



中國賽特集團有限公司

China Saite Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 153



2018 年報

Annual Report



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Corporate Profile

公司簡介

China Saite Group Company Limited (“China Saite” or the “Company”, together with its subsidiaries the “Group”) is an integrated steel structure and prefabricated construction solution service provider headquartered in Yixing, Jiangsu Province, the People’s Republic of China (the “PRC”). It has an operation history of nearly 20 years. The Group’s integrated construction solution services are customised to meet the quality, technical specifications and requirements of different projects, and span from design plan, including fabrication and assembly of steel structure parts and prefabricated construction, transportation, and to the installation of materials onsite and after-sales services. According to an industry report prepared by Ipsos Hong Kong Ltd., China Saite was the second largest prefabricated construction service provider and the third largest steel structure construction service provider in Jiangsu Province, in terms of revenue in 2012.

The Group commenced to undertake prefabricated construction projects in late 2010 and enjoys a first-mover advantage in the PRC prefabricated construction industry. Prefabricated construction is one of the advanced types of construction method deploying a majority of structural components pre-produced and standardised in factory for ready assembling at the work site. The Group’s prefabricated construction solution was mainly provided to domestic high-rise commercial and residential buildings and social security housing projects.

China Saite has been accredited as a Grade One Steel Structure Engineering Professional Contractor, the highest national qualification, by the Ministry of Housing since November 2005. This enables China Saite to undertake all kinds of steel structure projects without limitation in span, contract sum, construction area or total weight of construction in the PRC. The Group has participated in a wide range of steel structure projects, including bridges, train stations, stadiums, exhibition centres, factory premises, etc..

中國賽特集團有限公司(「中國賽特」或「本公司」，連同其附屬公司統稱「本集團」)是一家綜合性鋼結構及預製構件建築解決方案服務供應商，總部位於中華人民共和國(「中國」)江蘇省宜興市，經營歷史近20年。本集團的綜合建築解決方案服務乃專為客戶定製，以符合不同項目的質量、技術規範及要求，服務涵蓋廣闊，自設計方案開始，包括製作裝配鋼結構部件及預製構件建築，運輸，以至現場材料安裝，售後服務等，均在範圍之內。根據 Ipsos Hong Kong Ltd. 編製的行業報告，2012年以收益計，中國賽特為江蘇省第二大預製構件建築服務供應商及第三大鋼結構建築服務供應商。

本集團於2010年底開始承接預製構件建築項目，並在中國預製構件建築行業中佔據有利先機。預製構件建築乃先進建築方法之一，當中涉及在廠房內預製標準規格的大部分結構部件，以供於施工現場快速裝配。本集團的預製構件建築方案主要提供予國內的高層商住樓以及保障性住房項目。

2005年11月，住建部向中國賽特頒授鋼結構工程專業承包企業一級資質(該資質為該領域的國家最高資質)。此資質使中國賽特可在中國承接各類鋼結構項目，而不受鋼結構項目種類、合同金額、建築面積或建築總重量方面的限制。本集團曾參建包括橋樑、火車站、體育場館、展覽中心及廠房等眾多類別的鋼結構項目。

DIRECTORS

Executive Directors

Mr. Jiang Jianqiang (*Chairman*)
Mr. Shao Xiaoqiang (*Chief Executive Officer*)
Mr. Xu Fanghua

Independent Non-Executive Directors

Mr. Xu Jiaming
Mr. Luk Chi Shing
Mr. Wu Zhongxian
(*appointed on 8 August 2018*)
Mr. Eddie Hurip
(*resigned on 8 August 2018*)

CHIEF FINANCIAL OFFICER

Mr. Lin Jiahui
(*appointed on 18 May 2018*)

COMPANY SECRETARY

Ms. Foo Man Yee Carina

AUTHORISED REPRESENTATIVES

Mr. Jiang Jianqiang
Ms. Foo Man Yee Carina

AUDIT COMMITTEE

Mr. Luk Chi Shing (*Chairman*)
Mr. Xu Jiaming
Mr. Wu Zhongxian

REMUNERATION COMMITTEE

Mr. Wu Zhongxian (*Chairman*)
Mr. Luk Chi Shing
Mr. Shao Xiaoqiang

董事

執行董事

蔣建強先生 (*主席*)
邵小強先生 (*行政總裁*)
徐芳華先生

獨立非執行董事

徐家明先生
陸志成先生
吳宗賢先生
(*於2018年8月8日獲委任*)
丘鉅涼先生
(*於2018年8月8日辭任*)

財務總監

林嘉蒼先生
(*於2018年5月18日獲委任*)

公司秘書

傅曼儀女士

獲授權代表

蔣建強先生
傅曼儀女士

審核委員會

陸志成先生 (*主席*)
徐家明先生
吳宗賢先生

薪酬委員會

吳宗賢先生 (*主席*)
陸志成先生
邵小強先生

NOMINATION COMMITTEE

Mr. Jiang Jianqiang (*Chairman*)
Mr. Xu Jiaming
Mr. Wu Zhongxian

提名委員會

蔣建強先生(主席)
徐家明先生
吳宗賢先生

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 88 Saite Road
Gaocheng Industrial Park
Yixing
Jiangsu Province
The PRC

總部及中國主要營業地點

中國
江蘇省
宜興市
高塍工業園
賽特路88號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6105
61/F, The Center
99 Queen's Road Central
Hong Kong

香港主要營業地點

香港
皇后大道中99號
中環中心61樓
6105室

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤•關黃陳方會計師行

LEGAL ADVISER AS TO HONG KONG LAW

Chiu & Partners

香港法例方面的法律顧問

趙不渝馬國強律師事務所

PRINCIPAL BANKERS

China Construction Bank Corporation
(Yixing Gaocheng Branch)
Agricultural Bank of China Limited
(Yixing Chengzhong Branch)
Jiangsu Yixing Rural Commercial Bank Co., Ltd.
(Gaocheng Branch)
DBS Bank (Hong Kong) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Fl., Royal Bank House
24 Shedden Road, PO Box 1586
Grand Cayman KY1-1110
Cayman Islands

STOCK CODE

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COMPANY WEBSITE

www.chinasaite.com.cn

主要往來銀行

中國建設銀行股份有限公司
(宜興高騰支行)
中國農業銀行股份有限公司
(宜興城中支行)
江蘇宜興農村商業銀行
(高騰支行)
星展銀行(香港)有限公司

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

開曼群島股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Fl., Royal Bank House
24 Shedden Road, PO Box 1586
Grand Cayman KY1-1110
Cayman Islands

股份代號

153

公司網站

www.chinasaite.com.cn

Chairman's Statement

主席報告



Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Saite, I am pleased to present the annual results of the Group for the year ended 31 December 2018.

The year 2018 marked the establishment of a firm footing for the Group's diversification into promoting the upgrading and development of its steel structure business. The Group has been revolving around on two pillar businesses: steel structure construction and prefabricated construction components, committing to exploiting synergies between different segments, and prospecting opportunities for expanding its business scope. During the year, the Group launched its parking garage steel structure construction business, paving the way for its participation in intelligent parking garage management and nurturing new growth drivers on the top of its two major businesses.

In terms of development at the state level, the economy in China has ushered into an era of transformation and upgrading, seeking healthy GDP growth while attaching more emphases to the quality and efficiency of development. Stretching the original businesses higher up on the value chain to accomplish green and low-carbon scalable development constitutes a state policy for developing its economy and a direction for the long term development of China Saite.

致各位股東：

本人謹代表中國賽特董事(「董事」)會(「董事會」)欣然向閣下呈報本集團截至2018年12月31日止年度之年度業績。

2018年是集團為多元化發展奠下基礎，推動鋼結構業務升級發展的一年。集團一直以鋼結構建築及預製建築構件為兩大業務支柱，並致力深挖各板塊間之協同效應，物色擴大業務範疇的機會，年內集團開展了停車庫鋼結構建築的業務，為參與智能停車庫管理作出部署，在兩大業務以外，培育新的增長點。

從國家發展層面而言，中國經濟進入了轉型升級的階段，在追求國民生產總值健康增長之餘，更關注發展的質量和效率，在原有業務上向價值鏈高端延伸，實現綠色低炭的發展規模，既是國家的經濟政策，也是中國賽特的長遠發展方向。



Turnover of the Group's for 2018 amounted to approximately RMB1,501.3 million, slightly higher from 2017 by 6.3%. The demand for prefabricated construction components slowed down while the steel structure business resumed growth due to the gradual resumption of momentum for investing in transportation infrastructure, resulting in a 14.2% increase in revenue. The Group expects these two major businesses to continue to bring in stable income. The Group will capitalise on the push by the state in promoting infrastructure development and opportunities afforded by the encouragement at the state level for green and low-carbon construction to establish a more extensive business network, and to explore business opportunities outside the Yangtze River Delta region, seeking to move its businesses higher up on the value chain to bring in more strategic value.

During the review period, the Group entered into an agreement for building and installation of a vertical automated parking system in car park structure situated in the East Block, Yingbin Street, Shenhe District, Shenyang City, China. This will become a pilot project of the Group in the vertical automated parking system business. The Group has full confidence in prospects of the vertical automated parking system industry in China and believes this new business will help it explore and extend its steel structure business to the high end of the value chain.

Despite reporting lower profit for 2018 weakened due to impairment on investments and provisions for account receivables, the Group believes these two pillar business segments will help resume growth momentum in 2019, with the investment in parking garages to gradually become a new growth driver.

2018年度，集團營業額達約人民幣1,501,300,000元，比2017年度略有上升6.3%，當中預製建築構件的需求放緩，鋼結構業務在交通基礎建設投資逐步回暖的情況下，業務重拾升軌，收益錄得14.2%的增幅。集團預期這兩大業務會繼續帶來穩定的收益，集團將借助國家推動基建，同時倡導綠色低碳建築的有利時機，建立更廣泛的業務網絡，開拓長江三角洲以外的商機，探索業務向更高端的價值鏈延伸，帶來更多戰略價值。

回顧年內，集團承接了一項垂直自動停車系統的製造及安裝建築協議，有關停車樓將位於中國瀋陽市瀋河區迎賓街東地塊，這將成為本集團在垂直自動停車系統業務方面的一個試點項目。本集團對中國垂直自動停車系統行業的前景充滿信心，並相信此項新業務能助集團之鋼結構業務向高端價值鏈開拓與延伸。

儘管集團在2018年度的盈利水平，因投資減值及應收賬款撥備而有所減少，但集團有信心兩大主營業務板塊在2019年均能重拾動力，而在停車庫方面的投資亦會逐步為集團帶來業務新增長點。

Chairman's Statement 主席報告

We believe the well-articulated business strategies, when coupled with a management team with strong execution capabilities, will accomplish sustainable development amid uncertainties in the economic environment. On behalf of the Board, I would like to express my heartfelt gratitude to all staff members of China Saite for their contribution to the Group in the past year and to our shareholders for their ongoing support. With 2019 tipped to be a year full of opportunities and challenges, the Group is committed to creating better value for shareholders.

Jiang Jianqiang

Chairman

Hong Kong, 28 March 2019

我們相信只有紮實的經營策略和執行力強大的管理團隊才能在未知的經濟環境中實現可持續發展，本人謹代表董事會感謝中國賽特全體員工在過去一年為本集團作出之努力，並對股東的鼎力支持致以衷心謝意。2019年預期將充滿機遇和挑戰，本集團致力為股東創造更大價值。

蔣建強

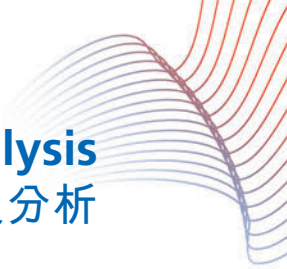
主席

香港，2019年3月28日



Management Discussion and Analysis

管理層討論及分析



As a provider of integrated construction solutions using steel structures and prefabricated components, the Group's integrated construction solutions are tailor-made to meet technical specifications, requirements and customer demand of different projects. The scope of services includes design, secondary detailed design, compilation, installation, and after-sale services.

Our steel structure solutions focus on construction of large-scale public structures (such as sports stadiums, convention and exhibition centres, airports, and railway stations), bridges (such as railway bridges, highway bridges, landscape bridges, cross-river bridges and cross-sea bridges), large-scale factory premises, industrial park zones, logistics park zones, etc.

Our prefabricated construction solutions focus on construction of social security housing and public structure projects in the urbanisation process driven by the PRC Government.

BUSINESS REVIEW

In 2018, the total investments in fixed assets (excluding agricultural households) in the PRC amounted to approximately RMB63,563.6 billion, up by 5.9% year on year. The growth rate, while level to that of 2017, was the lowest since 2001. During the year under review, the PRC saw its Gross Domestic Product (the "GDP") grew approximately 6.6% year on year, which was the lowest in the past 28 years. The overall macroeconomic environment inflicted considerable repercussions on demand for the construction materials and related services.

Despite the slow economic growth in the PRC during the year under review, buoyed by the policy of stabilizing domestic demand from the Central Government, investments in transportation infrastructure construction gradually picked up to meet the completion quota for major projects of highway and bridge construction in both the midstream and downstream regions along the Yangtze River, supporting the demand for steel structures. The steel structure business of the Group resumed growth and recorded an approximately 14.2% increase in revenue.

本集團是一家綜合性鋼結構及全裝配預製構件建築解決方案服務供貨商，本集團根據不同項目的技術規範、要求和客戶的需求，為客戶定制綜合建築解決方案，服務內容包括為客戶設計、二次深化設計、製作、安裝和售後服務。

本集團在鋼結構解決方案中專注大型的公用建築(如：體育館、會展中心、機場、火車站)、橋梁(如：鐵路橋、公路橋、景觀橋、跨江、海大橋)、大型工廠、工業園區、物流園區建設等。

在全裝配預製構件建築解決方案中，本集團主要專注中國政府推動的城鎮化建設中的保障性住房建設和公共結構項目建設。

業務回顧

2018年中國全國固定資產投資(不含農戶)總額達到約人民幣635,636億元，按年增長5.9%，增幅和2017年持平，但卻為2001年以來最低水平。於回顧年度，國民生產總值按年比增幅約6.6%，為中國28年以來最低的經濟增長率。整體宏觀經濟環境對建築行業及相關服務的需求造成一定的影響。

於回顧年度，儘管中國經濟緩慢增長，但在中央穩定內部需求的政策方針下，交通基礎建設投資逐步回暖，長江中下游地區要確保重大項目完成總量，道路、橋樑建築維持對鋼結構的需求，本集團的鋼結構業務重拾升軌，收益錄得約14.2%的增幅。

Management Discussion and Analysis

管理層討論及分析

As for the prefabricated construction business, in 2018 the construction volume of affordable housing in the PRC reached a bottleneck and the growth in new projects began to slow down. Yet competition within the industry was still intense, prompting an adjustment by the Group of its planned landscape for the prefabricated construction business and slight declines in revenue (and gross profit margin) for this segment.

The Group's revenue for the year ended 31 December 2018 (the "Year 2018") amounted to approximately RMB1,501.3 million (2017: RMB1,411.7 million). Gross profit for the year under review amounted to RMB353.8 million (2017: RMB359.9 million) and gross profit margin averaged approximately 23.6% (2017: 25.5%). Profit attributable to owners of the Company amounted to approximately RMB139.0 million (2017: RMB227.2 million). Basic earnings per share for the year under review were approximately RMB5.96 cents (2017: basic earnings per share: RMB9.77 cents). The Board did not recommend any final dividend payment for the Year 2018 to the shareholders (2017: nil).

Steel structure business

Characterised by their strength, durability, flexibility in layout, low pollution and recyclability, steel structures have been widely applied in the construction of factory premises, bridges, sports stadiums, convention and exhibition centers, airports, railway stations and other various infrastructures since the development of steel structure construction in the PRC in the late 1990s. According to the list of top 100 construction enterprises in Jiangsu Province compiled by Jiangsu Provincial Department of Construction, the Group ranked among the top ten steel structure construction service providers in Jiangsu Province.



在全裝配預製構件建築業務方面，於2018年，中國保障房建造量已到達瓶頸，新項目增速放緩，加上行業競爭仍然激烈，本集團全裝配預製構件建築業務的布局有所調整，收益(和毛利率)均略有下降。

本集團截至2018年12月31日止年度(「2018年度」)收益約為人民幣1,501,300,000元(2017年：人民幣1,411,700,000元)，回顧年度的毛利為人民幣353,800,000元(2017年：人民幣359,900,000元)，平均毛利率約為23.6%(2017年：25.5%)。本公司擁有人應佔盈利約為人民幣139,000,000元(2017年：人民幣227,200,000元)。回顧年度每股基本盈利約為人民幣5.96分(2017年：每股基本盈利人民幣9.77分)。董事會不建議向股東派付2018年度之末期股息(2017年：無)。

鋼結構業務

鋼結構具有高強度、耐用、佈局靈活、綠色環保及可循環再用等特性，自90年代後期中國近代鋼結構發展以來，廣泛應用於廠房、橋樑、體育場館、展覽中心、飛機場、火車站等各種設施的建設。根據江蘇省建設廳所編撰的江蘇建築業百強企業名單，本集團位列江蘇省鋼結構建築服務供應商前十位。





For the Year 2018, the revenue of the Group from the steel structure business amounted to approximately RMB968.3 million, up approximately 14.2% from the RMB848.3 million for the previous year. During the year under review, gross profit margin for the steel structure business decreased by 0.9 percentage points from 18.6% to 17.6% due to economies of scale and synergies. The completed steel structure parts for the year under review amounted to approximately 92,600 tons, up by approximately 25.0% from approximately 74,100 tons for 2017.

During the year under review, the number of steel structure projects completed amounted to 24, up by 10 (2017: 14). The number of bridges projects completed amounted to 5 (2017: nil), representing an increase of 5 projects year on year, and the revenue generated from completed bridges projects amounted to RMB201.1 million (2017: nil). The number of export orders of steel structure projects completed amounted to 4 (2017: 2), representing an increase of 2 projects year on year, and the revenue generated from completed export orders of steel structure projects increased by approximately 44.6% from approximately RMB54.5 million to approximately RMB78.8 million. The number of public structures projects completed amounted to 4 (2017: 4), representing no change from year on year, and the revenue generated from completed public structures projects increased by approximately 39.6% from approximately RMB112.0 million to approximately RMB156.3 million. The number of factories projects completed amounted to 11 (2017: 8), representing an increase of 3 projects year on year, and the revenue generated from completed factories projects decreased by 13.5% from approximately RMB501.5 million to RMB433.6 million.

於2018年度，本集團鋼結構業務收益約為人民幣968,300,000元，較去年的人民幣848,300,000元增長約14.2%。回顧年度內由於規模效益和協同效應，令鋼結構業務毛利率由18.6%下降了0.9個百分點至17.6%。鋼結構部件的完工量由2017年約74,100噸增長約25.0%至回顧年度約92,600噸。

於回顧年度，完工鋼結構項目數量增加10項至24項（2017年：14項）。完工橋樑項目數量為5項（2017年：0項），按年增加5項，而完工橋樑項目產生的收益為人民幣201,100,000元（2017年：無）；完工鋼結構件出口訂單項目數量為4項（2017年：2項），按年增加2項，而完工鋼結構件出口訂單項目產生的收益由約人民幣54,500,000元增加約44.6%至約人民幣78,800,000元；完工公共建築項目數量為4項（2017年：4項），按年並無變動，而完工公共建築項目產生的收益由約人民幣112,000,000元增加約39.6%至約人民幣156,300,000元；完工廠房項目數量為11項（2017年：8項），按年增加3項，而完工廠房項目產生的收益由約人民幣501,500,000元減少13.5%至人民幣433,600,000元。

Number of projects completed
完成項目數量

Type of project	項目類型	Year 2018 2018年	Year 2017 2017年
Public structures	公共建築	4	4
Export orders of steel structure	鋼結構件出口訂單	4	2
Bridges	橋樑	5	0
Factories	廠房	11	8
Total	總計	24	14

Management Discussion and Analysis

管理層討論及分析

During the year under review, the Group mainly focused on construction projects covering plant construction, roads and bridges in Shandong, Shanghai, Jiangsu, Jiangxi and other midstream and low stream regions of Yangtze River for its steel structure business. Amongst these regions, the revenue generated from Jiangsu Province represented approximately 50.1% of the total revenue generated from steel structure business segment, and one of the major construction projects of the Group outside Jiangsu Province was the Construction Project of Teaching Building of Primary School in Xinyi City.

Breaking down by geography of the revenue generated from steel structures, the number of projects completed in Jiangsu Province was 14, representing an increase of 6 projects from 2017 (2017: 8). The revenue generated from completed steel structure projects in Jiangsu Province increased by approximately 77.5% year on year from approximately RMB273.5 million to approximately RMB485.5 million. In 2018, the number of completed projects in the PRC outside Jiangsu Province increased by 4 projects from 2017, i.e. 10 (2017: 6) projects. The revenue generated from completed projects in the respective geographical region decreased by approximately 2.6% year on year from approximately RMB394.5 million to approximately RMB384.3 million.

The Group's revenue generated from steel structure projects in progress as at the end of the year decreased from approximately RMB180.3 million to approximately RMB98.5 million, representing a decrease of 45.4%, which is mainly due to the fact that a lot of factories projects were completed during the year.

As at 31 December 2018, the steel structure projects in progress are set out as follows:

於回顧年度，本集團鋼結構業務遍佈於山東、上海、江蘇、江西等長江中下游地區的廠房建設、公路及橋樑等建築項目。其中，江蘇省鋼結構業務約佔鋼結構業務板塊總收益之約50.1%，而集團於江蘇省外之大型建築項目之一，則為建造新沂市的小學教學樓建築項目。

就鋼結構收益的地區分析而言，江蘇省的完工項目數量為14項(2017年：8項)，較2017年增加6項，江蘇省鋼結構項目完工產生的收益由約人民幣273,500,000元按年增加約77.5%至約人民幣485,500,000元。於2018年，江蘇省以外中國地區的完工項目數量為10項(2017年：6項)，較2017年增加4項，完工項目產生的收益由約人民幣394,500,000元按年減少約2.6%至約人民幣384,300,000元。

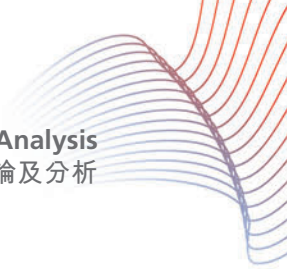
本集團於年末的在建鋼結構項目所產生的收益由約人民幣180,300,000元，減少至約人民幣98,500,000元，減少45.4%，主要由於年內大量工廠項目完工。

於2018年12月31日，在建鋼結構項目載列如下：

Type of project	項目類型	Number of projects in progress 在建項目數量	
		2018 2018年	2017 2017年
Public structure	公共建築	1	1
Export orders of steel structure	鋼結構件出口訂單	1	3
Bridges	橋樑	0	1
Factories	廠房	1	3
Total	總計	3	8

The above-mentioned steel structure projects in progress are expected to be completed in 2019.

上述在建鋼結構項目預計於2019年完工。



Prefabricated construction business

Prefabricated construction mainly involves pre-production of major structural components, such as columns, beams, wall panels, floor panels, stairs and balconies, etc., in factories and direct assembly of these components on location. Compared to traditional steel and concrete structures which are fabricated on location, prefabricated construction allows tighter prefabrication control, conferring better accuracy, stronger shock resistance, shorter construction lead-time, and is more environment-friendly, which aligns perfectly with objectives of environmental protection in the PRC, particularly in green construction areas. With the encouragement and support from the PRC government via various policies, the Group believes that prefabricated construction is set to become a major trend in development of the construction industry.

The Group is one of the largest prefabricated construction service providers in Jiangsu Province by revenue. Following diligent efforts over the years, the Group has secured a number of patented technologies in prefabricated construction.

For the Year 2018, the Group completed 500,610 square metres ("sq.m.") of prefabricated construction materials, down approximately 1.7% from the 509,200 sq.m. in 2017. The revenue from prefabricated construction projects amounted to approximately RMB533.0 million in 2018 (2017: RMB563.5 million), representing a decrease of approximately 5.4% from the previous year.

The Group has competitive edges in technology and is a pioneer in the prefabricated construction business. Yet in Jiangsu Province, where the business of the Group is based, construction of affordable housing has reached a bottleneck, limiting the development of the prefabricated construction business which primarily serves the affordable housing sector. During the year under review, this business segment contributed approximately RMB533.0 million to the total revenue of the Group, compared with approximately RMB563.5 million for the previous year. The revenue generated in this segment comprised approximately 35.5% of the Group's total revenue, decreasing from approximately 39.9% in the previous year.

全裝配預製構件建築業務

全裝配預製構件建築主要涉及在工廠預先製作承重柱、樑、牆板、地板、樓梯及陽台等主要結構部分，將有關構件運往施工現場直接組裝。與傳統在現場施工的鋼筋混凝土比較，全裝配預製構件建築預製性高、準確性大、抗震能力強、施工時間短和環保程度更高，完全符合中國尤其是綠色建築領域的環保發展的目標。本集團認為在中國政府多項政策鼓勵和支持下，全裝配預製構件必將會成為建築業的主要發展方向。

本集團是江蘇省按收入計最大的全裝配預製構件建築服務供應商之一。本集團通過幾年的努力，取得全裝配預製構件建築的多項專利技術。

於2018年度，本集團全裝配預製構件建築材料完成量為500,610平方米，較2017年的509,200平方米錄得約1.7%的跌幅。於2018年，全裝配預製構件建築項目的收益約為人民幣533,000,000元（2017年：人民幣563,500,000元），較去年減少約5.4%。

本集團在全裝配預製構件建築業務上具備了技術和先行者優勢；唯在集團業務根據地之江蘇省，保障房建造出現瓶頸，導致以保障房為主要服務對象的全裝配預製構件建築業務受到制約。於回顧年度，該業務分部為本集團總收益貢獻約人民幣533,000,000元，而上年度則約為人民幣563,500,000元。該分部產生的收益於本集團總收益的佔比由去年約39.9%減少至約35.5%。

Management Discussion and Analysis

管理層討論及分析

In 2018, the Group engaged in 12 (2017: 10) prefabricated construction projects, all of which were residential projects, and recorded a revenue of approximately RMB533.0 million (2017: RMB563.5 million).

During the year under review, the number of new contracts signed and the total contract revenue of new contracts entered into by the Group was 25 (2017: 24) and approximately RMB1,182.2 million (2017: RMB1,158.2 million), respectively. The average contract revenue of the signed contracts decreased to approximately RMB47.3 million from approximately RMB48.3 million for 2017.

The closing contract value of backlog in 2018 decreased to approximately RMB162.3 million from approximately RMB481.5 million in 2017.

於2018年，本集團進行12個(2017年：10個)全裝配預製構件建築項目，所有均為住宅項目，已確認收益約人民幣533,000,000元(2017年：人民幣563,500,000元)。

於回顧年度，本集團簽署的新合同數量為25個(2017年：24個)，而新合同的合同收益總額約為人民幣1,182,200,000元(2017年：人民幣1,158,200,000元)。已簽合同的項目的合同收益金額均值由2017年約人民幣48,300,000元減少至約人民幣47,300,000元。

與2017年約人民幣481,500,000元比較，2018年末完工合同金額減少至約人民幣162,300,000元。

		2018 2018年			2017 2017年			Changes in the total amount for this reporting period as compared with the previous year %
		Steel structure projects	Prefabricated construction projects	Total	Steel structure projects	Prefabricated construction projects	Total	
		鋼結構項目	全裝配預 製構件建 築業務	總計	鋼結構項目	全裝配預 製構件建 築業務	總計	本報告期總金額 比上年增減 %
		RMB'000 人民幣千元			RMB'000 人民幣千元			
Contract value of backlog at the beginning of the year	年初未完工合同金額	209,187	272,293	481,480	289,047	446,002	735,049	-34.5
Value of new contracts	新合同金額	858,894	323,259	1,182,153	768,393	389,783	1,158,176	2.1
Revenue recognised	已確認收益	968,313	532,998	1,501,311	848,253	563,492	1,411,745	6.3
Contract value of backlog at the end of the year	年末未完工合同金額	99,768	62,554	162,322	209,187	272,293	481,480	-66.3



Investment Business

On 27 December 2018, Jiangsu Saite Steel Structure Co., Ltd. (江蘇賽特鋼結構有限公司) (“Saite Steel (Jiangsu)”), an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with Shenyang Jindihan Investment Co., Ltd. (瀋陽金迪哈投資有限公司) (“Shenyang Jindihan”) in respect of manufacturing and installation of the Vertical Automated Parking System. Jiangsu Saite shall be responsible for design, manufacturing, transportation, installation, testing, checking and inspection, after-sale maintenance and repair and training in respect of the Vertical Automated Parking System at a car park complex located on the east land plot of Yingbin Street, Shenhe District, Shenyang in the PRC. Jiangsu Saite shall provide Shenyang Jindihan an initial warranty of 24 months for free, in respect of the Vertical Automated Parking System. Shenyang Jindihan shall pay Jiangsu Saite consideration aggregating RMB109,240,824.00 (equivalent to approximately HK\$124,137,300.00).

Jiangsu Saite, a wholly-owned subsidiary of the Company, is principally engaged in construction of steel structures and prefabricated construction projects. Shenyang Jindihan is principally engaged in carpark services, industrial investments and real estate development.

This will become a pilot vertical automated parking system project for the Group. The Group has full confidence in prospects of vertical automated parking systems in the PRC. In order to alleviate shortages of parking spaces in cities, the Group proposed static traffic solutions such as vertical automated parking systems and three-dimensional parking garages, which alleviated inadequacies in parking lots by fully utilizing the plot ratio. A three-dimensional parking garage is basically composed of steel structures, which has synergy with the steel structure business of the Group. Targeting drivers in cities and towns of different sizes, these three-dimensional parking garages can generate income within a short period of time.

投資業務

於2018年12月27日，本公司間接全資附屬公司江蘇賽特鋼結構有限公司(「賽特鋼結構(江蘇)」)與瀋陽金迪哈投資有限公司(「瀋陽金迪哈」)就垂直自動停車系統的製造及安裝訂立建築協議。江蘇賽特須負責停車樓的垂直自動停車系統的設計、製造、運輸、安裝、測試、檢查及檢驗、售後維護及保修以及培訓，有關停車樓將位於中國瀋陽市沈河區迎賓街東地塊。江蘇賽特須向瀋陽金迪哈免費提供垂直自動停車系統24個月的初始保修期。瀋陽金迪哈須向江蘇賽特支付代價總金額人民幣109,240,824.00元(相等於約124,137,300.00港元)。

江蘇賽特為本公司全資附屬公司，主要從事鋼結構及預製構件建築項目的建築施工。瀋陽金迪哈主要從事停車場服務、實業投資、房地產開發。

這將成為本集團在垂直自動停車系統業務方面的一個試點項目。本集團對中國垂直自動停車系統行業的前景充滿信心，為解決城市「停車難」問題，本集團提出垂直自動停車系統、立體停車庫這種靜態交通解決方案，充份利用容積率解決停車泊位缺口問題。立體停車庫基本上為鋼結構組成，和本集團的鋼結構業務有協同效應，亦可面向各大中小城市，面向廣大駕駛人士，可在短期內開始產生收入。

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2018, the Group's revenue was approximately RMB1,501.3 million, representing an increase of approximately RMB89.6 million or 6.3% as compared with that for the year ended 31 December 2017.

The following table sets out the breakdown of the Group's revenue in terms of steel structure projects and prefabricated construction projects for each year indicated:

		2018 2018年		2017 2017年	
		RMB'000	Revenue Percentage (%)	RMB'000	Revenue Percentage (%)
		人民幣千元	收益佔比 (%)	人民幣千元	收益佔比 (%)
Construction of	建設				
— Steel structure projects	— 鋼結構	968,313	64.5	848,253	60.1
— Prefabricated construction business	— 全裝配預製 構件建築業務	532,998	35.5	563,492	39.9
Total	總計	1,501,311	100.0	1,411,745	100.0

The revenue from steel structure projects increased by 14.1% from approximately RMB848.3 million for the Year 2017 to approximately RMB968.3 million for the Year 2018.

The revenue from prefabricated construction projects was approximately RMB533.0 million for the Year 2018 (2017: approximately RMB563.5 million) which decreased by 5.4%.

財務回顧

收益

截至2018年12月31日止年度，本集團的收益約為人民幣1,501,300,000元，較截至2017年12月31日止年度增加約人民幣89,600,000元或6.3%。

下表載列各所示年度本集團的鋼結構項目及全裝配預製構件建築項目的收益明細：

鋼結構項目應佔收益由2017年度約人民幣848,300,000元增加14.1%至2018年度約人民幣968,300,000元。

全裝配預製構件建築項目應佔收益於2018年度約為人民幣533,000,000元(2017年：約人民幣563,500,000元)，減少5.4%。

Gross profit and gross profit margin

The gross profit from steel structure projects amounted to approximately RMB170.8 million for the Year 2018, represented an increase of 8.5% from approximately RMB157.4 million for the Year 2017. The gross profit margin of steel structure projects decreased from approximately 18.6% for the Year 2017 to approximately 17.6% for the Year 2018. The decrease was mainly due to the increase in the production costs of steel structure when compared with 2017.

The gross profit from prefabricated construction projects amounted to approximately RMB183.0 million for the Year 2018, represented a decrease of 9.6% from approximately RMB202.5 million for the Year 2017. The gross profit margin of prefabricated construction projects decreased from approximately 35.9% for the Year 2017 by 1.6 percentage points to approximately 34.3% for the Year 2018.

The Group's overall gross profit margin decreased by 1.9 percentage points from approximately 25.5% for the Year 2017 to approximately 23.6% for the Year 2018.

Other income

The other income of the Group for the Year 2018 was approximately RMB12.9 million (2017: RMB10.0 million), mainly derived from sales of scrapped materials and interest income on bank deposits.

Selling and marketing expenses and administrative expenses

The total selling, marketing and administrative expenses for the Year 2018 were approximately RMB60.6 million (2017: RMB41.3 million), represented an increase of approximately RMB19.3 million. The increase was mainly attributable to (i) increase in staff costs as a result of inflation in the PRC; (ii) increase in legal and professional fees of approximately RMB 13.5 million derived from issuance of bonds during the year.

Finance costs

The Group's finance costs for the Year 2018 was approximately RMB36.7 million (2017: RMB7.4 million), mainly contributed from bonds issued during the current year. The creditors regarding the bonds and the short-term borrowings are independent third parties to the Group.

毛利及毛利率

2018年度鋼結構項目應佔毛利約為人民幣170,800,000元，較2017年度約人民幣157,400,000元增加8.5%。鋼結構項目的毛利率由2017年度約18.6%減少至2018年度約17.6%，主要是由於與2017年相比鋼結構生產成本增加。

2018年度全裝配預製構件建築項目應佔毛利約為人民幣183,000,000元，較2017年度約人民幣202,500,000元下跌9.6%。全裝配預製構件項目應佔的毛利率由2017年度約35.9%，下降1.6個百分點至2018年度約34.3%。

本集團的整體毛利率由2017年度約25.5%，下跌1.9個百分點至2018年度約23.6%。

其他收入

於2018年度，本集團的其他收入約人民幣12,900,000元（2017年：人民幣10,000,000元）乃主要源自廢料銷售及銀行存款利息收入。

銷售及營銷開支和行政開支

於2018年度，總銷售、營銷及行政開支約為人民幣60,600,000元（2017年：人民幣41,300,000元），增加約人民幣19,300,000元，主要是由於(i)中國通脹導致員工成本增加；(ii)年內發行債券導致法律及專業費用增加約人民幣13,500,000元。

財務成本

於2018年度，本集團約人民幣36,700,000元（2017年：人民幣7,400,000元）的財務成本，主要是由於本年度內發行的債券。有關債券及短期貸款的債權人為本集團的獨立第三方。

Charges on Group assets

The Group had pledged property, plant and equipment with a carrying amount of RMB22,184,000 (2017: nil) as at 31 December 2018 to secure bank borrowings of the group.

Total comprehensive income for the year

Total comprehensive income attributed to the owners of the Company for the Year 2018 amounted to RMB109.3 million (2017: RMB227.2 million), lending to the basic earnings per share of RMB5.96 cents (2017: RMB9.77 cents). The decrease in total comprehensive income was attributable to the net effect of (i) the declines in revenue and gross profit; (ii) an increase in impairment loss on trade receivables; (iii) impairment loss of approximately RMB16.5 million from an impairment provision made by the Group for bank balances and contract assets under amendments to HKFRS 9; (iv) an increase in administrative expenses and finance costs mainly attributable to the higher audit, legal and professional fees and more financing activities carried out during the year; and (v) exchange loss of approximately RMB24.7 million.

Capital structure, liquidity and financial resources

The Group's net cash from operating activities for the Year 2018 was approximately RMB48.7 million (2017: cash from operating activities of RMB2.0 million) and the Group's cash and cash equivalents as at the end of the year was approximately RMB856.9 million (2017: RMB757.3 million).

As at 31 December 2018, the Group had current assets of approximately RMB2,770.8 million (2017: RMB2,572.7 million) and current liabilities of approximately RMB426.6 million (2017: RMB269.6 million). The current ratio (which is calculated on the basis of current assets over current liabilities) was 6.5 as at 31 December 2018 (2017: 9.5).

Total equity of the Group as at 31 December 2018 was approximately RMB2,632.5 million (2017: RMB2,608.6 million). As at 31 December 2018, the issued share capital of the Company was HK\$233.1 million (31 December 2017: HK\$233.1 million) with 2,330.7 million (31 December 2017: 2,330.7 million) shares in issue.

Total borrowings (including issuance of bonds) were approximately RMB362.7 million as at 31 December 2018 (2017: RMB152.8 million).

本集團資產抵押

於2018年12月31日，本集團已抵押賬面值為人民幣22,184,000元(2017年：無)之物業、廠房及設備以取得本集團的銀行借款。

年內全面收入總額

於2018年度，本公司擁有人應佔全面收入總額為人民幣109,300,000元(2017年：人民幣227,200,000元)，每股基本盈利為人民幣5.96分(2017年：人民幣9.77分)。全面收入總額減少乃由於(i)收益及毛利減少；(ii)應收貿易款項的減值虧損增加；(iii)根據國際財務報告準則第9號修訂本，本集團就銀行結餘及合同資產作出減值準備，因此產生約人民幣16,500,000元減值虧損；(iv)行政開支及財務成本增加(主要歸因於年內審計、法律及專業費用以及融資活動增加)；及(v)匯兌虧損約人民幣24,700,000元的淨影響所致。

資本結構、流動資金及財務資源

於2018年度，本集團經營活動所得現金淨額約為人民幣48,700,000元(2017年：經營活動所得現金人民幣2,000,000元)，而本集團之年末現金及現金等價物約為人民幣856,900,000元(2017年：人民幣757,300,000元)。

於2018年12月31日，本集團的流動資產約為人民幣2,770,800,000元(2017年：人民幣2,572,700,000元)，流動負債約為人民幣426,600,000元(2017年：人民幣269,600,000元)。於2018年12月31日的流動比率(按流動資產除以流動負債計算)為6.5(2017年：9.5)。

本集團於2018年12月31日的權益總額約為人民幣2,632,500,000元(2017年：人民幣2,608,600,000元)。本公司於2018年12月31日的已發行股本為233,100,000港元(2017年12月31日：233,100,000港元)，已發行2,330,700,000股股份(2017年12月31日：2,330,700,000股)。

於2018年12月31日，貸款總額(包括發行債券)為約人民幣362,700,000元(2017年：人民幣152,800,000元)。

Treasury Policies

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by conducting ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing ratio

Gearing ratio is calculated based on total debt (including payables incurred not in the ordinary course of business) as at the end of the year divided by equity attributable to owners of the Company as at the end of the year multiplied by 100%. As at 31 December 2018, the gearing ratio of the Group was approximately 13.8% (2017: 5.9%).

