*

Sales of FPD and PCB products (revenue recognised at a point in time)

Revenue from sales of FPD and PCB products is recognised at a point in time when the products have been accepted by the customer and collectability of the related receivables is reasonably assured.

Sales of watches (revenue recognised at a point in time)

For sales of watches to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location. Following the delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of watches to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet.

For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

An asset is transferred when the customer obtains control of that asset.

6. 收入(續)

A. 截至2018年12月31日止年度(續)

(b) 客戶合約的履約責任(續)

工程(收入在某一時間段確認)

EPC項目的收入在一段時間內確認。就國際工程服務及水泥業務的建築合約而言，本集團的履約創建及提升客戶於本集團履約時所控制的資產。就船舶建造合約而言，本集團並無就按照客戶訂單建造的特定資產作替代用途，而本集團根據合約條款擁有強制執行收取迄今為止就所完成的履約部分款項的權利。該等建築服務的收入根據合約完工階段使用輸入法確認。

國際工程貿易及標準件產品貿易工程(收入在某一時點確認)

國際工程貿易服務及標準件產品貿易的收入於貨品已出貨至客戶指定地點的時間點確認。

物業銷售(收入在某一時點確認)

物業銷售的收入於已竣工物業轉移至客戶的時間點確認，即客戶取得已竣工物業的控制權時，且本集團擁有付款及可能收取代價的現時權利。

6. REVENUE (continued)

A. For the year ended 31 December 2018

(continued)

(b) Performance obligations for contracts with customers(continued)

Construction (revenue recognised over time)

Revenue from EPC projects is recognised over time. For construction contracts under international engineering services and cement business, the Group's performance creates and enhances an asset that the customer controls as the Group performs. For shipping building contracts, the Group does not have an alternative use for the specialised assets which are built to customers' order and the Group has an enforceable right to payment for performance completed to date in accordance with the terms of contracts. Revenue is recognised for these construction services based on the stage of completion of the contract using input method.

Trading under international engineering services and trading of standard parts products Construction (revenue recognised at a point in time)

Revenue from trading under international engineering services and trading of standard parts products are recognised at a point in time when the goods have been shipped to the customer's specific location.

Sale of properties (revenue recognised at a point in time)

Revenue from sales of properties is recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.





6. 收入(續)

A. 截至2018年12月31日止年度(續)

(b) 客戶合約的履約責任(續)

提供服務(收入在某一時間段確認)

物業營運及物流服務的收入在某一時間段確認，因為客戶在本集團履約時同時收到並消耗本集團履約所提供的利益。完成履約責任的進度乃根據輸出法計量。

(c) 分配至客戶合約的餘下履約責任的交易價格

於2018年12月31日，分配至餘下履約責任的交易價格(未履行或部分未履行)及確認收入的預計時間如下：

		銷售貨品 Sales of goods 人民幣千元 RMB'000	工程 Construction 人民幣千元 RMB'000	物業銷售 Sale of properties 人民幣千元 RMB'000	提供服務 Provision of services 人民幣千元 RMB'000
一年內	Within one year	2,341,736	10,977,331	256,490	9,216
超過一年但不超過兩年	More than one year but not more than two years	1,828,715	6,586,497	24,909	7,330
超過兩年	More than two years	-	4,128,087	-	30,530
		4,170,451	21,691,915	281,399	47,076

上文披露的該等金額並不包括分配至履約責任的交易價格，由於可變代價受限制，該等交易價格獲償付但尚未確認。

6. REVENUE (continued)

A. For the year ended 31 December 2018 (continued)

(b) Performance obligations for contracts with customers(continued)

Provision of services (revenue recognised over time)

Revenue from property operation and logistics services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on output method.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

6. 收入(續)

- B. 截至2017年12月31日止年度
本集團來自持續經營業務的本年度收入分析如下：

6. REVENUE (continued)

- B. For the year ended 31 December 2017
An Analysis of the Group's revenue for the year from continuing operations is as follows:

		2017年 2017 人民幣千元 RMB'000 經重列 Restated
銷售貨品	Sale of goods	38,689,549
來自建築合約的收入	Revenue from construction contracts	6,806,673
租賃收入	Rental income	351,422
服務收入	Services income	206,726
其他	Others	222,319
綜合損益表收入總額	Total revenue per consolidated statement of profit or loss	46,276,689

7. 經營分部

本公司董事會為主要經營決策者。管理層根據董事會審閱的報告(用以作出策略性決定)釐定經營分部。

於過往年度，本集團基於四個業務分部呈報其主要分部資料，包括：(i)電子高科技產品－FPD及PCB；(ii)零售與消費品；(iii)地產；(iv)貿易物流。

於本年度，為更有意義地呈列本集團的業務營運，管理層已改變向主要營運決策者匯報資料的呈列方式，與本集團的長遠策略保持一致，以向分部分配資源及評估分部表現。

7. OPERATING SEGMENT

The chief operating decision-makers have been identified as the board of directors of the Company. Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

In previous years, the Group reported its primary segment information based on four business segments, including: (i) High-tech Electronic Products – FPD and PCB; (ii) Retail and Consumer Products; (iii) Real Estate; (iv) Trading and Logistics.

During the current year, management has changed the presentation of the information reported to the chief operating decision makers to provide a more meaningful presentation of its business operations, consistent with the Group's long-term strategy and for the purpose of allocating resources to the segments and assessing the performance of the segments.





7. 經營分部(續)

本集團重新劃分為下列三個業務分部：

- 電子高科技產品：
 - FPD產品製造與銷售
 - PCB產品製造與銷售
- 零售與消費品 – 中高檔手錶製造及世界名錶連鎖銷售
- 國際工程及貿易物流 – 國際工程服務、有關水泥工程及船舶建造業務的EPC項目、貿易物流。

酒店業務及標準件產品銷售歸入其他分部，原因是該等業務並未達到獨立呈報的定量下限。

董事會根據溢利評估經營分部表現。

所有資產及負債均分配至經營分部，且並無未分配企業資產及負債。

分部間收入根據訂約雙方協商的條款及條件釐定。

7. OPERATING SEGMENT (continued)

The Group is reorganised into the three business segments below:

- High-tech Electronic Products:
 - Manufacture and sales of FPD products
 - Manufacture and sales of PCB products
- Retails and Consumer Products – manufacture of middle to high-end wrist watches and chain store sales of luxury watches
- International Engineering and Trading & Logistics – international engineering service, EPC projects related to cement engineering and shipping building business, trading and logistics.

The hotel business and sales of standard parts products are included in other segments as they do not meet the quantitative threshold of separation.

The board assesses the performance of the operating segments based on the profit.

All assets and liabilities are allocated to operating segments and no unallocated corporate assets and liabilities.

Inter-segment revenue are carried out according to the terms and conditions agreed by both parties.

7. 經營分部(續)

向董事會提供截至2018年及2017年12月31日止年度可報告分部的分部資料如下：

本集團的分部資料分析如下：

7. OPERATING SEGMENT (continued)

The segment information provided to the board of directors for the reportable segments for the years ended 31 December 2018 and 2017 are as follows:

An analysis of the Group's segment information is as follows:

截至2018年12月31日止年度
Year ended 31 December 2018

		FPD產品 製造與銷售 Manufacture and sales of FPD products 人民幣千元 RMB'000	PCB產品 製造與銷售 Manufacture and sales of PCB products 人民幣千元 RMB'000	零售與 消費品 Retails and consumer products 人民幣千元 RMB'000	國際工程與 貿易物流 International engineering and trading & logistics 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
來自外部客戶的收入	Revenue from external customers	28,537,031	7,388,972	3,376,464	14,191,301	796,598	54,290,366
分部間收入	Inter-segment revenue	-	-	5,883	884,869	-	890,752
分部業績*	Segment results*	1,032,015	775,132	210,148	(459,670)	(37,574)	1,520,051
其他收入(附註8)	Other income (Note 8)	1,141,947	76,538	37,369	66,979	19,936	1,342,769
其他收益及虧損(附註9)	Other gains and losses (Note 9)	116,790	(2,080)	(181)	(83,520)	99,423	130,432
投資物業公允價值收益(附註22)	Fair value gain on investment properties (Note 22)	771	127	6,836	204,749	3,997	216,480
減值虧損，扣除撥回(附註11)	Impairment losses, net of reversal (Note 11)	(491,154)	(24,715)	2,973	(591,720)	(2,780)	(1,107,396)
商譽減值(附註23)	Impairment of goodwill (Note 23)	-	-	-	(191,521)	(227,107)	(418,628)
經營溢利	Operating profit	1,800,369	825,002	257,145	(1,054,703)	(144,105)	1,683,708
融資成本淨額(附註10)	Finance costs, net (Note 10)	(842,142)	(40,839)	(25,996)	(281,511)	(36,332)	(1,226,820)
應佔合營企業及聯營公司業績	Share of results of joint ventures and associates	(7,817)	(224)	1,002	89,502	203,676	286,139
所得稅開支(附註12)	Income tax expense (Note 12)	(35,825)	(80,254)	(49,071)	(220,113)	(6,259)	(391,522)
本年度溢利/(虧損)	Profit/(loss) for the year	914,585	703,685	183,080	(1,466,825)	16,980	351,505
-物業、廠房及設備折舊(附註13)	- Depreciation of property, plant and equipment (Note 13)	2,980,943	370,019	30,556	152,142	59,320	3,592,980
-土地使用權攤銷(附註13)	- Amortisation of land use rights (Note 13)	43,538	5,763	733	9,852	8,133	68,019
-無形資產攤銷(附註13)	- Amortisation of intangible assets (Note 13)	48,645	4,493	4,915	38,888	238	97,179
-陳舊存貨撥備(附註13)	- Provision for inventory obsolescence (Note 13)	110,716	29,143	6,504	(7,528)	3,438	142,273





7. 經營分部(續)

本集團的分部資料分析如下：(續)

7. OPERATING SEGMENT (continued)

An analysis of the Group's segment information is as follows: (continued)

截至2017年12月31日止年度
Year ended 31 December 2017

		FPD產品 製造與銷售 Manufacture and sales of FPD products 人民幣千元 RMB'000 經重列 Restated	PCB產品 製造與銷售 Manufacture and sales of PCB products 人民幣千元 RMB'000	零售與 消費品 Retail and consumer products 人民幣千元 RMB'000	國際工程與 貿易物流 International engineering and trading & logistics 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
來自外部客戶的收入	Revenue from external customers	23,483,026	5,502,534	3,322,928	13,239,645	728,556	46,276,689
分部間收入	Inter-segment revenue	-	-	3,788	71,668	-	75,456
分部業績*	Segment results*	1,365,001	523,425	193,120	(415,334)	(54,611)	1,611,601
其他收入(附註8)	Other income (Note 8)	999,053	101,839	34,581	61,954	6,231	1,203,658
其他收益及虧損(附註9)	Other gains and losses (Note 9)	(18,110)	(15,747)	6,933	448,460	71,295	492,831
投資物業公允價值收益(附註22)	Fair value gain on investment properties (Note 22)	4,955	1,244	104,951	57,221	4,248	172,619
經營溢利	Operating profit	2,350,899	610,761	339,585	152,301	27,163	3,480,709
融資成本淨額(附註10)	Finance costs, net (Note 10)	(666,218)	(101,377)	(39,992)	(457,955)	(92,008)	(1,357,550)
應佔合營企業及聯營公司業績	Share of results of joint ventures and associates	(37,943)	(223)	456	233,965	31,362	227,617
所得稅開支(附註12)	Income tax expense (Note 12)	(150,960)	(55,065)	(75,617)	(227,539)	(6,647)	(515,828)
本年度溢利/(虧損)	Profit/(loss) for the year	1,495,778	454,096	224,432	(299,228)	(40,130)	1,834,948
- 物業、廠房及設備折舊(附註13)	- Depreciation of property, plant and equipment (Note 13)	2,409,576	274,805	32,719	184,518	72,852	2,974,470
- 土地使用權攤銷(附註13)	- Amortisation of land use rights (Note 13)	29,761	5,763	732	18,978	7,737	62,971
- 無形資產攤銷(附註13)	- Amortisation of intangible assets (Note 13)	46,822	3,943	5,029	34,437	212	90,443
- 壞賬撥備(附註13)	- Provision for bad debts (Note 13)	265,808	7,142	11,840	53,229	10,854	348,873
- 陳舊存貨撥備(附註13)	- Provision for inventory obsolescence (Note 13)	133,225	9,808	50,587	56,026	3,578	253,224
- 應收客戶合約工程款項撥備(附註13)	- Provision for amounts due from customers for contract work (Note 13)	-	-	-	54,245	-	54,245

* 分部業績指毛利扣除銷售費用及行政開支。

* Segment results represent gross profit deduct distribution costs and administrative expenses.

7. 經營分部(續)

本集團的分部資料分析如下：(續)

7. OPERATING SEGMENT (continued)

An analysis of the Group's segment information is as follows: (continued)

於2018年12月31日
As at 31 December 2018

		FPD產品 製造與銷售 Manufacture and sales of FPD products 人民幣千元 RMB'000	PCB產品 製造與銷售 Manufacture and sales of PCB products 人民幣千元 RMB'000	零售與 消費品 Retails and consumer products 人民幣千元 RMB'000	國際工程與 貿易物流 International engineering and trading & logistics 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	62,796,966	7,733,695	3,706,237	23,158,925	1,507,912	98,903,735
使用權益法入賬的投資	Investments accounted for using the equity method	32,268	4,961	44,881	925,886	1,375,564	2,383,560
總資產	Total assets	62,829,234	7,738,656	3,751,118	24,084,811	2,883,476	101,287,295
總負債	Total liabilities	35,328,345	4,487,740	1,082,816	21,244,487	459,129	62,602,517
資本性開支	Capital expenditure	7,298,483	1,123,505	129,652	159,599	54,005	8,765,244

於2017年12月31日
As at 31 December 2017

		FPD產品 製造與銷售 Manufacture and sales of FPD products 人民幣千元 RMB'000	PCB互聯產品 製造與銷售 Manufacture and sales of PCB products 人民幣千元 RMB'000	零售與 消費品 Retails and consumer products 人民幣千元 RMB'000	國際工程與 貿易物流 International Engineering and Trading & logistics 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	57,543,447	6,683,917	3,609,704	23,828,405	3,730,550	95,396,023
使用權益法入賬的投資	Investments accounted for using the equity method	313,408	5,186	43,880	904,925	1,346,620	2,614,019
總資產	Total assets	57,856,855	6,689,103	3,653,584	24,733,330	5,077,170	98,010,042
總負債	Total liabilities	31,817,300	3,965,118	1,139,579	21,460,154	2,213,156	60,595,307
資本性開支	Capital expenditure	12,283,831	624,317	43,244	202,546	88,465	13,242,403

經重列
Restated





7. 經營分部(續)

本集團各實體主要位於中國，其來自中國以及其他國家及地區的外部客戶的收入業績披露如下：

7. OPERATING SEGMENT (continued)

The Group entities are principally domiciled in the PRC. The result of its revenue from external customers in PRC and other countries and districts are disclosed as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
收入	Revenue		
中國內地	Mainland China	36,171,494	28,967,961
香港	Hong Kong	842,990	1,193,049
歐美	Europe and America	6,364,658	4,379,879
東亞及東南亞	East Asia and Southeast Asia	5,861,711	6,853,363
非洲	Africa	2,617,766	1,789,712
其他	Others	2,431,747	3,092,725
總收入	Total revenue	54,290,366	46,276,689

收入按客戶所在國家進行分配。

Revenue is allocated based on the countries in which customers are located.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
合約資產、金融工具及遞延所得稅資產外的非流動資產總值	Total of non-current assets other than contract assets, financial instruments and deferred income tax assets		
中國內地	Mainland China	57,200,261	50,684,535
香港	Hong Kong	237,423	110,607
歐美	Europe and America	647,711	631,615
東亞及東南亞	East Asia and Southeast Asia	730,950	128,806
非洲	Africa	259,739	127,228
其他	Others	129,692	22,783
		59,205,776	51,705,574
使用權益法入賬的投資	Investments accounted for using the equity method	2,383,560	2,614,019
		61,589,336	54,319,593

7. 經營分部(續)

7. OPERATING SEGMENT (continued)

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
資本性開支	Capital expenditure		
中國內地	Mainland China	8,658,995	13,037,597
香港	Hong Kong	1,133	892
歐美	Europe and America	36,332	43,003
其他	Others	68,784	160,991
		8,765,244	13,242,403

資本性開支按資產所在地進行分配。

Capital expenditure is allocated based on where the assets are located.

8. 其他收入

8. OTHER INCOME

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
政府補貼	Government grants	1,190,120	1,076,079
副產品銷售	Sales of by-products	77,873	26,564
服務及保修收入	Service and maintenance income	36,104	78,825
補償收入	Compensation income	24,493	10,137
其他	Others	14,179	12,053
		1,342,769	1,203,658





9. 其他收益及虧損

9. OTHER GAINS AND LOSSES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
重新計量一間聯營公司過往於天馬有機收購股本權益的公允價值收益	Gain on fair value remeasurement of previously held equity interest of an associate in the Tianma Organic Acquisition	128,196	-
出售按公允價值計量且其變動計入損益的金融資產的收益	Gain on disposal of financial assets at FVTPL	9,527	-
出售於聯營公司的投資的收益(附註24)	Gain on disposal of investments in associates (Note 24)	7,847	444,522
出售附屬公司的收益(附註46)	Gain on disposals of subsidiaries (Note 46)	6,042	-
按公允價值計量且其變動計入損益的金融資產的公允價值變動	Fair value changes of financial assets at FVTPL	4,324	-
出售土地使用權的收益	Gain on disposals of land use right	1,848	-
自按公允價值計量且其變動計入損益的金融資產收取的股息	Dividends received from financial assets at FVTPL	51	-
來自貼現銀行承兌匯票的虧損	Loss from discounting bank acceptance bills	(15,923)	(31,570)
出售物業、廠房及設備的(虧損)/收益	(Loss)/gain on disposal of property, plant and equipment	(10,397)	2,655
出售無形資產的虧損	Loss on disposals of intangible assets	(741)	-
補償開支	Compensation expenses	(336)	(4,235)
出售於合營企業的投資的收益	Gain on disposal of investments in joint ventures	-	73,685
衍生金融工具的公允價值變動	Fair value changes on derivative financial instruments	-	8,667
可供出售金融資產收益	Gain on AFS financial assets	-	51
出售可供出售金融資產的虧損	Loss on disposals of AFS financial assets	-	(944)
其他	Others	(6)	-
		130,432	492,831

10. 融資成本－淨額

10. FINANCE COSTS – NET

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
利息收入	Interest income	(238,147)	(319,329)
匯兌收益	Foreign exchange gain	(251,458)	(177,882)
		(489,605)	(497,211)
利息支出	Interest expense		
－銀行借款	－ bank borrowings	1,657,546	1,409,113
－關聯方借款	－ borrowings from related parties	95,085	115,080
－中期票據	－ medium-term notes	43,044	72,140
－債券	－ debentures	2,053	–
－其他利息支出	－ Other interest expenses	1,194	–
減：資本化利息	Less: interest capitalised	(348,041)	(153,675)
		1,450,881	1,442,658
匯兌虧損	Foreign exchange loss	265,544	412,103
支銷融資成本	Finance costs expensed	1,716,425	1,854,761
融資成本淨額	Net finance costs	1,226,820	1,357,550

在建工程銀行貸款資本化利息為人民幣211,985,000元(2017年：人民幣112,191,000元)。資本化利率為每年4.80%(2017年：每年4.90%)。

Bank loan interest capitalised in the construction-in-progress amounted to RMB211,985,000 (2017: RMB112,191,000). The capitalised interest rate was 4.80% per annum (2017: 4.90% per annum).

發展中物業銀行貸款資本化利息為人民幣136,056,000元(2017年：人民幣41,484,000元)。資本化利率為每年3.17%(2017年：每年3.61%)。

Bank loan interest capitalised in the properties under development amounted to RMB136,056,000 (2017: RMB41,484,000). The capitalised interest rate was 3.17% per annum (2017: 3.61% per annum).

於2018年12月31日，來自關聯方的利息收入為人民幣82,782,000元(附註52(a))(2017年：38,270,000元)。

As at 31 December 2018, interest income from related parties amounted to RMB82,782,000 (Note 52(a)) (2017: 38,270,000).





11. 預期信用虧損模式下的減值虧損，扣除撥回

11. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

		2018年 2018 人民幣千元 RMB'000
已確認的減值虧損：	Impairment losses recognised on:	
– 貿易應收款項 – 商品及服務	– Trade receivables – goods and services	795,687
– 其他應收款項	– Other receivables	311,263
– 合約資產	– Contract assets	446
		1,107,396

12. 所得稅開支

根據中國有關所得稅法，除非另有適用優惠稅率，否則本集團於中國成立的附屬公司按稅率25%繳納所得稅。若干附屬公司獲認定為中國高新技術企業，於2018年獲享15% (2017年：15%) 的優惠所得稅率。

海外溢利稅項則以本年度估計應課稅溢利，按本集團營運所在國家當時的稅率計算。

12. INCOME TAX EXPENSE

Pursuant to the relevant income tax law of PRC, the subsidiaries of the Group established in the PRC were subject to income tax at a rate of 25% unless preferential rates were applicable. Certain subsidiaries were qualified as High and New Technology Enterprises in the PRC and were entitled to a preferential income tax rate of 15% in 2018 (2017: 15%).

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

12. 所得稅開支(續)

本年度已扣除所得稅開支指：

12. INCOME TAX EXPENSE (continued)

Income tax charged for the year represents:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
本年度溢利的即期所得稅	Current income tax on profit for the year	380,104	576,069
遞延所得稅(附註38)	Deferred income tax (Note 38)	11,418	(60,241)
所得稅開支	Income tax expense	391,522	515,828

本集團除稅前溢利產生的所得稅與使用本公司及其附屬公司所在國家稅率計算的理論款項差額如下：

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rates of the home country of the Company and its subsidiaries as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
除所得稅前溢利	Profit before income tax	743,027	2,350,778
按本公司適用當地所得稅率25% (2017年：25%)計算的稅項	Tax calculated at the domestic income tax rates applicable to the Company of 25% (2017: 25%)	185,757	587,695
未確認稅項虧損的稅項影響	Tax effect on unrecognised tax losses	189,210	129,101
使用先前未確認的稅項虧損	Utilisation of previously unrecognised tax losses	(891)	(10,673)
撥回先前確認的稅項虧損	Reversal of previously recognised tax losses	130,971	-
不得作稅項抵扣用途的費用	Expenses not deductible for tax purpose	55,601	111,789
毋須繳稅之收入	Income not subject to tax	(18,859)	(26,183)
應佔合營企業及聯營公司 除稅後業績的影響	Effects of share of post-tax results of joint ventures and associates	(71,535)	(56,904)
可加計扣除的研發費用	Research and development expenses eligible for additional deduction	(247,930)	(203,698)
不同稅率所產生稅務優惠的影響	Effect of tax concessions from different tax rate	(34,197)	(28,703)
未確認暫時性差額的稅務影響	Tax effect on unrecognised temporary differences	188,642	19,413
使用先前暫時性差額	Utilisation of previously of temporary differences	(13,771)	-
過往年度撥備不足	Under provision in respect of prior years	12,625	18,039
其他	Others	15,899	(24,048)
稅項開支	Tax expense	391,522	515,828





13. 本年度溢利

本年度溢利乃經扣除下列各項：

13. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

		截至12月31日止年度 Year ended 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
使用的原材料及消耗品	Raw materials and consumables used	36,860,736	31,808,353
僱員福利支出	Employee benefits expenses	6,264,809	5,083,713
維修保養支出	Repairs and maintenance expenditure	739,212	523,858
陳舊存貨撥備	Provision for inventory obsolescence	142,273	253,224
壞賬撥備	Provision for bad debts	–	348,873
撇銷預付款項	Written-off of prepayment	11,649	–
應收客戶合約工程款項撥備	Provision for amounts due from customers for contract work	–	54,245
物業、廠房及設備折舊	Depreciation of property, plant and equipment	3,853,631	2,974,470
土地使用權攤銷	Amortisation of land use rights	68,019	62,971
無形資產攤銷	Amortisation of intangible assets	97,179	90,443
物業、廠房及設備的減值虧損	Impairment losses on property, plant and equipment	52,216	1,834
在建工程的減值虧損	Impairment losses on construction- in-progress	6,561	–
無形資產的減值虧損	Impairment losses on intangible assets	149	–
經營租賃支出	Operating lease rentals	349,274	448,381
核數師審核服務酬金	Auditor's remuneration for audit services	3,908	6,500
核數師非審核服務酬金	Auditors' remuneration for non-audit services	24,481	17,074

14. 董事福利及權益

董事及最高行政人員的酬金
各董事的薪酬載列如下：

截至2018年12月31日止年度：

14. BENEFITS AND INTERESTS OF DIRECTORS

Directors' and chief executive's emoluments

The remunerations of every directors is set out below:

For the year ended 31 December 2018:

		袍金 Fee 人民幣千元 RMB'000	薪金 Salaries 人民幣千元 RMB'000	酌情花紅 Discretionary bonuses 人民幣千元 RMB'000	房屋津貼 Housing allowance 人民幣千元 RMB'000	其他福利 現金估值 Estimated money value of other benefits 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
主席	Chairman						
劉洪德先生(a)	Mr. Liu Hong De (a)	-	-	-	-	-	-
執行董事	Executive directors						
賴偉宣先生(a)	Mr. Lai Weixuan (a)	-	-	-	-	-	-
由鑣先生(a)	Mr. You Lei (a)	-	-	-	-	-	-
傅方興先生(a)*	Mr. Fu Fang Xing (a)*	-	-	-	-	-	-
周春華女士(a)*	Ms. Zhou Chun Hua (a)*	-	-	-	-	-	-
陳宏良先生(a)	Mr. Chen Hong Liang (a)	-	-	-	-	-	-
劉軍先生(a)	Mr. Liu Jun (a)	-	-	-	-	-	-
監事	Supervisors						
焦燕女士(a)**	Ms. Jiao Yan (a)**	-	-	-	-	-	-
曹江先生(a)**	Mr. Cao Jiang (a)**	-	-	-	-	-	-
梁赤先生	Mr. Liang Chi	-	50	-	-	-	50
劉永澤先生	Mr. Liu Yong Ze	-	50	-	-	-	50
楊喜先生	Mr. Yang Xi (a)	-	-	-	-	-	-
獨立非執行董事	Independent non-executive directors						
黃慧玲女士	Ms. Wong Wai Ling	170	-	-	-	-	170
鄒煒先生***	Mr. Wu Wei***	170	-	-	-	-	170
魏煒先生	Mr. Wei Wei	170	-	-	-	-	170
		510	100	-	-	-	610

* 於2018年12月11日，周春華女士辭任董事會職務，傅方興先生獲選為執行董事。

** 於2018年6月12日，曹江先生辭任監事會職務，焦燕女士獲選為監事會主席。

*** 於2018年6月12日，鄒煒先生獲重選為獨立非執行董事。

* On 11 December 2018, Ms. Zhou Chun Hua resigned from the board, Mr. Fu Fang Xing was elected as an executive director.

** On 12 June 2018, Mr. Cao Jiang resigned from Supervisory Committee, Ms. Jiao Yan was elected as chairman of Supervisory Committee.

