

China Ocean Industry Group Limited 中海重工集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 00651



**ANNUAL
REPORT**
2016年報



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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive directors:

Mr. Li Ming (*Chairman*)
Mr. Zhang Shi Hong (*Chief Executive Officer*)
Mr. Wang San Long
Mr. Liu Jin

Non-executive director:

Mr. Chau On Ta Yuen (*Honorary Chairman*)

Independent non-executive directors:

Mr. Hu Bai He
Ms. Xiang Siying
Ms. Xiang Ying

COMPANY SECRETARY

Ms. Cheung Tin Shu

AUDITOR

Asian Alliance (HK) CPA Limited
Suites 313-316
3/F., Shui On Centre
6-8 Harbour Road, Wan Chai
Hong Kong

PRINCIPAL BANKERS

China Merchants Bank Co. Ltd.
Bank of Communications Co. Ltd.
Chiyu Banking Corporation Ltd.
Industrial and Commercial Bank of China (Asia) Limited

董事會

執行董事：

李明先生 (主席)
張士宏先生 (行政總裁)
汪三龍先生
劉進先生

非執行董事：

周安達源先生 (名譽主席)

獨立非執行董事：

胡柏和先生
項思英女士
向穎女士

公司秘書

張天舒女士

核數師

華融(香港)會計師事務所有限公司
香港
灣仔港灣道6-8號
瑞安中心3樓
313-316室

主要往來銀行

招商銀行股份有限公司
交通銀行股份有限公司
集友銀行有限公司
中國工商銀行(亞洲)有限公司



REGISTERED OFFICE

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2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

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PRINCIPAL SHARE REGISTRAR

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Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR IN HONG KONG

Tricor Abacus Limited
Level 22, Hopewell Centre,
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Hong Kong

註冊辦事處

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Hamilton HM 11
Bermuda

主要辦公地點

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干諾道中168-200號
信德中心
招商局大廈
17樓1702-03室

主要股份過戶登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記處香港分處

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香港
皇后大道東183號
合和中心22樓



Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the annual report of China Ocean Industry Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

The Group recorded an audited consolidated revenue and loss for the year attributable to owners of the Company amounting to approximately HK\$417.31 million and HK\$353.16 million respectively for the year ended 31 December 2016, representing an increase of 164.73% and a decrease of 29.48% respectively with compared to last year.

In 2016, initial success has been achieved in the Group's strategic transformation. Benefiting from significant breakthroughs in the intelligent car parking and automotive device business, the overall consolidated revenue increased by HK\$259.68 million as compared with that of 2015, which contributed external revenue of HK\$210.55 million and accounted for 50.45% of the Group's total revenue. As performance of the above business surpassed the shipbuilding business for the first time, it became the Group's main source of revenue. Since the acquisition of intelligent car parking business at the end of 2015, the Group has acquired and established wholly-owned companies, joint ventures and cooperated with other partners such as large state-owned enterprises and domestic listed companies to make use of their resources and advantages. Therefore, satisfactory progress has been made in the manufacturing and sales of intelligent car-parking equipment and automotive electronic equipment, investment in intelligent car parks and internet operation of car parks, etc. The shipbuilding business of the Group was still influenced by the economic downturn. Although the revenue of this segment during the year managed to keep flat with last year, the Group has identified risks of default on the shipowners' part and has been negotiating with the existing shipowners for solutions.

尊敬的各位股東：

本人謹代表董事會呈報中海重工集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度之年報。

本集團於截至二零一六年十二月三十一日止年度分別錄得本公司擁有人應佔年內經審核綜合收益及虧損約417.31百萬港元及353.16百萬港元，較去年分別增加164.73%及減少29.48%。

二零一六年本集團戰略轉型顯現成效，總體綜合收益較二零一五年度增加259.68百萬港元，主要受益於智慧停車停車及汽車電子業務取得重大突破，貢獻外部收益210.55百萬港元，佔集團總收益的50.45%；該業務首次超過造船業務，成為本集團主要收益來源。自二零一五年末收購智慧停車業務開始，本集團通過收購及成立獨資、合資企業，與大型國有企業、國內上市公司等其他合作夥伴合作，利用各方的資源和優勢，在智慧停車設備、汽車電子的生產和銷售、智慧停車場投資、停車場互聯網運營等方面取得積極進展。本集團於造船業務方面依然飽受經濟低迷之影響，雖然本年度該分部收益維持到去年之水平，但顯現棄船隱患，本集團與現有船東商討尋找解決方案。

Looking into 2017, we will keep implementing our business transformation strategies and further expand our business into intelligent car parking and automotive device business. We will continue to shift our R&D advantages and spare manufacturing capacity of the shipbuilding business towards the R&D and manufacturing of car-parking equipment, and extend the industrial chain into offering car charge management systems with barrier gates, new energy charging and other auxiliary services, so as to provide the domestic car parking market with integrated solutions which include a complete value chain from equipment manufacturing and upgrading to investment operations, financial services and vehicle owners value-added services, etc.

As for the shipbuilding business, the Group has entered into a substantial acquisition agreement to acquire a steelwork manufacturing company which has synergistic effect with the Company, introducing an excellent and experienced management and operation team to improve the quality and production efficiency of the Company's existing shipbuilding business. Meanwhile, the Group established a joint venture in Nantong, Jiangsu Province, with a large state-owned enterprise and Xiamen Xiangyu Group last year, to leverage on the strengths of respective parties in engaging in special ship manufacturing and investment business in Nantong. The Group expected that the cooperation can facilitate the transfer of shipbuilding capacity, further control costs and open up new markets so as to get the overall shipbuilding business out of difficulties as soon as possible.

In closing, I would like to express my heartfelt appreciation to our shareholders, investors and partners for their strong support. I would also like to express my gratitude to our Directors and all Group employees for their diligence and valuable contributions.

Yours faithfully,
LI Ming
Chairman

30 March 2017

展望二零一七年，我們將繼續貫徹實行業務轉型戰略，進一步擴展我們在智慧停車和汽車電子方面的業務。我們將繼續將造船業務的研發優勢以及富裕的製造能力轉移到停車場設備的研發與製造，並將產業鏈條延伸，提供汽車道閘收費管理系統、新能源充電等配套服務，實現國內停車場市場從設備製造、升級改造、投資運營、金融服務、車主增值服務等完整價值鏈的整體解決方案。

造船業務方面本集團已簽訂非常重大收購協議收購一間與本公司有協同效應的鋼結構製造企業，並由此引入一支優秀及經驗豐富的管理運營團隊，提升本公司現有造船業務的產品質素及生產效率。與此同時，本集團去年已與大型國有企業與廈門象嶼集團在江蘇南通設立合資企業，利用各自優勢，在南通從事特種船舶的生產與投資業務。本集團冀本次合作實現團造船產能的轉移，進一步控制成本和開拓市場，盡快實現造船業務的整體脫困。

最後，本人對股東、投資者及合作夥伴給予我們之鼎力支持致以衷心感謝。同時，亦感謝董事及集團全體僱員之辛勤付出及寶貴貢獻。

李明
主席
謹啟

二零一七年三月三十日



Management Discussion And Analysis

管理層討論及分析

OVERVIEW

China Ocean Industry Group Limited is engaged in the intelligent car-parking and automotive electronics business, shipbuilding business, trading business, and financial services business.

In face of the continued sluggish global shipbuilding market, the Group sought for strategic transformation from three ways: transfer of manufacturing capacity, activation, adjustment and optimization of stock resources, and value-addition of new-type services. In 2015, the Group developed into the intelligent car-parking equipment manufacturing and automotive electronics business through acquisition, thus successfully shifting the mature shipbuilding capacity to the research & development of car-parking equipment; and the car parks industry has become the exact new hot spot of domestic market demands. Meanwhile, relying on the manufacturing of car-parking equipment and automotive electronic equipment, the Group extended the industrial chain downward to develop the business of investment and operation of intelligent car parks, and provide domestic car parks market with the integrated solution containing a full value chain from equipment manufacturing, upgrading & transformation, investment & operation, financial services, and car-owner value-added services.

In 2016, the Group's strategic transformation has shown positive results. The intelligent car-parking and automotive electronics business achieved significant breakthrough with the revenue from this business exceeding that of shipbuilding for the first time, making it become the primary source of revenue of the Group. The manufacturing and selling of intelligent car-parking equipment and automotive electronics have achieved the expected result, meanwhile we have made positive progress in investment in intelligent car parks and internet operation of car parks through cooperation with large state-owned enterprises and domestic listed companies.

概覽

中海重工集團有限公司經營智慧停車及汽車電子業務、造船業務、貿易業務、金融服務業務。

面對持續低迷的全球造船市場，本集團從三個方向尋求戰略轉型：轉移製造能力、激活調整優化存量資源、新型服務增值。在二零一五年本集團通過併購進入智慧停車場設備製造與汽車電子業務，將成熟的造船製造能力轉移到停車場設備的研發與製造，而停車場行業目前正式國內市場需求的新熱點。同時，依托停車場設備與汽車電子設備的生產，將產業鏈條向下延伸，開展智慧停車場投資與運營業務，提供國內停車場市場從設備製造、升級改造、投資運營、金融服務、車主增值服務等完整價值鏈的整體解決方案。

二零一六年本集團戰略轉型經營策略顯現成效，智慧停車及汽車電子業務取得重大突破，該業務收益首次超過造船業務收益，成為本集團主要收益來源。智慧停車設備、汽車電子的生產和銷售基本達到預期效果，同時與大型國有企業、國內上市公司合作，在智慧停車場投資、停車場互聯網運營等方面取得積極進展。



Management Discussion And Analysis 管理層討論及分析

While exploring new business, the Group also actively adjusted and reorganized the shipbuilding business, shifted toward the steel bridge structures and special equipment utilizing the existing spare capacity in shipbuilding, and transferred the shipbuilding capacity and ship-owner resources to the coastal region such as Nantong in Jiangsu Province through cooperation with other advantageous enterprises. Meanwhile, we also endeavored to develop the logistics industry along the Yangtze River in an effort to expand new profitability by integrating the resources of Jiangxi Shipbuilding like the riverbanks, wharfs and lands along the Yangtze River.

During the year ended 31 December 2016, the Group recorded revenue of HK\$417.31 million (2015: HK\$157.64 million), representing an increase of approximately 164.72% as compared to 2015. This increase was mainly due to the contribution of the revenue of intelligent car-parking and automotive electronics business of HK\$210.55 million (2015: HK\$11.01 million). The shipbuilding business recorded external revenue of HK\$154.22 million (2015: HK\$143.19 million), basically maintaining at the same level as compared with the last year. During the year of 2016, the trading business recorded external revenue of HK\$51.12 million (2015: Nil). During the year of 2016, the financial services business recorded external revenue of HK\$1.42 million (2015: HK\$3.44 million), a slight decrease compared to the last year. During the year under review, the Group recorded gross loss of HK\$30.48 million (2015: gross loss of HK\$157.86 million), substantially decreased by 80.69% as compared to 2015. The significant decrease in gross loss was due to the contribution of intelligent car-parking and automotive electronics business.

在開拓新業務的同時，本集團積極調整和重組造船業務，利用現有造船富裕產能向橋樑鋼結構、特種設備等方向轉移，並通過與其他優勢企業合作，將造船產能與船東資源向沿海的江蘇南通地區轉移。與此同時，通過整合江州船廠長江岸線、碼頭、土地等資源，發展沿長江物流產業，擴展本集團新的盈利能力。

截至二零一六年十二月三十一日止年度，本集團錄得收益417.31百萬港元（二零一五年：157.64百萬港元），較二零一五年增加約164.72%。此增加主要獲益於智慧停車及汽車電子業務收益210.55百萬港元（二零一五年：11.01百萬港元）之貢獻。造船業務錄得外部收益154.22百萬港元（二零一五年：143.19百萬港元），同去年相比基本持平。貿易業務二零一六年度錄得外部收益51.12百萬港元（二零一五年：無）。金融服務業務二零一六年度錄得外部收益1.42百萬港元（二零一五年：3.44百萬港元），較去年略有減少。於回顧期間，本集團之毛虧為30.48百萬港元（二零一五年：毛虧157.86百萬港元），較二零一五年大幅減少80.69%。毛虧大幅減少亦受益於智慧停車及汽車電子業務之貢獻。



Management Discussion And Analysis

管理層討論及分析

During the year ended 31 December 2016, the Group's selling and distribution expenses sharply increased to HK\$299.92 million (2015: HK\$88.92 million), mainly due to the additional provision of HK\$94.77 million (2015: Nil) under the effect of shipbuilding business, as well as the intangible assets amortization and goodwill impairment of HK\$104.32 million (2015: HK\$3.3 million) generated by the intelligent car-parking and automotive electronics business. In 2016, the Group's finance cost decreased significantly by 32.46% to HK\$136.32 million (2015: HK\$201.85 million), mainly due to the great effort in adjusting financing methods and negotiation with subscribers of convertible bonds and creditors to convert substantially all convertible bonds and debts into shares by the Group in 2015.

In conclusion, the Group recorded a loss attributable to shareholders of HK\$353.16 million (2015: loss of HK\$500.80 million) during the year ended 31 December 2016, decreased by approximately 29.48% as compared to the last year.

SHIPBUILDING BUSINESS

Affected by the financial crisis, the Group had 10 ships which were construction and 18 ships which were under design during the year ended 31 December 2016. Among which seven ships had reached the term of abandonment, the Group has therefore adopted measures to negotiate with existing ship-owners but no formal agreement has yet been reached. The Group has continued to cut overcapacity and speed up structure upgrading so as to help the shipbuilding business out of difficulties through various means including setting up joint venture with large state-owned enterprises, shifting shipbuilding capacity to other locations.

During the year ended 31 December 2016, the revenue of the shipbuilding segment amounted to HK\$154.22 million (in 2015: HK\$143.19 million), representing an increase of 7.70% as compared with the last year and the gross loss was HK\$321.28 million (in 2015: HK\$350.65 million), representing a reduction of 8.38% as compared with the last year.

TRADING BUSINESS

The trading business recorded insignificant losses in 2016 (2015: Nil).

截至二零一六年十二月三十一日止年度，本集團之銷售及分銷開支大幅上升至299.92百萬港元（二零一五年：88.92百萬港元），主要是受造船業務產生之影響，產生額外撥備94.77百萬港元（二零一五年：無），以及智慧停車及汽車電子業務產生無形資產攤銷及商譽減值104.32百萬港元（二零一五年：3.3百萬港元）。二零一六年度本集團之融資成本大幅減少32.46%至136.32百萬港元（二零一五年：201.85百萬港元），受益於本集團於二零一五年大力調整融資手段，與可換股認購方及債權人協商，將可換股債券及債務基本轉換為股份，大幅減少融資成本。

總體而言，截至二零一六年十二月三十一日止年度，本集團錄得股東應佔虧損353.16百萬港元（二零一五年：虧損500.80百萬港元），較去年減少約29.48%。

造船業務

受金融危機的影響，截至二零一六年十二月三十一日止年度，本集團有10條船隻正在建造，18條船隻處於設計中。其中七條在建船隻已達到棄船期，本集團已採取措施，與現有船東商討但尚未達成正式協議。本集團已通過與大型國有企業設立合資企業、轉移造船產能等方式，繼續去除過剩產能、加快結構升級，盡快實現造船業務的整體脫困。

於二零一六年十二月三十一日止年度，造船分部所得外部收益為154.22百萬港元（二零一五年：143.19百萬港元），較去年增加7.70%，毛虧為321.28百萬港元（二零一五年：350.65百萬港元），較去年減少8.38%。

貿易業務

買賣業務於二零一六年錄得輕微虧損（二零一五：無）。

FINANCIAL SERVICES BUSINESS

During the year under review, the financial services business mainly provided financial support to the Group's shipbuilding and intelligent car parking business through financing. During the year ended 31 December 2016, the external sales of financial services segment contributed revenue of HK\$1.42 million (in 2015: HK\$3.44 million) and the financial services segment recorded loss of HK\$14.55 million (in 2015: profit of HK\$3.11 million). In addition, the Group's shared profits from Zhejiang Ocean Leasing Company Limited in which the Group holds 20% stock rights increased by 58.02% to HK\$13.89 million (in 2015: HK\$8.79 million).

INTELLIGENT CAR PARKING AND AUTOMOTIVE ELECTRONICS BUSINESS

During the period under review, the Group's intelligent car-parking and automotive electronics business made significant breakthrough. As of 31 December 2016, the intelligent car parking and automotive electronics business recorded external revenue of HK\$210.55 million (in 2015: HK\$11.01 million), representing 50.45% of the Group's total revenue (2015: 6.98%). Following the acquisition of the entire issued share capital of Success Capture Limited (the "Target Company") by the Group at the end of 2015, the Group has successfully developed into the car parks related businesses. The Group has successively set up a series of wholly owned enterprises and joint ventures, and has fully carried out all businesses relating to the car-parking segment through cooperation with other cooperative partners like large state-owned enterprises and domestic listed companies and utilizing the resources and advantages of all these parties involved. Manufacturing and sales of 13 car park projects with a total of 6,520 parking spaces were completed during the year under review. The Target Company recorded a profit of RMB63.25 million (the Guarantee Profit as stated in the Acquisition Agreement is no less than RMB60 million), but the due to the fact that the car parks investment and operation business was still at the development stage where involved a large amount of prophase investment expenditure and the synergy effect it produced with car-parking equipment manufacturing has not fully displayed, the entire intelligent car-parking and automotive electronics business recorded a loss of HK\$49.96 million (2015: loss of HK\$4.94 million) during the year. The Group believes that this segment will gradually show positive results with the progressive development of the business.

金融服務業務

金融服務業務於回顧期間主要通過融資為集團內部的造船業務及智慧停車場業務提供資金支持。截至二零一六年十二月三十一日止年度，融資服務外部銷售分部貢獻1.42百萬港元（二零一五年：3.44百萬港元）之收益，錄得虧損14.55百萬港元（二零一五年：溢利3.11百萬港元）。此外，本集團於佔有20%股權的浙江海洋租賃股份有限公司溢利增加58.02%至13.89百萬港元（二零一五年：8.79百萬港元）。

智慧停車及汽車電子業務

於回顧期間，本集團的智慧停車及汽車電子業務取得重大突破。截至二零一六年十二月三十一日，智慧停車及汽車電子業務貢獻外部收益210.55百萬港元（二零一五年：11.01百萬港元），佔集團總收益的50.45%（二零一五年：6.98%）。繼二零一五年末完成收購Success Capture Limited（「目標公司」）全部股本後，本集團成功挺進停車場相關業務。本集團相繼成立了一系列獨資及合資企業，通過與大型國有企業、國內上市公司等其他合作夥伴合作，利用各方的資源和優勢，全面展開停車板塊所有相關業務。本年度共完成13個停車場項目合共6,520個車位的生產和銷售。目標公司於本年度獲得溢利人民幣63.25百萬元（收購協議中規定目標公司溢利保證人民幣60百萬元），但由於停車場投資、運營業務尚且處於拓展階段，前期投資支出較大，與停車場設備生產的協同效應尚未得到充分體現，智慧停車及汽車電子整體業務本年度錄得虧損49.96百萬港元（二零一五年：虧損4.94百萬港元）。本集團相信，隨著業務的逐步開展，該分部的效益將逐漸顯現。



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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group had bank balances and cash (including pledged bank deposits) of approximately HK\$101.79 million (31 December 2015: HK\$151.71 million) of which no bank deposits (31 December 2015: HK\$81.53 million) was pledged; short-term borrowings of HK\$1,049.15 million (31 December 2015: HK\$953.15 million); long-term borrowings of HK\$1,039.05 million (31 December 2015: HK\$253.99million); convertible bonds payable amounted to approximately HK\$348.88 million (31 December 2015:HK\$293.73 million) represented the principal amount of HK\$351 million (31 December 2015: HK\$252 million). The gearing ratio defined as non-current liabilities and short-term borrowing divided by total shareholders' equity was (3.75) as at 31 December 2016 (31 December 2015: (4.35)).

FUND RAISING FROM ISSUE OF SHARES/ CONVERTIBLE BONDS

During the year ended 31 December 2016, 40,000,000 shares of HK\$0.05 each were issued pursuant to the exercise of share option granted under the Company's share option scheme adopted on 27 June 2012 at exercise price of HK\$0.211 per share.

On 2 June 2015, the Company, Mr. Li Ming ("Mr. Li") and Prosper Talent Limited ("Prosper") which is indirectly and wholly-owned by CCB International (Holdings) Limited, entered into a subscription agreement. Pursuant to the subscription agreement, Prosper has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the convertible notes in the aggregate principal amount of HK\$200 million carrying an interest of 7.5% per annum ("2015 Convertible Notes"). The 2015 Convertible Notes were issued on 8 July 2015 with initial maturity date falling on 8 July 2016 ("Initial Maturity Date"). On 15 June 2016, the Company and Prosper reached an agreement to extend the Initial Maturity Date to the date falling on the 12th month after the Initial Maturity Date (i.e. 8 July 2017) pursuant to the terms and conditions of the 2015 Convertible Notes. The parties then entered into an acknowledgement and confirmation on 7 July 2016 to formalise and confirm their agreement in respect of the extension

流動資金及財務資源

於二零一六年十二月三十一日，本集團有銀行結餘及現金（包括已質押銀行存款）約101.79百萬港元（二零一五年十二月三十一日：151.71百萬港元），並無銀行存款為已被抵押（二零一五年十二月三十一日：81.53百萬港元）；1,049.15百萬港元為短期借貸（二零一五年十二月三十一日：953.15百萬港元）；1,039.05百萬港元為長期借貸（二零一五年十二月三十一日：253.99百萬港元）；約348.88百萬港元為應付可換股債券（二零一五年十二月三十一日：293.73百萬港元），即本金額351百萬港元（二零一五年十二月三十一日：252百萬港元）。於二零一六年十二月三十一日之負債比率（定義為非流動負債及短期借貸除以股東權益總額之比率）為(3.75)（二零一五年十二月三十一日：(4.35)）。

透過發行股份／可換股債券籌集 資金

截至二零一六年十二月三十一日止年度，40,000,000股每股面值0.05港元之股份已根據本公司於二零一二年六月二十七日採納之購股權計劃項下之購股權獲行使而獲發行，行使價為每股股份0.211港元。

於二零一五年六月二日，本公司、李明先生（「李先生」）及Prosper Talent Limited（「Prosper」）（一間由建銀國際（控股）有限公司間接全資擁有之公司）訂立認購協議。根據認購協議，Prosper有條件同意認購而本公司有條件同意發行本金總額為200百萬港元之可換股票據，並按年利率7.5%計息（「二零一五年可換股票據」）。二零一五年可換股票據於二零一五年七月八日獲發行，初步到期日為二零一六年七月八日（「初步到期日」）。於二零一六年六月十五日，本公司與Prosper根據二零一五年可換股票據之條款及條件達成協議，以將初步到期日延長至初步到期日後十二個月（即二零一七年七月八日）。訂約雙方於二零一六年七月七日訂立接納及確認書，以落實及確認彼等有關延長初步到期日的協議。截至二零一六年十二月三十一日止年度，概無二零一五年可換股



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of the Initial Maturity Date. During the year ended 31 December 2016, no conversion rights attached to the 2015 Convertible Notes has been exercised. Upon the exercise of the conversion rights attached to the 2015 Convertible Notes in full at the initial conversion price of HK\$0.2481 per conversion share, a maximum of 806,126,561 shares would be issued.