Foreign exchange exposure

The Group's businesses are principally operated in the PRC and substantially all of its transactions are conducted in RMB and most of the Group's assets and liabilities are also denominated in RMB. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in currencies other than RMB. During the year under review, the Group did not commit to any financial instrument for hedging its foreign currency risk exposure and did not adopt a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Expenditures

During the year ended 31 December 2018, the Group's capital expenditure consisted of additions to properties, plant and equipment amounting to approximately RMB58.0 million (2017: RMB49.9 million).

財資政策

本集團已採納審慎財資政策，因而於年內一直維持良好流動資金狀況。本集團為客戶之財務狀況進行持續信貸評審及評估，致力減低信貸風險。為管理流動資金風險，董事會密切監察本集團之流動資金狀況，確保本集團的資產、負債及其他承擔之流動資金結構不時符合其資金要求。

資本負債比率

資本負債比率乃按年末的總負債(包括並非於日常業務過程中產生的應付款項)除以年末本公司擁有人應佔權益，再乘以100%計算。於2018年12月31日，本集團的資本負債比率約為13.8%(2017年：5.9%)。

外匯風險

本集團主要於中國經營業務，其絕大部分交易以人民幣進行，且本集團大部分資產及負債均以人民幣計值。本集團因日後進行的商業交易及以人民幣以外其他貨幣計值的已確認資產及負債而須承受外匯風險。回顧年度內本集團並無利用任何財務工具對沖外幣風險，亦無採取外幣對沖政策。然而，本集團管理層監察外匯風險，並將考慮於有需要時對沖重大外匯風險。

資本開支

截至2018年12月31日止年度，本集團的資本開支包括添置物業、廠房及設備約人民幣58,000,000元(2017年：人民幣49,900,000元)。

Employees

As at 31 December 2018, the Group had approximately 591 (2017: 544) employees. The related staff cost (including remuneration for Directors in the form of salaries and other benefits) for the year ended 31 December 2018 was approximately RMB60.4 million (2017: RMB56.4 million). The Group remunerates its employees based on their performances, experiences and prevailing industry practice. Competitive remuneration packages are offered to retain elite employees. Our packages include salaries, medical insurance, discretionary bonuses, share options, on-the-job training, other benefits as well as mandatory provident funds schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC.

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefits schemes operated by the PRC government. Such subsidiaries are required to contribute a specific percentage of the total monthly basic salaries to the retirement benefits schemes.

The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The Group contributes 5% of relevant payroll costs (capped at HK\$1,500 per month effective since 1 June 2014) of each individual employee to the scheme, to which a matching contribution is made by each employee.

During the year ended 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the retirement benefits schemes set out above.

Contingent liabilities

There were no contingent liabilities as at 31 December 2018.

Dividend

The Board does not recommend any final dividend payment for the year ended 31 December 2018 to the shareholders (2017: nil).

僱員

於2018年12月31日，本集團擁有約591名僱員(2017年：544名)。截至2018年12月31日止年度的有關員工成本(包括薪金及其他福利形式的董事酬金)約為人民幣60,400,000元(2017年：人民幣56,400,000元)。本集團根據僱員的表現、經驗及現時業內慣例釐定彼等之薪酬，並提供具競爭力的薪酬待遇，以留住優秀員工。我們的待遇包括薪金、醫療保險、酌情花紅、購股權、在職培訓、其他福利以及強積金計劃(就香港僱員而言)及國家管理退休福利計劃(就中國僱員而言)。

本公司於中國成立的附屬公司的僱員為中國政府運作的國家管理退休福利計劃的成員。該等附屬公司須按每月基本薪金總額的指定百分比向退休福利計劃供款。

本集團亦為全體合資格香港僱員執行一項強制性公積金計劃，本集團會將各個別僱員相關工資成本的5%(每月供款上限為1,500港元，自2014年6月1日生效)作為強積金計劃供款，而僱員亦須按計劃繳納相等供款。

於截至2018年12月31日止年度，本集團並無任何可供動用的沒收供款，以降低其對上文所載退休福利計劃的供款。

或然負債

於2018年12月31日，概無或然負債。

股息

董事會不建議向股東派付截至2018年12月31日止年度的任何末期股息(2017年：無)。

Event after the Reporting Period

In March 2019, the Company issued 260,000,000 new shares to Jiangsu Kaimeng Investments Co., Ltd.* (江蘇凱盟投資有限公司) (“Jiangsu Kaimeng”), an independent third party, at an issue price of HK\$0.5 per share and the net proceeds amounting to HK\$129,950,000 was used for general working capital of the Group and for the future development of the Group’s businesses, of which approximately 70% will be used for the new three-dimensional parking garage business. Jiangsu Kaimeng has become a substantial shareholder of the Company holding 10.04% of the Company’s enlarged share capital. Jiangsu Kaimeng is principally engaged in investment businesses and invests in projects related to the Group’s steel structure business, which will bring synergies to the Group’s business development.

FUTURE PROSPECTS AND STRATEGIES

The PRC government has stipulated a economic growth target at 6%–6.5% for the country in 2019. The PRC government will stimulate the economy by enacting various measures, including tax cuts, more infrastructure investments and more relaxed economic policies. The Group is of a view that despite the continued slowdown in the PRC’s economic growth, the Central Government has established the policy to strengthen infrastructure investments to support domestic demand. The management of the Group will explore more business opportunities in the steel structure business through enlarging its shareholder base and tapping the three-dimensional parking garage business.

報告期後事項

於2019年3月，本公司向獨立第三方江蘇凱盟投資有限公司(「江蘇凱盟」)發行260,000,000股新股，發行價每股0.5港元，集資淨額129,950,000港元，用作本集團之一般營運資金及用於本集團業務之未來發展，其中約70%將投入到新的立體停車庫業務。江蘇凱盟已成為本公司其中一個主要股東，持有公司已擴大股本之10.04%，江蘇凱盟主要從事投資業務，其投資亦有和集團鋼結構業務相關的項目，將為集團業務發展帶來協同效應。

未來展望及策略

中國政府在2019年的經濟增長目標為6%–6.5%，政府會通過多項措施刺激經濟，包括減稅、增加基礎設施投資、更寬鬆的經濟政策等。集團認為，儘管中國經濟增長持續放緩，唯中央對加強基建投資推動內需的政策已成，本集團管理層亦透過擴大股東基礎和涉足立體停車庫業務，發掘更多鋼結構業務商機。

Management Discussion and Analysis

管理層討論及分析

As early as in 2017, the State Council had released *Guidance Opinion on Promoting Prefabricated Construction* (《關於大力發展裝配式建築的指導意見》), which proposed that the Government strives to raise the proportion of fabricated buildings among new buildings to 30% within 10 years. As the main structural system most suitable for the development of prefabricated buildings, buildings with fabricated steel structures and composite structures are set to reach one-third of prefabricated buildings, which will increase the proportion of the prefabricated steel structure residential building from less 1% at present to 10%. Compared to developed countries, bridges with steel structures and composite structures comprise a low proportion of the total in the PRC, especially small- and medium-span bridges with steel structures and composite structures comprise less than 1% of the total. For this reason, Ministries including the Ministry of Transport have made great efforts to promote the construction of bridges with steel structures and composite structures and proposed that at the end of the “13th Five-Year Plan” period, new large-span and extra-large-span bridges will be dominated by steel structures and the proportion of steel structures will be significantly improved in newly-built bridges.

In addition, reaping benefits from the rapid development of the “One Belt, One Road” construction developments, steel structures made in the PRC are being exported to other markets. In the PRC, infrastructure construction will still play an important role in economic development. Steel structure buildings, better known as “green buildings”, are gradually evolving into a trend and the development of steel structure buildings has been included in the “13th Five-Year Plan” in respect of the steel structure industry. The PRC government strives to increase the use of steel in steel structures from 50 million tons at present to 100 million tons and above in 2020. Therefore, the Group believes that the steel structure business still has great development potential.

早於2017年，國務院《關於大力發展裝配式建築的指導意見》便提出，力爭用10年左右時間，使裝配式建築佔新建建築的比例達到30%的目標，裝配式鋼結構和組合結構建築作為最有利於發展裝配式建築的主要結構體系，爭取佔裝配式建築比例1/3，使裝配式鋼結構住宅建築的佔比從目前不足1%，提高到10%。與發達國家相比，中國鋼結構及組合結構橋梁的應用比例不高，特別是在中小跨徑橋梁中，鋼結構及組合結構橋梁佔比不足1%，為此，交通運輸部等部門大力推進鋼結構及組合結構橋梁建設，提出到「十三五」時期末，新建大跨徑、特大跨徑橋梁以鋼結構為主，新建橋梁鋼結構比例明顯提高。

此外，受益於「一帶一路」建設快速發展，中國鋼結構正在逐步實現「走出去」。在國內，基礎設施建設仍將擔當經濟發展重任，素有「綠色建築」之美譽的鋼結構建築漸成趨勢，並被列入中國鋼結構行業「十三五」規劃，力爭到2020年鋼結構用鋼量由目前的5,000萬噸增加到1億噸以上，因此集團相信鋼結構業務仍有很大的發展潛力。



For the steel structure business, the Group will continue to expand its markets from the Yangtze River Delta region to the central and western regions of the country. According to the 13th Five-Year Plan, the Central Government of the PRC will speed up the pace of development of the central and western regions, constituting a great opportunity for expansion of the steel structure business of the Group into more regions. The Group also strives to expand into other overseas markets including Australia, Turkey and Africa through cooperation with multinational corporations. With both the opportunities from the Government's development initiatives and the Group's close business relationship with multi-national partners, the Group will capture more market shares in these areas.

For the prefabricated construction business, the bottleneck in construction of affordable housing is expected to continue in the short and medium term. Coupled with intense competition within the industry, the Group will adopt a defensive strategy so as to maintain the scale of prefabricated construction business and the contribution to the overall profitability.

In a nutshell, amid the complicated economic environment in both the domestic and overseas markets, the Group will respond promptly to changes in the markets and continue to improve its own operation and management efficiency to capture opportunities arising from the increasing interconnection between the domestic macro-economic situation and the international markets. The Group will take full advantage of the solid foundations of its steel structure business and dive deeper into other collaborative business opportunities while enhancing cooperation with state-owned enterprises, Central-Government-owned enterprises and multi-national corporations to enrich its business mix and broaden its income streams, seeking to take the Group's businesses to a next level and creating long-term value for shareholders.

就鋼結構業務而言，本集團將繼續將市場從長江三角洲地區拓展至中西部地區。根據中國的十三五規劃，中央政府將加快中西部地區的發展步伐，這給本集團鋼結構業務的地域擴張帶來巨大機遇。本集團亦透過與跨國公司合作大力擴張其他海外市場，包括澳大利亞、土耳其及非洲國家。憑藉政府發展方向帶來的機遇及本集團與跨國合作夥伴之間密切的業務關係，本集團將搶佔這些地區的市場份額。

在全裝配預製構件建築業務方面，保障性住房的建造瓶頸，預計在短中期內持續，加上行業競爭激烈，本集團將採取防守策略，旨在繼續維持全裝配預製構件建築業務的規模及對整體盈利的貢獻。

整體而言，面對國內外市場複雜的經濟形勢，本集團積極應對市場，不斷提高自身經營管理效率，把握國內宏觀經濟形勢及國際市場日益緊密的聯繫所帶來的機遇，充分利用本集團鋼結構業務穩健基礎，深挖其他協同業務的機會的同時，加強與國企、央企及跨國公司合作，豐富業務組合，擴闊收入來源，以實現本集團事業更上一層樓，為股東創造長遠價值。

Profile of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Jiang Jianqiang

Executive Director & Chairman

Mr. Jiang Jianqiang (蔣建強), aged 53, the founder of the Group, has been the chairman and an executive Director of the Company since 31 July 2012. He is also the chairman of the nomination committee of the Company. He is responsible for the overall strategic planning and management of the Group. Mr. Jiang has extensive experience in the steel structure industry, and has been engaged in such business for over 20 years. Mr. Jiang completed a three-year professional course in the Faculty of Architecture at Southeast University in July 1996 and is a practising Grade One Constructor registered with the Ministry of Housing. He was also qualified as 高級工程師 (senior engineer) and 高級經濟師 (senior economist) by 江蘇省人事廳 (Jiangsu Province Personnel Department*) in June 2008 and July 2009 respectively. From May 1995 to April 1998, he served as the deputy general manager of 江蘇宇盛建築安裝工程有限公司 (Jiangsu Yusheng Construction and Installation Company Limited*), a company principally engaged in construction projects and lifting equipment installation, and during such period he was responsible for the administration and production and business management of such company. Since September 1998, Mr. Jiang has acted as the general manager of Saite Steel (Jiangsu). He is also a director of certain subsidiaries of the Group. He also served as a representative in the 12th and the 13th Communist Party Congress of Yixing, the PRC, and the 15th and the 16th People's Congress of Yixing, the PRC.

Shao Xiaoqiang

Executive Director & Chief Executive Officer

Mr. Shao Xiaoqiang (邵小強), aged 44, was appointed as an executive Director of the Company on 31 July 2012. He is also the chief executive officer and a member of the remuneration committee of the Company. He is responsible for the production and technical teams of the Group. Mr. Shao is also responsible for approving contracts with our customers, making the decision for engaging installation teams and production teams and whether to subcontract any works to subcontractors.

* for translation purposes only

執行董事

蔣建強

執行董事兼主席

蔣建強先生，53歲，本集團創辦人，自2012年7月31日起擔任本公司主席兼執行董事，彼亦為本公司提名委員會主席。彼負責本集團的整體戰略規劃及管理。蔣先生擁有豐富的鋼結構行業經驗，從事有關業務逾20年。蔣先生於1996年7月畢業於東南大學建築系（三年制大專），為住建部註冊一級執業建造師。彼亦分別於2008年6月及2009年7月取得江蘇省人事廳的高級工程師及高級經濟師資格。自1995年5月至1998年4月期間，彼擔任江蘇宇盛建築安裝工程有限公司（主要從事建築項目及起重設備安裝項目）副總經理，及於該期間，彼負責該公司的行政、生產及業務管理。自1998年9月起，蔣先生一直擔任賽特鋼結構（江蘇）總經理。彼亦為本集團旗下若干附屬公司之董事。彼亦曾任中國宜興市第十二次及第十三次黨代表會及中國宜興市第十五及第十六屆人民代表大會代表。

邵小強

執行董事兼行政總裁

邵小強先生，44歲，於2012年7月31日獲委任為本公司執行董事。彼亦為本公司的行政總裁及薪酬委員會成員，負責本集團的生產及技術團隊。邵先生亦負責審批與客戶所簽合同、決定委聘安裝團隊及生產團隊，以及是否將工程分包予分包商。

* 僅供識別

Mr. Shao graduated with a bachelor's degree in management, majoring in 工程管理 (engineering management*), from 江南大學 (Jiangnan University*) in July 2011. Mr. Shao was qualified as an engineer (specialising in steel structures) by 中國建築工程總公司 (China State Construction Engineering Corporation*) in December 2004 and a practising Grade 2 Constructor jointly awarded by 江蘇省人事廳 (Jiangsu Province Personnel Department*), 江蘇省建築工程管理局 (Construction Project Administration Bureau of Jiangsu Province*) and 江蘇省建設廳 (Department of Construction of Jiangsu Province*) in January 2007. He has more than 16 years of experience in the construction industry. He was awarded with 優秀項目經理 (Excellent Project Manager*) for the project of 泰州三福船舶工程有限公司船體分段製造車間鋼結構工程 (Taizhou Sanfu Marine Engineering Co., Limited Hull Block Fabrication Workshop Steel Structure Project*) in 2008. From April 1996 to November 1999, he worked as the head of the technical department of 江蘇曉金鋼構建設有限公司 (Jiangsu Xiaojin Steel Structure Construction Co., Ltd.*) , a company principally engaged in production and installation of steel structure. He joined the Group in December 1999 and has served as a deputy general manager and the deputy administrative manager of Saite Steel (Jiangsu) since then, overseeing the engineering and technical work and the production of the Group. As at the date of this report, Mr. Shao was also a director of Saite Steel (Jiangsu), a wholly-owned subsidiary of the Company and Jiangsu HuaChen Saite.

Xu Fanghua

Executive Director

Mr. Xu Fanghua (徐芳華), aged 54, was appointed as an executive Director of the Company on 15 December 2015. He has over 10 years of experience in the eco-friendly construction industry. Mr. Xu graduated from 南京理工大學 (Nanjing University of Science and Technology) in environmental engineering in July 2003. He was appointed as the chairman of the board of directors and general manager of 江蘇晨力實業有限公司 (Jiangsu Chenli Company Limited*) in February 1991. Jiangsu Chenli Company Limited was deregistered in January 2013. Mr. Xu then founded Jiangsu Chenli in October 2012 and has been appointed as the chairman of the board of directors as well as the general manager of Jiangsu Chenli since October 2012.

* for translation purposes only

邵先生於2011年7月畢業於江南大學，取得工程管理專業學士學位。邵先生於2004年12月自中國建築工程總公司獲得工程師(鋼結構專業)資質，並於2007年1月獲得由江蘇省人事廳、江蘇省建築工程管理局及江蘇省建設廳聯合頒發的二級建造師執業資格證書。彼於建築行業擁有逾16年經驗。彼於2008年因泰州三福船舶工程有限公司船體分段製造車間鋼結構工程而獲評為優秀項目經理。自1996年4月至1999年11月期間，彼擔任江蘇曉金鋼構建設有限公司(主要從事鋼結構生產及安裝)技術部主管。彼於1999年12月加入本集團，擔任副總經理並自此擔任賽特鋼結構(江蘇)行政副經理，監管本集團的工程及技術工作以及生產工藝。於本報告日期，邵先生亦為本公司全資附屬公司賽特鋼結構(江蘇)及江蘇晨賽特的董事。

徐芳華

執行董事

徐芳華先生，54歲，於2015年12月15日獲委任為本公司執行董事。彼於環保建築業擁有逾10年的經驗。徐先生於2003年7月畢業於南京理工大學環境工程專業。彼於1991年2月獲委任為江蘇晨力實業有限公司的董事會主席兼總經理。江蘇晨力實業有限公司於2013年1月取消註冊。徐先生隨後於2012年10月成立江蘇晨力，並自2012年10月起獲委任為江蘇晨力的董事會主席兼總經理。

* 僅供識別

INDEPENDENT NON-EXECUTIVE DIRECTORS

Xu Jiaming

Independent Non-executive Director

Mr. Xu Jiaming (徐家明), aged 48, was appointed as an independent non-executive Director of the Company on 11 October 2013. He is also a member of the audit committee and the nomination committee of the Company. Mr. Xu graduated with a bachelor's degree in 工業管理工程(管理信息系統) (Industrial Management Engineering (Management Information Systems*)) from 武漢工學院 (Wuhan Institute of Engineering*) in June 1992 and obtained a master's degree in business administration from 南京大學 (Nanjing University) in December 2003. He is currently a candidate for a doctorate degree in 管理科學與工程 (Management Science and Engineering*) at 武漢理工大學 (Wuhan University of Technology). He has over 16 years of experience in corporate management and consultancy. From January 1997 to May 1998, he served at 南京同創信息產業集團有限公司 (Nanjing Toptry Information Industry Group Co., Ltd.*), a company principally engaged in software development and information services as the head of its marketing department, deputy manager and the head of its 電子商業部 (department of electronic commerce). Since May 1998, he has served as the chief consultant and the general manager of 南京智域企業管理諮詢有限公司 (Nanjing Zhiyu Corporate Management Consultants Company Limited*), a company principally engaged in provision of business consultancy services. He acted as the chief human resources manager of 紅星家俱集團有限公司 (Red Star Home Furniture Group Limited*), a company principally engaged in, among others, sale of home furniture, between June 2005 and July 2007 and the general manager of 紅星美凱龍國際諮詢有限公司 (Red Star Macalline International Consultancy Company Limited*), a company principally engaged in provision of business consultancy services, between June 2005 and July 2007. From December 2008 to September 2010, he also served as the management consultant and the president of 恆久集團有限公司 (Permanent Group Co., Ltd.*), a company principally engaged in the manufacture of steel structures and machineries. Since September 2010, he has acted as the corporate management consultant of 南京豐盛產業控股集團有限公司 (Nanjing Fullshare Holdings Group Limited*), a company principally engaged in construction projects.

* for translation purposes only

獨立非執行董事

徐家明

獨立非執行董事

徐家明先生，48歲，於2013年10月11日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會成員。徐先生於1992年6月畢業於武漢工學院，獲得工業管理工程(管理信息系統)學士學位，並於2003年12月自南京大學獲得工商管理碩士學位。目前彼正在武漢理工大學攻讀管理科學與工程博士學位。彼於企業管理及諮詢領域擁有逾16年經驗。自1997年1月至1998年5月期間，彼在南京同創信息產業集團有限公司(主要從事軟件開發及信息服務)先後擔任市場行銷部主管及電子商業部副經理及主管。自1998年5月起，彼擔任南京智域企業管理諮詢有限公司(主要提供企業諮詢服務)的首席顧問及總經理。彼自2005年6月至2007年7月期間擔任紅星家俱集團有限公司(主要從事(其中包括)傢俱銷售)的首席人力資源經理，並自2005年6月至2007年7月期間擔任紅星美凱龍國際諮詢有限公司(主要提供企業諮詢服務)的總經理。自2008年12月至2010年9月期間，彼亦擔任恆久集團有限公司(主要從事鋼結構及機械製造)的管理顧問及總裁。自2010年9月起，彼一直擔任南京豐盛產業控股集團有限公司(主要從事建築項目)的企業管理顧問。

* 僅供識別



Luk Chi Shing

Independent Non-executive Director

Luk Chi Shing, aged 49, was appointed as an independent non-executive Director of the Company on 3 January 2017. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Luk graduated from City University of Hong Kong in 1993, with a Bachelor of Arts in Accountancy. Mr. Luk is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Luk has been an independent non-executive director of Chinese Energy Holdings Limited (stock code: 8009) since 1 February 2018. He previously served as (i) an executive director of hmvod Limited (formerly known as Trillion Grand Corporate Company Limited) (stock code: 8103) from April 2014 to March 2016; (ii) an independent non-executive director of Hang Tai Yue Group Holdings Limited (formerly known as Interactive Entertainment China Cultural Technology Investments Limited) (stock code: 8081) from December 2011 to August 2015; (iii) an independent non-executive director of Dafeng Port Heshun Technology Company Limited (stock code: 8310) from February 2014 to March 2016; (iv) an independent non-executive director of CircuTech International Holdings Limited (formerly known as TeleEye Holdings Limited) (stock code: 8051) from April 2015 to June 2016; and (v) the company secretary and financial controller of Silk Road Energy Services Group Limited (stock code: 8250) from January 2012 to November 2015. The shares of all these companies are listed on the GEM of The Stock Exchange of Hong Kong Limited.

陸志成

獨立非執行董事

陸志成先生，49歲，於2017年1月3日獲委任為本公司獨立非執行董事。彼亦為本公司之審核委員會主席及薪酬委員會成員。陸先生於1993年畢業於香港城市大學，獲頒會計學學士學位。陸先生為香港會計師公會資深會員及英國特許公認會計師公會資深會員。陸先生自2018年2月1日起出任華夏能源控股有限公司(股份代號：8009)獨立非執行董事。彼之前(i)於2014年4月至2016年3月出任hmvod視頻有限公司(前稱萬泰企業股份有限公司)(股份代號：8103)執行董事；(ii)於2011年12月至2015年8月出任恆泰裕集團控股有限公司(前稱互娛中國文化科技投資有限公司)(股份代號：8081)獨立非執行董事；(iii)於2014年2月至2016年3月出任大豐港和順科技股份有限公司(股份代號：8310)獨立非執行董事；(iv)於2015年4月至2016年6月出任訊智海國際控股有限公司(前稱千里眼控股有限公司)(股份代號：8051)獨立非執行董事；及(v)於2012年1月至2015年11月出任絲路能源服務集團有限公司(股份代號：8250)公司秘書兼財務總監。上述各公司之股份均於香港聯合交易所有限公司GEM上市。

Profile of Directors and Senior Management 董事及高級管理層簡介

Wu Zhongxian

Independent Non-executive Director

Mr. Wu Zhongxian (吳宗賢), aged 62, was appointed as an independent non-executive Director of the Company on 8 August 2018. He is also the chairman of the remuneration committee, and a member of the audit committee and nomination committee of the Company. Mr. Wu has 40 years of experience in finance and construction management. He served as the chief financial officer and deputy general manager of 宜興市第二建築安裝工程公司高騰公司 (Gaocheng Branch of Yixing No. 2 Construction and Installation Engineering Company*), the general manager of 宜興市高騰房地產開發公司 (Yixing Gaocheng Real Estate Development Company*) and the deputy general manager of 江蘇宇盛建築安裝工程公司 (Jiangsu Yusheng Construction and Installation Engineering Company*).

SENIOR MANAGEMENT

Shan Jinwen

Deputy General Manager

Mr. Shan Jinwen (單錦文), aged 43, joined the Group in September 2009 and has served as the Deputy General Manager of the Group since September 2011. He is responsible for the sales and marketing activities of the Group.

Mr. Shan completed a three-year professional course in electronic technology engineering at Southeast University in July 1996 and obtained a master's degree in business administration from 澳門科技大學 (Macau University of Science and Technology) in February 2004. He is also a Grade One Constructor registered with the Ministry of Housing. Prior to joining the Group, he acted as the manager of the marketing department of 博西家用電器(中國)有限公司 (BSH Home Appliances Holding (China) Co., Ltd.*), a company principally engaged in development and sale of home appliances and their after-sales services, from November 1999 to June 2004. From June 2004 to August 2009, he took up the position of deputy administrative manager of 無錫市現代鋼結構工程有限公司 (Wuxi City Modern Steel Structure Engineering Co., Ltd.*), a company principally engaged in production, processing and installation of steel structures and their supporting parts, and during such period he was mainly responsible for the corporate management of such company. From September 2009 to August 2011, Mr. Shan worked as the general manager of Wuxi office of Saite Steel (Jiangsu).

* for translation purposes only

吳宗賢

獨立非執行董事

吳宗賢先生，62歲，於2018年8月8日獲委任為本公司獨立非執行董事。彼亦為本公司之薪酬委員會主席及審核委員會和提名委員會成員。吳先生擁有40年財務及建築管理經驗。彼曾任職宜興市第二建築安裝工程公司高騰公司財務總監及副總經理、宜興市高騰房地產開發公司總經理及江蘇宇盛建築安裝工程公司副總經理。

高級管理層

單錦文

副總經理

單錦文先生，43歲，於2009年9月加入本集團，並自2011年9月起一直擔任本集團的副總經理，負責本集團的銷售及營銷活動。

單先生於1996年7月畢業於東南大學，獲得電子技術工程專業三年大專課程，並於2004年2月獲得澳門科技大學工商管理碩士學位。彼亦為住建部一級建造師。於加盟本集團前，彼曾於1999年11月至2004年6月期間擔任博西家用電器(中國)有限公司(主要從事家用電器開發及銷售以及售後服務)的營銷經理。自2004年6月至2009年8月期間，彼擔任無錫市現代鋼結構工程有限公司(主要從事鋼結構及其承重構件的生產、加工及安裝)的行政部副經理，及於該期間內，彼主要負責該公司的企業管理事務。自2009年9月至2011年8月，單先生曾任賽特鋼結構(江蘇)無錫辦事處總經理。

* 僅供識別

Lin Jiahui (林嘉薈)

Chief Financial Officer

Mr. Lin Jiahui, aged 28 has been appointed as Chief Financial Officer of the Company since May 2018. He was appointed as the Chief Operating Officer of the Group effective October 2018 and is responsible for group finance, investment, local and oversea mergers and acquisitions, operational matters of listed company, group financial matters and investor relationship affairs.

Mr. Lin received his Double Bachelor Degree of Law and Management from Sun Yat-sen University. He is a member of The Chinese Institute of Certified Public Accountants. Prior to joining the Group, Mr. Lin worked as a senior auditor in one of the Big Four accounting firms. He was the sole accountant for an IPO on-site audit of a Hong Kong listed company and have rich IPO knowledge of auditing, accounting and financial experience. He also holds the qualifications for securities practice in China.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the members of our senior management has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this report.

林嘉薈

財務總監

林嘉薈先生，28歲，自2018年5月起出任本公司財務總監。自2018年10月起兼任集團營運總監，負責集團融資、投資、海內外收購併購、上市公司營運、集團財務及投資者關係事務。

林先生持有中山大學法學學士和管理學學士雙學位。彼為中國註冊會計師協會成員。於加盟本集團前，林先生曾於一國際四大會計師事務所任職高級審計師，曾獨立負責某港股企業的IPO現場審計工作，具有豐富的IPO審計、會計及財務經驗，彼亦具有中國證券從業資格。

除年報所披露者外，據董事經作出一切合理查詢後所知、所悉及所信，我們各高級管理人員於緊接本報告日期前三年內並無擔任任何公眾上市公司（其證券在香港或海外任何證券市場上市）的董事職務。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board has committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the financial year ended 31 December 2018, except for the deviation disclosed below:

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
A.7.1 Board meetings papers should be sent in full to all Directors at least 3 days before the intended date of meeting.	During the year, certain ad hoc Board meetings were held and the relevant Board meeting papers were sent to all Directors less than 3 days before the date of the Board meeting.	The Board members of the Company were informed by the management of the Company by email, by WeChat or by phone on the updated information of proposed ad hoc projects/transaction(s) to be entered by the Company from time to time. Although the meeting papers could not be sent to the Directors at least 3 days before the meeting, the Board members still have sufficient information to discuss the matters on proposed projects or transactions of the Company. The Board will use its best efforts to meet the CG Code requirements.
A.7.1 董事會會議文件應於擬定舉行會議日期前最少三天全部送交全體董事。	於年內，已舉行若干董事會臨時會議，且相關董事會會議文件已於董事會會議日期前不足三天送交全體董事。	本公司董事會成員由本公司管理層不時經電郵、微信或電話告知有關本公司任何擬訂立的臨時項目／交易的最新資訊。儘管會議文件未能於會議前最少三天送交董事，董事會成員仍有充足資訊以討論有關本公司建議項目或交易的事宜。董事會將竭盡所能符合企業管治守則的規定。

企業管治常規

董事會已致力維持高水平之企業管治標準。

董事會相信，高水平之企業管治標準在為本集團提供一個保障股東權益及提高企業價值及問責性的架構方面屬必要。

於截至2018年12月31日止財政年度，本公司已遵守載於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四的企業管治守則（「企業管治守則」）所載的所有守則條文，惟下文所披露的偏離情況除外：

Code Provision 守則條文	Deviation 偏離情況	Considered Reason for Deviation 就偏離情況已闡明的原因
<p>C.1.2 Management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the Listing Rules.</p>	<p>During the year, management failed to provide to the Directors the consolidated financial statements of major subsidiary company each month.</p>	<p>All the executive Directors were involved in the daily operation of the Group and were fully aware of the performance, position and prospects of the Company, and the management has provided to all Directors (including independent non-executive Directors) half-yearly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail prior to the regular board meetings of the Company.</p> <p>Further, the management of the Company has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient background or explanatory information for matters brought before the Board. Therefore, the Company considered that all members of the Board had been given a balanced and understandable assessment on the Company's performance, position and prospects in sufficient detail.</p>
<p>C.1.2 管理層應每月向董事會全體成員提供更新資料，詳列有關本公司表現、狀況及前景的公正及易於理解的評估，內容足以讓整個董事會及各董事履行上市規則所規定的職責。</p>	<p>於年內，管理層未能每月向董事提供主要附屬公司的綜合財務報表。</p>	<p>所有執行董事均有參與本集團的日常運作，並完全了解本公司的表現、狀況及前景，且管理層已於本公司的常規董事會會議前，每半年向所有董事（包括獨立非執行董事）提供更新資料，詳列有關本公司表現、狀況及前景的公正及易於理解的評估。</p> <p>此外，本公司管理層已及時向董事會全體成員提供有關本公司表現、狀況及前景的任何重大變動的更新資料，並就向董事會提呈的事宜提供足夠的背景或說明資料。因此，本公司認為，董事會全體成員已獲提供有關本公司表現、狀況及前景的公正及易於理解的詳細評估。</p>
<p>The Company will continue to enhance its corporate governance practices to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the CG Code and align with the latest development.</p>		<p>本公司將繼續加強其業務經營及增長的企業管治常規，並不時檢討有關常規，以確保該等常規遵守企業管治守則，並符合最新的發展。</p>

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions and dealing (the "Code of Conduct") by Directors on terms no less exacting than the required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry of all the Directors, the Directors confirmed that they had complied with the Model Code and the Code of Conduct throughout the year ended 31 December 2018.

BOARD OF DIRECTORS

As at 31 December 2018, the Board comprised six Directors, including three executive Directors and three independent non-executive Directors as named below.

Executive Directors:

Mr. Jiang Jianqiang (*Chairman*)
Mr. Shao Xiaoqiang (*Chief Executive Officer*)
Mr. Xu Fanghua

Independent non-executive Directors:

Mr. Xu Jiaming
Mr. Luk Chi Shing
Mr. Eddie Hurip (*resigned on 8 August 2018*)
Mr. Wu Zhongxian (*appointed on 8 August 2018*)

The biographical information of the Directors are set out in the section headed "Profile of Directors and Senior Management" on pages 24 to 29 of this report for the year ended 31 December 2018.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

The positions of chairman and chief executive officer of the Company are held by Mr. Jiang Jianqiang and Mr. Shao Xiaoqiang respectively. The chairman provides leadership for the Board and is responsible for overall strategic planning and management of our Group. The chief executive officer focuses on overseeing the production and technical teams of our Group. Their respective responsibilities are clearly defined and set out in writing.

董事進行之證券交易

本公司已採納一套有關董事進行證券交易及買賣之行為守則(「行為守則」)，其條款不遜於上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)當中所載之規定標準。

經對全體董事作出特定查詢後，董事確認，彼等於截至2018年12月31日止整個年度均一直遵守標準守則及行為守則。

董事會

於2018年12月31日，董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事，名列如下。

執行董事：

蔣建強先生(主席)
邵小強先生(行政總裁)
徐芳華先生

獨立非執行董事：

徐家明先生
陸志成先生
丘鉅淙先生(於2018年8月8日辭任)
吳忠賢先生(於2018年8月8日獲委任)

董事之履歷資料載於截至2018年12月31日止年度之本報告第24至29頁「董事及高級管理層簡介」一節。

概無董事會成員與其他成員有關連。

主席及行政總裁

本公司主席及行政總裁職務由蔣建強先生及邵小強先生分別擔任。主席領導董事會，並負責本集團的整體戰略規劃及管理。行政總裁專注監管本集團之生產及技術團隊。彼等之間之職能劃分須明確設定並以書面形式載列。

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Pursuant to article 105(A) of the Company's articles of association, not less than one-third of the Directors (or otherwise the number nearest one-third) for the time being shall retire from office by rotation at each annual general meeting of the Company. All retiring Directors shall be eligible for re-election.

Article 109 of the Company's articles of association provides that any person appointed as a Director either to fill a casual vacancy or as an additional Director shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Other than Mr. Wu Zhongxian, each Director was appointed for a term of three years. Mr. Wu Zhongxian had entered into a letter of appointment with the Company for an initial term of one year, subject to re-election at the forthcoming annual general meeting. All Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company. Their appointments shall be reviewed by the Nomination Committee when they are due for re-election.

Independent non-executive Directors

Independent non-executive Directors are responsible to scrutinize the Company's performance in achieving agreed corporate goals and objectives, and ensuring that exercise of the board authority is within the powers conferred to the Board under the applicable laws, articles of association of the Company and rules and regulation.

During the year ended 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

委任、重選及罷免董事

根據本公司的組織章程細則第105(A)條，當時不少於三分之一（或最接近三分之一的數字）之董事須於本公司各股東週年大會上輪值退任。全體退任董事均符合資格重選連任。

本公司的組織章程細則第109條規定，為填補臨時空缺或增加董事名額而獲委任為董事之任何人士，任期應僅至本公司下屆股東週年大會為止，屆時於會上合資格膺選連任，惟釐定董事或將於有關大會上輪值退任的董事人數時不予考慮在內。

除吳宗賢先生外，各董事均獲委任三年任期。吳宗賢先生已與本公司訂立委任函，初步任期為一年，須於應屆股東週年大會上重選。所有董事於本公司股東週年大會上輪值退任及重選，至少每三年一次。彼等之委任將於重選時由提名委員會檢討。

獨立非執行董事

獨立非執行董事負責仔細審查本公司在達致協定之企業目標及目的之表現，並確保董事會所行使授權屬適用法律、本公司之組織章程細則及規則及規例授予董事會之權力範圍內。

截至2018年12月31日止年度，董事會一直遵守上市規則有關規定，委任至少三名獨立非執行董事，其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識。

本公司已根據上市規則第3.13條所載之獨立性指引，自各獨立非執行董事接獲有關彼之獨立性之年度確認書。本公司認為，全體獨立非執行董事均為獨立。

BOARD MEETINGS

The Board holds at least four meetings a year. The Board convenes meetings on a regular basis and on an ad hoc basis, as required by business needs. All Directors are invited to attend the Board meetings in person or by telephone conference.

Board papers will be given to the Board before the date of the Board meeting by the company secretary with reasonable time.

If a substantial shareholder or a Director has a conflict of interest in a matter, the matter will be dealt with by a physical Board meeting rather than a written resolution.

During the reporting period, the Board held a total of eight Board meetings.

ROLE AND FUNCTION OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions, risk management, internal control systems and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors make decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事會會議

董事會每年至少舉行四次會議。董事會定期舉行會議，亦會因應業務需要舉行臨時會議。全體董事獲邀親身或以電話會議形式出席董事會會議。

公司秘書會於董事會會議日期前於合理時間內向董事會發出董事會文件。

倘主要股東或董事於某事宜存在利益衝突，有關事宜將由實質董事會會議而非書面決議案處理。

於報告期間，董事會共舉行八次董事會會議。

董事會及管理層職責

董事會負責領導及控制本公司並監管本集團之業務、策略決策、風險管理、內部控制系統及表現以及集體負責透過指導及監管本公司之事務推動其成功發展。董事以本公司之利益作出客觀決定。

全體董事(包括獨立非執行董事)均為董事會帶來多種領域之寶貴業務經驗、知識及專長，使其高效及有效地運作。

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會定期審閱各董事向本公司履行其職責時須作出之貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是或會涉及利益衝突者)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責轉授予管理層。

ACCESS TO INFORMATION

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep themselves abreast of responsibilities as a Director and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2018, the Directors received training on the following areas with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development:

獲取資料

全體董事均可全面並及時獲得本公司所有資料以及要求公司秘書及高級管理層提供服務及意見。董事可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

董事之就職及持續專業發展

每名董事須及時了解作為董事之職責，以及本公司之管理、業務活動及發展。

每名新任董事均於首次獲委任時獲提供正式、全面及針對性入職介紹，確保新董事可適當掌握本公司業務及營運，並完全了解於上市規則及相關法規下之董事職責及責任。

董事應參與適當的持續專業發展，以發展及掌握最新的知識及技能，藉此確保彼等對董事會所作貢獻為知情及相關。本公司將為董事安排內部簡報，並向董事寄發相關議題的閱讀材料。本公司鼓勵全體董事參加相關培訓課程，費用由本公司承擔。

於截至2018年12月31日止年度，董事已接受以下有關持續專業發展強調遵守企業管治守則規定之上市公司董事之角色、職能及職責範疇之培訓：

		Corporate Governance/ Updates on Laws, Rules & Regulations 企業管治／最新法律、規則及法規*	Accounting/ Financial/Risk Management/ Management or Other Professional Skills 會計／財務／風險管理／管理或其他專業技能*
Executive Directors	執行董事		
Mr. Jiang Jianqiang	蔣建強先生	✓	—
Mr. Shao Xiaoqiang	邵小強先生	✓	—
Mr. Xu Fanghua	徐芳華先生	✓	—
Independent non-executive Directors	獨立非執行董事		
Mr. Xu Jiaming	徐家明先生	✓	—
Mr. Luk Chi Shing	陸志成	✓	✓
Mr. Eddie Hurip (<i>resigned on 8 August 2018</i>)	丘鉅淙先生 (<i>於2018年8月8日辭任</i>)	✓	—
Mr. Wu Zhongxian (<i>appointed on 8 August 2018</i>)	吳宗賢先生 (<i>於2018年8月8日獲委任</i>)	✓	—
* Directors' training is through attending in-house trainings/seminars or reading newspapers, journals and updated legal and regulatory news.			* 董事的培訓乃透過參加內部培訓／研討會或閱讀報章、期刊及最新法律及法規新聞進行。

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate liability insurance to cover the Directors and officers' risk exposure arising out of corporate activities. The insurance coverage is reviewed annually.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on pages 3 to 5.