*** On 12 June 2018, Mr. Wu Wei was re-elected as an independent non-executive director.





14. 董事福利及權益(續)

董事及最高行政人員的酬金(續)

截至2017年12月31日止年度：

14. BENEFITS AND INTERESTS OF DIRECTORS (continued)

Directors' and chief executive's emoluments (continued)

For the year ended 31 December 2017:

		袍金 Fee	薪金 Salaries	酌情花紅 Discretionary bonuses	房屋津貼 Housing allowance	其他福利 現金估值 Estimated money value of other benefits	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
主席	Chairman						
劉洪德先生(a)	Mr. Liu Hong De (a)	-	-	-	-	-	-
執行董事	Executive directors						
賴偉宣先生(a)	Mr. Lai Weixuan (a)	-	-	-	-	-	-
由鑷先生(a)	Mr. You Lei (a)	-	-	-	-	-	-
周春華女士(a)	Ms. Zhou Chun Hua (a)	-	-	-	-	-	-
陳宏良先生(a)	Mr. Chen Hong Liang (a)	-	-	-	-	-	-
劉軍先生(a)	Mr. Liu Jun (a)	-	-	-	-	-	-
監事	Supervisors						
曹江先生	Mr. Cao Jiang	-	-	-	-	-	-
梁赤先生	Mr. Liang Chi	-	50	-	-	-	50
劉永澤先生	Mr. Liu Yong Ze	-	50	-	-	-	50
楊喜先生	Mr. Yang Xi	-	-	-	-	-	-
獨立非執行董事	Independent non-executive directors						
黃慧玲女士	Ms. Wong Wai Ling	160	-	-	-	-	160
鄒煒先生	Mr. Wu Wei	160	-	-	-	-	160
魏煒先生	Mr. Wei Wei	160	-	-	-	-	160
		480	100	-	-	-	580

14. 董事福利及權益(續)

董事及最高行政人員的酬金(續)

- (a) 該等董事就對本集團的服務自控股公司中航國際或中航深圳(持有本公司35.63%股權的本公司股東)收取酬金。由於董事認為分攤彼等對本集團與本公司控股公司的服務屬不切實際，故來自控股公司的酬金並無分攤。
- (b) 於年末或年內任何時間，並無就提供董事服務而向第三方提供董事退休福利、董事終止服務福利及代價，以及以董事、該等董事的受控制法團及關連實體為受益人的貸款、準貸款或其他交易存續(2017年：無)。
- (c) 除重大關聯方交易(附註52)所披露者外，於年末或年內任何時間本公司董事並無於本公司已訂立與本集團業務有關的重要交易、安排及合約中擁有重大直接或間接權益(2017年：無)。
- (d) 本集團並無最高行政人員。

14. BENEFITS AND INTERESTS OF DIRECTORS (continued)

Directors' and chief executive's emoluments (continued)

- (a) These directors received emoluments from AVIC International, the holding company or AVIC Shenzhen, the Company's shareholder holding 35.63% of the equity interests of the Company, for their services to the Group. No apportionment has been made for their emoluments from the holding company, as the directors consider that it is impracticable to apportion the amount between their services to the Group and their services to the Company's holding company.
- (b) No directors' retirement benefits, directors' termination benefits, consideration provided to third parties for making available directors' services, and loans, quasi-loans or other dealing in favour of directors, controlled bodies corporate by and connected entities with such directors, subsisted at the end the year or any time during the year (2017: Nil).
- (c) Save for those disclosed in the significant related party transactions (Note 52), there was no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).
- (d) The Group has no chief executive.





15. 僱員福利費用

15. EMPLOYEE BENEFIT EXPENSES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
工資、薪金及花紅	Wages, salaries and bonus	5,034,593	4,128,707
福利、醫療及其他費用	Welfare, medical and other expenses	523,471	402,642
社會保險成本	Social security costs	690,326	537,082
提前退休及補充退休金福利	Early retirement and supplemental pension benefits	16,419	15,282
		6,264,809	5,083,713

本集團已參與於中國實行的僱員社會保險計劃，包括退休金、醫療及其他社會福利。該等計劃由政府機關組織及管理。根據有關條文，本集團每月須向政府機關繳納養老保險及醫療保險供款，供款額分別相當於僱員月薪的22%及8%，本集團分別承擔其中14%及7%，其餘款項由僱員承擔。除以上供款外，本集團並無其他義務。

The Group has participated in employee social security plans enacted in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Pursuant to the relevant provisions, the Group is required to make monthly contributions in respect of retirement insurance and health insurance to governmental authorities, equivalent to 22% and 8% respectively based on the monthly salaries of its employees, of which, the Group bears 14% and 7% respectively, and the employees bear the rest. The Group has no further obligation beyond the contribution.

15. 僱員福利費用(續)

(a) 五名最高薪人士

於2018年，本集團五名最高薪人士並無包括酬金於附註14所呈列分析的任何董事(2017年：無)。本年度應付該五名人士(2017年：五名)的酬金如下：

15. EMPLOYEE BENEFIT EXPENSES (continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year 2018 do not include any directors (2017: Nil) whose emoluments are reflected in the analysis presented in Note 14. The emoluments payable to these five individuals (2017: five) during the year are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowance, other allowances and benefits in kind	16,702	13,145

酬金介乎以下範圍：

The emoluments fell within the following bands:

		2018年 2018	2017年 2017
酬金範圍	Emolument bands		
2,000,001港元至2,500,000港元	HKD2,000,001-HKD2,500,000	2	-
2,500,001港元至3,000,000港元	HKD2,500,001-HKD3,000,000	2	2
3,000,001港元至3,500,000港元	HKD3,000,001-HKD3,500,000	-	2
4,000,001港元至4,500,000港元	HKD4,000,001-HKD4,500,000	-	1
6,500,001港元至7,000,000港元	HKD6,500,001-HKD7,000,000	1	-





16. 股息

16. DIVIDENDS

	2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
本公司向普通股持有人派發股息 – 2017年末期股息每股 人民幣0.05元(2017年：2016年 末期股息每股人民幣1.00元)	Dividends for ordinary shareholder of the Company – 2017 Final RMB0.05 (2017: 2016 Final RMB1.00) per share 58,309	116,616

於2019年3月15日舉行的董事會會議上，董事不建議就截至12月31日止年度派付末期股息(2017年：1,166,162,000股股份每股人民幣0.05元，股息總額為人民幣58,309,000元)。截至2017年12月31日止年度的末期股息已於2018年8月8日派付。

At the board of directors' meeting held on 15 March 2019, the directors did not propose a final dividend for the year ended 31 December. (2017: RMB0.05 per share for 1,166,162,000 shares amounting to a total dividend of RMB58,309,000). The final dividend for the year ended 31 December 2017 was paid on 8 August 2018.

17. 每股(虧損)/盈利

(a) 基本

每股基本及攤薄(虧損)/盈利按本公司權益持有人應佔(虧損)/溢利除以年內已發行普通股加權平均股數計算。

17. (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic and diluted (losses)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
本公司權益持有人應佔(虧損)/溢利	(Losses)/profit attributable to owners of the Company	(568,314)	510,942
減：永久次級可換股證券 持有人應佔溢利	Less: Profit attributable to PSCS holders	(27,817)	(27,817)
本公司普通股股份持有人 應佔(虧損)/溢利	(Losses)/profit attributable to ordinary shareholders of the Company	(596,131)	483,125
		千股 '000	千股 '000
已發行普通股加權平均股數	Weighted average number of ordinary shares in issue	1,166,162	1,166,162
每股基本(虧損)/盈利 (人民幣元/股)	Basic (losses)/earnings per share (RMB per share)	(0.5112)	0.4143





17. 每股(虧損)/盈利(續)

(b) 攤薄

每股攤薄盈利按調整尚未發行普通股加權平均股數以假設所有潛在攤薄普通股獲轉換計算。本公司擁有一個類別的潛在攤薄普通股：永久次級可換股證券，並已假設永久次級可換股證券已獲轉換為普通股。

永久次級可換股證券可能會攤薄未來每股基本盈利，惟因其於截至2018年12月31日止年度具有反攤薄作用，故並無列入計算每股攤薄盈利。截至2017年12月31日止年度，每股攤薄盈利為每股人民幣0.2597元。

17. (LOSSES)/EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: perpetual subordinated convertible securities. The perpetual subordinated convertible securities are assumed to have been converted into ordinary shares.

Perpetual subordinated convertible securities could potentially dilute basic earnings per share in the future, but were not included in the computation of diluted earnings per share as they were anti-dilutive for year ended 31 December 2018 presented. The diluted earnings per share for the year ended 31 December 2017 was RMB0.2597 per share.

18. 土地使用權

18. LAND USE RIGHTS

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
於1月1日的賬面淨值	Net book value at 1 January	2,729,189	2,303,950
添置	Additions	232,004	9,994
自在建工程轉撥(附註21)	Transfer from construction-in-progress (Note 21)	-	481,010
收購一間附屬公司(附註44)	Acquisition of a subsidiary (Note 44)	271,298	-
攤銷	Amortisation	(68,019)	(62,971)
出售	Disposal	(12,064)	(2,794)
轉撥至投資物業(附註22)	Transfer to investment properties (Note 22)	(146,722)	-
於12月31日的賬面淨值	Net book value at 31 December	3,005,686	2,729,189

攤銷支出人民幣68,019,000元(2017年：人民幣62,971,000元)已計入行政開支。

Amortisation charges of RMB68,019,000 (2017: RMB62,971,000) were included in the administrative expenses.

18. 土地使用權(續)

本集團的土地使用權均位於中國內地。位於中國內地的有關土地使用權的使用期自授出之日起計30至50年。

於2018年12月31日，若干銀行借款由本集團賬面淨值合共人民幣622,392,000元(2017年：人民幣375,821,000元)的土地使用權作抵押。抵押借款的詳情載於附註39。

19. 無形資產

18. LAND USE RIGHTS (continued)

The Group's land use rights are in mainland China. The respective land use rights in mainland China were granted for periods of 30-50 years from the date of grant.

As at 31 December 2018, certain bank borrowings were secured by the land use rights of the Group with net book value totalling RMB622,392,000 (2017: RMB375,821,000). Details of the secured borrowings are in Note 39.

19. INTANGIBLE ASSETS

		Computer software 電腦軟件 人民幣千元 RMB'000	Trademark and licenses 商標及特許權 人民幣千元 RMB'000	Maritime rights of use 海事使用權 人民幣千元 RMB'000	Patents 專利權 人民幣千元 RMB'000	Customer relationships 客戶關係 人民幣千元 RMB'000	Others 其他 人民幣千元 RMB'000	Total 總計 人民幣千元 RMB'000
於2018年1月1日	At 1 January 2018							
成本	Cost	450,803	241,287	25,670	425,463	270,968	30,966	1,445,157
累計攤銷及減值	Accumulated amortisation and impairment	(269,421)	(5,862)	(11,051)	(123,325)	(72,543)	(5,714)	(487,916)
賬面淨值	Net book amount	181,382	235,425	14,619	302,138	198,425	25,252	957,241
截至2018年12月31日止年度	Year ended 31 December 2018							
年初賬面淨值	Opening net book amount	181,382	235,425	14,619	302,138	198,425	25,252	957,241
匯兌差額	Exchange differences	1,054	211	-	1,691	142	-	3,098
添置	Additions	48,006	1,597	-	925	19,926	-	70,454
於收購一間附屬公司時 購得(附註44)	Acquired on acquisition of a subsidiary (Note 44)	7,017	-	-	-	-	-	7,017
自在建工程轉撥 (附註21)	Transfer from construction -in-progress (Note 21)	6,391	-	-	-	-	-	6,391
出售一間附屬公司(附註46)	Disposal of a subsidiary (Note 46)	(25)	-	-	-	-	-	(25)
出售	Disposals	(4,470)	-	-	(1,186)	-	-	(5,656)
攤銷支出	Amortisation charge	(38,129)	(2,190)	(4,877)	(26,289)	(20,602)	(5,092)	(97,179)
減值	Impairment	(149)	-	-	-	-	-	(149)
年末賬面淨值	Closing net book amount	201,077	235,043	9,742	277,279	197,891	20,160	941,192
於2018年12月31日	At 31 December 2018							
成本	Cost	508,776	243,095	25,670	426,893	291,036	30,966	1,526,436
累計攤銷及減值	Accumulated amortisation and impairment	(307,699)	(8,052)	(15,928)	(149,614)	(93,145)	(10,806)	(585,244)
賬面淨值	Net book amount	201,077	235,043	9,742	277,279	197,891	20,160	941,192





19. 無形資產(續)

19. INTANGIBLE ASSETS (continued)

		Computer software 電腦軟件 人民幣千元 RMB'000 (經重列) (Restated)	Trademark and licenses 商標及特許權 人民幣千元 RMB'000 (經重列) (Restated)	Maritime rights of use 海事使用權 人民幣千元 RMB'000 (經重列) (Restated)	Patents 專利權 人民幣千元 RMB'000 (經重列) (Restated)	Customer relationships 客戶關係 人民幣千元 RMB'000 (經重列) (Restated)	Others 其他 人民幣千元 RMB'000 (經重列) (Restated)	Total 總計 人民幣千元 RMB'000 (經重列) (Restated)
於2017年1月1日 (先前呈列)	At 1 January 2017 (previously stated)							
成本	Cost	328,747	226,429	25,670	414,397	256,248	5,943	1,257,434
累計攤銷及減值	Accumulated amortisation and impairment	(220,353)	(3,922)	(9,835)	(96,786)	(51,132)	(3,043)	(385,071)
賬面淨值	Net book amount	108,394	222,507	15,835	317,611	205,116	2,900	872,363
共同控制下業務合併的影響	Effect of business combination under common control							
成本	Cost	57,350	-	-	-	-	-	57,350
累計攤銷及減值	Accumulated amortisation and impairment	(12,402)	-	-	-	-	-	(12,402)
賬面淨值	Net book amount	44,948	-	-	-	-	-	44,948
於2017年1月1日(經重列)	At 1 January 2017(as restated)							
成本	Cost	386,097	226,429	25,670	414,397	256,248	5,943	1,314,784
累計攤銷及減值	Accumulated amortisation and impairment	(232,755)	(3,922)	(9,835)	(96,786)	(51,132)	(3,043)	(397,473)
賬面淨值	Net book amount	153,342	222,507	15,835	317,611	205,116	2,900	917,311
截至2017年 12月31日止年度	Year ended 31 December 2017							
年初賬面淨值	Opening net book amount	153,342	222,507	15,835	317,611	205,116	2,900	917,311
匯兌差額	Exchange differences	343	14,625	-	10,505	14,720	-	40,193
添置	Additions	63,903	233	-	561	-	25,023	89,720
內部發展	Internal development	573	-	-	-	-	-	573
出售	Disposals	(113)	-	-	-	-	-	(113)
攤銷支出	Amortisation charge	(36,666)	(1,940)	(1,216)	(26,539)	(21,411)	(2,671)	(90,443)
年末賬面淨值	Closing net book amount	181,382	235,425	14,619	302,138	198,425	25,252	957,241
於2017年12月31日	At 31 December 2017							
成本	Cost	450,803	241,287	25,670	425,463	270,968	30,966	1,445,157
累計攤銷及減值	Accumulated amortisation and impairment	(269,421)	(5,862)	(11,051)	(123,325)	(72,543)	(5,714)	(487,916)
賬面淨值	Net book amount	181,382	235,425	14,619	302,138	198,425	25,252	957,241

19. 無形資產(續)

攤銷支出已計入本年度行政開支。

KHD 的品牌名稱商標的可使用年限為無限期。本公司董事認為本集團將會並能夠持續重續其商標。本集團管理層已進行產品穩定性及安全性研究、市場及許可政策走勢及品牌拓展機會等數項研究，證明商標對商標產品預計為本集團帶來現金流量淨值的期間並無可預見的限制。商標將會每年及在發現有減值跡象時進行減值測試。經進行減值測試後，本公司董事認為，毋須就截至2018年12月31日止年度計提減值支出。

19. INTANGIBLE ASSETS (continued)

Amortisation charges was included in the administrative expenses for the year.

Trademarks of the brand name of KHD have an indefinite useful life. The directors of the Company are of the opinion that the Group would renew the trademarks continuously and have the ability to do so. Various studies including product stability and security studies, market and admission policy trends, and brand extension opportunities have been performed by the management of the Group, which supports that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. It will be tested for impairment annually and whenever there are indications that it may be impaired. The directors of the Company consider that no impairment charge was required for the year ended 31 December 2018 after performing the impairment assessment.



20. 物業、廠房及設備

20. PROPERTY, PLANT AND EQUIPMENT

		Land and buildings 土地及樓宇 人民幣千元 RMB'000	Leasehold improvements 租賃物業裝修 人民幣千元 RMB'000	Machinery and equipment 機器及設備 人民幣千元 RMB'000	Motor vehicles 汽車 人民幣千元 RMB'000	Computer and electronic equipment 電腦及電子設備 人民幣千元 RMB'000	Other equipment 其他設備 人民幣千元 RMB'000	Total 總計 人民幣千元 RMB'000
截至2018年 12月31日止年度	Year ended 31 December 2018							
成本	Cost							
年初	At beginning of year	12,925,221	661,280	32,970,836	187,363	878,851	284,463	47,908,014
自在建工程轉撥 (附註21)	Transfer from construction -in-progress (Note 21)	3,112,228	-	2,423,618	2,291	84,671	79,670	5,702,478
添置	Additions	103,463	107,284	1,030,235	29,142	105,098	25,477	1,400,699
自投資物業轉撥 (附註22)	Transfer from investment properties (Note 22)	1,425	-	-	-	-	-	1,425
轉撥至投資物業 (附註22)	Transfer to investment properties (Note 22)	(938,771)	-	-	-	-	-	(938,771)
於收購一間附屬公司時 購得(附註44)	Acquired on acquisition of a subsidiary (Note 44)	335,680	-	1,089,910	531	17,196	8,652	1,451,969
出售附屬公司(附註46)	Disposal of subsidiaries (Note 46)	(325)	-	(74)	(1,512)	(172)	-	(2,083)
轉撥至在建工程 (附註21)	Transfer to construction -in-progress (Note 21)	-	-	-	-	-	(6,640)	(6,640)
出售	Disposals	(2,591)	-	(243,844)	(14,666)	(42,753)	(5,951)	(309,805)
匯兌差額	Exchange differences	2,264	-	11,955	(1,313)	5,356	(13)	18,249
年末	At end of year	15,538,594	768,564	37,282,636	201,836	1,048,247	385,658	55,225,535
累計折舊	Accumulated depreciation							
年初	At beginning of year	1,964,670	512,476	11,573,884	147,753	452,096	144,561	14,795,440
本年度計提	Charge for the year	462,456	86,655	3,299,119	18,062	129,884	45,883	4,042,059
轉撥至投資物業 (附註22)	Transfer to investment properties (Note 22)	(57,188)	-	-	-	-	-	(57,188)
出售附屬公司(附註46)	Disposal of subsidiaries (Note 46)	(215)	-	(69)	(945)	(124)	-	(1,353)
出售	Disposals	(2,102)	-	(209,765)	(11,137)	(37,528)	(4,620)	(265,152)
匯兌差額	Exchange differences	2,945	-	1,290	(2,453)	2,274	(821)	3,235
年末	At end of year	2,370,566	599,131	14,664,459	151,280	546,602	185,003	18,517,041
減值	Impairment							
年初	At beginning of year	5,524	-	11,679	74	301	10	17,588
出售	Disposals	-	-	(2,176)	-	-	-	(2,176)
本年度計提	Charge for the year	1,902	-	48,249	-	2,064	1	52,216
匯兌差額	Exchange differences	64	-	163	-	5	-	232
年末	At end of year	7,490	-	57,915	74	2,370	11	67,860
賬面淨值	Net book amount							
年末	At end of year	13,160,538	169,433	22,560,262	50,482	499,275	200,644	36,640,634
年初	At beginning of year	10,955,027	148,804	21,385,273	39,536	426,454	139,892	33,094,986

20. 物業、廠房及設備(續)

20. PROPERTY, PLANT AND EQUIPMENT
(continued)

		Land and buildings 土地及樓宇 人民幣千元 RMB'000 (經重列) (Restated)	Leasehold improvements 租賃物業裝修 人民幣千元 RMB'000 (經重列) (Restated)	Machinery and equipment 機器及設備 人民幣千元 RMB'000 (經重列) (Restated)	Motor vehicles 汽車 人民幣千元 RMB'000 (經重列) (Restated)	Computer and electronic equipment 電腦及電子設備 人民幣千元 RMB'000 (經重列) (Restated)	Other equipment 其他設備 人民幣千元 RMB'000 (經重列) (Restated)	Total 總計 人民幣千元 RMB'000 (經重列) (Restated)
截至2017年 12月31日止年度	Year ended 31 December 2017							
成本	Cost							
年初(先呈列)	At beginning of year(Previously stated)	8,828,151	559,471	13,503,431	194,129	550,380	229,434	23,864,996
共同控制下業務合併的影響	Effect of business combination under common control	1,555,539	37,723	6,957,657	6,066	128,556	2,240	8,687,781
年初(經重列)	At beginning of year(as restated)	10,383,690	597,194	20,461,088	200,195	678,936	231,674	32,552,777
自在建工程轉撥 (附註21)	Transfer from construction -in-progress (Note 21)	2,184,268	7,258	11,325,979	4,723	158,450	34,880	13,715,558
添置	Additions	519,846	56,828	1,383,325	11,010	56,995	31,719	2,059,723
轉撥至投資物業 (附註22)	Transfer to investment properties (Note 22)	(88,433)	-	-	-	-	-	(88,433)
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	(211)	-	(1,834)	-	-	(5,688)	(7,733)
轉撥至在建工程 (附註21)	Transfer to construction -in-progress (Note 21)	-	-	(616)	-	-	-	(616)
出售	Disposals	(48,761)	-	(182,817)	(20,409)	(13,305)	(8,654)	(273,946)
匯兌差額	Exchange differences	(25,178)	-	(14,289)	(8,156)	(2,225)	532	(49,316)
年末	At end of year	12,925,221	661,280	32,970,836	187,363	878,851	284,463	47,908,014
累計折舊	Accumulated depreciation							
年初(先呈列)	At beginning of year(Previously stated)	1,529,873	427,808	7,768,718	143,592	337,366	118,064	10,325,421
共同控制下業務合併的影響	Effect of business combination under common control	121,235	2,638	1,527,839	3,591	36,819	254	1,692,377
年初(經重列)	At beginning of year(as restated)	1,651,108	430,446	9,296,557	147,183	374,185	118,318	12,017,798
本年度計提	Charge for the year	393,188	82,030	2,349,969	19,693	91,622	37,968	2,974,470
轉撥至投資物業(附註22)	Transfer to investment properties (Note 22)	(15,788)	-	-	-	-	-	(15,788)
出售附屬公司(附註46)	Disposals of subsidiaries (Note 46)	(211)	-	(1,553)	-	-	(5,579)	(7,343)
轉撥至在建工程(附註21)	Transfer to construction -in-progress (Note 21)	-	-	(209)	-	-	-	(209)
出售	Disposals	(44,177)	-	(60,643)	(18,233)	(11,848)	(6,654)	(141,555)
匯兌差額	Exchange differences	(19,450)	-	(10,237)	(890)	(1,863)	508	(31,932)
年末	At end of year	1,964,670	512,476	11,573,884	147,753	452,096	144,561	14,795,440
減值	Impairment							
年初(先呈列)	At beginning of year(Previously stated)	5,524	-	13,114	74	301	10	19,023
共同控制下業務合併的影響	Effect of business combination under common control	-	-	-	-	-	-	-
年初(經重列)	At beginning of year(as restated)	5,524	-	13,114	74	301	10	19,023
出售	Disposals	-	-	(3,269)	-	-	-	(3,269)
本年度計提	Charge for the year	-	-	1,834	-	-	-	1,834
年末	At end of year	5,524	-	11,679	74	301	10	17,588
賬面淨值	Net book amount							
年末	At end of year	10,955,027	148,804	21,385,273	39,536	426,454	139,892	33,094,986
年初(先呈列)	At beginning of year(Previously stated)	7,292,754	131,663	5,721,599	50,463	212,713	111,360	13,520,552
共同控制下業務合併的影響	Effect of business combination under common control	1,434,304	35,085	5,429,818	2,475	91,737	1,986	6,995,405
年初(經重列)	At beginning of year(as restated)	8,727,058	166,748	11,151,417	52,938	304,450	113,346	20,515,957



20. 物業、廠房及設備(續)

- (a) 本集團的物業、廠房及設備按歷史成本列賬。
- (b) 折舊費在以下分類中資本化或支銷：

20. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) The property, plant and equipment of the Group were stated at historical cost.
- (b) Depreciation charge was capitalised or expensed in the following categories:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
銷貨成本	Cost of goods sold	3,081,238	2,408,992
行政開支	Administrative expenses	751,928	514,167
在建工程	Construction in progress	160,222	2,060
發展中物業	Properties under development	28,206	-
銷售費用	Distribution costs	20,465	49,251
		4,042,059	2,974,470

本集團的樓宇主要位於中國內地。

The Group's buildings are mainly situated in the mainland China.

20. 物業、廠房及設備(續)

於2018年及2017年12月31日，若干銀行借款由賬面淨值為人民幣1,156,502,000元(2017年：人民幣1,167,465,000元)的物業、廠房及設備(附註39(a))作抵押。

於2018年12月31日，本集團仍在辦理賬面淨值為人民幣5,024,706,000元(2017年：人民幣2,229,982,000元)的樓宇產權證。

21. 在建工程

年初
自物業、廠房及設備轉撥
(附註20)
添置(a)
於收購一間附屬公司時購得
(附註44)
轉撥至物業、廠房及設備
(附註20)
轉撥至土地使用權(附註18)
轉撥至無形資產(附註19)
轉撥至其他非流動資產
減值

At beginning of year
Transfer from property,
plant and equipment (Note 20)
Additions (a)
Acquired on acquisition of
a subsidiary (Note 44)
Transfer to property, plant and
equipment (Note 20)
Transfer to land use rights (Note 18)
Transfer to intangible asset (Note 19)
Transfer to other non-current assets
Impairment

2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
11,197,997	14,318,435
6,640	407
7,034,709	11,083,112
798,770	-
(5,702,478)	(13,715,558)
-	(481,010)
(6,391)	-
(10,661)	(7,389)
(6,561)	-
13,312,025	11,197,997

(a) 添置主要包括建造生產廠房、改造及翻新工程產生的成本。

年內，計入在建工程的資本化銀行貸款利息為人民幣211,985,000元(附註10)(2017年：人民幣112,191,000元)，資本化利率為每年4.80%(2017年：每年4.90%)。

20. PROPERTY, PLANT AND EQUIPMENT

(continued)

As at 31 December 2018 and 2017, certain bank borrowings were secured by the property, plant and equipment with net book value of RMB1,156,502,000 (2017: RMB1,167,465,000) (Note 39(a)).

As at 31 December 2018, the Group was still in the progress of obtaining title certificates of buildings with a net book value of RMB5,024,706,000 (2017: RMB2,229,982,000).

21. CONSTRUCTION-IN-PROGRESS

(a) Included in the additions were mainly costs incurred for the construction of production plants and improvement and renovation projects.

Bank loan interest capitalised in the construction-in-progress during the year amounted to RMB211,985,000 (Note 10) (2017: RMB112,191,000) and the capitalised interest rate was 4.80% per annum (2017: 4.90% per annum).



**21. 在建工程(續)**

於2018年12月31日，本集團並無就借款以在建工程作抵押(2017年：人民幣27,042,000元)(附註39(a))。

21. CONSTRUCTION-IN-PROGRESS (continued)

As at 31 December 2018, the Group had no construction-in-process pledged to borrowings (2017: RMB27,042,000)(Note 39(a)).