On 6 December 2016, the Company and Macquarie Bank Limited (“Macquarie”) entered into a subscription agreement pursuant to which Macquarie has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, convertible notes in aggregate principal amount of up to HK\$400 million, separated in 4 tranches with each tranche in an aggregate principal amount of HK\$100 million, with interest rate at 2% per annum (“2016 Convertible Notes”). The conversion price shall be 100% of the volume weighted average price of the shares of the Company as traded on the Stock Exchange on the trading day immediately preceding the date of delivery of the relevant conversion notice to the Company, but in any event shall not be lower than the minimum conversion price. The minimum conversion price of HK\$0.18 per conversion share represented a discount of 23.72% to the closing price of HK\$0.236 per share as quoted on the Stock Exchange on 6 December 2016. Upon exercise of the conversion rights attached to the 2016 Convertible Notes in full at the minimum conversion price of HK\$0.18 per conversion share, a maximum of 2,222,220,000 shares would be issued. To secure the performance of the Company’s obligations under, among others, the terms and conditions of the 2016 Convertible Notes, on 8 December 2015 the Company entered into a charge over its cash account opened with Macquarie for receiving and holding the net subscription moneys of the 2016 Convertible Notes in favour of Macquarie. On 15 December 2016, the Company issued the first tranche of the 2016 Convertible Notes in principle amount of HK\$100 million to Macquarie. On the same day of the issuing of the convertible notes, Macquarie exercised the conversion rights attached to the 2016 Convertible Notes in principal amount of HK\$1 million and the Company issued 4,775,000 shares to Macquarie at conversion price of HK\$0.2095, representing a discount of 4.77% to the closing price of HK\$0.22 per share as quoted on the Stock Exchange on 15 December 2016. As at the date of this report, 2016 Convertible Notes in total principle amount of HK\$13 million have been converted, resulting in the issue of 62,935,000 shares in total and receipt of net proceeds of HK\$12.22 million by the Company which were used for general working capital purpose.

票據所附之換股權已獲行使。於二零一五年可換股票據所附之換股權按初步換股價每股兌換股份0.2481港元獲悉數行使後，最多806,126,561股股份將予發行。

於二零一六年十二月六日，本公司與麥格理銀行有限公司（「麥格理」）訂立認購協議，據此，麥格理有條件同意認購及本公司有條件同意發行本金總額最多400百萬港元之可換股票據，分為4批，每批本金總額為100百萬港元，按年利率2%計息（「二零一六年可換股票據」）。換股價須為股份於緊接票據持有人向本公司送達有關轉換通知日期前之交易日在聯交所進行買賣之成交量加權平均價之100%，但無論如何不得低於最低換股價。最低換股價每股兌換股份0.18港元較股份於二零一六年十二月六日在聯交所所報之收市價每股0.236港元折讓23.72%。於二零一六年可換股票據所附之換股權按最低換股價每股兌換股份0.18港元獲悉數行使後，最多2,222,220,000股股份將予發行。為確保本公司履行其於（其中包括）二零一六年可換股票據之條款及條件項下之責任，於二零一五年十二月八日，本公司以其於麥格理開設之用以收取及存放二零一六年可換股票據認購款項淨額的現金賬戶設立以麥格理為受益人之押記。於二零一六年十二月十五日，本公司向麥格理發行本金額為100百萬港元的第一批二零一六年可換股票據。於發行可換股票據當日，麥格理行使本金額為1百萬港元之二零一六年可換股票據所附之換股權，而本公司按換股價0.2095港元（較股份於二零一六年十二月十五日在聯交所所報之收市價每股0.22港元折讓4.77%）向麥格理發行4,775,000股股份。於本報告日期，合共有本金額13百萬港元之二零一六年可換股票據已獲轉換，因此本公司合共發行62,935,000股股份並就此收取所得款項淨額12.22百萬港元，該等款項已用作一般營運資金。



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SEGMENT INFORMATION

The segment information for the Group for the year ended 31 December 2016 is set out in Note 8 to the consolidated financial statements from pages 175 to 186.

CHARGES ON GROUP ASSETS

As at 31 December 2016, no (31 December 2015: HK\$81.53 million) deposits, HK\$148.84 million (31 December 2015: HK\$309.05 million) of property, plant and equipment and HK\$129.87 million (31 December 2015: HK\$151.57 million) of prepaid lease payments were pledged to banks or other parties to secure borrowings, bills payable and facilities granted to the Group. The pledge on the bank deposits will be released upon the settlement of relevant bills payables and borrowings.

As at 31 December 2016, the Company pledged the entire equity interest of a wholly-owned subsidiary of the Company, Jiangxi Jiangzhou Union Shipbuilding Ltd., to secure a bank borrowing amounting to RMB108 million (31 December 2015: RMB107 million).

As at 31 December 2016, as security to the issue of HK\$200 million convertible bond, the Company had pledged its shares in China Ocean Shipbuilding Holdings Limited, its wholly owned subsidiary in BVI, to Prosper Talent Limited; and China Ocean Shipbuilding Holdings Limited also pledged its shares in its Hong Kong subsidiary, China Ocean Shipbuilding (Hong Kong) Limited, to Prosper Talent Limited. For details please refer to the announcement of the Company dated 3 June 2015.

As at 31 December 2016, as security to the performance of the Company's obligations under, among others, the terms and conditions of the 2016 Convertible Notes, the Company had entered into a charge over its cash account opened with Macquarie for receiving and holding the net subscription moneys of the 2016 Convertible Notes in the amount of HK\$94 million in favour of Macquarie. For details please refer to the announcement of the Company dated 6 December 2016.

分部資料

本集團於截至二零一六年十二月三十一日止年度之分部資料載於綜合財務報表第175至186頁附註8。

本集團資產抵押

於二零一六年十二月三十一日，並無存款（二零一五年十二月三十一日：81.53百萬港元）、物業、廠房及設備148.84百萬港元（二零一五年十二月三十一日：309.05百萬港元）及預付租賃款項129.87百萬港元（二零一五年十二月三十一日：151.57百萬港元）已抵押予銀行或其他人士，以獲取彼等授予本集團之借貸、應付票據及融資。銀行存款之抵押將於償付有關應付票據及借貸後解除。

於二零一六年十二月三十一日，本公司已抵押本公司全資附屬公司江西江州聯合造船有限責任公司的全部股權，作為銀行借貸人民幣108百萬元（二零一五年十二月三十一日：人民幣107百萬元）之抵押。

二零一六年十二月三十一日，作為發行200百萬港元可換股債券之抵押，本公司已向Prosper Talent Limited抵押其於英屬處女群島全資附屬公司中海船舶控股有限公司之股份；中海船舶控股有限公司亦向Prosper Talent Limited抵押其於香港附屬公司中海船舶（香港）有限公司之股份。有關詳情，請參閱本公司日期為二零一五年六月三日之公佈。

於二零一六年十二月三十一日，作為本公司履行其於（其中包括）二零一六年可換股票據之條款及條件項下責任之擔保，本公司以其於麥格理開設之用以收取及存放二零一六年可換股票據認購款項淨額94百萬港元的現金賬戶設立以麥格理為受益人之押記。有關詳情載於本公司日期為二零一六年十二月六日之公佈。

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The income and expenditure of the Group were denominated in Renminbi, Hong Kong Dollars and United States Dollars. As at 31 December 2016, the Group did not hedge its exposure to foreign exchange risk profile as the Group could not find a suitable instrument to manage this exposure. The Board will continue to consider the appropriate hedging measures.

NEW BUSINESS, MATERIAL ACQUISITIONS AND DISPOSALS

On 16 November 2016, China Ocean Industry (Shenzhen) Limited Company (中海重工(深圳)有限公司), a wholly-owned subsidiary of the Company entered into an acquisition agreement (“Acquisition Agreement”) with Nantong Xinda Shipping Technology Development Company Limited (南通鑫達船舶科技發展有限公司), Mr. Huo Qi and Mr. Ma Zhengqiang pursuant to which the Company has conditionally agreed to acquire the entire registered capital of Nantong Huakai Heavy Industry Company Limited (南通華凱重工有限公司, “Huakai”), a company established under the laws of the PRC at the maximum consideration of RMB270,000,000 (subject to downward adjustment) (“Acquisition”).

On 18 January 2017, the parties to the Acquisition Agreement entered into a supplemental agreement to the Acquisition Agreement to extend the long stop date for fulfilment of the conditions precedent from 18 January 2017 to 31 March 2017.

匯率浮動之風險及任何相關對沖

本集團之收入及開支乃以人民幣、港元及美元計值。於二零一六年十二月三十一日，本集團並無對沖其外匯風險組合，原因是本集團未能物色管理該風險的合適工具。董事會將繼續考慮適當之對沖措施。

新業務、重大收購及出售

於二零一六年十一月十六日，本公司全資附屬公司中海重工(深圳)有限公司與南通鑫達船舶科技發展有限公司、霍起先生及馬貞強先生訂立收購協議(「收購協議」)，據此，本公司已有條件同意收購南通華凱重工有限公司(「華凱」，一間根據中國法律成立的公司)之全部註冊資本，代價最高為人民幣270,000,000元(可予下調)(「收購事項」)。

於二零一七年一月十八日，收購協議訂約方訂立收購協議之補充協議，將達致先決條件的最後截止日期由二零一七年一月十八日延長至二零一七年三月三十一日。



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Upon completion of the Acquisition, Huakai will become a wholly owned subsidiary of the Company and the financial results of which will be consolidated into the financial statements of the Company. Huakai is principally engaged in manufacturing and selling steel structures and fittings for ship, marine equipment, mining equipment, ro-ro equipment. The Board believed the acquisition provides a valuable opportunity to (i) broaden its source of revenue; (ii) improve productivity, technical know-how and diversify products mix to enhance competitiveness in the heavy industry market; and (iii) achieve economies of scale to reduce production cost and expand production capacity to improve profitability, by acquiring enterprises with such potential from the industry. The acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules. At the Special General Meeting held on 14 March 2017, shareholders of the Company had approved the Acquisition Agreement and the transactions contemplated thereunder. (For details refer to the announcements of the Company dated 16 November 2016, 23 December 2016, 18 January 2017, 25 January 2017 and 14 March 2017 and circular of the Company dated 24 February 2017.)

Save as disclosed above, there was no new business, material acquisitions and disposals of subsidiaries and associated companies during the year under review.

SUBSEQUENT EVENTS

Significant events after the end of the reporting period are set out in Note 51 to the consolidated financial statements on page 287.

於收購事項完成後，華凱將成為本公司之全資附屬公司及其財務業績將於本公司財務報表內綜合入賬。華凱主要從事製造及銷售船用鋼結構及配件、航海設備、採礦設備及滾裝設備。董事會認為收購事項將透過收購行業內具有相關潛力之企業提供寶貴機會以(i)擴闊自身收入來源；(ii)提升生產率、技術知識並豐富產品組合以增強於重工業市場之競爭力；及(iii)實現規模經濟以降低生產成本及擴大產能，從而提升盈利能力。收購事項構成上市規則第14章項下本公司的非常重大收購事項，故本公司須遵守上市規則項下申報、公佈及股東批准規定。於二零一七年三月十四日舉行的股東特別大會上，本公司股東已批准收購協議及其項下擬進行之交易。(有關詳情請參閱本公司日期為二零一六年十一月十六日、二零一六年十二月二十三日、二零一七年一月十八日、二零一七年一月二十五日及二零一七年三月十四日的公告以及本公司日期為二零一七年二月二十四日的通函。)

除上文所披露者外，於回顧年內並無新業務、重大收購及出售附屬公司及聯營公司。

期後事項

報告期末後之重大事項載於綜合財務報表第287頁附註51。

LITIGATION

As at 31 December 2016, details of the pending litigations of the Group are set out as follows:

- (i) In June 2016, a contractor filed its writ to 江西省南昌縣人民法院 against Jiangxi Shipbuilding for the failed payment of contracting services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB313,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (ii) In August 2016, a supplier filed its writ to 高郵市人民法院 against Jiangxi Shipbuilding for the failed payment of the sale of cable. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB392,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (iii) In September 2015, a contractor filed its writ to 武漢海事法院 against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB4,636,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (iv) In November 2015, a supplier filed its writ to 九江仲裁委員會 against Jiangxi Shipbuilding for the failed payment of provided gas services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB3,422,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.

訴訟

於二零一六年十二月三十一日，本集團的未決訴訟詳情載列如下：

- (i) 於二零一六年六月，一名分包商向江西省南昌縣人民法院提出針對江西造船就未支付合約服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣313,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (ii) 於二零一六年八月，一名供應商向高郵市人民法院提出針對江西造船就未支付銷售電纜款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣392,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (iii) 於二零一五年九月，一名分包商向武漢海事法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣4,636,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (iv) 二零一五年十一月，一名供應商向九江仲裁委員會提出針對江西造船就未支付燃氣服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣3,422,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。



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- (v) In November 2015, a contractor filed its writ to 上海市金山區人民法院 against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB762,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (vi) In December 2014, a contractor filed its writ to 武漢海事法院 against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB4,287,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (v) 於二零一五年十一月，一名分包商向上海市金山區人民法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣762,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (vi) 於二零一四年十二月，一名分包商向武漢海事法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣4,287,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。

Other than disclosed above, the members of the Group has no other material litigation as of 31 December 2016 and 31 December 2015.

除上文所披露者外，本集團成員公司於二零一六年十二月三十一日及二零一五年十二月三十一日概無涉及其他重大訴訟。

HUMAN RESOURCES

The Group had around 600 employees as at 31 December 2016. It has been the Group's policy to ensure that the pay levels of its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. The Group has participated in a mandatory provident fund scheme for its employees in Hong Kong. Shares options may also be granted to eligible persons of the Group.

人力資源

於二零一六年十二月三十一日，本集團約有600名僱員。本集團之政策為在本集團薪酬及花紅制度之一般架構內，確保其僱員之薪金水平與工作表現掛鉤。本集團為其香港僱員參與一項強制性公積金計劃。本集團之合資格人士亦可獲發購股權。

RELATED PARTY TRANSACTIONS

Significant balances with related parties and related party transactions entered into by the Group during the year ended 31 December 2016 are disclosed in Note 46 to the consolidated financial statements on pages 274 to 276.

RETIREMENT SCHEME

The Group's employees in Hong Kong participate in a mandatory provident fund scheme. Particulars of this retirement scheme are set out in Note 43 to the consolidated financial statements on page 267.

CONTINGENT LIABILITIES

- (a) At 31 December 2016, the Group has not paid the social security fund for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The social security fund accrued up to 31 December 2016 of approximately HK\$40,206,000 (equivalent to RMB36,221,000) in aggregate, were recorded as "Trade, bills and other payables" in the consolidated statement of financial position (2015: HK\$39,681,000 (equivalent to RMB33,628,000)).

A repayment agreement was signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015 in respect of the settlement of the unpaid social security fund. Per the agreement, all outstanding amounts should be repaid before December 2019. The Directors considered that if the Group could settle the unpaid social security fund according to the repayment agreement, no penalty would be imposed by the relevant government authority.

- (b) At 31 December 2016, the Group has not paid the housing provident fund contributions for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The housing provident fund contributions accrued up to 31 December 2016 of approximately HK\$5,483,000 (equivalent to RMB4,940,000) in aggregate, were recorded as "Trade, bills and other payables" in the consolidated statement of financial position (2015: HK\$6,798,000 (equivalent to RMB5,761,000)).

有關聯人士交易

本集團於截至二零一六年十二月三十一日止年度內與有關聯人士之重大結餘及訂立之有關聯人士交易披露於綜合財務報表第274至276頁附註46。

退休計劃

本集團之香港僱員參與一項強制性公積金計劃。該退休計劃之詳情載於綜合財務報表第267頁附註43。

或然負債

- (a) 於二零一六年十二月三十一日，本集團尚未為及代表其僱員繳付社保基金及使本集團承受被相關政府部門處以罰款之風險。截至二零一六年十二月三十一日之應計社保基金合共約為40,206,000港元（相當於人民幣36,221,000元），已在綜合財務狀況報表以「貿易、票據及其他應付款項」入賬（二零一五年：39,681,000港元（相當於人民幣33,628,000元））。

本公司之全資附屬公司江西造船與相關政府部門於二零一五年一月二十六日就償付未繳社保基金簽訂還款協議。根據協議，所有未付金額須於二零一九年十二月前償還。董事認為倘本集團根據還款協議償付未繳社保基金，則相關政府部門不會追加罰款。

- (b) 於二零一六年十二月三十一日，本集團尚未為及代表其僱員繳付住房公積金供款及使本集團承受被相關政府部門處以罰款之風險。截至二零一六年十二月三十一日之應計住房公積金供款合共約5,483,000港元（相當於人民幣4,940,000元），已在綜合財務狀況報表以「貿易、票據及其他應付款項」入賬（二零一五年：6,798,000港元（相當於人民幣5,761,000元））。



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The Directors are of the opinion that the possibility to the risk of being imposed the penalty by the relevant government authority is remote.

- (c) The Company had recognised the provision in relation to the litigations of approximately RMB13,812,000 (2015: RMB10,611,000) under “Trade, bill and other payables” in the consolidated statement of financial position as at 31 December 2016. On the basis of internal legal advice from the Group that it is not probable that these claims would result in an out flow of economic benefits exceeding the provisions made by the Group.
- (d) On 3 December 2015, Merge and other shareholders of Zhejiang Ocean as counter guarantors (collectively referred to the “Counter Guarantor”) entered into the counter guarantee agreement with Zhoushan Marine Comprehensive Development and Investment Co., Ltd* (舟山海洋綜合開發投資有限公司) (the “Guarantor”), pursuant to which the Counter Guarantors shall, in proportion to their respective shareholding in Zhejiang Ocean and upon demand of the Guarantor, indemnify the Guarantor for all liabilities and expenses which may be incurred by the Guarantor under any guarantee given or to be given by the Guarantor in favour of Zhejiang Ocean during the period from 1 January 2015 to 31 December 2020 in respect of loan agreements and asset securitization agreements entered into by Zhejiang Ocean (the “Guarantee”), up to an aggregate amount of RMB900,000,000 (equivalent to approximately HK\$1,107,000,000), together with any interests, penalty, compensation and related fees and expenses which may be payable by the Guarantor under the Guarantee. Accordingly, the maximum amount which Merge shall indemnify the Guarantor is 20% of the aforesaid aggregate amount, being RMB180,000,000 (equivalent to approximately HK\$221,400,000).

Other than disclosed above, the Directors are of the opinion that the Group has no other material contingent liabilities as at 31 December 2016 and 31 December 2015.

董事認為面臨相關政府部門處以罰款風險之可能性甚微。

- (c) 本公司已在二零一六年十二月三十一日之綜合財務狀況報表中的「貿易、票據及其他應付款項」項下就訴訟確認撥備約人民幣13,812,000元(二零一五年:人民幣10,611,000元)。根據本集團內部法律顧問的意見,該等索償不大可能導致本集團損失的經濟利益超過所作之撥備。
- (d) 於二零一五年十二月三日,聚合及浙江海洋之其他股東(作為反擔保方,統稱為「反擔保方」)與舟山海洋綜合開發投資有限公司(「擔保方」)訂立反擔保協議,據此,反擔保方須按彼等各自於浙江海洋之持股比例及擔保方之要求,就擔保方因於二零一五年一月一日至二零二零年十二月三十一日期間就浙江海洋訂立之貸款協議及資產證券化協議給予或將給予以浙江海洋為受益人之任何擔保(「擔保」,總額最高為人民幣900,000,000元(相當於約1,107,000,000港元))而可能產生的一切負債及開支,連同擔保方於擔保下可能須支付的任何利息、罰款、賠償及相關費用與開支向擔保方作出彌償。因此,聚合應向擔保方作出之彌償之最高金額為上述總金額之20%,即人民幣180,000,000元(相當於約221,400,000港元)。

除上文所披露者外,董事認為本集團於二零一六年十二月三十一日及二零一五年十二月三十一日並無其他重大或然負債。

CAPITAL COMMITMENTS

As at 31 December 2016, the Group has capital commitments of approximately HK\$128.79 million (31 December 2015: HK\$77.5 million) for its associates, HK\$308.80 million for its subsidiaries (31 December 2015: HK\$161.90 million) and HK\$116.24 million for a joint venture (31 December 2015: nil) as unpaid registered capital; capital expenditure in respect of the acquisition of property, plant and equipment of approximately HK\$78.98 million (31 December 2015: nil). All these commitments are contracted but not provided in the consolidated financial statements. Details of capital commitments as of 31 December 2016 are set out in Note 40 to the consolidated financial statements on page 258.

PROSPECTS

The Group adopted diversified business strategies to cope with the risks of the PRC's domestic economy downturn. The intelligent car-parking and automotive electronics business acquired by the Group at the end of 2015 achieved significant breakthrough in 2016, becoming the primary source of revenue of the Group. Looking forward, with PRC's continuous growth in car ownership and the worsening problem of urban car parking, the demands for investment and operation & management of intelligent car-parking, electronic automotive devices and car parks will expand continuously. Except the manufacturing, selling and installation of auto parking equipment, the Group will, together with cooperative partners, jointly provide supporting services like car parks investment and operation, barrier gate charge management system and new energy automotive charging, so as to realize the package services including car park equipment design & manufacturing, car parks investment, car parks operation and management, financial services and car owner value-added services.

資本承擔

於二零一六年十二月三十一日，本集團有關聯營公司之資本承擔約128.79百萬港元（二零一五年十二月三十一日：77.5百萬港元）及有關附屬公司之資本承擔約308.80百萬港元（二零一五年十二月三十一日：161.90百萬港元）以及有關一間合營公司之資本承擔約116.24百萬港元（二零一五年十二月三十一日：無）為未繳註冊資本；有關收購物業、廠房及設備之資本承擔約78.98百萬港元（二零一五年十二月三十一日：無）。所有該等承擔均為已訂約但尚未在綜合財務報表內撥備。截至二零一六年十二月三十一日資本承擔之詳情載於綜合財務報表第258頁附註40。

前景

為應對國內經濟下滑之風險，本集團已積極採用多元化之營運策略，於二零一五年末完成收購智慧停車及汽車電子業務並於二零一六年度取得重大突破，智慧停車及汽車電子業務成為本集團主要收益來源。展望未來，隨著我國汽車數量的不斷增多及城市停車難問題的日趨嚴峻，對於智慧車庫、汽車電子設備及停車場投資和運營管理的需求將不斷擴大。除了生產銷售和安裝自動停車設備，本集團將與合作夥伴一道，共同提供停車場的投資、運營、汽車道閘收費管理系統、新能源充電等配套服務，實現停車場設備設計製造、停車場投資、停車場運營管理、金融服務以及車主增值服務等一攬子服務。



Management Discussion And Analysis 管理層討論及分析

To cope with the issue of continued losses of the shipbuilding business, the Group has signed a very substantial Acquisition Agreement to conditionally acquire the entire registered capital of Nantong Huakai Heavy Industry Company Limited. The Acquisition will bring in an excellent shipbuilding management and operation team with extensive experience to the Group and attract more talents to join in, which will improve the product quality and productivity of the Company's existing shipbuilding business.

The Group has set up a new joint venture with Xiamen Xiangyu in Nantong city of Jiangsu province, to engage in the manufacturing and investment of special-type ships by consolidating their original shipbuilding capacity and utilizing their respective competitive advantages, this cooperation is expected to bring about new opportunities to the Group's shipbuilding business.

The Wuxue Yangtze River Bridge located near the Yangtze River Wharf of Jiangxi Shipbuilding has already been approved for construction by the state, which is now under construction. After completion of construction, the Bridge will provide traffic convenience to Jiangxi Shipbuilding. The Group will, by making full use of the geographic advantage of bordering the Yangtze River, seize this opportunity to revitalize the assets of Jiangxi Shipbuilding and develop logistics business fully utilizing the resources of Yangtze River Wharf, in a bid to lay a foundation for transformation and development of Jiangxi Shipbuilding and bring new point of growth to the Group.

All in all, the Group will continue with the diversification strategy and be flexibly in deployment of resources, in a bid to grasp investment opportunities to generate greater return to our investors.

為解決造船業務持續虧損之問題，本集團已簽訂非常重大收購協議，有條件收購南通華凱重工有限公司之全部註冊股本。收購事項將為本集團的造船業務引入一支優秀及經驗豐富的管理運營團隊，對提升本公司現有造船業務的產品質素及生產效率起到促進作用。

本集團已與廈門象嶼集團在江蘇南通成立新的合資企業，利用各自優勢，通過對原造船產能的整合，在南通從事特種船舶的生產與投資業務，此次合作有望為本集團的造船業務帶來新的機遇。

處於江州船廠長江碼頭附近的武穴長江大橋已獲國家批准建設，正處於建設階段。大橋建成後將為江州船廠帶來交通便利。本集團將利用此契機，充分利用沿長江優勢，盤活江州船廠資產，有效利用長江碼頭資源開展物流業務，為江州船廠轉型發展奠定基礎，並為集團發展帶來新的增長點。

總而言之，本集團將繼續採用多元化之經營策略，靈活調配資源，把握投資機遇，爭取為股東帶來最大收益。



Report on Corporate Governance 企業管治報告

The Group has recognized the importance of transparency and accountability, and the Board believes that shareholders can be benefited from good corporate governance. The Company aims to achieve good standard of corporate governance. The Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

本集團深知透明度及問責制度之重要性，董事會相信良好之企業管治對股東有利。本公司銳意達致高水平之企業管治。本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之守則條文。

THE BOARD OF DIRECTORS

The Board’s primary responsibilities are to formulate the Company’s long-term corporate strategy, to oversee the management and to evaluate the performance of the Group.