董事及高級職員之責任保險

本公司已安排適當責任保險以涵蓋董事及高級職員因公司事務所產生的風險。本公司會每年審閱受保範圍。

董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。本公司所有董事委員會均已訂明書面職權範圍。董事委員會之職權範圍刊登於本公司網站及聯交所網站，並可應要求時供股東查閱。

各董事委員會之主席及成員名單載於第3至5頁「公司資料」。

Audit Committee

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Luk Chi Shing (chairman), Mr. Xu Jiaming and Mr. Wu Zhongxian (appointed as a member of the Committee on 8 August 2018). Mr. Eddie Hurip resigned as a member of the Committee on 8 August 2018.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting system, risk management and internal control systems, audit plan and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, risk management, internal control or other matters of the Company.

The Audit Committee held two meetings to review the annual financial results in respect of the year ended 31 December 2017 and the interim financial results in respect of the six months ended 30 June 2018 and significant issues on the financial reporting and compliance procedures, risk management and internal control systems, scope of work and re-appointment of external auditor, and arrangements for employees to raise concerns about possible improprieties. In addition, written resolution of the Audit Committee was passed to approve the appointment of the Chief Financial Officer of the Group.

During the year ended 31 December 2018, there was no disagreement between the Board and the Audit Committee regarding the external auditor and there was no issue of significant importance requiring disclosure in this annual report under the Listing Rules.

The Audit Committee also met the external auditor without the presence of the executive Directors.

審核委員會

審核委員會目前由三名獨立非執行董事組成，即陸志成先生(主席)、徐家明先生及吳忠賢先生(於2018年8月8日獲委任為委員會成員)。丘鉅涼先生於2018年8月8日辭任委員會成員。

審核委員會之主要職責為協助董事會審閱財務資料及申報制度、風險管理及內部監控系統、審核計劃及與外聘核數師之關係，以及檢討安排，使本公司僱員可以私密方式關注本公司財務申報、風險管理、內部監控或其他方面之可能不當行為。

審核委員會已舉行兩次會議，審閱有關截至2017年12月31日止年度之年度財務業績及有關截至2018年6月30日止六個月之中期財務業績、有關財務申報及合規程序、風險管理及內部監控系統、外聘核數師之工作範圍及重新委聘，以及可使僱員關注可能不當行為之安排的重大事宜。此外，審核委員會已通過書面決議案，批准委任本集團之財務總監。

於截至2018年12月31日止年度，董事會與審核委員會概無就外聘核數師出現異議，亦無任何重大事宜須根據上市規則於本年報披露。

審核委員會亦已在執行董事缺席下與外聘核數師舉行會議。

Remuneration Committee

The Remuneration Committee currently comprises two independent non-executive Directors, namely Mr. Wu Zhongxian (chairman) (appointed as chairman and member of the Committee on 8 August 2018) and Mr. Luk Chi Shing, and one executive Director, namely Mr. Shao Xiaoqiang. Mr. Eddie Hurip resigned as chairman and member of the Committee on 8 August 2018.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her close associates will participate in deciding his/her own remuneration.

During the reporting period, the Remuneration Committee held two meetings to review the remuneration package of all Directors and also considered the terms of appointment of a new Director, and other related matters. In addition, written resolution of the Remuneration Committee was passed to approve the remuneration package of the newly appointed Chief Financial Controller of the Group.

Nomination Committee

The Nomination Committee currently comprises one executive Director, namely Mr. Jiang Jianqiang (chairman), and two independent non-executive Directors, namely Mr. Xu Jiaming and Mr. Wu Zhongxian (appointed as a member of the Committee on 8 August 2018). Mr. Eddie Hurip resigned as a member of the Committee on 8 August 2018.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

During the reporting period, the Nomination Committee held two meetings to review the structure, size, composition and diversity of the Board, to assess the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for election at the annual general meeting. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

薪酬委員會

薪酬委員會目前由兩名獨立非執行董事(即吳忠賢先生(主席,於2018年8月8日獲委任為委員會主席及成員)及陸志成先生)及一名執行董事邵小強先生組成。丘鉅淙先生於2018年8月8日辭任委員會主席及成員。

薪酬委員會之主要職責包括審閱個別執行董事及高級管理層之薪酬待遇、全體董事及高級管理層之薪酬政策及架構並就此向董事會提供意見;及設立透明程序以制定薪酬政策及架構,從而確保概無董事或任何彼之緊密聯繫人將參與釐定其自身之薪酬。

於報告期間,薪酬委員會舉行兩次會議,檢討全體董事的薪酬待遇及考慮委任新董事的任期及其他相關事宜。此外,薪酬委員會已通過書面決議案,批准本集團新任財務總監之薪酬待遇。

提名委員會

提名委員會目前由一名執行董事蔣建強先生(主席)及兩名獨立非執行董事(即徐家明先生及吳忠賢先生(於2018年8月8日獲委任為委員會成員))組成。丘鉅淙先生於2018年8月8日辭任委員會成員。

提名委員會之主要職責包括審閱董事會之組成、制定及擬定提名及委任董事之相關程序、就董事委任及繼任計劃向董事會提供推薦意見,以及評估獨立非執行董事之獨立性。

於報告期間,提名委員會舉行兩次會議,檢討董事會的架構、規模、組成及多元化,評估獨立非執行董事的獨立性,以及考慮於股東週年大會參選的退任董事的資格。提名委員會認為,董事會已維持合適的均衡多元化。

Board Diversity

The Company adopted a board diversity policy (“Board Diversity Policy”) which sets out the approach to achieve and maintain diversity of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors including but not limited to, gender, age, culture, skills, experience, background and other qualities. The ultimate selection decision will be based on merit and contribution that the selected candidates shall bring to the Board. The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy.

Nomination Policy

The Company adopted a nomination policy (“Nomination Policy”) which sets out, inter alia, the criteria, process and procedures in nominating and selecting candidates to be appointed or re-appointed as Directors. In the nomination and selection of new Directors, the Nomination Committee assesses the key attributes that an incoming Director should have, based on attributes of the existing Board and the needs of the Board. The nomination criteria include, inter alia, diversity, business experience, board expertise, skills, character, integrity, independency and competence. In the nomination process, each candidate shall be considered upon evaluation against the criteria. According to the nomination procedure, multiple channels will be used for identifying suitable Director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms. Upon compilation and interview of the list of candidates, the potential candidates will be recommended to the Nomination Committee and the Board for consideration and decision.

If the candidate is nominated by the Shareholders, the nomination and appointment shall follow the procedures (if any) set out in the Company’s articles of association, the Listing Rules and the Nomination Policy.

The Nomination Policy shall also be governed by other additional and relevant requirements under the Company’s articles of association and the Listing Rules applicable to the nomination, appointment, election and re-election of Directors.

董事會多元化

本公司已採納一項董事會多元化政策（「董事會多元化政策」），其中載有達致及維持董事會多元化的方法。根據董事會多元化政策，本公司通過考慮若干因素（包括但不限於性別、年齡、文化、技能、經驗、背景及其他品格）力求達致董事會多元化。最終甄選決定將按長處及經甄選候選人將為董事會作出的貢獻而作出。提名委員會不時監察政策的執行情況，並檢討（倘適用）有關政策以確保政策的成效。

提名政策

本公司採納提名政策（「提名政策」），當中載列（其中包括）提名和選擇獲委任或重獲委任為董事候選人的標準、流程及程序。提名委員會提名及選擇新董事時，會根據現有董事會的特質及董事會的需求，評估新任董事應具備的關鍵特質。提名標準包括（其中包括）多元化、業務經驗、董事會專業知識、技能、品格、誠信、獨立性及能力。於提名過程中，按甄選標準評核每名候選人。根據提名程序，使用多個渠道物色合適的董事候選人，包括董事、股東、管理層成員、本公司顧問及外部獵頭公司的推薦。在編選候選人名單及進行面談後，向提名委員會及董事會推薦準候選人以供考慮及決定。

倘候選人由股東提名，則提名及委任須遵守本公司組織章程細則、上市規則及提名政策所載的程序（如有）。

提名政策亦須受適用於董事提名、委任、選舉及重選的本公司組織章程細則及上市規則的其他額外及相關規定的規限。

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Code of Conduct and the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

企業管治職能

董事會負責履行企業管治守則之守則條文第D.3.1條所載之職能。

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關法律及監管規定的合規政策及常規、行為守則及標準守則的合規情況及本公司的企業管治守則合規情況以及於本企業管治報告作出的披露。

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meeting of the Company held during the year ended 31 December 2018 is set out in the table below:

董事及委員會成員之出席會議記錄

截至2018年12月31日止年度舉行之本公司董事會及董事委員會會議及股東大會上各董事出席記錄載於下表：

Name of Director 董事名稱	Board 董事會	Attendance/Number of Meetings 出席次數/會議次數			Annual General Meeting 股東週年大會
		Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	
Mr. Jiang Jianqiang (Chairman) 蔣健強先生 (主席)	8/8*	2/2*	N/A 不適用	N/A 不適用	1/1*
Mr. Shao Xiaoqiang 邵小強先生	8/8	N/A 不適用	2/2	N/A 不適用	1/1
Mr. Xu Fanghua 徐芳華先生	8/8	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Xu Jiaming 徐家明先生	8/8	2/2	N/A 不適用	2/2	1/1
Mr. Luk Chi Shing 陸志成先生	8/8	N/A 不適用	2/2	2/2*	1/1
Mr. Eddie Hurip (resigned on 8 August 2018) 丘鉅淙先生 (於2018年8月8日辭任)	5/5	1/2	1/2*	1/1	1/1
Mr. Wu Zhongxian (appointed on 8 August 2018) 吳宗賢先生 (於2018年8月8日獲委任)	5/5	N/A 不適用	N/A 不適用	1/1	N/A 不適用

* Chairman

* 主席

Apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without the presence of executive Directors during the year.

除定期的董事會會議外，主席亦於年內在執行董事缺席下與獨立非執行董事舉行會議。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for overseeing the preparation of the financial statements of the Group for the year ended 31 December 2018. The Directors have ensured that the financial statements of the Group are prepared so as to give a true and fair view of the Group's state of affairs, the results and cash flow for the year, and on a going concern basis in accordance with the statutory requirements and applicable accounting and financial reporting standards.

The Directors also ensure timely publication of the Group's financial statements and aim to present a clear, balanced and understandable assessment of the Group's performance and position through all its publications and communications to the public. They are also aware of the requirements under the applicable rules and regulations about timely disclosure of inside information.

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 continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 68 to 75.

AUDITORS' REMUNERATION

The remuneration paid or payable to the external auditor of the Company in respect of audit services and non-audit services provided to the Company and its subsidiaries for the year ended 31 December 2018 amounted to HK\$3.8 million and HK\$0.05 million respectively.

董事有關綜合財務報表之責任

董事確認彼等監察本集團編製截至2018年12月31日止年度財務報表的責任。董事已保證本集團財務報表的編製，乃按照法定規定及適用的會計及財務報告準則，提供本集團事務狀況的真實而公平的觀點、年度業績及現金流，並按持續經營基準編製。

董事亦確保及時刊發本集團的財務報表，並通過其所有刊印文件及與公眾人士進行的通訊，致力呈列一個有關本集團的表現及狀況的清晰、平衡及可明瞭的評估。彼等亦已知悉有關及時披露內幕資料的適用規則及規例規定。

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑之事件或情況。

本公司獨立核數師有關彼等就綜合財務報表之申報責任之陳述載於第68至75頁之獨立核數師報告內。

核數師薪酬

本公司就截至2018年12月31日止年度提供予本公司及其附屬公司之審核服務及非審核服務向外聘核數師支付或應付之薪酬分別為3,800,000港元及50,000港元。

An analysis of the remuneration paid to the external auditor of the Company, Messrs. Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended 31 December 2018 is set out below:

本公司就截至2018年12月31日止年度之審核服務及非審核服務向本公司外聘核數師德勤•關黃陳方會計師行支付之薪酬分析載列如下：

Service Category 服務類別	Fees Paid/Payable 已付／應付費用	
	HK\$ (million) 港元(百萬)	
Audit Services 審核服務		3.8
Non-audit Services — Agreed-upon procedures 非審核服務 — 商定程序		0.05
		3.85

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for risk management and internal control systems of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

Principles and guidelines of our risk management framework are set for an effective and adequate approach to be applied across the Group to manage the risks associated with its business and operations. This framework is designed to enhance risk management of the Group through an integrated framework so that all material risks faced by the Group are identified and appropriately managed.

風險管理及內部監控

董事會負責本集團的風險管理及內部監控系統及檢討其成效，並設有程序以保障資產以防止未經授權下使用或處置、確保適當保存賬簿記錄以提供可靠的財務資料供內部使用或發佈，並確保遵守適用法例、規則及規例。

本公司已建立風險管理框架的原則及指引，以透過有效及充分的方式應用於本集團管理與其業務及營運相關的風險。該框架旨在透過一個綜合的框架加強本集團的風險管理，從而令本集團可識別並妥善管理其所面對的所有重大風險。

Each department is responsible for identifying, assessing and managing risks within its business, ensuring that appropriate internal control for effective risk management are implemented. The management is responsible for overseeing the risk management and internal control activities of the Group. The internal audit department of the Group is responsible for evaluating the effectiveness of the Group's policies and procedures in relation to risk management and internal control systems and submitting their reports of their findings to the Board at the meetings. The Audit Committee provides independent review on effectiveness of the risk management and internal control systems of the Group and gives their recommendation to the Board. The Board is responsible for reviewing the internal audit report and approving policies and procedures designed by the management.

The Group also engaged an external consultant specialising in identifying and evaluation of significant risk of our business and operation. The external consultant does not have any connection with the Group and the Board believes that their involvement could enhance the objectivity and transparency of evaluation process. In conjunction with our staff and senior management, the external consultant conducts an annual assessment on risk management and internal control systems of the Group together with suggestion and solutions and submit to the Board for their consideration.

During the year under review, the management assisted the Board in the implementation of the Group's policies and procedures within the Board's delegation by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control such risks. The Board conducted reviews and discussed with the management on the effectiveness of the Group's risk management and internal control systems as required by code provision C.2 of the CG Code, covering adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions and any resolutions for material internal control defects.

The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee and the executive Directors, and will be further reviewed and assessed at least once each year by the Board. These systems were considered effective and adequate.

各部門負責識別、評估及管理其業務範疇內的風險，以確保就有效的風險管理實施合適的內部監控。管理層負責監察本集團的風險管理及內部監控活動。本集團的內部審核部門負責評估本集團與風險管理及內部監控系統有關的政策及程序的效力，並於會上向董事會提交彼等有關發現結果的報告。審核委員會就本集團風險管理及內部監控系統的效力作出獨立檢討，並向董事會提出彼等的建議。董事會負責檢討內部審核報告及批准由管理層制定的政策及程序。

本集團亦委聘外部顧問，專門負責識別及評估我們業務及運營中的重大風險。該外部顧問與本集團概無任何關連，故董事會認為該項委聘可提升評估程序的客觀性及透明性。外部顧問協同我們的員工及高級管理層就本集團的風險管理及內部監控系統作出年度評估以及建議及解決方案，並提呈董事會以供考慮。

於回顧年度，管理層在董事會的授權內以識別及評估所面對的風險，協助董事會執行本集團的政策及程序，並參與設計、營運及監察合適的內部監控措施，以減少及控制相關風險。董事會根據企業管治守則之守則條文第C.2條的規定，對本集團的風險管理及內部監控系統之有效性進行檢討及與管理層作出討論，涵蓋本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠，以及任何重大內部監控缺失的解決辦法。

審核委員會及執行董事持續檢討及評估風險管理及內部監控系統，董事會更會每年至少進行一次檢討與評估。該等系統被視為有效及充足。

REGULATORY COMPLIANCE

The Group have established a system to ensure the management and the relevant personnel have sufficient up-to-date knowledge of relevant laws and regulations. Under such system, the Directors and members of the management in charge of the Group's construction projects shall be informed of the changes to the laws, regulations and government policies applicable to the Group's business and the implications thereof by email and written notice as soon as practicable and, where the Directors consider necessary, a briefing on such changes to the executive Directors and members of the management in charge of the Group's construction projects (the "Relevant Personnel") shall be conducted. Moreover, the Group will organise seminars to be attended by the Relevant Personnel semi-annually on a compulsory basis for each of the two full financial years after Listing disregard whether there will be any changes to the relevant PRC laws and regulations. Thereafter, training session would be held when there is a change or update to the relevant PRC laws and regulations.

In addition, the Company had engaged an external PRC legal adviser to, among others, monitor the Group's compliance with the PRC laws and regulations applicable to its business operation.

NON-COMPETITION UNDERTAKING

Mr. Jiang Jianqiang and Champ Origin Limited (the "Controlling Shareholders"), being the controlling shareholders (as defined under the Listing Rules) of the Company, gave a non-competition undertaking in favour of the Company (the "Non-competition Undertaking"). Each of the Controlling Shareholders has undertaken under the Non-Competition Undertaking that he or it shall provide to the Company and the Directors from time to time (including the independent non-executive Directors) with all information necessary for the annual review by the independent non-executive Directors with regard to compliance of the terms of the Non-Competition Undertaking by the Controlling Shareholders and the enforcement of the Non-Competition Undertaking.

Each of the Controlling Shareholders has confirmed compliance with the terms of the Non-competition Undertaking and that during the year under review, there was no matter which required to be deliberated by the Board in relation to the compliance and enforcement of the Non-competition Undertaking. The Board including all the independent non-executive Directors is of the view that such controlling shareholders have been in compliance with the Non-competition Undertaking in favour of the Company.

監管合規

本集團已建立一套體系，確保管理層及相關人員充分實時瞭解相關法律法規。在該體系下，董事及負責本集團建築項目的管理層成員將會獲告知適用本集團業務的法律、法規及政府政策的變動，且於可行情況下盡快以電郵及書面通知形式告知相關影響，且倘董事認為必要，法律專員會就有關變動向執行董事及負責本集團建築項目的管理層成員（「有關人員」）作出簡報。此外，本集團會於上市後兩個完整財政年度各年度內每半年舉辦一次研討會，強制要求有關人員出席，而不論相關中國法律法規有否出現任何變動。其後，本集團會於相關中國法律法規出現任何變動或新情況時舉辦培訓課程。

此外，本公司已委聘一名外聘中國法律顧問以（其中包括）監控本集團有關其業務營運所適用的中國法律及法規的合規事宜。

不競爭承諾

本公司的控股股東（定義見上市規則）蔣建強先生及冠源有限公司（「控股股東」）以本公司為受益人作出不競爭承諾（「不競爭承諾」）。控股股東各自根據不競爭承諾作出承諾，其將不時向本公司及董事（包括獨立非執行董事）提供一切必要資料，以供獨立非執行董事對控股股東遵守不競爭承諾條款的情況進行年度檢討並強制執行不競爭承諾。

控股股東各自已確認遵守不競爭承諾的條款，且於回顧年度內，並無任何事宜需要董事會慎重考慮有關不競爭承諾的遵守情況及強制執行。董事會（包括全體獨立非執行董事）認為，有關控股股東一直遵守以本公司為受益人的不競爭承諾。

COMPANY SECRETARY

The company secretary is responsible for ensuring the proper convening and conducting of the Board and Board committee meetings, with the relevant notices, agenda, and the Board and Board committee papers being provided to the Directors and the relevant Board committee members respectively in a timely manner before the meetings.

The company secretary is responsible for keeping minutes of all the Board and Board committee meetings. The Board and the Board committee minutes are available for inspection by the Directors and the relevant Board committee members.

Ms. Foo Man Yee Carina of CS Legend Corporate Services Limited, an external service provider, has been appointed as the company secretary of the Company, since April 2017.

The primary contact person at the Company is Mr. Jiang Jianqiang, the Chairman of the Company.

During the year ended 31 December 2018, Ms. Foo has attended relevant professional training to update her skills and knowledge. She met the training requirement set out in Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

The Company has adopted a dividend policy with the objective of achieving right balance of the amount of dividend and the amount of profits retained in the business for various purposes. In proposing any dividend payout, the Company would consider, inter alia, the following factors: (i) the Company and the Group's actual and expected financial performance; (ii) general business conditions and strategies; (iii) liquidity position and future commitment of the Group; (iv) the Group's expected working capital requirements and future expansion plans; (v) shareholders' interests; (vi) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and (vii) any other factors that the Board may consider relevant.

The payment of dividend is also subject to any restrictions under the applicable laws and the Company's articles of association.

公司秘書

公司秘書負責確保董事會及董事委員會會議妥善召開及進行，並於會議前及時將相關通知、議程及董事會及董事委員會文件分別提供予董事及相關董事委員會成員。

公司秘書負責保存所有董事會及董事委員會會議的會議記錄。董事會及董事委員會會議的會議記錄可供董事及相關董事委員會成員查閱。

領駿企業服務有限公司(外部服務供應商)的傅曼儀女士已於2017年4月起獲委任為本公司的公司秘書。

本公司的主要聯絡人為本公司的主席蔣建強先生。

於截至2018年12月31日止年度，傅女士已參與相關專業培訓，提升技能及知識。其符合上市規則第3.29條所載的培訓要求。

股息政策

本公司已採納股息政策，旨在為達到股息金額與業務保留的盈利金額適當平衡，以備各種用途之用。本公司建議派付任何股息時，將考慮(其中包括)下列因素：(i)本公司及本集團的實際及預期財務業績；(ii)總體商業條件及戰略；(iii)本集團的流動資金狀況及未來之承諾情況；(iv)本集團預期營運資本需求及未來擴張計劃；(v)股東利益；(vi)總體經濟狀況、本集團業務的商業週期，以及可能對本公司業務或財務表現及狀況有影響的其他內部或外部因素；及(vii)董事會可能認為相關的任何其他因素。

派付股息亦受適用法律及本公司組織章程細則的任何限制所規限。

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each shareholder meeting.

Convening an Extraordinary General Meeting by Shareholders and Putting Forward Proposals at General Meetings

Extraordinary general meetings may be convened by the Directors on requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Secretary by mail to Unit 6105, 61/F, The Center, 99 Queen's Road Central, Hong Kong, to require an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Directors fail to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Directors shall be reimbursed to the requisitioner(s) by the Company.

Furthermore, shareholders may propose a person for election as a Director of the Company at a general meeting, details of which are available on the website of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

股東權利

為保障股東權益及權利，本公司將就各重大個別事宜(包括選舉個別董事)於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各股東大會結束後在本公司及聯交所網站上刊載。

股東召開股東特別大會及於股東大會上提出議案

應於遞交要求日期持有不少於本公司繳足股本(賦有於股東大會上之投票權)十分之一之一名或以上股東要求，董事可召開股東特別大會。有關要求須以書面形式向董事或公司秘書提出，郵寄地址為香港皇后大道中99號中環中心61樓6105室，要求董事召開股東特別大會以處理有關要求所列明任何事務。有關會議將於提交有關要求後兩個月內舉行。倘有關提交起計二十一日內，董事未能召開有關會議，則遞交要求人士可以相同方式自發召開有關大會，因董事未能召開而提交要求人士所產生所有合理費用將由本公司予以補償。

此外，股東可於股東大會上提議一名人士參選本公司董事，有關詳情可於本公司網站查閱。

向董事會作出查詢

就向董事會作出任何查詢而言，股東可將書面查詢發送至本公司。本公司通常不會處理口頭或匿名的查詢。

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit 6105, 61/F, The Center, 99 Queen's Road Central, Hong Kong
地址：香港皇后大道中99號中環中心61樓6105室
Fax: (852) 3691 8124
傳真：
Email: hkadmin@chinasait.com.hk
電郵：

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with shareholders and the investment community, and in particular, through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

CONSTITUTIONAL DOCUMENTS

During the year under review, the Company has not made any change to its articles of association. An up-to-date version of the Company's articles of association is also available on the Company's website and the Stock Exchange's website.

聯絡詳情

股東可透過以下方式發送上述書面查詢或要求：

為免生疑，為使上述查詢或請求生效，股東須向上述地址送交及發出正式簽署的書面請求、通知或聲明或查詢(視情況而定)之正本，並提供彼等全名、聯絡詳情及身份。股東資料或會根據法律規定予以披露。

與股東及投資者的溝通 投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務表現及策略相當重要。本公司盡力保持與股東及投資團體之間的持續對話，尤其是透過本公司財務報告(中期及年度報告)、股東週年大會及其他股東大會。於股東週年大會上，董事或彼等的代表(倘適用)與股東會晤，並解答股東的提問。

組織章程文件

於回顧年度，本公司並無對其組織章程細則作出任何更改。本公司組織章程細則的最新版本亦可於本公司網站及聯交所網站查閱。



Report of the Directors 董事會報告

The Directors are pleased to present their report and audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Group is an integrated steel structure and prefabricated construction solution service provider. Our integrated construction solution services are customised to meet the technical specifications and requirements of different projects, and span from fabrication and assembly of steel structure parts and prefabricated construction materials at our workshops to the installation of these materials onsite, based on the secondary design (as to our steel structure projects) provided by us or our customers.

The Group's turnover is mainly derived from business activities in the PRC. An analysis of the Group's income for the year is set out in note 6 to the consolidated financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2018 are set out in note 46 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 76 of this report.

The state of the Group's and the Company's affairs at 31 December 2018 is set out in the consolidated statement of financial position on pages 77 and 78 of this report.

The Board does not recommend final dividend payment for the year ended 31 December 2018 (2017: Nil).

BUSINESS REVIEW

A review of the business of the Group during the year is provided on pages 9 to 23 in the Management Discussion and Analysis of this annual report.

董事欣然呈列本集團截至2018年12月31日止年度之報告連同經審核綜合財務報表。

主要業務

本集團是一家綜合性鋼結構及預製構件建築解決方案服務供應商。我們的綜合建築解決方案服務乃專為客戶定製，以符合不同項目的技術規範及要求，服務涵蓋廣闊，由根據我們或客戶提供的二次設計（就鋼結構項目而言）於我們的車間製作裝配鋼結構部件及預製構件建築材料，以至現場安裝該等材料，均在工作範圍之內。

本集團的營業額主要源自於中國的業務活動。本集團本年度收入分析載於綜合財務報表附註6。

本公司主要附屬公司於2018年12月31日的詳情載於綜合財務報表附註46。

業績及股息

本集團截至2018年12月31日止年度的業績載於本報告第76頁綜合損益及其他全面收益表。

本集團及本公司於2018年12月31日的事務狀況載於本報告第77頁及78頁的綜合財務狀況表。

董事會不建議派付截至2018年12月31日止年度的末期股息（2017年：無）。

業務回顧

本集團於年內之業務回顧載於本年報第9頁至第23頁的管理層討論及分析。

Report of the Directors 董事會報告

Principal risks and uncertainties facing by the Company are described in note 41 of the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to supporting the environmental sustainability. The Group is committed to implementing policies and measures in our daily business operations to foster reduction of the Group's environmental impact such as (i) telephone conferencing meetings among Hong Kong headquarter and PRC subsidiaries to save business travel; and (ii) use of recycled papers and office light-out measures after office hours etc.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year under review, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

The Group's likely future development in the Company's business is discussed on pages 21 to 23 in the Management Discussion and Analysis of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, are summarised on page 200 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of properties of the Group as at 31 December 2018 are set out in note 16 to the consolidated financial statements.

本公司所面臨的主要風險及不明朗因素於綜合財務報表附41詳述。

環境政策及表現

本集團致力支持環境可持續發展。本集團於日常業務過程中實行政策及措施，以促進本集團減少對環境造成影響。如(i)在香港總部及中國附屬公司之間進行電話會議，以減省商務旅行；及(ii)使用再造紙及於辦公時間後在辦公室實施熄燈措施。

符合相關法律法規

據本公司所知，本集團於回顧年度概無違反或未遵守適用法律法規，以致對本集團之業務及營運構成重大影響。

本集團有關本公司業務之可能未來發展於本年報管理層討論及分析第21頁至第23頁討論。

五年財務概要

本集團於最近五個財政年度的業績、資產及負債乃摘錄自經審核綜合財務報表，概述於本年報第200頁。

物業、廠房及設備

本集團於2018年12月31日之物業詳情載於綜合財務報表附註16。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

BONDS ISSUED

Issue of Bonds on 31 January 2018

On 31 January 2018, the Company entered into a note purchase agreement (“Note Purchase Agreement”) with several institutional investors pursuant to which the Company issued US\$32 million 10.5% bonds due 2019 (the “Bond”) to certain institutional investors, with net proceeds of US\$31,500,000 which would be used to finance the expansion of the existing business of the Group.

Further details on the principal terms and conditions of the Bond were disclosed in the Company’s announcement dated 31 January 2018.

Medium Term Bond Programme

The Company has established a medium term bond programme (the “Programme”) under which the aggregate principal amount of bonds issued by the Company and outstanding at any one time shall have provided the Company with aggregate net proceeds not exceeding HK\$516 million.

In November and December 2018, the Company issued three corporate bonds each with principal amount of HK\$10 million due 2035 to certain professional investors with aggregate net proceeds of HK\$3.9 million which would be used for general working capital and general corporate purposes.

Further details on the Programme and the bonds issued thereunder were disclosed in the Company’s announcements dated 14 November 2018, 23 November 2018 and 30 November 2018.

Details of the corporate bonds issued during the year ended 31 December 2018 are set out in note 32 in the consolidated financial statements of the Group.

股本

有關本公司於年內股本變動詳情載於綜合財務報表附註35。

已發行債券

於2018年1月31日發行債券

於2018年1月31日，本公司與若干機構投資者訂立票據購買協議（「票據購買協議」），據此，本公司向若干機構投資者發行32,000,000美元於2019年到期其利率為10.5%之債券（「債券」），所得款項淨額31,500,000美元將用於為擴大本集團現有業務提供資金。

有關債券主要條款及條件的進一步詳情披露於本公司日期為2018年1月31日的公告。

中期債券計劃

本公司已設立一項中期債券計劃（「該計劃」），據此，於任何時間，本公司發行及尚未償還債券之本金總額將為本公司提供合共不超過516,000,000港元之所得款項淨額。

於2018年11月及12月，本公司已向若干專業投資者發行三份本金額各為10,000,000港元於2035年到期之公司債券，所得款項淨額合共3,900,000港元將用作一般營運資金及用於一般企業目的。

有關該計劃及其項下發行之債券的進一步詳情披露於本公司日期為2018年11月14日、2018年11月23日及2018年11月30日的公告。

截至2018年12月31日止年度發行的公司債券詳情載於本集團綜合財務報表附註32。

SPECIFIC PERFORMANCE BY THE CONTROLLING SHAREHOLDER

Acting as guarantor for the Note Purchase Agreement with several institutional investors

In order to provide security for the obligations of the Company under the Note Purchase Agreement and the Bond, certain subsidiaries of the Company, Mr. Jiang Jianqiang (being the chairman, executive director and a controlling shareholder of the Company) and several companies which Mr. Jiang Jianqiang was interested in entered into deeds of guarantee in favour of the investors, as guarantors. Under the Note Purchase Agreement and the Bond, Mr. Jiang Jianqiang has to beneficially hold, directly or indirectly, at least 35% of the total voting power of the Company throughout the term of the Bond. The Note Purchase Agreement and the Bond impose, among others, a specific performance obligation on a controlling shareholder of the Company, a breach of such obligation will cause a default therein.

Further details regarding the Bond and the Note Purchase Agreement were disclosed in the Company's announcement dated 31 January 2018.

Subordination of subrogation rights to the bonds issued under the Programme

In connection with the Programme, the events of default under the instrument for the bonds issued thereunder, among others, include failure by Mr. Jiang Jianqiang, being the controlling shareholder of the Company or any of his associates (including but not limited to companies directly or indirectly owned or controlled by him) to subordinate to the bonds issued under the Programme any subrogation rights they may have against the Company or its subsidiaries in respect of any debts of the Company or its subsidiaries they have paid. As such, the bonds issued under the Programme impose, among others, a specific performance obligation on Mr. Jiang Jianqiang as the controlling shareholder of the Company, a breach of such obligation will cause a default thereunder.

Further details on the Programme and the bonds issued thereunder were disclosed in the Company's announcements dated 14 November 2018, 23 November 2018 and 30 November 2018.

控股股東須履行的特定責任

作為與若干機構投資者訂立的票據購買協議的擔保人

為向本公司於票據購買協議及債券項下的責任提供抵押，本公司若干附屬公司、本公司主席、執行董事及控股股東蔣建強先生及蔣建強先生擁有權益的若干公司(作為擔保人)以投資者為受益人訂立擔保契約。根據票據購買協議及債券，蔣建強先生須於整個債券期限內直接或間接實益持有至少本公司總投票權的35%。票據購買協議及債券施加(其中包括)對本公司控股股東的特定履約責任，違反有關責任將構成違約。

有關債券及票據購買協議的進一步詳情披露於本公司日期為2018年1月31日的公告。

根據該計劃發行債券的代位權後償

就該計劃而言，據此發行的債券文據項下的違約事項包括(其中包括)本公司控股股東蔣建強先生或其任何聯繫人(包括但不限於由其直接或間接擁有或控制之公司)未有使其就其已支付之本公司或其附屬公司之任何債務而可能對本公司或其附屬公司擁有之任何代位權的償還次序排於根據該計劃發行之債券之後。因此，該計劃項下發行之債券對本公司控股股東蔣建強先生施加(其中包括)特定履約責任且違反有關責任將構成違約。

有關該計劃及其項下發行之債券的進一步詳情披露於本公司日期為2018年11月14日、2018年11月23日及2018年11月30日的公告。

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as disclosed below in this report, no equity-linked agreement was entered into by the Company during the financial year or subsisted at the end of the financial year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, there was sufficient public float of the Company's securities as required under the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 79 of this report. Details of distributable reserves of the Company are set out in note 45 to the consolidated financial statements.

股票掛鈎協議

除本報告以下披露之購股權計劃外，本公司於財政年度內或於財政年度末概無訂立或存續股票掛鈎協議。

公眾持股量

根據本公司所獲公開資料及據董事所知，於刊發本報告前之最後可行日期，本公司證券的公眾持股量充足，符合上市規則的規定。

購買、贖回或出售上市證券

於截至2018年12月31日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司的任何上市證券。

儲備

本集團本年度儲備變動詳情載於本報告第79頁的綜合權益變動表。本公司可供分派儲備的詳情載於綜合財務報表附註45。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

	採購	
Purchases		
— the largest supplier	— 最大供應商	50%
— five largest suppliers combined	— 五大供應商合計	91%
Sales	銷售額	
— the largest customer	— 最大客戶	10%
— five largest customers combined	— 五大客戶合計	30%

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

At no time during the year, none of the Directors, their close associates or shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the customers or suppliers disclosed above.

主要客戶及供應商

本集團主要客戶及供應商應佔本年度銷售額及採購額的比例如下：

Percentage of the
total purchases/
sales accounted for
佔總採購額/
銷售額的比例

本公司董事、其緊密聯繫人或任何股東(據董事所知，擁有本公司已發行股本5%以上)概無於本集團上述五大供應商或客戶中擁有權益。

於年內任何時間，董事、其緊密聯繫人或股東(據董事所知，擁有本公司已發行股本5%以上)概無於上文披露的客戶或供應商中擁有任何權益。

DIRECTORS

The Directors who held office during the year and up to the date of this report are:

Executive Directors

Mr. Jiang Jianqiang (*Chairman*)
Mr. Shao Xiaoqiang (*Chief Executive Officer*)
Mr. Xu Fanghua

Independent Non-executive Directors

Mr. Xu Jiaming
Mr. Luk Chi Shing
Mr. Wu Zhongxian (*appointed on 8 August 2018*)
Mr. Eddie Hurip (*resigned on 8 August 2018*)

In accordance with article 105(A) of the articles of association, Mr. Jiang Jianqiang and Mr. Shao Xiaoqiang shall retire by rotation at the annual general meeting. In addition, pursuant to article 109 of the Company's articles of association, Mr. Wu Zhongxian, appointed by the Board on 8 August 2018, will hold office until the next following general meeting and will be eligible for re-election at the meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. As at the date of this report, the Company is of the view that all independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

As at 31 December, 2018, none of the Directors proposed for re-election at the forthcoming annual general meeting 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.

董事

於本年度及截至本報告日期在職董事為：

執行董事

蔣建強先生(主席)
邵小強先生(行政總裁)
徐芳華先生

獨立非執行董事

徐家明先生
陸志成先生
吳忠賢先生(於2018年8月8日獲委任)
丘鉅淙先生(於2018年8月8日辭任)

根據組織章程細則第105(A)條，蔣建強先生及邵小強先生將於股東週年大會輪席退任。此外，根據本公司組織章程細則第109條，吳忠賢先生已於2018年8月8日獲董事會委任，任期直至下屆股東大會為止，並將於大會上合資格膺選連任。上述全體退任董事符合資格並願意於下屆股東週年大會上膺選連任。

獨立非執行董事確認

本公司按照上市規則第3.13條的獨立性指引，已接獲各獨立非執行董事有關其獨立性的年度書面確認。於本報告日期，本公司認為所有獨立非執行董事均為獨立。

董事服務合約

於2018年12月31日，擬於應屆股東週年大會膺選連任之董事概無與本公司訂立任何可由本公司於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Apart from the particulars disclosed in note 43 under the heading "Related Party Disclosures" to the consolidated financial statements, there were no other transactions, arrangements or contracts of significance in relation to the Company's business, to which the ultimate holding company of the Company, any of the Company's subsidiaries or any subsidiaries of such ultimate holding company was a party and in which a Director or any entity connected with a Director (as defined in the Companies Ordinance of Hong Kong) had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2018 are set out in note 33 to the consolidated financial statements.