22. 投資物業**22. INVESTMENT PROPERTIES**

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
按公允價值	At fair value		
1月1日年初結餘	Opening balance at 1 January	2,458,127	1,968,682
添置	Addition	27,378	–
自物業、廠房及設備以及 土地使用權轉撥	Transfer from property, plant and equipment and land use rights	1,782,766	316,826
– 轉撥物業、廠房及設備的 賬面淨值(附註20)	– Net book value of property, plant and equipment transferred (Note 20)	881,583	72,645
– 土地使用權的賬面淨值 (附註18)	– Net book value of land use rights (Note 18)	146,722	–
– 重估收益	– Revaluation gains	754,461	244,181
轉撥至物業、廠房及設備 (附註20)	Transfer to property, plant and equipment (Note 20)	(1,425)	–
公允價值調整淨收益	Net gain from fair value adjustment	216,480	172,619
12月31日年末結餘	Closing balance at 31 December	4,483,326	2,458,127

22. 投資物業(續)

本集團於經營租賃項下以賺取租金或資本增值為目的而持有的所有物業權益均使用公允價值模式計量，並分類為及入賬列作投資物業。

於2018年12月31日，若干銀行借款由賬面淨值為人民幣1,954,602,000元(2017年：無)的投資物業(附註39(a))作抵押。

(a) 於損益確認的投資物業金額如下：

22. INVESTMENT PROPERTIES (continued)

All of 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.

As at 31 December 2018, certain bank borrowings were secured by the investment properties with net book value of RMB1,954,602,000 (2017: Nil)(Note 39(a)).

(a) Amounts recognised in profit and loss for investment properties were as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
租賃收入	Rental income	227,595	181,699
產生租賃收入的物業的 直接經營開支	Direct operating expenses from properties that generated rental income	(61,052)	(38,316)
		166,543	143,383

於2018年12月31日，本集團概無未來維修及保養的未撥備合約責任(2017年12月31日：無)。

As at 31 December 2018, the Group had no unprovided contractual obligations for future repairs and maintenance (31 December 2017: Nil).





22. 投資物業(續)

(b) 租賃安排

若干投資物業透過長期經營租賃出租予承租人，承租人每月支付租金。

根據不可撤銷經營租賃，未在綜合財務報表中確認的投資物業最低應收租賃款額如下：

22. INVESTMENT PROPERTIES (continued)

(b) Leasing arrangements

Certain investment properties have been leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the consolidated financial statements are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
一年以內	Not later than one year	246,602	187,819
一年以上及五年以內	Later than one year and not later than five years	1,026,420	333,505
五年以上	Later than five years	771,489	58,159
		2,044,511	579,483

本集團的投資物業均位於中國。

The investment properties of the Group are situated in the PRC.

22. 投資物業(續)

(c) 投資物業的公允價值

本集團的投資物業已由估值師中聯資產評估有限公司進行獨立估值，以釐定該等投資物業於2018年及2017年12月31日的公允價值。重估收益計入「投資物業公允價值收益」。下表按估值法分析以公允價值列賬的投資物業。不同級別定義如下：

- 同類資產或負債於活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

22. INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties

An independent valuation of the Group's investment properties has been performed by valuer, China United Assets Appraisal Company Limited, to determine the fair value of the investment properties as at 31 December 2018 and 2017. The revaluation gain is included in 'fair value gain on investment properties'. The following table analyses the investment properties carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).





22. 投資物業(續)

(c) 投資物業的公允價值(續)

22. INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties
(continued)

於2018年12月31日
使用以下各項計量公允價值
**Fair value measurements
at 31 December 2018 using**

重大不可觀察輸入值(第三級)
**Significant unobservable inputs
(Level 3)**
人民幣千元
RMB'000

投資物業	Investment properties	
– 辦公樓宇	– Office buildings	
– 中國	– PRC	3,974,455
– 生產地	– Manufacturing sites	
– 中國	– PRC	469,777
– 住宅	– Dwelling houses	
– 中國	– PRC	39,094
		4,483,326

22. 投資物業(續)

(c) 投資物業的公允價值(續)

本集團的政策為於發生導致轉撥的事件或情況變動當日確認公允價值層級的轉入及轉出。

本集團的估值過程

本集團的投資物業於2018年12月31日由合資格的獨立專業估值師進行估值，該估值師持有相關認可專業資格，且近期曾於所估值投資物業的地點及分部進行估值。所有投資物業均以其目前最有效及最佳的方式使用。

本集團財務部設有一支團隊，專責就財務報告目的審閱由獨立估值師進行的估值。該團隊直接向董事會報告。於2018年12月31日，該等物業的公允價值已由中聯資產評估有限公司釐定。

22. INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties (continued)

The Group's policy is to recognise transfer into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2018 by independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investments properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the board of directors. As at 31 December 2018, the fair values of the properties have been determined by China United Assets Appraisal Company Limited.





22. 投資物業(續)

(c) 投資物業的公允價值(續)

22. INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties (continued)

投資物業結餘 Balance of investment properties 人民幣千元 RMB'000	估值技術 Valuation technique	重大不可觀察輸入值 Significant unobservable inputs	不可觀察輸入值與公允價值的關係 Relationship of unobservable inputs to fair value	
位於中國內地的辦公樓宇 Office buildings located in mainland of China	3,974,455 (2017: 1,950,552)	多重估值方法： 直接比較及 收入資本化 Multiple valuation techniques: Direct Comparison and Income capitalisation	市場單價(經計及類似物業(就性質、地點及物業情況作出調整)的近期交易價格)介乎每平方米(「平方米」)人民幣10,000元至人民幣16,500元(2017年：人民幣10,000元至人民幣16,500元)。 資本化率(經計及租金收入潛力資本化率、物業性質及現行市況)介乎5.90%至8.00%(2017年：8.00%)。 每月市場租金(經計及可資比較物業與該物業之間就位置及個別因素(如臨路及大小等)差異)為每月每平方米平均人民幣97元(2017年：人民幣93元)。 Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from RMB10,000 to RMB16,500 per square metre ("sqm"). (2017: from RMB10,000 to RMB16,500). Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 5.90% – 8.00% (2017: 8.00%). Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of RMB97 (2017: RMB93) per sqm per month.	所用市場單價上升將導致投資物業公允價值計量按相同百分比增加，反之亦然。 所用資本化率微幅上升將導致投資物業公允價值計量的顯著下跌，反之亦然。 所用市場月租微幅上升將導致投資物業公允價值計量的顯著增加，反之亦然。 An increase in the market unit rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.

22. 投資物業(續)

(c) 投資物業的公允價值(續)

22. INVESTMENT PROPERTIES (continued)

(c) Fair values of investment properties (continued)

	投資物業結餘 Balance of investment properties 人民幣千元 RMB'000	估值技術 Valuation technique	重大不可觀察輸入值 Significant unobservable inputs	不可觀察輸入值與公允價值的關係 Relationship of unobservable inputs to fair value
位於中國內地的 生產地	469,777 (2017年: 469,273)	收入資本化 Income capitalisation	資本化率(經計及租金收入潛力資本化率、物業性質及現行市況)介乎7.00%至8.00%(2017年: 7.00%至8.00%)。 每月市場租金(經計及可資比較物業與該物業之間就位置及個別因素(如臨路及大小等)差異)為每月每平方米平均人民幣122元(2017年: 人民幣122元)。 Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 7.00% – 8.00% (2017: 7.00% – 8.00%). Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of RMB122 (2017: RMB122) per sqm per month.	所用資本化率微幅上升將導致投資物業公允價值計量的顯著下跌, 反之亦然。 所用市場月租微幅上升將導致投資物業公允價值計量的顯著增加, 反之亦然。 A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
Manufacturing sites located in mainland of China	469,777 (2017: 469,273)			
位於中國內地的 住宅	39,094 (2017年: 38,302)	多重估值方法: 直接比較及 收入資本化	市場單價(經計及類似物業(就性質、地點及物業情況作出調整)的近期交易價格)介乎每平方米(「平方米」)人民幣4,000元至人民幣9,260元(2017年: 人民幣4,000元至人民幣9,260元)。 資本化率(經計及租金收入潛力資本化率、物業性質及現行市況)為6.00%(2017年: 6.00%)。 每月市場租金(經計及可資比較物業與該物業之間就位置及個別因素(如臨路及大小等)差異)為每月每平方米平均人民幣48元(2017年: 人民幣48元)。 Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from RMB4,000 to RMB9,260 per square metre ("sqm"). (2017: from RMB4,000 to RMB9,260). Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 6.00% (2017: 6.00%). Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, at an average of RMB48 (2017: RMB48) per sqm per month.	所用市場單位率上升將導致投資物業公允價值計量按相同百分比增加, 反之亦然。 所用資本化率微幅上升將導致投資物業公允價值計量的顯著下跌, 反之亦然。 所用市場每月租金微幅上升將導致投資物業公允價值計量的顯著增加, 反之亦然。 An increase in the market unit rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa A slight increase in the capitalization rate used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the market monthly rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
Dwelling house located in mainland of China	39,094 (2017: 38,302)	Multiple valuation techniques: Direct Comparison and Income capitalisation		



23. 商譽

23. GOODWILL

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
成本	COST		
於1月1日	At 1 January	1,018,863	990,445
匯兌調整	Exchange adjustments	5,222	28,418
自收購一間附屬公司產生 (附註44)	Arising on acquisition of a subsidiary (Note 44)	50,337	–
於12月31日	At 31 December	1,074,422	1,018,863
減值	IMPAIRMENT		
於1月1日	At 1 January	(29,520)	(30,391)
匯兌調整	Exchange adjustments	(2,049)	871
已確認減值虧損	Impairment loss recognised	(418,628)	–
於12月31日	At 31 December	(450,197)	(29,520)
賬面值	CARRYING VALUES		
於12月31日	At 31 December	624,225	989,343

商譽主要源自於2011年收購中航威海船廠有限公司(「威海船廠」)69.77%股權、於2013年收購德他馬林船舶設計公司(「德他馬林」)全部股權、於2014年收購KHD 89.02%股權及於2014年收購武漢天馬微電子有限公司(「武漢天馬」)90%股權。

其他現金產生單位的可收回金額基於使用價值計算而釐定。有關計算按管理層所編製的財務預測採用除稅前現金流量預測進行。超過預測期的現金流量採用以下所述的估計增長率推算。

Goodwill mainly arose from the acquisition of 69.77% interest of AVIC Weihai Shipyard Company Limited (“Weihai Shipyard”) (中航威海船廠有限公司) in 2011, 100% interest of Deltamarin Oy (“Deltamarin”) in 2013, 89.02% interest of KHD in 2014, and 90% interest of Wuhan Tianma Microelectronics Co., Ltd. (“Wuhan Tianma”) in 2014.

The recoverable amount of other CGUs is determined based on value-in-use calculations. Those calculations use pre-tax cash flow projections based on financial forecasts prepared by management. Cash flows beyond the forecasted period are extrapolated using the estimated growth rates stated below.

23. 商譽(續)

用作公允價值減銷售成本及使用價值計算的主要假設如下：

23. GOODWILL (continued)

The key assumptions used for fair value less costs to sell and value-in-use calculations are as follows:

		威海船廠 Weihai shipyard (單位A) (Unit A)	德他馬林 Deltamarin (單位B) (Unit B)	KHD KHD (單位C) (Unit C)	武漢天馬 Wuhan Tianma (單位D) (Unit D)	其他 Others
於2018年12月31日	At 31 December 2018					
總額(人民幣千元)	Gross amount (RMB'000)	227,107	114,706	352,320	261,482	118,807
減值(人民幣千元)	Impairment (RMB'000)	(227,107)	-	(191,521)	-	(31,569)
賬面值(人民幣千元)	Carry amount (RMB'000)	-	114,706	160,799	261,482	87,238
預測期後收益增長率	Revenue growth rates after the forecasted period	-	3.50%	1.00%	2.00%	0.00%-3.00%
毛利率	Gross margins	13.61%	11.50%	12.59%	12.00%	12.00%-17.00%
年貼現率	Annual discount rates	13.66%	15.58%	15.26%	14.71%	12.23%-16.42%
於2017年12月31日	At 31 December 2017					
賬面總值 (人民幣千元)	Gross carrying amount (RMB'000)	227,107	114,048	350,300	261,482	65,926
減值金額(人民幣千元)	Impairment amount (RMB'000)	-	-	-	-	(29,520)
賬面值(人民幣千元)	Carry amount (RMB'000)	227,107	114,706	350,300	261,482	36,406
預測期後收益增長率	Revenue growth rates after the forecasted period	3%	3.50%	3.00%	2.00%	0.00%-3.00%
毛利率	Gross margins	17.80%	7.00-9.00%	13.18%	12.00%	17.00%
年貼現率	Annual discount rates	20.67%	15.74%	17.47%	14.94%	14.97%-16.42%

此等假設已用於分析經營分部內各現金產生單位。

管理層根據過往表現及其對市場發展的預期釐定預算毛利率。所採用的加權平均收益增長率與業界報告所載預測一致。所採用的貼現率為稅前貼現率，並反映與有關經營分部相關的特定風險。

截至2018年12月31日止年度，本集團的船舶業務持續錄得虧損，此乃由於國際船舶市場的持續放緩。因此，截至2018年12月31日止年度，本集團已就其船舶業務的資產及商譽計提相對重大的減值撥備金額。董事最終釐定與單位A直接有關的商譽減值為人民幣227,107,000元(2017年：無)。

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross margins based on past performance and its expectations of market development. The weighted average revenue growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The Group's ship business continued to record a loss for the year ended 31 December 2018, caused by the continual slowdown in international shipping market. Thus a relatively substantial amount of impairment provisions has been made on assets and goodwill in respect of its ship business for the year ended 31 December 2018. The directors have consequently determined impairment of goodwill directly related to Unit A amounting to RMB227,107,000 (2017: Nil).





23. 商譽(續)

年內，單位C的海外貿易及國際工程業務擴展乃受水泥市場低迷嚴重影響，導致其須中止多項海外工程項目，並就海外項目錄得虧損。董事最終釐定與單位C直接有關的商譽減值為人民幣191,521,000元(2017年：無)。

減值虧損已計入損益內的商譽減值項目。

經進行減值評估後，本公司董事認為毋須進一步計提減值支出。

就單位C而言，倘估計未來現金流量較於2018年及2017年12月31日管理層的估計低10%，則本集團可確認商譽減值虧損人民幣313,604,000元(2017年：人民幣96,050,000元)，而賬面值則為人民幣38,716,000元。倘於2018年及2017年12月31日貼現率增加1%，則本集團可確認商譽減值虧損人民幣321,607,000元(2017年：人民幣247,030,000元)，而賬面值則為人民幣30,713,000元。

就其他單位而言，本公司董事認為，任何該等假設的任何合理可能變動將不會導致其賬面值超出其各自的可收回金額，因此，概無就與其他直接有關的非流動資產確認減值。

24. 使用權益法入賬的投資

於綜合財務狀況表確認的金額如下：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
聯營公司(a)	Associates (a)	2,351,395	2,531,094
合營企業(b)	Joint ventures (b)	32,165	82,925
於12月31日	At 31 December	2,383,560	2,614,019

23. GOODWILL (continued)

During the year, Unit C has been heavily affected by the gloomy cement market during its expansion in overseas trading and international engineering business, and had to suspend a number of overseas engineering projects, which it recorded loss for the overseas projects. The directors have consequently determined impairment of goodwill directly related to Unit C amounting to RMB191,521,000 (2017: Nil).

The impairment loss has been included in profit or loss in the impairment of goodwill line item.

The directors of the Company consider that no further impairment charge was required after performing the impairment assessment.

For Unit C, if the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2018 and 2017, the Group would have recognised RMB313,604,000 impairment loss on the goodwill (2017: RMB96,050,000) and the carrying amount would be RMB38,716,000. If the discount rate had increased 1% as at 31 December 2018 and 2017, the Group would have recognised RMB321,607,000 impairment loss on the goodwill (2017: RMB247,030,000) and the carrying amount would be RMB30,713,000.

For other units, the directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount respectively and accordingly, no impairment is recognised for the non-current assets directly related to others.

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated statement of financial position are as follows:

24. 使用權益法入賬的投資(續)

綜合損益表中確認的應佔聯營公司及合營企業業績如下：

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Share of results of associates and joint ventures recognised in the consolidated statement of profit or loss are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
聯營公司	Associates	296,881	224,776
合營企業	Joint ventures	(10,742)	2,841
		286,139	227,617

(a) 於聯營公司的投資

(a) Investment in associates

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
於年初	At beginning of year	2,531,094	2,670,333
注資	Capital injection	-	8,600
自附屬公司轉撥	Transfer from subsidiaries	-	3,038
自合營企業轉撥	Transfer from joint ventures	32,158	-
已收股息	Dividends received	(48,128)	(159,610)
應佔聯營公司溢利	Share of profits of associates	296,881	224,776
上游交易未變現溢利	Unrealised profits from upstream transaction	-	21,000
應佔一間聯營公司的儲備 (附註37)	Share of reserves of an associate (Note 37)	(1,015)	(1,127)
聯營公司股東注資	Capital contribution from shareholder of an associate	1,071	-
轉撥至附屬公司(附註44)	Transfer to subsidiaries (Note 44)	(278,012)	-
轉撥至按公允價值計量且 其變動計入損益的金融資產	Transfer to financial assets at FVTPL	(151,061)	-
出售於聯營公司的投資(i)	Disposal of investments in associates (i)	(31,593)	(235,916)
於年末	At end of year	2,351,395	2,531,094





24. 使用權益法入賬的投資(續)

(a) 於聯營公司的投資(續)

- (i) 2018年的金額指出售中航建築工程有限公司24.50%權益。出售事項的所得款項總額達人民幣39,440,000元。出售收益總額人民幣7,847,000元計入其他收益及虧損(附註9)。

2017年的金額指出售Hangfa Investment Company Limited(「Hangfa」)20%權益及其他聯營公司。出售事項的所得款項總額達人民幣680,438,000元。出售Hangfa由北京產權交易所(「北京產權交易所」)通過公開投標方式進行，並於2017年11月完成。出售收益總額人民幣444,522,000元計入其他收益及虧損(附註9)。

於截至2018年12月31日及2017年12月31日止年度的綜合現金流量表，出售於聯營公司的投資所得款項為：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
賬面值	Carrying amount	31,593	235,916
出售所得收益	Gain on disposals	7,847	444,522
所得款項	Proceeds	39,440	680,438

以下載列於2018年12月31日董事認為對本集團屬重大的本集團聯營公司。下列聯營公司有僅由普通股組成的股本，直接由本集團持有；註冊成立或註冊所在國家亦為其主要營業地點。

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investments in associates (continued)

- (i) The amount in 2018 represented the disposals of 24.50% interests in China Aviation Construction Engineering Co., LTD. The total proceeds of the disposals amounted to RMB39,440,000. The total disposal gain of RMB7,847,000 is included in Other gains and losses (Note 9).

The amount in 2017 represented the disposals of 20% interests in Hangfa Investment Limited ("Hangfa") and other associates. The total proceeds of the disposals amounted to RMB680,438,000. The disposal of Hangfa was arranged through a public tender process conducted on China Beijing Equity Exchange ("CBEE") and completed in November 2017. The total disposal gain of RMB444,522,000 is included in Other gains and losses (Note 9).

In the consolidated statement of cash flows for the years ended 31 December 2018 and 31 December 2017, proceeds from disposals of investments in associates are:

Set out below is the associate of the Group as at 31 December 2018, which, in the opinion of the directors, is material to the Group. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

24. 使用權益法入賬的投資(續)

- (a) 於聯營公司的投資(續)
於2018年及2017年於聯營公司的
重大投資性質：

24. INVESTMENTS ACCOUNTED FOR USING
THE EQUITY METHOD (continued)

- (a) Investments in associates (continued)
Nature of material investment in associate in 2018
and 2017:

實體名稱 Name of entity	營業地點/ 註冊成立國家 Place of business/ country of incorporation	企業類別 Type of legal entity	擁有權 權益百分比 % of ownership interest	主要業務 Principal activity	計量方法 Measurement method
中航善達股份有限公司 (「中航善達」) AVIC Sunda Company Limited ("AVIC Sunda")	中國，有限責任公司 PRC, Limited Liability company	股份公司(於深圳證券交 易所上市) Joint stock company (listed on Shenzhen Stock Exchange)	22.35%	附註 Note	權益 Equity

附註：中航善達主要於中國從事地產
開發及提供物業管理服務。

Note: AVIC Sunda is engaged in real estate
development and provision of property
management services mainly in China.

於2018年12月31日，本集團於
中航善達(其於深圳證券交易所
上市)權益的公允價值為人民幣
1,115,177,000元(2017年：人民
幣1,447,643,000元)。

As at 31 December 2018, the fair value of
the Group's interest in AVIC Sunda, which is
listed on the Shenzhen Stock Exchange, was
RMB1,115,177,000 (2017: RMB1,447,643,000).

其他聯營公司為私人公司，其股
份並無市場報價。

Other associates are private companies and
there is no quoted market price available for their
shares.

概無與本集團於聯營公司的權益
有關的或然負債。

There are no contingent liabilities relating to the
Group's interest in the associates.





24. 使用權益法入賬的投資(續)

(a) 於聯營公司的投資(續)

中航善達

財務狀況表概要

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Investments in associates (continued)

AVIC Sunda

Summarised statement of financial position

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
流動資產	Current assets	5,213,941	11,102,938
流動負債	Current liabilities	3,447,468	9,612,672
非流動資產	Non-current assets	8,023,322	8,012,775
非流動負債	Non-current liabilities	4,902,890	4,902,861

全面收益報表概要

Summarised statement of comprehensive income

		截至 2018年 12月 31日 止年度 Year ended 31 December 2018 人民幣千元 RMB'000	截至 2017年 12月 31日 止年度 Year ended 31 December 2017 人民幣千元 RMB'000
收入	Revenue	6,655,646	5,893,494
本年度溢利/(虧損)	Profit/(loss) for the year	823,982	(34,728)
本年度其他全面開支	Other comprehensive expense for the year	(2,725)	(2,941)
本年度全面總收益/(開支)	Total comprehensive income/ (expense) for the year	821,257	(37,669)
自中航善達收取的股息	Dividends received from AVIC Sunda	14,909	10,436

24. 使用權益法入賬的投資(續)**(a) 於聯營公司的投資(續)**
全面收益報表概要(續)

所呈列財務資料概要與本集團於
中航善達權益的賬面值對賬：

**24. INVESTMENTS ACCOUNTED FOR USING
THE EQUITY METHOD (continued)****(a) Investments in associates (continued)**

Summarised statement of comprehensive income
(continued)

Reconciliation of the summarised financial
information presented to the carrying amount of
the Group's interest in AVIC Sunda:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
年初資產淨值	Net assets at beginning of the year	4,600,180	4,729,427
本年度溢利/(虧損)	Profit/(loss) for the year	823,982	(34,728)
— 中航善達持有人應佔	— Attributable to the owners of AVIC Sunda	856,613	151,290
— 中航善達非控股股東 權益應佔	— Attributable to the non -controlling interests AVIC Sunda	(32,631)	(186,018)
其他全面開支 與非控股股東權益交易	Other comprehensive expense Transaction with non-controlling interests	(450,680)	(2,941)
股息	Dividends	(82,034)	1,107
非控股股東權益	Non-controlling interests	43,263	420,122
中航善達年末資產淨值	Closing net assets of AVIC Sunda	4,886,905	4,600,180
中航善達權益持有人 應佔資產淨值	Net assets attributable to owners of AVIC Sunda	4,843,642	4,180,058
於中航善達的權益 (2018年：22.35%； 2017年：22.35%)	Interest in AVIC Sunda (2018: 22.35%; 2017: 22.35%)	1,082,554	934,243
賬面值	Carrying value	1,082,554	934,243





24. 使用權益法入賬的投資(續)

- (a) 於聯營公司的投資(續)
個別非重大其他聯營公司的合計
財務資料

24. INVESTMENTS ACCOUNTED FOR USING
THE EQUITY METHOD (continued)

- (a) Investments in associates (continued)
Aggregate financial information of other associates
that are not individually material

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
其他聯營公司於 綜合財務報表的 合計賬面值	Aggregate carrying amount of other associates in consolidated financial statements	1,268,841	1,596,851
其他聯營公司的 本年度業績：	Other associates' results for the year:		
本年度溢利	Profit for the year	105,428	190,963
全面總收益	Total comprehensive income	105,428	190,963

- (b) 於合營企業的投資

- (b) Investments in joint ventures

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
於年初	At beginning of year	82,925	1,854,810
注資	Capital injection	2,237	-
已收股息	Dividends received	-	(1,447)
應佔外幣折算差額	Share of currency translation differences	(489)	(2,782)
出售	Disposals	-	(1,770,497)
轉撥至聯營公司	Transfer to associates	(32,158)	-
轉撥至附屬公司(附註44)	Transfer to subsidiaries (Note 44)	(9,608)	-
應佔合營企業 (虧損)/溢利	Share of (losses)/profits of joint ventures	(10,742)	2,841
於年末	At end of year	32,165	82,925

24. 使用權益法入賬的投資(續)

(b) 於合營企業的投資(續)

所有合營企業為私人公司，而該等股份並無市場報價。本公司董事相信，該等合營企業並不重大，故並無個別披露其財務資料。

於截至2017年12月31日止年度的綜合現金流量表，出售於合營企業的投資所得款項為：

24. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Investments in joint ventures (continued)

All joint ventures are private companies and there is no quoted market price available for their shares. Directors of the Company believe that these joint ventures are not material and have not separately disclosed their financial information.

In the consolidated statement of cash flows for the year ended 31 December 2017, proceeds from disposals of investments in joint ventures are:

		2017年 2017 人民幣千元 RMB'000
賬面值	Carrying amount	1,770,497
出售所得收益	Gain on disposals	73,685
減：計入貿易及其他應收款項的代價	Less: consideration included in trade and other receivables	(829,882)
所得款項	Proceeds	1,014,300





25. 按公允價值計量且其變動計入損益的金融資產

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
強制按公允價值計量且其變動計入損益的金融資產：			
Financial assets mandatorily measured at FVTPL:			
– 持作買賣的上市證券：	– Listed securities held for trading:	5,391	15,371
– 於非上市公司股份的投資	– Investments in shares of unlisted companies	214,358	–
		219,749	15,371
就報告目的分析為：			
Analysed for reporting purposes as:			
流動資產	Current assets	5,391	15,371
非流動資產	Non-current assets	214,358	–
		219,749	15,371

於2018年12月31日，上市證券的公允價值以所報市價計算。上市股本證券的公允價值計量分類至公允價值層級第一級。

The fair value of the listed securities at 31 December 2018 was calculated using the quoted market price. The fair value measurement of the listed equity security is categorised within level 1 of the fair value hierarchy.

非上市公司的公允價值乃根據市場利率及有關非上市公司的特定風險溢價而定的利率貼現後的現金流量計算。其公允價值為公允價值層級第三級。

The fair value of unlisted companies are based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the unlisted companies. The fair values are within level 3 of the fair value hierarchy.

26. 可供出售金融資產

26. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
非上市證券	Unlisted securities	
股本證券	Equity securities	100,631
減：減值虧損撥備	Less: provision for impairment losses	(46,014)
		54,617

所有可供出售金融資產均以人民幣列值。

All AFS financial assets are denominated in RMB.