董事會

董事會之主要責任為制定本公司之長期企業策略、監察管理層及評估本集團之表現。

The Board meets regularly throughout the year to discuss the overall strategy as well as the operation and financial performance of the Group. For the year ended 31 December 2016, the Company has held 12 board meetings in total. The individual attendance of each Director is set out below:

董事會於整個年度內經常會面以討論本集團之整體策略以及經營及財務表現。截至二零一六年十二月三十一日止年度，本公司共舉行12次董事會會議。每名董事之個別出席情況載列如下：

Name	姓名	Number of board meetings attended 出席董事會會議之次數
Executive directors:		
Mr. Li Ming (<i>Chairman</i>)	李明先生 (主席)	12/12
Mr. Zhang Shi Hong (<i>Chief Executive Officer</i>)	張士宏先生 (行政總裁)	12/12
Mr. Wang San Long	汪三龍先生	12/12
Mr. Liu Jin	劉進先生	12/12
Non-executive director:		
Mr. Chau On Ta Yuen (<i>Honorary Chairman</i>)	周安達源先生 (榮譽主席)	12/12
Independent non-executive directors:		
Mr. Hu Bai He	胡柏和先生	12/12
Ms. Xiang Si Ying	項思英女士	12/12
Ms. Xiang Ying	向穎女士	12/12



Report on Corporate Governance 企業管治報告

When the Board considers any material transaction in which a substantial shareholder or a Director has a conflict of interest, a board meeting is held and Independent Non-executive Directors who have no material interest in the transaction will be present at such board meeting. At the meeting, the Director who has an interest in the transaction is required to abstain from voting.

Every Director shall ensure that he/she can contribute sufficient time and effort to the corporate affairs of the Company once he/she accepts the appointment.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board appointed Mr. Li Ming as the Chairman, who is responsible for the leadership and effective running of the Board to achieve its primary responsibilities. With the support of the executive directors, the Chairman seeks to ensure that all directors are properly briefed on issues arising at board meetings and that all directors receive adequate and reliable information on a timely manner. The Chairman also encourages Directors to be fully engaged in the Board's affair and make contribution in performing the Board's functions. The board appointed Mr. Zhang Shi Hong as Chief Executive Officer, who is vested with executive responsibilities over the business directions and operational decisions of the management and performance of the Group.

BOARD COMPOSITION

The Board comprises four executive directors, one non-executive director and three independent non-executive directors as at the date of this report. The independent non-executive directors constitute over one-third of the Board. In addition, one of the independent non-executive directors possesses appropriate accounting qualifications and financial management expertise. The Directors are considered to have a balance of knowledge and experience appropriate for the requirements of the business of the Group. The independent non-executive directors also serve the important function of ensuring and monitoring the basis of an effective corporate governance framework. The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independent criteria as required by the Listing Rules.

當董事會考慮某主要股東或董事於其中有利益衝突之任何重大交易時，將舉行董事會會議，而並無於交易中擁有任何重大權益之獨立非執行董事將出席有關董事會會議。於交易中持有權益之董事須於會上放棄投票。

於接納有關委任後，每名董事均須確保其可為本公司之公司事務投入足夠時間及精力。

主席及行政總裁

董事會委任李明先生為主席，負責帶領董事會及確保董事會有效運作以履行其主要職責。在執行董事之支持下，主席尋求確保所有董事均妥為知悉董事會會議之事項，以及所有董事適時獲得充分及可靠之資料。主席亦鼓勵董事全面參與董事會事務及在履行董事會職能方面作出貢獻。董事會委任張士宏為行政總裁，對本集團之業務方向及管理營運決策以及表現負責執行責任。

董事會之組成

於本報告日期，董事會由四名執行董事，一名非執行董事及三名獨立非執行董事組成。獨立非執行董事佔董事會逾三分之一。此外，其中一名獨立非執行董事擁有合適之會計資歷及財務管理專業知識。董事被視為擁有本集團業務所需之合適知識及經驗。獨立非執行董事亦在確保及監察有效企業管治架構之基礎方面擔任重要角色。董事會認為各獨立非執行董事之性格及判斷均為獨立，且彼等均符合上市規則所規定之特定獨立標準。

DIVERSIFICATION OF THE BOARD

In determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of factors and measurable criteria, such as age, education background, industry experience, geographical location and duration of service. The Nomination Committee has reviewed the composition of the Board in accordance with the Listing Rules and concluded that the composition of the Board is in compliance with the diversification requirements of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the requirement of the Rule 3.13 of the Listing Rules, the Board confirmed that the Company has received written confirmation from each of all three independent non-executive directors of their independence and considers them to be independent throughout the year.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the independent non-executive directors is appointed for an initial term of not more than two years commencing from his/her date of appointment and is renewable successively for a term of two years until termination. He/She is subject to retirement by rotation and re-election by shareholders at annual general meeting in accordance with the Bye-laws.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rule regarding Directors' securities transactions. Based on specific enquiry of all the Directors of the Company, the Directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2016.

董事會多元化

於釐定董事會之組成時，本公司透過考慮多項因素及衡量標準，如年齡、教育背景、行業經驗、地理位置及服務年期，而尋求達致董事會多元化。提名委員會已根據上市規則審閱董事會之組成，並得出結論董事會之組成符合上市規則之多元化規定之結論。

獨立非執行董事之獨立性

根據上市規則第3.13條之規定，董事會確認本公司經已獲全部三名獨立非執行董事各自以書面確認其獨立性，且認為彼等於全年均屬獨立。

非執行董事之任期

各獨立非執行董事之委任年期由其委任日期起計初步為期不超過兩年，並可於其後不斷重續，每次續期兩年，直至終止為止。獨立非執行董事須根據公司細則輪值告退及由股東於股東週年大會重選連任。

董事進行證券交易之標準守則

本公司已就董事進行證券交易採納上市規則附錄十所載之上市公司董事進行證券交易之標準守則（「標準守則」）。根據向本公司所有董事作出之特別查詢，董事於截至二零一六年十二月三十一日止年度已遵守標準守則所規定之標準。



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NOMINATION COMMITTEE

The Company has set up a Nomination Committee to ensure that there are fair and transparent procedures for the appointment, re-election and removal of directors to the Board. The Nomination Committee comprises the Chairman of the Board and three independent non-executive directors, namely, Mr. Li Ming, Mr. Hu Bai He, Ms. Xiang Si Ying and Ms. Xiang Ying. The Chairman of the Nomination Committee is Ms. Xiang Ying. The terms of reference of the Nomination Committee are consistent with the terms set out in the Code. The nomination of directors should take into consideration of the nominee's qualification, experience, ability and potential contributions to the Company. The revised terms of reference of the Nomination Committee were adopted by the Board on 20 December 2013 and were consistent with the terms set out in the Code.

One meeting was held during the year ended 31 December 2016. All members attended the meetings. The members of the Nomination Committee reviewed the details of proposed directors' and made recommendation to the Board for the appointment of directors during the year.

REMUNERATION COMMITTEE

The Company has set up the Remuneration Committee to ensure that there are formal and transparent procedures for setting up policies on the remuneration of the Directors and senior management. The terms of reference of the Remuneration Committee were consistent with the terms set out in the Code. The Remuneration Committee comprises three independent non-executive directors, namely Mr. Hu Bai He, Ms. Xiang Si Ying and Ms. Xiang Ying and one executive director, namely Mr. Zhang Shi Hong. The Chairman of the Remuneration Committee is Ms. Xiang Ying.

One meeting was held during the year ended 31 December 2016. All members attended the meetings. They made recommendation to the Board regarding the Company's remuneration policy and the remuneration package of all directors (excluding his own remunerations) of the Company. No Director was involved in deciding his own remuneration during the year under review.

提名委員會

本公司已成立提名委員會，旨在確保有公平透明之程序進行董事會董事之委任、重選及罷免。提名委員會由董事會主席及三名獨立非執行董事（即李明先生、胡柏和先生、項思英女士及向穎女士）組成。提名委員會主席為向穎女士。提名委員會之職權範圍與守則所載條款一致。提名董事應考慮候選人之資歷、經驗、能力及可能對本公司作出之貢獻。提名委員會之經修訂職權範圍已於二零一三年十二月二十日獲董事會採納，且與守則所載之條款一致。

提名委員會於截至二零一六年十二月三十一日止年度曾舉行一次會議。全體成員均出席有關會議。提名委員會成員於年內檢討候任董事之詳情並就委任董事向董事會作出推薦建議。

薪酬委員會

本公司已成立薪酬委員會，以確保就訂定董事及高級管理層酬金政策建立正式及透明之程序。薪酬委員會之職權範圍與守則所載之條款一致。薪酬委員會由三名獨立非執行董事胡柏和先生、項思英女士及向穎女士以及一名執行董事張士宏先生組成，而薪酬委員會之主席為向穎女士。

薪酬委員會於截至二零一六年十二月三十一日止年度曾舉行一次會議。全體成員均出席有關會議。彼等就有關本公司之薪酬政策及本公司全體董事之薪酬組合（不包括其本身之薪酬）向董事會作出推薦建議。於回顧年度內，概無董事涉及決定其本身之酬金。

AUDIT COMMITTEE

The specific written terms of reference of the Audit Committee which was re-adopted on 31 March 2016 in light of the amendment of Listing Rules, is available on the websites of the Stock Exchange and the Company. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (b) approving the remuneration and terms of engagement of external auditor; and (c) reviewing financial information and overseeing the financial reporting system, risk management and internal control procedures.

The Audit Committee comprises three independent non-executive directors, and the chairman of the Audit Committee, Mr. Hu Bai He, possesses a professional accountancy qualification and has substantial experience in accounting and financial matters.

Three meetings were held by the Audit Committee during the year ended 31 December 2016. The individual attendance of each member is set out below:

Name of member

成員姓名

Mr. Hu Bai He
Ms. Xiang Si Ying
Ms. Xiang Ying

胡柏和先生
項思英女士
向穎女士

Number of committee meetings attended 出席委員會 會議之次數

3/3
3/3
3/3

The Group's interim report for the six months ended 30 June 2016 and the annual report for the year ended 31 December 2016 had been reviewed by the Audit Committee and recommendation was provided to the Board for approval.

審核委員會

本集團根據上市規則之修訂於二零一六年三月三十一日重新採納之審核委員會之具體書面職權範圍現已可於聯交所及本公司網站查閱。審核委員為主要負責(a)就委聘、續聘及解聘外部核數師向董事會作出推薦建議；(b)批准外部核數師薪酬及委聘條款；及(c)審閱財務資料及監督財務報告系統、風險管理及內部監控程序。

審核委員會由三名獨立非執行董事組成，而審核委員會之主席胡柏和先生擁有專業會計師資格及在會計及財務事務方面擁有豐富經驗。

審核委員會於截至二零一六年十二月三十一日止年度曾舉行三次會議。各成員之出席率載列如下：

審核委員會已審閱本集團於截至二零一六年六月三十日止六個月之中期報告及截至二零一六年十二月三十一日止年度之年報，並已向董事會提供推薦建議以待批准。



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AUDITOR'S REMUNERATION

For the year ended 31 December 2016, the auditors of the Company received approximately HK\$3,035,000 for audit services and approximately HK\$539,000 for other services (including agreed-upon procedures on interim results and disbursement).

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards.

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE FUNCTION

In order to achieve enhanced corporate governance of the Company, the Board has undertaken constant review of the policies for corporate governance of the Company, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements. During this year, the Board performed the duties relating to corporate governance matters such as appointed external professionals to carry out internal control review.

核數師酬金

於截至二零一六年十二月三十一日止年度，本公司之核數師收取審核服務費用約3,035,000港元及其他服務費用約539,000港元（包括中期業績之協定程序費用及其他補償）。

董事就財務報表承擔之責任

董事確認已根據法定規定及適用會計準則負責編製本集團之財務報表。

董事在作出合適之查詢後認為，本集團有足夠資源於可見將來繼續營運，因此以持續基準編製財務報表乃屬適當。

企業管治職能

為達致加強本公司之企業管治，董事會已定期檢討本公司之企業管治政策、董事及高級管理層之培訓及持續專業發展、本公司在遵守法律及監管規定方面之政策及常規。於本年度內，董事會履行有關企業管治事宜之職責，如委任外部專業人士檢討內部監控。

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Directors are continually updated on the latest development and changes in the Listing Rules, the Code and other regulatory requirements in order to ensure the compliance with the same by the Directors. Directors are also encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. The Directors namely Li Ming, Zhang Shi Hong, Wang San Long, Liu Jin, Chau On Ta Yuen, Hu Bai He, Xiang Si Ying and Xiang Ying had provided a record of training they received during the year to the Company. According to the training records provided by the Directors, the training attended by them during the reporting period was related to Corporate Governance, regulatory development and training on other relevant topics.

ACCOUNTABILITY AND AUDIT

The Directors acknowledged their responsibilities to prepare the consolidated financial statements of the Group and other financial disclosures required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable. The management has provided all members of the Board with monthly updates on internal financial statements so as to give the Directors a balanced and understandable assessment of the Group's performance, position and prospects.

董事之培訓及專業發展

董事獲持續更新上市規則、守則及其他監管規定之最新發展及變動，以確保董事遵守上述規定。本公司亦鼓勵董事參與專業發展課程及研討會，以發展及更新其知識及技能。董事李明、張士宏、汪三龍、劉進、周安達源、胡柏和、項思英及向穎已向本公司提供彼等於年內所接受培訓之記錄。根據董事提供之培訓記錄，彼等於報告期內參加有關企業管治、監管發展及其他相關課題之培訓。

問責及審計

董事知悉彼等須根據上市規則編製本集團綜合財務報表及其他財務披露資料之責任，而管理層已向董事會提供有關解釋及資料以使董事會能夠就財務及其他董事會決策作出知情評估。董事相信，彼等已挑選合適的會計政策並貫徹應用，並作出謹慎合理的判斷及估計。管理層每月向董事會全體成員提供最新的內部財務報表，以便董事可對本集團之表現、狀況及前景作出均衡及易於理解的評估。

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year, the group has complied with Principle C.2 of the Corporate Governance Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risks associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the board and on-going monitor the residual risks.

Based on the risk assessments conducted in 2016, certain significant risks have been identified and their respective key strategies/control measures are set out below:

- **Business risk**
Business risk refers to the over-capacity and lowering contract prices haunting the overall shipbuilding industry. The Company adopted strategies of adjusting its business structure; optimizing the allocation of resources and improving operational efficiency. On the other hand, the Company proactively diversified into car parking related business to absorb its redundant production capacity and minimize business risk.

風險管理及內部監控

年內，本集團已遵守企業管治守則第C.2條原則，建立適當及有效之風險管理及內部監控系統。管理層負責該等系統之設計、實施及監控，而董事會負責監督管理層持續執行其職責。風險管理及內部監控系統之主要特點於下文各節說明：

風險管理系統

本集團採納之風險管理系統管理與其業務及營運相關之風險。該系統包括以下階段：

- 識別：識別風險歸屬、業務目標及可能影響目標實現之風險。
- 評估：分析風險之可能性及影響，並據此評估風險組合。
- 管理：考慮風險回應措施，確保與董事會有效溝通並持續監控剩餘風險。

根據二零一六年進行之風險評估，已識別若干重大風險，其相應之主要策略／監控措施載列如下：

- **業務風險**
業務風險指造船行業整體面對的產能過剩及合約價格下降。本公司已採納策略調整其業務結構；優化資源分配及提高營運效率。另一方面，本公司積極拓展業務至停車相關業務，以消化其過剩產能及盡可能減輕業務風險。

- **Financing Risk**

The Company is in a net liability position and its financial cost is high. In year 2016, the Company signed HK\$400m Convertible Notes subscription agreement with Macquarie Bank Limited to ease its financial pressure and is in talks with PRC banks to obtain credit facilities to finance its new car-parking business.

Internal Control System

The Company has in place an internal control system which enables the Company to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the internal system are shown as follow:

- **Control Environment:** a set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- **Risk Assessment:** a dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- **Control Activities:** action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- **Information and Communication:** internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

- **財務風險**

本公司現時處於淨負債狀況，且其財務成本高企。於二零一六年，本公司與麥格理銀行有限公司簽訂價值400百萬港元之可換股票據認購協議，以舒緩其財務壓力，並正與中國多間銀行磋商，以為其新停車業務獲取信貸融通。

內部監控系統

本公司設有內部監控系統，該系統使本公司能夠實現有關營運有效性及效率、財務報告可靠性以及遵守適用法律及法規之目標。內部監控系統之組成部分列示如下：

- **監控環境：**為於本集團進行內部監控提供基礎之一套準則、程序及架構。
- **風險評估：**識別及分析風險以實現本集團目標，以及為釐定如何管理風險提供基礎之不斷轉變而反復之過程。
- **監控活動：**根據政策及程序確立之行動，以確保執行管理層為減低風險以達成目標所作出之指示。
- **資訊及溝通：**為本集團提供進行日常監控所需資訊之內部及外部溝通。
- **監控：**持續及獨立評估以確定內部監控之各組成部分是否存在及運作正常。



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In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the group enters into significant negotiations.
- The executive directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2016, no significant control deficiency was identified.

Internal Audit

During the year, the audit committee appointed external professional to conduct an internal audit review of the effectiveness of the Group's risk management and internal control systems. The external professional is assigned with the task to perform reviews on operational, financial and compliance aspects and will alert the management on the audit review findings or irregularities, if any, advise on the implementation of necessary steps and actions to enhance the internal controls of the Group. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

為加強本集團處理內幕消息之制度，確保公開披露資料之真實性、準確性、完整性與及時性，本集團亦採納及執行內幕消息政策及程序。本集團已不時採取若干合理措施，確保存有防止違反披露規定之保障措施，其中包括：

- 只有需要了解之有限數目之僱員可獲取消息。擁有內幕消息之僱員完全了解其保守機密之責任。
- 本集團訂立重大協商時簽訂保密協議。
- 與外界（如媒體、分析師或投資者）溝通時，執行董事為代表本公司發言之指定人士。

根據二零一六年進行之內部監控審閱，並無發現任何重大監控缺陷。

內部審核

年內，審核委員會已委任外部專業人士對本集團風險管理及內部監控系統之有效性進行內部審核檢討。外部專業人士被委派就營運、財務及合規方面作出檢討，並向管理層報告審核檢討結果或不規範行為（如有）及就實施必要步驟及行動以提高本集團內部監控向彼等提供意見。內部審核檢討之結果及經協定之行動計劃乃向審核委員會及董事會匯報。

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review made by internal audit function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHT

The Company recognizes the importance of good communications with all shareholders and investors. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. All shareholders of the Company are given at least 21 days' notice for the date and venue of such annual general meeting. Shareholders are encouraged to attend general meetings. The Chairman and/or the Directors are available to answer questions on the Group's businesses at the meetings. The Company provides information relating to the Company and its business in its annual and half-year report and also disseminates such information electronically through its website at "www.irasia.com/listco/hk/chinaoceanindustry/" and the website of the Stock Exchange.

風險管理及內部監控系統之有效性

董事會負責本集團之風險管理及內部監控系統，並確保每年檢討該等系統之有效性。董事會檢討時已考慮若干領域，其中包括但不限於(i)自上年度檢討以來重大風險性質及程度之變動，以及本集團對其業務及外部環境變動作出反應之能力；及(ii)管理層持續監控風險及內部監控系統之範圍及質素。

董事會透過其由內部審計職能及審核委員會作出之檢討得出結論，認為風險管理及內部監控系統為有效及足夠。然而，該等系統旨在管理而非消除未能達成業務目標之風險，且只能就不會有重大失實陳述或損失作出合理而非絕對之保證。其亦認為資源、員工資歷及相關員工之經驗為足夠，提供之培訓計劃及預算為充足。

與股東溝通及股東權利

本公司認識到與全體股東及投資者進行有效溝通之重要性。本公司之股東週年大會為董事會提供與股東直接交流之寶貴機會。本公司全體股東將獲發最少21日通知，以告知有關股東週年大會之舉行日期及地點。本公司鼓勵股東出席股東大會。主席及／或董事將於會上回答有關本集團業務之問題。本公司在年度及半年度報告中提供有關本公司及其業務之資料，並以電子形式透過其網站「www.irasia.com/listco/hk/chinaoceanindustry/」及聯交所網站發佈有關資料。



Report on Corporate Governance 企業管治報告

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each material matters, including the election of individual Directors, for shareholder to consider and vote. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules.

Convening a Special General Meeting (“SGM”) and Putting Forward Proposals at General Meetings

Pursuant to the Bermuda Companies Act 1981 and Bye-laws of the Company, Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board. The written requisition (a) must state the object(s) of the meeting; and (b) must be signed by the requisitionists and deposited at the principal office of the Company for attention of the Company Secretary, and may consist of several documents, each signed by one or more requisitionists. Such requisitions will be verified with the Company's Hong Kong Branch Share Registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM for a day not more than two months after the date of deposit of a proper requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

作為其中一項保障股東利益及權利之措施，本公司將會於股東大會上就各項重大事宜（包括選舉個別董事）提呈獨立決議案以供股東考慮及表決。於股東大會上提呈之所有決議案均將根據上市規則以投票方式表決。

召開股東特別大會（「股東特別大會」）及在股東大會上提呈決議案

根據百慕達一九八一年公司法及本公司之公司細則，於遞呈請求董事會召開股東特別大會的書面請求日期持有本公司已繳足股本不少於十分之一（10%），可於股東大會上投票之一名或多名股東將有權遞交書面請求，以請求董事會召開股東特別大會。書面請求(a)須列明大會的目的；及(b)須由呈請人簽署並送交本公司之主要辦事處（註明收件人為公司秘書），並可由數份同樣格式的文件組成，而每份由一名或多名呈請人簽署。有關請求將由本公司之香港股份過戶登記分處核實，倘書面請求獲確認屬妥善及適宜，公司秘書將請求董事會給予全體股東足夠通知期，以召開股東特別大會。

倘董事在妥善之請求遞呈日期起計21日內，未有在請求遞呈有關請求日期後兩個月內召開股東特別大會，則該等呈請人或佔全體呈請人總投票權一半以上之呈請人，可召開股東特別大會，但任何如此召開之股東特別大會不得在上述請求書遞呈日期起計3個月屆滿後舉行。由呈請人召開之大會須盡可能以接近董事召開大會之方式召開。

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (“Requisitionists”), or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the principal office of the Company for attention of the Company Secretary with a sum reasonably sufficient to meet the Company’s relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the principal office of the Company, an annual general meeting is called for a date six weeks or less after the copy has been deposited, such requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF THE COMPANY

During the reporting period, no amendment had been made to the Memorandum of Association and Bye-Laws of the Company.

On behalf of the Board

Li Ming
Chairman

30 March 2017

根據百慕達一九八一年公司法，持有本公司附帶權利可於本公司股東大會投票之繳足股本不少於二十分之一(5%)之任何人數的登記股東（「呈請人」），或不少於100名有關登記股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。由所有呈請人簽署之呈請須送交本公司主要辦事處（註明收件人為公司秘書），並須在不少於（倘為要求決議案通知之呈請）大會舉行六週前或（倘為任何其他呈請）大會舉行一週前遞交及須支付足以彌補本公司相關開支之款項。惟倘要求決議案通知之呈請副本送交本公司主要辦事處後，在遞交副本六週後或較短期間內之某一日召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

向董事會作出查詢的權利

股東有權向董事會作出查詢。所有查詢必須以書面作出，並郵寄至本公司於香港的主要營業地點（註明收件人為公司秘書）。


本公司之組織章程大綱及公司細則

於報告期內，本公司之組織章程大綱及公司細則並無作出修訂。

代表董事會

主席
李明

二零一七年三月三十日



Environmental, Social and Governance Report

環境、社會及管治報告

I. PREAMBLE

The Board believes that a sound environmental, social and governance structure is vital for continued sustainability and development of the Group's activities. In addition to business growth, the Group has been pursuing excellence in environmental protection, social responsibility, and governance areas. Meanwhile, the Group also wishes to enhance its transparency to achieve and uplift the sense of social caring and responsibility amongst various stakeholders including shareholders and investors, employees, customers, suppliers, government and regulators, the environment and the community. With reference to its own experience and practice, the Group primarily adopts the principles and basis of Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules as its standards, with an aim to establish a sound environment, social and governance structure.