董事於交易、安排及重大合約的權益

除綜合財務報表附註43「關連人士披露資料」所述之詳情外，於年末或於年內任何時間，概無本公司最終控股公司、本公司任何附屬公司或有關最終控股公司的任何附屬公司訂立任何有關本公司業務之屬重大之其他交易、安排或合約，亦無董事或任何與董事有關之實體（定義見香港公司條例）直接或間接擁有重大權益之屬重大之其他交易、安排或合約。

控股股東於重大合約的權益

本公司或其任何附屬公司並無與本公司或任何其附屬公司之控股股東（定義見上市規則）訂立重大合約。

本公司或其任何附屬公司之控股股東概無訂立向本公司或其任何附屬公司提供服務之重大合約。

銀行貸款、透支及其他借款

本集團於2018年12月31日之銀行貸款及其他借款詳情載於綜合財務報表附註33。

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

As at 31 December 2018, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), are set out below:

Long position in the shares of the Company

Name of Director	Nature of interest	Number of shares held	Approximate percentage of shareholding as at 31 December 2018 ⁴ 於2018年12月31日的概約股權百分比 ⁴	Note(s)
董事姓名	權益性質	所持股份數目		附註
Mr. Jiang Jianqiang 蔣建強先生	Beneficial owner 實益擁有人	42,202,000 (L)	1.81%	
	Interest of controlled Corporations 受控制法團權益	1,020,000,000 (L)	43.76%	2 & 3

Notes:

- The letter "L" denotes the person's long position in such shares.
- These shares are held by Keen Luck Group Limited ("Keen Luck"), which is 100% owned by Champ Origin Limited ("Champ Origin").
- Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan.
- As at 31 December 2018, the total issued capital of the Company is 2,330,747,935 shares.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於2018年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條規定本公司須予存置之股東名冊內記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）規定須通知本公司及聯交所之權益或淡倉如下：

於本公司股份之好倉

Name of Director	Nature of interest	Number of shares held	Approximate percentage of shareholding as at 31 December 2018 ⁴ 於2018年12月31日的概約股權百分比 ⁴	Note(s)
董事姓名	權益性質	所持股份數目		附註
Mr. Jiang Jianqiang 蔣建強先生	Beneficial owner 實益擁有人	42,202,000 (L)	1.81%	
	Interest of controlled Corporations 受控制法團權益	1,020,000,000 (L)	43.76%	2 & 3

附註：

- 字母「L」表示該人士於有關股份之好倉。
- 該等股份由建瑞集團有限公司（「建瑞」）持有，而建瑞由冠源有限公司（「冠源」）擁有全部權益。
- 冠源由蔣建強先生及蔣毅軒先生分別擁有51%及49%權益。
- 於2018年12月31日，本公司的已發行股本總額為2,330,747,935股股份。

Report of the Directors 董事會報告

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2018, so far as was known to the Directors, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

除上文所披露者外，於2018年12月31日，董事及本公司主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條規定本公司須予存置之股東名冊內記錄，或根據標準守則規定須通知本公司及聯交所之權益或淡倉。

主要股東及其他人士於股份及相關股份之權益及淡倉

於2018年12月31日，據董事所知，除董事及本公司主要行政人員外，下列人士擁有根據證券及期貨條例第336條須記入本公司所存置股東名冊之本公司股份及相關股份之權益或淡倉：

Name of shareholder	Nature of interest	Number of shares held ¹	Approximate percentage of shareholding at 31 December 2018 ² 於2018年12月31日的概約股權百分比 ²	Note(s)
股東名稱／姓名	權益性質	所持股份數目 ¹		附註
Keen Luck Group Limited ("Keen Luck") 建瑞集團有限公司(「建瑞」)	Beneficial owner 實益擁有人	1,020,000,000 (L)	43.76	
Champ Origin Limited ("Champ Origin") 冠源有限公司(「冠源」)	Interest of a controlled Corporation 受控制法團權益	1,020,000,000 (L)	43.76	2
Ms. Zhou Xiaoying 周小英女士	Interest of spouse 配偶權益	1,062,202,000 (L)	45.57	4
Mr. Jiang Yixuan 蔣毅軒先生	Interest of a controlled corporation 受控制法團權益	1,020,000,000 (L)	43.76	2 & 3

Name of shareholder	Nature of interest	Number of shares held ¹	Approximate percentage of shareholding at 31 December 2018 ⁹ 於2018年12月31日的概約股權百分比 ⁹	Note(s)
股東名稱／姓名	權益性質	所持股份數目 ¹		附註
China Huarong International Holdings Limited 中國華融國際控股有限公司	Person having a security interest in shares 於股份擁有抵押權益的人士	1,020,000,000 (L)	43.76	7
Five Seasons XIV Limited ("Five Seasons XIV") Five Seasons XIV Limited ("Five Seasons XIV")	Beneficial owner 實益擁有人	203,800,000 (L)	8.74	5 & 6
Five Seasons XVII Limited ("Five Seasons XVII") Five Seasons XVII Limited ("Five Seasons XVII")	Interest of a controlled corporation 受控制法團權益	203,800,000 (L)	8.74	5 & 6
Fullshare Holdings Limited ("Fullshare") 豐盛控股有限公司("豐盛")	Interest of a controlled corporation 受控制法團權益	203,800,000 (L)	8.74	5 & 6
Mr. Ji Changqun 季昌群先生	Interest of a controlled corporation 受控制法團權益	203,800,000 (L)	8.74	5 & 6
Magnolia Wealth International Limited ("Magnolia") Magnolia Wealth International Limited ("Magnolia")	Interest of a controlled corporation 受控制法團權益	203,800,000 (L)	8.74	6

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
- These shares are held by Keen Luck, which is 100% owned by Champ Origin.
- Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan.
- Ms. Zhou Xiaoying is the spouse of Mr. Jiang Jianqiang.

附註：

- 字母「L」表示該人士於有關股份之「好倉」(定義見證券及期貨條例第XV部)。
- 該等股份由建瑞持有，而該公司由冠源擁有全部權益。
- 冠源由蔣建強先生及蔣毅軒先生分別擁有51%及49%權益。
- 周小英女士為蔣建強先生之配偶。

Report of the Directors 董事會報告

- Five Seasons XVII, Fullshare, Mr. Ji Changqun and Magnolia are deemed to be interested in the 203,800,000 shares of the Company, as Mr. Ji Changqun holds the entire equity interest in Magnolia, which in turn holds 46.58% equity interest in Fullshare.
- Fullshare holds the entire issued share capital of Five Seasons XVII Limited, and Five Seasons XVII Limited holds entire the issued share capital of Five Seasons XIV, the beneficial owner of the Company.
- 1,020,000,000 shares are legally and beneficially owned by Keen Luck. Keen Luck is 100% owned by Champ Origin. Champ Origin is owned as to 51% by Mr. Jiang Jianqiang and 49% by Mr. Jiang Yixuan. On 26 January, 2017, Keen Luck executed the relevant documentation to create a charge (“Share Charge”) over 1,020,000,000 Shares in favour of China Huarong International Holdings Limited (“China Huarong”) as chargee to provide loan to Keen Luck. China Huarong was owned by Huarong Real Estate Co., Ltd as to 88.10%. Accordingly, China Huarong is deemed to be interested in 1,020,000,000 shares of the Company.
- Pursuant to Section 336 of the SFO, the shareholders of the Company are required to file disclosure of interests forms (the “DI Forms”) when certain criteria are fulfilled and the full details of the requirements are available on the Stock Exchange’s official website. When a shareholder’s shareholdings in the Company changes, it is not necessary to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, substantial shareholders’ latest shareholdings in the Company may be different to the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial shareholders’ interests are prepared based on the information in the relevant DI Forms received by the Company as of 31 December 2018. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information on the DI Forms.
- As at 31 December 2018, the total issued capital of the Company is 2,330,747,935 shares.
- Five Seasons XVII、豐盛、季昌群先生及 Magnolia 被視作於本公司的 203,800,000 股股份中擁有權益，此乃由於季昌群先生持有 Magnolia 全部股權，而 Magnolia 持有豐盛 46.58% 之股權。
- 豐盛持有 Five Seasons XVII Limited 全部已發行股本，而 Five Seasons XVII Limited 持有本公司實益擁有人 Five Seasons XIV 全部已發行股本。
- 1,020,000,000 股股份由建瑞合法及實益持有，而該公司由冠源擁有全部權益。冠源由蔣建強先生及蔣毅軒先生分別擁有 51% 及 49% 權益。於 2017 年 1 月 26 日，建瑞簽立相關文件以建立一項押記（「股份押記」），涉及 1,020,000,000 股股份，以提供貸款予建瑞。中國華融國際控股有限公司（「中國華融」）為受押人由華融置業有限責任公司擁有 88.10% 的權益。而中國華融被視作於本公司的 1,020,000,000 股股份中擁有權益。
- 根據證券及期貨條例第 336 條，倘符合若干條件，本公司股東須呈交披露權益表格（「披露權益表格」），有關規定的全部詳情於聯交所官方網站上可供查閱。當股東所持本公司股權發生變動時，除非符合若干條件，否則毋須告知本公司及聯交所。因此，主要股東於本公司之最新持股量或有別於向本公司及聯交所所提呈者。上述主要股東權益之陳述乃按本公司截至 2018 年 12 月 31 日收到的相關披露權益表格內的資料所編製。本公司未必有相關權益明細的充分資料，且無法核證披露權益表格資料之準確性。
- 於 2018 年 12 月 31 日，本公司的已發行股本總額為 2,330,747,935 股股份。

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2018, had interests or short positions in the shares and underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

除上文所披露者外，據董事及本公司主要行政人員所知，於 2018 年 12 月 31 日，概無任何人士於本公司之股份及相關股份中擁有根據證券及期貨條例第 336 條須記錄之權益或淡倉。

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 11 October 2013 (“Adoption Date”), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

1. any employee (whether full time or part time) of the Group or any entity (the “Invested Entity”) in which any member of the Group holds any shareholding (including any executive director but excluding any non-executive director of the Group or any Invested Entity);
2. any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity;
3. any supplier of goods or services to any member of the Group or any Invested Entity;
4. any customer of the Group or any Invested Entity;
5. any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
6. any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
7. any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
8. any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group.

購股權計劃

本公司於2013年10月11日(「採納日期」)採納了一項購股權計劃(「購股權計劃」)，旨在對本集團發展作出貢獻之經選定合資格參與人士給予獎勵或獎賞。除非被註銷或修訂，否則購股權計劃將由其採納日期起計十年內有效。

購股權計劃之合資格參與人士包括以下人士：

1. 本集團或其任何成員公司持有任何股權的任何實體(「投資實體」)的任何全職或兼職僱員(包括本集團或任何投資實體之任何執行董事，但不包括非執行董事)；
2. 本集團或任何投資實體的任何非執行董事(包括獨立非執行董事)；
3. 任何向本集團任何成員公司或任何投資實體提供貨品或服務的供應商；
4. 任何本集團或任何投資實體的客戶；
5. 任何向本集團或任何投資實體提供研究、開發或其他技術支持的任何人士或實體；
6. 本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人；
7. 本集團或任何投資實體任何業務範疇或業務發展的任何專業或其他顧問或諮詢人；及
8. 曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他組別或類別參與人士。

Report of the Directors 董事會報告

Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares of the Company ("Shares") in issue on the date of adoption provided that the Company may seek approval from Shareholders to refresh such limit. Moreover, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme (and any other schemes of the Company) shall not exceed 30% of the total number of Shares in issue from time to time.

As at the date of this report, a total of 203,800,000 Shares (representing approximately 7.87% of the number of issued shares of the Company as at 28 March 2019) are available for issue under the Share Option Scheme.

The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective close associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective close associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

根據購股權計劃授出的所有購股權獲行使時可予發行的股份不得超過採納日期本公司已發行股份(「股份」)合共10%，惟本公司可尋求股東批准更新該上限。此外，根據購股權計劃(及本公司任何其他計劃)已授出而尚未行使之所有購股權獲行使時可予發行之股份最高數目，不得超過不時已發行股份總數的30%。

於本報告日期，根據購股權計劃可予發行之股份總數為203,800,000股股份(相當於本公司於2019年3月28日已發行股份數目約7.87%)。

根據購股權計劃及本集團任何其他購股權計劃於任何12個月期間可授予各參與人士的購股權(包括已行使或尚未行使的購股權)獲行使時而可予發行的股份最多數目，不得超過本公司當時已發行股本的1%。任何進一步授出超過此限額的購股權必須於股東大會獲得股東批准。

授予董事、本公司主要行政人員或主要股東或任何彼等各自的緊密聯繫人(定義見上市規則)的購股權必須事前經獨立非執行董事(不包括屬購股權承授人的獨立非執行董事)批准。此外，倘向主要股東或獨立非執行董事或任何彼等各自的緊密聯繫人授出任何購股權，將導致於截至授出日期(包括該日)止的12個月期間因向該人士已授出及將授出的所有購股權(包括已行使、已註銷及尚未行使的購股權)獲行使而發行及將予發行的股份超過本公司已發行股份的0.1%，而總值(按股份於授出日期的收市價計算)超過5,000,000港元時，授出有關購股權須於股東大會獲得股東批准。

授出購股權的要約可於要約日期起計21日內由承授人支付名義代價1港元後予以接納。所授出購股權的行使期由董事會釐定，有關期間可由接納授出購股權的要約日期開始，惟在任何情況下不得遲於購股權授出日期起計10年屆滿，並可根據購股權計劃的條文提早終止。

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- i. the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a business day;
- ii. the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- iii. the nominal value of the Shares.

As at the year ended 31 December, 2018, no share option has been granted by the Company.

RELATED PARTY TRANSACTIONS

Other than as disclosed in note 43 to the consolidated financial statements, the Group had no related party transactions during the year.

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections headed "Share Option Scheme" and "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year was the Company, any of its subsidiaries, its ultimate holding company, or any subsidiaries of its ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

購股權計劃下的股份認購價乃由董事會釐定的價格，惟不得低於以下最高者：

- i. 股份於要約授出日期(須為營業日)於聯交所每日報價表所報的收市價；
- ii. 股份於緊接要約授出日期前五個交易日於聯交所每日報價表所報的平均收市價；及
- iii. 股份面值。

截至2018年12月31日止年度，本公司概無授出購股權。

關連人士交易

除綜合財務報表附註43所披露者外，本集團於年內並無關連人士交易。

購買公司證券之權利

除上文「購股權計劃」及「董事及主要行政人員於股份、相關股份及債券之權益及淡倉」兩節所披露者外，本公司、其任何附屬公司、其最終控股公司，或其最終控股公司之任何附屬公司於年內任何時間概無參與訂立任何安排，讓本公司董事藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company and their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

Controlling Shareholders have given non-competition undertaking in favour of the Company. Please refer to page 45 of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her duty or supposed duty in his/her office or otherwise in relation thereto. In addition, the Company has arranged appropriate liability insurance coverage for the Directors and officers of the Group.

競爭權益

年內及截至本報告日期，董事或本公司管理層股東及彼等各自的緊密聯繫人(定義見上市規則)概無於任何對本集團業務造成或可能造成競爭或與本集團構成任何其他利益衝突的業務中擁有任何權益。

控股股東已以本公司為受益人作出不競爭承諾。請參閱本報告第45頁。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

管理合約

本年度內並無訂立或存在任何有關本公司業務之全部或任何重大部分之重大管理及行政合約。

經許可的彌償保證條文

根據本公司的組織章程細則，每名董事應有權就其履行其任內職責或假定職責或其他有關事宜而作出、同意或遺漏的任何行為而可能招致或蒙受的一切訴訟、費用、收費、損失、損害賠償及開支，將獲得以本公司資產作出的彌償並確保免就此受損。此外，本公司已為本集團董事及高級職員安排適當責任險。

DONATIONS

No charitable and other donations were made by the Group during the year (2017: Nil).

EMOLUMENT POLICY

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

The emoluments of the Directors are recommended and decided by the Remuneration Committee and the Board respectively, having regard to the Company's operating results, market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in the section headed "Share Option Scheme" of this report and note 36 to the consolidated financial statements.

EMPLOYEES

A review of the number of employees and the related staff costs is provided in the Management Discussion and Analysis on page 20 of this report. The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

捐款

本集團於年內沒有慈善及其他捐款(2017年：無)。

薪酬政策

本集團僱員及高級管理層的薪酬政策乃由本公司薪酬委員會根據其長處、資歷及能力訂立。

董事薪酬經考慮本公司經營業績、市場競爭力、個人表現及成就後，分別由薪酬委員會提供推薦意見並由董事會釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員的激勵，有關該計劃的詳情載於本報告「購股權計劃」一節及綜合財務報表附註36。

僱員

有關僱員人數及相關員工成本的回顧載於本報告第20頁管理層討論及分析。本集團確保其僱員的薪金水平具競爭力，並與市場趨勢一致，而其僱員於本集團薪酬及獎金制度的整體框架內按其表現獲得回報。

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

CHANGE OF DIRECTORS' INFORMATION

Upon specific enquiry by the Company and following confirmations from Directors, save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published interim report.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting system, risk management and internal control systems of the Group.

The Audit Committee currently comprises Mr. Luk Chi Shing, Mr. Xu Jiaming, Mr. Wu Zhongxian (appointed as a member of the Committee on 8 August 2018). The Audit Committee has reviewed and discussed with the management and the external auditor financial reporting matters including the annual results for the year ended 31 December 2018. The annual results have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte"), the independent auditor of the Company.

企業管治

有關本公司採納之企業管治常規之詳情載於本年報之企業管治報告。

董事資料變更

於本公司作出特定查詢及董事作出下列確認後，除本報告其他地方所載者外，自本公司最近刊發的中期報告以來，概無有關董事的資料變更須根據上市規則第13.51B(1)條作出披露。

審核委員會

本公司已成立審核委員會並遵守上市規則的要求訂立書面職權範圍，其目的為審閱及監督本集團之財務申報制度、風險管理及內部監控系統。

審核委員會目前由陸志成先生、徐家明先生及吳忠賢先生(於2018年8月8日獲委任為委員會成員)組成。審核委員會已與管理層及外部核數師審閱及討論財務申報事宜，包括截至2018年12月31日止年度之全年業績。該等全年業績已由本公司獨立核數師德勤•關黃陳方會計師行(「德勤」)審核。

INDEPENDENT AUDITOR

The consolidated financial statements for the year have been audited by Deloitte. A resolution to re-appoint the retiring independent auditor, Deloitte, will be proposed at the forthcoming annual general meeting.

There has been no change in the auditor of the Company for the preceding three years.

On behalf of the Board
Jiang Jianqiang
Chairman

Hong Kong, 28 March 2019

獨立核數師

本年度的綜合財務報表經已由德勤審核。將於應屆股東週年大會上提呈決議案，續聘退任獨立核數師德勤。

本公司核數師於過往三年概無任何變動。

代表董事會
主席
蔣建強

香港，2019年3月28日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF CHINA SAITE GROUP COMPANY LIMITED

中國賽特集團有限公司
(incorporated in the Cayman Islands with limited liability)

致中國賽特集團有限公司股東

中國賽特集團有限公司
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Saite Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 76 to 199, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

意見

吾等已審核第76至199頁所載中國賽特集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2018年12月31日的綜合財務狀況表，以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於2018年12月31日的綜合財務狀況及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見基準

吾等已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。吾等於該等準則項下的責任乃於吾等之報告核數師就審核綜合財務報表須承擔的責任一節中進一步詳述。吾等根據香港會計師公會頒佈之專業會計師職業道德守則(「守則」)獨立於貴集團，吾等亦已根據守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證充足及適當地為吾等的意見提供基準。

關鍵審核事項

關鍵審核事項為就吾等的專業判斷而言，對吾等審核本期綜合財務報表最為重要的事項。這些事項是在吾等審核整體綜合財務報表及達成吾等對其的意見時進行處理，而吾等不會對這些事項提供單獨的意見。

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項

Recognition of revenue and gross profits from construction contracts

確認建築合同的收益及毛利

We identified recognition of revenue and gross profit from construction contracts as a key audit matter as they are significant to the consolidated financial statements as a whole and significant management's estimations and judgments are involved in the determination of the total outcome of construction contracts and the percentage of completion.

吾等已將建築合同的收益及毛利確認為關鍵審核事項，原因為其就綜合財務報表整體而言乃屬重大，且管理層於釐定建築合同的結果總額及完工百分比時涉及重大估計及判斷。

The Group recognised revenue of RMB1,501 million and gross profit of RMB354 million from construction contracts for the year ended 31 December 2018 as shown in the consolidated statement of profit or loss and other comprehensive income.

貴集團於綜合損益及其他全面收益表內確認截至2018年12月31日止年度的建築合同收益及毛利分別為人民幣1,501,000,000元及人民幣354,000,000元。

As set out in note 4 to the consolidated financial statements, the Group determines whether construction contracts are onerous contracts based on the latest available budgets of those construction contracts with reference to the overall contracts consideration of each construction contract which requires management's best estimates and judgements. Because of the nature of the construction industry, the management regularly reviews the progress of the contracts and the estimated construction revenue and construction costs.

誠如綜合財務報表附註4所載者，貴集團根據建築合同的最新可得預算並參考各建築合同的整體合同代價決定該等建築合同是否為虧損性合同，該過程須管理層進行最佳估計及判斷。由於建築行業的性質使然，管理層需定期檢討合同工程進度以及估計建築收益及建築成本。

Our procedures in relation to recognition of revenue included:

吾等涉及確認收益的程序包括：

- Assessing the accuracy of the forecasted revenue by agreeing to the contract sum as set out in the construction contracts on a sample basis;
- 抽樣評估預測收益的準確性，方式為議定建築合同所載的合同金額；
- Understanding the basis of estimation of the budgets by discussing with the project managers who are responsible for the budgeting of projects, and evaluating the reasonableness of their estimated profit margins by taking into account the profit margins of similar projects on a sample basis;
- 抽樣瞭解估計預算的基準，方式為與負責項目的項目經理討論項目預算，並在計及類似項目的溢利率後，評估其估計溢利率的合理性；
- Evaluating the accuracy of value of work transferred to customers to date by confirming the percentage of completion with the respective projects' surveyors of the customers, and by conducting site visits and discussing with the operational management to observe the on-site progress status of the projects on a sample basis; and
- 抽樣評估迄今為止向客戶轉移的工程價值的準確性，方式為向客戶的各自項目監理確認完工百分比及進行實地走訪，並討論運作管理，以觀察項目現場進度；及
- Evaluating the reasonableness of revenue and gross profit recognised to date by using the percentage of completion confirmed by the projects surveyor to recalculate the amounts.
- 採用項目監理確認之完工百分比重新計算金額，以評估迄今確認之收益及毛利的合理性。

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項

Impairment of trade receivables and contract assets 應收貿易款項及合同資產之減值

We identified the impairment of trade receivables and contract assets as a key audit matter due to the significance of trade receivables and contract assets to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables and contract assets at the end of the reporting period.

由於貴集團綜合財務狀況表應收貿易款項及合同資產的重要性及於評估貴集團於報告期末之應收貿易款項及合同資產的預期信貸虧損(「預期信貸虧損」)所涉及的主觀判斷及管理層估計，我們將應收貿易款項及合同資產之減值識別為關鍵審核事項。

As at 31 December 2018, the Group's net trade receivables and contract assets amounting to approximately RMB1,266 million and RMB542 million, which represented approximately 38% and 16% of total assets of the Group and out of these trade receivables of approximately RMB1,145 million were past due.

於2018年12月31日，貴集團之應收貿易款項淨額及合同資產約為人民幣1,266,000,000元及人民幣542,000,000元，佔本集團總資產約38%及16%，而該等應收貿易款項中約人民幣1,145,000,000元已逾期。

As explained in note 2 to the consolidated financial statements, in the current year, the Group adopted Hong Kong Financial Reporting Standard 9 "Financial Instruments" (HKFRS 9) and recognised an additional impairment of RMB84 million and RMB27 million on trade receivables and contract assets, respectively, as at 1 January 2018 in accordance with the transitional provisions of HKFRS 9.

誠如綜合財務報表附註2所闡釋，於本年度，貴集團採納香港財務報告準則第9號「金融工具」(香港財務報告準則第9號)，並於2018年1月1日根據香港財務報告準則第9號之過渡條文分別就應收貿易款項及合同資產確認額外減值人民幣84,000,000元及人民幣27,000,000元。

Our procedures in relation to impairment of trade receivables and contract assets included:

吾等涉及應收貿易款項及合同資產減值的程序包括：

- Understanding key controls on how the management estimates the loss allowance for trade receivables and contract assets;
- 瞭解管理層在估計應收貿易款項及合同資產虧損撥備時的關鍵控制措施；
- Testing the accuracy of the ECL adjustment made by the Group as at 1 January 2018 on initial adoption of HKFRS 9;
- 測試貴集團於2018年1月1日首次應用香港財務報告準則第9號時作出的預期信貸虧損調整之準確性；
- Testing the integrity of information used by management to develop the provision matrix, including trade receivables ageing analysis as at 1 January 2018 and 31 December 2018, on a sample basis, by comparing individual items in the analysis with the relevant contracts, invoices and other supporting documents;
- 透過將分析(包括於2018年1月1日及2018年12月31日的應收貿易款項賬齡分析)中的各個項目與相關合同、發票及其他支持文件進行比較，抽樣測試管理層用於制定撥備矩陣的資料之完整性；

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 吾等進行審核時如何處理關鍵審核事項

Impairment of trade receivables and contract assets (Continued)

應收貿易款項及合同資產之減值 (續)

As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, past due status and repayment history of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

誠如綜合財務報表附註4所披露，貴集團管理層經考慮應收貿易款項及合同資產各自之內部信貸評級、逾期狀況及還款記錄後，透過具有類似虧損型態的不同債務人組別使用撥備矩陣估計應收貿易款項及合同資產之全期預期信貸虧損。估計虧損率乃基於債務人預期年期中的可觀察歷史違約率並根據前瞻性資料作出調整。

As disclosed in note 9 to the consolidated financial statements, the Group recognised an additional amount of RMB12 million and RMB6 million of impairment of trade receivables and contract assets, respectively, for the year and the Group's lifetime ECL on trade receivables and contract assets as at 31 December 2018 amounted to approximately RMB96 million and RMB48 million.

誠如綜合財務報表附註9所披露，貴集團分別確認年內應收貿易款項及合同資產減值人民幣12,000,000元及人民幣6,000,000元，且貴集團於2018年12月31日的應收貿易款項及合同資產全期預期信貸虧損約為人民幣96,000,000元及人民幣48,000,000元。

- Challenging management's basis and judgement in determining credit loss allowance on trade receivables and contract assets as at 1 January 2018 and 31 December 2018, including the reasonableness of management's grouping of trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information); and
- 質詢管理層於2018年1月1日及2018年12月31日釐定應收貿易款項及合同資產信貸虧損撥備時所採用的基準及判斷，包括管理層將貿易債務人劃分至撥備矩陣不同類別的合理性，以及應用於撥備矩陣各類別估計虧損率基準（經參考歷史違約率及前瞻性資料）；及
- Evaluating the disclosures regarding the impairment assessment of trade receivables and contract assets in note 42 to the consolidated financial statements.
- 評估綜合財務報表附註42有關應收貿易款項及合同資產減值評估的披露。

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報中所包含的資料，惟不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並未涵蓋其他資料，且吾等不會就此發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已執行的工作認為其他資料出現重大錯誤陳述，我們須報告該事實。吾等就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平的綜合財務報表，並落實彼等認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

治理層須負責監督貴集團的財務報告過程。

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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表須承擔的責任

吾等的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告，並按照吾等議定的委聘條款僅向閣下全體匯報，除此之外本報告不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審核總能發現存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，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作重大。

作為根據香港審計準則進行審核工作的其中一環，吾等於整個審核過程中運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或假若有關的披露不足，則修訂吾等的意見。吾等的結論乃基於直至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露事項)以及綜合財務報表是否公平反映相關交易及事項。
- 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核憑證，以便對綜合財務報表發表意見。吾等負責貴集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與治理層溝通(其中包括)審核的計劃範圍及時間以及重大審核發現等，包括吾等在審核中識別出內部控制的任何重大不足之處。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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 Chiu Mei Hing.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2019

核數師就審核綜合財務報表須承擔的責任(續)

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與治理層溝通的事項中，吾等確定該等對本期間綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

出具獨立核數師報告的審核項目合夥人為趙美卿。

德勤•關黃陳方會計師行
執業會計師
香港
2019年3月28日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

		NOTES 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Revenue	收益	5	1,501,311	1,411,745
Cost of sales	銷售成本		(1,147,488)	(1,051,837)
Gross profit	毛利		353,823	359,908
Other income	其他收入	7a	12,890	9,985
Other gains and losses	其他收益及虧損	7b	(24,708)	7,579
Impairment losses	減值虧損	9	(28,519)	(14,978)
Selling and marketing expenses	銷售及營銷開支		(4,027)	(4,093)
Administrative expenses	行政開支		(56,544)	(37,233)
Finance costs	財務成本	8	(36,744)	(7,356)
Share of profit of a joint venture	分佔合營企業盈利		332	409
Share of loss of associates	分佔聯營公司虧損		(1,113)	–
Profit before tax	除稅前盈利		215,390	314,221
Income tax expense	所得稅開支	10	(76,378)	(87,021)
Profit for the year	年內盈利	11	139,012	227,200
Other comprehensive expense	其他全面開支			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income	透過其他全面收益按公平值列賬之權益工具投資的公平值虧損		(29,698)	–
Total comprehensive income for the year	年內全面收入總額		109,314	227,200
Earnings per share	每股盈利	15		
Basic (RMB cents)	基本(人民幣分)		5.96	9.77

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於 2018 年 12 月 31 日

		NOTES 附註	2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	261,236	220,127
Prepaid lease payments	預付租賃款項	17	56,422	57,032
Interest in a joint venture	於合營企業的權益	18	154,243	153,911
Interests in associates	於聯營公司的權益	19	7,637	–
Available-for-sale investments	可供出售投資	20	–	53,928
Equity instruments at fair value through other comprehensive income	透過其他全面收益按公平值列賬之權益工具	21	22,230	–
Deferred tax asset	遞延稅項資產	22	40,733	–
			542,501	484,998
Current assets	流動資產			
Inventories	存貨	23	10,642	–
Prepaid lease payments	預付租賃款項	17	1,329	1,312
Amounts due from customers for contract work	應收客戶合同工程款項	24	–	4,466
Trade receivables	應收貿易款項	25	1,265,749	1,705,437
Contract assets	合同資產	26	542,105	–
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	27	94,061	104,156
Bank balances and cash	銀行結餘及現金	28	856,924	757,321
			2,770,810	2,572,692
Current liabilities	流動負債			
Amounts due to customers for contract work	應付客戶合同工程款項	24	–	4,424
Trade payables	應付貿易款項	29	91,546	68,753
Deposit received, other payables and accruals	已收按金、其他應付款項及應計費用	30	104,584	97,252
Amounts due to associates	應付聯營公司款項	31	3,194	–
Corporate bonds-due within one year	公司債券 — 於一年內到期	32	196,069	19,199
Short-term borrowings	短期貸款	33	4,500	46,150
Provisions	撥備	34	–	1,200
Tax liabilities	稅項負債		26,668	32,588
			426,561	269,566
Net current assets	流動資產淨額		2,344,249	2,303,126
Total assets less current liabilities	總資產減流動負債		2,886,750	2,788,124

Consolidated Statement of Financial Position
綜合財務狀況表

At 31 December 2018 於 2018 年 12 月 31 日

		NOTES 附註	2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	22	92,116	92,116
Corporate bonds — due after one year	公司債券 — 於一年後到期	32	162,163	87,435
			254,279	179,551
			2,632,471	2,608,573
Capital and reserves	資本及儲備			
Share capital	股本	35	187,410	187,410
Share premium and reserves	股份溢價及儲備		2,445,061	2,421,163
			2,632,471	2,608,573

The consolidated financial statements on pages 76 to 199 were approved and authorised for issue by the board of directors on 28 March 2019 and are signed on its behalf by:

第 76 頁至第 199 頁的綜合財務報表已由董事會於 2019 年 3 月 28 日批准及授權刊發，並由下列董事代表簽署：

Jiang Jianqiang
蔣建強
DIRECTOR
董事

Shao Xiaoqiang
邵小強
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

		Share capital	Share premium	Capital reserve	FVTOCI reserve 透過其他全面收益按公平值 列賬儲備	Statutory reserves	Retained profits	Total
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元 (Note a) (附註 a)	列賬儲備 RMB'000 人民幣千元 (Note b) (附註 b)	法定儲備 RMB'000 人民幣千元 (Note c) (附註 c)	保留盈利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2017	於 2017 年 1 月 1 日	179,527	473,674	66,587	-	170,684	1,445,177	2,335,649
Profit and total comprehensive income for the year	年內盈利及全面收入總額	-	-	-	-	-	227,200	227,200
Issue of new shares (note 35)	發行新股份(附註 35)	7,883	37,841	-	-	-	-	45,724
At 31 December 2017	於 2017 年 12 月 31 日	187,410	511,515	66,587	-	170,684	1,672,377	2,608,573
Adjustments (see note 2)	調整(見附註 2)	-	-	-	-	-	(85,416)	(85,416)
At 1 January 2018 (restated)	於 2018 年 1 月 1 日(經重列)	187,410	511,515	66,587	-	170,684	1,586,961	2,523,157
Profit for the year	年內盈利	-	-	-	-	-	139,012	139,012
Other comprehensive expense for the year	年內其他全面開支	-	-	-	(29,698)	-	-	(29,698)
Total comprehensive income for the year	年內全面收入總額	-	-	-	(29,698)	-	139,012	109,314
Transfer to statutory reserves	轉入法定儲備	-	-	-	-	36,154	(36,154)	-
At 31 December 2018	於 2018 年 12 月 31 日	187,410	511,515	66,587	(29,698)	206,838	1,689,819	2,632,471

Notes:

附註：

- (a) Capital reserve represents
- (i) waiver of amount due to former immediate holding company;
- (ii) the difference between the nominal value of shares of China Saite Group Company Limited (the "Company") issued as consideration in exchange for the aggregate of the share capital of the subsidiary of the Company arising upon the corporate reorganisation (the "Corporate Reorganisation") to rationalise the Group's structure prior to listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"); and
- (iii) capital contribution from shareholders under the Corporate Reorganisation.
- (b) The fair value through other comprehensive income ("FVTOCI") reserve represents cumulative gains and losses arising on the revaluation of equity instruments at FVTOCI that have been recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.
- (c) The statutory reserves represent the amount transferred from net profit for the year of a subsidiary established in the People's Republic of China (the "PRC") (based on the PRC statutory financial statements of that PRC subsidiary) in accordance with the relevant PRC laws until the statutory reserves reach 50% of the registered capital of that subsidiary. The statutory reserves cannot be reduced except either in setting off the accumulated losses or increasing capital.
- (a) 資本儲備指
- (i) 豁免應付前直接控股公司之款項；
- (ii) 中國賽特集團有限公司(「本公司」)發行作為代價的股份面值與因本公司股份於香港聯合交易所有限公司(「聯交所」)上市前公司為優化本集團的架構而進行之公司重組(「公司重組」)產生之本公司附屬公司的股本總額間的差額；及
- (iii) 股東根據公司重組作出的注資。
- (b) 透過其他全面收益按公平值列賬(「透過其他全面收益按公平值列賬」)儲備指重估已於其他全面收益確認之透過其他全面收益按公平值列賬之權益工具所產生的累計收益及虧損。累計收益或虧損將不重新分類至出售股本投資之損益，並將繼續於透過其他全面收益按公平值列賬儲備中持有。
- (c) 法定儲備指自於中華人民共和國(「中國」)根據相關中國法律成立的附屬公司的年內純利(基於該中國附屬公司的中國法定財務報表)轉撥的款項，直至該等法定儲備達致該附屬公司註冊資本的 50% 為止。該等法定儲備不可扣減，惟用以抵銷累計虧損或增資則除外。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前盈利	215,390	314,221
Adjustments for:	就以下項目作出調整：		
Bank interest income	銀行利息收入	(4,058)	(3,163)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16,830	2,798
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,414	-
Reversal of provision for financial guarantees	財務擔保撥備撥回	(1,200)	(5,000)
Impairment losses on trade receivables, contract assets and bank balances	應收貿易款項、合同資產及銀行結餘之減值虧損	28,519	14,978
Finance costs	財務成本	36,744	7,356
Exchange differences on short-term borrowings and corporate bonds	短期貸款及公司債券的匯兌差額	27,670	(6,927)
Share of profit of a joint venture	分佔合營企業盈利	(332)	(409)
Share of loss of associates	分佔聯營公司虧損	1,113	-
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	25	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	322,115	323,854
Decrease in amounts due from customers for contract work	應收客戶合同工程款項減少	-	18,659
Increase in contract assets	合同資產增加	(174,918)	-
Increase in inventories	存貨增加	(10,642)	-
Increase in trade receivables	應收貿易款項增加	(56,134)	(308,153)
Decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項減少	26,972	24,091
Increase in amounts due to customers for contract work	應付客戶合同工程款項增加	-	2,951
Increase (decrease) in trade payables	應付貿易款項增加(減少)	22,793	(4,399)
Increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用增加	8,086	60,750
CASH GENERATED FROM OPERATIONS	經營業務產生的現金	138,272	117,753
PRC income tax paid	已付中國所得稅	(89,567)	(115,836)
NET CASH FROM OPERATING ACTIVITIES	經營活動產生的現金淨額	48,705	1,917
INVESTING ACTIVITIES	投資活動		
Advance to a director	一名董事所獲墊款	(136,732)	(14,920)
Purchase of property, plant and equipment	購置物業、廠房及設備	(57,964)	(49,909)
Investments in associates	於聯營公司的投資	(8,550)	-
Prepaid lease payments paid	已付預付租賃款項	(821)	(20,500)
Repayment from a director	一名董事所還款項	119,102	-
Interest received	已收利息	4,058	3,163
Proceeds from disposal of equity investments	出售股本投資所得款項	2,000	-
Acquisition of available-for-sale investments	收購可供出售投資	-	(8,204)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(78,907)	(90,370)

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of corporate bonds	發行公司債券所得款項	305,505	107,960
New short-term borrowings raised	籌集新短期貸款	4,500	4,500
Advance from an associate	聯營公司墊款	2,994	-
Repayment of corporate bonds	償還公司債券	(85,011)	-
Repayment of short-term borrowings	償還短期貸款	(47,505)	(33,752)
Finance costs paid	已付財務成本	(31,955)	(6,984)
Repayment to a director	償還董事款項	-	(5,210)
NET CASH FROM FINANCING ACTIVITIES	融資活動產生的現金淨額	148,528	66,514
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	118,326	(21,939)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (note 2)	年初現金及現金等價物(附註2)	748,824	779,260
Effect of impairment losses on bank balances	銀行結餘減值虧損影響	(10,226)	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash	年末現金及現金等價物 以銀行結餘及現金列示	856,924	757,321

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares (the "Shares") are listed on the Stock Exchange. Its immediate holding company and ultimate holding company are Keen Luck Group Limited and Champ Origin Limited, respectively, both are limited companies incorporated in the British Virgin Islands.

The Company acts as an investment holding company. The principal activities of its subsidiaries are investment holding and construction of steel structure and prefabricated construction projects.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for current year

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

1. 一般資料

本公司在開曼群島註冊成立為一家獲豁免有限公司，而其股份（「股份」）已於聯交所上市。其直接及最終控股公司分別為建瑞集團有限公司及冠源有限公司，均為於英屬處女群島註冊成立的有限公司。

本公司為投資控股公司，其附屬公司的主要業務為投資控股及鋼結構及全裝配預製構件建築項目的建築施工。

綜合財務報表乃以本公司的功能貨幣人民幣（「人民幣」）呈列。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

本年度強制生效之新訂香港財務報告準則及其修訂本

於本年度，本集團首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂香港財務報告準則及其修訂本。

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合同之收益及相關修訂本
香港（國際財務報告詮釋委員會）—詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號（修訂本）	以股份為基礎付款交易的分類及計量
香港財務報告準則第4號（修訂本）	應用香港財務報告準則第4號保險合同時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號（修訂本）	作為香港財務報告準則2014年至2016年週期之年度改進之一部分
香港會計準則第40號（修訂本）	轉讓投資物業

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

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

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations. The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue for its construction services which arise from contracts with customers.