27. 貿易及其他應收款項

27. TRADE AND OTHER RECEIVABLES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
貿易應收款項	Trade receivables	13,427,953	10,379,105
減：信用虧損撥備(a)	Less: allowance for credit loss (a)	(1,316,617)	(528,535)
貿易應收款項－淨額	Trade receivables – net	12,111,336	9,850,570
其他應收款項(b)	Other receivables (b)	2,960,708	3,978,783
應收票據(c)	Notes receivable (c)	713,995	796,573
向僱員提供貸款	Loans to employees	43,317	46,952
支付供應商預付款項	Prepayments to suppliers	1,527,828	1,796,985
尚未抵扣的增值稅款	Excess of input over output value added tax	2,046,653	1,978,533
應收利息	Interests receivable	28,201	57,427
按金	Deposits	–	282,212
融資租賃應收款項(d)	Finance lease receivables (d)	70,503	76,806
		19,502,541	18,864,841
減：非即期部分	Less: non-current portion		
尚未抵扣的增值稅款	Excess of input over output value added tax	(32,318)	–
按金	Deposits	–	(197,572)
其他應收款項	Other receivables	(175,043)	(139,182)
融資租賃應收款項	Finance lease receivables	(46,893)	(62,396)
		(254,254)	(399,150)
即期部分	Current portion	19,248,287	18,465,691

27. 貿易及其他應收款項(續)

於2018年12月31日及2018年1月1日，來自客戶合約的貿易應收款項總額分別為人民幣13,427,953,000元及人民幣10,379,105,000元。

董事認為，銀行承兌匯票被視為可全數收回，原因為其獲知名銀行發行的票據作抵押，而相關信用風險已大幅減低。

本集團貨品銷售的信用期限為一至十二個月。貿易應收款項的賬齡分析如下：

27. TRADE AND OTHER RECEIVABLES

(continued)

As at 31 December 2018 and 1 January 2018, gross amounts of trade receivables from contracts with customers amounted to RMB13,427,953,000 and RMB10,379,105,000, respectively.

The Directors are of opinions that the bank acceptance bills are considered fully recoverable as they are backed by bills issued by reputable banks and the associated credit risk is highly mitigated.

The Group's credit term on sale of goods is from 1 month to 12 months. The aging analysis of trade receivables is as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
一年內	Within 1 year	11,131,232	8,664,932
一至兩年	Between 1 and 2 years	1,267,165	861,770
兩至三年	Between 2 and 3 years	317,371	373,527
三年以上	Over 3 years	712,185	478,876
		13,427,953	10,379,105
減：信用虧損撥備	Less: allowance for credit loss	(1,316,617)	(528,535)
		12,111,336	9,850,570





27. 貿易及其他應收款項(續)

本集團貿易應收款項賬面值以下列貨幣計值：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
人民幣	RMB	9,391,502	5,823,648
美元	USD	3,347,824	3,360,252
其他	Others	688,627	1,195,205
		13,427,953	10,379,105

(a) 呆賬撥備變動如下：

(a) Movement of the provision for allowance for doubtful debts are as follows:

		2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
於1月1日	At 1 January	264,878
應收款項減值撥備	Provision for receivable impairment	341,855
撇銷的不可收回應收款項	Uncollectible receivables written off	(38,104)
撥回撥備	Provision reversed	(40,094)
於12月31日	At 31 December	528,535

於2018年12月31日，本集團貿易應收款項結餘包括賬面總值合共人民幣96,699,000元的債務，有關債務已逾期惟並未視作違約，原因為債務人並未處於嚴重財務困難，而管理層預期債務人能夠且很可能會償付債務。

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB96,699,000, which are past due but not considered as in default, because the debtors are not in significant financial difficulty and the management expects that the debtor is able and likely to pay for the debts.

27. 貿易及其他應收款項(續)

於2017年12月31日，人民幣50,012,000元的貿易應收款項已逾期但未減值。根據過往經驗，由於信用素質並無重大變動，且該等結餘仍被視為悉數收回，故管理層認為毋須就該等結餘計提減值撥備。該等無抵押貿易應收款項賬齡分析如下：

27. TRADE AND OTHER RECEIVABLES

(continued)

As at 31 December 2017, trade receivables of RMB50,012,000 were past due but not impaired. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The aging analysis of these uncollateralised trade receivables is as follows:

		2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
一至兩年	Between 1 and 2 years	384
兩至三年	Between 2 and 3 years	49,628
		50,012

於報告日期，信用風險上限為上述應收款項的賬面值。本集團並無持有任何抵押品作為貿易應收款項及其他應收款項的抵押。

The maximum exposure to credit risk at the reporting date is the carrying value of receivable mentioned above. The Group does not hold any collateral as security of trade receivables and other receivables.





27. 貿易及其他應收款項(續)

- (b) 計入其他應收款項包括附註52(d)所披露向關聯方提供的貸款人民幣1,568,536,000元(2017年:人民幣1,206,459,000元)及附註52(b)所披露來自關聯方的其他應收款項人民幣392,867,000元(2017年:人民幣802,557,000元)。
- (c) 應收票據包括銀行承兌匯票及商業承兌匯票,分析如下:

27. TRADE AND OTHER RECEIVABLES

(continued)

- (b) Included in other receivables were loans of RMB1,568,536,000 (2017: RMB1,206,459,000) to related parties as disclosed in Note 52(d), and other receivables of RMB392,867,000 (2017: RMB802,557,000) from related parties as disclosed in Note 52(b).
- (c) Notes receivable include bank acceptance bills and commercial acceptance bills which are analysed as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
商業承兌匯票	Commercial acceptance bills	222,530	234,106
銀行承兌匯票	Bank acceptance bills	491,465	562,467
		713,995	796,573

即期貿易應收款項及其他應收款項的賬面值與其公允價值相若。

截至2018年12月31日止年度貿易及其他應收款項減值評估的詳情載於附註49(b)。

The carrying amount of current trade receivables and other receivables approximated their fair values.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2018 are set out in note 49(b).

27. 貿易及其他應收款項(續)

- (d) 融資租賃應收款項
租賃總投資與應收最低租賃付款
現值之間的對賬載列如下。

27. TRADE AND OTHER RECEIVABLES

(continued)

(d) **Finance lease receivables**

Reconciliation between the gross investment in leases and the present value of minimum lease payments receivable is set out below.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
租賃總投資	Gross investment in leases	90,629	104,322
應收最低租賃付款	Minimum lease payments receivables	90,629	104,322
減：有關應收最低租賃 付款的未賺取 融資收入	Less: unearned finance income related to minimum lease payments receivables	(20,126)	(27,516)
應收最低租賃付款現值	Present value of minimum lease payments receivables	70,503	76,806

截至2018年12月31日止年度減值
評估的詳情載於附註49(b)。

Details of impairment assessment for the year
ended 31 December 2018 are set out in note
49(b).



**27. 貿易及其他應收款項(續)****(d) 融資租賃應收款項(續)**

下表分析本集團按到期日分類的租賃總投資：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
—一年以內	– Not later than 1 year	29,507	21,596
—一年以上及五年以內	– Later than 1 year and not later than 5 years	26,577	44,588
—五年以上	– Later than 5 years	34,545	38,138
		90,629	104,322

27. TRADE AND OTHER RECEIVABLES*(continued)***(d) Finance lease receivables (continued)**

The table below analyses the Group's gross investment in leases by maturity:

28. 合約資產／應收(應付)客戶合約工程款項**28. CONTRACT ASSETS/AMOUNTS DUE FROM(TO) CUSTOMERS FOR CONTRACT WORK**

		2018年 12月31日 31 December 2018 人民幣千元 RMB'000	2018年 1月1日* 1 January 2018* 人民幣千元 RMB'000
合約資產	Contract assets		
國際工程及貿易物流	International Engineering and Trading & Logistics	1,428,359	2,652,461
其他	Others	7,447	–
		1,435,806	2,652,461
減：信用虧損撥備	Less: allowance for credit loss	(454)	(79,478)
		1,435,352	2,572,983
減：非即期部分	Less: non-current portion	(228,595)	(175,173)
		1,206,757	2,397,810

* 此列金額已就應用國際財務報告準則第15號進行調整。

* The amounts in this column are after the adjustments from the application of IFRS 15.

**28. 合約資產／應收(應付)客戶合約
工程款項(續)**

合約資產主要與質保金及本集團就已完成工程及未開單所收取代價的權利有關，因該等權利須待本集團於報告日期就建築合約及設計項目達致指定里程碑的未來表現後方可取得。當該權利成為無條件時，合約資產轉撥至貿易應收款項。

預期不會於本集團正常經營週期內結算的合約資產按預計結算日分類為流動資產及非流動資產。

對已確認合約資產的金額產生影響的一般支付條款如下：

本集團建築合約包括付款日程，一旦達到若干指定里程碑，則須要在工程期間分階段付款。

本集團亦通常同意保留期，在保留期屆滿前計入合約資產，作為本集團享有該最終付款的權利。

本集團將該等合約資產分類為流動資產，原因為本集團預期會在正常經營週期內變現該等資產。

本年度合約資產大幅減少是由於年末建築合約減少所致。

28. CONTRACT ASSETS/AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK (continued)

The contract assets primarily relate to the retention deposits and the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date on construction contracts and design projects. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on expected settlement dates.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached.

The Group also typically agrees to a retention period which is included in contract assets until the end of the retention period as the Group's entitlement to this final payment.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The significant decrease of contract assets in the current year is the result of the decrease in construction contract at the end of the year.





**28. 合約資產／應收(應付)客戶合約
工程款項(續)**

應收(應付)客戶合約工程款項

**28. CONTRACT ASSETS/AMOUNTS DUE
FROM (TO) CUSTOMERS FOR CONTRACT
WORK (continued)**

Amounts due from (to) customers for contract work

		2017年 2017 人民幣千元 RMB'000
所產生合約成本加應佔溢利	Contract costs incurred plus attributable profits	21,092,382
減：迄今的進度付款	Less: progress billings to date	(19,474,063)
減：撥備	Less: provision	(69,507)
進行中合約淨值狀況	Net position for ongoing contracts	1,548,812
呈列為：	Presented as:	
應收客戶合約工程款項	Amounts due from customers for contract work	2,038,512
應付客戶合約工程款項	Amounts due to customers for contract work	(489,700)
		1,548,812

應收客戶合約工程款項撥備的變動如下：

Movements in the provision for amounts due from customers for contract work are as below:

		2017年 2017 人民幣千元 RMB'000
於1月1日	At 1 January	86,138
年內確認撥備	Provision recognised during the year	54,245
年內撇銷	Written-off during the year	(70,876)
於12月31日	At 31 December	69,507

29. 存貨

29. INVENTORIES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
存貨 – 按成本	Inventories – cost		
原材料	Raw materials	1,634,203	1,435,828
在製品	Work-in-progress	1,660,328	1,349,635
製成品	Finished goods	5,229,587	5,011,521
持作出售物業	Properties held for sales	623,876	96,687
		9,147,994	7,893,671
減：存貨撇減撥備	Less: provision for write-down of inventories		
原材料	Raw materials	(121,328)	(112,170)
在製品	Work-in-progress	(35,981)	(31,786)
製成品	Finished goods	(304,384)	(344,572)
		(461,693)	(488,528)
存貨 – 淨值	Inventories – net	8,686,301	7,405,143

確認為開支並計入銷售成本的存貨成本為人民幣31,114,501,000元(2017年：人民幣30,912,284,000元)。

The cost of inventories recognised as expense and included in cost of sales amounted to RMB31,114,501,000 (2017: RMB30,912,284,000).

本集團已於2018年撇銷撥備人民幣169,108,000元(2017年：人民幣115,644,000元)。

The Group had written-off provision of RMB169,108,000 in 2018 (2017: RMB115,644,000).

於2018年12月31日，概無銀行借款由存貨作抵押。(於2017年12月31日，若干銀行借款由賬面值為人民幣4,688,000元的存貨作抵押。)

As at 31 December 2018, no bank borrowing was secured by inventories. (As at 31 December 2017, certain bank borrowing were secured by inventories with book value amounted to RMB4,688,000.)





30. 抵押銀行存款

若干銀行結餘為抵押存款，將於償還銀行貸款及使用信用額度後解除。

30. PLEDGED BANK DEPOSITS

Certain bank balances were pledged deposits which will be released upon the settlement of the repayment of the bank loans and the use of credit amount.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
簽發信用證的擔保存款(i)	Guarantee deposits for issuance of letters of credit (i)	48,438	208,968
發行銀行承兌匯票的擔保存款	Guarantee deposits for issuance of bank acceptance bill	68,105	135,192
履行建築合約保證的擔保存款	Guarantee deposits for performance security of construction contract	15,798	25,881
其他	Others	5,897	43
		138,238	370,084

(i) 於2018年12月31日，若干銀行借款以人民幣7,094,000元(2017年：無)的信用證作抵押(附註39(a))。

於2018年12月31日，抵押銀行存款按年利率0.00%至7.00%(2017年：0.00%至7.00%)計息。

(i) As at 31 December 2018, certain bank borrowings were secured by the letters of credit with amount of RMB7,094,000 (2017: Nil) (Note 39(a)).

The pledged bank deposits carry interest rates from 0.00% to 7.00% (2017: 0.00% to 7.00%) per annum as at 31 December 2018.

31. 現金及現金等價物

於2018年12月31日，年利率介乎0.00%至1.95%(2017年：0.35%至2.71%)的現金及現金等價物結餘分析如下：

31. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents with an annual interest rate from 0.00% to 1.95% (2017: 0.35% to 2.71%) as at 31 December 2018 are analysed as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
銀行存款及手頭現金	Cash at bank and on hand	8,526,106	13,381,444

現金及現金等價物的賬面值以下列貨幣列值：

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
人民幣	RMB	4,846,172	8,129,703
美元	USD	2,214,087	3,740,717
歐元	EUR	836,330	618,613
其他	Others	629,517	892,411
		8,526,106	13,381,444





32. 其他非流動資產

32. OTHER NON-CURRENT ASSETS

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
設備預付款	Prepayment for equipment	156,157	89,739
無形資產預付款	Prepayment for intangible assets	7,212	6,813
土地使用權預付款	Prepayment for land use rights	–	160,000
其他	Others	35,319	22,139
		198,688	278,691

33. 發展中物業

33. PROPERTIES UNDER DEVELOPMENT

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
預期將完成的發展中物業：	Properties under development expected to be completed:		
於正常經營週期計入 流動資產	Within the normal operating cycle included under current assets	445,876	871,690
結餘包括：	Balance comprises:		
建築成本	Construction costs	170,370	504,347
土地使用權	Land use rights	141,991	197,084
資本化權益	Interest capitalised	133,515	170,259
		445,876	871,690

33. 發展中物業(續)

33. PROPERTIES UNDER DEVELOPMENT

(continued)

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
於十二個月內收回	To be recovered within 12 months	238,613	425,814
將於超過十二個月後收回	To be recovered after more than 12 months	207,263	445,876
		445,876	871,690

用於釐定2018年符合資本化所產生權益金額的資本化率為每年3.17%(2017年：每年3.61%)。

The capitalisation rate used to determine the amount of interest incurred eligible for capitalisation in 2018 was 3.17% per annum (2017: 3.61% per annum).

34. 貿易及其他應付款項

34. TRADE AND OTHER PAYABLES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
貿易應付款項	Trade payables	12,277,248	10,108,006
應付薪金及員工福利	Salaries and staff welfare payables	1,234,889	1,161,639
應付票據	Notes payable	3,045,915	2,556,302
客戶墊支	Advances from customers	26,329	3,720,422
應付利息	Interest payable	153,353	140,545
應付股息	Dividend payable	142,604	31,264
其他應付稅項	Other taxes payable	630,783	699,478
應計費用及其他應付款項(a)	Accruals and other payables (a)	5,850,019	4,174,518
已收質保金	Retention deposits received	321,507	196,975
		23,682,647	22,789,149
減：非即期部分	Less: non-current portion		
已收質保金	Retention deposits received	(187,981)	(124,510)
即期部分	Current portion	23,494,666	22,664,639

**34. 貿易及其他應付款項(續)**

- (a) 計入應計費用及其他應付款項包括附註52(c)所披露的應付關聯方款項人民幣1,137,108,000元(2017年:人民幣33,492,000元)。該等款項為無抵押,以年利率3.00%至7.90%計息,並須按要求償還。
- (b) 於報告期末,貿易應付款項的賬齡分析如下:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
一年內	Within 1 year	10,890,426	8,692,453
一至兩年	Between 1 and 2 years	748,586	878,060
兩至三年	Between 2 and 3 years	300,331	305,127
三年以上	Over 3 years	337,905	232,366
		12,277,248	10,108,006

- (c) 本集團貿易應付款項的賬面值以下列貨幣計值:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
人民幣	RMB	7,585,633	6,141,749
美元	USD	2,707,774	2,725,927
其他	Others	1,983,841	1,240,330
		12,277,248	10,108,006

34. TRADE AND OTHER PAYABLES (continued)

- (a) Included in accruals and other payables were RMB1,137,108,000 (2017: RMB33,492,000) due to related parties as disclosed in Note 52(c). These amounts were unsecured, bearing annual interest rate from 3.00% to 7.90% and are repayable on demand.
- (b) The aging analysis of trade payables at the end of the reporting period is as follows:

- (c) The carrying amounts of Group's trade payables are denominated in the following currencies:

35. 合約負債

35. CONTRACT LIABILITIES

		2018年 12月31日 31 December 2018 人民幣千元 RMB'000	2018年 1月1日* 1 January 2018* 人民幣千元 RMB'000
合約負債 – 即期	Contract liabilities – current		
電子高科技產品	High-tech Electronic Products	259,450	181,512
零售與消費品	Retails and Consumer Products	14,823	12,568
國際工程及貿易物流	International Engineering and Trading & Logistics	2,044,594	3,990,065
其他	Others	6,925	6,926
		2,325,792	4,191,071

* 此列金額已就應用國際財務報告準則第15號後進行調整。

* The amounts in this column are after the adjustments from the application of IFRS 15.

計入合約負債包括附註52(b)所披露的應付關聯方款項人民幣160,704,000元。

Included in contract liabilities were RMB160,704,000 due to related parties as disclosed in Note 52(b).

下表顯示於本年度確認的收入中有關結轉合約負債的金額。

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

		電子高科技 產品 High-tech Electronic Products 人民幣千元 RMB'000	零售與 消費品 Retails and Consumer Products 人民幣千元 RMB'000	國際工程及 貿易物流 International Engineering and Trading & Logistics 人民幣千元 RMB'000	其他 Others 人民幣千元 RMB'000
於年初計入合約 負債結餘的 已確認收入	Revenue recognised that was included in the contract liability balance at the beginning of the year	181,512	12,568	3,990,065	6,926





35. 合約負債(續)

對已確認合約負債產生影響的一般支付條款如下：

當本集團於生產活動開始前收取按金，此舉將於合約開始時產生合約負債，直至相關合約確認的收入超過按金金額。

35. CONTRACT LIABILITIES (continued)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

36. 股本及股份溢價

36. SHARE CAPITAL AND SHARE PREMIUM

股份數目 Number of share			股本 Share Capital		
內資股 Domestic Shares 千股 Thousands	H股 H Shares 千股 Thousands	股份總數 Total Number of shares 千股 Thousands	已發行及 繳足普通股 Ordinary shares, issued and fully paid 人民幣千元 RMB'000	股份溢價 Share premium 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2017年1月1日、 2017年及2018年12月31 日	As at 1 January 2017, 31 December 2017 and 2018				
832,974	333,188	1,166,162	1,166,162	1,512,380	2,678,542

37. 其他儲備

37. OTHER RESERVES

		資本儲備*	法定一般儲備基金**	可供出售金融資產重估儲備	自有物業轉投資物業的重估收益 Revaluation gain on transfer of owner-occupied property to investment properties	重新計量離職福利責任 Re-measurements of post-employment benefit obligations	外幣折算差額 Currency translation differences	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於2017年1月1日的結餘(先前列示)	Balance as at 1 January 2017 (previously stated)	1,565,548	189,056	13,214	129,902	(17,409)	(705,079)	1,175,232
合併影響	Effect of merger	345,411	-	-	-	-	-	345,411
於2017年1月1日的結餘(經重列)	Balance as at 1 January 2017 as restated	1,910,959	189,056	13,214	129,902	(17,409)	(705,079)	1,520,643
重新計量離職福利責任	Re-measurements of post-employment benefit obligations	-	-	-	-	(858)	-	(858)
自有物業轉投資物業的重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	118,525	-	-	118,525
外幣折算差額	Currency translation differences	-	-	-	-	-	7,387	7,387
應佔一間聯營公司儲備	Share of reserve of an associate	(1,127)	-	-	-	-	-	(1,127)
轉撥至儲備	Appropriation to reserves	-	31,449	-	-	-	-	31,449
特別儲備	Special reserve-safety							
—安全生產基金	production fund	501	-	-	-	-	-	501
一間附屬公司的首次公开发售	Initial public offering of a subsidiary	441,616	-	-	-	-	-	441,616
於2017年12月31日的結餘(經重列)	Balance as at 31 December 2017 as restated	2,351,949	220,505	13,214	248,427	(18,267)	(697,692)	2,118,136





37. 其他儲備(續)

37. OTHER RESERVES (continued)

資本儲備*	法定一般儲備基金**	可供出售金融資產重估儲備	自有物業轉投資物業的重估收益 Revaluation gain on transfer of owner-occupied property to investment properties	重新計量離職福利責任 Re-measurements of post-employment benefit obligations	外幣折算差額 Currency translation differences	總計 Total		
人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000		
於2018年1月1日的結餘 (經重列)	Balance as at 1 January 2018 as restated	2,351,949	220,505	13,214	248,427	(18,267)	(697,692)	2,118,136
調整(附註3)	Adjustments (Note 3)	-	-	(13,214)	-	-	-	(13,214)
於2018年1月1日的經調整 結餘(經重列)	Balance as at 1 January 2018 as restated with adjustments	2,351,949	220,505	-	248,427	(18,267)	(697,692)	2,104,922
重新計量離職福利責任	Re-measurements of post-employment benefit obligations	-	-	-	-	(915)	-	(915)
自有物業轉投資物業 的重估收益	Revaluation gain on transfer of owner-occupied property to investment property	-	-	-	626,401	-	-	626,401
外幣折算差額	Currency translation differences	-	-	-	-	-	30,819	30,819
應佔一間聯營公司儲備 轉撥至儲備	Share of reserve of an associate Appropriation to reserves	(1,015)	-	-	-	-	-	(1,015)
特別儲備 —安全生產基金	Special reserve-safety production fund	-	64,889	-	-	-	-	64,889
8,603		8,603	-	-	-	-	-	8,603
與非控股股東權益 的交易	Transaction with non-controlling interests	(43,629)	-	-	-	-	-	(43,629)
於2018年12月31日的 結餘	Balance as at 31 December 2018	2,315,908	285,394	-	874,828	(19,182)	(666,873)	2,790,075

37. 其他儲備(續)

* 資本儲備主要包括合併影響及以本集團股權交易入賬的上市附屬公司股份攤薄影響。

** 根據中國有關法例及法規，本集團的中國附屬公司於抵銷過往年度累計虧損後及向股東分派溢利前，應自純利轉撥至儲備基金、酌情盈餘儲備及企業發展基金。撥入儲備基金的款項按純利10%計提，直至基金結餘達至其註冊資本50%為止。撥入酌情盈餘儲備及企業發展基金的金額由中國附屬公司董事釐定。

經董事會批准後，儲備基金可用於抵銷累計虧損或增資；企業發展基金可用於擴大生產或增資。

37. OTHER RESERVES (continued)

* Capital reserve mainly comprised of effect of merger and dilution impact of shares in listed subsidiaries accounted for as equity transactions by the Group.

** In accordance with relevant laws and regulations of the PRC, the PRC subsidiaries of the Group should make appropriations from the net profit to the reserve fund, discretionary surplus reserve and the enterprise expansion fund, after offsetting accumulated losses from prior years, and before profit distributions to the shareholders. The appropriations to the reserve fund are made at 10% of the net profit until the balance of the fund reaches 50% of their registered capital. The amounts of appropriations to the discretionary surplus reserve and the enterprise expansion fund are determined by the directors of the PRC subsidiaries.

Upon approval from the board of directors, the reserve fund can be used to offset accumulated losses or to increase capital; the enterprise expansion fund can be used to expand production or to increase capital.





38. 遞延所得稅

就於綜合財務狀況表呈列而言，遞延稅項資產及負債人民幣357,327,000元（2017年：人民幣149,955,000元）已抵銷。下表為就財務報告目的載列遞延稅項結餘的分析：

38. DEFERRED INCOME TAX

For the purpose of presentation in the consolidated statement of financial position, RMB357,327,000 (2017:RMB149,955,000) deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
遞延所得稅資產	Deferred income tax assets	743,796	688,747
遞延所得稅負債	Deferred income tax liabilities	(889,470)	(712,722)
於年末	At end of year	(145,674)	(23,975)

遞延所得稅賬款的淨變動如下：

The net movements on the deferred income tax account are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
於年初	At beginning of year	(23,975)	(44,482)
(計入)/扣除自損益 (附註12)	(Credited)/charge to profit or loss (Note 12)	(11,418)	60,241
直接計入其他全面收益中的稅項	Tax credited directly to other comprehensive income	(121,137)	(63,438)
外幣折算差額	Currency translation differences	(8,677)	23,704
收購附屬公司(附註44)	Acquisition of subsidiaries (Note 44)	19,533	-
於年末	At end of year	(145,674)	(23,975)

所得稅開支的詳情載於附註12。

Details of the income tax charge are shown in Note 12.

38. 遞延所得稅(續)

年內遞延稅項資產及負債(並無計及於同一徵稅區內抵銷的結餘)的變動如下:

遞延稅項資產:

38. DEFERRED INCOME TAX (continued)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets:

		貿易及其他 應收款項 的減值 虧損撥備 Provision for impairment loss on trade receivables and other	陳舊存貨撥備 Provision for inventory obsolescence	稅項虧損 Tax losses	政府補貼 Government grants	未變現溢利 Unrealised profits	應付薪金 以及退休及 其他補充 福利責任 Salaries payable and retirement and other supplemental benefit obligations	應計開支 Accrued expenses	其他 Others	總計 Total
		人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)
於2017年1月1日	At 1 January 2017	73,217	61,282	245,344	205,069	82,707	26,978	10,548	39,659	744,804
計入(扣除自)損益	Credited(charged) to profit or loss	24,447	6,765	(56,928)	64,917	(16,521)	(21,435)	(11,563)	12,114	1,796
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	-	-	-	-	-	(2,393)	-	-	(2,393)
外幣折算差額	Currency translation differences	11,248	9,384	48,374	-	15,474	6,044	3,971	-	94,495
於2017年 12月31日	At 31 December 2017	108,912	77,431	236,790	269,986	81,660	9,194	2,956	51,773	838,702
計入(扣除自)損益	Credited(charged) to profit or loss	120,446	(16,415)	43,274	(47,408)	(23,611)	6,003	1,828	(10,187)	73,930
直接扣除自其他全面 收益的稅項	Tax charged directly to other comprehensive income	-	-	-	-	-	885	-	-	885
收購一間附屬公司	Acquisition of a subsidiary	174	1,550	167,581	12,535	-	-	-	-	181,840
外幣折算差額	Currency translation differences	6,285	8,442	(25,299)	7,872	(3,130)	8,646	1,236	1,714	5,766
於2018年 12月31日	At 31 December 2018	235,817	71,008	422,346	242,985	54,919	24,728	6,020	43,300	1,101,123





38. 遞延所得稅(續)

遞延稅項負債：

38. DEFERRED INCOME TAX (continued)

Deferred tax liabilities:

		業務收購的 資產公允 價值收益 Fair value gain on assets	投資物業的 公允價值變動 Fair value change on investment properties	自住物業 轉投資物業 Transfer of owner- occupied properties to investment properties	重新計量土地 使用權公允 價值收益 Fair value gain on remeasure land use-right	未確認 融資成本 Unrecognised financial cost	應計收入 Accrued income	總計 Total	
		人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	人民幣千元 RMB'000 (經重列) (Restated)	
於2017年1月1日	At 1 January 2017	166,018	239,235	311,946	39,235	5,731	1,523	25,598	789,286
(扣除自)計入損益	(Charged)credited to profit or loss	(37,606)	(47,787)	43,155	-	(2,877)	179	(13,509)	(58,445)
直接計入其他全面 收益的稅項	Tax credited directly to other comprehensive income	-	-	-	61,045	-	-	-	61,045
外幣折算差額	Currency translation differences	1,538	58,211	-	-	2,710	133	8,199	70,791
於2017年12月31日	At 31 December 2017	129,950	249,659	355,101	100,280	5,564	1,835	20,288	862,677
計入(扣除自)損益	Credited(charged) to profit or loss	81,155	4,410	18,653	-	(5,564)	(1,571)	(11,735)	85,348
直接扣除自其他全面 收益的稅項	Tax charged directly to other comprehensive income	-	-	-	122,022	-	-	-	122,022
收購一間附屬公司	Acquisition of a subsidiary	143,497	18,810	-	-	-	-	-	162,307
外幣折算差額	Currency translation differences	14,443	-	-	-	-	-	-	14,443
於2018年12月31日	At 31 December 2018	369,045	272,879	373,754	222,302	-	264	8,553	1,246,797

38. 遞延所得稅(續)

本集團未確認與下列賬目有關的遞延稅項資產：

38. DEFERRED INCOME TAX (continued)

The Group did not recognise deferred tax assets in the accounts relating to:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
結轉稅項虧損	Tax losses carried forward	3,107,004	2,312,579

由於可預見將來不可能有應課稅溢利而就此可動用可扣稅虧損及暫時性差異，故並無確認遞延所得稅資產。

Deferred income tax assets had not been recognised as it is not probable that taxable profit will be made available to utilise the deductible tax losses and temporary differences in the foreseeable future.