This Environmental, Social and Governance (ESG) Report is a review of its performance in environment, social and governance areas for the period from 1 January 2016 to 31 December 2016. This report is designed to allow shareholders, investors (including potential investors) and the public to have a more comprehensive and profound understanding of the Group's corporate governance and culture. The Group is willing to take more responsibilities for the society to balance the shareholders' interests and the society's benefits.

I. 序言

董事會相信，良好的環境、社會及管治架構對本集團業務的可持續發展至關重要。除業務增長外，本集團銳意在環境保護、社會責任及管治領域表現出色。同時，本集團亦希望提升其透明度，以培養及提高不同利益相關者的社會關懷及責任意識，包括股東及投資者、僱員、客戶、供應商、政府及監管機構、環境及社區。參考其自身的經驗及實踐，本集團主要採納上市規則附錄二十七所載環境、社會及管治報告指引之原則及基礎作為其標準，以建立良好的環境、社會及管治架構。

本環境、社會及管治報告乃對其於二零一六年一月一日至二零一六年十二月三十一日期間在環境、社會及管治領域的表現進行審閱。本報告旨在讓股東、投資者（包括潛在投資者）及公眾對本集團的企業管治及文化有更全面及深入的了解。本集團樂意承擔更多的社會責任以平衡股東權益及社會利益。

II. REPORTING PERIOD AND SCOPE OF THE REPORT

This ESG report covers the operational boundaries including the activities of our headquarter in Hong Kong and several operating subsidiaries in mainland China.

The reporting period of this ESG report is for the financial year 2016, from 1 January 2016 to 31 December 2016 (“FY2016”), unless specially stated otherwise. There were no significant changes in the Group’s subsidiaries’ locations, share capital structure and operation scale during 2016.

III. STAKEHOLDER ENGAGEMENT

China Ocean Industry Group Limited acknowledges the need and importance of the stakeholder engagement as one of the key elements in ESG reporting. The Group is also committed to achieving a high standard of ESG that can properly promote the Group’s reputation as a caring and responsible company to enhance corporate value and accountability of the company.

During FY2016, the Group has conducted a series of stakeholders’ participation surveys to collect their advice and opinions on the Group’s environmental and social governance in various communication channels, such as online surveys, telephone interviews, face-to-face interviews or distribution of questionnaires. Stakeholders with high influence and high dependence on the Group are selected by the management of the Group. The selected stakeholders have been invited to express their views and concerns on major social and environment issues. For the ESG report in FY2016, the Group determines environmental policy, energy consumption, pollutant control, supply chain management and operational management compliance as material concerns to stakeholders, which will be all included in this report and descriptions of the work done and the progress made by the Group in these areas. The Group will focus on these topics in its long-term operations, and formulate appropriate strategies, improve policies and set long-term goals.

II. 報告期間及報告範疇

本環境、社會及管治報告涵蓋營運範疇，包括本集團於香港總部及於中國內地多間營運附屬公司的業務活動。

除另有說明外，本環境、社會及管治報告的報告期間為二零一六年一月一日至二零一六年十二月三十一日止二零一六年財政年度（「二零一六財年」）。於二零一六年內，本集團附屬公司的地點、股本架構及經營規模並無重大變動。

III. 利益相關者參與

中海重工集團有限公司深明利益相關者參與作為環境、社會及管治報告其中一項主要元素的需要及重要性。本集團亦致力達致高標準之環境、社會及管治，以恰當提升本集團作為一間有愛心及負責任的公司之聲譽，從而增強公司的企業價值及問責制度。

於二零一六財年，本集團已透過各種溝通渠道進行一系列的利益相關者參與調查，以收集彼等對本集團環境及社會管治的意見及建議，例如網上調查、電話訪談、面對面訪談或發佈問卷調查。本集團管理層挑選高度影響及依賴本集團的利益相關者。所挑選的利益相關者已被邀請對主要的社會及環境事宜發表其意見及關注點。就二零一六財年的環境、社會及管治報告而言，本集團釐定環境政策、能源消耗、污染控制、供應鏈管理及營運管理合規為利益相關者的主要關注點，上述各項將會納入本報告及對本集團於該等領域所作工作及所取得進展的描述中。本集團將於其長期營運集中關注該等議題，並制定適當的策略，改善政策及設立長遠目標。



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

IV. ENVIRONMENTAL SUSTAINABILITY

The Group attaches great importance to corporate environmental and social responsibility. In strict compliance with relevant environmental regulations, the Group proactively shoulders environmental responsibility by advancing technological innovations, enhancing resource utilisation efficiency and promoting energy conservation and emission reduction in its production and development, to explore approaches that featuring low consumption, low emission and high output. The Group is engaged in the production and operation of shipbuilding, trading, and providing financial services business and intelligent car-parking and automotive electronics business. For the shipbuilding business, main techniques adopted in the production process are cutting and paint spraying. Therefore, the main emissions in this business segment exclude industrial wastewater and exhausted gas. The main operation process of the subsidiaries running intelligent car-parking and automotive electronics business are to assemble purchased semi-finished steel products and electronic components, and of that of the subsidiaries running trading and financial services business are usually about paper and online office work. Therefore, these two business segments have less emission and little bad influence on the environment. To analyse the environmental impacts the Group exerts more clearly, this report will disclose them by different parts according the nature of business where necessary.

IV. 環境可持續性

本集團高度重視企業環境及社會責任。就嚴格遵守相關環境法規而言，本集團自覺承擔環境責任，在其生產及發展中促進技術創新、提升資源利用效率及推廣節能減排，以探尋低消耗、低排放及高產出的道路。本集團經營造船業務、買賣業務、金融服務業務、智慧停車及汽車電子業務。就造船業務而言，生產流程中所採用的主要技術為切割及塗裝。因此，該業務分部的主要排放物不包含工業廢水及廢氣。經營智慧停車及汽車電子業務的附屬公司的主要業務流程為對所有採購的半成品（例如鋼鐵半成品和電子元件）進行組裝，而經營貿易及金融服務業務的附屬公司的主要業務流程通常涉及書面及線上辦公。因此，該兩個業務分部的排放物較少，且對環境產生的不良影響極微。為更清楚地分析本集團產生的環境影響，本報告將於必要時根據業務性質於不同部分對彼等進行披露。



Environmental, Social and Governance Report

環境、社會及管治報告

This section will primarily disclose the policies and practices on use of resources, carbon emissions and environmental and natural resources of the Group during the financial year of 2016.

本節主要披露本集團於二零一六財政年度的資源利用、碳排放以及環境及自然資源政策及措施。

A.1. Emissions

The Group adamantly implements government laws and regulations regarding environmental protection. Each of the manufacturing bases has been equipped with environmental protection facilities up to standard. The Group's current environmental protection system is sound. Each of the manufacturing bases has set up an environment management system; the manufacturing departments has established a management team to specialize in environmental protection and energy saving matters; and each of the manufacturing bases has responsible staff in charge of operation of environmental protection and energy saving facilities.

The emission mainly comprises domestic wastewater, solid waste and Greenhouse Gases (GHGs) emission and noise. The Group has appealed the staff to save water and electricity in the daily operation; it has also taken initiatives for full recycling of waste materials to reduce unnecessary waste produced therefore to minimise the environmental impact. The specific emissions are reported respectively as below:

A. Wastewater Produced

Wastewater produced of the Group mainly generated from the general operation of the factories and daily use from its staff in office and staff canteen. The Group has strictly comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》).

The quality of drained wastewater must meet the requirements of the country and the district. Domestic wastewater is discharged to the sewage pipe directly, while industrial wastewater is collected separately in special containers and sent to professional treatment company for further treatment. For the domestic wastewater, the Group has taken various measures in reducing water consumption (which will be explained particularly in A.2).

A.1. 排放物

本集團堅定執行有關環境保護的政府法律及法規。各生產基地已裝備符合標準的環境保護設施。本集團之現行環境保護系統完備。各生產基地已設立環境管理系統；生產部門已成立專注於環境保護及節能事項的管理團隊；各生產基地亦設有負責環境保護及節能設施運行的負責員工。

排放主要包括生活廢水、固體廢棄物及溫室氣體排放及噪音。本集團呼籲員工在日常運營中節約用水用電；其亦採取悉數回收廢料的措施以減少產生不必要的廢棄物，進而盡量降低環境影響。具體排放呈報如下：

A. 產生廢水

本集團產生的廢水主要來自工廠的一般運營及員工辦公室及員工餐廳的日常用水。本集團已嚴格遵守《中華人民共和國環境保護法》及《中華人民共和國水污染防治法》。

排放的廢水標準必須到國家及地區的規定。生活廢水直接排放至排污管，而工業廢水則單獨儲存於特殊容器並運送至專業處理公司進行進一步處理。就生活廢水而言，本集團已採用多種措施減少用水（將於A.2具體說明）。



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

B. Solid Waste Produced

In dealing with the solid waste produced by the Group, it has strictly comply with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》), National List of Hazardous Wastes (《國家危險廢物名錄》) and Administrative Measures on Registration of Dangerous Chemicals (《危險化學品登記管理辦法》). Due to the nature of different kinds of businesses, solid wastes produced by the Group are divided into general waste and hazardous waste. General solid waste includes the domestic solid waste generated by the employees in working hours and wasted paper and other wasted office appliance. General solid waste is in put garbage bags and collected by the local bureau for environmental health every day. Hazardous waste, which is only generated in the shipbuilding business and intelligent car-parking and electronic automotive device business, is collected and sealed in specific containers, which is sent to professional treatment company regularly.

B. 產生固體廢棄物

就處理本集團產生的固體廢棄而言，其已嚴格遵守《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境保護法》、《危險化學品安全管理條例》、《國家危險廢物名錄》及《危險化學品登記管理辦法》。鑒於不同種類的業務性質，本集團產生的固體廢棄物分為一般廢棄物及有害廢棄物。一般固體廢棄物包括僱員於工作時間產生的生活固體廢棄物以及廢紙及其他廢棄的辦公室設備。一般固體廢棄物將裝入垃圾袋並由當地的環境衛生管理局每日回收。有害廢棄物（僅於造船業務及智慧停車及汽車電子業務產生）將儲存於特殊容器並進行密封，並定期送往專業處理公司。



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Shipbuilding Business

In the shipbuilding business, relevant subsidiaries have strictly abided by the national laws and regulations, and internal Regulations on the Management of Hazardous Wastes (《危險廢物防治管理規定》). Solid waste generated in this business segment includes hazardous solid waste and domestic solid waste. Hazardous solid waste includes paint bucket, waste mineral oil, waste oil drums, paint residue, electroplating sludge, waste batteries, waste ink cartridges, waste lamps, waste film, and oil rags. According to the internal regulation, relevant departments should put the hazardous solid waste in classified dustbins. Department of transport is in charge of the collection, storage and transportation of all the solid waste. The Planning Department is responsible for the disposal and treatment of all the solid waste while the department of security will supervise all the procedure from generation to disposal of the solid waste.

C. Noise

In compliance with the Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution (《中華人民共和國環境雜訊污染防治法》), the Group has conducted noise detection around the operation site to meet the requirement of the PRC Emission Standard for Industrial Enterprise Noise at Boundary (《工廠企業廠界環境雜訊排放標準》) (GB 12348-2008).

造船業務

於造船業務中，相關附屬公司已嚴格遵守國家法律法規以及其內部《危險廢物防治管理規定》。該業務分部產生的固體廢棄物包括有害固體廢棄物及生活垃圾。有害固體廢棄物包括油漆桶、廢棄礦物油、廢油桶、漆渣、電鍍污泥、廢電池、廢墨盒、廢燈具、廢膠片及廢油氈。根據內部規例，相關部門應將有害固體廢棄物分類放入垃圾桶。運輸部負責收集、儲存及運輸所有固體廢棄物。規劃部負責處置及處理所有固體廢棄物，而安全部將負責監督固體廢棄物從產生到處置的全過程。

C. 噪音

根據《中華人民共和國環境雜訊污染防治法》，本集團已於經營場所周圍進行噪音檢測以符合《工廠企業廠界環境雜訊排放標準》(GB 12348-2008)。

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A.2. Use of Resources

CAR-PARKING BUSINESS, LEASING BUSINESS AND OFFICE WORKS

A. *Electricity Consumption*

All of its electricity consumption is directly coming from the lighting, air-conditioners, computers and other electricity consuming equipment in the office, and the regular operation of the machines in the operation site. The Group understands well the positive correlation between the electricity consumption and the GHGs emission. Thus, to ensure the effective use of electricity and reduce the electricity consumption, several practices were applied by the Group during FY2016, including the following:

In the offices:

- Turn office lights off whenever and wherever not necessary; replace traditional lamps with power saving ones like LED lights; use voice operated switch of the lights in the passway;
- Adjust the air-conditioners according to the real temperature in the office, and turning them off whenever not necessary.

A.2. 資源使用

停車業務·租賃業務及行政辦公

A. 用電

本公司的電耗主要來自辦公室的照明、空調、電腦及其他用電設備以及工廠的常規設備運作。本集團明白用電量上升會排放更多溫室氣體。因此，為確保有效利用電力資源及減少用電，本集團於二零一六財年採取以下多項措施：

於辦公室：

- 關閉不需要的辦公室照明；以LED燈等節能燈取代傳統燈；通道燈使用聲控開關；
- 根據辦公室實際溫度調節空調，在不需要時關閉設備。



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In the factories:

- Replace high electricity consumption lamps with the installation of electricity saving lamps for office lighting;
- Turn off machines that are not in operation to avoid idling;
- Make careful selection of the transformer capacity and motors;
- Arrange the operation of machines reasonably and repair them once there is malfunction;
- Replace old equipment to improve the electricity utilization efficiency;
- Improve the operation procedure by replacing the spraying production line, ovens and refrigeration equipment with more efficient ones.

於工廠：

- 進行辦公室照明節能改造，安裝節能燈代替高電耗燈；
- 關閉不工作的設備，避免設備空轉；
- 選擇合適的變壓器容量及電機；
- 合理安排機器運作，機器出現故障即時維修；
- 更換陳舊設備，提高用電效率；
- 改進生產程序，使用更高效的噴塗生產線、烘箱及製冷設備。



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B. Water Consumption

Water consumption by the Group includes domestic use and industrial use. To reduce water consumption, the Group has conducted the following practice in 2016:

1. Adopt low-flow faucets or showers in the office and staff living areas. Once there is a leaking problem, the Group will send a plumber immediately;
2. Try to recycle domestic water in the daily practice;
3. Some factories set a utilization limit of water for the employees and charge them for extra water bill;
4. Get employees involved in the business's green efforts;
5. Purchase water-efficient equipment to replace the traditional ones;
6. Reduce landscape water use by planting native landscapes or other less water-intensive alternatives and installing a rain-harvesting system to collect water on site for landscape irrigation or using a sensed irrigation system to better control exterior water use.

B. 用水

本集團的用水包括生活用水及工業用水。為減少耗水量，本集團於二零一六年採取下列措施：

1. 在辦公室及職工生活區採用低流量水龍頭或淋浴頭，在出現漏水即時派遣水管工維修；
2. 日常生活中嘗試回收利用生活用水；
3. 部分工廠設定員工用水限額，限額外用水加收水費；
4. 鼓勵員工參與公司的綠色行動；
5. 購置節水設備替換傳統設備；
6. 減少園林綠化灌溉用水，選擇種植本土景觀植物或較耐旱的植物，安裝雨水收集系統收集雨水用於園林綠化灌溉或使用帶傳感器技術的灌溉系統以更好地控制室外耗水量。



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C. Paper Consumption

To ensure environmental and efficient use of paper, the Group has made great efforts from the “starting point” to the “end point”. The “starting point” means to indirectly reduce the paper consumption without the office physical boundary. In other words, to choose the more environmental friendly paper source as the supplier, through which to indirectly reduce the amount of trees loss while producing the same amount of paper; to choose recycled paper instead of normal paper to reduce natural resources loss in some cases. The “end point” means to directly reduce the amount of paper consumption through varies measurements within the office physical boundary. The Office and the Company has also endeavoured to take several methods to manage the paper consumption described as below:

- To “think before print”: use posters and stickers as the reminder for office staff;
- To use both side: set computer defaults to print double-sided when possible;
- Give a second chance: use paper printed on only one-side for draft documents or as scratch paper;
- E-mail tips: to remind staff consider the environment before printing the email;
- Go electronic: to create some electronic systems to eliminate unnecessary paper forms.

C. 用紙

為確保環保高效地利用紙張，本集團從「源頭」到「終點」全程落力。從「源頭」抓起，即著眼辦公室以外的環節，間接減少紙張消耗。換言之，即選擇更環保的紙張供應商，間接降低生產等量紙張的木材消耗；在部分情況下選用再生紙張代替普通紙張，以減少自然資源損失。在「終點」把控，即透過在辦公室範圍內實行各種節約措施直接減少用紙。辦事處及本公司亦已採取下列多項用紙管理措施。

- 印前三思：張貼「列印前請三思」的海報及便簽提醒員工打印前思考是否真的需要打印版；
- 雙面打印：在可能情況下將電腦設置為默認雙面打印；
- 物盡其用：收集單面打印的紙張用作草稿本或草稿紙；
- 環保留言：在郵件簽名添加環保留言，提醒員工在打印郵件前考慮環保；
- 倡電子化：建立電子化系統，杜絕不必要的紙張辦公流程。



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D. Other Consumptions

The main operation of the intelligent car-parking and electronic automotive device business is assembling and packaging. The main consumptions includes steel, electrical components, mechanical transmission equipment, packaging, protective film, warranty card, model stickers, envelopes, cartoon boxes, care, stickers and so on.

The main packaging materials consumed by the Group are cartons in different sizes. The consumption of packaging materials is made-to-order basis, thus there is no specific measures to reduce the consumption.

SHIPBUILDING BUSINESS

In order to strengthen energy management, reduce energy consumption, eliminate energy waste and improve energy efficiency, relevant subsidiary in this business segment of the Group has formulated internal energy management standard on the consumption of electricity, water, fuel, town gas, coal and other resources. Based on the national laws and energy conservation policy, combined with the Group's actual status of production and energy consumption, the Group complies with the standard to save energy and reduce emission. Generally, all the management are supposed to supervise and promote the implement of the standard. Generally, the subsidiary of the Group has taken the following measures to achieve the goal of energy management:

- During reconstruction or new fixed assets investment, the Group should consider energy consumption and conservation and arrange a professional energy assessment. All projects must abide by the energy consumption standard and energy-saving technical specifications while the Group should avoid conducting projects or using equipment with backward technology, high energy consumption and low efficiency.

D. 其他消耗

智慧停車及汽車電子業務的主要業務流程是裝配及包裝。主要消耗包括鋼鐵、電氣元件、機械傳動設備、包裝材料、保護膜、保修卡、型號標籤、信封、紙箱、養護用品、標籤等。

本集團消耗的主要包裝材料是不同尺寸的紙箱。包裝材料消耗是由訂單決定，因此並無可減少消耗的具體措施。

造船業務

為加強節能減排管理，提高能源利用效率，本集團此業務分部之相關附屬公司已就用水、用油、用氣、用煤及其他資源的使用制定內部能源管理準則。根據國家法律及節能政策，並結合本集團實際生產及能耗狀況，本集團已遵守節能減排標準。一般而言，全體管理層應就改進及執行有關標準進行監督，而本集團附屬公司已採取下列措施以達成能源管理目標：

- 在對新固定資產投資進行改造時，本集團應考慮能耗及節能問題並安排專業的能源評估。所有項目必須符合能耗標準及節能技術規格，而本集團應避免進行技術落後、能耗高及能源利用率低的項目或使用此類設備。



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- The Group has gradually replaced equipment of high energy consumption and low efficiency and backward technology for energy-saving and low-emission ones.
- Relevant departments should record their energy consumption and conduct energy economy accounting and statistical analysis. All the report and data should hand in to the management.
- All departments should take the initiative to carry out energy-saving education and organize relevant employees to participate in energy-saving training.
- Relevant departments should make plans for annual and quarterly use of energy based on past years of energy use.
- Relevant departments must strengthen the equipment maintenance and improve the utilization efficiency of equipment to reduce light or no-load operation. They should check the pipe network and joints to avoid leakage and reinforce insulation around the heat and heat transfer pipelines to maximize the energy efficiency.
- 本集團已逐步用節能減排設備取代技術較為落後的高能耗低效率設備。
- 相關部門應記錄其各自的能耗並做好能源記賬及數據分析。所有報告及數據應交予管理層。
- 所有部門應積極進行節能教育，並組織相關僱員參與節能培訓。
- 相關部門應根據過往年度能源使用情況制定年度及季度能源使用計劃。
- 相關部門須加強設備保養並提高設備利用率以減少輕載或空載運行。其應當檢查管道網絡及鏈接以防止洩露，並加強熱交換管道的絕緣，盡量提高能源利用效率。



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A. *Electricity consumption*

Knowing that the GHG emission is positively correlated to electricity consumption, the relevant subsidiaries in this business segment have taken the following measures to save electricity:

- Control the start frequency of some major power consumption equipment to improve the load rate and avoid electricity peak when starting them.
- Replace the incandescent light bulbs for energy-saving lamps in the operating area.
- Limit the use of electric heaters. For the industrial need, employees must ask relevant departments for permission.
- Relevant departments should give preference to energy-saving equipment and avoid purchasing unnecessary high-energy equipment.
- Engage employees in the energy management and conservation and collect ideas for energy saving.

A. 用電

鑒於溫室氣體排放於用電量密切相關，此業務分部的相關附屬公司已採取下列節電措施：

- 控制部分主要用電器的啟動頻率以提高負載率，並避免在用電高峰啟動該等電器。
- 將辦公區域的白熾燈更換為節能燈。
- 限制使用電暖氣。如因生產需要，僱員使用電暖氣須取得相關部門的批准。
- 相關部門須優先選擇節能設備並避免採購不必要的高能耗設備。
- 促使僱員投入能源管理及節能工作並征集節能創意。



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B. Coal consumption

Since the coal consumption is indirectly based on the orders, there is no specific measure taken to reduce the consumption. But the Group has regulations avoid unnecessary waste of the raw coal. Coal purchased must be examined, weighed and recorded. Users must operate in accordance with instructions (or equipment instructions) to eliminate coal waste. Users should also strengthen the management of raw coal, compare the real consumption to estimated one and take positive savings measures.

C. Water consumption

Relevant subsidiaries have strictly implemented relevant regulations formulated by the Group and take the following measures to save water:

- Engage and educate employees in the water conservation activities and enhance their awareness of water conservation.
- Recycle the cooling water to make full use of water resources.
- Check pipe network in the workshops regularly to avoid leakage.

B. 用煤

由於煤炭消耗乃間接受到訂單數量的影響，因此並無制定特定措施以減少煤炭消耗。但本集團已制定規定以避免浪費燃煤。煤炭採購須經檢查、稱重及記錄。用煤單位須根據相關指示（或設備指示）操作以消除燃煤污染。用煤單位亦須加強對燃煤的管理，比較實際用量與估計用量並積極採取節能措施。

C. 用水

相關附屬公司已嚴格執行本集團制定的相關規定，並採取下列節水措施：

- 促使員工參與節水行動並進行節水交易，增強彼等的節水意識。
- 循環使用冷卻水以充分利用水資源。
- 定期檢查工廠的水管網絡以防止洩露。



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D. Fuel consumption

Fuel consumed by the Group includes diesel and gasoline consumed by the vehicles and ships of the Group in the working hours. The planning department will make the purchase plan based on the actual production situation. Relevant departments will examine and record the purchased fuel. Relevant users should make consumption records and actively take fuel-saving measures.