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

除下文所述者外，於本年度應用新訂香港財務報告準則及其修訂本，對本集團本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

香港財務報告準則第 15 號客戶合同之收益

本集團已於本年度首次應用香港財務報告準則第 15 號。香港財務報告準則第 15 號將取代香港會計準則第 18 號收益、香港會計準則第 11 號建築合同以及相關詮釋。本集團已追溯應用香港財務報告準則第 15 號，而首次應用該準則之累積影響已於首次應用日期（2018 年 1 月 1 日）確認。於首次應用日期之任何差額已於期初保留盈利（或權益之其他部分（如適用））確認，且並無重列比較資料。再者，根據香港財務報告準則第 15 號之過渡條文，本集團已選擇僅對於 2018 年 1 月 1 日尚未完成之合同追溯應用該準則。由於比較資料乃根據香港會計準則第 18 號收益及香港會計準則第 11 號建築合同以及相關詮釋編製，因此，若干比較資料可能無法比較。

本集團就其建築服務確認來自客戶合同之收益。

有關因應用香港財務報告準則第 15 號對本集團履約義務及會計政策的資料已分別於附註 5 及 3 披露。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The following table summarises the impacts of transition to HKFRS 15 on retained profits at 1 January 2018.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 15 號客戶合同之收益（續）

首次應用香港財務報告準則第 15 號之影響概述

下表概述過渡至香港財務報告準則第 15 號對於 2018 年 1 月 1 日之保留盈利的影響。

RMB'000
人民幣千元

Retained profits	保留盈利	
Recognition of contract costs	確認合同成本	552
Tax effects	稅項影響	(138)
Impact at 1 January 2018	於 2018 年 1 月 1 日之影響	414

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.

下列為對於 2018 年 1 月 1 日之綜合財務狀況表中確認之金額所作出的調整。沒有受變動影響的項目並不包括在內。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 15 號客戶合同之收益（續）

首次應用香港財務報告準則第 15 號之影響概述（續）

			Carrying amounts previously reported at 31 December 2017	Reclassification	Remeasurement	Carrying amounts under HKFRS 15 at 1 January 2018*
	Notes	先前於 2017 年 12 月 31 日 呈報的賬面值	RMB'000	重新分類	重新計量	根據香港 財務報告準則 第 15 號 於 2018 年 1 月 1 日 的賬面值*
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Current assets	流動資產					
Amounts due from customers for contract work		應收客戶合同 工程款項	(a) 4,466	(594)	(3,872)	-
Trade receivables	(b)	應收貿易款項	1,705,437	(399,377)	-	1,306,060
Contract assets	(a) & (b)	合同資產	-	399,971	-	399,971
Current liabilities	流動負債					
Amounts due to customers for contract work	(a)	應付客戶合同 工程款項	(4,424)	-	4,424	-
Tax liabilities	(a)	稅項負債	(32,588)	-	(138)	(32,726)
Capital and reserves	資本及儲備					
Retained profits	(a)	保留盈利	(1,672,377)	-	(414)	(1,672,791)

* The amounts in this column are before the adjustments from the application of HKFRS 9.

* 本欄所列之金額並未包含應用香港財務報告準則第 9 號之調整。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

- (a) In relation to construction contracts previously accounted for under HKAS 11, the Group continues to apply output method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. Under HKAS 11, construction costs were charged to profit or loss by reference to the stage of completion of the contract, which is measured by reference to the estimated total revenue for contracts entered into by the Group that have been performed to date. Under HKFRS 15, costs that related to satisfy performance obligations are expensed as incurred. Construction costs of RMB3,872,000 that have been incurred but deferred to be recognised in profit or loss under HKAS 11 included in amounts due from customers for contract work were charged to retained profits. Construction costs of RMB4,424,000 that have not been incurred but accelerated to be recognised in profit or loss under HKAS 11 and included in amounts due to customers for contract work were credited to retained profits. Unbilled revenue of RMB594,000 arising from the construction contracts was reclassified from amounts due from customers for contract work to contract assets. The related tax effect of RMB138,000 was recognised in tax liabilities and included in adjustment to retained profits.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第15號客戶合同之收益（續）

首次應用香港財務報告準則第15號之影響概述（續）

- (a) 就先前根據香港會計準則第11號列賬之建築合同而言，本集團繼續應用產出法估算於首次應用香港財務報告準則第15號日期前須履行之履約義務。根據香港會計準則第11號，建築成本參照合同之完工百分比計入損益，而完工百分比參照迄今為止本集團所訂立合同的已履約部分之估計總收入計量。根據香港財務報告準則第15號，與履行履約義務相關之成本於產生時確認為費用。已產生但根據香港會計準則第11號將遞延於損益確認並計入應收客戶合同工程款項之建築成本人民幣3,872,000元已計入保留盈利。尚未產生但根據香港會計準則第11號將加快於損益確認並計入應付客戶合同工程款項之建築成本人民幣4,424,000元已計入保留盈利。建築合同產生之未開票收益人民幣594,000元已從應收客戶合同工程款項重新分類至合同資產。相關稅項影響人民幣138,000元已於稅項負債中確認，並計入保留盈利調整。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

- (b) At the date of initial application, retention receivables of RMB399,377,000, arising from the construction contracts are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, and such balance was reclassified from trade receivables to contract assets.

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018, its consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 15 號客戶合同之收益（續）

首次應用香港財務報告準則第 15 號之影響概述（續）

- (b) 於首次應用日期，建築合同產生之應收保留金人民幣 399,377,000 元須於合同訂明之一定期間內待客戶對服務質素表示滿意後方可作實，而有關結餘已由應收貿易款項重新分類至合同資產。

下表概述應用香港財務報告準則第 15 號對本集團於 2018 年 12 月 31 日綜合財務狀況表、其於本年度各條項目受影響的綜合損益及其他全面收益表及綜合現金流量表的影響。未列示未受變動影響的項目。

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

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

Impact on the consolidated statement of financial position

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第15號客戶合同之收益（續）

首次應用香港財務報告準則第15號之影響概述（續）

對綜合財務狀況表的影響

			As reported	Adjustments	Amounts without application of HKFRS 15
	Notes	如報告所列	RMB'000	調整	未應用香港財務報告準則第15號之金額
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Current assets		流動資產			
Amounts due from customers for contract work		應收客戶合同工程款項	–	2,714	2,714
	(a)				
Trade receivables		應收貿易款項	1,265,749	542,105	1,807,854
	(b)				
Contract assets		合同資產	542,105	(542,105)	–
	(b)				
Current liabilities		流動負債			
Amounts due to customers for contract work		應付客戶合同工程款項	–	(346)	(346)
	(a)				
Tax liabilities		稅項負債	(26,668)	(592)	(27,260)
	(a)				
Capital and reserves		資本及儲備			
Retained profits		保留盈利	(1,689,819)	(1,776)	(1,691,595)
	(a)				

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

Impact on the consolidated statement of profit or loss and other comprehensive income

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 15 號客戶合同之收益（續）

首次應用香港財務報告準則第 15 號之影響概述（續）

對綜合損益及其他全面收益表的影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Note	如報告所列	調整	未應用香港財務報告準則第 15 號之金額
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost of sales	銷售成本	(a)	(1,147,488)	2,368	(1,145,120)
Gross profit	毛利	(a)	353,823	2,368	356,191
Profit before tax	除稅前盈利	(a)	215,390	2,368	217,758
Income tax expense	所得稅開支	(a)	(76,378)	(592)	(76,970)
Profit for the year	年內盈利	(a)	139,012	1,776	140,788
Total comprehensive income for the year	年內全面收入總額	(a)	109,314	1,776	111,090

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

Impact on the consolidated statement of cash flows

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第15號客戶合同之收益（續）

首次應用香港財務報告準則第15號之影響概述（續）

對綜合現金流量表的影響

			Amounts without application of HKFRS 15
		As reported	Adjustments
	Notes	如報告所列	調整
	附註	RMB'000	RMB'000
		人民幣千元	人民幣千元
			未應用香港 財務報告準則 第15號之金額
			RMB'000
			人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前盈利	(a) 215,390	2,368
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	(a) 322,115	2,368
Increase in contract assets	合同資產增加	(b) (174,918)	174,918
Increase in trade receivables	應收貿易款項增加	(b) (56,134)	(174,918)
Decrease in amounts due from customers for contract work	應收客戶合同工程款項減少	(a) –	(2,714)
Increase in amounts due to customers for contract work	應付客戶合同工程款項增加	(a) –	346
Cash generated from operations	經營業務產生的現金	138,272	–
Net cash from operating activities	經營活動產生的現金淨額	48,705	–
			217,758
			324,483
			–
			(231,052)
			(2,714)
			346
			138,272
			48,705

The explanations of the above changes affected in the current year by the application of HKFRS 15 as compared to HKAS 11, HKAS 18 and the related interpretations are set out in notes (a) and (b) above for describing the adjustments made to the consolidated statement of financial position at 1 January 2018 upon adoption of HKFRS 15.

相較於香港會計政策第11號、香港會計準則第18號及有關詮釋，應用香港財務報告準則第15號本年度已受影響之上述變動之說明載列於上文附註(a)及(b)，旨在描述採納香港財務報告準則第15號後對於2018年1月1日之綜合財務狀況表作出之調整。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and other items (for example, contract assets and financial guarantee contracts) and (3) general hedge accounting. The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening 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 HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則的相關相應修訂。香港財務報告準則第9號引入有關下列各項之新規定：(1) 金融資產及金融負債的分類及計量，(2) 金融資產及其他項目（例如，合同資產及財務擔保合同）之預期信貸虧損（「預期信貸虧損」）及(3) 一般對沖會計處理。本集團已根據香港財務報告準則第9號所載之過渡性條文應用香港財務報告準則第9號，即對於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規定（包括預期信貸虧損模式項下之減值），且未有對於2018年1月1日已經終止確認之工具應用該等規定。2017年12月31日的賬面值與2018年1月1日之賬面值之間之差異於期初保留盈利及其他權益部分中確認，而並無重列可資比較資料。

由於比較資料乃根據香港會計準則第39號金融工具：確認及計量編製，因此若干比較資料可能不具有比較性。

應用香港財務報告準則第9號導致的會計政策於附註3披露。

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述

下表顯示金融資產及金融負債以及其他項目於首次應用日期（2018年1月1日）根據香港財務報告準則第9號及香港會計準則第39號按預期信貸虧損進行的分類及計量。

		Available-for-sale investments	Equity instruments at FVTOCI	Trade receivables	Contract assets	Bank balances	Deferred tax assets	Retained profits
		可供出售投資	透過其他全面收益按公平值列賬之權益工具	應收貿易款項	合同資產	銀行結餘	遞延稅項資產	保留盈利
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Closing balance at 31 December 2017	於 2017 年 12 月 31 日之 期末結餘							
— HKAS 39	— 香港會計準則 第 39 號	53,928	-	1,705,437	-	757,321	-	(1,672,377)
Effect arising from initial application of HKFRS 15	首次應用香港財務 報告準則第 15 號 產生的影響	-	-	(399,377)	399,971	-	-	(414)
Effect arising from initial application of HKFRS 9:	首次應用香港財務 報告準則第 9 號 產生的影響：							
Reclassification	重新分類							
From available-for-sale investments	自可供出售投資	(a) (53,928)	53,928	-	-	-	-	-
Remeasurement	重新計量							
Impairment under ECL model	預期信貸虧損模式下 之減值	(b) -	-	(84,420)	(26,516)	(8,497)	33,603	85,830
Opening balance at 1 January 2018	於 2018 年 1 月 1 日之 期初結餘	-	53,928	1,221,640	373,455	748,824	33,603	(1,586,961)

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

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

From AFS equity investments to FVTOCI

The Group elected to present in other comprehensive income (“OCI”) for the fair value changes of its equity investments previously classified as available-for-sale. The investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, RMB53,928,000 were reclassified from available-for-sale investments to equity instruments at FVTOCI, all of which are related to unquoted equity investments previously measured at cost less impairment under HKAS 39. No fair value gains or losses relating to those unquoted equity investments previously carried at cost less impairment were adjusted to equity instruments at FVTOCI and FVTOCI reserve as at 1 January 2018.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(a) 可供出售（「可供出售」）投資

由可供出售股本投資至透過其他全面收益按公平值列賬

本集團選擇於其他全面收益（「其他全面收益」）呈列其先前分類為可供出售的股本投資的公平值變動。投資並非持作買賣且預期不會在可預見的將來出售。於首次應用香港財務報告準則第9號當日，人民幣53,928,000元由可供出售投資重新分類至透過其他全面收益按公平值列賬之權益工具，其中全部均與香港會計準則第39號項下先前按成本減去減值計量之非報價股本投資相關。概無與先前按成本減去減值列賬之非報價股本投資相關的公平值收益或虧損已於2018年1月1日調整至透過其他全面收益按公平值列賬之股本投資及透過其他全面收益按公平值列賬之儲備。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets and trade receivables. Except for those which had been determined as credit impaired under HKAS 39, contract assets and trade receivables have been assessed in groups classified based on internal credit ratings, past due status and repayment history. The contract assets arising from the construction contracts that are conditional on the satisfaction of the service quality by the customer over a certain period as stipulated in the contracts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial asset at amortised cost, including other receivables and bank balances, is assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

For outstanding financial guarantees provided to an individual of RMB1,200,000, the Group considers there has been no significant increase in credit risk since initial recognition and hence the loss allowance is assessed on 12m ECL basis.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(b) 預期信貸虧損模式項下之減值

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有合同資產及應收貿易款項使用全期預期信貸虧損。除根據香港會計準則第39號被釐定為信貸減值之該等款項外，合同資產及應收貿易款項已按內部信貸評級、逾期狀況及還款記錄分組進行評估。建築合同產生之合同資產須待客戶於合同訂明之一段期間內對服務質素表示滿意後方可作實，並與同類合同之應收貿易款項具有大致相同之風險特徵。因此，本集團按同一基準對應收貿易款項及合同資產估計預期虧損率。

由於信貸風險自首次確認以來並無顯著增加，因此除根據香港會計準則第39號確認的信貸減值外，其他按攤銷成本列賬之金融資產（包括其他應收款項及銀行結餘）的預期信貸虧損乃按12個月預期信貸虧損基準評估。

就向一名個別人士提供之尚未償還財務擔保人民幣1,200,000元而言，本集團認為信貸風險自首次確認以來並無顯著增加，且因此虧損撥備乃按12個月預期信貸虧損基準評估。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(b) Impairment under ECL model (Continued)

As at 1 January 2018, additional credit loss allowance of RMB119,433,000, net of deferred tax asset of RMB33,603,000, has been recognised against retained profits. The additional loss allowance is charged against the respective assets.

All loss allowances, including bank balances, contract assets and trade receivables, as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(b) 預期信貸虧損模式項下之減值（續）

於2018年1月1日，額外信貸虧損撥備人民幣119,433,000元（經扣除遞延稅項資產人民幣33,603,000元）已於保留盈利中確認。額外虧損撥備自各自資產中扣除。

於2017年12月31日的所有虧損撥備（包括銀行結餘、合同資產及應收貿易款項）與於2018年1月1日的期初虧損撥備對賬如下：

		Trade receivables 應收貿易款項 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元	Bank balances 銀行結餘 RMB'000 人民幣千元
At 31 December 2017	於 2017 年 12 月 31 日			
— HKAS 39	— 香港會計準則第39號	14,978	—	—
Reclassification	重新分類	(14,978)	14,978	—
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生的影響：			
Amounts remeasured through opening retained profits	透過期初保留盈利重新計量的金額	84,420	26,516	8,497
At 1 January 2018	於 2018 年 1 月 1 日	84,420	41,494	8,497

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(b) *預期信貸虧損模式項下之減值（續）*

因應用所有新訂準則而產生對期初綜合財務狀況表之影響

由於上述集團會計政策之變動，期初之綜合財務狀況表須作重列。下表呈列就各項受影響項目確認之調整。不受變動影響的項目並不包括在內。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(b) Impairment under ECL model (Continued)

Impacts on opening consolidated statement of financial position arising from the application of all new standards (Continued)

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(b) 預期信貸虧損模式項下之減值（續）

因應用所有新訂準則而產生對期初綜合財務狀況表之影響（續）

		31 December 2017			1 January 2018
		(Audited)	HKFRS 15	HKFRS 9	(Restated)
		2017年	香港財務	香港財務	2018年
		12月31日	報告準則	報告準則	1月1日
		(經審核)	第15號	第9號	(經重列)
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產				
Available-for-sale investments	可供出售投資	53,928	-	(53,928)	-
Equity instruments at FVTOCI	透過其他全面收益按公平值列賬之權益工具	-	-	53,928	53,928
Deferred tax assets	遞延稅項資產	-	-	33,603	33,603
Current assets	流動資產				
Amounts due from customers for contract work	應收客戶合同工程款項	4,466	(4,466)	-	-
Trade receivables	應收貿易款項	1,705,437	(399,377)	(84,420)	1,221,640
Contract assets	合同資產	-	399,971	(26,516)	373,455
Bank balances and cash	銀行結餘及現金	757,321	-	(8,497)	748,824
Current liabilities	流動負債				
Amounts due to customers for contract work	應付客戶合同工程款項	(4,424)	4,424	-	-
Tax liabilities	稅項負債	(32,588)	(138)	-	(32,726)
Capital and reserves	資本及儲備				
Retained profits	保留盈利	(1,672,377)	(414)	85,830	(1,586,961)

For the year ended 31 December 2018 截至2018年12月31日止年度

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

New and amendments to HKFRSs that are mandatorily effective for current year (Continued)

HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

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

Impacts on opening consolidated statement of financial position arising from the application of all new standards (Continued)

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31 December 2018, movements in working capital have been computed based on opening statement of financial position as at 1 January 2018 as disclosed above.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

本年度強制生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第9號金融工具及相關修訂本（續）

首次應用香港財務報告準則第9號之影響概述（續）

(b) *預期信貸虧損模式項下之減值（續）*

因應用所有新訂準則而產生對期初綜合財務狀況表之影響（續）

附註：就截至2018年12月31日止年度根據間接法報告之經營活動產生的現金流量而言，營運資金變動已根據以上披露之2018年1月1日期初財務狀況表計算。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC)–Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第 16 號	租賃 ¹
香港財務報告準則第 17 號	保險合同 ³
香港（國際財務報告詮釋委員會）— 詮釋第 23 號	所得稅處理之不確定性 ¹
香港財務報告準則第 3 號（修訂本）	業務之定義 ⁴
香港財務報告準則第 9 號（修訂本）	具有負補償的提前還款特性 ¹
香港財務報告準則第 10 號及香港會計準則第 28 號（修訂本）	投資者與其聯營公司或合營企業之間的資產出售或注資 ²
香港會計準則第 1 號及香港會計準則第 8 號（修訂本）	重大性之定義 ⁵
香港會計準則第 19 號（修訂本）	計劃修訂、削減或結算 ¹
香港會計準則第 28 號（修訂本）	於聯營公司及合營企業的長期權益 ¹
香港財務報告準則（修訂本）	香港財務報告準則 2015 年至 2017 年週期之年度改進 ¹

- ¹ 於 2019 年 1 月 1 日或之後開始的年度期間生效
- ² 於待定日期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 於 2020 年 1 月 1 日或之後開始之首個年度期間開始當日或之後合併業務及收購資產的收購日生效
- ⁵ 於 2020 年 1 月 1 日或之後開始的年度期間生效

除下述新訂香港財務報告準則及其修訂本外，本公司董事預期，應用所有其他新訂香港財務報告準則及其修訂本將不會對可見將來之綜合財務報表造成重大影響。

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

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

HKFRS 16 Leases

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 16 號租賃

香港財務報告準則第 16 號引入一個綜合模式以供識別租賃安排及出租人及承租人的會計處理。當香港財務報告準則第 16 號生效時，將取代香港會計準則第 17 號租賃及相關詮釋。

財務報告準則第 16 號以識別資產是否由客戶控制為基準來區分租賃及服務合同。此外，香港財務報告準則第 16 號規定售後租回交易根據香港財務報告準則第 15 號有關轉讓相關資產是否應作為銷售列賬的規定而釐定。香港財務報告準則第 16 號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，就承租人會計處理方法，經營租賃及融資租賃的區分已被移除，並由另一種模式取代，該模式要求承租人就所有租賃確認使用權資產及相應負債。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

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

HKFRS 16 Leases (Continued)

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

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 16 號租賃（續）

使用權資產首次按成本計量，並隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債乃按租賃款項（非當日支付）的現值首次確認。其後，租賃負債（其中包括）經利息及租賃付款以及租賃修訂的影響所調整。就現金流量分類而言，本集團現時將有關自用租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第 16 號後，有關租賃負債的租賃款項將分配為本金及利息部分，其將由本集團以融資現金流量呈列，前期預付租賃款項將繼續根據性質以投資或經營現金流量呈列（倘適用）。

根據香港會計準則第 17 號，本集團作為承租人已確認租賃土地之預付租賃款項。應用香港財務報告準則第 16 號可能導致該等資產之分類發生潛在變動，其分類視乎本集團將倘擁有資產時之使用權資產單獨或以相應有關資產的同一項目內呈列。

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

此外，香港財務報告準則第 16 號亦要求較廣泛的披露。

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

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

HKFRS 16 Leases (Continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB9,813,000 as disclosed in note 39. A preliminary assessment indicates that these arrangements will meet the definition of a lease. In addition, the Group currently considers refundable rental deposits paid of RMB541,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

香港財務報告準則第 16 號租賃（續）

誠如附註 39 所披露，於 2018 年 12 月 31 日，本集團擁有不可撤銷的經營租賃承擔人民幣 9,813,000 元。初步評估顯示，該等安排將符合租賃之定義。此外，本集團目前將已支付的可退還租賃按金人民幣 541,000 元視為香港會計準則第 17 號適用的租賃下的權利。根據香港財務報告準則第 16 號下租賃付款的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本。對已支付的可退還租賃按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中。於應用香港財務報告準則第 16 號後，本集團將就所有該等租賃確認使用權資產及相應的負債，除非有關租賃符合低價值或短期租賃。

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

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

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

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

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January, 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

香港會計準則第 1 號及香港會計準則第 8 號（修訂本）重大性之定義

該等修訂本透過列入在作出重要性判斷時的額外指引及解釋，對材料的定義進行完善。該等修訂本亦符合所有香港財務報告準則中的定義，並將於本集團於 2020 年 1 月 1 日開始的年度期間強制生效。應用該等修訂本預期不會對本集團的財務狀況及表現產生重大影響，但可能影響綜合財務報表的呈列及披露。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定的適用披露事項。

綜合財務報表於各報告期末按歷史成本基準編製，下文載列的會計政策對此有所詮釋。

歷史成本一般按就換取貨品及服務所給予代價的公平值計量。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

3. 主要會計政策(續)

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。估計資產或負債之公平值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份為基礎付款交易、香港會計準則第17號租賃範圍內之租賃交易以及與公平值類似但並非公平值的計量(如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

就以公平值交易之金融工具及使用不可觀察輸入之估值方法以計量往後期間之公平值，估值方法會標定以使用於首次確認時，估值方法的結果等同交易價格。

此外，就財務報告而言，公平值計量基於公平值計量輸入數據屬於可觀察所得的程度，及公平值計量輸入數據整體的重要程度，歸類為第1、2或3級別，概述如下：

- 第1級輸入數據為實體可取得的相同資產或負債在計量日期於活躍市場之報價(未經調整)；
- 第2級輸入數據為除計入第1級別的報價以外可就資產或負債直接或間接觀察所得之輸入數據；及
- 第3級輸入數據為不可就資產或負債觀察所得之輸入數據。

主要會計政策載列如下。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of 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.

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

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

3. 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及由本公司控制的實體及其附屬公司的財務報表。當本公司滿足以下要素即擁有控制權：

- 有權控制被投資方；
- 須承受或擁有自參與被投資方營運所得浮動回報的風險或權利；及
- 有能力運用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

綜合附屬公司賬目於本集團取得對附屬公司控制權時開始，並於本集團失去對附屬公司控制權時終止。尤其是，於年內收購或出售附屬公司的收入及開支，會由本集團取得控制權之日期直至本集團失去附屬公司控制權之日期計入綜合損益及其他全面收益表。

附屬公司財務報表已作調整(如需要)，以確保其會計政策與本集團的會計政策一致。

有關本集團成員公司之間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於綜合賬目時悉數對銷。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

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

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

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

3. 主要會計政策(續)

業務合併

業務收購乃採用收購法列賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥資產、本集團對被收購方原擁有人產生之負債及本集團就交換被收購方之控制權發行之股權於收購日期之公平值總和。與收購事項有關之成本一般於產生時在損益賬中確認。

於收購日期，已收購之可識別資產及已承擔負債按其公平值予以確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方以股份為基礎付款安排有關之負債或股本工具或以本集團以股份為基礎付款安排替代被收購方以股份為基礎付款安排乃於收購日期根據香港財務報告準則第2號*以股份為基礎付款*計量(見下文會計政策)；及
- 根據香港財務報告準則第5號*持作出售之非流動資產及已終止經營業務*劃分為持作出售之資產(或出售組合)根據該項準則計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in a joint venture and associates

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.

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

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

3. 主要會計政策(續)

於合營企業及聯營公司之投資

合營企業指一項共同安排，對安排擁有共同控制權之訂約方據此對合營安排資產淨值擁有權利。共同控制權是指按照合同約定對某項安排所共有之控制權，共同控制權僅在相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司為本集團對其具有重大影響的實體。重大影響指本集團有權參與投資對象的財務及營運政策決定，但未能控制或共同控制該等政策。

合營企業及聯營公司之業績及資產與負債按權益會計法於綜合財務報表列賬。權益會計法所用的合營企業及聯營公司財務報表乃採用與本集團類似情況下相似交易及事件所用的會計政策一致的會計政策編製。根據權益法，於合營企業或聯營公司之投資首次按成本於綜合財務狀況表確認，其後作出調整以確認本集團分佔合營企業及聯營公司之損益及其他全面收益。合營企業及聯營公司資產淨值(損益及其他全面收益除外)之變動不會列賬，除非有關變動導致本集團持有之所有權權益發生改變。當本集團分佔合營企業或聯營公司之虧損超過本集團於該合營企業及聯營公司之權益(包括實質屬於本集團於合營企業及聯營公司之投資淨值之任何長期權益)時，本集團不再確認其分佔之進一步虧損。僅在本集團已招致法定或推定責任或代表該合營企業或聯營公司支付款項之情況下確認額外虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in a joint venture and associates (Continued)

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

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

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

3. 主要會計政策(續)

於合營企業及聯營公司之投資(續)

於被投資方成為一間合營企業及聯營公司當日，於合營企業及聯營公司之投資採用權益法列賬。於收購於合營企業或聯營公司之投資時，投資成本超過本集團所佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公平淨值高於投資成本，則於收購投資期間即時在損益內確認。

本集團評估是否存在客觀證據顯示於一間聯營公司或合營企業的權益可能存在任何減值。如存在任何客觀證據，有關投資(包括商譽)之全部賬面值根據香港會計準則第36號作為單一資產，透過比較可收回金額(使用價值與公平值減出售成本之較高者)與賬面值進行減值測試。任何已確認減值虧損構成投資賬面值之一部分。根據香港會計準則第36號，有關減值虧損之任何撥回於該項投資可收回金額其後增加時確認。

當集團實體與本集團合營企業或聯營公司交易時，與合營企業及聯營公司的交易所產生盈利及虧損於本集團綜合財務報表內確認，惟以與本集團無關聯的合營企業及聯營公司投資為限。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

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

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

3. 主要會計政策(續)

客戶合同之收益(根據附註2的過渡條文應用香港財務報告準則第15號)

根據香港財務報告準則第15號，當(或於)滿足履約義務時，本集團確認收入，即於特定履約義務的相關貨品或服務的「控制權」轉讓予客戶時確認。

履約義務指不同的貨品及服務(或一組貨品或服務)或不同的貨品及大致相同的服務。控制權隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約義務的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一資產，該資產於創建或強化之時即由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收益於客戶獲得貨品或服務控制權的時間點確認。

合同資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

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 the same contract are accounted for and presented on a net basis.

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

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

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 sold and services provided in the normal course of business and net of sales related taxes.

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

3. 主要會計政策(續)

客戶合同之收益(根據附註2的過渡條文應用香港財務報告準則第15號)(續)

合同負債指本集團因已自客戶收取代價(或已可自客戶收取代價)，而須轉讓貨品或勞務予客戶之義務。

與相同合同有關的合同資產及合同負債以淨額列賬。

隨時間確認收益：完成滿足履約義務進度的計量

產出法

完全滿足履約進展乃基於產出法計量，即基於迄今為止向客戶轉移的貨品或服務相對於合同下承諾之剩餘貨品或服務的價值直接計量，以來自來確認收益，此最佳反映本集團在轉移貨品或服務控制權方面的履約義務完成程度。

確認收益(於2018年1月1日前)

收益乃按已收或應收代價的公平值計算，指日常業務過程中所銷售貨品及所提供服務的應收款項，並扣除銷售相關稅項。

當收益金額能可靠計量、未來經濟利益可能流入本集團及當已達成下文所述本集團各項活動的特定標準時，則確認收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Goods, interests and rental

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

Sales of scrapped goods

Revenue from sales of goods is recognised when the goods are delivered and titles have passed.

Interest income

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

Rental income

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

Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised using the percentage of completion method, measured by reference to the value of work performed during the year. 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.

3. 主要會計政策(續)

確認收益(於 2018 年 1 月 1 日前)(續)

貨品、利息及租金

本集團確認建築服務所得收益的會計政策乃於下文有關建築合同的會計政策載述。

銷售報廢貨品

銷售貨品的收益於貨品交付及擁有權轉移時確認。

利息收入

金融資產的利息收入於經濟利益將流入本集團時及其金額能可靠計量時確認。利息收入以時間基準，參考未清償本金額及適用實際利率累計。適用實際利率指於金融資產預計年期將估計未來現金收入準確折現至該資產於首次確認時的賬面淨值的利率。

租金收入

本集團確認經營租賃收益的會計政策於下文租賃之會計政策載述。

建築合同

倘建築合同的結果能夠可靠估計，則收益及成本按完工百分比方法(即參照年內施工價值計量)予以確認。合同工程、索償及獎金付款的變更乃僅當相關金額能夠可靠地計量並認為有可能收回時予以列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Construction contracts (Continued)

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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 for work performed to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

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 purpose (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

3. 主要會計政策(續)

確認收益(於 2018 年 1 月 1 日前)(續)

建築合同(續)

倘建築合同的結果無法可靠估計，則合同收益僅會以可能收回的所產生合同成本為限予以確認。合同成本於其產生期間確認為開支。

當總合同成本將有可能高於總合同收益時，預期虧損會即時確認為開支。

倘迄今所產生的合同成本加已確認盈利減已確認虧損超逾進度款，則該盈餘會列作應收客戶合同工程款項。就合同而言，倘進度款超逾迄今施工所產生的合同成本加已確認盈利減已確認虧損，則該盈餘會列作應付客戶合同工程款項。於進行有關工程前已收取的款項作為一項負債(作為預收款)計入綜合財務狀況表。客戶尚未支付的已完工工程的應付款項計入綜合財務狀況表中的應收貿易款項。

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提供服務或作行政用途的樓宇(下文所述的在建工程除外)，乃於綜合財務狀況表內按成本減後續累計折舊及後續的累計減值虧損(如有)列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Construction in progress including property, plant and equipment in the course of construction for production, administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight line basis over the terms of the relevant lease.

3. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目(在建工程除外)按其估計可使用年期,經扣除其剩餘價值後以直線法確認折舊以撇銷成本。估計可使用年期、剩餘價值及折舊法於各報告期末作檢討,並按前瞻性基準將任何估算變動的影響列賬。

在建工程包括作生產或行政用途的興建中物業、廠房及設備,乃按成本減任何已確認減值虧損列賬。成本包括專業費及根據本集團會計政策資本化的貸款成本(就合資格資產而言)。該等物業於竣工及可作擬定用途時被歸類至物業、廠房及設備的適當類別。當該等資產可作擬定用途時,開始進行折舊,其基準與其他物業資產相同。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時取消確認。出售或棄置物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與有關資產賬面值的差額計算,並於損益中確認。

租賃

當租賃條款已將所有權的絕大部分風險及回報轉讓予承租人時,租賃分類為融資租賃。其他所有租賃分類為經營租賃。

本集團作為出租人

經營租賃的租金收入於相關租期內按直線基準於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight line basis over the lease terms of the relevant lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid land lease payments” in the consolidated statement of financial position and is amortised over the lease terms on a straight line basis. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

經營租賃付款(包括收購根據經營租賃持有土地的成本)於有關租賃租期以直線法確認為開支。倘訂立經營租約時獲得租賃優惠,則有關優惠會確認為負債。優惠總利益以直線法確認為扣減租金開支。

租賃土地及樓宇

當本集團支付物業權益(包括租賃土地及樓宇部分)款項時,本集團根據對附於各部分所有權的絕大部分風險及回報是否已轉移至本集團的評估,分別將各部分的分類評定為融資或經營租賃,除非土地及樓宇部分均明確為經營租賃,於此情況下整項物業列為經營租賃。具體而言,最低租賃款項(包括任何一次性預付款項)於首次確認時按土地部分及樓宇部分中的租賃權益相對公平值比例於租賃土地與樓宇部分間分配。

倘相關款項能可靠分配,則以經營租賃列賬的租賃土地權益於綜合財務狀況表中列為「預付土地租賃款項」,且於租期內按直線法攤銷。倘租賃款項不能於租賃土地及樓宇部分之間可靠分配,則整項物業一般會分類為融資租賃項下之租賃土地。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible assets

At the end of reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the tangible asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Inventories

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

Research expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. 主要會計政策(續)

有形資產減值

於各報告期末，本集團審閱其有形資產賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘出現有關跡象，則估計資產的可收回金額，以釐定減值虧損的程度(如有)。

可收回款項乃公平值減出售成本及使用價值較高者。於評估使用價值時，估計未來現金流量乃採用稅前折現率折現為彼等現值，反映對貨幣時間價值的當前市場評估及該資產特定的風險(未針對該風險調整估計未來現金流量)。

倘估計資產的可收回金額低於其賬面值，則會將資產賬面值減少至可收回金額。減值虧損會即時於損益確認。

倘減值虧損於其後撥回，則該有形資產的賬面值會增加至其經修訂估計可收回金額，惟經調高的賬面值不得超逾倘該資產於過往年度並無確認減值虧損而釐定的賬面值。減值虧損撥回會即時於損益確認為收入。

存貨

存貨按成本及可變現淨值的較低者列賬。存貨成本按加權平均成本法釐定。可變現淨值指存貨估計售價減所有完成的估計成本及達成銷售所需成本。

研究開支

研究活動開支於其產生期間確認為開支。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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 paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as other income.

3. 主要會計政策(續)

金融工具

金融資產及金融負債於集團實體成為該工具合同條文的訂約方時於綜合財務狀況表確認。所有常規方式買賣的金融資產概於買賣日期/結算日期予以確認及取消確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的金融資產買賣。

金融資產及金融負債首次以公平值計量，惟產生自與客戶的合同之應收貿易款項(自 2018 年 1 月 1 日起首次按香港財務報告準則第 15 號計量)除外。收購或發行金融資產及金融負債直接應佔的交易成本於首次確認時加入或從金融資產或金融負債的公平值扣除(倘適用)。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於首次確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切折現估計未來現金收入及款項(包括構成實際利率不可或缺部分的所有已付或已收費用、交易成本及其他溢價或折現)至賬面淨值的利率。

於本集團日常業務過程中產生的利息收入以其他收入呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at financial assets at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量(根據附註2的過渡條文應用香港財務報告準則第9號)

滿足以下條件其後按攤銷成本計量的金融資產：

- 以收取合同現金流量為目的之經營模式下持有之金融資產；及
- 合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件其後透過其他全面收益按公平值列賬計量的金融資產：

- 目的可透過收取合同現金流量及出售達成之經營模式下持有之金融資產；及
- 合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後透過損益按公平值列賬(「透過損益按公平值列賬」)計量，惟在首次應用/首次確認金融資產之日，倘該股本投資並非持作買賣，亦非收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收益呈列股本投資公平值的其後變動。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

倘符合下列條件，則金融資產乃分類為持作買賣：

- 其乃主要獲收購以於短期內出售；或
- 於首次確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 其屬並非指定及作為對沖工具生效的衍生工具。

此外，倘如此可消除或大幅減少會計錯配，則本集團可不可撤銷地指定符合按攤銷成本或透過其他全面收益按公平值列賬(透過損益按公平值列賬計量)計量的金融資產。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後透過其他全面收益按公平值列賬計量之債務工具/應收款項乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總額應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總額應用實際利率予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, contract assets, bank balances 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, 12-month ECL ("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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

(ii) 指定為透過其他全面收益按公平值列賬之權益工具

指定為透過其他全面收益按公平值列賬之權益工具的投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收益確認及於透過其他全面收益按公平值列賬之儲備累積；毋須作減值評估。累計收益或虧損將不重新分類至出售股本投資之損益，並將繼續於透過其他全面收益按公平值列賬之儲備中持有。

當本集團確認收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益中「其他收入」的項目中。

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括應收貿易款項及其他應收款項、合同資產、銀行結餘及財務擔保合同)及合同資產確認預期信貸虧損的虧損準備。預期信貸虧損的金額於各報告日期更新，以反映自首次確認後信貸風險的變化。

全期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)將預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed in groups classified based on internal credit ratings, past due status and repayment history.

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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

本集團始終就應收貿易款項及合同資產確認全期預期信貸虧損。該等資產之預期信貸虧損已按內部信貸評級、逾期狀況及還款記錄分組進行評估。

對於所有其他工具而言，本集團計量的虧損準備等於12個月預期信貸虧損，除非自首次確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自首次確認以來發生違約之可能性或風險的顯著增加。

(i) *信貸風險顯著增加*

於評估自首次確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與首次確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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 internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(i) 信貸風險顯著增加(續)

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 債務人監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人履行其債務責任能力大幅下降。

不論上述評估之結果如何，本集團認為，當合同付款逾期超過30天，則自首次確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(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).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(i) 信貸風險顯著增加(續)

就財務擔保合同而言，本集團不可撤回成為該承擔的相關方當日，被視為評估金融工具減值的首次確認日。在評估信貸風險在首次確認財務擔保合同後有否大幅攀升時，本集團會考慮該特定債務人違約所引起的風險變動。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險顯著增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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 reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財政困難；
- (b) 違反合同(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財政困難的經濟或合同理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 因財政困難導致金融資產無法在活躍市場繼續交易。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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.

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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(iv) *撇銷政策*

資料顯示交易對手處於嚴重財政困難及無實際收回可能時(例如交易對手被清盤或已進入破產程序時),本集團則撇銷金融資產。經考慮法律意見後(倘合適),遭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。撇銷構成取消確認事項。任何其後收回在損益中確認。

(v) *預期信貸虧損之計量及確認*

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的預估乃無偏概率加權平均金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸虧損為根據合同應付本集團之所有合同現金流量與本集團預期收取之所有現金流量之間的差額(按首次確認時釐定之有效利率折現)。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) *Measurement and recognition of ECL (Continued)*

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the internal credit ratings, past due status and repayment history basis:

- Nature of financial instruments (i.e. the Group's trade receivables and contract assets are each assessed as a separate group, bank balances and other receivables are assessed in an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(v) *預期信貸虧損之計量及確認(續)*

對於財務擔保合同而言，本集團僅在根據被擔保的工具條款，債務人發生違約的情況下才進行付款。因此，預期損失為本集團就該合同持有人發生的信貸虧損向其做出賠付的預計付款額，減去本集團預期向該持有人、債務人或任何其他方收取的金額之間的差額的現值。

對於財務擔保合同的預期信貸虧損而言，本集團將採用折現率反映針對貨幣的時間價值及特定於現金流量的風險的當前市場評估，前提是僅當此類風險是通過調整折現率(而非調整正在折現的現金短缺)予以考慮。

倘預期信貸虧損以組合方式計量，或針對個別工具層面的證據尚不可得，則金融工具按內部信貸評級、逾期狀況及還款記錄基準分組：

- 金融工具性質(即本集團應收貿易款項及合同資產分別作為單獨組別進行評估，銀行結餘及其他應收款項單獨進行評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 可獲得的外部信貸評級。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets and bank balances where the corresponding adjustment is recognised through a loss allowance account.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(v) *預期信貸虧損之計量及確認(續)*

管理層定期對分組進行檢查，以確保每個分組之組成部分仍具有類似信貸風險特徵。

利息收入根據金融資產的賬面總額計算，但金融資產發生信貸減值的情況除外，此時利息收入根據金融資產的攤餘成本計算。

對於財務擔保合同而言，損失準備為根據香港財務報告準則第9號所確定的損失準備金額和首次確認金額酌情減去擔保期內確認的累計收入金額之間的較高者。

本集團透過調整所有金融工具的賬面值，以於損益確認彼等之減值收益或虧損，惟透過虧損撥備賬確認相應調整之應收貿易款項、合同資產及銀行結餘則除外。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: 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.