根據企業所得稅法，中國公司稅項虧損可結轉用以抵銷未來五年的應課稅溢利。

According to the Corporate Income Tax Law, tax losses of the PRC companies can be carried forward to offset future assessable profit for a period of 5 years.

與未列賬遞延稅項資產相關的結轉稅項虧損到期日如下：

The expiry date of tax losses carried forward in respect of which deferred tax assets have not been accounted for is as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
一年內到期	Expire within 1 year	620,985	418,603
一至兩年內到期	Expire in 1–2 years	789,787	620,985
兩至三年內到期	Expire in 2–3 years	366,396	629,832
三至四年內到期	Expire in 3–4 years	640,692	126,755
四至五年內到期	Expire in 4–5 years	689,144	516,404
		3,107,004	2,312,579



**39. 借款**

借款包括銀行借款及其他借款，分析如下：

39. BORROWINGS

Borrowings include bank borrowings and other borrowings which are analysed as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
非即期	Non-current		
銀行借款	Bank borrowings		
– 已抵押(a)	– pledged (a)	6,053,805	2,472,397
– 有擔保(b)	– guaranteed (b)	7,009,309	6,088,300
– 無抵押	– unsecured	7,425,416	8,865,625
中期票據(c)	Medium-term notes (c)	700,000	1,800,000
公司債券(d)	Corporate bonds (d)	997,028	–
關聯方借款(附註52(c))	Related party borrowings (Note 52(c))	1,645,072	1,511,852
免息政府貸款(e)	Interest-free government loan (e)	188,407	161,700
		24,019,037	20,899,874
減：非即期借款 的即期部分	Less: current portion of non-current borrowings	(4,963,217)	(4,078,745)
		19,055,820	16,821,129
即期	Current		
銀行借款	Bank borrowings		
– 已抵押(a)	– pledged (a)	293,728	60,688
– 有擔保(b)	– guaranteed (b)	1,287,906	884,000
– 無抵押	– unsecured	6,243,752	10,393,544
關聯方借款(附註52(c))	Related party borrowings (Note 52(c))	1,093,842	1,115,262
非即期借款的即期部分	Current portion of non-current borrowings	4,963,217	4,078,745
		13,882,445	16,532,239
		32,938,265	33,353,368

於2018年及2017年12月31日，概無銀行貸款載有按要求償還的條款。

At 31 December 2018 and 2017, no bank loans have contained a repayment on demand clause.

39. 借款(續)

(a) 該等銀行貸款以下列各項作抵押：

39. BORROWINGS (continued)

(a) These bank loans were secured by the following:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
投資物業	Investment properties	1,954,602	-
樓宇	Buildings	1,156,502	1,167,465
土地使用權	Land use rights	622,392	375,821
抵押銀行存款	Pledged bank deposits	7,094	-
在建工程	Construction-in-progress	-	27,042
存貨	Inventories	-	4,688
		3,740,590	1,575,016

(b) 該等貸款由下列人士提供的擔保支持：

(b) These loans were supported by the guarantees provided by:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
中航國際	AVIC International	2,298,664	1,445,940
中航深圳	AVIC Shenzhen	515,993	584,877
第三方(附註)	Third Parties (Note)	5,482,558	4,941,483
		8,297,215	6,972,300

附註： 主要指由廈門金圓投資集團有限公司(天馬公司的一名非控股股東)所提供的擔保。

Note: It mainly represented the guarantee provided by Xiamen Jin Yuan Investment Group Co., Ltd., a non-controlling shareholder of Tianma Company.



**39. 借款(續)**

- (c) 本公司的直接控股公司中航國際已就中期票據提供全額無條件不可撤回共同及個別債務擔保。

本集團已發行以下票據：

發行日	Issuing Date	金額		年利率 Annual Interest Rate	期限 Term
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000		
2016年3月11日	11 March 2016	700,000	700,000	3.28%	5 years
2013年4月17日	17 April 2013	-	600,000	4.78%	5 years
2015年7月14日	14 July 2015	-	500,000	4.10%	3 years

- (d) 於2018年12月13日，天馬公司發行首批金額為人民幣997,028,000元的公司債券，於2023年12月13日到期。債券按每年4.05厘計息。利息每年支付。

39. BORROWINGS (continued)

- (c) AVIC International, the Company's immediate holding company, provided a full unconditional irrevocable joint and several liability guarantee for the medium-term notes.

The Group has issued the following notes:

- (d) On 13 December 2018, Tianma Company issued the first tranche of the corporate bonds, amount of RMB997,028,000 with a maturity date of 13 December 2023. The bond bears interest at 4.05% per annum. Interest is payable annually in arrears.

39. 借款(續)

(e) 本公司於2015年2月2日獲授免息貸款人民幣200,000,000元，用於建造TFT-LCD生產線。該貸款自2015年2月4日至2020年2月2日分期償還。等額貸款以當時市場利率每年6厘計息，估計貸款於授出日期的公允價值為人民幣149,450,000元。所得款項總額與貸款公允價值之間的差額人民幣50,550,000元乃源自免息貸款的利益，並確認為遞延收入。遞延收入將在相關資產的可使用年內攤銷。

(f) 借款的賬面值以下列貨幣計值：

39. BORROWINGS (continued)

(e) Interest-free loan of RMB200,000,000 was granted on 2 February 2015 for constructing the TFT-LCD production line. The loan is repaid by instalments from 4 February 2015 to 2 February 2020. Using the prevailing market interest rates for an equivalent loan of 6% per annum, the fair value of the loan is estimated at RMB149,450,000 on grant date. The difference of RMB50,550,000 between the gross proceeds and the fair value of the loan on inception is treated as the benefit derived from the interest free loan and is recognised as deferred revenue. The deferred revenue will be amortised over the useful life of the relevant assets.

(f) The carrying amounts of the borrowings are denominated in the following currencies:

		2018年 2018		2017年 2017	
人民幣千元	實際年利率 Effective Annual	人民幣千元	實際年利率 Effective Annual	人民幣千元	實際年利率 Effective Annual
RMB'000	Interest rate	RMB'000	Interest rate	(經重列) (Restated)	(經重列) (Restated)
人民幣	RMB	29,081,321	0.00%~5.87%	30,232,302	0.00%~6.53%
美元	USD	2,351,933	3.05%~6.16%	1,880,248	0.54%~6.03%
歐元	EUR	1,458,028	1.00%~2.40%	989,495	2.11%~2.60%
其他	Others	46,983		251,323	
		32,938,265		33,353,368	



**39. 借款(續)**

- (g) 上述借款的賬面值乃根據貸款協議所載的預定償還日期償還：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
一年內	Within 1 year	13,882,445	16,532,239
一至兩年	Between 1 and 2 years	2,883,445	3,680,567
兩至五年	Between 2 and 5 years	10,947,588	8,757,083
超過五年	Over 5 years	5,224,787	4,383,479
		32,938,265	33,353,368

到期款項根據貸款協議所載的預定償還日期計算。

The amounts due are based on scheduled repayment dates set out in the loan agreements.

- (h) 本集團的借款利率風險如下：

- (h) The interest rate exposure of the borrowings of the Group are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
浮息借款	Borrowings at floating rates	20,404,365	18,656,212
定息借款	Borrowings at fixed rates	12,533,900	14,697,156
總計	Total	12,465,353	33,353,368

40. 永久次級可換股證券

於2012年9月5日，本公司發行本總額人民幣2,781,674,000元的永久次級可換股證券予控股公司中航國際、中航深圳（持有本公司35.63%股本權益的本公司股東）及北京瑞賽科技有限公司（「北京瑞賽」），分別作為收購多家附屬公司的部分購買代價。此等永久次級可換股證券可按初步轉換價每股人民幣3.47元轉換為801,634,000股本公司內資股。於2017年10月，北京瑞賽將本公司發行的由北京瑞賽所持有以人民幣1,058,729,000元中計值的全部永久次級可換股證券轉讓給中航國際。北京瑞賽不再持有本公司的永久次級可換股證券。

永久次級可換股證券並無到期日及有權收取永久次級可換股證券自發行日期起（包括該日）就任何尚未償還本金額按年息1厘計算每年7月31日到期應付的年度分派款項，惟須受永久次級可換股證券的條款所限。本公司有權按永久次級可換股證券條款選擇延期分派款項。永久次級可換股證券持有人行使轉換權後，本公司將透過派發其可發行內資股全數終止任何就永久次級可換股證券而到期的分派欠款。

自永久次級可換股證券發行日期後12個月或任何時間，本公司可全權並根據永久次級可換股證券條款選擇轉換全部（但非部分）永久次級可換股證券為內資股，惟須受永久次級可換股證券條款所載轉換限制條文所限。

40. PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

The Company issued an aggregate principal amount of RMB2,781,674,000 PSCS on 5 September 2012 to AVIC International, the holding company, AVIC Shenzhen, the Company's shareholder holding 35.63% of the equity interests of the Company, and Beijing Raise Science Co., Ltd (北京瑞賽科技有限公司) ("Beijing Raise"), respectively as part of the purchase consideration for acquisition of subsidiaries. These PSCS could be convertible into 801,634,000 domestic shares of the Company at an initial conversion price of RMB3.47 per share. Beijing Raise transferred all the PSCS denominated in RMB1,058,729,000 held by Beijing Raise issued by the Company to AVIC International in October 2017. Beijing Raise ceased to hold PSCS of the Company.

The PSCS have no maturity date and conferred a right to receive distributions from and including the date of issue of the PSCS at 1% per annum on any outstanding principal amount of distribution payable annually in arrears on 31 July each year, subject to the terms of the PSCS. The Company was entitled to elect to defer a distribution pursuant to the terms of the PSCS. Any arrears of distributions due in respect of the PSCS would be extinguished by the Company in full through the delivery by the Company of its domestic shares issuable by it upon the exercise of the PCSC holder's conversion right.

On or at any time after 12 months after the date of issue of the PSCS, the Company may, at its sole discretion and pursuant to the terms of the PSCS, elect to convert the PSCS in whole (but not in part into domestic shares), subject to the provisions of restriction on conversion set out in the terms of the PSCS.





41. 退休及其他補充福利責任

下表載列已計入綜合財務報表的本集團離職後福利金額及活動。

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

The table below outlines where the Group's post-employment amounts and activity are include in the consolidated financial statements.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
本集團綜合財務狀況報表所列金額：	The amounts include in the consolidated statement of financial position arising from the Group's:		
– 補充退休福利計劃	– Supplemental retirement benefits plan	36,700	43,455
– 界定退休金福利	– Defined pension benefits – with		
– 有注資計劃資產	funded plan assets	23,517	26,216
– 界定退休金福利	– Defined pension benefits – without		
– 無注資計劃資產	funded plan assets	196,823	175,573
– 其他界定退休福利	– Other defined pension benefits	163,538	175,397
界定福利計劃所產生的負債	Liabilities arising from defined benefits plan	420,578	420,641
就下列各項的損益表支出計入經營溢利：	Charge to statement of profit or loss included in operating profit for:		
– 補充退休福利計劃	– Supplemental retirement benefits plan	2,127	1,249
– 提前退休福利計劃	– Early retirement benefit plan	–	(14)
– 界定退休金福利	– Defined pension benefits – with		
– 有注資計劃資產	funded plan assets	3,174	3,348
– 界定退休金福利	– Defined pension benefits – without		
– 無注資計劃資產	funded plan assets	8,743	8,164
– 其他界定退休福利	– Other defined pension benefits	2,375	2,535
		16,419	15,282
就下列各項重新計量：	Re-measurements for:		
– 補充退休福利計劃	– Supplemental retirement benefits plan	2,473	2,106
– 界定退休金福利	– Defined pension benefits – with		
– 有注資計劃資產	funded plan assets	(2,815)	(5,169)
– 界定退休金福利	– Defined pension benefits – without		
– 無注資計劃資產	funded plan assets	2,635	(1,938)
– 其他界定退休福利	– Other defined pension benefits	(3,798)	94
		(1,505)	(4,907)

41. 退休及其他補充福利責任(續)

於綜合財務狀況報表確認的提前退休及補充福利責任金額釐定如下：

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

The amounts of early retirement and supplemental benefit obligations recognised in the consolidated statement of financial position are determined as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
界定福利責任的現值	Present value of defined benefits obligations	420,578	420,641
減：即期部分	Less: current portion	(15,473)	(15,910)
非即期部分	Non-current portion	405,105	404,731

本集團提前退休福利及補充福利責任的變動如下：

The movements of Group's early retirement benefit and supplemental benefit obligations are as follows:

		責任現值 Present value of obligation 人民幣千元 RMB'000	計劃資產 公允價值 Fair value of plan assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2017年1月1日	At 1 January 2017	469,826	(39,810)	430,016
過往服務成本	Past service cost	1	-	1
現有服務成本	Current service cost	10,455	-	10,455
利息支出(收入)	Interest expense (income)	5,002	(176)	4,826
		485,284	(39,986)	445,298
重新計量	Re-measurements			
— 經驗虧損	— Experience losses	(2,435)	-	(2,435)
— 財務假設變動虧損	— Loss from change in financial assumptions	(1,297)	(1,175)	(2,472)
		(3,732)	(1,175)	(4,907)





41. 退休及其他補充福利責任(續)

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

		責任現值 Present value of obligation 人民幣千元 RMB'000	計劃資產 公允價值 Fair value of plan assets 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
出售一間附屬公司	Disposal of a subsidiary	(3,027)	–	(3,027)
計劃付款－福利付款	Payments from plans – Benefit payments	(17,929)	(4,523)	(22,452)
匯兌差額	Exchange difference	4,526	1,203	5,729
於2017年 12月31日	At 31 December 2017	465,122	(44,481)	420,641
於2018年1月1日	At 1 January 2018	465,122	(44,481)	420,641
過往服務成本	Past service cost	502	–	502
現有服務成本	Current service cost	10,660	–	10,660
利息支出／(收入)	Interest expense/(income)	5,497	(240)	5,257
		481,781	(44,721)	437,060
重新計量	Re-measurements			
－經驗虧損	– Experience losses	(1,123)	–	(1,123)
－財務假設變動虧損	– Loss from change in financial assumptions	(2,478)	2,096	(382)
		(3,601)	2,096	(1,505)
計劃付款－福利付款	Payments from plans – Benefit payments	(25,335)	(4,731)	(30,066)
匯兌差額	Exchange difference	18,094	(3,005)	15,089
於2018年 12月31日	At 31 December 2018	470,939	(50,361)	420,578

41. 退休及其他補充福利責任(續)

上述責任根據獨立合資格精算公司採用預計單位貸記精算成本法進行的精算估值釐定。

對此等責任估值所採用的重大精算假設如下：

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

The above obligations were determined based on actuarial valuations performed by independent qualified actuarial firms, using the projected unit credit actuarial cost method.

The material actuarial assumptions used in valuing these obligations are as follows:

		2018年 2018				
		補充退休 福利計劃 Supplemental retirement benefits plan	提前退休 福利計劃 Early retirement benefit plan	界定退休 金福利—有注 資計劃資產 Defined pension benefits – with funded plan assets	界定退休 金福利—無注 資計劃資產 Defined pension benefits – without funded plan assets	其他界定 退休福利 Other defined pension benefits
貼現率(每年)	Discount rate (per annum)	3.2%	不適用 N/A	0.5%	0.5%	1.55%
薪金增長率	Salary growth rate	8.0%	不適用 N/A	1.3%	1.3%	1.5%
預期壽命	Life expectancy	90	不適用 N/A	N/A	N/A	N/A
僱員流動率	Employee turnover rate	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	0%





41. 退休及其他補充福利責任(續)

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

		2017年 2017				
		補充退休福利計劃 Supplemental retirement benefits plan	提前退休福利計劃 Early retirement benefit plan	界定退休金福利—有注資 Defined pension benefits – with funded plan assets	界定退休金福利—無注資 Defined pension benefits – without funded plan assets	其他界定退休福利 Other defined pension benefits
貼現率(每年)	Discount rate (per annum)	3.0%	不適用 N/A	0.6%	0.9%	1.9%
薪金增長率	Salary growth rate	8%	不適用 N/A	1.5%	1.9%	1.5%
預期壽命	Life expectancy	86	不適用 N/A	不適用 N/A	不適用 N/A	N/A
僱員流動率	Employee turnover rate	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	不相關 Not relevant	0%

有關未來死亡率的假設乃按照在相關國家刊發的統計數字及經驗，根據精算意見訂定。該等假設可推算出領取退休金人士於六十歲退休後的平均預期壽命。

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in related countries. These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 60.

界定退休金福利的計劃資產如下：

The planned assets of the defined pension benefits are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
投資基金	Investment funds	47,034	42,891

41. 退休及其他補充福利責任(續)

所有計劃資產於活躍市場均有報價。

未貼現界定退休金福利預期到期日分析如下：

41. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (continued)

All the planned assets have quoted prices in active markets.

Expected maturity analysis of undiscounted defined pension benefits:

		少於一年 Less than a year 人民幣千元 RMB'000	一至兩年 Between 1-2 years 人民幣千元 RMB'000	兩至五年 Between 2-5 years 人民幣千元 RMB'000	超過五年 Over 5 years 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2018年		At 31 December 2018				
12月31日						
補充退休福利計劃	Supplement retirement benefits plan	3,898	3,779	10,572	40,614	58,863
界定退休金福利	Defined pension benefits					
– 有注資計劃資產	– with funded plan assets	3,651	2,104	10,149	58,916	74,820
界定退休金福利	Defined pension benefits					
– 無注資計劃資產	– without funded plan assets	6,993	4,023	25,436	170,932	207,384
其他界定退休金福利	Other defined pension benefits	11,473	11,418	32,935	107,712	163,538
		26,015	21,324	79,092	378,174	504,605
於2017年		At 31 December 2017				
12月31日						
補充退休福利計劃	Supplement retirement benefits plan	3,890	3,787	10,686	43,455	61,818
界定退休金福利	Defined pension benefits					
– 有注資計劃資產	– with funded plan assets	347	521	2,315	74,090	77,273
界定退休金福利	Defined pension benefits					
– 無注資計劃資產	– without funded plan assets	3,299	6,657	14,529	163,346	187,831
其他界定退休金福利	Other defined pension benefits	11,859	11,750	34,158	117,627	175,394
		19,395	22,715	61,688	398,518	502,316





42. 政府補貼的遞延收入

此等金額代表由中國當地政府機關授出及自其收取的各項補貼。截至2018年12月31日止年度的變動如下：

42. DEFERRED INCOME ON GOVERNMENT GRANTS

The amounts represented various subsidies granted by and received from local government authorities in the PRC. The movement for the year ended 31 December 2018 is as follows:

	於2018年 1月1日 At 1 January 2018 人民幣千元 RMB'000 (經重列) (Restated)	已收補貼 Receipt of grants 人民幣千元 RMB'000	計入溢利/ (虧損) Credited to profit (loss) 人民幣千元 RMB'000	計入在建工程 Credited to construction- in-process 人民幣千元 RMB'000	於2018年 12月31日 At 31 December 2018 人民幣千元 RMB'000	
與資產有關的 政府補貼(不包括 政府免息貸款)	Government grant related to assets (excluding government interest free loan)	822,091	275,320	(134,890)	(560)	961,961
與成本有關的政府補貼	Government grant related to costs	775,925	426,500	(857,598)	(173,320)	171,507
政府優惠利率貸款	Government interest preferential loans	574,367	-	(54,041)	-	520,326
		2,172,383	701,820	(1,046,529)	(173,880)	1,653,794

已於本年度自損益扣除有關研發成本的政府補貼人民幣1,190,120,000元(2017年：人民幣1,076,079,000元)。該金額已計入年內其他收入。

Government grants of RMB1,190,120,000 (2017: RMB1,076,079,000) have been charged to profit or loss in the current year towards the cost of research and development. The amounts have been included in other income for the year.

於2018年，本集團就研發成本及基建收取政府補貼人民幣701,820,000元。有關金額被視作遞延收入。該金額於相關資產的可使用年限內轉撥至收入，並自相關資產成本中扣除。有關補貼導致本年度收入入賬人民幣1,046,529,000元(2017年：人民幣937,448,000元)，而於本年度在建工程入賬人民幣173,880,000元(2017年：人民幣326,689,000元)。於2018年12月31日，人民幣1,653,794,000元(2017年12月31日：人民幣2,172,383,000元)仍待攤銷。

In 2018, the Group received a government subsidy of RMB701,820,000 towards the cost of research and development and infrastructure construction. The amount has been treated as deferred income. The amount is transferred to income over the useful lives of the relevant assets and deducted from the cost of the relevant assets. This subsidy has resulted in a credit to income in the current year of RMB1,046,529,000 (2017: RMB937,448,000) and the credited to construction-in-process in the current year of RMB173,880,000 (2017: RMB326,689,000). As at 31 December 2018, an amount of RMB1,653,794,000 (31 December 2017: RMB2,172,383,000) remains to be amortized.

43. 其他負債

43. OTHER LIABILITIES

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
應付中航深圳款項(a)	Payable to AVIC Shenzhen (a)	75,000	75,000
其他	Others	26,201	2,179
		101,201	77,179
減：即期部分	Less: current portion	(100,914)	(1,506)
		287	75,673

(a) 本集團附屬公司深南電路股份有限公司於2009年10月向中航深圳借款人民幣75,000,000元。該等款項為無抵押，按三個月期上海銀行同業拆息每年4.7厘計息及須於2019年10月償還。

(a) Shennan Circuit Co., LTD, a subsidiary of the Group, borrowed RMB75,000,000 from AVIC Shenzhen in October 2009. The amounts are unsecured, interest bearing at a rate of 3 month SHIBOR plus 4.7% per annum and repayable in October 2019.

44. 收購附屬公司

於2018年，本集團收購多間附屬公司，主要包括天馬有機公司及若干不重大附屬公司。

如附註2所述，於2018年2月2日，天馬公司透過發行約38,258,626股每股面值人民幣17.1元的A股（「代償股份」）向上海張江公司及上海投資公司收購天馬有機公司60%股權。天馬有機公司於收購事項前入賬列作聯營公司，此乃由於天馬公司持有其40%股權並對其決策擁有重大影響力。

天馬有機收購事項完成後，天馬有機公司成為天馬（本集團的附屬公司）的全資附屬公司。

44. ACQUISITION OF SUBSIDIARIES

During year 2018, the Group acquired a number of subsidiaries, mainly includes Tianma Organic Company and some immaterial subsidiaries.

As mentioned in Note 2, Tianma Company acquired 60% equity interests of Tianma Organic Company from Shanghai Zhangjiang Company and Shanghai Investment Company by issuing approximately 38,258,626 A shares (the "Consideration Shares") at RMB17.1 per share on 2 February 2018. Tianma Organic Company was accounted as an associate before the acquisition on the basis that Tianma Company held 40% equity interests and has material impact in its decision making.

Upon completion of Tianma Organic Acquisition, Tianma Organic Company became a wholly owned subsidiary of Tianma, a subsidiary of the Group.





44. 收購附屬公司(續)

(a) 已轉讓代價

44. ACQUISITION OF SUBSIDIARIES (continued)

(a) Consideration transferred

		人民幣千元 RMB'000
代價股份的公允價值	Fair value of the Consideration Shares	654,223
先前於天馬有機公司 所持有40%股權的公允價值	Fair value of the previously held 40% equity interest in Tianma Organic Company	402,590
		1,056,813

(b) 於收購日期確認的資產及負債

(b) Assets and liabilities recognised at the date of acquisition

		人民幣千元 RMB'000
<i>流動資產</i>	<i>Current assets</i>	
現金及現金等價物	Cash and cash equivalents	56,901
貿易及其他應收款項	Trade and other receivables	269,759
存貨	Inventories	57,177
<i>非流動資產</i>	<i>Non-current assets</i>	
土地使用權	Land use rights	271,298
無形資產	Intangible assets	7,017
在建工程	Construction-in-progress	798,770
物業、廠房及設備	Property, plant and equipment	1,451,969
遞延所得稅資產	Deferred income tax assets	38,343
其他非流動資產	Other non-current assets	344,898
<i>流動負債</i>	<i>Current liabilities</i>	
貿易及其他應付款項	Trade and other payables	803,256
借款	Borrowings	770,000
<i>非流動負債</i>	<i>Non-current liabilities</i>	
借款	Borrowings	665,350
遞延所得稅負債	Deferred income tax liabilities	18,810
政府補貼的遞延收入	Deferred income on government grants	32,240
		1,006,476

44. 收購附屬公司(續)

(b) 於收購日期確認的資產及負債(續)

於收購日期以公允價值約人民幣269,759,000元購入的應收款項(主要包括尚未抵扣的增值稅款)的總合約金額約為人民幣270,455,000元。於收購日期對合約現金流量的最佳估計預期不可收回的金額約為人民幣696,000元。

(c) 收購事項產生的商譽

已轉讓代價
減：已收購可識別淨資產
的已確認金額

收購事項產生的商譽

因合併成本包括控制權溢價，故收購天馬有機公司產生商譽。此外，商譽包括有關預期協同效應之金額、收入增長、未來市場發展，以及天馬有機公司的裝配勞動力。由於該等利益不符合可識別無形資產之確認標準，故並無與商譽分開確認。

(d) 收購事項產生的現金流入淨額

已轉讓現金代價
減：已收購現金及現金
等價物結餘

44. ACQUISITION OF SUBSIDIARIES (continued)

(b) Assets and liabilities recognised at the date of acquisition (continued)

The receivables acquired (which principally comprised excess of input over output value added tax) with a fair value of about RMB269,759,000 at the date of acquisition had gross contractual amounts of about RMB270,455,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to about RMB696,000.