E. Gas consumption

Gases consumed by the Group include compressed air, oxygen, carbon dioxide gas, acetylene gas, nitrogen, argon, steam and other gases needed in the production process. Relevant workshops make purchase plans according to the actual production situation. Gases purchased by the purchase department will be examined and recorded. Users should strengthen the inspection of gas pipelines to prevent air discharge and leakage. The Group should also check the gas storage containers and transportation pipelines and do maintenance work regularly.

D. 用油

本集團消耗的燃油包括本集團汽車及船舶在工作時間消耗的柴油及汽油。規劃部門將根據實際生產情況制定採購計劃。相關部門將檢查及記錄所採購的燃油，而相關用油單位亦須存備用油記錄，並積極採取節油措施。

E. 用氣

本集團消耗的燃氣包括生產過程中所需的壓縮空氣、氧氣、二氧化碳、乙炔、氮氣、氫氣、蒸汽及其他氣體。相關工廠根據實際生產情況制定採購計劃，並檢查及記錄採購部門所採購的燃氣。用氣單位應加強對輸氣管道的檢查以防止氣體洩漏。本集團亦須定期檢查氣體容器及輸氣管道並進行保養。

A.3. The Environment and Natural Resources

In relation to the operation site, the Group is in strict compliance with the relevant laws and regulations such as Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》) and Circular Economy Promotion Law of the people's Republic of China (《中華人民共和國循環經濟促進法》). It has conducted regularly inspecting and monitoring on the regular operation of the Group. As for the environmental impacts from the operation process, the Group's routine operation exerts no bad influence on its surroundings. The wastes, noise and other environmental impacts generated from the operation process of the Group are in conformity with environmental laws and regulations. In the operation site of shipbuilding business, the Group has formulated the Material Recycling Incentives (《物資回收節約獎勵辦法》) to encourage employees to make use of residues and wastes (include waste steel, waste steel wire, cable head, non-ferrous metal scrap, iron shavings, paint bucket, wood/paper crates, welding head, wire rod, waste steel flange, pipe elbow, round plate and flange plate), and save raw materials (include electrodes, paint, diesel, gasoline and others). The Group will reward employees financially who comply with the incentives accordingly.

The Group will continue to adhere to the safety, harmony and green development concept and make unremitting efforts to create a resourcing-saving and environmentally-friendly corporate.

A.3. 環境及天然資源

經營場所方面，本集團嚴格遵守《中華人民共和國節約能源法》及《中華人民共和國循環經濟促進法》等相關法律法規，定期檢查及監督本集團的日常經營。經營過程對環境產生的影響方面，本集團的日常經營對其周邊環境沒有不利影響。本集團經營過程產生的廢物、噪聲等環境影響符合環保法律法規。於造船業務的工廠，本集團已制定《物資回收節約獎勵辦法》以鼓勵僱員回收利用餘料及廢物（包括廢鋼、廢鋼筋、電纜接頭、有色金屬廢料、鐵屑、油漆桶、木架箱／紙箱、焊機頭、線棒、廢鋼法蘭、管道彎頭、圓片及法蘭片），並節約原材料（包括電極、油漆、柴油、汽油及其他）。本集團將對遵守該等規定的僱員進行相應的財務獎勵。

本集團將繼續堅持安全、和諧、綠色發展的理念，努力建設資源節約型、環境友好型企業。



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V. SOCIAL SUSTAINABILITY

The Group persisted in the combination of a people-oriented management philosophy and an innovation mechanism. Through diversity and humanistic management, the Group has established a close relationship of mutual trust and support between the Group and its staff, and created a positive, healthy and motivated corporate culture and work environment for its employees. Meanwhile, the Group cherishes every talent and provides employees with a competitive remuneration mechanism. Moreover, the Group also incessantly optimized its human resources structure, and improved its management methods in order to fully bring out employees' enthusiasm and initiatives.

EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

The Group regards employees as its most important and valuable assets, seeking to provide a safe and sound working environment for employees and cultivating talents experienced in technology and management. By improving the remuneration system and career paths, the Group expects to establish a comprehensive incentive system based on physical, mental, emotional and growth motivations to carry forward the harmonious and stable employment relationship.

The human resources policies strictly adhere to the applicable employment laws and regulations in Hong Kong and the PRC, including, the Employment Ordinance, Mandatory Provident Fund (MPF) Schemes Ordinance, Minimum Wage Ordinance, Labour Law of the PRC (《中華人民共和國勞動法》), Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》). The Human Resources Department reviews and updates relevant company policies constantly in accordance with the latest laws and regulations.

V. 社會可持續性

本集團始終堅持以人為本和創新機制相結合的管理思路，通過多樣化及人性化管理，使本集團與員工建立了相互信賴、相互支持的密切關係，為員工創造了積極、健康、向上的文化氛圍和工作環境；同時，本集團珍惜每位人才，提供富有競爭力的薪酬機制；亦不斷優化人力資源結構，改進管理方式，充分調動員工的積極性和能動性。

僱傭及勞工常規

B.1. 僱傭

本集團將僱員視作其極其重要及寶貴的資產，努力為員工提供安全及穩定的工作環境，培育富有技術和管理經驗的人才。透過完善薪酬體系及員工職業發展通道，本集團期望構建基於物質、精神、情感、發展激勵的全面激勵體系，維護和發展和諧穩定的勞資關係。

人力資源政策嚴格遵守香港及中國適用之僱傭法律及法規，包括《僱傭條例》、《強制性公積金（強積金）計劃條例》、《最低工資條例》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國社會保險法》。人力資源部會持續根據最新法律法規檢討及更新相關公司政策。



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To motivate and reward the employees, the Group offers competitive and fair remuneration and benefits based on individuals' performance, professional qualifications, experiences and market benchmarks to attract, motivate and retain high-calibre workforce. The Group has the internal Performance Appraisal System and will conduct annual review to ensure that the staffs are recognised by the Group appropriately with regard to their working efforts and contributions. Meanwhile, any termination of employment contract would be based on reasonable and lawful grounds. The Group strictly prohibits any kinds of unfair or unreasonable dismissals.

To cultivate employees' sense of belonging, the Group provides its employees in mainland China with two days off per week and housing fund and five insurances including endowment insurance, medical insurance, unemployment insurance, industrial injury insurance, and maternity insurance, and those in Hong Kong with medical insurance, MPF and year-end bonus. On some traditional Chinese festivals, the Group will give out bonus and gifts to the employees.

Throughout the Group, it arranges reasonable working hours and leave for the employees which are in line with local employment laws. In addition to statutory holidays stipulated by the region, employees may also be entitled to paid annual leave, maternity leave and paternity leave, marriage leave, funeral leave and sick leave for employees under the employment law of the local government.

為激勵及獎勵僱員，本集團根據個人表現、專業資格、經驗及市場基準提供有競爭力且公平的薪酬及福利，以吸引、激勵及挽留優質員工。本集團採用內部表現評估系統，並將進行年度審閱以確保本集團對僱員的工作投入及貢獻作出適當評價。同時，本集團將合理合法地終止任何僱傭合約。本集團嚴禁任何不公平或不合理的辭退。

為增強僱員的歸屬感，本集團為其於中國大陸的僱員提供每週雙休、住房津貼並購買五險（包括養老保險、醫療保險、失業保險、工傷保險及生育保險），並為其於香港的員工購買醫療保險、繳納強積金及提供年終獎。在一些中國傳統節日，本集團將向僱員發放獎金及禮物。

本集團按照當地僱傭法律為僱員安排合理的工作時間及休假。除當地法定節假日外，僱員亦有權享受當地政府之勞動法規定之帶薪年假、產假及陪產假、婚假、喪假及病假。



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Talent acquisition is vital to the business future development. The heartening improvement is very much contributed by the effective two-way communication system between the general staff and managerial staff. Employees maintain timely and smooth communication with the management, colleagues and partners of the companies within the Group through internal email, employee handbook, manager meeting. The interactive communication system benefits the Group's decision-making process and results a barrier-free employer-employee relationship.

The Group is committed to create a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in terms of all human resources and employment decisions, for instance, training and promotion opportunities, dismissals and retirement policies irrespective of their gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job related factors in all business units. The equal opportunities policy enforces zero tolerance to any workplace discrimination, harassment or victimization in accordance to relevant government legislation, ordinances and regulations such as Disability Discrimination Ordinance, Race Discrimination Ordinance and Sex Discrimination Ordinance.

To cultivate the sense of belonging in the employees, the Group will also set aside reserved funds for activities. In 2016, the Group hosted a series of activities for the employees, including 2016 Spring Festival Meal and annual dinners. These events helped the employees to relieve stress, and served to exemplify the Group's corporate culture of the spirit of solidarity and cohesion among its employees.

延攬人才對日後業務發展至關重要。一般員工及管理人員間有效的雙向溝通機制對本集團實現重大提升貢獻良多。僱員可透過內部電郵、僱員手冊、管理會議與本集團內公司之管理層、同事及合作夥伴維持及時順暢的溝通。這種互動的溝通機制有益於本集團進行決策並促進員工及僱主之間的無障礙溝通。

本集團致力於在所有業務分部內倡導反歧視及機會平等的理念，在作出所有與人力資源及僱傭有關的決定時（例如培訓及晉升機會、解僱及離休政策）不受性別、種族、年齡、殘疾、家庭狀況、婚姻狀況、性取向、宗教信仰、國際或任何其他與工作無關的因素干擾，從而創造公平、受尊敬及多元化的工作環境。根據相關政府規例、條例及法規（例如《殘疾歧視條例》、《種族歧視條例》及《性別歧視條例》），機會平等的政策對任何工作場合的歧視、騷擾或侵害實行零容忍。

為增強僱員的歸屬感，本集團亦將劃撥儲備資金舉行各種活動。於二零一六年，本集團為僱員舉辦了一系列活動，包括二零一六年春節聚餐及年度晚會。該等活動有助於僱員緩解壓力，並鞏固了僱員團結協作的精神，弘揚了本集團的企業文化。

B.2. Health and Safety

Complying with the policy of “Safety First, Prevention Primary, Comprehensive Treatment” (“安全第一·預防為主·綜合治理”), the Group attached great importance to providing and maintaining a good working conditions and a safe and healthy working environment. The safety and health policies are in line with various laws and regulations stipulated by the Government of Hong Kong and PRC, including the Occupational Safety and Health Ordinance, the Production Safety Laws of the PRC (《中國安全生產法》), the People’s Republic of China Occupation Disease Prevention Law (《中國職業病防治法》) and Regulation on Work-Related Injury Insurance (《工傷保險條例》). Furthermore, the Group has stipulated Production Safety Management Compiled Rules and Regulations which includes detailed rules and regulations on responsibilities, production, training, chemical management, fire safety, hazardous operation management, emergency management, system of rewards and penalties on safe production and so on.

To engage all relevant departments in the Group to shoulder the responsibility of safe production, the Group has established the Safety Production Responsibility Assessment System which set time for the Group to review relevant workshops and departments regularly. The Group has established the Security Committee to ensure safe production and environmental protection which include relevant departments and the management in the operation site. Different departments are supposed to shoulder specific responsibilities under strict rules. The relevant departments or individuals will be awarded or punished accordingly based on the evaluation. The Group also has worked out different emergency plans for different situation, and arrange drills at least once per year. The Group strives to maintain a clean, tidy, smoke-free, non-toxic, non-hazardous, healthy and safe working environment.

B.2. 健康與安全

本集團堅持「安全第一·預防為主·綜合治理」的政策，將提供及維持良好工作狀況及安全健康的工作環境作為重中之重。安全及健康政策符合香港及中國政府頒佈的各項法律法規，包括《中國安全生產法》、《中國職業病防治法》及《工傷保險條例》。此外，本集團已制定生產安全管理規則及規例，其中包括有關責任、生產、培訓、化學品管理、消防安全、危險作業管理、应急管理、安全生產獎懲制度等的詳盡規則及規例。

為敦促本集團所有相關部門承擔安全生產責任，本集團已設立安全生產責任評估制度，當中規定本集團定期審閱相關工廠及部門的時間。本集團已成立安全委員會（由相關部門及經營現場管理層組成）以確保安全生產及環境保護。不同部門須承擔的特定責任有嚴格規定。根據評估，相關部門或個人將受到獎勵或處罰。本集團亦針對不同情況制定不同應急計劃，並每年至少安排一次演習。本集團致力維持一個整潔、無煙、無毒無害、安全健康的工作環境。



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In order to ensure the employees' health and related rights, the Group spares no effort to enhance the physical fitness of employees and eliminate occupational hazards. The Group will arrange free occupational health checks for relevant employees including entry physical examination, in-service physical examination and off-post physical examination. To implement the policy of "prevention first, combine with prevention" ("預防為主、防治結合") and protect employees from being affected by occupational hazards and occupational diseases, the Group formulated "Workplace Occupational Safety and Health Management System" (《作業場所職業安全衛生健康管理制度》) according to Occupational Disease Prevention Law (《職業病防治法》) and execute to the letter, which contains detailed practice and requirements of the management of production procedure and the environment of the workshops.

B.3. Development and Training

The Group offers different training and development opportunities to the staff in order to strengthen work-related skills and knowledge and improving operational efficiency and productivity. For new hired employees, it provides comprehensive orientation training to understand the corporate culture, business flow, working health and safety, management systems and group development. For experienced staff, the Group has online learning website for employees and relevant department will occasionally share some learning material through intranet. The Group provides training to the employees in terms of different stages of the work needs and requirements.

The Group has training centre in Shandong Ruitong Parking Equipment Company Limited, whose purposes are to adjust local recruitment according to the development of the Group, to help employees in Shandong build their career path and to provide training courses including basic quality, professional knowledge and social knowledge. Furthermore, the Group has online training platform called Times Huaguang (時代華光在線培訓系統) in Shandong subsidiary.

為確保僱員的健康及相關權利，本集團不遺餘力地增強僱員的體質並消除職業危害。本集團將為相關僱員安排免費的職業健康檢查，包括入職體檢、在職體檢及離職體檢。為落實「預防為主、防治結合」的政策並保護僱員免受職業危害及職業病的影響，本集團根據《職業病防治法》制定《作業場所職業安全衛生健康管理制度》並簽訂有關函件，其中包括生產程序及工廠環境管理的詳細常規及規定。

B.3. 發展及培訓

本集團為員工提供各種培訓及發展機會，以提升員工履行工作職責的技能和知識及提高經營效率和生產效率。針對新聘員工，本集團為彼等提供全面的入職培訓，幫助新員工了解企業文化、業務流程、職業健康與安全、管理制度及集團發展。對於在職員工，本集團設有員工在線學習網站，並由相關部門不定期在內網分享學習資料。本集團根據不同階段的工作任務及要求為員工提供培訓。

本集團旗下的山東瑞通停車設備有限公司設有培訓中心，負責根據集團的發展調整本地招聘，幫助山東的員工建立職業發展道路及提供基本素質、專業知識及社會知識等培訓課程。此外，本集團山東附屬公司亦設有時代華光在線培訓系統為員工提供培訓。

B.4. Labour Standards

The Group strictly abides by the Employment Ordinance of Hong Kong, Labour Law of the PRC (《中華人民共和國勞動法》), Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), Prohibition of Child Labour of the PRC (《中國禁止使用童工規定》) and other related labour laws and regulations in Hong Kong and China to prohibits any child and forced labour employment.

To combat against illegal employment on child labour and forced labour, prior the confirmation of employment, the human resources staff specifies that all employees shall provide a valid identity documents to ensure that the applicants are lawfully employable and a whistle blowing mechanism has been established by Human Resources Department to monitor and ensure full compliance of latest and relevant laws and regulations that prohibits child labour and forced labour. There would be regular checks and inspections on the execution of the human resources policies for the Group headquarters and subsidiaries.

OPERATING PRACTICES

B.5. Supply Chain Management

As a socially responsible enterprise, it is critical and vital to maintain and manage a sustainable and reliable supply chain. The Group achieves this goal by conducting comprehensive evaluation of potential suppliers and thorough investigations of selected suppliers, imposing strict standards on the quality of suppliers' raw materials and services, and reviewing the suppliers' products, services, previous track record, ongoing projects, reputation, quality and their social and environmental responsibility annually so as to maintain a good and long-term relationship with suppliers. Due to the nature of the business, only shipbuilding business and intelligent car-parking and electronic automotive device business are relevant to the supply chain management.

B.4. 勞工準則

本集團嚴格遵守《香港僱傭條例》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中國禁止使用童工規定》以及香港和中國其他禁止童工及強制勞工的相關勞動法律法規。

為防止非法聘用童工及強制勞工的問題發生，在確定僱傭關係之前，人力資源部員工會要求所有僱員提供有效的身份證件，確保應職人員是合法可受僱的人士；同時，人力資源部亦建立相應的舉報機制，有效監察及確保全面遵守禁止童工及強制勞工方面的最新及相關法律法規。本集團定期檢查及視察總部及附屬公司人力資源政策的執行情況。

營運慣例

B.5. 供應鏈管理

作為對社會負責的企業，建立及保持可持續、可靠的供應鏈至關重要。為此，在供應鏈管理中，本集團會對潛在供應商進行全面評估並對選定供應商進行深入調查，對供應商的原材料及服務質量實施嚴格標準，每年審查供應商的產品、服務、過往記錄、在行項目、聲譽、質量及其社會和環境責任，致力與供應商保持良好持久的關係。因業務性質決定，本集團只有造船業務和智慧停車及汽車電子業務涉及供應鏈管理。



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Shipbuilding Business

The Group's shipbuilding business are building and mending of ships. The Group has strict management policy on the suppliers. The Group adopts the directory management and blacklist limit system and require suppliers meet the China Classification Society (CCS) standard. Besides, the Group requires suppliers to be legally law-abiding and provide high-quality and reasonable-price products, and the Group gave priority to those complying with relevant environmental laws and regulations of China.

When choosing the suppliers, the Group will first contact those with qualification and discuss with them about the requirements. Then it will compare the quality and prize of the products among all the potential suppliers. The chosen one will then be included in the supplier list. To ensure sufficient supply, the Group will out more than one supplier of each raw material it needs in the supplier list and cooperate with one of them when there is an order. Besides, the Group will conduct annual evaluation of the suppliers in top management turnover, production capacity, changes in manufacturing techniques and raw materials, and violations of the law and discipline of the suppliers.

According to the evaluation of the Group, those with serious problems existed in the regulatory compliance, delivery, health and safety, and environment protection were put in the black list immediately.

Intelligent Car-parking and Automotive Electronics Business

The Group's intelligent car-parking and automotive electronics business includes two subsidiaries in Shenzhen and Shandong respectively. The main business in Shenzhen includes the development of automotive intelligent transportation and multimedia information system, production and sales of car navigation, car audio and video equipment, traffic recorder, traffic safety equipment. The main business in Shandong is the production and sales of stereo garage.

造船業務

本集團的造船業務包括船舶建造及維修。本集團實行嚴格的供應商管理政策。本集團採用名單管理及黑名單制度，並要求供應商符合中國船級社 (CCS) 標準。此外，本集團要求供應商遵守法律及提供質量高、價格合理的產品，並優先考慮遵守中國相關環保法律法規的供應商。

在選擇供應商時，本集團首先與具資質的供應商聯繫，溝通有關要求。之後，對所有潛在供應商的產品進行比質比價。然後將選中的供應商列入供應商名單。為確保供應充足，本集團的供應商名單中每種必要原材料會有多名可選供應商，需要訂購時再從中選一。此外，本集團每年會對供應商的高層變動、產能、製造技術和原材料變動以及違法違規情況進行評估。

經本集團評估後，發現在合規、交付、健康與安全、環保等方面存在嚴重問題的供應商會立即被列入黑名單。

智慧停車及汽車電子業務

本集團的智慧停車及汽車電子業務包括分別位於深圳及山東的兩間附屬公司。深圳附屬公司主要從事開發汽車智能交通及多媒體資訊系統，生產及銷售汽車導航、汽車影音設備、行車記錄儀、行車安全設備。山東附屬公司主要從事生產及銷售立體車庫。



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In Shenzhen, raw materials purchased by the Group are PCB, wiring harness, electronic components, and structural plastic. The Group has stipulated inner regulation entitled Supplier Field Assessment Report (《供應商實地評鑒報告》) to select suppliers. The Purchasing Department selects new suppliers based on the needs of new product development and optimization of the supplier system, combining with the actual situation. The Purchasing Department will first conduct surveys on the new supplier to collect relevant information and completes the Supplier Basic Information Form (《供應商基本概況表》). The potential suppliers should at least have the ISO9000 certification and ISO14000 environmental management standard. And agency should have proxy certificate and brand agency authorization. Relevant departments will then form a team to evaluate the pre-selected suppliers and fill the results in the Supplier Assessment Form (《供應商實力評估表》). If the sample products provided by the pre-selected suppliers meet the quality requirements of raw materials, auxiliary materials, components (outsourcing), semi-finished products, processed goods and the technical requirements of the Group, and they pass other relevant assessments, they will be marked as qualified suppliers. In the meanwhile, the qualified suppliers should be able to deliver 100% the ordered produces in time to the Group and provide relevant plans to control the delivery process. After the final review by the general manager, those qualified suppliers will be put in the List of Qualified Suppliers (《合格供應商清單》).

深圳附屬公司採購的原材料包括印製電路板、線束、電子元件及結構塑料。本集團制定有內部供應商甄選規範《供應商實地評鑒報告》。採購部負責根據新產品開發及供應商系統優化需要，結合實際情況選擇新供應商。採購部首先對新供應商進行調查，收集相關資料並填寫《供應商基本概況表》。潛在供應商須至少具備ISO9000認證及符合ISO14000環境管理標準。而代理機構須具備代理證書及品牌的代理授權。之後，相關部門會成立一個小組對預選供應商進行評估，並填寫《供應商實力評估表》。預選供應商提供的產品樣品符合原材料、輔助材料、元件（外包）、半成品、加工產品的質量要求及本集團的技術要求，並通過其他相關評估，則列作為合格供應商。另外，合格供應商須保證能及時完整地向本集團交付訂購的產品，並提供交付過程控制計劃。經總經理最終審核通過的合格供應商列入《合格供應商清單》。



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In order to prevent price fluctuation, the Group will contact suppliers on the qualified suppliers list and ask for the price list of the raw material and components it needs. The relevant departments will contact at least two suppliers for the same item and compare the price and make the final decision. To ensure the quality of raw material and components, relevant departments will conduct quality examination of the products purchased and make a record. For those suppliers who have been found unqualified products which are rejected and returned for three times in a succession will be informed to rectify and reform under the Control Process of Unqualified Product (《不合格品控制程式》). The Group will review the results in a week.

The Group assesses the quality of purchased products, delivery time, coordination and/or service of the qualified suppliers once every six months and records the results of the assessment in the Supplier Assessment Form (《供應商實力評估表》). For those who fail the assessment, the Group will give them an opportunity to rectify and reform, and then conduct a second assessment. If they fail again, relevant departments will report to the management and disqualify them once approved by the management and cancel the cooperation with them.

為防止價格波動，本集團將要求合格供應商名單上之供應商提供本集團所需原材料及零部件之價格清單。相關部門將就同一種貨品聯繫至少兩名供應商以比較其價格，並作出最終決定。為確保原材料及零部件之質量，相關部門將對所採購產品進行質量檢查並進行登記。一經發現供應商之產品質量不合格而連續三次拒收及退貨，我們將要求有關供應商根據《不合格品控制程式》進行整改。本集團將每週檢查一次結果。

本集團每六個月評估一次採購產品之質量、交付時間、合格供應商之協作性及／或服務，並將評估結果錄入《供應商實力評估表》。本集團將給予未能通過評估之供應商一次整改機會，其後進行第二次評估。倘該等供應商再次不達標，則相關部門將向管理層匯報，經管理層批准後取消其資格並終止與彼等之合作。



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In Shandong, raw materials purchased by the Group are mainly H beams and galvanized sheet. The Group has stipulated inner regulations including purchasing and outsourcing procedure (《外協外購工作流程》). According to the procedure, the technical department should provide drawings, specifications and quantities of the supplies required by the orders and obtain the permission from the general manager. Then the production department will make plans to select suppliers. They will fill in the supplier evaluation form and compare the quality and price of products provided by different suppliers and their supply cycle. After these basic evaluations, the production department will determine a list of qualified suppliers, who will then be asked to provide business license, tax registration certificate, organization code and other relevant certificates. The final selection of suppliers must win the proof of the deputy general manager of the production department. To avoid price fluctuation and scarcity of supply, the Group will specify price, quality requirements, delivery cycle, payment methods, warranty period, transportation, after-sales service and other relevant questions in the contract.