AFS financial assets

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

Equity securities held by the Group that are classified as AFS and are traded in an active market are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(於2018年1月1日應用香港財務報告準則第9號前)

金融資產分類為以下具體類別：可供出售金融資產以及貸款及應收款項。分類視乎金融資產的性質及目的而定並於首次確認時釐定。所有以常規方式購入或出售之金融資產均按買賣日期／結算日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

可供出售金融資產

可供出售金融資產為指定為可供出售或不可分類為透過損益按公平值列賬之金融資產、貸款及應收款項或持至到期投資之非衍生工具。

本集團持有分類為可供出售並於活躍市場交易之股本證券於各報告期末按公平值計量，惟公平值無法可靠計量之未報價股本投資除外。可供出售股本投資之股息於本集團收取股息之權利獲確立時於損益內確認。可供出售金融資產賬面值之其他變動於其他全面收益內確認並於投資重估儲備項下累計。倘投資被出售或釐定為出現減值，先前於投資重估儲備中累計之累計收益或虧損將重新分類至損益。

並無於活躍市場報價及公平值無法可靠計量之可供出售股本投資，於各報告期末按成本減任何已識別減值虧損計量。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(於 2018 年 1 月 1 日應用香港財務報告準則第 9 號前)(續)

貸款及應收款項

貸款及應收款項為並未於活躍市場內報價而附帶固定或可釐定付款的非衍生金融資產。於首次確認後，貸款及應收款項(包括應收貿易款項、其他應收款項及銀行結餘及現金)採用實際利率法按攤銷成本減任何減值計量(見下文有關金融資產減值虧損的會計政策)。

利息收入使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

金融資產減值(於 2018 年 1 月 1 日應用香港財務報告準則第 9 號前)

金融資產乃於各報告期末評估減值跡象。當有客觀證據顯示金融資產之估計未來現金流量因於首次確認金融資產後發生的一項或多項事件而受到影響，則該等金融資產被視為已減值。

就可供出售股本投資而言，倘證券的公平值大幅或持續跌至低於其成本，則視為減值的客觀證據。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

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

- significant financial difficulty of the issuer or counterparty;
- 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.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

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

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. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於 2018 年 1 月 1 日應用香港財務報告準則第 9 號前)(續)

就所有其他金融資產而言，減值的客觀證據包括：

- 發行人或交易對手出現重大財政困難；
- 違約，如逾期或拖欠利息或本金付款；或
- 借款人有可能面臨破產或財務重組。

應收款項組合的客觀減值證據可包括本集團過往收款的經驗、國家或本地經濟狀況出現明顯變動導致應收款項未能償還。

就以攤銷成本列賬的金融資產而言，減值虧損金額按資產賬面值與按金融資產的原實際利率對估計未來現金流量進行折現後的現值兩者之間的差額確認。

就所有金融資產而言，金融資產的賬面值直接按減值虧損扣減，惟應收貿易款項除外，其賬面值乃透過使用撥備賬目而扣減。撥備賬目的賬面值變動於損益確認。倘應收貿易款項被認為無法收回，則於撥備賬目內撇銷。過往已撇銷的款項於其後收回，則計入損益中。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income and reclassified to profit or loss in the period.

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於 2018 年 1 月 1 日應用香港財務報告準則第 9 號前)(續)

倘可供出售金融資產被視為減值，先前於其他全面收益內確認之累計收益或虧損於期內重新分類至損益。

就按攤銷成本計量的金融資產而言，倘於其後期間減值虧損的數額減少，而是項減少可能與確認減值虧損後的某一事件有客觀聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日資產的賬面值不得超逾未確認減值時的攤銷成本。

就可供出售股本投資而言，先前已於損益確認之減值虧損不會透過損益撥回。於減值虧損後之公平值任何增加於其他全面收益中確認及於投資重估儲備累計。就可供出售債務投資而言，倘投資公平值之增加能在客觀上與確認減值虧損後發生之事件有關，則減值虧損其後透過損益撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

僅當收取資產現金流量的合同權利屆滿時，或將其金融資產及資產所有權的絕大部分風險及回報轉移予另一實體時，本集團方會終止確認金融資產。

於全面終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認並於權益累計的累計收益或虧損總和之間的差額乃於損益內確認。

於應用香港財務報告準則第9號後終止確認一項本集團在首次確認時選擇透過其他全面收益按公平值列賬計量之權益工具投資時，先前於透過其他全面收益按公平值列賬之儲備累計之累計收益或虧損並不會重新分類至損益，而轉撥至保留盈利。

於終止確認可供出售金融資產時，先前於投資重估儲備累計之累計收益或虧損重新分類至損益。

金融負債及權益工具

分類為債務或權益

債務及權益工具乃根據合同安排的內容與金融負債及股本工具的定义分類為金融負債或權益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade payables, other payables, amounts due to associates, corporate bonds and short-term borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer (i.e. the guarantor) to make specified payments to reimburse the holder (i.e. the beneficiary of the guarantee) for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of obligation under the contract, as determined in accordance with HKFRS 9 (since 1 January 2018)/HKAS 37 Provisions, Contingent Liabilities and Contingent Assets (before application of HKFRS 9 on 1 January 2018); and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

權益工具

權益工具為證明實體資產具有剩餘權益(經扣除其所有負債)的任何合同。由本集團發行的權益工具乃按所收取的所得款項(扣除直接發行成本)確認。

金融負債

金融負債(包括應付貿易款項、其他應付款項、應付聯營公司款項、公司債券及短期貸款)其後使用實際利率法按攤銷成本計量。

財務擔保合同

財務擔保合同乃規定發行人(即擔保人)在某債務人未能按照某債務工具之條款在到期時付款而出現虧損時向持有人(即擔保之受益人)作出具體償付之合同。

本集團發行之財務擔保合同首次按公平值計量，倘非指定為按公平值計入損益，其後以下列各項之較高者計量：

- (i) 根據香港財務報告準則第9號(自2018年1月1日起)/香港會計準則第37號撥備、或然負債及或然資產(於2018年1月1日應用香港財務報告準則第9號前)釐定合同項下責任之金額；及
- (ii) 首次確認之金額減去於擔保期間確認之累計攤銷(如適用)的金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement of monetary items and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

終止確認金融負債

當且僅當本集團責任獲解除、註銷或屆滿時，本集團終止確認金融負債。所終止確認的金融負債的賬面值與已付及應付代價的差額乃於損益內確認。

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易均按交易當日的當時匯率確認。於報告期末，以外幣計值的貨幣項目按該日的當時適用匯率重新換算。按歷史成本以外幣計值的非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目產生的匯兌差額均於彼等產生期間在損益內確認。

政府補助

於費用或損失的補償賬項產生或為在沒有未來相關成本的情況下給予本集團即時財務支持時應收的政府補助，在可收期間的損益內確認。

貸款成本

貸款成本在其產生的時期內於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in a joint venture and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策(續)

稅項

所得稅開支為現時應付稅項及遞延稅項的總和。

現時應付稅項乃根據年內應課稅盈利計算。應課稅盈利與除稅前盈利／虧損有別，乃由於其他年度應課稅或可扣稅的收入或開支及從未課稅或扣稅項目。本集團的即期稅項負債乃使用於報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項乃按綜合財務報表資產及負債的賬面值與計算應課稅盈利採用的相應稅基之間的暫時性差額確認。遞延稅項負債一般就全部應課稅暫時性差額確認。當可能出現應課稅盈利以供抵銷可扣稅暫時性差額時，則遞延稅項資產一般就全部可扣稅暫時性差額確認。倘由首次確認某項交易的資產及負債產生的暫時性差額並不影響應課稅盈利及會計盈利，則不會確認該等遞延稅項資產及負債。

投資附屬公司及於一間合營企業及聯營公司之權益所產生的應課稅暫時性差額須確認遞延稅項負債，惟倘本集團可控制撥回暫時性差額及暫時性差額可能不會在可見將來撥回者則除外。因該等有關投資及利息所產生的可扣減暫時性差額而形成的遞延稅項資產，將有足夠的應課稅盈利可能出現，並利用該暫時性差額的利益及預期在可見將來可被撤回時方可確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產的賬面值會於報告期末作檢討，並扣減至應課稅盈利不可能足以收回全部或部分資產為止。

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用的稅率(以報告期末已生效或實質上已生效的稅率(及稅法)為基準)計算。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或償還其資產及負債賬面值的方式的稅項結果。

當擁有法定行使權可將即期稅項資產與即期稅項負債相互抵銷且其與由同一稅項機關所徵收的所得稅有關，而本集團有意按淨額基準清償即期稅項負債及資產，即遞延稅項資產可與遞延稅項負債互相抵銷。

即期及遞延稅項於損益內確認，惟關於在其他全面收益內或直接在權益中確認的項目有關者除外，在此情況下即期及遞延稅項亦於其他全面收益內或直接在權益中分別確認。當即期稅項或遞延稅項產生自業務合併之首次會計處理，稅項影響則包括在業務合併的會計處理內。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Retirement benefit costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 主要會計政策(續)

短期及其他長期僱員福利

短期僱員福利乃按僱員提供服務時預期將予支付之未折現福利金額確認。除非另一香港財務報告準則要求或准許將該福利計入資產成本，否則所有短期僱員福利均確認為開支。

僱員之應計福利(例如工資及薪金、年假及病假)乃於扣減任何已付金額後確認負債。

其他長期僱員福利確認之負債按本集團就僱員直至報告日期所提供服務將作出的估計未來現金流出之現值計量。負債賬面值因服務成本、利息及重新計量產生之任何變動於損益確認，惟另一香港財務報告準則要求或准許將其計入資產成本除外。

退休福利成本

強制性公積金計劃及國家管理的退休計劃供款乃於僱員因提供服務而享有供款時確認為開支。

以股權結算以股份為基礎付款交易

向僱員或提供類似服務的其他人士作出之以股權結算以股份為基礎付款乃以股權工具於授出日期的公平值計量。

就於授出日期即時歸屬之購股權而言，所授出購股權之公平值即時於損益支銷。

購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於屆滿日期仍未行使，過往於購股權儲備確認之金額將轉撥至保留盈利。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策(續)

撥備

倘本集團現時因過往事件產生法定或推定責任，而本集團可能須抵償該責任，且責任金額能夠可靠估計時確認撥備。

確認為撥備之金額乃經考慮責任所附帶之風險及不確定因素後，根據報告期末為抵償該當前責任而須承擔之代價之最佳估計確認。倘撥備使用抵償該當前責任之估計現金流量計量，其賬面值為該等現金流量之現值。

倘用以償還撥備之部分或全部經濟溢利預期將由第三方收回，則當實質上確認將收到償款且應收金額能可靠計量時，應收款項方確認為資產。

4. 估計不確定性的主要來源

本公司董事在應用本集團的會計政策(載述於附註3)時，董事需要就不可從表面上即時自其他來源得出的資產及負債賬面值作出估計及假設。估計及相關假設乃按過往經驗及被視為相關的其他因素得出。實際結果可能會有別於該等估計。

估計及相關假設乃按持續基準檢討。倘會計估計的修訂僅影響修訂期間，則會於修訂有關估計期間確認該修訂，或倘修訂影響當前及未來期間，則會於修訂期間及未來期間確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Onerous contracts

The Group determines whether contracts with customers are onerous contracts based on the latest available budgets of those contracts with reference to the overall contracts consideration of each contract which requires management's best estimates and judgements. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Because of the nature of the construction industry, the management regularly reviews the progress of the contracts and the estimated construction revenue and budgeted costs. Any change in the estimates of construction revenue or budgeted cost will affect the amount of foreseeable losses arising from onerous contracts recognised in the profit or loss in the year of the change.

4. 估計不確定性的主要來源(續)

以下為有關未來的主要假設以及於報告期末的估計不明朗因素的其他主要來源，此等假設及不明朗因素具有導致下一財政年度內的資產及負債賬面值出現重大調整的重大風險。

虧損性合同

本集團根據合同的最新可得預算並參考各合同的整體合同代價決定客戶合同是否為虧損性合同，該過程須管理層進行最佳估計及判斷。建築收益乃根據相關合同所列條款估計。由於建築行業的性質使然，管理層需定期檢討合同進度以及估計建築收益及預算成本。估計建築收益或預算成本的任何變動均將影響預期於變動年度於損益中確認的虧損性合同產生的可預見虧損金額。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Fair value measurement of financial instruments

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company are responsible in determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation. The directors of the Company work closely with the independent qualified professional valuers to establish the appropriate valuation techniques and inputs to the model. The directors regularly assess the impact and the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain financial instruments. Note 42 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

Provision of ECL for trade receivables and contract assets

The management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings, past due status and repayment history of respective trade receivables and contract assets. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 42.

4. 估計不確定性的主要來源(續)

金融工具公平值計量

就財務報告而言，本集團有部分資產均以公平值計量。本公司董事負責釐定適當之估值方法及輸入數據去計量公平值。

在估計資產的公平值時，本集團盡可能使用可觀察市場數據。在並無第一級的輸入數據的情況下，本集團委聘獨立合資格專業估值師進行估值。本公司董事與獨立合資格的專業估值師緊密合作，為模式制定適當的估值方法及輸入數據。董事定期評估資產公平值波動的影響及原因。

本集團採用包括並非根據可觀察市場數據之資料的估值方法估計若干金融工具的公平值。有關用於釐定各資產公平值的估值方法、輸入數據及關鍵假設的詳細資料載於附註42。

有關應收貿易款項及合同資產之預期信貸虧損撥備

本集團管理層經考慮應收貿易款項及合同資產各自之內部信貸評級、逾期狀況及還款記錄後，透過具有類似虧損型態的不同債務人組別使用撥備矩陣估計應收貿易款項及合同資產之全期預期信貸虧損。估計虧損率乃基於債務人預期年期中的可觀察歷史違約率並根據前瞻性資料作出調整。於每個報告日期，歷史觀察違約率會重新評估並會考慮前瞻性資料中的變動。

預期信貸虧損的撥備易受預測變動影響。有關預期信貸虧損及本集團應收貿易款項及合同資產的資料於附註42披露。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

5. REVENUE

A. For the year ended 31 December 2018

(i) *Disaggregation of revenue from contracts with customers*

		2018 2018 年 RMB'000 人民幣千元
Types of services	服務類型	
Construction of	建設	
— Steel structure projects	— 鋼結構項目	968,313
— Prefabricated construction projects	— 預製構件建築項目	532,998
Revenue from contracts with customers	客戶合同之收益	1,501,311
Timing of revenue recognition	收益確認時間	
Over time	於一段時間內	1,501,311

(ii) *Performance obligation for contracts with customers*

Construction services

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using output method.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to three years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

5. 收益

A. 截至 2018 年 12 月 31 日止年度

(i) 劃分客戶合同之收益

		2018 2018 年 RMB'000 人民幣千元
Types of services	服務類型	
Construction of	建設	
— Steel structure projects	— 鋼結構項目	968,313
— Prefabricated construction projects	— 預製構件建築項目	532,998
Revenue from contracts with customers	客戶合同之收益	1,501,311
Timing of revenue recognition	收益確認時間	
Over time	於一段時間內	1,501,311

(ii) 客戶合同之履約責任

建築服務

本集團向客戶提供建築服務。隨著本集團創建或增強客戶在資產創建或增強時控制的資產，該等服務被確認為於一段時間內履行履約責任。根據合同完成階段使用產出法確認該等建築服務的收益。

應收保留金於缺陷責任期屆滿前分類為合同資產，自實際完工日期起介乎一至三年。當缺陷責任期屆滿時，合同資產的有關金額重新分類為應收貿易款項。缺陷責任期用於保證所執行的施工服務符合協定的規格，且該保險不能單獨購買。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

5. REVENUE (Continued)

A. For the year ended 31 December 2018 (Continued)

- (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

Within one year

5. 收益(續)

A. 截至 2018 年 12 月 31 日止年度 (續)

- (iii) 分攤至與客戶訂立合同之餘下履約責任之交易價格

於 2018 年 12 月 31 日，分攤至餘下履約責任(未完成或部分未完成)的交易價格及確認收益的預期時間如下：

Construction
contracts
建築合同
RMB'000
人民幣千元

一年內

162,322

B. For the year ended 31 December 2017

Revenue represents the revenue arising from construction contracts.

B. 截至 2017 年 12 月 31 日止年度

收益指自建業合同產生的收益。

6. SEGMENT INFORMATION

The Group's operating activities are attributable to the operating segments focusing on the construction of steel structure and prefabricated construction projects. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the executive directors of the Company who are the chief operating decision makers of the Group (the "CODM"). The executive directors review revenue and gross margin analysis by each construction contract for the purpose of resource allocation and performance assessment.

6. 分部資料

本集團的經營活動歸屬於經營分部，該等分部專注於鋼結構及預製構件建築項目的建築施工。該等經營分部乃按內部管理報告基準確定，而內部管理報告由本公司執行董事(彼等為本集團主要經營決策者(「主要經營決策者」))定期檢討。執行董事審閱各建築合同的收益及毛利率分析，以進行資源分配及表現評估。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

6. SEGMENT INFORMATION (Continued)

For segment reporting under HKFRS 8 *Operating Segments*, the revenue and gross margin of each construction contract with similar economic characteristics has been aggregated into a single reportable and operating segment. The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. The segment revenue and segment result (i.e. gross margin) reviewed by the CODM is the same as the Group's revenue and gross profit.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Entity-wide information

An analysis of the Group's revenue by major types of construction contracts is as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Construction of	建設		
— Steel structure projects	— 鋼結構項目	968,313	848,253
— Prefabricated construction projects	— 預製構件建築項目	532,998	563,492
		1,501,311	1,411,745

Geographical information

No geographical segment information is presented as all the Group's revenue is derived from operations in the PRC and over 99% of the Group's non-current assets are located in the PRC.

6. 分部資料(續)

就香港財務報告準則第8號經營分部下的分部報告而言，各份具類似經濟特點建築合同的收益及毛利率已合併為單一可呈報及經營分部。經營分部的會計政策與附註3所述本集團的會計政策相同。經主要經營決策者審閱的分部收益及分部業績(即毛利率)與本集團的收益及毛利相同。

主要經營決策者根據各分部的經營業績作出決策。並無呈列分部資產及分部負債的分析，原因為主要經營決策者並無定期審閱該等資料以進行資源分配及表現評估。因此，僅呈列分部收益及分部業績。

實體範圍資料

本集團按建築合同主要類別劃分的收益分析如下：

地區資料

由於本集團的收益全部源自中國的營運，而本集團逾99%的非流動資產亦全部位於中國，故並無呈列地區分部資料。

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6. SEGMENT INFORMATION

(Continued)

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Customer A ¹	客戶 A ¹	184,218	296,828

¹ Revenue from construction of prefabricated construction projects.

6. 分部資料(續)

有關主要客戶的資料

於有關年度，所貢獻的收益佔本集團總收益逾 10% 的客戶如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
		184,218	296,828

¹ 來自建設預製構件建築項目的收益。

7a. OTHER INCOME

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Sales of scrapped materials	廢料銷售	4,857	4,668
Interest income on bank deposits	銀行存款利息收入	4,058	3,163
Rental income	租金收入	2,166	2,154
Government grants	政府補助	1,809	-
		12,890	9,985

7a. 其他收入

7b. OTHER GAINS AND LOSSES

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Net exchange (loss) gain	匯兌(虧損)收益淨額	(24,683)	7,579
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(25)	-
		(24,708)	7,579

7b. 其他收益及虧損

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8. FINANCE COSTS

8. 財務成本

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interests on short-term borrowings	短期貸款的利息	1,355	5,782
Interests on corporate bonds	企業債券利息	35,389	1,574
		36,744	7,356

9. IMPAIRMENT LOSSES

9. 減值虧損

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Impairment losses on:	有關下列各項之減值虧損：		
— Trade receivables	— 應收貿易款項	12,025	14,978
— Contract assets	— 合同資產	6,268	—
— Bank balances	— 銀行結餘	10,226	—
		28,519	14,978

Details of impairment assessment for the year ended 31 December 2018 are set out in note 42.

截至 2018 年 12 月 31 日止年度之減值評估詳情載於附註 42。

10. INCOME TAX EXPENSE

10. 所得稅開支

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	83,508	87,021
Deferred tax credit (note 22)	遞延稅項抵免(附註 22)	(7,130)	—
		76,378	87,021

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

中國企業所得稅撥備乃按根據本公司的中國附屬公司適用的有關所得稅法律及法規計算的估計應課稅盈利作出。

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10. INCOME TAX EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the Company's PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，本公司中國附屬公司的稅率為25%。

由於本集團於兩個年度並無在香港產生任何應課稅盈利，故此並未計提香港利得稅撥備。

年內的所得稅開支可與綜合損益及其他全面收益表所列的除稅前盈利對賬如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit before tax	除稅前盈利	215,390	314,221
Tax at the PRC Enterprise Income Tax rate of 25% (2017: 25%)	按中國企業所得稅稅率25%計算的稅項(2017年：25%)	53,848	78,555
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	22,324	9,355
Tax effect of tax loss not recognised	尚未確認稅項虧損的稅務影響	206	-
Tax effect of loss utilised	已動用虧損的稅務影響	(50)	(51)
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(392)	(1,352)
Tax effect of share of profit of a joint venture	分佔一間合營企業盈利之稅務影響	(83)	(102)
Tax effect of share of loss of associates	分佔聯營公司虧損之稅務影響	278	-
Others	其他	247	616
Income tax expense for the year	年內所得稅開支	76,378	87,021

Details of the deferred taxation are set out in note 22.

有關遞延稅項之詳情載於附註22。

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11. PROFIT FOR THE YEAR

11. 年內盈利

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Profit for the year has been arrived at after charging (crediting):	經扣除(計入)以下各項後達致的年內盈利：		
Auditor's remuneration-audit services	核數師酬金 — 核數服務	2,742	3,828
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16,830	16,528
Less: amounts recognised in cost of sales/capitalised in contract work in progress	減：於銷售成本確認／在建合同工程中撥充為資本的款項	(13,435)	(13,730)
		3,395	2,798
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,414	1,257
Less: amounts recognised in cost of sales/capitalised in contract work in progress	減：於銷售成本確認／在建合同工程中撥充為資本的款項	(1,414)	(1,257)
		-	-
Staff costs (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries and other benefits	薪金及其他福利	54,368	50,554
Retirement benefit scheme contributions	退休福利計劃供款	6,010	5,828
		60,378	56,382
Less: amounts recognised in cost of sales/capitalised in contract work in progress	減：於銷售成本確認／在建合同工程中撥充為資本的款項	(44,683)	(42,852)
		15,695	13,530
Operating lease rentals in respect of Premises	以下經營租賃的租金： 物業	4,990	4,727
Less: amounts recognised in cost of sales/capitalised in contract work in progress	減：於銷售成本確認／在建合同工程中撥充為資本的款項	(3,184)	(3,114)
		1,806	1,613
Reversal of provisions for financial guarantees (included in administrative expenses)	財務擔保撥備撥回 (計入行政開支)	(1,200)	(5,000)

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors, which include the Chief Executive, were as follows:

12. 董事及主要行政人員薪酬

已付或應付予各董事(包括主要行政人員)的薪酬如下：

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2018:	截至 2018 年 12 月 31 日止年度：				
Executive directors:	執行董事：				
Mr. Jiang Jianqiang	蔣建強先生		1,650	15	1,665
Mr. Shao Xiaoqiang	邵小強先生	-	930	15	945
Mr. Xu Fanghua	徐芳華先生	-	210	-	210
Sub-total	小計	-	2,790	30	2,820
Independent non-executive directors:	獨立非執行董事：				
Mr. Xu Jiaming	徐家明先生	210	-	-	210
Mr. Luk Chi Shing	陸志成先生	210	-	-	210
Mr. Eddie Hurip (note i)	丘鉅淙先生(附註i)	88	-	-	88
Mr. Wu Zhongxian (note ii)	吳忠賢先生(附註ii)	66	-	-	66
Sub-total	小計	574	-	-	574
Total	總計				3,394

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS
(Continued)

12. 董事及主要行政人員薪酬(續)

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2017:	截至2017年12月31日止年度：				
Executive directors:	執行董事：				
Mr. Jiang Jianqiang	蔣建強先生	–	1,532	14	1,546
Mr. Shao Xiaoqiang	邵小強先生	–	872	14	886
Mr. Xu Fanghua	徐芳華先生	–	208	–	208
Sub-total	小計	–	2,612	28	2,640
Independent non-executive directors:	獨立非執行董事：				
Mr. Xu Jiaming	徐家明先生	104	–	–	104
Mr. Chen Tiegang	陳鐵鋼先生	43	–	–	43
Mr. Luk Chi Shing	陸志成先生	208	–	–	208
Mr. Eddie Hurip (note i)	丘鉅淙先生(附註i)	61	–	–	61
Sub-total	小計	416	–	–	416
Total	總計				3,056

Notes:

- (i) Mr. Eddie Hurip has resigned as an independent non-executive director on 8 August 2018.
- (ii) Mr. Wu Zhongxian was appointed as an independent non-executive director on 8 August 2018.

附註：

- (i) 丘鉅淙先生已於2018年8月8日辭任獨立非執行董事。
- (ii) 吳忠賢先生於2018年8月8日獲委任為獨立非執行董事。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事的薪酬主要就彼等與管理本公司及本集團事務有關的服務而支付。

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12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(Continued)

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Mr. Shao Xiaoqiang is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

None of the directors waived any emoluments for both years. No emolument was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include two directors (2017: two directors), details of whose emoluments are set out in note 12 above. Details of the emoluments for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company were as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,672	1,676
Retirement benefit scheme contributions	退休福利計劃供款	32	17
		1,704	1,693

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

		Number of individuals 人數	
		2018 2018年	2017 2017年
Nil to Hong Kong dollars ("HK\$") 1,000,000	零至 1,000,000 港元(「港元」)	3	3

12. 董事及主要行政人員薪酬(續)

上文所示獨立非執行董事的薪酬主要就彼等作為本公司董事的服務而支付。

邵小強先生亦為本公司主要行政人員，上文所披露酬金包括其作為主要行政人員提供服務所獲酬金。

於兩個年度，概無董事放棄任何薪酬。本集團並無向任何董事支付任何酬金以作為彼等加入本集團或於加入本集團時的獎勵或作為離職補償。

13. 五名最高薪僱員

年內，本集團五名最高薪僱員包括兩名董事(2017年：兩名董事)，彼等的薪酬詳情載於上文附註12。年內餘下三名(2017年：三名)非本公司董事亦非主要行政人員的最高薪僱員的薪酬詳情載列如下：

薪酬在以下範疇的非本公司董事的最高薪僱員的人數如下：

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13. FIVE HIGHEST PAID EMPLOYEES (Continued)

No emolument was paid by the Group to any of the remaining highest paid individuals in the Group as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

13. 五名最高薪僱員 (續)

於兩個年度，本集團概無向本集團餘下任何最高薪人士支付任何薪酬，以作為吸引彼等加入或於加入本集團時的獎勵或離職補償。

14. DIVIDENDS

No dividend was paid or proposed for ordinary shares of the Company during 2018 and 2017, nor has any dividend been proposed since the end of the reporting period for both 2018 and 2017.

14. 股息

概無於 2018 年及 2017 年就本公司的普通股派付或建議股息，亦無自 2018 年及 2017 年報告期末起建議任何股息。

15. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

15. 每股盈利

每股基本盈利乃按以下數據計算：

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the purpose of basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利		
Profit for the year	年內盈利	139,012	227,200
		'000 千股	'000 千股
Number of Shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earning per share	計算每股基本盈利之普通股加權平均數		
		2,330,748	2,326,118

No diluted earnings per share for both 2018 and 2017 were presented as there were no potential ordinary share in issue for 2018 and 2017.

由於 2018 年及 2017 年並無已發行潛在普通股，2018 年及 2017 年並無每股攤薄盈利。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings and structures 樓宇及構築物 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST								
At 1 January 2017	於 2017 年 1 月 1 日	120,119	122,063	5,392	1,506	322	-	249,402
Additions	添置	403	183	78	262	-	48,983	49,909
At 31 December 2017	於 2017 年 12 月 31 日	120,522	122,246	5,470	1,768	322	48,983	299,311
Additions	添置	24,055	324	3,954	15,097	54	14,480	57,964
Disposals	出售	-	(1)	-	(32)	-	-	(33)
Transfer	轉讓	62,217	-	-	-	-	(62,217)	-
At 31 December 2018	於 2018 年 12 月 31 日	206,794	122,569	9,424	16,833	376	1,246	357,242
DEPRECIATION								
At 1 January 2017	於 2017 年 1 月 1 日	26,938	29,104	5,076	1,216	322	-	62,656
Provided for the year	年內撥備	6,396	10,006	15	111	-	-	16,528
At 31 December 2017	於 2017 年 12 月 31 日	33,334	39,110	5,091	1,327	322	-	79,184
Provided for the year	年內撥備	6,274	9,841	102	559	54	-	16,830
Elimination on disposal	於出售時對銷	-	(1)	-	(7)	-	-	(8)
At 31 December 2018	於 2018 年 12 月 31 日	39,608	48,950	5,193	1,879	376	-	96,006
CARRYING VALUES								
At 31 December 2018	於 2018 年 12 月 31 日	167,186	73,619	4,231	14,954	-	1,246	261,236
At 31 December 2017	於 2017 年 12 月 31 日	87,188	83,136	379	441	-	48,983	220,127

The above items of property, plant and equipment are depreciated on a straight line basis over their estimated useful lives and after taking into account of their estimated residual value, at the following rates per annum:

Buildings and structures	5%
Plant and machinery	10%
Motor vehicles	10%–19%
Office equipment	5%–19%
Leasehold improvement	Over the remaining lease period of the office premise.

The Group's buildings are situated on leasehold land in the PRC.

The Group had pledged property, plant and equipment with a carrying amount of RMB22,184,000 (2017: nil) as at 31 December 2018 to secure bank borrowings of the Group.

上述物業、廠房及設備項目乃經計及彼等的估計剩餘價值後於估計可使用年期內以直線法按下列年率折舊：

樓宇及構築物	5%
廠房及機器	10%
汽車	10%–19%
辦公室設備	5%–19%
租賃物業裝修	於辦公室物業餘下租賃期內。

本集團的樓宇均位於中國的租賃土地上。

於 2018 年 12 月 31 日，本集團已抵押賬面值為人民幣 22,184,000 元（2017 年：無）之物業、廠房及設備以取得本集團的銀行借款。

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17. PREPAID LEASE PAYMENTS

17. 預付租賃款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
The carrying value of land comprises:	土地的賬面值包括：		
Leasehold land in the PRC	中國的租賃土地	57,751	58,344
Analysed for reporting purposes as:	以呈報為目的分析：		
Non-current asset	非流動資產	56,422	57,032
Current asset	流動資產	1,329	1,312
		57,751	58,344

18. INTEREST IN A JOINT VENTURE

18. 於一間合營企業之權益

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Costs of unlisted investment	非上市投資成本	153,000	153,000
Share of profit of a joint venture	分佔合營企業盈利	1,243	911
		154,243	153,911

Details of the Group's joint venture at the end of the reporting period are as follows:

本集團於報告期末的合營企業詳情如下：

Name of entity 實體名稱	Country of incorporation/ registration 註冊成立/註冊國家	Principal place of business 主要營業地點	Proportion of ownership invest held by the Group 本集團所持擁有權投資比例		Proportion of voting right held by the Group 本集團所持投票權比例		Principal activity 主要活動
			2018 2018年	2017 2017年	2018 2018年	2017 2017年	
江蘇華晨賽特投資發展有限公司 ("Jiangsu Huachen Saite") 江蘇華晨賽特投資發展有限公司 (「江蘇華晨賽特」)	the PRC 中國	the PRC 中國	51%	51%	51%	51%	Inactive 暫無營業

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18. INTEREST IN A JOINT VENTURE

(Continued)

In June 2015, the Group, together with two independent third parties, established Jiangsu Huachen Saite, a PRC-incorporated company and engaged in construction of steel structure and prefabricated construction projects, which a total capital injection of RMB153,000,000. Upon the establishment of Jiangsu Huachen Saite, the Group held 51% equity interests in Jiangsu Huachen Saite while the other two parties, namely 北京城建道橋建設集團有限公司 (“Beijing Chengjian Daoqiao”) and 宜興市鴻瑞物資有限公司 (“Yixing Hongrui”) held 40% and 9%, respectively. During the year, Beijing Chengjian Daoqiao disposed of its entire equity interest in Jiangsu Huachen Saite to Yixing Hongrui. The investment is classified as investment in a joint venture because no single party could control Jiangsu Huachen Saite and the relevant activities require unanimous consent of the parties sharing control. Summarised financial information in respect of the Group’s investment in the joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture’s financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

18. 於一間合營企業之權益 (續)

於 2015 年 6 月，本集團連同兩名獨立第三方設立江蘇華晨賽特(於中國註冊成立之公司)，從事建造鋼結構及預製構件建築項目，合共注資人民幣153,000,000元。設立江蘇華晨賽特後，本集團持有江蘇華晨賽特51%股權，而其餘兩方，即北京城建道橋建設集團有限公司(「北京城建道橋」)及宜興市鴻瑞物資有限公司(「宜興鴻瑞」)分別持有40%及9%股權。於年內，北京城建道橋已向宜興鴻瑞出售其於江蘇華晨賽特的全部股權。由於任何一方均無法控制江蘇華晨賽特及相關活動須取得分享控制權的各方一致同意，故該投資歸類為於合營企業的投資。本集團於合營企業的投資的財務資料概要載列如下。下文所載之財務資料概要指合營企業根據香港財務報告準則編製的財務報表所示之金額。

在該等綜合財務報表中，合營企業以權益法入賬。

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current assets	流動資產	302,505	301,853
Non-current assets	非流動資產	-	-
Current liabilities	流動負債	67	67
Non-current liabilities	非流動負債	-	-

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18. INTEREST IN A JOINT VENTURE (Continued)

18. 於一間合營企業之權益 (續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
The above amounts of assets include the following:	上述資產款項包括以下各項：		
Cash and cash equivalents	現金及現金等價物	302,505	301,853
Profit and total comprehensive income	盈利及全面收入總額	651	802

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表內確認之於一間合營企業之權益的賬面值之對賬：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Equity attributable to owners of the joint venture	合營企業擁有人應佔權益	302,438	301,786
Proportion of the Group's ownership interest	本集團之所有權益百分比	51%	51%
Carrying amount of the Group's interest in the joint venture	本集團於一間合營企業之權益的賬面值	154,243	153,911

19. INTERESTS IN ASSOCIATES

19. 於聯營公司之權益

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Costs of unlisted investments	非上市投資成本	8,750	-
Share of loss of associates	分佔聯營公司虧損	(1,113)	-
		7,637	-

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19. INTERESTS IN ASSOCIATES (Continued)

19. 於聯營公司之權益 (續)

Details of the Group's associates at the end of the reporting period are as follows:

本集團於報告期末的聯營公司詳情如下：

Name of entity 實體名稱	Country of incorporation/ registration 註冊成立/註冊國家	Principal place of business 主要營業地點	Proportion of ownership invest held by the Group 本集團所持擁有權投資比例		Proportion of voting right held by the Group 本集團所持投票權比例		Principal activity 主要活動
			2018 2018年	2017 2017年	2018 2018年	2017 2017年	
沃適停車科技有限公司	the PRC 中國	the PRC 中國	60%*	-	60%*	-	Parking service 停車服務
眾停智慧交通江蘇有限公司	the PRC 中國	the PRC 中國	20%	-	20%	-	Parking service 停車服務

* The company is accounted for as an associate of the Company at the respective period end date as in accordance with the memorandum and articles of the companies, major financial and operating policies of the company require consent with simple majority in the board of directors. The Group has 1 out of 3 directors in the board, thus, the Group has significant influence over the company.

* 該公司已根據公司章程大綱及細則於各期間結算日期入賬列作本公司之一間聯營公司，該公司之主要財務及營運政策須董事會過半數同意。本集團在董事會3個席位中佔1位，因此本集團對該公司有重大影響力。

The associates are accounted for using the equity method in these consolidated financial statements.

在該等綜合財務報表中，聯營公司以權益法入賬。

Aggregate information of associates that are not individually material.

非個別重大的聯營公司資料匯總。

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
The Group's share of loss and total comprehensive expense	本集團分佔之虧損及全面開支總額	(1,113)	-
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益賬面總額	7,637	-

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20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售投資

2017
2017 年
RMB'000
人民幣千元

Unlisted equity securities at cost — 11.17% of entity A	非上市股本證券，按成本值 — 實體 A 的 11.17%	51,928
Unlisted equity securities at cost — 10% of entity B	非上市股本證券，按成本值 — 實體 B 的 10%	2,000
		53,928

(i) In 2017, the Group acquired 11.17% equity interest in an unlisted entity ("entity A") incorporated in Hong Kong at a consideration of RMB51,928,000 which consists of cash amounting to HK\$7,000,000 (equivalent to RMB6,204,000) and 88,947,935 new shares issued at the issued date price of HK\$0.58 per share, amounting to HK\$51,589,000 (equivalent to RMB45,724,000). It is measured at cost less impairment at the end of the reporting period because the range of the reasonable fair value estimate is so significant that the directors of the Company are of the opinion that its fair value can not be measured reliably.

(ii) In 2017, the Group invested in 10% equity interest in an unlisted entity ("entity B") incorporated in PRC at a consideration of RMB2,000,000. It is measured at cost less impairment at the end of the reporting period because the range of the opinion that its fair value can not be measured reliably.

(i) 於 2017 年，本集團收購一間於香港註冊成立之非上市實體（「實體 A」）之 11.17% 股權，代價為人民幣 51,928,000 元，其中包括現金金額 7,000,000 港元（相當於人民幣 6,204,000 元）及按每股 0.58 港元之已發行日期價格已發行之 88,947,935 股新股份，金額達 51,589,000 港元（相當於人民幣 45,724,000 元）。於報告期末，其按成本減減值計量，由於合理公平值估計之範圍過大，本公司董事認為其公平值無法確實計量。

(ii) 於 2017 年，本集團於一間於中國註冊成立的非上市實體（「實體 B」）投資 10% 股權，代價為人民幣 2,000,000 元。於報告期末，由於其公平值無法確實計量，因此其按成本減減值計量。

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21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21. 透過其他全面收益按公平值列賬之股本工具

		2018 2018 年 RMB'000 人民幣千元
Unlisted investments:	非上市投資：	
— Equity securities of entity A	— 實體A的股本證券	22,230

The above unlisted equity investments represent the Group's equity interest in private entities incorporate in Hong Kong. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

上述非上市股本投資指本集團於在香港註冊成立的私人實體之股權。本公司董事相信，確認該等投資於損益之公平值之短期波動與本集團為長遠目的而持有該等投資及長遠實現其潛在表現之策略不符，因此選擇將該等權益工具投資指定為透過其他全面收益按公平值列賬。

In the current year, the Group disposed of the investment in entity B incorporated in the PRC, at a consideration of RMB2,000,000, which was also the fair value as at the date of disposal as the investment no longer meets the investment objective of the Group.