(c) Goodwill arising on acquisition

Consideration transferred
Less: recognised amount of identifiable net
assets acquired

Goodwill arising on acquisition

Goodwill arose on the acquisition of Tianma Organic Company because the cost of the combination included a control premium. In addition, the goodwill included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce for Tianma Organic Company. These benefits could not be separately recognized from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(d) Net cash inflows arising on acquisition

Cash consideration transferred
Less: cash and cash equivalents balance
acquired

人民幣千元
RMB'000

1,056,813

(1,006,476)

50,337

人民幣千元
RMB'000

—

56,901

56,901





44. 收購附屬公司(續)

(e) 收購事項對本集團業績的影響

天馬有機公司應佔虧損約人民幣199,732,000元乃計入本年度純利。天馬有機公司應佔本年度收入約為人民幣318,516,000元。

倘天馬有機公司收購事項已於年初進行，本集團截至2018年12月31日止年度的收入總額將約為人民幣54,299,844,000元，而本集團於期間的溢利將約為人民幣342,019,000元。備考資料僅供說明用途，未必表示收購事項於中期期初完成的情況下本集團本應實際達致的收入及經營業績，亦無意用作未來業績的預測。

倘天馬有機公司已於年初收購，於釐定本集團「備考」收入及溢利時，本公司董事根據於收購日期確認的廠房及設備金額計算廠房及設備的折舊及攤銷。

44. ACQUISITION OF SUBSIDIARIES (continued)

(e) Impact of acquisition on the results of the Group

Included in the net profit for the year is loss of about RMB199,732,000 attributable to Tianma Organic Company. Revenue for the year includes about RMB318,516,000 is attributable to Tianma Organic Company.

Had the acquisition of Tianma Organic Company been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2018 would have been about RMB54,299,844,000 and the amount of the profit of the Group for the period would have been about RMB342,019,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the interim period, nor is it intended to be a projection of future results.

In determining the “pro-forma” revenue and profit of the Group had Tianma Organic Company been acquired at the beginning of the year, the directors of the Company calculated depreciation and amortisation of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.

44. 收購附屬公司(續)

- (ii) 如附註24所述，中航賽博機場建設有限公司(「中航賽博機場」)的非控股股東權益於2018年12月與中國航空技術國際工程有限公司簽訂一致行動協議。本集團將中航賽博機場自一間聯營公司轉撥為一間附屬公司。

中航路通實業有限公司及重慶中航路通瀝青有限公司(「重慶路通」)的非控股股東權益於2018年10月就重慶路通的細則進行修改。本集團將重慶路通自一間合營企業轉撥為一間附屬公司。

於收購過程中，概無任何代價或或然代價轉撥至非控股股東權益。

44. ACQUISITION OF SUBSIDIARIES (continued)

- (ii) As mentioned in Note 24, the non-controlling interests of AVIC Airport Construction CO., LTD (“AVIC Airport”) signed the agreement to act in concert with China National Aero-Technology Engineering Company Limited in December 2018. The Group transferred AVIC Airport from a associate to a subsidiary.

AVIC Lutong Company Limited and the non-controlling interests of AVIC Lutong (Chongqing) Company Limited (“Chongqing Lutong”) modified the article of Chongqing Lutong in October 2018. The Group transferred Chongqing Lutong from a joint venture to a subsidiary.

During the process of acquisition, there was no any consideration or contingent consideration transferred to non-controlling interests.



**44. 收購附屬公司(續)****(a)** 於收購日期確認的資產及負債**44. ACQUISITION OF SUBSIDIARIES (continued)****(a)** Assets and liabilities recognised at the date of acquisition

		人民幣千元 RMB'000
流動資產		
現金及現金等價物	Cash and cash equivalents	5,042
貿易及其他應收款項	Trade and other receivables	4,153
存貨	Inventories	43
非流動資產		
物業、廠房及設備	Property, plant and equipment	18,589
流動負債		
貿易及其他應付款項	Trade and other payables	2,915
		24,912

附屬公司資產淨值的公允價值為其賬面值，收購並無產生商譽。

The fair value of the subsidiaries' net assets amounted to their carrying amounts, there is no goodwill arising from the acquisition.

(b) 收購事項產生的現金流入淨額**(b)** Net cash inflows arising on acquisition

		人民幣千元 RMB'000
所購入現金及現金等價物結餘	Cash and cash equivalents balance acquired	5,042
減：已轉讓現金代價	Less: cash consideration transferred	-
		5,042

(c) 收購事項對本集團業績的影響**(c)** Impact of acquisition on the results of the Group

Chongqing Lutong及AVIC Airport應佔虧損約人民幣473,000元乃計入本年度純利。該兩間附屬公司概無應佔本年度收入。

Included in the net profit for the year is loss of about RMB473,000 attributable to Chongqing Lutong and AVIC Airport. There is no revenue for the year attributable to those two subsidiaries.

於收購過程中，概無任何代價或或然代價轉撥至非控股股東權益。

During the process of acquisition, there was no any consideration or contingent consideration transferred to non-controlling interests.

45. 撥備

45. PROVISIONS

		環境復原(a)	虧損合約(b)	法律索償(c)	保證(d)	成員公司 自願清盤 Members' voluntary liquidation	總計
		Environmental restoration(a)	Loss contracts(b)	Legal claims(c)	Warranty(d)	人民幣千元	Total 人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於2017年1月1日	At 1 January 2017	9,648	25,026	28,613	133,174	-	196,461
添置	Additions	-	4,785	2,497	52,299	-	59,581
已動用	Utilised	-	(28,268)	(26,130)	(56,106)	-	(110,504)
外幣折算差額	Currency translation differences	(156)	(302)	(120)	(1,027)	-	(1,605)
於2017年 12月31日	At 31 December 2017	9,492	1,241	4,860	128,340	-	143,933
於2018年1月1日	At 1 January 2018	9,492	1,241	4,860	128,340	-	143,933
添置	Additions	127	152,449	2,958	62,386	1,967	219,887
已動用	Utilised	-	(67,008)	(683)	(27,324)	-	(95,015)
外幣折算差額	Currency translation differences	661	(353)	(58)	607	-	857
於2018年 12月31日	At 31 December 2018	10,280	86,329	7,077	164,009	1,967	269,662

(a) 天馬日本有限公司產生的撥備與清除秋田工廠的土壤污染物有關。

(a) The provision incurred by Tianma Japan, Ltd. was in connection with the removal of pollution of the soil of the Akita plant.

(b) 虧損合約金額由本集團附屬公司KHD管理層累計。預計合約虧損透過估值撥備確認。於釐定有關預計合約虧損時已計及全部可識別風險。

(b) The amount of loss contracts is accrued by the management of KHD, a subsidiary of the Group. Expected contract losses are recognised through valuation allowance provisions. All identifiable risks are taken into account when determining such expected contract losses.

(c) 法律索償尚未動用的撥備結餘主要包括本集團附屬公司KHD與當地所得稅監管部門就企業所得稅進行的訴訟，關於是否受理過往年度抵扣的撥備。

(c) The outstanding balance of provisions for legal claims mainly consists lawsuit of KHD, a subsidiary of the Group, relating to an ongoing litigation of corporate income tax with the local income tax authorities in respect to admissibility of deducting the provisions in previous years.

(d) 保證撥備覆蓋與擔保或保證承擔有關的所有可識別風險。該等撥備乃按個別合約基準根據最佳估計計量。呈報為非即期的有關金額包括為期一年以上的保證承擔。預計到期時間介乎一至四年。

(d) The provisions for warranties cover all the risks identifiable which relate to guarantee or warranty commitments. The provisions are measured on a contract-by-contract basis according to the best estimate. The amounts reported as non-current incorporate warranty commitments for a term of more than one year. The anticipated maturities range between one and four years.





46. 出售附屬公司

於2018年，本集團出售及清盤若干附屬公司，主要包括中航國際仿真服務有限公司（「中航仿真」）及若干不重大附屬公司。

已收代價：

46. DISPOSAL OF SUBSIDIARIES

During year 2018, the Group disposed of and liquidated a number of subsidiaries, mainly includes AVIC International Simulation Company Limited (“AVIC Simulation”) and some immaterial subsidiaries.

Consideration received:

		2018年 2018 人民幣千元 RMB'000
已收現金	Cash received	37,592

就失去控制權的資產及負債的分析：

Analysis of assets and liabilities over which control was lost:

		於出售日期 On disposal date 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	730
無形資產	Intangible Assets	25
存貨	Inventories	767
貿易及其他應收款項	Trade and other receivables	50,319
銀行結餘及現金	Bank balances and cash	4,482
貿易及其他應付款項	Trade and other payables	(3,998)
所出售資產淨值	Net assets disposed of	52,325

46. 出售附屬公司(續)

出售附屬公司的收益：

46. DISPOSAL OF SUBSIDIARIES (continued)

Gain on disposal of subsidiaries:

		於出售日期 On disposal date 人民幣千元 RMB'000
已收及應收代價	Consideration received and receivable	37,592
已出售資產淨值	Net assets disposed of	(52,325)
非控股股東權益	Non-controlling interests	21,243
出售附屬公司時由其他 全面劃轉至即期損益或虧損	Recycle of other comprehensive to current profit or loss upon disposal of subsidiary	(468)
出售收益	Gain on disposal	6,042

出售產生的現金流入淨額：

Net cash inflow arising on disposal:

		2018年 2018 人民幣千元 RMB'000
現金代價	Cash consideration	37,592
減：已出售銀行結餘及現金	Less: bank balances and cash disposed of	4,482
		33,110





47. 經營租約承擔

本集團有關辦公室樓宇的不可撤銷經營租約承擔如下：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
不超過一年	Not later than one year	243,910	181,507
超過一年但不超過五年	Later than one year and not later than five years	182,336	215,005
超過五年	After five years	34,163	23,878
		460,409	420,390

經營租賃款項指本集團就其若干辦公室樓宇應付的固定租金。二零一八年的租賃物業租約經磋商釐定，固定租期為1至20年(2017年：1至20年)。

47. OPERATING LEASE COMMITMENTS

The Group has commitments under non-cancellable operating leases in respect of office premises as follows:

Operating lease payments represent fixed rentals payable by the Group for certain of its office premises. Lease of rented premises are negotiated with fixed lease term for 1 to 20 years (2017: 1 to 20 years).

48. 資本承擔

於報告期末尚未產生的資本承擔如下：

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
已訂約但未撥備	Contracted but not provided for		
物業、廠房及設備	Property, plant and equipment	3,835,045	3,971,915
股本權益投資	Equity interest investments	-	2,250
		3,835,045	3,974,165

48. CAPITAL COMMITMENTS

Capital commitments at the end of the reporting period but not yet incurred are as follows:

49. 金融工具及資本風險管理

49a. 金融工具的類別

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

49a. CATEGORIES OF FINANCIAL INSTRUMENTS

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
金融資產	Financial assets		
按公允價值且其變動計入損益	FVTPL	219,749	15,371
攤銷成本	Amortised cost	24,592,404	-
貸款及應收款項(包括現金及現金等價物)	Loans and receivables (including cash and cash equivalents)	-	29,064,122
可供出售金融資產	AFS financial assets	-	54,617
金融負債	Financial liabilities		
攤銷成本	Amortised cost	54,830,112	50,638,157

49b. 財務風險管理的目標及政策

本集團的主要金融工具包括股本投資、借款、貿易應收款項及貿易應付款項。有關金融工具的詳情於各附註披露。與該等金融工具有關的風險包括市場風險(外匯風險、價格風險及利率風險)、信用風險及流動資金風險。有關如何減低該等風險的政策載列如下。管理層管理及監控該等風險，以確保及時有效地執行適當措施。

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, borrowings, trade receivables, and trade payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(a) 市場風險

(i) 外匯風險

本集團業務主要以人民幣為進行。雖然本集團大部分資產及負債以人民幣計值，但仍然面臨因未來商業交易以及所確認以非人民幣(主要包括美元(「美元」)、歐元(「歐元」)、斯里蘭卡盧比(「斯里蘭卡盧比」)、日圓(「日圓」)等)計值的已確認資產及負債所導致的外匯風險。

本集團目前並無外匯對沖政策。然而，本集團管理層監察外匯風險，並將於必要時考慮對沖重大外匯風險。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(a) Market risk

(i) Foreign exchange risk

The Group's activities are principally conducted in RMB. Although majority of the Group's assets and liabilities are denominated in RMB, the Group is still subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB, mainly including US Dollars ("USD"), European Dollars ("EUR"), Sri Lankan Rupee ("LKR"), Japan Yen ("JPY"), etc.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (a) 市場風險(續)
- (i) 外匯風險(續)
- 本集團以外幣計值的貨幣資產及貨幣負債於各結算日的賬面值如下：

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (a) Market risk (continued)
- (i) Foreign exchange risk (continued)
- The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

		負債		資產	
		Liabilities		Assets	
		2018年	2017年	2018年	2017年
		2018	2017	2018	2017
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
			(經重列)		(經重列)
			(Restated)		(Restated)
美元	USD	5,780,332	5,413,779	6,064,770	8,466,140
歐元	EUR	1,472,174	1,407,509	1,244,783	1,021,259
日圓	JPY	879,666	757,339	241,694	251,849
斯里蘭卡盧比	LKR	1,138,112	76,945	91,040	322,475
其他	Others	334,186	250,299	654,387	568,375
		9,604,470	7,905,871	8,296,674	10,630,098
集團內	Intra-group balances				
公司結餘					
歐元	EUR	784,730	780,230	-	-





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表顯示有關美元、歐元、斯里蘭卡盧比及日圓兌人民幣升值5%對除稅前溢利的敏感度分析。敏感度分析僅包括以外幣計值的貨幣項目，並在年末就各自的匯率變動作出換算調整。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The following table shows the sensitivity analysis on profit before tax of a 5% appreciation in USD, EUR, LKR and JPY against RMB. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year the end for the respective changes in rate.

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
美元匯率升值5% 導致本年度除稅前 溢利增加	5% appreciation in exchange rate of USD Increase in the profit before tax for the year	10,668	124,402
歐元匯率升值5% 導致本年度除稅前 溢利減少	5% appreciation in exchange rate of EUR Decrease in the profit before tax for the year	(37,958)	(43,743)
斯里蘭卡盧比匯率 升值5% 導致本年度除稅前 溢利減少	5% appreciation in exchange rate of LKR Decrease in the profit before tax for the year	(39,721)	9,207
日圓匯率升值5% 導致本年度除稅前 溢利減少	5% appreciation in exchange rate of JPY Decrease in the profit before tax for the year	(23,969)	(19,094)

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (a) 市場風險(續)
- (ii) 價格風險
本集團由於持有上市股本投資(於綜合資產負債表分類為按公允價值計量且其變動計入損益的金融資產)而面臨股本證券價格風險(附註25)。為管理投資產生的價格風險，本集團根據本集團所設定的限度，分散其組合。本集團所面臨按公允價值計量且其變動計入損益的金融資產價格風險並不重大。
- (iii) 利率風險
本集團面臨有關於固定利率借款及應付關聯方的其他應付款項金額的公允價值利率風險。本集團亦面臨有關於銀行結餘、浮動利率借款及其他負債中應付關聯方款項的現金流量利率風險。本集團現金流量利率風險主要集中於浮動利率借款的利益波動。本集團旨在以浮動利率維持借款。本集團透過評估以利率水平及前景為基準的任何利率變動而產生的潛在影響管理其利率風險。管理層將審核固定及浮動利率借款比例，並確保該等比例處於合理範圍內。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (a) Market risk (continued)
- (ii) Price risk
The Group is exposed to equity securities price risk of its listed equity investments which are classified on the consolidated balance sheet as financial assets at FVTPL (Note 25). To manage its price risk arising from investments, the Group diversifies its portfolio, in accordance with the limits set by the Group. The exposure of the price risk of financial assets at FVTPL is not material to the Group.
- (iii) Interest rate risk
The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings and amounts due to related parties in other payable. The Group is also exposed to cash flow interest rate risk in relation to bank balances, variable-rate borrowings and amount due to related parties in other liabilities. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on variable-rate borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(a) 市場風險(續)

(iii) 利率風險(續)

本集團現金流量利率風險的敏感度乃假設於報告期末的浮動利率借款於全年尚未償還的金額而編製。當向內部主要管理人員匯報利率風險時，乃使用50個(2017年：50個)基點增加或減少，並代表管理層對利率合理可能變動的評估。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Group's sensitivity to cash flow interest rate risk is prepared assuming the amount of variable-rate borrowings at the end of the reporting period was outstanding for the whole year. A 50 (2017: 50) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

		2018年 2018	2017年 2017
利率合理可能變動	Reasonably possible change in interest rate	50個基點 50 basis points	50個基點 50 basis points

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
本年度除稅後虧損 (增加)減少	(Increase) decrease in post-tax loss for the year		
由於利率增加	as a result of increase in interest rate	(84,977)	(65,373)
由於利率減少	as a result of decrease in interest rate	84,977	65,373

本集團借款的利率及還款期於附註39披露。

The interest rates and terms of repayment of borrowings of the Group are disclosed in Note 39.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (b) **信貸風險及減值評估**
信貸風險指對手方將違反其合約責任而導致本集團財務虧損的風險。於報告期末，綜合財務狀況表所列各已確認金融資產的賬面值為本集團的最高風險。

為盡量降低信用風險，本集團管理層已委派團隊負責釐定信用額度及信用審批。就此而言，本公司董事認為本集團的信用風險已顯著降低。本集團根據應用國際財務報告準則第9號(2017年：所產生的虧損模式)後的預期信用虧損模式，個別或按撥備矩陣就貿易結餘進行減值評估。就此而言，本公司董事認為本集團的信用風險顯著減少。

就抵押銀行存款、銀行結餘以及應收票據及融資租賃應收款項的工具而言，本集團按相等於12個月期預期信用虧損的金額計量虧損撥備，除非自初步確認以來信用風險曾顯著增加，則本集團確認全期預期信用虧損。評估是否確認全期預期信用虧損乃根據自初步確認以來發生違約的可能性或風險是否顯著增加。基於本集團對對手方的財務穩健程度作出的評估，董事認為，於2018年12月31日，本集團該等工具的預期信用虧損並不重大。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (b) **Credit risk and impairment assessment**
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the carrying amount of the respective recognised financial assets as stated in consolidated statement of financial position represents the Group's maximum exposure.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced. The Group performs impairment assessment under ECL model upon application of IFRS 9 (2017: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For instruments including pledged bank deposits, bank balances and bills receivables and finance lease receivables, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised based on significant increases in the likelihood or risk of a default occurring since initial recognition. Based on the Group's assessment of the financial health of the counterparties, the Directors considered that the ECL for these instruments of the Group is insignificant as at 31 December 2018.





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

本集團的內部信用風險評級評估包括以下類別：

類似虧損模式	描述	貿易應收款項/ 合約資產/融資租賃 應收款項 Trade receivables/ Contract asset/ Finance lease receivables	其他金融資產/ 其他項目 Other financial assets/ other items
Similar loss patterns	Description		
低風險	對手方違約風險低，且並無任何逾期金額	全期預期信用虧損－ 無信用減值	12個月期預期信用虧損
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
監察名單	債務人經常於到期日後償還，惟通常於到期日後結算	全期預期信用虧損－ 無信用減值	12個月期預期信用虧損
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
呆賬	透過內部開發資料或外部資源，信用風險自初步確認以來顯著增加	全期預期信用虧損－ 無信用減值	全期預期信用虧損－ 無信用減值
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
虧損	有證據顯示資產出現信用減值	全期預期信用虧損－ 信用減值	全期預期信用虧損－ 信用減值
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
撇銷	有證據顯示債務人處於嚴重財務困難且本集團並無實際收回款項的可能	撇銷金額	撇銷金額
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

下表詳述須進行預期信用虧損評估而作出的本集團貿易及其他應收款項以及合約資產的信用風險：

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's trade and other receivables, and contract assets which are subject to ECL assessment:

2018年 2018	附註 Notes	12個月或全期預期信用虧損 12m or lifetime ECL	按攤銷成本計量的 金融資產賬面總值 Gross carrying amount 人民幣千元 RMB'000
Financial assets at amortised costs 按攤銷成本計量的金融資產			
Other receivables (Note i) 其他應收款項(附註ii)	Note 27 附註27	12m ECL 12個月預期信用虧損 Credit-impaired 信用減值	2,952,403 494,559 3,446,962
Trade receivables (Note ii) 貿易應收款項(附註ii)	Note 27 附註27	Lifetime ECL (provision matrix) 全期預期信用虧損(撥備矩陣) Credit-impaired 信用減值	12,379,208 1,048,745 13,427,953
Other items 其他項目			
Contract assets (Note ii) 合約資產(附註ii)	Note 28 附註28	Lifetime ECL (provision matrix) 全期預期信用虧損(撥備矩陣) Credit-impaired 信用減值	1,435,456 350 1,435,806
Financial guarantee contracts (Note ii) 財務擔保合約(附註ii)	Note 51 附註51	12m ECL 12個月預期信用虧損	105,260 105,260





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

附註：

- i. 就內部信用風險管理而言，本集團使用逾期資料以評估信用風險是否自初步確認以來顯著增加。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

Notes:

- i. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

		未逾期/無固定償還 Not past due/No fixed repayment		
		逾期 Past due 人民幣 RMB'000	條款 terms 人民幣 RMB'000	總計 Total 人民幣 RMB'000
其他應收款項	Other receivables	494,559	2,952,403	3,446,962

- ii. 就財務擔保合約而言，賬面總值即本集團於相關合約項下擔保的最高金額。

- ii. For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

附註：(續)

- iii. 就貿易應收款項及合約資產而言，本集團應用國際財務報告準則第9號簡化方法，計量於全期預期信用虧損的虧損撥備。除有信貸減值結餘的債務人外，本集團使用撥備矩陣釐定該等項目的預期信用虧損，並按類似虧損模式進行分組。

撥備矩陣－類似虧損模式

作為本集團信用風險管理的一部分，本集團對與其營運有關的客戶應用類似虧損模式。下表提供有關全期預期信用虧損(無信用減值)內蒙受貿易應收款項及合約資產(於2018年12月31日按撥備矩陣進行評估)信用風險的資料。於2018年12月31日就信貸減值債務人的賬面總值人民幣1,049,095,000元進行個別評估。

賬面總值

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

Notes: (continued)

- iii. For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired balances, the Group determines the expected credit losses on these items by using a provision matrix, grouped by similar loss patterns.

Provision matrix – similar loss pattern

As part of the Group's credit risk management, the Group applies similar loss patterns for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 December 2018 within lifetime ECL (not credit impaired). Credit-impaired debtors with gross carrying amounts of RMB1,049,095,000 as at 31 December 2018 were assessed individually.

Gross carrying amount

		平均虧損率 Average loss rate	貿易應收款項 Trade receivables 人民幣千元 RMB'000
低風險	Low risk	1.74%	13,246,748
監察名單	Watch list	9.82%	359,686
呆賬	Doubtful	32.93%	208,230
			13,814,664





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

附註：(續)

- iii. 賬面總值(續)
 預期虧損率乃根據債務人於預期年限內的過往觀察所得的違約率估計，並按毋須付出不必要成本或努力即可取得的前瞻性資料作出調整。管理層會定期審閱分組，以確保關於特定債務人的相關資料獲更新。

截至2018年12月31日止年度，本集團根據撥備矩陣分別就貿易應收款項及合約資產計提人民幣208,446,000元及人民幣219,000元的減值撥備。經計及於違約時收回按實際利率貼現的未來現金流量，已就出現信用減值的貿易應收款項及合約資產作出撥備人民幣587,468,000元。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

Notes (continued)

- iii. Gross carrying amount (continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2018, the Group provided RMB208,446,000, RMB219,000 impairment allowance for trade receivables and contract assets respectively, based on the provision matrix. Impairment allowance of RMB587,468,000 were made on credit impaired trade receivables and contract assets, after considering the expected future cash flow to be recovered at default, discounted at effective interest rate.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

下表顯示根據簡化方法確認的貿易應收款項及合約資產的全期預期信用虧損的變動。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

		全期預期 信用虧損 (無信用減值) Lifetime ECL (not credit- impaired) 人民幣千元 RMB'000	全期預期 信用虧損 (信用減值) Lifetime ECL (credit- impaired) 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2018年1月1日	As at 1 January 2018	190,362	417,651	608,013
於1月1日確認的 金融工具導致的變動：	Changes due to financial instruments recognised as at 1 January:			
— 轉撥至信用減值	— Transfer to credit-impaired	(50,931)	50,931	—
— 已確認減值虧損	— Impairment losses recognised	—	528,409	528,409
— 已撥回減值虧損	— Impairment losses reversed	(8,218)	—	(8,218)
— 撤銷	— Write-offs	(15,521)	(81,899)	(97,420)
產生或購入的新金融資產	New financial assets originated or purchased	216,883	59,059	275,942
— 匯兌調整	— Exchange adjustment	5,598	4,746	10,344
於2018年 12月31日	As at 31 December 2018	338,173	978,897	1,317,070





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

貿易應收款項及合約資產的虧損撥備變動主要由於：

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

Changes in the loss allowance for trade receivables and contract assets are mainly due to:

		2018 Increase in lifetime ECL repayment Credit-impaired 二零一八年 全期預期信貸 虧損還款的 信用減值增加 RMB'000 人民幣千元
一項已違約貿易債務， 已於2018年12月31日 悉數作出信用減值	One trade debtor defaulted and fully credit-impaired as at 31 December 2018	469,981

倘有資料顯示債務人處於嚴重財務困難且並無實際收回款項的可能(即債務人遭清盤或已進入破產程序，或貿易應收款項逾期超過三年，以較早發生者為準)，本集團撤銷貿易應收款項。

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

下表顯示有關已就其他應收款項確認的虧損撥備對賬。

		12個月預期 信用虧損 12m ECL 人民幣千元 RMB'000	全期預期 信用虧損 (信用減值) Lifetime ECL (credit-impaired) 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於2018年1月1日 — 經重列	As at 1 January 2018 – As restated	66,701	122,230	188,931
於1月1日確認金融工具 導致的變動：	Changes due to financial instruments recognised as at 1 January:			
— 轉撥至信用減值	– Transfer to credit-impaired	(54,616)	54,616	–
— 已確認減值虧損	– Impairment losses recognised	46,033	230,513	276,546
— 撇銷	– Write-offs	(6,440)	(7,500)	(13,940)
產生或購入的新金融資產	New financial assets originated or purchased	4,241	30,476	34,717
於2018年12月31日	As at 31 December 2018	55,919	430,335	486,254

其他應收款項的虧損撥備變動主要由於：

Changes in the loss allowance for other receivables are mainly due to:

		2018 Increase/ (decrease) in lifetime ECL Credit-impaired 二零一八年 全期預期信貸 虧損信用減值 增加/(減少) RMB'000 人民幣千元
一筆已違約應收聯營公司款項， 已於2018年12月31日悉數 作出信用減值	One amount due from associates defaulted and fully credit-impaired as at 31 December 2018	131,385





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(b) 信貸風險及減值評估(續)

就財務擔保合約而言，於2018年12月31日，本集團相關合約項下擔保的最高金額為人民幣105,260,000元。於報告期末，本公司董事已進行減值評估，並認為有關預期信貸虧損自初步確認財務擔保合約以來並不顯著。有關財務擔保合約的詳情載於附註51。

(c) 流動資金風險

本集團董事會透過維持充足現金以應付日常營運承擔以及透過銀行信用融資（包括短期及長期銀行貸款）取得充足資金來管理流動資金風險。

於2018年12月31日，鑒於本集團流動負債淨額為人民幣1,883,442,000元，本公司董事已考慮本集團未來流動資金。由於本集團擁有來自銀行及金融機構的未動用融資，本集團管理層信納本集團將有充足財務資源履行其未來責任及承擔。就此而言，本公司董事認為，本集團的流動資金風險已大幅減低，並信納本集團將能夠全面履行其於可預見未來到期的財務責任。因此，綜合財務報表已按持續經營基準編製。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(b) Credit risk and impairment assessment (continued)

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB105,260,000 as at 31 December 2018. At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that the ECL since initial recognition of the financial guarantee contracts is insignificant. Details of the financial guarantee contracts are set out in Note 51.

(c) Liquidity risk

The board of directors of the Group manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and sourcing adequate funding through banking credit facilities, including short-term and long-term bank loans.