B.6. Product Responsibility

The philosophy about the products and service of the Group is to provide products with good quality up to the specification and keep in good relationship with customers and pursue win-win to both parties at all times.

本集團於山東主要採購之原材料為工字鋼及鍍鋅板。本集團已制定《外協外購工作流程》等內部規定。根據該流程，技術部將根據訂單需求提供圖紙、規格及供應商數量，並申請總經理批准。其後生產部將制定計劃挑選供應商。彼等將填寫《供應商實力評估表》，並對各供應商提供之產品質量及價格以及其供應週期進行比較。完成該等基本評估後，生產部將確定合格供應商名單，該等供應商其後須提供營業執照、稅務登記證、組織機構代碼證及其他相關證書。所挑選之供應商須獲得生產部副總經理同意後，方可最終確定。為避免價格波動及供應不足的情況，本集團將於合約中列明價格、質量要求、交付週期、支付方式、保質期、運輸方式、售後服務及其他相關問題。

B.6. 產品責任

本集團有關產品及服務之理念為始終如一地提供符合規格的優質產品，與客戶維持良好關係並實現雙贏。



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Shipbuilding Business

The Group believes that product quality is the essence of an enterprise and strictly adheres to the policy of “Quality First, Satisfy Customers” (“品質第一，顧客滿意”) in this business segment. Relevant subsidiaries have complied with the People’s Republic of China Special Equipment Safety Law (《中華人民共和國特種設備安全法》), the Interim Provisions on occupational health supervision and management of workplaces (《作業場所職業健康監督管理暫行規定》), the People’s Republic of China pneumoconiosis prevention and control regulations (《中華人民共和國塵肺病防治條例》) and Work Injury Insurance Ordinance (《工傷保險條例》). The Quality Assurance Department of the Group is in charge of the quality examination in compliance with the ISO2003 and GLVABS testing. Once there is a complaint, the Group will conduct internal negotiation and report to the arbitration tribunal.

The Group strictly complies with relevant laws and regulations on protecting and maintaining IPR in the PRC such as Patent law of the People’s Republic of China (《中華人民共和國專利法》), Agreement on Trade-Related Aspects of Intellectual Property Rights (《與貿易有關的知識產權協定》) and Tort Liability Law of the People’s Republic of China (《中華人民共和國侵權責任法》).

Intelligent Car-parking and Automotive Electronics Business

In Shenzhen, the relevant subsidiaries stick to the policy of “Customer first, Quality first, Full participation, Continuous improvement” (“顧客至上，品質第一，全員參與，持續改善”). In relation to advertising and labelling issues, the Group has complied with the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》), the Price Law of the People’s Republic of China (《中華人民共和國價格法》) and the Consumer Protection Law of the People’s Republic of China (《中華人民共和國消費者權益保障法》).

造船業務

本集團深信產品質量乃企業之靈魂，並於本業務分部嚴格堅守「品質第一，顧客滿意」的政策。相關附屬公司已遵守《中華人民共和國特種設備安全法》、《作業場所職業健康監督管理暫行規定》、《中華人民共和國塵肺病防治條例》及《工傷保險條例》。本集團質管部負責根據ISO2003及GLVABS測試進行質量檢查。一旦發生投訴，本集團將進行內部協商並提交仲裁裁決。

本集團嚴格遵守中國保護及維護知識產權之相關法律法規，如《中華人民共和國專利法》、《與貿易有關的知識產權協議》及《中華人民共和國侵權責任法》。

智慧停車及汽車電子業務

深圳之相關附屬公司秉持「顧客至上，品質第一，全員參與，持續改善」之政策。就廣告及商標問題方面，本集團已遵守《中華人民共和國廣告法》、《中華人民共和國價格法》及《中華人民共和國消費者權益保障法》。



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The products provided by the Group are in strict accordance with the national standards, which own the 3C certification. Therefore, the relevant subsidiaries have national high-tech enterprise certification. The quality department is in charge of the quality inspection process, which is composed of four detection groups responsible for the inspection of the reliability of new products, the quality of raw material, the production process and finished products respectively.

Regard to the complaints about the products, the Group adopts the policy of “Three Guarantees” (“三包”政策). For those relating to product quality, the quality department will follow the complaints and improve the products accordingly. When received recalled products, after – sales service department will conduct inspection and send verified products to after – sales maintenance department. After confirming and final check, the Group will resend the products to customers.

The Group has taken measures to protect its intellectual property rights. In compliance with the Patent law of the People’s Republic of China (《中華人民共和國專利法》), the Intellectual Property Law of the People’s Republic of China (《中華人民共和國知識產權法》), the Tort Liability Law of the People’s Republic of China(《中華人民共和國侵權責任法》) and the Agreement on Trade-Related Aspects of Intellectual Property Rights(《與貿易有關的知識產權協定》), the Group has hired a legal consultant to provide legal advice on the protection of intellectual property rights and arranged internal legal staff to inspect and prevent intellectual property infringement. In the past few years, the Group has won several patents including but not limiting to the followings:

- Kuge Car VOD System Software (January 14, 2014)
- Safe Driving Early Warning DSA2013 Software (June 8, 2013)

本集團所提供之產品與國家標準緊密相符，並已獲得3C認證。因此，相關附屬公司獲得國家高新技術企業的認定。質管部負責質檢流程，分為四個檢測小組，分別負責檢查新產品之可靠性、原材料質量、生產流程及製成品。

針對產品投訴，本集團採取「三包」政策。對於產品質量之投訴，質管部將跟進投訴並相應改良產品。如收到召回產品，售後服務部將進行檢查並將已查驗之產品送交售後維修部。經過確認及最終檢查後，本集團將重新向客戶發送產品。

本集團已採取多項措施保護其知識產權。根據《中華人民共和國專利法》、《中華人民共和國知識產權法》、《中華人民共和國侵權責任法》及《與貿易有關的知識產權協定》，本集團已委聘法律顧問以就知識產權保護提供法律意見，並安排內部法務員工監督並防止知識產權遭到侵犯。於過去幾年，本集團成功獲得多項專利，包括但不限於：

- Kuge車VOD系統軟件（二零一四年一月十四日）
- 安全駕駛預警系統DSA2013軟件（二零一三年六月八日）



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Moreover, the Group adheres to the Consumer Protection Law (《消費者權益保護法》) and values the protection of customers' privacy. It has established a secure, comprehensive customer data storage system which only allows people with the relevant authority to check. It has also trained employees to have legal awareness of the risk of leakage of customer information.

In Shandong, the relevant subsidiaries adopt the policy of "Quality comes from responsibility" ("品質源於責任") and spare no efforts to insert the pursuit of quality throughout the various aspects of the enterprise. They has complied with the Regulations on the Safety of Special Equipment (《特種設備安全監察條例》), Opinions on Several Issues Concerning the Implementation of the Regulations on the Safety Supervision of Special Equipment (《關於實施〈特種設備安全監察條例〉若干問題的意見》), Rules on the installation and maintenance of electromechanical special equipment (《機電類特種設備安裝改造維修許可規則》) and Procedures of installation supervision and periodic inspection of the mechanical parking equipment (《機械式停車設備安裝監督與定期檢驗規程》).

The production of mechanical parking garage are all up to the national standards, industry standards and relevant technical, which include but not limit to the followings: Manufacturing rules for mechanical and electrical special equipment (《機電類特種設備製造許可規則》), Special Equipment Safety Supervision Ordinance (《特種設備安全監察條例》) and General safety requirements for mechanical parking equipment (《機械式停車設備通用安全要求》) (GB17907-2010).

此外，本集團遵守《消費者權益保護法》，並重視對客戶隱私的保護。本集團已建立安全、全面的客戶數據存儲系統，僅具備相關權限的人方可查閱。我們亦培訓員工對洩露客戶資料風險的法律意識。

在山東，相關附屬公司執行「品質源於責任」的政策，不遺餘力地在企業各個方面提高質量。該等附屬公司嚴格遵守《特種設備安全監察條例》、《關於實施〈特種設備安全監察條例〉若干問題的意見》、《機電類特種設備安裝改造維修許可規則》及《機械式停車設備安裝監督與定期檢驗規程》。

機械式停車設備的生產均符合國家標準、行業標準及相關技術規格，包括（但不限於）以下要求：《機電類特種設備製造許可規則》、《特種設備安全監察條例》及《機械式停車設備通用安全要求》(GB17907-2010)。



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To ensure the safe of health of the products, the Group has experts to develop specific garage maintenance program and professional maintenance staff to conduct routine maintenance inspection. The Group will also provide free training to the customers for independent operation and general troubleshooting. The products have a warranty period of 2 years, during which period all the maintenance parts and components are free. And they are charged by cost after the warranty period. The customers enjoy the life-long supporting parts for maintenance. Meanwhile, the Group promises a 24-hour free service hotline to receive calls. It has two to three maintenance personnel on the field and can reach the sites 30 minutes after the call. The repair time for general failure is less than 1 hour, and less than 24 hours for complicated failure.

When received complaints, the relevant departments will analyse the reasons for complaints. The after-sales service department will research and determine the responsibility of the complaints. If the responsibility is not in the company, relevant staff will explain to the customers patiently and obtain their recognition. If it is, they will determine the complaint processing time based on the nature of the complaint and inform the customers about the solutions and deadlines timely.

為確保產品的健康安全，本集團聘用專家開發專門的車庫維修計劃和專業維修人員進行日常維修檢查。本集團亦將為客戶提供免費培訓，以進行獨立操作及一般故障排除。產品的保修期為2年，在此期間所有維護部件和組件均免費。保修期過後按成本收費。客戶獲提供產品終身維修所需配件。同時，本集團開通24小時免費服務熱線。我們安排兩至三名維修人員現場作業，並可以在呼叫後30分鐘到達現場。一般故障的維修時間少於1小時，複雜故障的維修時間亦不超過24小時。

當接到投訴時，有關部門將分析投訴的原因。售後服務部門將研究並確定投訴的責任。如果責任不在本公司，相關人員將耐心地向客戶解釋並獲得他們的認可。如果屬本公司責任，他們將根據投訴的性質決定投訴處理時間，並及時通知客戶解決方案及截止日期。



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The Group adhere strictly to the Intellectual Property Law of the People's Republic of China (《中華人民共和國知識產權法》) and has taken measures to protect its intellectual properties. It has formulated relevant implementation rules and internal system to manage the file system. Specific personnel are in charge of the management of information and working norms. In recent times, the relevant subsidiaries in Shandong has won eight utility model patent certificate as below:

- Mechanical three-dimensional parking equipment with electric control cabinet sliding installation device
- Mechanical three-dimensional parking equipment lifting dynamic anti-fall protection device
- A lift-off three-dimensional parking device
- Mechanical three-dimensional parking equipment with limit and limit switch switch holder
- Combined car plate car stop device
- Mechanical three-dimensional parking equipment with the lifting of the dynamic anti-fall device
- Mechanical three-dimensional parking equipment switch man-machine interface operation device
- Stereo parking device with fingerprint identification Human-machine interface operation device
- 帶電控箱滑動安裝裝置的機械式立體停車設備
- 機械式立體停車設備升降動態防墜落保護裝置
- 離地立體停車裝置
- 帶限位開關的機械式立體停車設備
- 車牌車位組合裝置
- 帶升降動態防墜落保護裝置的機械式立體停車設備
- 機械式立體停車設備人機交互操作裝置
- 帶指紋識別人機交互操作裝置的立體停車裝置



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The Group values the privacy of its customers. In compliance with the Consumer Protection Law (《消費者權益保護法》), the Group has a separate customer information management department, which will store each customer's information separately. The Group's computers have encryption software to prevent information loss. Furthermore, the relevant employees should sign a confidential agreement to ensure not to leak the customer information.

Financial Leasing Business

In this segment, the Group is committed to building a capital exchange platform at home and abroad to support the Group's other business segments such as heavy equipment and intelligent parking device financially. The Group complies with relevant financial regulations, tax laws and local government security regulations.

To ensure service security, the Group only signs contracts to receive interest on rent in condition of security funds, while relevant departments will do the net value investigation and risk control.

The Group has strict regulations to protect the clients' privacy besides the Consumer Protection Law (《消費者權益保護法》). It has specific personnel to keep the clients' information which can only be accessed through application.

本集團重視客戶隱私。根據《消費者權益保護法》，本集團設立獨立的客戶資料管理部門，分開存儲每名客戶的資料。本集團的計算機安裝有加密軟件，以防止資料洩漏。此外，相關員需簽署保密協議，保證不洩漏客戶信息。

融資租賃業務

在本分部，本集團致力於在國內外建立資本交換平台，以在資金上支持本集團其他業務部門，如重型設備及智能停車設備。本集團遵守相關金融條例、稅法和地方政府安全法規。

為確保服務安全，本集團僅在資金安全的條件下簽訂合同收取租賃利息，而有關部門將進行淨值調查及風險控制。

除遵守《消費者權益保護法》外，本集團亦制定嚴格的規定來保護客戶的隱私。我們設有專門人員保存客戶資料，查閱必需得到申請批准。



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B.7. Anti-corruption

To maintain a fair, integrity and efficient business and working environment, the Group strictly adheres to the laws and regulations relating to anti-corruption and bribery as set out by the government of the PRC and Hong Kong, such as Law of the People's Republic of China on Anti-money Laundering (《中國反洗錢法》), Article 274th of the Criminal Law of the People's Republic of China (on extortion and fraud) (《中國刑法第274條(關於敲詐勒索)》), Prevention of Bribery Ordinance, and Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance.

Besides, it has formulated and strictly enforced the internal anti-corruption regulation. All employees are expected to discharge their duties with integrity and self-disciplined, and they are required to abstain from engaging in any activities related to bribery, extortion, fraud and money laundering which might affect their business decision or independent judgment in the course of business operation which exploit their positions against the Group's interests.

COMMUNITY

As a responsible business, the Group extends active presence in community activities to support public welfare in addition to its efforts in delivering business growth. It listens to community needs and contributes to local economy, livelihood and a harmonious environment for mutual benefit. Both management and employees of the Group have been eager to take their own initiatives in helping and supporting the local communities and neighbours.

B.7. 反貪污

為保持公正、誠信及高效的業務和工作環境，本集團嚴格遵守中國及香港政府頒佈的反腐敗及賄賂法律法規，如《中國反洗錢法》、《中國刑法第274條(關於敲詐勒索)》、《防止賄賂條例》及《打擊洗錢及恐怖分子資金籌集(金融機構)條例》。

此外，本集團制定並嚴格執行內部反腐敗規定。全體員工被要求誠信自律，不得參與可能影響其在業務運營過程中業務決策或獨立判斷的任何賄賂、勒索、詐騙及洗錢活動，禁止利用職務便利損害本集團利益。

社區

作為負責任的企業，本集團在促進自身業務增長之外，亦積極參與社區活動以支持公共福利。本集團聽取社區需求，為當地經濟、民生及和諧環境貢獻力量，謀求雙贏。本集團管理層及僱員樂於主動行動，幫助和支持當地社區和鄰里。

The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 48 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 86 of the annual report.

DIVIDENDS

The Directors do not recommend the payment of a dividend.

RESERVES

Movements in the reserves of the Group during the year are set out on page 90 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in property, plant and equipment of the Group are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in Note 34 to the consolidated financial statements.

BORROWINGS

Particulars of the Group's borrowings as at 31 December 2016 are set out in Note 32 to the consolidated financial statements.

董事同寅謹將本公司及其附屬公司(下文統稱為「本集團」)截至二零一六年十二月三十一日止年度之年報連同經審核之綜合財務報表呈覽。

主要業務

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註48。

業績

本集團截至二零一六年十二月三十一日止年度之業績載於年報第86頁之綜合損益及其他全面收益表內。

股息

董事不建議派付股息。

儲備

本集團於年內之儲備變動載於年報第90頁。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動詳情載於綜合財務報表附註17。

股本

本公司之股本於年內變動之詳情載於綜合財務報表附註34。

借貸

本集團於二零一六年十二月三十一日之借貸詳情載於綜合財務報表附註32。



Directors' Report 董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company did not have any reserves available for distribution (2015: Nil).

Under the Companies Act 1981 of Bermuda (as amended), the balances in a company's contributed surplus and share premium accounts are available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus and share premium accounts if:

- (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the assets of the company would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 288 of the annual report.

DIRECTORS

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

Executive directors:

Mr. Li Ming – *Chairman*
Mr. Zhang Shi Hong – *Chief Executive Officer*
Mr. Wang San Long
Mr. Liu Jin

本公司之可供分派儲備

本公司並無任何可供分派之儲備(二零一五年: 無)。

根據百慕達一九八一年公司法(經修訂),一間公司於實繳盈餘及股份溢價賬之結餘可供分派。然而,於下列情況下,一間公司不可自實繳盈餘及股份溢價賬中宣派或派發股息或作出分派:

- (a) 此公司在派付後無法支付到期之負債;或
- (b) 此公司之可變現資產價值低於其負債及已發行股本及股份溢價賬之總額。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於年報第288頁。

董事

本公司於本年度及截至本報告日期之董事如下:

執行董事:

李明先生—主席
張士宏先生—行政總裁
汪三龍先生
劉進先生

Non-executive director

Mr. Chau On Ta Yuen – *Honorary Chairman*

Independent non-executive directors:

Mr. Hu Bai He
Ms. Xiang Siying
Ms. Xiang Ying

In accordance with Clause 87 of the Company's Bye-laws, Mr. Wang San Long, Mr. Chau On Ta Yuen and Ms. Xiang Ying will retire by rotation and are eligible for re-election at the forthcoming annual general meeting.

All of the remaining directors will continue in office.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of directors as at the date of this report are set out below:

Executive Directors

Mr. Li Ming, aged 54, was appointed as a Director in February 2009 and is the Chairman of the Group. Mr. Li graduated from Jiangxi Finance Institute (now known as Jiangxi University of Finance and Economics) majoring in planning statistics. Prior to joining the Company, Mr. Li held senior positions in a number of well-known companies in the People's Republic of China and had extensive experience in management and business planning. Mr. Li had been an executive director of Shenzhen Microgate Technology Co. Ltd. from May 2012 to October 2013, the shares of which are listed on the Shenzhen Stock Exchange. Mr. Li was appointed as a non-executive director of DST ROBOT Co. Ltd (Stock Code: A090710) in March 2015, a company listed on Korean Stock Exchange. Save as disclosed above, Mr. Li did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years.

非執行董事：

周安達源先生－榮譽主席

獨立非執行董事：

胡柏和先生
項思英女士
向穎女士

根據本公司之公司細則第87條，汪三龍先生、周安達源先生及向穎女士將於即將舉行之股東週年大會上輪值告退，且彼等符合資格於應屆股東週年大會上膺選連任。

其餘所有董事將繼續留任。

董事之個人簡歷

截至本報告日期之董事個人簡歷載於下文：

執行董事

李明先生，54歲，於二零零九年二月獲委任為董事，現兼任本集團主席。李先生畢業於江西財經學院（現稱為江西財經大學），主修計劃統計學。在加入本公司前，李先生曾在中華人民共和國出任多間著名公司之要職，彼在管理及商業策劃方面有極豐富經驗。自二零一二年五月至二零一三年十月，李先生曾擔任深圳市麥捷微電子科技股份有限公司（其股份於深圳證券交易所上市）之執行董事。李先生於二零一五年三月獲委任為DST 機器人公司*（DST Robot Co., Ltd.）（股份代號：A090710，於韓國證券交易所上市的公司）的執行董事。除上文所披露者外，李先生於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。



Directors' Report 董事會報告

Mr. Zhang Shi Hong, aged 48, was appointed as a Director in December 2007 and is the Chief Executive Officer of the Group. Mr. Zhang has over 16 years of experience in finance, credit management and investment management. He has worked for the head office of the Bank of China for around nine years, mainly responsible for credit management. He also pursued investment management in various institutions in the People's Republic of China. Mr. Zhang holds a Master's degree in Economics.

Mr. Wang San Long, aged 66, was appointed as a Director in May 2008. Mr. Wang has more than thirty years of experience in the ship-building industry. He is a senior engineer and was graduated from ship-building department of Huazhong Institute of Science and Technology (now known as Huazhong University of Science and Technology). Mr. Wang is a member of Changjiang Committee in China Classification Society. He is also a member of Teaching Guidance Committee of Ship Engineering Department in Jiujiang Vocational and Technical College.

Mr. Liu Jin, aged 48, was appointed as a Director in September 2015. Mr. Liu obtained a Diploma in Business Administration from Singapore Institute of Management and a Master Degree of Business Administration from Hong Kong Baptist University. Mr. Liu is also a Certified Dealmaker endorsed by the China Mergers & Acquisition Association. Mr. Liu has nearly 20 years' experience in the investment industry. He held senior positions in brokerage firm, investment companies and private equity management companies and has extensive experience in corporate finance matters, such as corporate management, risks management, mergers and acquisitions, corporate advisory and initial public offering in the People's Republic of China.

張士宏先生，48歲，於二零零七年十二月獲委任為董事，現兼任本集團行政總裁。張先生於財務、信貸管理及投資管理方面積逾16年經驗。彼於中國銀行總行工作約九年，主要負責信貸管理工作。彼亦於中華人民共和國多家機構從事投資管理工作。張先生持有經濟學碩士學位。

汪三龍先生，66歲，於二零零八年五月獲委任為董事。汪先生在船舶製造業有超逾三十年經驗，彼為高級工程師，畢業於華中工學院（現稱為華中科技大學）船舶系。汪先生為中國船級社長江區委員會委員，彼亦為九江職業技術學院船舶工程專業教學指導委員會委員。

劉進先生，48歲，於二零一五年九月獲委任為董事。劉先生持有新加坡管理學院工商管理文憑及香港浸會大學工商管碩士學位。劉先生亦為獲中國併購公會認證的註冊併購交易師。劉先生於投資行業擁有近20年經驗。彼曾於經紀公司、投資公司及私募股權管理公司擔任高級職位，並於中華人民共和國內企業財務事宜（如企業管理、風險管理、併購、企業諮詢及首次公開發售）方面擁有豐富經驗。

Non-executive Director

Mr. Chau On Ta Yuen, aged 69, was appointed as a Director in September 2007 and was re-designated as the non-executive Director and Honorary Chairman of the Group in June 2015. Mr. Chau graduated from Xiamen University majoring in Chinese language and literature. Mr. Chau has been an executive director of ELL Environmental Holdings Limited and an independent non-executive director of Good Resources Limited, Come Sure Group (Holdings) Limited and Redco Properties Group Limited, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Save as disclosed above, Mr. Chau did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years. Mr. Chau is currently a member of the Chinese People Political Consultative Conference of the People's Republic of China and holds the office of its deputy officer of the Social and Legal Affairs Committee. He is also the vice chairman of Hong Kong Federation of Fujian Associations. Mr. Chau was awarded the Bronze Bauhinia Star by the Hong Kong Government of Special Administration Region in 2010.

Independent Non-Executive Directors

Mr. Hu Bai He, aged 54, appointed as an independent non-executive Director in May 2008. Mr. Hu was graduated from Jiangxi University of Finance and Economics. He is a senior accountant, certified public accountant, certified public valuer and certified tax agent in the People's Republic of China (the "PRC"). He has extensive experience in finance and accounting field. Mr. Hu is currently the general manager of Peking Certified Public Accountants. Before he joined Peking Certified Public Accountants in 1993, he has had over seven years working experience with Ministry of Finance of the PRC. Mr. Hu has been an independent non-executive director of City e-Solutions Limited, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since August 2016. Save as disclosed above, Mr. Hu did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years.