於本年度，由於於實體B(在中國註冊成立)之投資不再符合本集團之投資目標，因此本集團以代價人民幣2,000,000元出售該項投資，該代價亦為其於出售日期之公平值。

22. DEFERRED TAX ASSETS AND LIABILITIES

22. 遞延稅項資產及負債

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

就編製綜合財務狀況表而言，若干遞延稅項資產及負債已被抵銷。就財務報告而言，遞延稅項結餘分析如下：

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	(40,733)	—
Deferred tax liabilities	遞延稅項負債	92,116	92,116
		51,383	92,116

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22. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

22. 遞延稅項資產及負債(續)

本年度及過往年度已確認之主要遞延稅項負債(資產)及其變動如下：

		Withholding tax on undistributed earnings 尚未分派盈利 之預扣稅 RMB'000 人民幣千元	Credit loss provision 信貸虧損撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017 and 31 December 2017	於 2017 年 1 月 1 日及 2017 年 12 月 31 日	92,116	–	92,116
Adjustments (note 2)	調整(附註 2)	–	(33,603)	(33,603)
At 1 January 2018 (restated)	於 2018 年 1 月 1 日(經重列)	92,116	(33,603)	58,513
Credit to profit or loss	計入損益	–	(7,130)	(7,130)
At 31 December 2018	於 2018 年 12 月 31 日	92,116	(40,733)	51,383

According to a joint circular of the Ministry of Finance and State Administration of Taxation — Cai Shui 2008 No. 1, dividend distributed out of the profits generated by subsidiaries established in the PRC to “non PRC-resident” investors since 1 January 2008 shall be subject to PRC Enterprise Income Tax and tax payment to be withheld by the PRC entity pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment Enterprises and Foreign Enterprises. Deferred taxation has not been provided for the years ended 31 December 2017 and 31 December 2018 in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB1,116,379,000 (2017: RMB880,317,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據財政部及國家稅務總局的聯合通知 — 財稅 2008 第 1 號，自 2008 年 1 月 1 日起將於中國成立的附屬公司產生的盈利作為股息分派予「非中國居民」投資者須繳納中國企業所得稅，並根據外商投資企業和外國企業所得稅法第 3 及 27 條以及外商投資企業和外國企業所得稅法實施細則第 91 條由中國實體預扣稅款。由於本集團能夠控制撥回暫時性差額的時間及該等暫時性差額有可能於可見將來不會撥回，故截至 2017 年 12 月 31 日及 2018 年 12 月 31 日止年度並無於綜合財務報表就中國附屬公司累計盈利約人民幣 1,116,379,000 元(2017 年：人民幣 880,317,000 元)應佔的暫時性差額撥備遞延稅項。

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22. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

As at 31 December 2018, the Group has unused tax losses of approximately RMB2,833,000 (2017: RMB16,696,000) available for offsetting against future taxable profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years:

22. 遞延稅項資產及負債(續)

於 2018 年 12 月 31 日，本集團尚未動用的稅項虧損約為人民幣 2,833,000 元（2017 年：人民幣 16,696,000 元），可用作抵銷未來應課稅盈利。由於無法預知未來盈利來源，故本集團並無就該等虧損確認遞延稅項資產。尚未確認之稅務虧損將於以下年份到期：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
2018	2018年	–	14,688
2019	2019年	1,019	1,019
2020	2020年	1	1
2021	2021年	1	1
2022	2022年	987	987
2023	2023年	825	–
		2,833	16,696

23. INVENTORIES

23. 存貨

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Raw materials and consumables	原材料及消耗品	205	–
Finished goods	製成品	10,437	–
		10,642	–

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24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

24. 應收(應付)客戶合同工程款項

		2017 2017年 RMB'000 人民幣千元
Contracts in progress at the end of the year:	於年末進行中合同：	
Contract costs incurred	已產生合同成本	1,579,822
Recognised profits less recognised losses	已確認盈利減已確認虧損	583,476
		2,163,298
Less: progress billings	減：工程進度款	(2,163,256)
		42
Analysed for reporting purposes as:	以呈報為目的分析：	
Amounts due from contract customers	應收合同客戶款項	4,466
Amounts due to contract customers	應付合同客戶款項	(4,424)
		42

As at 31 December 2017, retention held by customers for contract work amounting to RMB399,377,000, net of impairment losses of RMB14,978,000 have been included in trade receivables under current assets.

於 2017 年 12 月 31 日，由客戶就合同工程持有的保留金人民幣 399,377,000 元（經扣除減值虧損人民幣 14,978,000 元）已計入流動資產項下的應收貿易款項。

25. TRADE RECEIVABLES

25. 應收貿易款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— construction contracts	— 建築合同	1,362,194	1,720,415
Less: Impairment losses	減：減值虧損	(96,445)	(14,978)
Total trade receivables	應收貿易款項總額	1,265,749	1,705,437

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to RMB1,265,749,000 and RMB1,221,640,000 respectively.

於 2018 年 12 月 31 日及 2018 年 1 月 1 日，應收客戶合同貿易款項分別為人民幣 1,265,749,000 元及人民幣 1,221,640,000 元。

As at 31 December 2017, included in the trade receivables are retention amounts of RMB399,377,000, of which RMB112,361,000 are due after one year. Upon application of HKFRS 15, the retentions receivables were reclassified to contract assets.

於 2017 年 12 月 31 日，應收貿易款項包括保留金額人民幣 399,377,000 元，其中人民幣 112,361,000 元於一年後到期。於應用香港財務報告準則第 15 號後，應收保留金重新分類至合同資產。

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25. TRADE RECEIVABLES (Continued)

The following is an aged analysis of trade receivables, presented based on the date of progress billing at the end of the year.

25. 應收貿易款項(續)

以下為於年末按進度款日期呈列的應收貿易款項的賬齡分析。

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
0-30 days	0-30天	143,459	210,701
31-90 days	31-90天	231,849	241,872
91-180 days	91-180天	150,519	164,092
181-1 year	181天-1年	373,902	321,622
Over 1 year	1年以上	462,465	367,773
		1,362,194	1,306,060
Less: impairment losses recognised	減：已確認減值虧損	(96,445)	-
		1,265,749	1,306,060
Retention receivables	應收保留金	-	414,355
Less: impairment losses recognised	減：已確認減值虧損	-	(14,978)
		-	399,377
		1,265,749	1,705,437
Retention receivables	應收保留金		
Due within 1 year	1年內到期	-	287,016
Due after 1 year	1年後到期	-	112,361
		-	399,377

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group allows an average credit period of 30 days to its trade customers. As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,145,250,000 which are past due as at the reporting date. Out of the past due balances, RMB900,360,000 has been past due 90 days or more and is not considered as in default since the Group is still engaging with those corresponding debtors in active projects or the Group considers good cooperation relationships with these debtors exist. The Group does not hold any collateral over these balances.

本集團的建築合同包括付款時間表，一旦達到若干特定進程，則須於施工期間分期付款。本集團授予其貿易客戶30日的平均信貸期。於2018年12月31日，本集團應收貿易款項結餘包括賬面總額為人民幣1,145,250,000元的應收款項，該等款項於報告日期已逾期。逾期結餘中，人民幣900,360,000元已逾期90天或以上並不視為違約乃由於本集團仍積極與該等活動項目的相關債務人接洽或本集團認為與該等債務人存在良好合作關係。本集團並無就該等結餘持有任何抵押品。

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25. TRADE RECEIVABLES (Continued)

As at 31 December 2017, included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB1,010,877,000 which are past due as at the reporting date of which the Group has provided an impairment loss of RMB14,978,000. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

		2017 2017年 RMB'000 人民幣千元
0-90 days	0-90天	292,527
91-180 days	91-180天	129,182
180 days-1 year	180天-1年	73,070
Over 1 year	1年以上	347,890
		842,669
Retention receivables	應收保留金	168,208
		1,010,877

The movement of impairment losses in respect of trade receivables were as follows:

		2017 2017年 RMB'000 人民幣千元
At 1 January	於 1 月 1 日	-
Impairment losses recognised during the year	年內確認之減值虧損	14,978
At 31 December	於 12 月 31 日	14,978

As at 31 December 2017, included in the impairment loss of trade receivables as at 31 December 2017 were individually fully impaired trade receivables mainly due from customers with an aggregate carrying amount before allowance of approximately RMB14,978,000. The balances were long outstanding and the management of the Group considered the recoverability of the balance is remote as the related customers were in financial difficulties or have prolonged delay in repayment.

Details of impairment assessment of trade receivables for the year ended 31 December 2018 are set out in note 42.

25. 應收貿易款項(續)

於 2017 年 12 月 31 日，本集團應收貿易款項結餘包括賬面總額為人民幣 1,010,877,000 元的應收款項，該等款項於報告日期已逾期，而本集團已作出減值虧損撥備人民幣 14,978,000 元。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值的應收貿易款項的賬齡如下：

		2017 2017年 RMB'000 人民幣千元
0-90 days	0-90天	292,527
91-180 days	91-180天	129,182
180 days-1 year	180天-1年	73,070
Over 1 year	1年以上	347,890
		842,669
Retention receivables	應收保留金	168,208
		1,010,877

有關應收貿易款項的減值虧損變動如下：

		2017 2017年 RMB'000 人民幣千元
At 1 January	於 1 月 1 日	-
Impairment losses recognised during the year	年內確認之減值虧損	14,978
At 31 December	於 12 月 31 日	14,978

於 2017 年 12 月 31 日，應收貿易款項減值虧損包括撥備前賬面總額約人民幣 14,978,000 元的主要來自客戶的個別悉數減值應收貿易款項。結餘為長期尚未償還，而本集團管理層認為結餘的可收回性甚微，原因是相關客戶處於財政困難或長期延遲償還。

截至 2018 年 12 月 31 日止年度應收貿易款項之減值評估詳情載於附註 42。

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26. CONTRACT ASSETS

26. 合同資產

		31.12.2018 2018年 12月31日 RMB'000 人民幣千元	1.1.2018* 2018年 1月1日* RMB'000 人民幣千元
Analysed as current:	分析為流動：		
Retention receivables of construction contracts (note a)	建築合同之應收保留金(附註a)	589,867	414,355
Unbilled revenue of construction contracts (note b)	未開票之建築合同收益(附註b)	-	594
Less: Impairment losses	減：減值虧損	(47,762)	(41,494)
		542,105	373,455

* The amounts in this column are after the adjustments from the application of HKFRS 9 and 15.

- (a) Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. The due dates for retention receivables are usually one year after the completion of construction work.

- (b) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Contract assets, that are expected to be settled within the Group's normal operating cycle, are classified as current based on expected settlement dates.

Details of the impairment assessment are set out in note 42.

* 此欄金額乃應用香港財務報告準則第9號及第15號調整後金額。

- (a) 計入合同資產之應收保留金指本集團收取已完工但未開票工程代價的權利，原因為該等權利須待客戶於合同規定的若干期間內對服務質量表示滿意後方可作實。當該等權利成為無條件時(即通常於本集團就其進行的建築工程的服務質量提供保證期間的屆滿日期)，合同資產轉移至應收貿易款項。應收保留金到期日通常為建築工程完工後一年。

- (b) 計入合同資產之未開票收益指本集團收取已完工但未開票工程代價的權利，原因為該等權利須待客戶對本集團所完成建築工程表示滿意後方可作實，而該工程正待客戶認證。當該等權利成為無條件時(即通常於本集團取得客戶對所完成建築工程的認證之時間)，合同資產轉移至應收貿易款項。

預期將於本集團的正常營運週期內結算的合同資產根據預期結算日期分類為流動資產。

減值評估詳情載於附註42。

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27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

27. 其他應收款項、按金及預付款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Prepayments	預付款項	58,197	87,261
Deposits paid	已付按金	1,711	985
Other receivables	其他應收款項	34,153	15,910
		94,061	104,156

Prepayments mainly represent the material costs prepaid to suppliers at the total amount of RMB52,846,000 (2017: RMB79,500,000) during the current year.

Other receivables include an amount of RMB32,550,000 (2017: RMB14,920,000) due from a director which is interest-free with a maximum outstanding amount of RMB80,709,000 (2017: RMB14,920,000) during the year. The amount is expected to be recoverable within twelve months from the end of the reporting period. The Group performed impairment assessment on the amount due from a director and amounts due from other counterparties and concluded that the impairment loss involved is insignificant.

Details of the impairment assessment are set out in note 42.

預付款項主要為本年度內預付予供應商的物料成本，總額為人民幣 52,846,000 元 (2017 年：人民幣 79,500,000 元)。

年內，其他應收款項包括應收一名董事款項人民幣 32,550,000 元 (2017 年：人民幣 14,920,000 元)，該款項為免息，而最高尚未償還金額為人民幣 80,709,000 元 (2017 年：人民幣 14,920,000 元)。該金額預期自報告期末起十二個月內可收回。本集團對應收一名董事款項及應收其他交易對手款項進行減值評估，並認為所涉減值虧損並不重大。

減值評估詳情載列於附註 42。

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28. BANK BALANCES

At 31 December 2018, bank balances carry interest at prevailing market rates ranged from 0.01% to 0.35% (2017: 0.01% to 0.385%) per annum.

28. 銀行結餘

於 2018 年 12 月 31 日，銀行結餘按當時的市場年利率介乎 0.01% 至 0.35% (2017 年：0.01% 至 0.385%) 計息。

		31.12.2018	1.1.2018*
		2018 年	2018 年
		12 月 31 日	1 月 1 日*
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank balances and cash	銀行結餘及現金	875,647	757,321
Less: Impairment losses	減：減值虧損	(18,723)	(8,497)
		856,924	748,824

* The amounts in this column are after the adjustments from the application of HKFRS 9.

* 此欄金額乃應用香港財務報告準則第 9 號調整後金額。

Details of impairment assessment of bank balances for the year ended 31 December 2018 are set out in note 42.

截至 2018 年 12 月 31 日止年度銀行結餘之減值評估詳情載列於附註 42。

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29. TRADE PAYABLES

Trade payables are settled in accordance with the relevant agreements. An aged analysis of the Group's trade payables (by goods receipt date) at the end of the reporting period is as follows:

29. 應付貿易款項

應付貿易款項乃根據相關協議支付。於報告期末，本集團的應付貿易款項(按收貨日期)的賬齡分析如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
0-30 days	0-30天	53,320	55,449
31-90 days	31-90天	953	1,710
91-180 days	91-180天	86	-
181 days-1 year	181天-1年	258	-
Over 1 year	1年以上	171	-
		54,788	57,159
Retention payables	應付保留金	36,758	11,594
		91,546	68,753
Retention payables	應付保留金		
Due within 1 year	1年內到期	34,009	11,594
Due after 1 year	1年後到期	2,749	-
		36,758	11,594

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30. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

30. 已收按金、其他應付款項及應計費用

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Accrued wages and staff benefits	應計工資及員工福利	12,431	12,958
Other accrued expenses	其他應計開支	2,350	2,369
Other tax payables	其他應付稅項	6,099	16,294
Deposits received	已收按金	51,255	50,000
Other payables	其他應付款項	32,449	15,631
		104,584	97,252

31. AMOUNTS DUE TO ASSOCIATES

31. 應付聯營公司款項

The amounts due to associates are unsecured, interest-free and are repayable on demand.

應付聯營公司款項為無抵押、免息及按要求償還。

32. CORPORATE BONDS

32. 公司債券

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Carrying amount as at 1 January	於 1 月 1 日的賬面值	106,634	-
Net proceeds from issue of corporate bonds	發行公司債券的所得款項淨額	305,505	107,960
Redemption	贖回	(85,011)	-
Exchange differences	匯兌差額	26,315	(1,698)
Interest expense	利息開支	35,389	1,574
Interest paid	已付利息	(30,600)	(1,202)
Carrying amount as at 31 December	於 12 月 31 日的賬面值	358,232	106,634
Less: amounts due within one year shown under current liabilities	減：於一年內到期列為流動負債的款項	(196,069)	(19,199)
Amounts shown under non-current liabilities	列為非流動負債的款項	162,163	87,435

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32. CORPORATE BONDS (Continued)

- (i) In 2018 the Company issued three corporate bonds with principal amount of HK\$10,000,000 each ("2035 due HK\$ Bonds") at a discounted amount of HK\$1,290,000, HK\$1,294,000 and HK\$1,297,000, respectively. The first two and third 2035 due HK\$ Bonds were issued in November 2018 and December 2018, respectively. The 2035 due HK\$ Bonds will mature in November 2035 and December 2035 respectively, unless the holders or the Company exercise the option rights which entitled the holders to sell back the bonds to the Company in October 2027 at 40% of the par value of the initial bonds and the Company to redeem the bonds at 40% of par value of the initial bonds in October 2027.

In the opinion of directors, the fair values of the early redemption options related to the 2035 due HK\$ Bonds are insignificant at initial recognition and the end of the reporting period.

- (ii) Except for the 2035 due HK\$ Bonds with option rights, other corporate bonds are redeemable at any time before maturity at the Company's option at a redemption price equal to 100% of the principal amount of the corporate bonds plus accrued and unpaid interest, if any, to the redemption date.

32. 公司債券 (續)

- (i) 於 2018 年，本公司發行三份本金額各為 10,000,000 港元之公司債券（「2035 年到期港元債券」），折現金額分別為 1,290,000 港元、1,294,000 港元及 1,297,000 港元。首兩份及第三份 2035 年到期港元債券分別於 2018 年 11 月及 2018 年 12 月發行。除非持有人或本公司行使選擇權權利，使持有人有權於 2027 年 10 月以初始債券 40% 的面值向本公司售回債券，以及本公司有權於 2027 年 10 月以初始債券 40% 的面值贖回債券外，否則 2035 年到期港元債券將分別於 2035 年 11 月及 2035 年 12 月到期。

董事認為，有關 2035 年到期港元債券的提早贖回權之公平值於首次確認時及於報告期末不屬重大。

- (ii) 除附帶選擇權之 2035 年到期港元債券外，其他公司債券可於到期前任何時間依本公司的選擇權按相等於公司債券本金額 100% 的贖回價，加直至贖回日期應計但尚未支付的利息（如有）贖回。

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32. CORPORATE BONDS (Continued)

32. 公司債券 (續)

(iii) Details of the Group's corporate bonds as at 31 December 2018 and 2017 are as follows:

(iii) 本集團於 2018 年及 2017 年 12 月 31 日的公司債券詳情如下：

As at 31 December 2018:

於 2018 年 12 月 31 日：

Face Value 面值 HK\$ 港元	Issue date 發行日期	Maturity date 到期日	Nominal interest rate 名義利率	Effective interest rate 實際利率
6,000,000	21/07/2017	21/07/2019	8.50%	8.50%
10,000,000	05/09/2017	04/09/2019	6.25%	11.86%
10,000,000	05/09/2017	04/09/2019	6.25%	11.86%
5,000,000	28/09/2017	28/09/2019	6.25%	6.60%
5,000,000	02/11/2017	01/11/2020	6.50%	11.84%
5,000,000	02/11/2017	01/11/2020	6.50%	11.84%
1,000,000	02/11/2017	02/11/2019	7.00%	7.31%
1,000,000	03/11/2017	03/11/2019	9.00%	9.57%
5,000,000	16/11/2017	16/11/2025	6.00%	6.16%
1,000,000	14/11/2017	13/11/2019	6.25%	11.86%
3,500,000	14/11/2017	13/11/2020	6.50%	11.84%
10,000,000	20/11/2017	10/11/2025	6.00%	6.16%
10,000,000	20/11/2017	19/11/2022	7.00%	11.34%
10,000,000	22/11/2017	21/11/2022	7.00%	11.34%
2,000,000	04/12/2017	04/12/2022	6.00%	6.24%
10,000,000	05/12/2017	05/12/2025	5.00%	5.16%
10,000,000	12/12/2017	12/12/2019	6.00%	6.55%
10,000,000	15/12/2017	14/12/2020	6.50%	6.99%
7,000,000	15/12/2017	14/12/2020	6.50%	6.99%
1,000,000	05/01/2018	05/01/2019	5.50%	6.57%
2,000,000	05/01/2018	05/01/2019	5.50%	6.57%
800,000 ⁽ⁱ⁾	17/01/2018	16/04/2018	1.00%	1.61%
4,500,000	18/01/2018	18/01/2019	7.00%	8.08%
5,000,000	22/01/2018	22/01/2026	5.00%	5.16%
530,000 ⁽ⁱⁱ⁾	05/02/2018	06/05/2018	1.50%	2.53%
10,000,000	14/02/2018	13/02/2022	6.75%	7.05%
10,000,000	19/03/2018	19/03/2026	6.00%	6.16%
1,000,000	23/03/2018	22/03/2020	6.25%	6.80%
7,000,000	04/04/2018	04/04/2026	6.00%	6.16%
2,000,000	10/04/2018	10/04/2020	4.00%	4.53%
4,000,000	24/04/2018	24/04/2020	6.25%	6.80%
5,000,000	26/04/2018	26/04/2026	5.00%	5.16%
2,000,000	15/05/2018	15/05/2020	4.00%	4.53%
8,000,000	17/05/2018	17/05/2022	6.75%	7.05%
1,500,000	24/05/2018	24/05/2021	6.50%	6.88%
3,000,000	11/06/2018	11/06/2026	6.75%	6.92%
1,000,000	22/06/2018	22/06/2021	6.50%	6.88%
2,000,000	06/07/2018	06/07/2022	5.00%	5.28%
8,000,000	06/07/2018	06/07/2022	5.00%	5.28%
10,000,000	10/07/2018	10/07/2026	7.00%	7.17%
1,000,000	13/07/2018	13/07/2019	6.26%	7.33%
1,000,000	31/07/2018	31/07/2020	6.25%	6.80%
2,000,000	08/08/2018	08/02/2026	7.00%	7.09%
5,000,000	14/08/2018	14/08/2023	7.00%	7.25%
1,000,000	15/08/2018	15/08/2019	7.00%	8.08%
2,500,000	15/08/2018	15/08/2019	6.50%	7.58%
5,000,000	17/08/2018	17/08/2020	7.50%	7.78%
2,000,000	20/08/2018	20/02/2026	7.00%	7.09%
1,000,000	07/09/2018	07/09/2021	6.50%	6.69%

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32. CORPORATE BONDS (Continued)

32. 公司債券 (續)

(iii) Details of the Group's corporate bonds as at 31 December 2018 and 2017 are as follows:
(Continued)

(iii) 本集團於 2018 年及 2017 年 12 月 31 日的公司債券詳情如下：(續)

As at 31 December 2018: (Continued)

於 2018 年 12 月 31 日：(續)

Face Value 面值 HK\$ 港元	Issue date 發行日期	Maturity date 到期日	Nominal interest rate 名義利率	Effective interest rate 實際利率
2,500,000	02/10/2018	02/10/2020	6.25%	6.80%
3,000,000	18/10/2018	18/10/2019	6.00%	7.07%
2,000,000	06/11/2018	06/04/2026	7.00%	7.09%
10,000,000*	15/11/2018	15/11/2035	0.10%	13.16%
10,000,000*	26/11/2018	25/11/2035	0.10%	13.14%
10,000,000*	03/12/2018	03/12/2035	0.10%	13.12%
267,830,000				

Face Value 面值 US\$ 美元	Issue date 發行日期	Maturity date 到期日	Nominal interest rate 名義利率	Effective interest rate 實際利率
22,000,000 ⁽ⁱⁱⁱ⁾	31/01/2018	30/01/2019	10.50%	11.66%
22,000,000				

* included in 2035 due HK\$ Bonds

* 計入 2035 年到期港元債券

Notes:

附註：

- (i) Corporate bonds with face value of HK\$800,000 were with original maturity date on 16 April 2018. The Group has default in payment and the bond holders could request for immediate repayment as at the year-end date. The original maturity date was subsequently extended to 16 April 2019 upon the extension agreement signed on 17 January 2019.
- (ii) Corporate bonds with face value of HK\$530,000 were with original maturity date on 6 May 2018. The Group has default in payment and the bond holders could request for immediate repayment as at the year-end date. The original maturity date was subsequently extended to 6 May 2019 upon the extension agreement signed on 6 February 2019.
- (iii) Corporate bonds with face value of US\$22,000,000 with original maturity date on 30 January 2019, of which US\$1,000,000, US\$5,000,000, US\$4,000,000, US\$5,000,000, US\$3,500,000 and US\$3,500,000, were subsequently extended to 4 February 2019, 28 February 2019, 31 March 2019, 30 April 2019, 30 June 2019 and 31 August 2019, respectively, upon the extension agreement signed on 30 January 2019. The nominal interest rate was revised from 10.50% to 15% from 30 January 2019 to the full repayment date.

- (i) 面值 800,000 港元的公司債券的原到期日為 2018 年 4 月 16 日。本集團已拖欠付款，而債券持有人可要求於年結日立即還款。根據於 2019 年 1 月 17 日簽署的延期協議，原到期日隨後延長至 2019 年 4 月 16 日。
- (ii) 面值 530,000 港元的公司債券的原到期日為 2018 年 5 月 6 日。本集團已拖欠付款，而債券持有人可要求於年結日立即還款。根據於 2019 年 2 月 6 日簽署的延期協議，原到期日隨後延長至 2019 年 5 月 6 日。
- (iii) 面值 22,000,000 美元的公司債券的原到期日為 2019 年 1 月 30 日，其中 1,000,000 美元、5,000,000 美元、4,000,000 美元、5,000,000 美元、3,500,000 美元及 3,500,000 美元隨後根據於 2019 年 1 月 30 日簽署的延期協議分別延長至 2019 年 2 月 4 日、2019 年 2 月 28 日、2019 年 3 月 31 日、2019 年 4 月 30 日、2019 年 6 月 30 日 及 2019 年 8 月 31 日。名義利率由 2019 年 1 月 30 日的 10.50% 修訂為悉數還款日期的 15%。

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32. CORPORATE BONDS (Continued)

- (iii) Details of the Group's corporate bonds as at 31 December 2018 and 2017 are as follows:
(Continued)

The above extended corporate bonds are classified as current liabilities as at 31 December 2018 and included in the "on demand or less than 3 months" time band in the maturity analysis as disclosed in note 42(b). The directors believe that these corporate bonds will be repaid together with interest based on the scheduled repayment dates of the extension agreements.

As at 31 December 2017:

32. 公司債券 (續)

- (iii) 本集團於 2018 年及 2017 年 12 月 31 日的公司債券詳情如下：(續)

於 2018 年 12 月 31 日，上述經延期公司債券分類為流動負債，並計入附註 42(b) 所披露到期日分析中「按要求或三個月內」時間範圍內。董事相信，該等公司債券連同利息將按延期協議的預定還款日期償還。

於 2017 年 12 月 31 日：

Face Value 面值 HK\$ 港元	Issue date 發行日期	Maturity date 到期日	Nominal interest rate 名義利率	Effective interest rate 實際利率
6,000,000	21/07/2017	21/07/2019	8.50%	8.50%
2,000,000	28/08/2017	28/08/2018	7.00%	8.30%
10,000,000	05/09/2017	04/09/2019	6.25%	11.86%
10,000,000	05/09/2017	04/09/2019	6.25%	11.86%
3,900,000	27/09/2017	27/09/2018	7.00%	8.01%
5,000,000	28/09/2017	28/09/2019	6.30%	6.60%
1,000,000	03/10/2017	03/10/2018	5.00%	6.06%
1,000,000	04/10/2017	04/10/2018	7.00%	8.08%
2,000,000	18/10/2017	18/10/2018	7.00%	8.08%
5,000,000	02/11/2017	01/11/2020	6.50%	11.84%
5,000,000	02/11/2017	01/11/2020	6.50%	11.84%
1,000,000	02/11/2017	02/11/2019	7.00%	7.31%
1,000,000	03/11/2017	03/11/2018	9.00%	10.10%
1,000,000	14/11/2017	13/11/2019	6.25%	11.86%
3,500,000	14/11/2017	13/11/2019	6.50%	11.84%
5,000,000	16/11/2017	16/11/2025	6.00%	6.16%
10,000,000	20/11/2017	19/11/2022	7.00%	11.34%
10,000,000	20/11/2017	20/11/2025	6.00%	6.16%
10,000,000	22/11/2017	21/11/2022	7.00%	11.34%
500,000	24/11/2017	24/11/2018	2.00%	3.03%
1,000,000	29/11/2017	28/02/2018	6.00%	10.49%
2,000,000	04/12/2017	04/12/2022	6.00%	6.24%
10,000,000	05/12/2017	05/12/2025	5.00%	5.16%
1,000,000	05/12/2017	05/12/2018	7.00%	8.08%
1,000,000	06/12/2017	06/03/2018	4.00%	8.33%
10,000,000	12/12/2017	12/12/2018	6.00%	7.07%
10,000,000	15/12/2017	14/12/2020	6.50%	6.99%
7,000,000	15/12/2017	14/12/2020	6.50%	6.99%
134,900,000				

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33. SHORT-TERM BORROWINGS

As at 31 December 2018, the Group has one (2017: two) short-term borrowing in an aggregate amount of RMB4,500,000 (2017: RMB46,150,000).

- (1) On 29 September 2015, the Company entered into loan agreements for loans amounting to HK\$50,000,000 (equivalent to RMB44,795,000) with an individual and an entity incorporated in Hong Kong, which is an independent third party.

The borrowing of HK\$50,000,000 (equivalent to RMB44,795,000) was guaranteed by a director of the Company, interest bearing at 8% per annum and the loan maturity was subsequently extended to 31 December 2018. Effective interest rate was 8% per annum. The loan was fully settled during the year.

- (2) In November 2017, the Group entered into a loan agreement for a loan amounting to RMB4,500,000 with a bank. The borrowing was guaranteed by two directors of the Company, four other individuals and entities, interest bearing at 4.35% per annum and was fully settled during the year.
- (3) In December 2018, the Group entered into a loan agreement for a loan amounting RMB4,500,000 with a bank. The borrowing is guaranteed by two directors of the Company, three other individual and entities and secured by the Group's property, plant and equipment with a carrying amount of RMB22,184,000, interest bearing at 4.35% per annum and repayable on 5 December 2019. Effective interest rate is 4.35% per annum.

33. 短期貸款

於 2018 年 12 月 31 日，本集團有一筆(2017 年：兩筆)短期貸款，合共人民幣 4,500,000 元(2017 年：人民幣 46,150,000 元)。

- (1) 於 2015 年 9 月 29 日，本公司與一名個別人士及於香港註冊成立之實體(為獨立第三方)就金額為 50,000,000 港元(相當於人民幣 44,795,000 元)的借款訂立貸款協議。

50,000,000 港元(相當於人民幣 44,795,000 元)的貸款由本公司一名董事擔保，按年利率 8% 計息及貸款到期日隨後延長至 2018 年 12 月 31 日。實際年利率為 8%。該貸款於年內悉數償還。

- (2) 於 2017 年 11 月，本集團與一間銀行訂立貸款金額為人民幣 4,500,000 元的貸款協議。該貸款乃由本公司兩名董事、四名其他個別人士及實體擔保，按年利率 4.35% 計息及已於年內悉數償還。
- (3) 於 2018 年 12 月，本集團與一間銀行訂立貸款金額為人民幣 4,500,000 元的貸款協議。該貸款乃由本公司兩名董事、三名其他個別人士及實體擔保並以本集團賬面值為人民幣 22,184,000 元的物業、廠房及設備作為抵押，按年利率 4.35% 計息及須於 2019 年 12 月 5 日償還。實際年利率為 4.35%。

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34. PROVISIONS

34. 撥備

		Provisions for financial guarantees 財務擔保撥備	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
At the beginning of the year	於年初	1,200	6,200
Reversal of provisions	撥備撥回	(1,200)	(5,000)
At the end of the year	於年末	-	1,200

Jiangsu Saite Steel Structure Co., Ltd. ("Saite Steel (Jiangsu)"), a subsidiary of the Group, and Mr. Jiang Jianqiang, a director of the Company, provided jointly and severally financial guarantees to a micro credit entity 宜興市聯豐農村小額貸款有限公司 in Jiangsu, the PRC, in respect of a loan with an amount of approximately RMB3,000,000 granted to an individual, namely, 梅秀芳. Besides, Saite Steel (Jiangsu) and Mr. Jiang Jianqiang and two other individuals, namely, 梅正芳 and 梅秀芳, provided jointly and severally financial guarantees to the same micro credit entity in respect of a loan of approximately RMB2,000,000 granted to another individual, namely, 田麗. 梅正芳 and 梅秀芳 have beneficial interest of an entity established in the PRC, namely, 江蘇百納環境工程有限公司 ("JSBN"). 梅正芳, 梅秀芳, 田麗 and JSBN are independent third parties. The loans were past due and no settlement was made as at 31 December 2015. The debtors and guarantors were then sued collectively by the creditor for the default of payment and requested to settle the outstanding balance with interest. A settlement agreement is subsequently agreed among 梅秀芳, 田麗 and the micro credit entity on the repayment schedule which 梅秀芳 would repay a total amount of RMB3,500,000, of which RMB2,100,000 by the end of December 2016, RMB700,000 by the end of December 2017 and RMB700,000 by the end of December 2018; and 田麗 would repay a total amount of RMB1,300,000 by the end of 31 December 2016, RMB500,000 by the end of 31 December 2017 and RMB500,000 before 31 December 2018. A reversal of provision of RMB1,200,000 (2017: RMB5,000,000) was made in respect of the amount settled during the year ended 31 December 2018.

本集團的附屬公司江蘇賽特鋼結構有限公司(「賽特鋼結構(江蘇)」)及本公司董事蔣建強先生共同及個別就借予一名個別人士(即梅秀芳)約人民幣3,000,000元的貸款向中國江蘇省一間小額信貸公司宜興市聯豐農村小額貸款有限公司提供財務擔保。此外,賽特鋼結構(江蘇)及蔣建強先生和其他兩名個別人士梅正芳及梅秀芳共同及個別就借予另一名個別人士(即田麗)約人民幣2,000,000元的貸款向相同的小額信貸公司提供財務擔保。梅正芳及梅秀芳於一間在中國成立的實體(即江蘇百納環境工程有限公司(「江蘇百納」))擁有實益權益。梅正芳、梅秀芳、田麗及江蘇百納均為獨立第三方。於2015年12月31日,該等貸款經已逾期,且並未作出清還,因此,其後貸款人就拖欠還款對借款人及擔保人提起共同控告,要求清付未償還結餘連利息。隨後,梅秀芳、田麗與小額信貸公司已就還款時間表協定清償協議,據此,梅秀芳將償還總金額人民幣3,500,000元,其中須於2016年12月底之前償還人民幣2,100,000元、於2017年12月底之前償還人民幣700,000元及於2018年12月底之前償還人民幣700,000元;及田麗將須於2016年12月31日之前償還人民幣1,300,000元、於2017年12月31日之前償還人民幣500,000元及於2018年12月31日之前償還人民幣500,000元。已就截至2018年12月31日止年度結算之款項撥回撥備人民幣1,200,000元(2017年:人民幣5,000,000元)。

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35. SHARE CAPITAL

35. 股本

		Number of Shares at HK\$0.10 per share 每股面值 0.10 港元的 股份數目	Amount 金額 HK\$'000 千港元	Shown in the consolidated financial statements 綜合財務報表內 所示金額 RMB'000 人民幣千元
Authorised:	法定：			
At 1 January 2017, 31 December 2017 and 2018	於 2017 年 1 月 1 日、 2017 年及 2018 年 12 月 31 日	50,000,000,000	5,000,000	
Issued and fully paid:	已發行及繳足：			
At 1 January 2017	於 2017 年 1 月 1 日	2,241,800,000	224,180	179,527
Issue of Shares as part of the consideration for the acquisition of available-for-sale investments	作為收購可供出售投資之 部分代價發行股份	88,947,935	8,895	7,883
At 31 December 2017 and 2018	於 2017 年及 2018 年 12 月 31 日	2,330,747,935	233,075	187,410

In 2017, the Group issued 88,947,935 new Shares for the acquisition of available-for-sale investments (reclassified as equity investment at FVTOCI during the year) at the market price of HK\$0.58 per share at the completion date, with corresponding increase of share capital at RMB7,883,000 and an increase of share premium at RMB37,841,000. These new shares rank pari passu in all respects with the existing Shares. No ordinary new shares were issued during the year.

於 2017 年，本集團為收購可供出售投資（年內重新分類為透過其他全面收益按公平值列賬之股本工具），按於完成日期每股 0.58 港元之市價發行 88,947,935 股新股份，導致股本相應增加人民幣 7,883,000 元及股份溢價增加人民幣 37,841,000 元。該等新股份與現有股份在各方面享有同等權益。年內概無發行新普通股。

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36. SHARE OPTION SCHEME

On 11 October 2013, the Company conditionally adopted a share option scheme (the "Scheme") pursuant to a resolution passed by its then shareholders on 11 October 2013 for the primary purpose of the providing incentives or rewards to eligible employees, non-executive directors of the Company and other selected participants. The adoption of the Scheme became unconditional upon the listing of the Company on 1 November 2013.

During the years ended 31 December 2018 and 2017, there were no share options were granted, exercised or outstanding under the Scheme.

37. RETIREMENT BENEFIT SCHEMES

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a specific percentage of the total monthly basic salaries to the retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs, which contribution is matched by employees.

The retirement benefit contributions of the directors of the Company and staffs for the year end are stated in notes 12 and 11 respectively.

36. 購股權計劃

於2013年10月11日，本公司根據本公司當時股東於2013年10月11日通過的一項決議案有條件採納購股權計劃（「計劃」），主要旨在向本公司合資格僱員、非執行董事及其他經篩選參與者提供激勵或獎勵。在本公司於2013年11月1日上市時，計劃之採納即為無條件。

截至2018年及2017年12月31日止年度，並無購股權根據計劃被授出、獲行使或尚未行使。

37. 退休福利計劃

本公司於中國成立的附屬公司的僱員為中國政府運作的國家管理退休福利計劃的成員。附屬公司須按每月基本薪金總額的指定百分比向退休福利計劃供款。本集團於退休福利計劃內的唯一責任為根據該計劃作出規定的供款。

本集團亦為全體合資格香港僱員執行一項強制性公積金計劃。計劃之資產與本集團資產分開管理，並由信託人控制之基金持有。本集團會將相關工資成本的5%作為計劃供款，而僱員亦須按計劃繳納相等供款。

本公司董事及員工於年底的退休福利供款分別載於附註12及11。

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38. 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 the future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

38. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量會或未來現金流量將會於本集團綜合現金流量表內分類為融資活動產生的現金流量的負債。

		Short-term borrowings	Corporate bonds	Amount due to a director	Amount due to associates	Interest payable	Total
		短期貸款	公司債券	應付一名董事款項	應付聯營公司款項	應付利息	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於 2017 年 1 月 1 日	80,631	-	5,210	-	-	85,841
Financing cash flow	融資現金流量	(29,252)	106,758	(5,210)	-	(5,782)	66,514
Finance cost incurred during the year	年內產生的財務成本	-	1,574	-	-	5,782	7,356
Exchange differences	匯兌差額	(5,229)	(1,698)	-	-	-	(6,927)
At 31 December 2017	於 2017 年 12 月 31 日	46,150	106,634	-	-	-	152,784
Financing cash flow	融資現金流量	(43,005)	189,894	-	2,994	(1,355)	148,528
Finance cost incurred during the year	年內產生的財務成本	-	35,389	-	-	1,355	36,744
Exchange differences	匯兌差額	1,355	26,315	-	-	-	27,670
Investment costs payable	應付投資成本	-	-	-	200	-	200
At 31 December 2018	於 2018 年 12 月 31 日	4,500	358,232	-	3,194	-	365,926

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39. OPERATING LEASE COMMITMENTS

The Group as lessee

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year	於年內根據經營租賃支付之最低租賃付款	4,990	4,727

At the end of reporting period, the Group had commitment for future minimum lease payment under non-cancellable operating leases in respect of rented premises and plant and machinery which fall due as follows:

於報告期末，本集團根據於下列期限到期的有關租賃物業、廠房及機器的不可撤銷經營租賃擁有的未來最低租賃款項承擔如下：

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Premises	物業		
Within one year	一年內	5,342	3,009
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	4,471	2,314
		9,813	5,323

The leases of the Group are negotiated for terms ranging from one to three years at fixed rental.