The directors of the Company have given consideration to the future liquidity of the Group in light of the fact that the Group had net current liabilities of RMB1,883,442,000 as at 31 December 2018. The management of the Group is satisfied that the Group will have sufficient financial resources to meet its future obligations and commitment as the Group has unutilized facilities from banking and financial institution. In this regard, the directors of the Company consider that the Group's liquidity risk is significantly reduced and are satisfied that the Group will be able to meet in full its financial obligations as they fall due the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going-concern basis.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(c) 流動資金風險(續)

下表根據於報告期末至合約到期日的剩餘期間分析本集團按相關到期組別劃分的非衍生金融負債。表格所披露的金額為合約未貼現現金流量。有關結餘於十二個月內到期，由於貼現影響並不重大，其結餘等於其賬面值。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

		按要求 及1年內	1至2年	2至5年	超過5年	未貼現現金 流量總額	賬面值
		On demand and within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
		人民幣 RMB'000	人民幣 RMB'000	人民幣 RMB'000	人民幣 RMB'000	人民幣 RMB'000	人民幣 RMB'000
		(經重列) (restated)	(經重列) (restated)	(經重列) (restated)	(經重列) (restated)	(經重列) (restated)	(經重列) (restated)
於2018年 12月31日	At 31 December 2018						
借款(本金額加利息)*	Borrowings (principal amount plus interest)*	14,926,483	2,916,318	11,489,343	5,728,561	35,060,705	32,938,265
貿易及其他應付款項 (不包括 非金融負債)	Trade and other payables (excluded non-financial liabilities)	21,602,665	187,981	-	-	21,790,646	21,790,646
其他負債	Other liabilities	100,914	287	-	-	101,201	101,201
財務擔保合約本金額	Principal amount of financial guarantee contracts	-	-	105,260	-	105,260	-
總計	Total	36,630,062	3,104,586	11,594,603	5,728,561	57,057,812	54,830,112





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(c) 流動資金風險(續)

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(c) Liquidity risk (continued)

	按要求 及1年內 On demand and within 1 year	1至2年 Between 1 and 2 years	2至5年 Between 2 and 5 years	超過5年 Over 5 years	未貼現現金 流量總額 Total undiscounted cash flow	賬面值 Carrying amount	
	人民幣 RMB'000 (經重列) (restated)	人民幣 RMB'000 (經重列) (restated)	人民幣 RMB'000 (經重列) (restated)	人民幣 RMB'000 (經重列) (restated)	人民幣 RMB'000 (經重列) (restated)	人民幣 RMB'000 (經重列) (restated)	
於2017年 12月31日	At 31 December 2017						
借款(本金額加利息)*	Borrowings (principal amount plus interest)*	17,124,807	3,982,460	9,630,537	4,806,134	35,543,938	33,353,368
貿易及其他應付款項 (不包括 非金融負債)	Trade and other payables (excluded non-financial liabilities)	17,083,100	124,510	-	-	17,207,610	17,207,610
其他負債	Other liabilities	1,506	75,673	-	-	77,179	77,179.00
財務擔保合約本金額	Principal amount of financial guarantee contracts	147,409	93,410	594,209	102,426	937,454	-
總計	Total	34,356,822	4,276,053	10,224,746	4,908,560	53,766,181	50,638,157

* 於2018年12月31日，借款的加權平均利率為4.14%(2017年12月31日：3.74%)。

* As at 31 December 2018, the weighted average interest rate of borrowing is 4.14% (31 December 2017: 3.74%).

(d) 公允價值估計

本集團的部分金融資產於各報告期末按公允價值計量。下表載列有關如何釐定該等金融資產的公允價值(尤其是估值方法及所用輸入值)的資料。

(d) Fair value estimation

Some of the Group's financial assets 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 are determined (in particular, the valuation techniques and inputs used).

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(d) 公允價值估計(續)

下表根據估值法分析按公允價值列賬的金融工具。不同級別定義如下：

- 同類資產或負債在活躍市場上的報價(未經調整)(第一級)。
- 除第一級所包括的報價外，資產或負債的可直接觀察所得輸入值(即價格)或間接觀察所得輸入值(即從價格得出)(第二級)。
- 並非根據可觀察市場數據釐定的資產或負債輸入值(即不可觀察輸入值)(第三級)。

下表呈列於2018年12月31日以經常性基準按公允價值計量的本集團資產。有關按公允價值計量的投資物的披露，請參閱附註21。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(d) Fair value estimation (continued)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets that are measured at fair value on a recurring basis at 31 December 2018. See Note 21 for disclosures of investment properties that are measured at fair value.

		第一級 Level 1 人民幣 RMB'000	第二級 Level 2 人民幣 RMB'000	第三級 Level 3 人民幣 RMB'000	總計 Total 人民幣 RMB'000
資產	Assets				
按公允價值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	5,391	-	214,358	219,749
總資產	Total assets	5,391	-	214,358	219,749





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (d) 公允價值估計(續)
 下表呈列於2017年12月31日
 以經常性基準按公允價值計量的本集團資產。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (d) Fair value estimation (continued)
 The following table presents the Group's assets that are measured at fair value on a recurring basis at 31 December 2017.

		第一級 Level 1 人民幣 RMB'000 (經重列) (Restated)	第二級 Level 2 人民幣 RMB'000 (經重列) (Restated)	第三級 Level 3 人民幣 RMB'000 (經重列) (Restated)	總計 Total 人民幣 RMB'000 (經重列) (Restated)
資產	Assets				
按公允價值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	15,371	-	-	15,371
可供出售金融資產	AFS financial assets	-	-	54,617	54,617
總資產	Total assets	15,371	-	54,617	69,988

	於12月31日的公允價值 2018年 Fair value as at 31 December 2018	2017年 2017	公允價值 層級 Fair value hierarchy	估值方法及主要輸入值 Valuation technique(s) and key input(s)
Listed securities held for trading 持作買賣的上市證券	5,391	15,371	Level 1 第一級	Quoted bid prices in an active market. 於活躍市場的報價。
Private equity investments at FVTPL (2017: classified as AFS) 按公允價值計量且其變動計入損益的私募股權投資 (2017年:分類為持作出售)	214,358	54,617	Level 3 第三級	The fair value is calculated based on relative value assessment method. Comparing the target company's important financial ratios, such as ROA and ROE, with listed companies in the same industry, so as to use the market value of the listed company to estimate the value of the target company. 公允價值根據相對價值評估法計算。將目標公司的重要財務比率(如資產回報及權益回報)與同業上市公司進行比較,以使用上市公司市值估計目標公司的價值。

年內,第一級與第二級之間概無轉撥。

There were no transfers between Levels 1 and 2 during the year.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(d) 公允價值估計(續)

- (i) 第一級金融工具
於活躍市場買賣的金融工具公允價值根據結算日的市場報價計算。活躍市場指可輕易及定期地從交易所、交易商、經紀人、行業集團、定價服務或規管機構取得報價的市場，而有關報價反映定期按公平基準進行的實際市場交易。本集團所持金融資產所用的市場報價為當時買盤價。該等工具列入第一級。第一級所包括的工具包含深圳或上海證券交易所上市公司上市A股的股本投資。
- (ii) 第二級金融工具
並無於活躍市場買賣的金融工具(例如場外衍生工具)公允價值利用估值技術釐定。該等估值技術盡量利用可觀察市場數據(如有)，盡量減少依賴實體的特定估計。如計算工具的公允價值所需所有重大輸入值為可觀察數據，則該工具列入第二級。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(d) Fair value estimation (continued)

- (i) Financial instruments in Level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise equity investments in listed A shares of companies listed on Shenzhen or Shanghai Stock Exchange.
- (ii) Financial instruments in Level 2
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (d) 公允價值估計(續)
- (ii) 第二級金融工具(續)

倘一個或多個重大輸入值並非根據可觀察市場數據所得，則該工具列入第三級。

用於評估金融工具的具體估值技術包括：

- 市場報價或同類工具的交易商報價；
- 利率掉期的公允價值根據可觀察的收益率曲線估計未來現金流量的現值計算；
- 遠期外匯合約的公允價值則採用結算日的遠期匯率釐定，所產生的價值再貼現至現值；
- 例如貼現現金流量分析的其他技術用於釐定餘下金融工具的公允價值。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (d) Fair value estimation (continued)
- (ii) Financial instruments in Level 2 (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (d) 公允價值估計(續)
- (iii) 第三級金融工具
下表呈列截至2018年12月31日及2017年12月31日止年度第三級工具的變動。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (d) Fair value estimation (continued)
- (iii) Financial instruments in Level 3
The following table presents the changes in Level 3 instruments for the years ended 31 December 2018 and 31 December 2017.

		按公允價值計量 且其變動計入 損益的金融資產 Financial assets at FVTPL	可供出售 金融資產 AFS financial assets
		2018年 2018	2017年 2017
		人民幣千元 RMB'000	人民幣千元 RMB'000 (經重列) (Restated)
於2017年12月31日根據合併會計法 經重列的年末結餘－國際會計 準則第39號	Closing balance as restated under merger accounting at 31 December 2017- IAS 39	-	55,560
首次應用國際財務報告準則 第9號後就可供出售 金融資產的重新分類	Reclassification for AFS financial assets upon initial application of IFRS 9	54,617	-
於2018年1月1日的年初結餘	Opening balance at 1 January 2018	54,617	55,560
添置	Additions	151,059	-
於損益確認的未變現公允價值 收益	Unrealised fair value gain recognised in profit or loss	8,694	
出售	Disposal	(12)	(943)
年末結餘	Closing balance	214,358	54,617





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(d) 公允價值估計(續)

本集團若干金融資產於各報告期末按公允價值計量。下表提供有關如何釐定該等金融資產公允價值的資料(特別是所使用的估值技術及輸入值)。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(d) Fair value estimation (continued)

Some of the Group's financial assets 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 are determined (in particular, the valuation techniques and inputs used).

	2018年 於12月31日的公允價值 Fair value as at 31 December 2018	2017年 2017	公允價值層級 Fair value hierarchy	估值技術及主要輸入值 Valuation technique(s) and key input(s)
Listed securities held for trading 持作買賣上市證券	5,391	15,371	Level 1 第一級	Quoted bid prices in an active market. 於活躍市場的報價。
Private equity investments at FVTPL (2017: classified as AFS) 按公允價值計量且其變動計入 損益的私募股權投資 (2017年:分類為持作出售)	214,358	54,617	Level 3 第三級	The fair value is calculated based on relative value assessment method. Comparing the target company's important financial ratios, such as ROA and ROE, with listed companies in the same industry, so as to use the market value of the listed company to estimate the value of the target company. 公允價值根據相對價值評估法計算。將目標公司的重要財務比率(如資產回報及權益回報)與同業上市公司進行比較,以使用上市公司市值估計目標公司的價值。

49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

(e) 資本風險管理

本集團管理資本的目標為保障本集團繼續以持續經營方式為股東提供回報及為其他利益相關者帶來利益，並維持最佳資本架構以降低資金成本。

為維持或調整資本架構，本集團可調整向股東派付股息的金額、發行新股份或出售資產以減少債務。

與業內其他公司一致，本集團根據資本負債比率監控資本。該比率按負債淨額除以資本總額計算。負債淨額按借款總額(包括如綜合財務狀況表中所示「流動及非流動借款」)減現金及現金等價物計算。資本總額按綜合財務狀況表所示「權益」加負債淨額計算。

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.





49. 金融工具及資本風險管理(續)

49b. 財務風險管理的目標及政策(續)

- (e) 資本風險管理(續)
於2018年及2017年12月31
日的資本負債比率如下：

49. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

49b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

- (e) Capital risk management (continued)
The gearing ratios at 31 December 2018
and 2017 are as follows:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
借款總額(i)	Total borrowings (i)	34,150,836	33,462,320
減：現金及現金 等價物(附註31)	Less: cash and cash equivalents (Note 31)	(8,526,106)	(13,381,444)
負債淨額	Net debt	25,624,730	20,080,876
總權益	Total equity	38,684,778	37,414,735
資本總額	Total capital	64,309,508	57,495,611
資本負債比率	Gearing ratio	40%	35%

- (i) 借款總額包括人民幣32,938,265,000元(2017年：人民幣33,353,368,000元)(附註39)的借款，未計入其他負債的人民幣75,463,000元(2017年：人民幣75,460,000元)的借款及計入貿易及其他應付款項的人民幣1,137,108,000元(2017年：人民幣33,492,000元)的借款。

- (i) Total borrowings comprised borrowings of RMB32,938,265,000 (2017: RMB33,353,368,000) (Note 39), no borrowings included in other liabilities of RMB75,463,000 (2017: RMB75,460,000), and borrowings included in trade and other payables of RMB1,137,108,000 (2017: RMB33,492,000).

50. 來自融資活動的負債調節表

下表詳列本集團融資活動產生的負債，包括現金及非現金變動。融資活動產生的負債為曾經或未來產生的現金流量就其於本集團綜合現金流量表被分類為來自融資活動的現金流量的負債。

50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		銀行借款	中期票據	公司債券	關聯方借款	免息政府貸款	應付本公司股東股息	應付非控股股東權益股息	總計
		Bank Borrowing	Medium-term notes	Corporate bonds	Related party borrowings	Interest-free government loan	Dividend payable to shareholder of the Company	Dividend payable to NCI	Total
		(附註39)	(附註39)	(附註39)	(附註52)	(附註39)	(附註34)	(附註34)	
		(Note 39)	(Note 39)	(Note 39)	(Note 52)	(Note 39)	(Note 34)	(Note 34)	
2018年1月1日	1 January 2018	28,764,554	1,800,000	-	2,736,066	161,700	-	31,264	33,493,584
融資現金流量	Financing cash flow	(1,937,897)	(1,100,000)	997,028	1,215,419	-	(58,309)	(246,580)	(1,130,339)
收購一間附屬公司	Acquisition of a subsidiary	1,435,350	-	-	-	-	-	-	1,435,350
已宣派股息	Dividend declared	-	-	-	-	-	58,309	357,920	416,229
政府優惠利率貸款的影響	Influence of government interest preferential loan	51,909	-	-	-	26,707	-	-	78,616
2018年 12月31日	31 December 2018	28,313,916	700,000	997,028	3,951,485	188,407	-	142,604	34,293,440





51. 或然事項

(a) 財務擔保合約

於2018年12月31日及2017年12月31日，本集團有以下未履行財務擔保：

51. CONTINGENCIES

(a) Financial guarantee contracts

As at 31 December 2018 and 31 December 2017, the Group had the following financial guarantees outstanding:

擔保方	擔保方與本集團的關係	擔保對象	擔保對象與本集團的關係	2018年 未償還擔保金額	2017年 未償還擔保金額
Guarantor	Guarantor's relationship with the Group	Guaranteee	Guarantee's relationship with the Group	2018 Outstanding amounts guaranteed 人民幣千元 RMB'000	2017 Outstanding amounts guaranteed 人民幣千元 RMB'000
Tianma Company 天馬公司	Subsidiary of the Group 本集團附屬公司	Shanghai Tianma Organic Light-Emitting Technology-Company Limited (the "Tianma Organic Company")* (上海天馬有機發光顯示技術有限公司) 上海天馬有機發光顯示技術有限公司 (「天馬有機公司」)	Associate 聯營公司	-	757,386
Beijing Company 北京公司	Subsidiary of the Group 本集團附屬公司	Tuofu Yuanyang Shipping Company Limited* (拓富遠洋海運有限公司) 拓富遠洋海運有限公司	Third Party 第三方	105,260	126,168
Engineering Company 工程公司	Subsidiary of the Group 本集團附屬公司	CATIC Construction Engineering Company Limited* (中航建築工程有限公司) 中航建築工程有限公司	Associate 聯營公司	-	53,900
				105,260	937,454

* 由於該等公司概無已註冊或公開的英文名稱，故管理層盡力按中文名稱翻譯成有關公司的英文名稱。

附註：上述未償還擔保金額亦構成本集團於年末的或然負債。

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

Note: The above outstanding amounts guaranteed also constitute contingent liabilities of the Group at year end.

52. 重大關聯方交易

本集團由中航國際(於中國成立由國家控制的公司)控制。中航深圳(於中國成立由國家控制的公司)為本公司的主要股東。董事認為中航國際及航空工業集團分別為本集團的控股公司及最終控股公司。

除綜合財務報表其他部分所披露者外，本集團在日常業務過程中與其關聯方訂立的重大關聯方交易及由關聯方交易產生的結餘概述如下：

(a) 與關聯方的交易

52. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group is controlled by AVIC International, a state-controlled company established in the PRC. AVIC Shenzhen, a state-controlled company established in the PRC, is the major shareholder of the Company. The directors regard AVIC international and Aviation Industry Group as the holding company and ultimate holding company of the Group respectively.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions:

(a) Transactions with related parties

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
收入：	Revenue:		
銷售貨品	Sales of goods		
— 同系附屬公司*	— Fellow subsidiaries*	231,863	66,345
— 聯營公司	— Associates	458	152,486
— 合營企業	— Joint ventures	49,717	78,641
— 控股公司*	— Holding company*	—	3,303
— 本公司一名 主要股東*	— A major shareholder of the Company*	—	3,302
		282,038	304,077





52. 重大關聯方交易(續)

(a) 與關聯方的交易(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
租賃收入	Rental income		
– 同系附屬公司*	– Fellow subsidiaries*	20,633	24,522
– 聯營公司	– Associates	1,980	664
– 控股公司*	– Holding company*	364	354
		22,977	25,540
工程收入	Construction income		
– 同系附屬公司*	– Fellow subsidiaries*	62,017	572,138
代理服務收入	Agency services income		
– 同系附屬公司	– Fellow subsidiaries	171,904	188,935
– 控股公司	– Holding company	33,156	65,586
– 聯營公司	– Associates	–	1,916
		205,060	256,437
利息及擔保費收入	Interest and guarantee fee income		
– 同系附屬公司	– Fellow subsidiaries	82,641	37,455
– 本公司一名主要股東*	– A major shareholder of the Company*	141	–
– 控股公司	– Holding company	–	664
– 合營企業	– Joint ventures	–	151
		82,782	38,270

52. 重大關聯方交易(續)

(a) 與關聯方的交易(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
購買貨品及服務：	Purchases of goods and services:		
購買貨品	Purchases of goods		
– 同系附屬公司	– Fellow subsidiaries	488,192	554,652
– 聯營公司	– Associates	36,915	31,931
– 非控股股東權益	– Non-controlling interests	–	6,171
– 合營企業	– Joint ventures	6,449	2,535
		531,556	595,289
租賃費用	Rental fees		
– 同系附屬公司	– Fellow subsidiaries	8,419	2,833
物業管理費用	Property management fees		
– 同系附屬公司	– Fellow subsidiaries	57,110	44,994
– 聯營公司	– Associates	–	10,852
		57,110	55,846
特許服務成本	Concessionaire services costs		
– 同系附屬公司	– Fellow subsidiary	6,521	19,325
代理服務成本	Agency services costs		
– 同系附屬公司	– Fellow subsidiaries	16,361	20,331
– 控股公司	– Holding company	–	6
– 聯營公司	– Associates	8,083	70,000
– 非控股股東權益	– Non-controlling interests	–	1,290
		24,444	91,627





52. 重大關聯方交易(續)

(a) 與關聯方的交易(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
工程服務成本	Construction services costs		
– 聯營公司	– Associate	–	5,344
利息開支及擔保費用	Interest expenses and guarantee fees		
– 同系附屬公司	– Fellow subsidiaries	51,967	99,124
– 控股公司	– Holding company	41,367	4,502
– 本公司一名主要股東	– A major shareholder of the Company	1,698	3,954
– 合營企業	– Joint ventures	53	–
– 最終控股公司	– Ultimate holding company	–	7,500
		95,085	115,080
接受財務資助	Receipt of financial assistances		
– 同系附屬公司	– Fellow subsidiaries	2,814,546	1,336,399
– 控股公司	– Holding company	1,704,000	5,335,810
– 最終控股公司	– Ultimate holding company	–	250,000
– 非控股股東權益	– Non-controlling interests	1,841,000	131
		6,359,546	6,922,340
提供財務資助	Provision of financial assistances		
– 同系附屬公司	– Fellow subsidiaries	1,426,942	1,571,487
– 合營企業	– Joint ventures	25,000	–
– 非控股股東權益	– Non-controlling interests	5,000	–
		1,456,942	1,571,487
接受外匯服務	Receipt of foreign exchange services		
– 同系附屬公司	– Fellow subsidiaries	88,140	106,263

52. 重大關聯方交易 (續)

- (a) 與關聯方的交易 (續)
與政府相關實體的交易：

本公司是國有企業，由中國政府最終控制。本集團於現時受中國政府直接或間接擁有、控制或有重大影響力的實體所主導的經濟環境中經營若干業務。本公司與其他中國政府控制實體的交易為關聯方交易。此等交易主要包括於若干國有銀行存放現金及取得借款。年內，本公司大部分現金存放於國有銀行及所有借款均向國有銀行借入。

- (b) 與關聯方的結餘
與關聯方公司的結餘均為無抵押、免息及須應要求償還。

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

- (a) **Transactions with related parties (continued)**
Transactions with government related entities:

The Company is a state-owned enterprise ultimately controlled by the PRC government. Certain of the Group's business are operated in an economic environment currently predominated by entities directly or indirectly owned, controlled or significantly influenced by the PRC government. The transactions between the Company and other PRC government controlled entities are related party transactions. These transactions mainly include depositing cash in and obtaining borrowings from certain state-owned banks. Most of the Company's cash were deposited in and all of the borrowings were borrowed from state-owned banks during the year.

- (b) **Balances with related parties**
The balances with related parties companies are unsecured, non-interest bearing and repayable on demand.

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
其他應收款項	Other receivables		
— 控股公司	— Holding company	110,543	95,214
— 本公司一名主要股東	— A major shareholder of the Company	5,149	3,000
— 同系附屬公司	— Fellow subsidiaries	269,345	463,020
— 聯營公司	— Associates	7,830	241,323
		392,867	802,557





52. 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
應收賬款	Accounts receivable		
— 同系附屬公司	— Fellow subsidiaries	145,101	141,277
— 合營企業	— Joint ventures	82,944	113,710
— 聯營公司	— Associates	52,916	303,055
— 控股公司	— Holding company	6,439	5,648
		287,400	563,690
預付款項	Prepayments		
— 同系附屬公司	— Fellow subsidiaries	37,615	17,102
— 控股公司	— Holding company	1,464	8,968
— 聯營公司	— Associates	—	4,535
		39,079	30,605
應計費用及其他應付款項	Accruals and other payables		
— 本公司一名主要股東	— A major shareholder of the Company	135,018	6,503
— 控股公司	— Holding company	54,263	50,138
— 同系附屬公司	— Fellow subsidiaries	24,370	43,625
— 聯營公司	— Associates	—	2,500
— 合營企業	— Joint ventures	—	2,652
		213,651	105,418

52. 重大關聯方交易 (續)

(b) 與關聯方的結餘 (續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
應付賬款	Accounts payable		
— 同系附屬公司	— Fellow subsidiaries	245,300	128,747
— 聯營公司	— Associates	11,052	68,338
— 控股公司	— Holding company	162	157
— 合營企業	— Joint ventures	—	962
		256,514	198,204
客戶墊款	Advance from customers		
— 同系附屬公司	— Fellow subsidiaries	197	182,683
— 控股公司	— Holding company	—	21,068
— 合營企業	— Joint ventures	—	6,415
— 聯營公司	— Associates	—	1,000
		197	211,166





52. 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

		於12月31日	
		As at 31 December	
		2018年	2017年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
合約負債	Contract liabilities		
— 同系附屬公司	— Fellow subsidiaries	124,480	—
— 控股公司	— Holding company	20,876	—
— 聯營公司	— Associates	15,348	—
		160,704	—
應付利息	Interest payables		
— 同系附屬公司	— Fellow subsidiaries	2,129	6,634
— 本公司一名主要股東	— A major shareholder of the Company	—	107
		2,129	6,741

於2018年12月31日，本集團於中航工業集團財務有限責任公司(本公司的同系附屬公司)擁有計息存款人民幣1,110,084,000元(2017年：人民幣796,657,000元)。該等存款可按要求提取並於財務報表附註31中列為現金及現金等價物。

As at 31 December 2018, the Group had interest-bearing deposits amounting to RMB1,110,084,000 at AVIC Finance Co., Ltd., a fellow subsidiary of the Company (2017: RMB796,657,000). These deposits could be withdrawn at demand and are included in cash and cash equivalent in Note 31 to the financial statements.