非執行董事

周安達源先生，69歲，於二零零七年九月獲委任為董事並於二零一五年六月調任為本集團非執行董事和榮譽主席。周先生畢業於廈門大學，主修中國語言及文學。周先生現擔任強泰環保控股有限公司之執行董事，以及天成國際集團控股有限公司、錦勝集團（控股）有限公司及力高地產集團有限公司（上述公司股份均於香港聯合交易所有限公司（「聯交所」）主板上市）之獨立非執行董事。除上文所披露者外，周先生於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。周先生現為中華人民共和國之中國人民政治協商會議委員及中國人民政治協商會議社會和法制委員會副主任。彼亦為香港福建社團聯會副主席。周先生於二零一零年獲香港特別行政區政府頒發銅紫荊星章。

獨立非執行董事

胡柏和先生，54歲，於二零零八年五月獲委任為獨立非執行董事。胡先生畢業於江西財經大學。彼為中華人民共和國（「中國」）之高級會計師、註冊會計師、註冊資產評估師及註冊稅務師。彼在財務會計方面有極豐富經驗。胡先生現於中勤萬信會計師事務所擔任總經理。在一九九三年加入中勤萬信會計師事務所前，彼在中國財政部工作逾七年。胡先生自二零一六年八月起為City e-Solutions Limited（其股份於香港聯合交易所有限公司（「聯交所」）主板上市）之獨立非執行董事。除上文所披露者外，胡先生於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。



Directors' Report 董事會報告

Ms. Xiang Siying, aged 54, was appointed as an independent non-executive Director in May 2008. Ms. Xiang holds an MBA degree from the London Business School. She has extensive experience in all sectors of corporate finance, restructuring and merge and acquisitions practice. From 2010 to April 2016, Ms. Xiang was an executive director of CDH Investments, a leading private equity firm in China. Prior to joining CDH, she had worked for China International Capital Corporation Limited since returning to China in early 2004. Before that Ms. Xiang had long career with International Finance Corporation, the private investment arm of the World Bank Group, in Washington, United States of America. Ms. Xiang is currently an independent non-executive director of Titan Petrochemicals Group Limited, the shares of which are listed on the Stock Exchange of Hong Kong Limited. Save as disclosed above, Ms. Xiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Xiang Ying, aged 62, was appointed as an independent non-executive Director in August 2009. Ms. Xiang was graduated and obtained her Bachelor's degree in economics from Zhongnan University of Economics and Law. Ms. Xiang is a qualified lawyer and a certified public accountant in the People's Republic of China. She also holds qualifications to act as a senior lecturer in Economic Law. Ms. Xiang has significant experience in the fields of mergers and acquisitions, financial services and risk management. During the period from 31 August 2011 to 25 November 2012, she was appointed as an independent director of Anxin Trust & Investment Co. Ltd., the shares of which are listed on Shanghai Stock Exchange. Ms. Xiang was an independent director of Guangdong Sky Dragon Ink Group Co. Ltd from July 2010 to July 2013, the shares of which are listed on Shenzhen Stock Exchange. Save as disclosed above, Ms. Xiang did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

項思英女士，54歲，於二零零八年五月獲委任為獨立非執行董事。項女士持有倫敦商學院之工商管理碩士學位。彼在企業財務、重組、合併及收購交易各方面均有極豐富經驗。於二零一零年至二零一六年四月，項女士為一間在中國居領先地位的私募股權投資公司鼎暉投資之執行董事。在加入鼎暉投資前，彼自二零零四年初返回中國後任職於中國國際金融股份有限公司。在此之前，項女士在設於美國華盛頓的國際金融公司服務多年，國際金融公司乃在世界銀行集團中承擔私營投資機構的職能。項女士現擔任泰山石化集團有限公司（其股份於香港聯合交易所有限公司上市）之獨立非執行董事。除上文所披露者外，項女士於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。

向穎女士，62歲，於二零零九年八月獲委任為獨立非執行董事。向女士畢業於中南財經政法大學，並取得經濟學學士學位。向女士在中華人民共和國是一位合資格律師及註冊會計師。彼亦擁有擔任經濟法高級講師的資格。向女士於合併及收購、金融服務及風險管理等範疇有極豐富經驗。於二零一一年八月三十一日至二零一二年十一月二十五日期間，彼獲委任為安信信託投資股份有限公司（其股份於上海證券交易所上市）之獨立董事。向女士於二零一零年七月至二零一三年七月曾擔任廣東天龍油墨集團股份有限公司（其股份於深圳證券交易所上市）之獨立董事。除上文所披露者外，向女士於過往三年並無於其證券在香港或海外任何證券市場上市的其他公眾公司擔任任何董事職務。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the interests of the directors in the share capital of the Company or its associated corporations, as defined in Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) Interest in ordinary shares of the company

Name	Long/Short position	Capacity	Number of ordinary shares held	Approximate percentage of the issued shares held
姓名	好倉／淡倉	身份	持有之普通股數目	持有已發行股份之概約百分比
Li Ming (Note 1) 李明 (附註1)	Long position 好倉	Beneficial owner 實益擁有人	895,927,954	7.46%
	Long position 好倉	Interest of controlled corporation (Note 2) 受控制法團權益 (附註2)	310,940,000	2.59%
	Long position 好倉	Beneficial owner and Interest of controlled corporation 實益擁有人及受控制法團權益	1,206,867,954	10.05%
Zhang Shi Hong (Note 3) 張士宏 (附註3)	Long position 好倉	Beneficial owner 實益擁有人	31,140,000	0.26%

Note 1: Mr. Li Ming is an executive director of the Company.

Note 2: These shares are held by Lead Dragon Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is solely and beneficially owned by Mr. Li Ming.

Note 3: Mr. Zhang Shi Hong is an executive director of the Company.

董事於股份及相關股份中擁有之權益

於二零一六年十二月三十一日，董事擁有本公司或其相聯法團（定義見證券及期貨條例第XV部）股本中之權益而記錄在證券及期貨條例第352條規定本公司須存置之登記冊內，或依據上市發行人董事進行證券交易之標準守則（「標準守則」）另行知會本公司及聯交所如下：

(i) 於本公司普通股之權益

附註1：李明先生為本公司之執行董事。

附註2：該等股份由Lead Dragon Limited持有，該公司於英屬處女群島註冊成立，其全部已發行股本由李明先生全權實益擁有。

附註3：張士宏先生為本公司之執行董事。

Directors' Report

董事會報告

(ii) Rights to acquire shares in the Company

As at 31 December 2016, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

Name of Director 董事姓名	Company/Name of associated corporation 本公司/相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares 普通股數目	Exercise price 行使價
Chau On Ta Yuen 周安達源	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	4,743,000	HK\$5.693 5.693港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	45,000,000	HK\$0.211 0.211港元
Zhang Shi Hong 張士宏	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	1,581,000	HK\$5.693 5.693港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	16,000,000	HK\$0.211 0.211港元
	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	90,000,000	HK\$0.28 0.28港元
Wang San Long 汪三龍	Company 本公司	Personal interest (Note 2) 個人權益 (附註2)	4,110,600	HK\$4.523 4.523港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	16,000,000	HK\$0.211 0.211港元
Li Ming 李明	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	70,000,000	HK\$0.28 0.28港元
Liu Jin 劉進	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	110,000,000	HK\$0.28 0.28港元
Hu Bai He 胡柏和	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元
Xiang Siying 項思英	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元
Xiang Ying 向穎	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元

Notes:

- Such number of Shares represents the underlying shares of the options granted on 5 March 2008 under the share option scheme of the Company adopted on 27 May 2002.
- Such number of Shares represents the underlying shares of the options granted on 7 May 2008 under the 2002 Scheme.
- Such number of Shares represents the underlying shares of the options granted on 7 May 2014 under the share option scheme of the Company adopted on 27 June 2012.
- Such number of Shares represents the underlying shares of the options granted on 4 November 2015 under the share option scheme of the Company adopted on 27 June 2012.

Save as disclosed in this report, none of the Directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations.

(ii) 購買本公司股份之權利

於二零一六年十二月三十一日，本公司董事擁有已授出之購股權之權益以認購本公司股份如下：

Name of Director 董事姓名	Company/Name of associated corporation 本公司/相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares 普通股數目	Exercise price 行使價
Chau On Ta Yuen 周安達源	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	4,743,000	HK\$5.693 5.693港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	45,000,000	HK\$0.211 0.211港元
Zhang Shi Hong 張士宏	Company 本公司	Personal interest (Note 1) 個人權益 (附註1)	1,581,000	HK\$5.693 5.693港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	16,000,000	HK\$0.211 0.211港元
	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	90,000,000	HK\$0.28 0.28港元
Wang San Long 汪三龍	Company 本公司	Personal interest (Note 2) 個人權益 (附註2)	4,110,600	HK\$4.523 4.523港元
	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	16,000,000	HK\$0.211 0.211港元
Li Ming 李明	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	70,000,000	HK\$0.28 0.28港元
Liu Jin 劉進	Company 本公司	Personal interest (Note 4) 個人權益 (附註4)	110,000,000	HK\$0.28 0.28港元
Hu Bai He 胡柏和	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元
Xiang Siying 項思英	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元
Xiang Ying 向穎	Company 本公司	Personal interest (Note 3) 個人權益 (附註3)	1,000,000	HK\$0.211 0.211港元

附註：

- 該等股份數目為根據本公司於二零零二年五月二十七日採納之購股權計劃於二零零八年三月五日授出之購股權之相關股份。
- 該等股份數目為根據二零零二年計劃於二零零八年五月七日授出之購股權之相關股份。
- 該等股份數目為根據本公司於二零一二年六月二十七日採納之購股權計劃於二零一四年五月七日授出之購股權之相關股份。
- 該等股份數目為根據本公司於二零一二年六月二十七日採納之購股權計劃於二零一五年十一月四日授出之購股權之相關股份。

除本報告所披露者外，概無董事或其聯繫人於本公司或其任何相聯法團之股本或債務證券中擁有任何個人、家族、公司或其他權益。

SHARE OPTION SCHEME

Particulars of the Company's share option scheme adopted on 27 May 2002 (the "2002 Scheme") are set out in Note 42 to the consolidated financial statements. The term of 2002 Scheme is ten years from its date of adoption. It has expired on 26 May 2012. As at 31 December 2016, options to subscribe for 46,449,780 shares were granted but not yet exercised under the 2002 Scheme. These options shall remain exercisable pursuant to the 2002 Scheme. At the Company's annual general meeting held on 27 June 2012, an ordinary resolution was proposed to approve the adoption of a new share option scheme (the "2012 Scheme"), which has taken effect after the resolution was passed and the Company obtained the listing approval granted by the Stock Exchange of Hong Kong Limited. As at 31 December 2016, options to subscribe for 876,000,000 shares were granted but not yet exercised under the 2012 Scheme.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the information disclosed in Note 46 to the consolidated financial statements, no contract of significance to which the Company or its subsidiaries was a party and in which a director of the Company had material interests, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company for re-election at the forthcoming annual general meeting has service contract with the Company or any of its subsidiaries, which is not determinable by the employer within one year without payment of compensation, other than statutory compensations.

購股權計劃

本公司於二零零二年五月二十七日採納之購股權計劃（「二零零二年計劃」）之詳情載於綜合財務報表附註42。二零零二年計劃期限自其採納日期起為期十年。其已於二零一二年五月二十六日屆滿。於二零一六年十二月三十一日，根據二零零二年計劃可認購46,449,780股股份之購股權已授出但尚未行使。按二零零二年計劃之規定，該等購股權仍可行使。於本公司於二零一二年六月二十七日舉行之股東週年大會上提呈之一項普通決議案，批准採納新購股權計劃（「二零一二年計劃」），其已於決議案獲通過後生效，且本公司已獲香港聯合交易所有限公司授出上市批准。於二零一六年十二月三十一日，根據二零一二年計劃可認購876,000,000股股份之購股權已授出但尚未行使。

董事於重大合約之權益

除綜合財務報表附註46披露的資料外，本公司或其附屬公司於本年度終結日或本年度內任何時間，並無訂立本公司董事直接或間接擁有重大利益之任何重要合約。

董事之服務合約

於應屆股東週年大會上重選連任之本公司董事概無與本公司或其任何附屬公司訂立僱主不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, save as disclosed below, no persons, not being a Director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register (the "Register") maintained by the Company pursuant to Section 336 of the SFO. Other than as disclosed below, the Company has not been notified of any other interest or short positions in the shares and underlying shares of the Company as at 31 December 2016.

主要股東

於二零一六年十二月三十一日，除下文所披露者外，概無人士（非本公司董事或最高行政人員）於本公司股份及相關股份中擁有記錄於本公司根據證券及期貨條例第336條規定存置之登記冊（「登記冊」）內之權益或淡倉。除下文所披露者外，本公司並無接獲通知於二零一六年十二月三十一日本公司股份及相關股份之任何其他權益或淡倉。

Name	Long/Short position	Nature of Interests	Number of underlying share held	Approximate percentage of the issued shares held at 31 December 2015
名稱	好倉/ 淡倉	權益性質	持有之 相關股份數目	佔於二零一五年 十二月三十一日 持有已發行股份之 概約百分比
Central Huijin Investment Ltd. (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
中央匯金投資有限責任公司 (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%
China Construction Bank Corporation (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
中國建設銀行股份有限公司 (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%
CCB International Group Holdings Limited (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
建行國際集團控股有限公司 (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%
CCB Financial Holdings Limited (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
建行金融控股有限公司 (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%
CCB International (Holdings) Limited (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
建銀國際(控股)有限公司 (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%
CCBI Investments Limited (Note 1)	Long 好倉	Interest of controlled corporation 受控制法團權益	806,126,561	6.72%
CCBI Investments Limited (附註1)	Short 淡倉	Interest of controlled corporation 受控制法團權益	1,491,334,138	12.42%

Name	Long/Short position	Nature of Interests	Number of underlying share held	Approximate percentage of the issued shares held at 31 December 2015 佔於二零一五年十二月三十一日持有已發行股份之概約百分比
名稱	好倉/ 淡倉	權益性質	持有之 相關股份數目	
Prosper Talent Limited (Note 1) Prosper Talent Limited (附註1)	Long 好倉	Beneficial owner 實益擁有人	806,126,561	6.72%
	Short 淡倉	Beneficial owner 實益擁有人	1,491,334,138	12.42%
Macquarie Group Limited Macquarie Group Limited	Long 好倉	Beneficial owner 實益擁有人	2,216,670,000	18.47%
Mr. Li Ming (Note 2) 李明先生(附註2)	Long 好倉	Beneficial owner 實益擁有人	895,927,954	7.46%

Notes

- (1): Prosper Talent Limited is wholly and beneficially owned by CCBI Investments Limited, which in turn is wholly and beneficially owned by CCB International (Holdings) Limited. CCB International (Holdings) Limited is wholly and beneficially owned by CCB International Group Holdings Limited, which is wholly and beneficially owned by China Construction Bank Corporation, which in turn is owned as to approximately 57.26% by Central Huijin Investment Ltd. Therefore, the aforesaid companies were deemed to be interested in the same 806,126,561 shares and 1,491,334,138 short position in shares of the Company directly held by Prosper Talent Limited pursuant to Part XV of the SFO.
- (2): Mr. Li Ming's interest is also disclosed in the above section headed "Directors' Interests in Shares and Underlying Shares".

附註

- (1): Prosper Talent Limited由CCBI Investments Limited全資實益擁有，而CCBI Investments Limited由建銀國際(控股)有限公司全資實益擁有。建銀國際(控股)有限公司由建行國際集團控股有限公司全資實益擁有，而建行國際集團控股有限公司由中國建設銀行股份有限公司全資實益擁有，而中國建設銀行股份有限公司由中央匯金投資有限責任公司擁有約57.26%權益。因此，根據證券及期貨條例第XV部，上述公司被視為於由Prosper Talent Limited直接持有之本公司806,126,561股股份中擁有權益及於1,491,334,138股股份中擁有淡倉。
- (2): 李明先生之權益亦於上文「董事於股份及相關股份中擁有之權益」一節中披露。

EMOLUMENT POLICY

The emolument policy of the employee of the Company is set up by the executive directors on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Board of Directors, having regard to their responsibility to the Company, their qualifications, experiences and past remuneration, the Company's performance and current market conditions. The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme is set out in Note 42 to the consolidated financial statements.

薪酬政策

本公司僱員之薪酬政策乃由執行董事以僱員之才能、資歷及能力為基準制定。

本公司董事之薪酬由董事會參照彼等於本公司之職責、彼等之資歷、經驗及過往之酬金，以及本公司之表現及現行市況而決定。本公司已採納購股權計劃，作為對董事及合資格僱員之鼓勵。該計劃之詳情載於綜合財務報表附註42。

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of purchase attributable to the Group's largest supplier and five largest suppliers taken together accounted for 24% and 65%, respectively, of the Group's total purchase for the year.

The aggregate amount of turnover attributable to the Group's largest customer and five largest customers taken together accounted for 24% and 59%, respectively of the Group's total turnover for the year.

None of the directors, their associates or shareholders of the Company (which to the knowledge of the directors own more than 5% of the Company's issued share capital) has an interest in any of the Group's largest supplier and customer.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Group has recognized the importance of transparency and accountability, and the Board believes that shareholders can be benefited from good corporate governance. The Company aims to achieve good standard of corporate governance. The Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Further information on the Company's corporate governance practice is set out in the Corporate Governance Report on pages 21 to 33.

購買、出售或贖回本公司之上市證券

於本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

主要客戶及供應商

本集團之最大供應商及五名最大供應商共同應佔購貨總額分別佔本集團本年度之購貨總額24%及65%。

本集團之最大客戶及五名最大客戶共同應佔營業總額分別佔本集團本年度之營業總額24%及59%。

概無本公司之董事、彼等之聯繫人或股東（指據董事所知擁有本公司5%以上之已發行股本）於本集團之最大供應商及客戶中擁有權益。

優先購買權

本公司之公司細則或百慕達法例並無載入規定本公司須按比例向現有股東發售新股之優先購買權之條文。

企業管治

本集團深知透明度及問責制度之重要性，董事會相信良好之企業管治對股東有利。本公司銳意達致高水平之企業管治。本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之守則條文。本公司企業管治常規之進一步資料載於第21至33頁之企業管治報告。



DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business apart from the Group's business, which competed or was likely to compete either directly or indirectly with business of the Group during the year.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

Asian Alliance (HK) CPA Limited (formerly known as ZHONGLEI (HK) CPA Company Limited) was appointed as the auditor of the Company on 17 January 2012. The financial statements had been audited by Asian Alliance (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Asian Alliance (HK) CPA Limited as auditors of the Company.

On behalf of the Board

LI Ming
Chairman

Hong Kong
30 March 2017

董事於競爭業務之權益

除本集團業務外，董事於年內概無於任何與本集團業務直接或間接構成或可能構成競爭之業務中擁有權益。

足夠公眾人士持股量

根據本公司獲得之公開資料及據董事所知，於本報告日期，公眾人士持股量達到不少於上市規則所規定之本公司已發行股份25%。

核數師

於二零一二年一月十七日，華融（香港）會計師事務所有限公司（前稱中磊（香港）會計師事務所有限公司）獲委任為本公司核數師。財務報表已由華融（香港）會計師事務所有限公司審核，彼將退任及合資格並願續聘。於股東週年大會上將提呈一項決議案，續聘華融（香港）會計師事務所有限公司為本公司之核數師。

代表董事會

李明
主席

香港
二零一七年三月三十日



Independent Auditor's Report 獨立核數師報告



TO THE MEMBERS OF
CHINA OCEAN INDUSTRY GROUP LIMITED
中海重工集團有限公司
(incorporated in Bermuda with limited liability)

致中海重工集團有限公司股東

(於百慕達註冊成立之有限公司)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Ocean Industry Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 86 to 287, which comprise the consolidated statement of financial position as at 31 December 2016, 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

保留意見

本核數師(以下簡稱「我們」)已獲委聘審核中海重工集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第86至287頁之綜合財務報表,該等綜合財務報表包括於二零一六年十二月三十一日之綜合財務狀況報表,及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們並不就 貴集團之綜合財務報表發表意見。基於本報告中「保留意見基準」一節所述事宜之重要性,我們未能取得充分及恰當之審核憑證,以就該等綜合財務報表發表審核意見。於所有其他方面,我們認為綜合財務報表已遵照香港公司條例之披露規定妥為編製。

BASIS FOR DISCLAIMER OF OPINION

(a) Limitation of scope on revenue, cost of sales and amounts due to customers for contract work of shipbuilding business

Included in the Group's revenue for the year ended 31 December 2016 was revenue of approximately HK\$154,220,000 from shipbuilding business mainly in relation to building ten vessels for the Group's customers. Revenue had been recognised by the Group based on the percentage of completion. As set out in Notes 2 and 31 to the consolidated financial statements, due to delays in shipbuilding production schedules, three customers relating to seven vessels (collectively referred to as the "Three Customers"), in accordance with the relevant shipbuilding contracts, have the rights to issue rescission notices to the Group if the Three Customers cannot receive the vessels on or before the agreed vessels delivery dates (i.e. June 2016 to March 2017), in which approximately HK\$68,518,000 and HK\$155,226,000 of revenue and cost of sales respectively, related to these seven vessels, have been recognised for the year ended 31 December 2016. If the Three Customers issue such a notice to the Group, the Group is required to return all of the payments received so far from the Three Customers, amounting to an aggregate amount of approximately USD109,466,000 (equivalent to HK\$848,362,000) and to pay interests on such amount calculated in accordance with the relevant shipbuilding contracts (the "Interests"). The management of the Group have been in negotiation with the Three Customers since June 2016. Up to the date when the consolidated financial statements are authorised for issue, the management of the Group have not yet reached any formal agreements with the Three Customers. Taking into account the specific facts and circumstances, it was uncertain whether or not the Three Customers will exercise their rights to issue the rescission notice to the Group and to require the Group to repay all the payments made to the Group. We were unable to obtain sufficient appropriate audit evidence we consider necessary in order to assess whether the related revenue and cost of sales should be reversed.

保留意見基準

(a) 造船業務的收益、銷售成本及應付客戶合約工程款項之範圍限制

貴集團截至二零一六年十二月三十一日止年度的收益包括主要就十艘船舶與貴集團客戶所訂立造船業務產生之收益約154,220,000港元。貴集團已按完工百分比確認收益。誠如綜合財務報表附註2及31所述，由於造船計劃的延誤，有關七艘船舶的三名客戶（「統稱為「三名客戶」）倘未能於協定的船舶交付日期（即二零一六年六月至二零一七年三月）或之前收到船舶（截至二零一六年十二月三十一日止年度已就該七艘船舶確認收益及銷售成本分別約68,518,000港元及155,226,000港元），則三名客戶有權根據相關造船合約向貴集團發出撤銷通知。倘三名客戶向貴集團發出有關通知，貴集團須退還其迄今為止從三名客戶收取的所有款項共計約109,466,000美元（相當於約848,362,000港元），並就有關款項支付根據相關造船合約計算的利息（「利息」）。自二零一六年六月起，貴集團管理層一直與三名客戶進行磋商。截至綜合財務報表獲授權發佈之日，貴集團的管理層尚未與三名客戶達成任何正式協議。經考慮有關事實及情況，三名客戶是否會行使權利向貴集團發出撤銷通知並要求貴集團償還貴集團獲得的全部款項尚不明確。我們無法獲得我們認為必要之充分及恰當審核憑證，以評估相關收益及銷售成本是否應予以撥回。

**BASIS FOR DISCLAIMER OF OPINION
(CONTINUED)**

(a) Limitation of scope on revenue, cost of sales and amounts due to customers for contract work of shipbuilding business (Continued)

Similarly, if the abovementioned revenue and cost of sales were reversed, we were unable to obtain sufficient appropriate audit evidence we consider necessary as to what the net realisable value of the work in progress vessels would be. Further, the Group had not recognised any additional penalty to be incurred due to the late delivery after 31 December 2016 nor recognised any Interests as the management of the Group believes that these amounts cannot be reliably measured taking into account the fact that the management of the Group is still in negotiation with the Three Customers.