本集團租賃按固定租金議定，租期介乎一至三年。

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39. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessor

Machinery rental income earned during the year was approximately RMB2,166,000 (2017: RMB2,154,000). The machinery held have committed tenants for the next two year.

At the end of the reporting period, the Group has contracted with a tenant for the following future minimum lease payments:

39. 經營租賃承擔(續)

本集團作為出租人

年內所賺取機器租金收入約為人民幣2,166,000元(2017年：人民幣2,154,000元)。所持有之機器於未來兩年已獲租戶承租。

於報告期末，本集團已與租戶就下列未來最低租賃款項訂約：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Machinery	機器		
Within one year	一年內	2,520	2,092
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	2,520	3,660
		5,040	5,752

40. CAPITAL COMMITMENTS

40. 資本承擔

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Capital expenditure authorised but not contracted for in respective of:	以下各項的已授權但未訂約的資本開支：		
— Acquisition of property, plant and equipment	— 收購物業、廠房及設備	—	24,593

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41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debts, which includes corporate bonds and short-term borrowings disclosed in notes 32 and 33, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through payment of dividend, new Shares issue as well as the issue of new debt or repayment of existing debt.

41. 資本風險管理

本集團管理其資本，以確保本集團的實體將可持續經營，並透過在債務與權益間作出最佳平衡為股東帶來最大回報。本集團的整體策略自過往年度起維持不變。

本集團的資本結構包括淨債務，其中包括分別於附註 32 及 33 披露的公司債券及短期貸款（扣除現金及現金等價物）及本公司擁有人應佔權益（包括股本、股份溢價、儲備及保留盈利）。

本公司董事按持續基準審閱資本結構，並會考慮資本成本及與資本相關的風險。本集團將透過支付股息、發行新股份及發行新債或償還現有債務平衡其整體資本結構。

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

42. 金融工具

(a) 金融工具類別

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Financial assets	金融資產		
Equity instruments at FVTOCI	透過其他全面收益按公平值列賬之股本工具	22,230	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	-	2,478,668
Financial assets at amortised cost	以攤銷成本列賬的金融資產	2,156,826	-
AFS investments	可供出售投資	-	53,928
Financial liabilities	金融負債		
Amortised cost	攤銷成本	489,921	238,368

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at FVTOCI/AFS investments, trade receivables, other receivables, bank balances and cash, trade payables, other payables, corporate bonds, short-term borrowings, amounts due to associates and financial guarantee contracts.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Certain transactions of the Group are denominated in HK\$ and United States dollars ("USD") which is different from the functional currency of the relevant group entities i.e. RMB, which expose the Group to foreign currency risk.

The carrying amounts of the Group's financial assets and (liabilities) denominated in HK\$ and USD at the end of the reporting period are as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Bank balances	銀行結餘	347	561
Other payables	其他應付款項	(9,983)	(6,676)
Short-term borrowings	短期貸款	-	(41,650)
Corporate bonds — due within one year	公司債券 — 於一年內到期	(196,069)	(19,199)
Corporate bonds — due after one year	公司債券 — 於一年後到期	(162,163)	(87,435)

42. 金融工具 (續)

(b) 財務風險管理目標及政策

本集團的主要金融工具包括透過其他全面收益按公平值列賬之股本工具／可供出售投資、應收貿易款項、其他應收款項、銀行結餘及現金、應付貿易款項、其他應付款項、公司債券、短期貸款、應付聯營公司款項及財務擔保合同。

該等金融工具的詳情披露於各附註。與該等金融工具有關的風險包括市場風險（外幣風險及利率風險）、信貸風險及流動資金風險。下文載列有關如何降低該等風險的政策。管理層管理及監察該等風險，以確保及時有效地採取適當措施。

市場風險

外幣風險

本集團的若干交易乃以港元及美元（「美元」）計值，而港元為有關集團實體功能貨幣（即人民幣）以外的貨幣，因此本集團面臨外幣風險。

於報告期末以港元及美元計值的本集團金融資產及（負債）的賬面值如下：

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. Management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against HK\$ and USD. A 5% sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A positive number below indicates an increase in profit where RMB strengthen 5% against HK\$ and USD. For a 5% weakening of RMB against HK\$ and USD, there would be an equal and opposite impact on the profit for the year.

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險(續)

本集團目前並無使用任何衍生工具合同對沖其所面臨的貨幣風險。管理層透過監察外匯匯率的變動管理其外幣風險，並將於有需要時考慮對沖重大外幣風險。

下表詳述本集團對人民幣兌港元及美元升值及貶值5%的敏感度。敏感度比率5%乃管理層就外匯匯率的合理可能變動作出的評估。敏感度分析僅包括以外幣計值的未結算貨幣項目，並於報告期末按5%外幣匯率變動調整換算。下表正數顯示倘若人民幣兌港元及美元升值5%，則盈利增加。倘人民幣兌港元及美元貶值5%，對年內盈利將有相反的等值影響。

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險(續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit for the year	年內盈利	18,393	7,720

In management's opinion, the sensitivity analysis is unrepresentative of the foreign currency risk inherent as the year end exposure does not reflect the exposure during the relevant year.

由於年末的風險並不反映有關年度的風險，故管理層認為敏感度分析在固有外匯風險方面並不具代表性。

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 28 for details). The Group does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

利率風險

本集團面臨有關浮息銀行結餘的現金流量利率風險(詳情見附註28)。本集團並無利率對沖政策。然而，管理層會監察利率風險並於需要時考慮對沖重大利率風險。

Total interest income from financial assets that are measured at amortised cost is as follows:

按攤銷成本計量之金融資產利率收入總額如下：

		2018 2018年 RMB'000 人民幣千元
Other income	其他收入	
Financial assets at amortised cost	以攤銷成本列賬的金融資產	4,058

		2017 2017年 RMB'000 人民幣千元
Other income	其他收入	
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括銀行結餘及現金)	3,163

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Interest expense on financial liabilities not measured at fair value through profit or loss:

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Financial liabilities at amortised cost 以攤銷成本列賬的金融負債	36,744	7,356

The Group's exposures to interest rates on bank balances is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rates quoted by the People's Bank of China arising from the Group's bank balances.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances at the end of each reporting period.

The analysis is prepared assuming the variable-rate bank balances outstanding at the end of the reporting period were outstanding for the whole year. A 25 basic point (2017: 25 basic points) increase or decrease for bank balances is used represent management's assessment of the reasonably possible change in interest rates.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

利率風險 (續)

並非透過損益按公平值列賬計量之金融負債利息開支：

本集團的銀行結餘面臨的利率風險詳情載於本附註流動資金風險管理一節。本集團的現金流量利率風險主要集中於因本集團銀行結餘產生的中國人民銀行所報利率波動。

敏感度分析

以下敏感度分析乃按浮息銀行結餘於各報告期末所面臨的利率風險釐定。

分析乃假設於各報告期末結欠的浮息銀行結餘於整個年度均未償還。就銀行結餘而言增加或減少25個基點(2017年：25個基點)為管理層對利率合理可能變動的評估。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis (Continued)

If interest rates on bank balances had been 25 basis points (2017: 25 basic points) higher and all other variables were held constant, a positive number below indicates an increase in profit for the year.

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Increase in profit for the year	年內盈利增加	1,607	1,420

In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

The Group also exposes to fair value interest rate risk, which primarily relates to the Group's fixed rate short-term borrowings and corporate bonds. After reviewing the Group's exposure for the time being, the Group did not enter into any arrangements to minimise this interest rate risk. Management monitors interest rate exposure and will consider entering into appropriate hedging transactions should the need arise.

Credit risk and impairment assessment

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the carrying amount of the respect recognised financial assets as stated in the consolidated statement of financial position due to failure to discharge an obligation by the counterparties.

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

敏感度分析(續)

倘銀行結餘利率上升25個基點(2017年：25個基點)，而所有其他變量維持不變，則下表正數顯示年內盈利增加。

由於年末的風險並不反映年內的風險，故管理層認為敏感度分析在利率風險方面並不具代表性。

本集團亦面臨主要與本集團固定利率短期貸款及公司債券有關的公平值利率風險。在本集團檢討當時所面臨的風險後，本集團並無制定任何安排以降低該利率風險。管理層負責監管利率風險，並在有需要時考慮制定適當的對沖交易。

信貸風險及減值評估

於2018年12月31日，本集團所面對的最大信貸風險(因交易對手未能履行責任將導致本集團產生財務虧損)乃來自綜合財務狀況表所載的已確認金融資產的賬面值。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The credit risk of the Group is concentrated on trade receivables and contract assets from the Group's five largest customers at 31 December 2018 amounting to RMB669,756,000 (2017: RMB854,581,000) and accounted for 34.3% (2017: 50.0%) of the Group's total trade receivables and contract assets before impairment losses. These five largest customers include state-owned enterprises and private limited companies registered and operated in the PRC. They are mainly the main contractors of construction projects. In order to minimise the credit risk, management continuously monitors the level of exposure by frequent review of the credit evaluation of the financial condition and credit quality of its customers to ensure that prompt actions will be taken to lower exposure. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade balances based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In order to minimise the credit risk of liquid fund, the Group reviews regularly the credit rating of the banks which they placed bank deposits in and performs impairment assessment under ECL model upon application of HKFRS 9 on bank balances individually. In this regard, the directors of the Company consider that the Group's credit risk of liquid fund is significantly reduced.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的信貸風險集中於來自本集團五大客戶的應收貿易款項及合同資產。於 2018 年 12 月 31 日，來自五大客戶的應收貿易款項為人民幣 669,756,000 元 (2017 年：人民幣 854,581,000 元)，佔本集團於扣除減值虧損前的應收貿易款項及合同資產總額的 34.3% (2017 年：50.0%)。該等五大客戶包括在中國註冊及經營的國有企業及私人有限公司。彼等主要為建築項目的主要承包商。為將信貸風險減至最低，管理層透過頻密檢討其客戶的財務狀況及信貸質素的信貸評估來持續監察所面臨風險的水平，確保即時採取行動，減低所面臨的風險。此外，本集團於應用香港財務報告準則第 9 號後根據預期信貸虧損模式 (2017 年：已產生虧損模式) 對基於撥備矩陣之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貸風險已大幅降低。

為盡量降低流動資金的信貸風險，本集團定期審核其存放銀行存款的銀行信貸評級，並於應用香港財務報告準則第 9 號後根據預期信貸虧損模式對銀行結餘進行個別減值評估。就此而言，本公司董事認為本集團流動資金的信貸風險已大幅降低。

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團之內部信貸風險評級評估包括以下類別：

Internal credit rating 內部信貸評級	Description 概況	Trade receivables/ contract assets 應收貿易款項/合同資產	Bank balances/ other receivables 銀行結餘/其他應收款項
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手的違約風險低及概無任何逾期款項	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 監測名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款，但通常於到期日後結算	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自首次確認起，根據內部開發的資料或外部資源，信貸風險大大增加	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有跡象表明資產出現信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人處於嚴重財政困難及本集團並無實際收回款項的機會	Amount is written off 款項已被撇銷	Amount is written off 款項已被撇銷

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment
(Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

2018 2018 年	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總額 RMB'000 人民幣千元
Financial assets at amortised costs 以攤銷成本列賬之金融資產					
Bank balances 銀行結餘	28	Aa2/BBB	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	875,539
Other receivables 其他應收款項	27	N/A 不適用	(Note 2) (附註2)	12-month ECL 12個月預期信貸虧損	34,153
Trade receivables 應收貿易款項	25	N/A 不適用	(Note 3) (附註3)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	1,362,194
Other items 其他項目					
Contract assets 合同資產	26	N/A 不適用	(Note 3) (附註3)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	589,867

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表詳細列出本集團金融資產及合同資產的信貸風險敞口，該等金融資產及合同資產須進行預期信貸虧損評估：

2018 2018 年	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總額 RMB'000 人民幣千元
Financial assets at amortised costs 以攤銷成本列賬之金融資產					
Bank balances 銀行結餘	28	Aa2/BBB	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	875,539
Other receivables 其他應收款項	27	N/A 不適用	(Note 2) (附註2)	12-month ECL 12個月預期信貸虧損	34,153
Trade receivables 應收貿易款項	25	N/A 不適用	(Note 3) (附註3)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	1,362,194
Other items 其他項目					
Contract assets 合同資產	26	N/A 不適用	(Note 3) (附註3)	Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣)	589,867

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

1. Except for the bank balances of RMB3,119,000 was placed in banks with external credit rating as detailed above, the remaining bank balances of RMB872,420,000 was placed in a local bank which does not have external credit rating as at 31 December 2018. The Group has applied 12m ECL approach to assess the impairment loss on bank balances and determines the credit rating of this local bank based on the scale, the operation risk and the supervision risk of the bank.
2. 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. The balances of other receivables are all not past due.
3. For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, grouped by combined effect of internal credit ratings, past due status and repayment history.

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

附註：

1. 於 2018 年 12 月 31 日，除上述存放於具有外部信貸評級銀行的銀行結餘人民幣 3,119,000 元外，剩餘銀行結餘人民幣 872,420,000 元存放於並無外部信貸評級的本地銀行。本集團已採用 12 個月預期信貸虧損方法評估銀行結餘的減值損失，並根據銀行的規模、經營風險及監管風險釐定此本地銀行的信貸評級。
2. 就內部信貸風險管理而言，本集團使用逾期資料評估自首次確認起信貸風險是否顯著增加。其他應收款項的結餘均未逾期。
3. 就應收貿易款項及合同資產而言，本集團已應用香港財務報告準則第 9 號的簡化方法計量全期預期信貸虧損的虧損撥備。本集團使用撥備矩陣釐定該等項目的預期信貸虧損，該等項目已按內部信貸評級、逾期狀況及還款記錄的綜合影響進行分組。

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42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

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).

Gross carrying amount

		Average Loss rate 平均虧損率	Trade receivables 應收貿易款項 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元
Grade 1: Low risk	第 1 級：低風險	0.1%	–	8,817
Grade 2: Watch list	第 2 級：監測名單	3.2%	831,726	294,998
Grade 3-4: Doubtful	第 3 至 4 級：呆賬	13.2%	530,468	286,052
			1,362,194	589,867

For bank balances, the Group assessed the ECL on the carrying amount of RMB872,420,000 and RMB3,119,000 at the loss rates of 2.15% and 0.09%, respectively, as at 31 December 2018.

For other receivables, the directors consider the default rate of amounts due from a director is not significant, thus, the Group assessed that the ECLs on this balance is insignificant.

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.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表提供有關於全期預期信貸虧損內(無信貸減值)蒙受應收貿易款項及合同資產(於2018年12月31日按撥備矩陣評估)信貸風險之資料。

賬面總額

就銀行結餘而言，本集團已於2018年12月31日分別以2.15%及0.09%的虧損率評估賬面值人民幣872,420,000元及人民幣3,119,000元的預期信貸虧損。

就其他應收款項而言，董事認為應收一名董事款項的違約率及剩餘結餘的虧損率均不屬重大，因此，本集團估計該等結餘的預期信貸虧損不屬重大。

估計虧損率乃根據債務人於預期年期的過往觀察所得違約率估計，並按毋須不必要成本及努力即可獲得的前瞻性資料作出調整。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment
(Continued)

Gross carrying amount (Continued)

During the year ended 31 December 2018, the Group provided RMB12,025,000, RMB6,268,000 and RMB10,226,000 of net impairment losses for trade receivables, contract assets and bank balances respectively, based on the provision matrix. Impairment losses of RMB96,445,000, RMB47,762,000 and RMB18,723,000 were made on trade receivables contract assets and bank balances, respectively.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach and 12m ECL that has been recognised for bank balances.

		Lifetime ECL (not credit-impaired)		12m ECL (not credit-impaired) 12個月 預期信貸虧損 (無信貸減值)	Total 總計
		Trade receivables 應收貿易款項 RMB'000 人民幣千元	Contract assets 合同資產 RMB'000 人民幣千元	Bank balances 銀行結餘 RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2017 under HKAS 39	於 2017 年 12 月 31 日 根據香港會計準則 第 39 號	14,978	-	-	14,978
Adjustment upon application of HKFRS 9	於應用香港財務報告 準則第 9 號後之調整	69,442	41,494	8,497	119,433
As at 1 January 2018 — As restated	於 2018 年 1 月 1 日 一經重列	84,420	41,494	8,497	134,411
Changes due to financial instruments recognised as at 1 January 2018: — Impairment losses reversed	於 2018 年 1 月 1 日確認 之金融工具所致變動： — 已撥回減值虧損	(46,275)	(5,760)	(266)	(52,301)
New financial assets originated	新增金融資產	58,300	12,028	10,492	80,820
As at 31 December 2018	於 2018 年 12 月 31 日	96,445	47,762	18,723	162,930

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

賬面總額(續)

於截至 2018 年 12 月 31 日止年度，本集團根據撥備矩陣分別就應收貿易款項、合同資產及銀行結餘撥付減值虧損淨額人民幣 12,025,000 元、人民幣 6,268,000 元及人民幣 10,226,000 元。對應收貿易款項、合同資產及銀行結餘已分別作出減值虧損人民幣 96,445,000 元、人民幣 47,762,000 元及人民幣 18,723,000 元。

下表載列根據簡化方法確認為應收貿易款項及合同資產的全期預期信貸虧損及確認為銀行結餘的 12 個月預期信貸虧損之變動。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Gross carrying amount (Continued)

Changes in the loss allowance for trade receivables and contract assets are mainly due to the increase of the gross amount of trade receivables and contract assets during the year.

Changes in the loss allowance for bank balances are mainly due to the change of gross amounts of bank deposits placed at different banks with different credit ratings at 1 January 2018 and 31 December 2018.

For ECL assessment of other receivables as detailed in note 27, the Group performed impairment assessment and concluded that the impairment loss involved is insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

賬面總額(續)

應收貿易款項及合同資產虧損撥備變動乃主要由於年內應收貿易款項及合同資產總額增加所致。

銀行結餘虧損撥備變動乃主要由於於 2018 年 1 月 1 日 及 2018 年 12 月 31 日 存放於具不同信貸評級的不同銀行之銀行存款總額變動所致。

就附註 27 所詳述的其他應收款項預期信貸虧損評估而言，本集團已進行減值評估並認為所涉減值虧損並不重大。

流動資金風險

管理流動資金風險方面，本集團監察及維持現金及現金等價物處於管理層視為充足的水平，以提供本集團經營所需資金，並減少現金流量波動的影響。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average effective interest rate 加權平均實際利率	On demand or less than 3 months 按要求或三個月內 RMB'000 人民幣千元	3-6 months 三至六個月 RMB'000 人民幣千元	6 months-1 year 六個月至一年 RMB'000 人民幣千元	1-5 years 一至五年 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
As at 31 December 2018 於 2018 年 12 月 31 日							
Trade payables 應付貿易款項		80,542	3,237	7,767	-	91,546	91,546
Other payables 其他應付款項		32,449	-	-	-	32,449	32,449
Amounts due to associates 應付聯營公司款項		-	-	3,194	-	3,194	3,194
Short-term borrowings 短期貸款	4.35%	-	-	4,696	-	4,696	4,500
Corporate bonds 公司債券	9.78%	235,664	5,854	62,851	232,381	536,750	358,232
		348,655	9,091	78,508	232,381	668,635	489,921
As at 31 December 2017 於 2017 年 12 月 31 日							
Trade payables 應付貿易款項		60,975	5,850	1,928	-	68,753	68,753
Other payables 其他應付款項		15,631	-	-	-	15,631	15,631
Short-term borrowings 短期貸款	7.64%	42,483	-	4,696	-	47,179	46,150
Corporate bonds 公司債券	8.70%	3,278	1,939	21,566	110,256	137,039	106,634
Financial guarantee contracts 財務擔保合同		-	-	1,200	-	1,200	1,200
		122,367	7,789	29,390	110,256	269,802	238,368

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

42. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

下表詳列本集團非衍生金融負債的剩餘合同期。下表乃根據金融負債的未折現現金流量編製，該等金融負債乃根據本集團可能須付款的最早日期分類。

(c) 金融工具的公平值計量

本集團部分金融工具就財務呈報目的按公平值計量。

在估計公平值時，本集團盡可能使用可觀察市場數據。在並無第一級輸入數據之情況下，本集團委聘第三方合資格估值師進行估值。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements of financial instruments (Continued)

- (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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 technique(s) and inputs used).

Financial assets 金融資產	Fair value as at 於下列日期之公平值		Fair value hierarchy 公平值層級	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據
	31.12.2018 2018年12月31日	31.12.2017 2017年12月31日			
Private equity investment at FVTOCI (2017: classified as AFS) 透過其他全面收益按公平值列賬之私募股本投資 (2017年：分類為可供出售)	11.7% equity investment in an unlisted entity engaging in investment holding RMB22,230,000 於從事投資控股之非上市實體之 11.7% 股本投資 人民幣22,230,000元	N/A (Note 1) 不適用(附註1)	Level 3 第三級	Income approach — in this approach, the discounted cash flow method was used capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate. 收入法 — 在本方法中，折現現金流量法根據合適折現率用於取得投資對象擁有權將產生之預期未來經營收益的現值。	Long-term revenue growth rate at 2.5%, taking into account management's experience and knowledge of market conditions of the specific industries. (Note 2) 長期收益增長率2.5%，當中計及管理層之經驗及其對特定行業市況之瞭解。(附註2) Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 34.4% to 40.0%. 長期稅前經營利潤率介乎34.4%至40.0%，當中計及管理層之經驗及其對特定行業市況之瞭解。 Discount rate, taking into account of weighted average cost of capital determined using a Capital Asset Pricing Model, ranging from 20.0% to 28.1%. (Note 3) 使用資本資產定價模式釐定的折現率介乎20.0%至28.1%，當中計及資本加權平均成本(附註3) Discount at 35% for lack of marketability, determined by reference to the share price of listed entities in similar industries. 缺乏市場流通性折現35%，經參考類似行業中上市實體之股價釐定。

42. 金融工具(續)

(c) 金融工具的公平值計量(續)

- (i) 本集團按經常性基準以公平值計量之金融資產之公平值

本集團部分金融資產於各報告期末按公平值計量。下表提供如何釐定該等金融資產之公平值(尤其是所用估值技術及輸入數據)之資料。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements of financial instruments (Continued)

- (i) *Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)*

Notes:

1. The equity investments at FVTOCI is classified as AFS as at 31 December 2017 and is measured at cost.
2. A slight increase in the long-term revenue growth rates used in isolation would result in an increase in the fair value measurement of the private equity investment, and vice versa. A 1% increase in the long-term revenue growth rates holding all other variables constant would increase the carrying amount of the shares by RMB179,000.
3. A slight increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the private equity investments, and vice versa. A 1% increase in the discount rate holding all other variables constant would decrease the carrying amount of the private equity investments by RMB1,755,000.

42. 金融工具(續)

(c) 金融工具的公平值計量(續)

- (i) 本集團按經常性基準以公平值計量之金融資產之公平值(續)

附註：

1. 透過其他全面收益按公平值列賬之股本投資於2017年12月31日乃分類為可供出售並以成本計量。
2. 單獨使用的長期收益增長率輕微增長將導致私募股本投資之公平值計量增加，反之亦然。如所有其他變數維持不變，長期收益增長率增長1%將導致股份賬面值增加人民幣179,000元。
3. 單獨使用的折現率輕微增長將導致私募股本投資之公平值計量減少，反之亦然。如所有其他變數維持不變，折現率增長1%將導致私募股本投資賬面值減少人民幣1,755,000元。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

42. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurements

31 December 2018

42. 金融工具(續)

(c) 金融工具的公平值計量(續)

(ii) 第三級公平值計量對賬

2018年12月31日

		Equity instruments at FVTOCI 透過其他全面收益按公平值列賬之股本工具 RMB'000 人民幣千元
Opening balance	期初結餘	53,928
Loss in other comprehensive income	其他全面收益虧損	(29,698)
Disposal	出售	(2,000)
Closing balance	期末結餘	22,230

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their corresponding fair values.

本公司董事認為，按攤銷成本在綜合財務報表列賬之金融資產及金融負債之賬面值與其相應公平值相若。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

43. RELATED PARTY DISCLOSURES

(a) Balances with related parties

The following balances were outstanding at the end of the reporting period:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Amounts due from a director	應收一名董事款項	32,550	14,920
Amounts due to associates	應付聯營公司款項	3,194	-

(b) Compensation of key management personnel

The remuneration of directors and other members of key management for both years were as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Short-term benefits	短期福利	5,396	4,960
Contributions to retirement benefit scheme	退休福利計劃供款	77	71
		5,473	5,031

43. 關連人士披露資料

(a) 關連人士結餘

下列結餘於報告期末尚未償還：

(b) 主要管理人員的薪酬

於兩個年度內，董事及主要管理人員其他成員的薪酬如下：

44. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 27 February 2019, the Company entered into the subscription agreement with a subscriber pursuant to which the subscriber has agreed to subscribe for, and the Company has agreed to allot and issue, 260,000,000 shares at the subscription price of HK\$0.5 per share. The subscription was completed on 13 March 2019.

44. 報告期末後事項

於2019年2月27日，本公司與認購方訂立認購協議，據此，認購方已同意認購，而本公司已同意按每股0.5港元的認購價配發及發行260,000,000股股份。認購事項已於2019年3月13日完成。

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

45. 本公司財務狀況及儲備表

		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Non-current asset	非流動資產		
Investments in subsidiaries	於附屬公司的投資	1,427,504	1,175,504
		1,427,504	1,175,504
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款項	18,164	650
Amounts due from subsidiaries	應收附屬公司款項	-	67,130
Bank balances	銀行結餘	308	561
		18,472	68,341
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	9,827	6,523
Amounts due to subsidiaries	應付附屬公司款項	75,797	-
Short-term borrowings	短期貸款	-	41,650
Corporate bonds-due within one year	公司債券 — 於一年內到期	196,069	19,199
		281,693	67,372
Net current (liabilities) assets	流動(負債)資產淨值	(263,221)	969
Total assets less current liabilities	總資產減流動負債	1,164,283	1,176,473
Non-current liability	非流動負債		
Corporate bonds-due after one year	公司債券 — 於一年後到期	162,163	87,435
		1,002,120	1,089,038
Capital and reserves	資本及儲備		
Share capital (see note 35)	股本(見附註35)	187,410	187,410
Share premium and reserves	股份溢價及儲備	814,710	901,628
Total equity	權益總額	1,002,120	1,089,038

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

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

45. 本公司財務狀況及儲備表(續)

Movement of capital and reserves of the Company

本公司資本及儲備變動

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於 2017 年 1 月 1 日	179,527	473,674	464,556	(54,674)	1,063,083
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(19,769)	(19,769)
Issued of new shares (note 35)	發行新股份(附註35)	7,883	37,841	-	-	45,724
At 31 December 2017	於 2017 年 12 月 31 日	187,410	511,515	464,556	(74,443)	1,089,038
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(86,918)	(86,918)
At 31 December 2018	於 2018 年 12 月 31 日	187,410	511,515	464,556	(161,361)	1,002,120

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

46. 本公司主要附屬公司的詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Equity interest attributable to the Company 本公司應佔股權		Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Principal activity 主要業務
		2018 2018年	2017 2017年		
Modern Day Holdings Limited 全傑控股有限公司	Hong Kong 香港	100%	100%	Ordinary shares HK\$1,000,000 普通股 1,000,000 港元	Investment holding 投資控股
China Saite (Overseas) Company Limited 中國賽特(海外)有限公司	British Virgin Islands 英屬處女群島	100%	100%	Ordinary share US\$1 普通股 1 美元	Investment holding 投資控股
China Saite (H.K.) Company Limited 中國賽特(香港)有限公司	Hong Kong 香港	100%	100%	Ordinary share HK\$1 普通股 1 港元	Investment holding 投資控股
Yixing City Zhicheng Consultation Company Limited (note a) 宜興市至誠諮詢有限公司(附註a)	the PRC 中國	100%	100%	Registered capital RMB16,667,000 Paid-up capital RMB16,667,000 註冊資本人民幣 16,667,000 元 實繳資本人民幣 16,667,000 元	Investment holding 投資控股
Jiangsu Saite Steel Structure Co., Ltd. (note b) 江蘇賽特鋼結構有限公司(附註b)	the PRC 中國	100%	100%	Registered capital RMB502,860,000 Paid-up capital RMB341,367,000 註冊資本人民幣 502,860,000 元 實繳資本人民幣 341,367,000 元	Construction of steel structure and prefabricated construction projects 鋼結構及預製構件建築項目的 建築施工

For the year ended 31 December 2018 截至 2018 年 12 月 31 日止年度

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

47. 本公司主要附屬公司的詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Equity interest attributable to the Company 本公司應佔股權		Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Principal activity 主要業務
		2018 2018 年	2017 2017 年		
Jiangsu Qifeng New Building Materials Company Limited (note c) 江蘇旗峰新型建材有限公司(附註c)	the PRC 中國	100%	100%	Registered capital RMB197,000,000 Paid-up capital RMB137,000,000 註冊資本人民幣 197,000,000 元 實繳資本人民幣 137,000,000 元	Prefabricated construction projects 預製構件建築項目
Anhui Saite New Building Materials Company Limited (note c) 安徽賽特新型建材有限公司(附註c)	the PRC 中國	100%	100%	Registered capital RMB60,000,000 Paid-up capital RMB22,000,000 註冊資本人民幣 60,000,000 元 實繳資本人民幣 22,000,000 元	Prefabricated construction projects 預製構件建築項目
Shenzhen Saite Construction Consulting Company Limited (note a) 深圳賽特建築工程諮詢有限公司(附註a)	the PRC 中國	100%	-	Registered capital HK\$50,000,000 Paid-up capital RMB2,000,000 註冊資本 50,000,000 港元 實繳資本人民幣 2,000,000 元	Construction consulting 建築諮詢
Shanghai Saite Supply Chain Company Limited (note c) 上海賽特供應鏈有限公司(附註c)	the PRC 中國	100%	-	Registered capital RMB50,000,000 Paid-up capital Nil 註冊資本人民幣 50,000,000 元 無實繳資本	Construction consulting 建築諮詢

Notes:

- (a) The entity is a wholly foreign-owned enterprise established in the PRC. The English name is for translation purpose.
- (b) The entity is a sino-foreign equity joint venture established in the PRC. The English name is for translation purpose.
- (c) The entity is a wholly sino-owned enterprise established in the PRC. The English name is for translation purpose.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

附註：

- (a) 該實體為於中國成立的外商獨資企業。英文名稱僅作翻譯用途。
- (b) 該實體為於中國成立的中外合資合營企業。英文名稱僅作翻譯用途。
- (c) 該實體為於中國成立的中國獨資企業。英文名稱僅作翻譯用途。

本公司董事認為，上表所列本公司的附屬公司主要影響本集團業績或資產。董事認為載列其他附屬公司的詳情令篇幅過於冗長。

概無附屬公司於年末發行任何債務證券。

Five-Year Financial Summary

五年財務概要

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years prepared on the basis set out in the note below is as follows:

Results

		2018 2018年 RMB' 000 人民幣千元	Year Ended 31 December 截至12月31日止年度			
			2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元	2015 2015年 RMB' 000 人民幣千元	2014 2014年 RMB' 000 人民幣千元
Revenue	收益	1,501,311	1,411,745	1,650,760	1,834,664	1,660,285
Cost of sales	銷售成本	(1,147,488)	(1,051,837)	(1,222,468)	(1,321,827)	(1,165,394)
Gross profit	毛利	353,823	359,908	428,292	512,837	494,891
Other income	其他收入	12,890	9,985	9,737	6,373	8,306
Other gains or losses	其他收益或虧損	(24,708)	(7,399)	(6,608)	-	-
Impairment losses	減值虧損	(28,519)	-	-	-	-
Selling and distribution expense	銷售及營銷開支	(4,027)	(4,093)	(2,107)	(9,585)	(3,979)
Administrative expense	行政開支	(56,544)	(37,233)	(31,585)	(59,918)	(40,582)
Other expense	其他開支	-	-	-	-	-
Finance costs	財務成本	(36,744)	(7,356)	(6,554)	(1,343)	-
Share of profit a joint venture	分佔合營企業盈利	332	409	502	-	-
Share of loss of associates	分佔聯營公司虧損	(1,113)	-	-	-	-
Profit before tax	除稅前盈利	215,390	314,221	391,677	448,364	458,636
Income tax expense	所得稅開支	(76,378)	(87,021)	(103,408)	(122,461)	(148,938)
Total comprehensive income for the year	年內全面收入總額	139,012	227,200	288,269	325,903	309,698
Earnings per share	每股盈利					
Basic (RMB cents)	基本(人民幣分)	5.96	9.77	14.13	17.53	19.36
Diluted (RMB cents)	攤銷(人民幣分)	N/A 不適用	N/A 不適用	N/A 不適用	17.51	N/A 不適用

Assets and Liabilities

		2018 2018年 RMB' 000 人民幣千元	Year Ended 31 December 截至12月31日止年度			
			2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元	2015 2015年 RMB' 000 人民幣千元	2014 2014年 RMB' 000 人民幣千元
Non-current assets	非流動資產	542,501	484,998	378,447	395,817	232,527
Current assets	流動資產	2,770,810	2,572,692	2,313,889	1,928,454	1,428,050
Current liabilities	流動負債	(426,561)	(269,566)	(264,571)	(247,111)	(285,963)
Non-current liabilities	非流動負債	(254,279)	(179,551)	(92,116)	(92,116)	(92,116)
Total equity	權益總額	2,632,573	2,608,573	2,335,649	1,985,044	1,282,498

財務資料概要

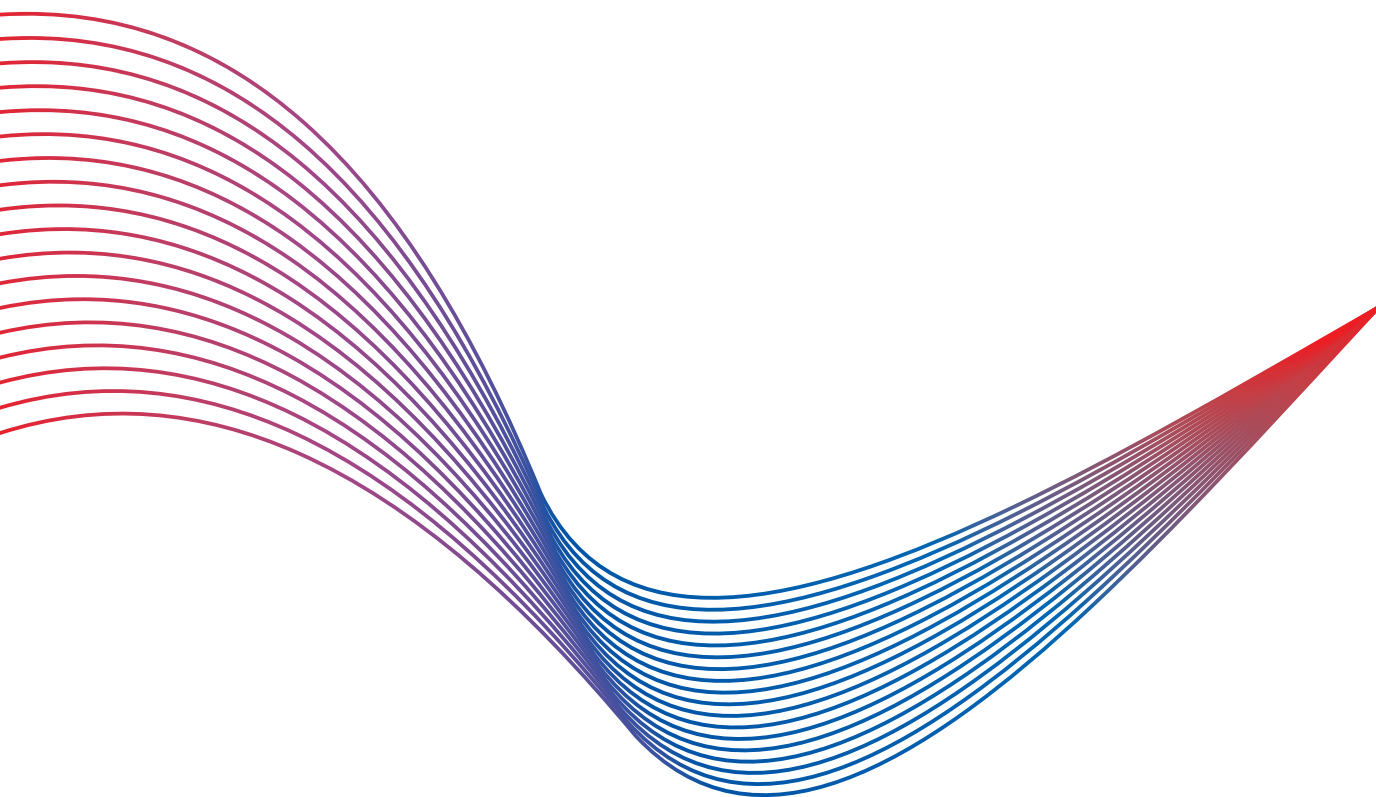
本集團按以下附註所載基準編製於最近五個財政年度之已公佈業績與資產及負債概要如下：

業績

		2018 2018年 RMB' 000 人民幣千元	Year Ended 31 December 截至12月31日止年度			
			2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元	2015 2015年 RMB' 000 人民幣千元	2014 2014年 RMB' 000 人民幣千元
Revenue	收益	1,501,311	1,411,745	1,650,760	1,834,664	1,660,285
Cost of sales	銷售成本	(1,147,488)	(1,051,837)	(1,222,468)	(1,321,827)	(1,165,394)
Gross profit	毛利	353,823	359,908	428,292	512,837	494,891
Other income	其他收入	12,890	9,985	9,737	6,373	8,306
Other gains or losses	其他收益或虧損	(24,708)	(7,399)	(6,608)	-	-
Impairment losses	減值虧損	(28,519)	-	-	-	-
Selling and distribution expense	銷售及營銷開支	(4,027)	(4,093)	(2,107)	(9,585)	(3,979)
Administrative expense	行政開支	(56,544)	(37,233)	(31,585)	(59,918)	(40,582)
Other expense	其他開支	-	-	-	-	-
Finance costs	財務成本	(36,744)	(7,356)	(6,554)	(1,343)	-
Share of profit a joint venture	分佔合營企業盈利	332	409	502	-	-
Share of loss of associates	分佔聯營公司虧損	(1,113)	-	-	-	-
Profit before tax	除稅前盈利	215,390	314,221	391,677	448,364	458,636
Income tax expense	所得稅開支	(76,378)	(87,021)	(103,408)	(122,461)	(148,938)
Total comprehensive income for the year	年內全面收入總額	139,012	227,200	288,269	325,903	309,698
Earnings per share	每股盈利					
Basic (RMB cents)	基本(人民幣分)	5.96	9.77	14.13	17.53	19.36
Diluted (RMB cents)	攤銷(人民幣分)	N/A 不適用	N/A 不適用	N/A 不適用	17.51	N/A 不適用

資產及負債

		2018 2018年 RMB' 000 人民幣千元	Year Ended 31 December 截至12月31日止年度			
			2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元	2015 2015年 RMB' 000 人民幣千元	2014 2014年 RMB' 000 人民幣千元
Non-current assets	非流動資產	542,501	484,998	378,447	395,817	232,527
Current assets	流動資產	2,770,810	2,572,692	2,313,889	1,928,454	1,428,050
Current liabilities	流動負債	(426,561)	(269,566)	(264,571)	(247,111)	(285,963)
Non-current liabilities	非流動負債	(254,279)	(179,551)	(92,116)	(92,116)	(92,116)
Total equity	權益總額	2,632,573	2,608,573	2,335,649	1,985,044	1,282,498



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