52. 重大關聯方交易 (續)

(c) 關聯方借款

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Borrowings from related parties

		於2018年 1月1日 At 1 January 2018 人民幣 RMB'000	新增 Additions 人民幣 RMB'000	償還 Repayment 人民幣 RMB'000	於2018年 12月31日 At 31 December 2018 人民幣 RMB'000
計入其他應付款項(附註34(a))	Included in other payables (Note 34(a))				
– 同系附屬公司	– Fellow subsidiaries	33,492	303,616	–	337,108
– 控股公司	– Holding company	–	1,304,000	(504,000)	800,000
		33,492	1,607,616	(504,000)	1,137,108
計入其他負債	Included in other liabilities				
– 本公司一名主要股東 (附註43(a))	– A major shareholder of the Company (Note 43(a))	75,000	–	–	75,000
– 非控股股東權益	– Non-controlling interests	460	3	–	463
		75,460	3	–	75,463
計入借款(附註39)	Included in borrowings (Note 39)				
– 本公司一名主要股東	– A major shareholder of the Company	1,245,759	46,313	(172,000)	1,120,072
– 非控股股東權益	– Non-controlling interests	–	500,000	–	500,000
– 控股公司	– Holding company	–	400,000	–	400,000
– 同系附屬公司	– Fellow subsidiaries	1,381,355	1,133,127	(1,795,640)	718,842
		2,627,114	2,079,440	(1,967,640)	2,738,914





52. 重大關聯方交易(續)

(c) 關聯方借款(續)

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(c) Borrowings from related parties (continued)

		於2017年 1月1日 At 1 January 2017 人民幣 RMB'000	新增 Additions 人民幣 RMB'000	償還 Repayment 人民幣 RMB'000	於2017年 12月31日 At 31 December 2017 人民幣 RMB'000
計入其他應付款項(附註34(a))		Included in other payables (Note 34(a))			
– 同系附屬公司	– Fellow subsidiaries	73,263	–	(39,771)	33,492
– 控股公司	– Holding company	209,375	–	(209,375)	–
		282,638	–	(249,146)	33,492
計入其他負債		Included in other liabilities			
– 本公司一名主要股東 (附註43(a))	– A major shareholder of the Company (Note 43(a))	75,000	–	–	75,000
– 非控股股東權益	– Non-controlling interests	328	132	–	460
		75,328	132	–	75,460
計入借款(附註39)		Included in borrowings (Note 39)			
– 本公司一名主要股東	– A major shareholder of the Company	1,345,759	–	(100,000)	1,245,759
– 同系附屬公司	– Fellow subsidiaries	2,187,022	1,341,441	(2,147,108)	1,381,355
		3,532,781	1,341,441	(2,247,108)	2,627,114

52. 重大關聯方交易 (續)

(d) 給予關聯方的貸款

		於2018年 1月1日 At 1 January 2018 人民幣 RMB'000	新增 Additions 人民幣 RMB'000	償還 Repayment 人民幣 RMB'000	於2018年 12月31日 At 31 December 2018 人民幣 RMB'000
計入其他應收款項 (附註27(b))	Included in other receivables (Note 27(b))				
– 聯營公司	– Associates	127,345	16,000	(1,750)	141,595
– 同系附屬公司	– Fellow subsidiaries	1,079,114	895,365	(547,538)	1,426,941
		1,206,459	911,365	(549,288)	1,568,536

		於2017年 1月1日 At 1 January 2017 人民幣 RMB'000	新增 Additions 人民幣 RMB'000	償還 Repayment 人民幣 RMB'000	於2017年 12月31日 At 31 December 2017 人民幣 RMB'000
計入其他應收款項 (附註27(b))	Included in other receivables (Note 27(b))				
– 聯營公司	– Associates	387,705	16,426	(276,786)	127,345
– 同系附屬公司	– Fellow subsidiaries	709,520	1,476,521	(1,106,927)	1,079,114
		1,097,225	1,492,947	(1,383,713)	1,206,459

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(d) Loan to related parties





53. 本公司主要附屬公司的詳情

下表載列於2018年及2017年12月31日的主要附屬公司：

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of principal subsidiaries as at 31 December 2018 and 2017:

附屬公司名稱 Name of subsidiary	已發行股本 詳情/註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家 及業務性質 Country of incorporation and nature of business	直接由本公司 持有的普通股比例 Proportion of ordinary shares directly held by the Company		由本集團 持有的普通股比例 Proportion of ordinary shares held by the Group		直接由非控股股東權益 持有的普通股比例 Proportion of ordinary shares directly held by non-controlling interests	
				2018年 2018	2017年 2017	2018年 2018	2017年 2017	2018年 2018	2017年 2017
				%	%	%	%	%	%
Tianma Micro-electronics Co., Ltd ("Tianma Company") (i)(a) 天馬微電子股份有限公司 (「天馬公司」)(i)(a)	RMB2,048,123,051 Ordinary shares of RMB1 each 人民幣2,048,123,051元 每股面值人民幣1元的普通股	Joint stock company (listed on the Shenzhen Stock Exchange) 股份公司 (於深圳證券交易所上市)	Shenzhen, PRC Manufacture and sales of FPD and modules 中國深圳 製造及銷售FPD及模組	16.02	20.81	16.02	20.81	83.98	83.68
Shennan Circuits Co., Ltd. ("SCC") (i)(c) 深南電路股份有限公司 (「深南電路」)(i)(c)	RMB280,000,000 Ordinary shares of RMB1 each 人民幣280,000,000元 每股面值人民幣1元的普通股	Joint stock company (listed on the Shenzhen Stock Exchange) 股份公司 (於深圳證券交易所上市)	Shenzhen, PRC Manufacture and sales of PCB 中國深圳 製造及銷售印製電路板	69.74	69.74	69.74	69.74	30.26	30.26
Fiyta Holdings Limited ("Fiyta") (i)(b) 飛亞達(集團)股份有限公司 (「飛亞達」)(i)(b)	RMB438,744,881 Ordinary shares of RMB1 each 人民幣438,744,881元 每股面值人民幣1元的普通股	Joint stock company (listed on the Shenzhen Stock Exchange) 股份公司 (於深圳證券交易所上市)	Shenzhen, PRC Manufacture of middle to high-end wrist watches And chain store sales of Luxury watches 中國深圳 中高檔手錶製造及世界名表連鎖 銷售	37.15	37.15	37.15	37.15	62.85	62.85
Guangdong International Building Industrial Company Limited ("GIB Company") 廣東國際大廈實業有限公司 (「廣東國際」)	RMB150,000,000 人民幣150,000,000元	Limited liability company 有限責任公司	Guangzhou, PRC Hotel operation 中國廣州 酒店經營	75	75	75	75	25	25

53. 本公司主要附屬公司的詳情(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY
(continued)

附屬公司名稱	已發行股本 詳情/註冊資本	企業類別	註冊成立國家 及業務性質	直接由本公司 持有的普通股比例		由本集團 持有的普通股比例		直接由非控股股東權益 持有的普通股比例	
	Particulars of issued share capital/ Registered capital			Type of legal entity	Country of incorporation and nature of business	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group	
Name of subsidiary				2018年 2018	2017年 2017	2018年 2018	2017年 2017	2018年 2018	2017年 2017
				%	%	%	%	%	%
Shenzhen Aero Fasteners AFM Company Limited ("AFM Company") 深圳航空標準件有限公司 ([航標公司])	RMB120,000,000 人民幣120,000,000元	Limited liability company 有限責任公司	Shenzhen, PRC High intensity bolts, precision screws and nuts, shaped fasteners and other fasteners 中國深圳 高強度螺栓、精密螺絲及 螺母、異形件等緊固件	100	100	100	100	-	-
AVIC International Beijing Company Limited ("Beijing Company") 中國航空技術北京有限公司 ([北京公司])	RMB800,000,000 人民幣800,000,000元	Limited liability company 有限責任公司	Beijing, PRC Trading Cement construction, machinery vehicles, etc 中國北京 水泥工程、機械車輛等貿易	100	100	100	100	-	-
AVIC International Trade & Economic Development Company Limited ("TED Company") 中航技術國際經貿發展有限公司 ([經貿公司])	RMB60,000,000 人民幣60,000,000元	Limited liability company 有限責任公司	Beijing, PRC Tendering agency, informationization service, automation control etc. 中國北京 招標代理、信息化服務和 自動化控制等	100	100	100	100	-	-
China National Aero - Technology Guangzhou Company Limited ("Guangzhou Company") 中國航空技術廣州有限公司 ([廣州公司])	RMB300,000,000 人民幣300,000,000元	Limited liability company 有限責任公司	Guangzhou, PRC Medical facilities and bitumen engineering 中國廣州 醫療設備及瀝青工程	100	100	100	100	-	-





53. 本公司主要附屬公司的詳情(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

附屬公司名稱 Name of subsidiary	已發行股本 詳情/註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家 及業務性質 Country of incorporation and nature of business	直接由本公司 持有的普通股比例 Proportion of ordinary shares directly held by the Company		由本集團 持有的普通股比例 Proportion of ordinary shares held by the Group		直接由非控股股東權益 持有的普通股比例 Proportion of ordinary shares directly held by non-controlling interests	
	2018年 2018			2017年 2017	2018年 2018	2017年 2017	2018年 2018	2017年 2017	
AVIC International Xiamen Company Limited ("Xiamen Company") 中國航空技術廈門有限公司 ([廈門公司])	RMB550,000,000 人民幣550,000,000元	Limited liability company 有限責任公司	Xiamen, PRC Trading and logistics 中國廈門 貿易物流	100	100	100	100	-	-
China National Aero-Technology International Engineering Company ("Engineering Company") 中國航空技術國際工程有限公司 ([工程公司])	RMB680,000,000 人民幣680,000,000元	Limited liability company 有限責任公司	Beijing, PRC Construction Mainly engaged in general contracting of international engineering construction; and engaged in overseas property development and general contracting of domestic construction engineering 中國北京 建設國際建築工程總承包為主，兼營海外地產開發和國內建築工程總承包業務	100	100	100	100	-	-
Beijing AVIC Ruixin Investment and Management Company Limited ("Beijing Ruixin") 北京中航瑞信投資管理有限公司 ([北京瑞信])	RMB60,000,000 人民幣60,000,000元	Limited liability company 有限責任公司	Beijing, PRC Mainly engaged in the residential premises development business; and Engaged in industrial property Development, etc. 中國北京 住宅開發業務為主，兼營工業地產開發等	90	90	90	90	-	-

53. 本公司主要附屬公司的詳情(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY
(continued)

附屬公司名稱	已發行股本 詳情/註冊資本	企業類別	註冊成立國家 及業務性質	直接由本公司 持有的普通股比例		由本集團 持有的普通股比例		直接由非控股股東權益 持有的普通股比例	
				2018年	2017年	2018年	2017年	2018年	2017年
Name of subsidiary	Particulars of issued share capital/ Registered capital	Type of legal entity	Country of incorporation and nature of business	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares directly held by non-controlling interests	
				2018	2017	2018	2017	2018	2017
				%		%		%	
Chengdu AVIC Raise Real Estate Company Limited ("Chengdu Raise") 成都中航瑞賽置業有限公司 ([成都瑞賽])	RMB120,000,000 人民幣120,000,000元	Limited liability company 有限責任公司	Chengdu, PRC Mainly engaged in the residential premises development business; also engaged in industrial property development, etc. 中國成都 住宅開發業務為主，兼營工業地產開發等	60	60	60	60	-	-
AVIC International Renewable Energy Company Limited ("RE Company") 中航國際新能源發展有限公司 ([新能源公司])	RMB100,000,000 人民幣100,000,000元	Limited liability company 有限責任公司	Beijing, PRC Power Station Construction, energy-saving management, and purchase and sales of renewable energy equipment 中國北京 電站建設、節能管理和新能源設備的購銷	100	100	100	100	-	-
AVIC Weihai Shipyard Co., LTD. ("Weihai Shipyard") 中航威海船廠有限公司 ([威海船廠])	RMB1,091,600,000 人民幣1,091,600,000元	Limited liability company 有限責任公司	Weihai, PRC Ship Construction 中國威海 船舶建造	69.77	69.77	69.77	69.77	30.23	30.23
AVIC International Maritime Holdings Limited ("AVIC Maritime") 中航國際船舶控股有限公司 ([中航船舶])	285,576,000 Ordinary shares and no par value 285,576,000股無面值的普通股	Joint stock company (listed on Singapore Exchange Ltd) 股份公司 (於新加坡證券交易所有限公司上市)	Singapore, Ship engineering, design and trading, etc 新加坡 船舶工程、船舶設計、船舶貿易等	73.87	73.87	73.87	73.87	26.13	26.13





53. 本公司主要附屬公司的詳情(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

附屬公司名稱 Name of subsidiary	已發行股本 詳情/註冊資本 Particulars of issued share capital/ Registered capital	企業類別 Type of legal entity	註冊成立國家 及業務性質 Country of incorporation and nature of business	直接由本公司 持有的普通股比例 Proportion of ordinary shares directly held by the Company		由本集團 持有的普通股比例 Proportion of ordinary shares held by the Group		直接由非控股股東權益 持有的普通股比例 Proportion of ordinary shares directly held by non-controlling interests	
				2018年 2018	2017年 2017	2018年 2018	2017年 2017	2018年 2018	2017年 2017
KHD	49,703,573 Ordinary shares and no par value	Joint Stock company (listed on Frankfurt Stock Exchange)	Germany, EPC Projects 德國	89.02	89.02	89.02	89.02	10.98	10.98
KHD	49,703,573股無面值的普通股	股份公司 (於法蘭克福證券交易所上市)	EPC項目						
AVIC Lutong Company Limited ("AVIC Lutong") (iii) 中航路通實業有限公司 (「中航路通」)(iii)	RMB300,000,000 人民幣300,000,000元	Limited liability Company 有限責任公司	Guangzhou, PRC Bitumen engineering 中國廣州 瀝青工程	50	-	50	50	50	50

(i) 於2018年12月31日，本公司、本公司直接控股公司中航國際及本公司主要股東中航深圳分別持有天馬公司16.02%、8.40%及8.51%股權。自2014年1月起，本公司已與中航國際及中航深圳訂立協議，內容關於中航國際及中航深圳同意遵守本公司於天馬公司的股東大會投票權。

(i) As at 31 December 2018, the Company, AVIC International, the immediate holding company of the Company and AVIC Shenzhen, the major shareholder of the Company, held 16.02%, 8.40% and 8.51% equity interests of Tianma Company respectively. The Company has entered into an agreement with AVIC International and AVIC Shenzhen since January 2014 that AVIC International and AVIC Shenzhen agreed to follow the votes with the Company in Tianma Company's shareholders' meetings.

53. 本公司主要附屬公司的詳情(續)

(i) (續)

於2018年2月2日，本公司與天馬公司的非控股股東廈門金財及湖北省科技投資集團有限公司(「湖北科技」)(分別持有天馬公司19.02%及6.14%股權)訂立協議，內容關於廈門金財及湖北科技同意不會單獨或與聯合其他股東爭奪天馬公司控制權，亦同意遵守由本公司於天馬公司股東大會所釐定的投票權。

其他股權由公眾股東持有，且其持股分散。

於2018年12月31日，本公司持有飛亞達37.15%股權，而其他股權由公眾股東持有。

本公司董事認為，儘管其股權低於半數，但本集團對天馬公司及飛亞達擁有實際控制權，並因此於天馬公司及飛亞達的投資入賬為綜合財務報表的附屬公司，當中考慮的全部事實及情況包括但不限於：a)與天馬公司其他股東的合約安排；b)本集團較任何其他單一股東擁有較多投票權；c)其他股東的持股分散；d)過往股東大會的出席情況及投票方式；及e)本公司於天馬公司及飛亞達董事會上佔大多數議席。

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(i) (continued)

On 2 February 2018, the Company has entered into agreements with Xiamen Jincai and Hubei Technology Investment Company (“Hubei Technology”), the non-controlling shareholders of Tianma Company, held 19.02% and 6.14% equity interests of Tianma Company respectively. Xiamen Jincai and Hubei Technology agreed not to compete for the control of Tianma Company individually nor collectively with other shareholders, also agreed to follow the votes determined by the Company in Tianma Company’s shareholders’ meetings.

The other equity interests were held by public shareholders and their shareholdings are widely dispersed.

As at 31 December 2018, the Company held 37.15% equity interests in Fiyta and the other equity interests were held by public shareholders.

The directors of the Company are in the view that the Group has de facto control over Tianma Company and Fiyta and therefore accounted for the investments in Tianma Company and Fiyta as subsidiaries in the consolidated financial statements despite its equity interests was below 50%, in consideration of all facts and circumstances including but not limited to: a) The contractual arrangement with other shareholders of Tianma Company; b) The Group has more voting rights than any other single shareholder; c) There is a dispersion in holdings of other shareholders; d) Attendance and voting patterns at previous shareholders’ meetings; and e) The Company has majority of the board seats in the board of Tianma Company and Fiyta.





53. 本公司主要附屬公司的詳情(續)

- (ii) 深南電路發售新A股，並於2017年12月13日在深圳證券交易所上市。深南電路A股的發行價為人民幣19.3元，深南電路已發行股份數目為70,000,000股A股。深南電路發售的所得款項總額為人民幣1,351,000,000元。深南電路已發行股本面值為人民幣1.0元。本公司於發售後直接持有的普通股比例為69.74%。攤薄收益人民幣441,616,000元已計入其他儲備。

非控股股東權益包含以下各項：

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

- (ii) SCC offered new A shares and was listed on the Shenzhen Stock Exchange on 13 December 2017. The issue price for the A Share of SCC was RMB19.3, and the number of issued shares of SCC was 70,000,000 A shares. The gross proceeds raised from the SCC offering was RMB1,351,000,000. The par value of the issued share capital of SCC was RMB1.0. The proportion of ordinary shares directly held by the Company was 69.74% after the offering. The dilution gain, amounted to RMB441,616,000, was credited to other reserve.

The non-controlling interests comprised the following:

		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
天馬	Tianma	21,855,433	20,480,155
飛亞達	Fiyta	1,890,094	1,822,659
深南電路	SCC	1,153,049	984,288
其他	Others	391,542	726,614
		25,290,118	24,013,716

53. 本公司主要附屬公司的詳情(續)

- (iii) 本公司董事認為，本集團對中航路通擁有實際控制權，於當中考慮的全部事實及情況包括但不限於：a)本集團於中航路通董事會上佔所有議席；及b)本公司的直接控股公司中航國際(持有中航路通餘下半數股權)委託本公司全資附屬公司廣州公司代表中航國際控制、管理及經營中航路通。

- (iv) 除天馬公司外，概無其他本公司附屬公司已於本年度發行任何債務證券。

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

- (iii) The directors of the Company are in the view that the Group has de facto control over AVIC Lutong and therefore AVIC Lutong, in consideration of all facts and circumstances including but not limited to: a) The Group takes all the board seats in the board of AVIC Lutong; and b) AVIC International, the immediate holding company of the Company held the remaining 50% equity interests in AVIC Lutong, entrusted the Guangzhou Company, the wholly-owned subsidiary of the Company, to control, manage and operate AVIC Lutong on behalf of AVIC International.

- (iv) Except for Tianma, none of other subsidiaries of the Company had issued any debt securities at the end of the year.





53. 本公司主要附屬公司的詳情(續)

下文載列擁有對本集團而言屬重大的非控股股東權益的各附屬公司財務資料概要。

(a) 天馬

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

Set out below are the summarised financial information of each subsidiary that has non-controlling interests that are material to the Group.

(a) Tianma

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
流動	Current		
資產	Assets	14,539,325	15,469,462
負債	Liabilities	(18,972,904)	(18,028,522)
流動資產總淨值	Total current net assets	(4,433,579)	(2,559,060)
非流動	Non-current		
資產	Assets	45,541,586	39,281,649
負債	Liabilities	(14,965,029)	(12,065,100)
非流動資產總淨值	Total non-current net assets	30,576,557	27,216,549
淨資產	Net assets	26,142,978	24,657,489
收入	Revenue	28,537,031	23,477,597
除所得稅前溢利	Profit before income tax	950,410	1,600,009
所得稅開支	Income tax expenses	(35,825)	(149,358)
其他全面收益	Other comprehensive income	32,016	(7,301)
全面總收益	Total comprehensive income	946,601	1,443,350
分配至非控股股東 權益的全面總收益	Total comprehensive income allocated to non-controlling interests	863,835	1,207,795
已付非控股股東 權益的股息	Dividends paid to non-controlling interests	122,953	—

53. 本公司主要附屬公司的詳情(續)

(a) 天馬(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(a) Tianma (continued)

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000 (經重列) (Restated)
運活動產生的現金流量	Cash flows from operating activities		
經營業務產生的現金	Cash generated from operations	4,760,911	2,120,259
已付利息	Interests paid	(837,946)	(154,647)
已付所得稅	Income tax paid	(357,748)	(44,309)
營運活動產生的現金淨額	Net cash generated from operating activities	3,565,217	1,921,303
投資活動所用的現金淨額	Net cash used in investing activities	(5,638,576)	(7,331,806)
融資活動產生的現金淨額	Net cash generated from financing activities	379,370	5,181,500
現金及現金等價物的減少淨額	Net decrease in cash and cash equivalents	(1,693,989)	(229,003)
年初的現金及現金等價物	Cash and cash equivalents at beginning of the year	5,340,457	4,459,278
現金及現金等價物匯兌收益	Exchange gain on cash and cash equivalents	37,882	(72,769)
年末的現金及現金等價物	Cash and cash equivalents at end of the year	3,684,350	4,157,506

上述資料為未計及公司間對銷的金額。

The information above is the amount before inter-company eliminations.





53. 本公司主要附屬公司的詳情(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(b) 飛亞達

(b) Fiyta

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
流動	Current		
資產	Assets	2,457,973	2,427,899
負債	Liabilities	(1,021,361)	(1,026,042)
流動資產總淨值	Total current net assets	1,436,612	1,401,857
非流動	Non-current		
資產	Assets	1,679,935	1,645,909
負債	Liabilities	(137,516)	(204,051)
非流動資產總淨值	Total non-current net assets	1,542,419	1,441,858
資產淨值	Net assets	2,979,031	2,843,715
收入	Revenue	3,382,347	3,326,716
除所得稅前溢利	Profit before income tax	238,033	303,838
所得稅開支	Income tax expenses	(49,071)	(75,617)
其他全面收益	Other comprehensive income	34,102	255
全面總收益	Total comprehensive income	223,064	228,476
分配至非控股股東權益的全面總收益	Total comprehensive income allocated to non-controlling interests	122,585	144,328
已付非控股股東權益的股息	Dividends paid to non-controlling interests	55,150	—

53. 本公司主要附屬公司的詳情(續)

(b) 飛亞達(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(b) Fiyta

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
營運活動產生的現金流量	Cash flows from operating activities		
經營業務產生的現金	Cash generated from operations	410,812	652,819
已付利息	Interests paid	(28,941)	(41,825)
已付所得稅	Income tax paid	(50,243)	(46,039)
營運活動產生的現金淨額	Net cash generated from operating activities	331,628	564,955
投資活動所用的現金淨額	Net cash used in investing activities	(146,824)	(126,466)
融資活動所用的現金淨額	Net cash used in financing activities	(207,831)	(680,511)
現金及現金等價物的 減少淨額	Net decrease in cash and cash equivalents	(23,027)	(242,022)
年初的現金及現金等價物	Cash and cash equivalents at beginning of the year	184,948	427,228
現金及現金等價物匯兌收益	Exchange gains on cash and cash equivalents	702	(258)
年末的現金及現金等價物	Cash and cash equivalents at end of the year	162,623	184,948

上述資料為未計及公司間對銷的金額。

The information above is the amount before inter-company eliminations.





53. 本公司主要附屬公司的詳情(續)

(c) 深南電路

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(c) SCC

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
流動	Current		
資產	Assets	4,176,433	3,885,443
負債	Liabilities	(3,460,970)	(2,788,869)
流動資產總淨值	Total current net assets	715,463	1,096,574
非流動	Non-current		
資產	Assets	4,360,179	3,573,018
負債	Liabilities	(1,342,007)	(1,491,192)
非流動資產總淨值	Total non-current net assets	3,018,172	2,081,826
資產淨值	Net assets	3,733,635	3,178,400
收入	Revenue	7,388,972	5,502,538
除所得稅前溢利	Profit before income tax	778,076	505,377
所得稅開支	Income tax expenses	(80,254)	(55,065)
其他全面收益	Other comprehensive income	208	–
全面總收益	Total comprehensive income	698,030	450,312
分配至非控股股東權益的全面總收益	Total comprehensive income allocated to non-controlling interests	211,972	144,328
已付非控股股東權益的股息	Dividends paid to non-controlling interests	43,211	–

53. 本公司主要附屬公司的詳情(續)

(c) 深南電路(續)

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(c) SCC (continued)

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
營運活動產生的現金流量	Cash flows from operating activities		
經營業務產生的現金	Cash generated from operations	1,033,346	1,024,486
已付利息	Interests paid	(86,438)	(85,267)
已付所得稅	Income tax paid	(67,774)	(43,215)
營運活動產生的現金淨額	Net cash generated from operating activities	879,134	896,004
投資活動所用的現金淨額	Net cash used in investing activities	(1,343,693)	(530,945)
融資活動(所用)/產生的現金淨額	Net cash (used in)/generated from financing activities	(490,573)	1,053,257
現金及現金等價物的(減少)/增加淨額	Net (decrease)/increase in cash and cash equivalents	(955,132)	1,418,316
年初的現金及現金等價物	Cash and cash equivalents at beginning of the year	1,593,299	185,288
現金及現金等價物匯兌收益/(虧損)	Exchange gains/(losses) on cash and cash equivalents	11,914	(10,305)
年末的現金及現金等價物	Cash and cash equivalents at end of the year	650,081	1,593,299

上述資料為未計及公司間對銷的金額。

The information above is the amount before inter-company eliminations.





54. 本公司財務狀況表及儲備變動

54. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

		於12月31日	
		As at 31 December	
		2018年	2017年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
資產	ASSETS		
非流動資產	Non-current assets		
無形資產	Intangible assets	293	336
物業、廠房及設備	Property, plant and equipment	5,256	9,557
投資物業	Investment properties	35,710	–
於附屬公司的投資	Investments in subsidiaries	5,485,796	5,265,824
於聯營公司的投資	Investments in associates	308,123	440,149
於合營企業的投資	Investments in joint ventures	581,286	600,674
可供出售金融資產	Available-for-sale financial assets	–	1,400
按公允價值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	152,295	–
		6,568,759	6,317,940
流動資產	Current assets		
貿易及其他應收款項	Trade and other receivables	2,991,799	3,282,674
現金及現金等價物	Cash and cash equivalents	118,128	1,852,612
		3,109,927	5,135,286
總資產	Total assets	9,678,686	11,453,226
權益	EQUITY		
本公司權益持有人應佔資本與儲備	Capital and reserves attributable to owners of the Company		
股本	Share capital	1,166,162	1,166,162
股份溢價	Share premium	1,512,380	1,512,380
其他儲備(a)	Other reserves (a)	316,718	220,505
未分配利潤(a)	Retained earnings (a)	1,185,494	842,479
永久次級可換股證券	Perpetual subordinated convertible securities	2,781,674	2,781,674
總權益	Total equity	6,962,428	6,523,200

54. 本公司財務狀況表及儲備變動(續) 54. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

		於12月31日 As at 31 December	
		2018年 2018 人民幣千元 RMB'000	2017年 2017 人民幣千元 RMB'000
負債	LIABILITIES		
非流動負債	Non-current liabilities		
借款	Borrowings	1,099,500	1,396,000
遞延稅項負債	Deferred tax liabilities	8,452	—
		1,107,952	1,396,000
流動負債	Current liabilities		
貿易及其他應付款項	Trade and other payables	213,306	1,134,026
借款	Borrowings	1,395,000	2,400,000
		1,608,306	3,534,026
總負債	Total liabilities	2,716,258	4,930,026
總權益及負債	Total equity and liabilities	9,678,686	11,453,226





54. 本公司財務狀況表及儲備變動(續)

54. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

(a) 本公司儲備變動

(a) Reserve movement of the Company

		未分配利潤 Retained earnings 人民幣千元 RMB'000	其他儲備 Other reserves 人民幣千元 RMB'000
於2017年	Balance as at 1 January 2017		
1月1日的結餘		701,781	189,056
本年度溢利及	Profit and total comprehensive		
全面總收益	income for the year	288,763	–
撥入法定一般儲備基金	Appropriation to statutory general		
	reserve fund	(31,449)	31,449
2016年股息	Dividend for the 2016	(116,616)	–
於2017年	Balance as at 31 December 2017		
12月31日的結餘		842,479	220,505
本年度溢利	Profit for the year	466,212	–
自有物業轉投資物業	Revaluation gain on transfer of		
的重估收益	owner-occupied property to		
	investment property	–	25,357
全面總收益	Total comprehensive income	466,212	25,357
合併會計處理	Merger accounting	–	5,967
撥入法定一般儲備基金	Appropriation to statutory general		
	reserve fund	(64,889)	64,889
2017年股息	Dividend for the 2017	(58,308)	–
於2018年	Balance as at 31 December 2018		
12月31日的結餘		1,185,494	316,718

55. 報告期間後事項

於2019年1月28日，深南電路董事會已根據限制性股票激勵計劃批准，並已向145名承授人(為並非本公司關連人士的本公司僱員及／或深南電路高級職員)授出2,800,000股限制股票，惟須待彼等接納。已授出限制性股票相當於深南電路已發行股本約1%。由深南電路授出的限制性股票授出價格為每股限制股票人民幣46.37元。

於2019年1月28日，飛亞達董事會已根據限制性股票激勵計劃批准，並已向128名承授人(除飛亞達董事及本公司關連人士黃勇峰、陳立彬外，為並非本公司關連人士的飛亞達僱員及／或高級職員)授出4,224,000股限制股票。於本年報日期，已授出限制性股票相當於飛亞達已發行股本約1%。由飛亞達授出的限制性股票授出價格為每股限制股票人民幣4.40元。

有關進一步詳情載於本公司日期為2019年1月28日的公告。

55. EVENTS AFTER THE REPORTING PERIOD

On 28 January 2019, the board of directors of SCC has approved and granted 2,800,000 restricted shares pursuant to the Restricted Share Incentive Scheme to a total of 145 grantees (subject to their acceptance), who are employees and/or officers of SCC (none of them being connected person of the Company). The restricted shares granted represent approximately 1% of the issued share capital of SCC. The grant price for the restricted shares granted by SCC is RMB46.37 per restricted share.

On 28 January 2019, the board of directors of Fiyta has approved and granted 4,224,000 restricted shares pursuant to the Restricted Share Incentive Scheme to a total of 128 grantees (subject to their acceptance), who are employees and/or officers of Fiyta (except for Huang Yongfeng (黃勇峰) and Chen Libin (陳立彬) who are directors of the Fiyta being connected persons of the Company, none of them being connected person of the Company). The restricted shares granted represent approximately 1% of the issued share capital of Fiyta as at the date of this annual report. The grant price for the restricted shares granted by Fiyta is RMB4.40 per restricted share.

Details are further set out in the announcement of the Company dated 28 January 2019.





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