There were no other alternative audit procedures that we could carry out to determine whether the related revenue and cost of sales should be reversed and the balance of the amounts due to customers for contract work as at 31 December 2016 of approximately HK\$17,177,000 were fairly stated, which could have consequential effect on net current liabilities and net liabilities of the Group as at 31 December 2016 and the loss for the year then ended.

Any adjustment to revenue, cost of sales, amounts due to customers for contract work and additional provision for Interests and foreseeable loss found to be necessary would affect the Group's net liabilities as at 31 December 2016 and the Group's loss for the year then ended and related disclosures to the consolidated financial statements.

保留意見基準 (續)

(a) 造船業務的收益、銷售成本及應付客戶合約工程款項之範圍限制 (續)

同樣地，倘上述收益及銷售成本被撥回，我們無法獲得我們認為必要之充分及恰當審核憑證，以釐定在建船舶之可變現淨值。此外，貴集團尚未確認因於二零一六年十二月三十一日之後延遲交付而將予產生之任何額外罰款或確認任何利息，原因是貴集團管理層認為，鑒於其仍在與三名客戶磋商中，該等款項無法可靠計量。

我們無法採取其他替代審核程序，以釐定有關收益及銷售成本是否應予以撥回及於二零一六年十二月三十一日的應付客戶合約工程款項的結餘約17,177,000港元是否公允入賬，上述項目可能會對貴集團於二零一六年十二月三十一日的流動負債淨額及負債淨額以及截至該日止年度的虧損產生相應影響。

任何對收益、銷售成本、應付客戶合約工程款項以及利息及可預見虧損之額外撥備的必要調整，均會影響貴集團於二零一六年十二月三十一日的負債淨額、貴集團截至該日止年度的虧損以及綜合財務報表的相關披露。

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(b) Material fundamental uncertainties relating to going concern basis

As set out in the consolidated statement of profit or loss and other comprehensive income, the Group incurred a loss for the year attributable to owners of the Company of approximately HK\$353,156,000 for the year ended 31 December 2016 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$1,090,208,000 and the Group had net liabilities of approximately HK\$604,752,000. Also, as mentioned in point (a) above, it was highly uncertain whether the Three Customers will exercise their rights to require the Company to repay all the payments made to the Group. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 2 to the consolidated financial statements, the consolidated financial statements have been prepared by the directors of the Company (the "Directors") on a going concern basis, the validity of which is dependent on the Group's ability to obtain sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

保留意見基準 (續)

(b) 有關持續經營基準之重大基本不明朗因素

誠如綜合損益及其他全面收益表所載，截至二零一六年十二月三十一日止年度，貴集團產生 貴公司擁有人應佔年內虧損約353,156,000港元，且截至該日，貴集團流動負債超過其流動資產約1,090,208,000港元，並錄得負債淨額約604,752,000港元。此外，誠如上文(a)點所述，三名客戶是否會行使權利，要求 貴公司償還 貴集團獲得的全部款項尚不明確。該等情況顯示存在重大不明朗因素可能對 貴集團持續經營能力產生重大質疑，因此，貴集團未必可以在日常業務過程中變現其資產及償還其負債。

誠如綜合財務報表附註2所闡述，綜合財務報表乃由 貴公司董事（「董事」）按持續經營基準編製，其有效性取決於 貴集團獲取足夠未來資金之能力。鑒於 貴集團維持充足未來現金流量之能力存在不明朗因素，我們未能確定董事於按持續經營基準編製綜合財務報表過程中所作之假設是否屬妥善及恰當。



Independent Auditor's Report 獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

(b) Material fundamental uncertainties relating to going concern basis (Continued)

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that this material uncertainty relating to going concern basis and their cumulative effect on the consolidated financial statements is so extreme that we have disclaimed our opinion.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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.

保留意見基準 (續)

(b) 有關持續經營基準之重大基本不明朗因素 (續)

倘持續經營假設不適用，必須作出調整以分別將所有非流動資產及非流動負債重新分類為流動資產及流動負債，將資產價值撇銷至其可收回金額，及為可能產生的進一步負債計提撥備。綜合財務報表並無納入任何該等調整。然而，有關 貴集團未來現金流量的不明朗因素對 貴集團持續經營能力產生重大質疑。我們認為，綜合財務報表已就有關情況作出適當披露，惟我們無法獲得有關 貴集團有能力履行任何到期財務責任的充分憑證，且基於有關持續經營基準之重大不明朗因素及其可能對綜合財務報表之累計影響實屬非常，我們已作出保留意見。

董事及治理層就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會（「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及真實而公允地列報綜合財務報表，並負責董事認為就確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需之有關內部控制。

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

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Section 90 of the Bermuda Companies Act and Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chan Mei Mei
Practising Certificate Number: P05256

Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

30 March 2017

董事及治理層就綜合財務報表須承擔的責任 (續)

於編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），除非董事有意將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

治理層須負責監督 貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我們之責任是根據百慕達公司法第90條及香港會計師公會頒佈的香港審計準則對 貴集團之綜合財務報表進行審核並發表核數師報告。然而，由於本報告保留意見基準一節中所述之事宜，我們未能取得充足適當之審核憑證以提供就該等綜合財務報表作出審核意見之基礎。

根據香港會計師公會頒佈的職業會計師道德守則（「守則」），我們獨立於 貴集團，並已根據守則履行其他職業道德責任。

華融（香港）會計師事務所有限公司
執業會計師
陳美美
執業證書編號：P05256

香港
灣仔
港灣道6-8號
瑞安中心3樓313-316室

二零一七年三月三十日

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 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收益	8	417,313	157,635
Cost of sales	銷售成本		(447,796)	(315,493)
Gross loss	毛虧		(30,483)	(157,858)
Other income	其他收入	9	15,429	4,643
Other gains and losses	其他收益及虧損	10	(25,102)	(15,564)
Change in fair value of contingent consideration payable	應付或然代價之公平值變動	38	(1,888)	25,478
Change in fair value of investments held for trading	持作買賣投資之公平值變動		225	(1,684)
Change in fair value of convertible bonds payable	應付可換股債券之公平值變動	35	55,989	(35,990)
Change in fair value of investment properties	投資物業之公平值變動	18	211	-
Loss on settlement of loan by issuance of shares	發行股份以清償貸款之虧損	34(d)	-	(10,755)
Selling and distribution expenses	銷售及分銷開支		(11,019)	(3,163)
Administrative expenses	行政開支		(299,920)	(88,923)
Share-based payments expenses	以股份為基礎之付款開支	42	-	(49,194)
Finance costs	融資成本	11	(136,324)	(201,847)
Share of profit of associates	分佔聯營公司之溢利	22	14,277	8,791
Share of profit (loss) of joint ventures	分佔合營企業之溢利 (虧損)	23	52,206	(1,054)
Loss before tax	除稅前虧損		(366,399)	(527,120)
Income tax credit	所得稅抵免	12	7,173	26,307
Loss for the year	本年度虧損	13	(359,226)	(500,813)
Other comprehensive income (expenses):	其他全面收入(開支):			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:			
Exchange differences arising on translating foreign operations	換算海外業務時產生之匯兌差額		77,471	46,961
Share of translation reserve of associates	分佔聯營公司之換算儲備		(734)	(5,998)
Share of translation reserve of joint ventures	分佔合營企業之換算儲備		(2,677)	(30,291)
Other comprehensive income for the year, net of income tax	年內其他全面收入，扣除所得稅		74,060	10,672
Total comprehensive expenses for the year	年內全面開支總額		(285,166)	(490,141)

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 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loss for the year attributable to:	應佔年內虧損：		
– Owners of the Company	– 本公司擁有人	(353,156)	(500,799)
– Non-controlling interests	– 非控股權益	(6,070)	(14)
		(359,226)	(500,813)
Total comprehensive expenses attributable to:	應佔全面開支總額：		
– Owners of the Company	– 本公司擁有人	(278,338)	(490,111)
– Non-controlling interests	– 非控股權益	(6,828)	(30)
		(285,166)	(490,141)
Loss per share	每股虧損		
– Basic and diluted	– 基本及攤薄	16 (HK\$0.03港元)	(HK\$0.05港元)

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2016 於二零一六年十二月三十一日

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
NON-CURRENT ASSETS			
Property, plant and equipment	17	195,022	315,611
Investment properties	18	15,745	–
Prepaid lease payments – non-current portion	19	283,724	301,610
Goodwill	20	123,574	188,057
Intangible assets	21	205,840	245,680
Interests in associates	22	192,706	93,410
Interests in joint ventures	23	527,461	472,118
Trade receivables – non-current portion	25	683	622
Deposits – non-current portion	25	66,711	–
Amount due from an associate – non-current portion	22	2,775	–
Finance lease receivables – non-current portion	27	–	13,028
Restricted cash	35(d)	94,000	–
Pledged bank deposits – non-current portion		–	6,962
Deferred tax asset	36	120	–
		1,708,361	1,637,098
CURRENT ASSETS			
Inventories	24	53,696	101,571
Trade receivables	25	58,793	38,157
Other receivables	25	299,260	200,743
Prepayment	25	426,389	174,930
Amount due from an associate	22	4,440	–
Prepaid lease payments	19	6,873	7,231
Investments held for trading	26	2,177	1,952
Finance lease receivables	27	17,833	15,390
Pledged bank deposits	28	–	74,571
Bank balances and cash	28	101,785	70,181
		971,246	684,726
CURRENT LIABILITIES			
Trade, bills and other payables	30	411,227	499,258
Amounts due to customers for contract work	31	17,177	272,647
Amounts due to related parties	46	425	4,163
Amounts due to directors	46	1,521	597
Borrowings	32	1,049,146	953,153
Contingent consideration payable	38	317,628	–
Amount due to an associate	22	877	–
Provision for warranty	33	3,357	–
Convertible bonds payables	35	256,032	248,609
Tax liabilities		4,064	112
		2,061,454	1,978,539
NET CURRENT LIABILITIES		(1,090,208)	(1,293,813)
TOTAL ASSETS LESS CURRENT LIABILITIES		618,153	343,285

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2016 於二零一六年十二月三十一日

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
CAPITAL AND RESERVES			
Share capital	34	600,138	597,899
Reserves		(1,244,602)	(985,315)
Equity attributable to owners of the Company		(644,464)	(387,416)
Non-controlling interests	37	39,712	644
TOTAL DEFICITS		(604,752)	(386,772)
NON-CURRENT LIABILITIES			
Other payables – non-current portion	30	4,937	–
Borrowings – non-current portion	32	1,039,050	253,986
Convertible bonds payables – non-current portion	35	92,847	45,123
Contingent consideration payables	38	–	315,740
Deferred tax liabilities	36	86,071	115,208
		1,222,905	730,057
		618,153	343,285

The consolidated financial statements on pages 86 to 287 were approved and authorised for issue by the board of directors on 30 March 2017 and are signed on its behalf by:

董事會已於二零一七年三月三十日通過及授權刊發載於第86至287頁之綜合財務報表，並由下列董事代表簽署核實：

LI Ming
李明
Director
董事

ZHANG Shi Hong
張士宏
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Contributed surplus	Statutory reserve	Other reserve	Translation reserve	Share options reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本	股份溢價	繳入盈餘	法定儲備	其他儲備	換算儲備	購股權儲備	債券儲備	累計虧損	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 34)		(Note a)	(Note b)				(Note 35)				
		(附註34)		(附註a)	(附註b)				(附註35)				
At 1 January 2015	於二零一五年一月一日	376,536	875,349	3,368,411	34,824	-	98,138	85,856	156,621	(5,774,013)	(778,278)	-	(778,278)
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(500,799)	(500,799)	(14)	(500,813)
Other comprehensive income (expenses):	其他全面收益(開支):												
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:												
Exchange differences arising on translating foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	46,977	-	-	-	46,977	(16)	46,961
Share of translation reserve of associates	分佔一間聯營公司之換算儲備	-	-	-	-	-	(5,998)	-	-	-	(5,998)	-	(5,998)
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	-	-	-	-	-	(30,291)	-	-	-	(30,291)	-	(30,291)
Other comprehensive income for the year, net of income tax	本年度其他全面收益(扣除所得稅)	-	-	-	-	-	10,688	-	-	-	10,688	(16)	10,672
Total comprehensive income (expenses) for the year	本年度全面收益(開支)總額	-	-	-	-	-	10,688	-	-	(500,799)	(490,111)	(30)	(490,141)
Recognition of equity component of convertible bonds payable (Note 35)	確認應付可換股債券之權益部分(附註35)	-	-	-	-	-	-	-	20,518	-	20,518	-	20,518
Issuance of shares upon conversion of CBVI	於轉換可換股債券VI時發行股份	166,500	530,707	-	-	-	-	-	(145,278)	-	551,929	-	551,929
Issuance of shares upon conversion of CBVII	於轉換可換股債券VII時發行股份	15,000	47,124	-	-	-	-	-	(20,518)	-	41,606	-	41,606
Issuance of shares for the acquisition of subsidiaries	發行股份以收購附屬公司	12,975	53,198	-	-	-	-	-	-	-	66,173	674	66,847
Issuance of share for settlement of loans	發行股份以清償貸款	26,888	123,685	-	-	-	-	-	-	-	150,573	-	150,573
Recognition of equity-settled share-based payments (Note 42)	確認以權益結算以股份為基礎之付款(附註42)	-	-	-	-	-	-	49,194	-	-	49,194	-	49,194
Share of other reserve of associates	分佔聯營公司之其他儲備	-	-	-	-	980	-	-	-	-	980	-	980
Transfer	轉撥	-	-	-	96	-	-	-	-	(96)	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	597,899	1,630,063	3,368,411	34,920	980	108,826	135,050	11,343	(6,274,908)	(387,416)	644	(386,772)

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔										Non-controlling interests	
		Share capital	Share premium	Contributed surplus	Statutory reserve	Other reserve	Translation reserve	Share options reserve	Convertible bonds reserve	Accumulated losses	Total	Total	Total
		股本	股份溢價	繳入盈餘	法定儲備	其他儲備	換算儲備	購股權儲備	債券儲備	累計虧損	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 34)		(Note a)	(Note b)	(Note c)			(Note 35)				
		(附註34)		(附註a)	(附註b)	(附註c)			(附註35)				
At 1 January 2016	於二零一六年一月一日	597,899	1,630,063	3,368,411	34,920	980	108,826	135,050	11,343	(6,274,908)	(387,416)	644	(386,772)
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(353,156)	(353,156)	(6,070)	(359,226)
Other comprehensive income (expenses):	其他全面收益 (開支):												
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:												
Exchange differences arising on translating foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	78,229	-	-	-	78,229	(758)	77,471
Share of translation reserve of associates	分佔聯營公司之換算儲備	-	-	-	-	-	(734)	-	-	-	(734)	-	(734)
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	-	-	-	-	-	(2,677)	-	-	-	(2,677)	-	(2,677)
Other comprehensive income for the year, net of income tax	本年度其他全面收益 (扣除所得稅)	-	-	-	-	-	74,818	-	-	-	74,818	(758)	74,060
Total comprehensive income (expenses) for the year	本年度全面收益 (開支)總額	-	-	-	-	-	74,818	-	-	(353,156)	(278,338)	(6,828)	(285,166)
Deemed disposal of in partial interest in a subsidiary without losing of control (Note 50)	視作出售於一間附屬公司之部分權益但不失去控制權 (附註50)	-	-	-	-	5,163	-	-	-	-	5,163	44,786	49,949
Issuance of shares upon exercise of share options (Note 42)	購股權獲行使時發行股份 (附註42)	2,000	11,580	-	-	-	-	(5,140)	-	-	8,440	-	8,440
Issuance of shares upon conversion of CBIX	於轉換可換股債券以時發行股份	239	347	-	-	-	-	-	-	-	586	-	586
Capital contribution from a non-controlling shareholder into a subsidiary	非控股股東向一間附屬公司出資	-	-	-	-	-	-	-	-	-	-	1,110	1,110
Share of other reserve of associates	分佔聯營公司之其他儲備	-	-	-	-	1,598	-	-	-	-	1,598	-	1,598
Share of other reserve of joint ventures	分佔合營公司之其他儲備	-	-	-	-	5,503	-	-	-	-	5,503	-	5,503
Transfer	轉撥	-	-	-	7,443	-	-	-	-	(7,443)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	600,138	1,641,990	3,368,411	42,363	13,244	183,644	129,910	11,343	(6,635,507)	(644,464)	39,712	(604,752)



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

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

Notes:

- (a) There were a group reorganisation in 2001 and share consolidation in 2005 and 2006, the aggregate amount of approximately HK\$3,368,411,000 was recorded in contributed surplus.
- (b) According to the relevant laws in the People's Republic of China (the "PRC"), the companies established in the PRC are required to transfer 10% of their net profit before taxation, as determined under the relevant accounting principles and financial regulations, to statutory reserve balance reaches 50% of their registered capital. The transfer to this statutory reserve must be made before the distribution of dividend to equity owners. Statutory reserve can be used to offset previous years' losses, if any, and is non-distributable other than upon liquidation. The companies established in PRC are also required to maintain a staff welfare and incentive bonus fund, while the amount and allocation basis are decided by the enterprise.
- (c) Other reserve represent the difference between the cash consideration received and the carrying value of net assets being deemed disposed of to non-controlling interests resulted from the change in the Group's ownership interest in a subsidiary that do not result in a loss of control over that subsidiary.

附註:

- (a) 於二零零一年之集團重組及於二零零五年及二零零六年之股份合併，總額約3,368,411,000港元乃於繳入盈餘入賬。
- (b) 根據中華人民共和國（「中國」）相關法律，於中國成立的公司須將根據相關會計準則及財務法規計算的除稅前純利10%轉撥至法定儲備，直至該法定儲備結餘達到其註冊資本的50%。轉撥至該法定儲備須在分派股息予權益持有人前作出。法定儲備可用於抵銷上一年度的虧損（如有），除清盤以外，不可作分派之用。於中國成立的公司亦須維持僱員福利及獎勵基金，而金額及分配基準由該企業決定。
- (c) 其他儲備指本集團於一間附屬公司所有權權益之變動導致已收現金代價與非控股權益股本交易所視作出售資產淨值賬面值之間的差額，其並無導致失去對附屬公司之控制權。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	(366,399)	(527,120)
Adjustments for:	經以下調整：		
Share of profit of associates	分佔聯營公司之溢利	(14,277)	(8,791)
Share of (profit) loss of joint ventures	分佔合營企業之(溢利)虧損	(52,206)	1,054
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	52,933	58,209
Change in fair value of investments held for trading	持作買賣投資之公平值變動	(225)	1,684
Change in fair value of contingent consideration payables	應付或然代價之公平值變動	1,888	(25,478)
Change in fair value of investment properties	投資物業之公平值變動	(211)	-
Loss on settlement of loan by issuance of shares	發行股份以清償貸款之虧損	-	10,755
Share-based payments expenses	以股份為基礎之付款開支	-	49,194
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(463)	(1,743)
Change in fair value of convertible bonds payable	應付可換股票據公平值變動	(55,989)	35,990
Loss on written-off of property, plant and equipment	撇銷物業、廠房及設備之虧損	36	9
Interest income	利息收入	(1,099)	(2,007)
Finance costs	融資成本	136,324	201,847
Amortisation of prepaid lease payments	預付租賃款項攤銷	7,332	7,231
Amortisation of intangible assets	無形資產攤銷	39,840	3,320
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備而確認之減值虧損	66,828	-
Impairment loss recognised in respect of goodwill	就商譽而確認之減值虧損	64,483	-
Impairment loss recognised in respect of prepaid lease payments	就預付租賃款項而確認之減值虧損	18,766	-
Reversal of impairment loss recognised in respect of finance lease receivables	撥回就融資租賃應收款項而確認之減值虧損	-	(70)
Impairment loss recognised in respect of trade receivables	就貿易應收款項而確認之減值虧損	844	-
Impairment loss recognised in respect of other receivables	就其他應收款項而確認之減值虧損	9,177	-

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	(92,418)	(195,916)
Decrease (increase) in inventories	存貨減少(增加)	41,850	(45,588)
(Increase) decrease in trade receivables	貿易應收款項(增加)減少	(40,228)	41,796
(Increase) decrease in deposits and other receivables	按金及其他應收款項(增加)減少	(186,313)	73,681
Increase in prepayment	預付款項增加	(261,836)	(91,951)
Decrease in finance lease receivables	應收融資租賃款項減少	8,899	6,960
Decrease in amounts due to related parties	應付有關聯人士款項減少	(3,491)	(20,652)
Increase (decrease) in amounts due to directors	應付董事款項增加(減少)	959	(2,003)
Decrease in trade, bills and other payables	貿易、票據及其他應付款項減少	(58,414)	(96,059)
Increase (decrease) in provision for warranty	保養撥備增加(減少)	3,539	(134)
Decrease in amounts due to customers for contract work	應付客戶合約工程款項減少	(239,296)	(50,089)
Increase in amounts due from an associate	聯營公司應付款項增加	(4,440)	-
Increase in amount due to an associate	應付聯營公司款項增加	877	-
Cash used in operations	經營所用現金	(830,312)	(379,955)
Tax paid	已付稅項	(6,248)	(283)
Interest received	已收利息	1,099	2,007
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(835,461)	(378,231)
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(42,356)	(5,998)
Purchase of prepaid lease payments	購買預付租賃款項	(11,987)	-
Decrease in pledged bank deposits	已抵押銀行存款減少	76,696	33,565
Net cash outflow on capital injection/ acquisition of associates	注資/收購聯營公司之現金流出淨額	(84,155)	(31,016)
Net cash outflow on capital injection/ acquisition of joint ventures	注資/收購合營企業之現金流出淨額	(311)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	1,197	1,921
Net cash inflow on acquisition of subsidiaries	收購附屬公司之現金流入淨額	-	17,343
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資業務(所用)所得現金淨額	(60,916)	15,815

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
FINANCING ACTIVITIES	融資業務		
Increase in amount due from an associate	聯營公司應付款項增加	(2,775)	-
Increase in restricted cash	受限制現金增加	(94,000)	-
Borrowings raised	新增借貸	1,292,426	921,078
Repayment of borrowings	償還借貸	(376,527)	(609,057)
Interest paid	已付利息	(81,834)	(162,987)
Proceeds from issue of shares upon exercise of share options	購股權獲行使時發行股份之所得款項	8,440	-
Proceeds from issue of convertible bonds	發行可換股債券之所得款項	94,000	260,000
Proceeds on disposal of partial interest in a subsidiary without losing control	出售附屬公司部分權益之所得款項但不失去控制權	49,949	-
Capital injection from a non-controlling shareholder into a subsidiary	非控股股東向一間附屬公司注資	1,110	-
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額	890,789	409,034
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額	(5,588)	46,618
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等價物	70,181	13,934
Effect of foreign exchange rate changes	匯率變動影響	37,192	9,629
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等價物	101,785	70,181
represented by bank balances and cash	即銀行結餘及現金		



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

China Ocean Industry Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 48 to the consolidated financial statements.

The functional currency of the Company and its subsidiaries (hereinafter collectively known as the “Group”) was Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders as the Company’s shares are listed in Hong Kong.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company (the “Directors”) have given consideration to the future liquidity of the Group.

The Group incurred a loss for the year attributable to owners of the Company of approximately HK\$353,156,000 for the year ended 31 December 2016 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$1,090,208,000 and HK\$604,752,000 respectively.

1. 一般事項

中海重工集團有限公司(「本公司」)為一間根據百慕達公司法於百慕達註冊成立之獲豁免有限公司。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點之地址於本年報公司資料一節披露。

本公司為一間投資控股公司。其附屬公司主要業務載於綜合財務報表附註48中。

本公司及其附屬公司(以下統稱「本集團」)之功能貨幣為人民幣(「人民幣」)。由於本公司股份於香港上市，為方便股東，綜合財務報表以港元(「港元」)呈列。

2. 綜合財務報表編製基準

本公司董事(「董事」)在編製綜合財務報表時，已就本集團之未來流動資金作出考慮。

截至二零一六年十二月三十一日止年度，本集團產生本公司擁有人應佔年內虧損約353,156,000港元，而截至該日，本集團錄得流動負債淨額及負債淨額分別約為1,090,208,000港元及604,752,000港元。



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

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In order to improve the Group's operating and financial position, the Directors have been implementing various operating and financing measures as follows:

- (a) the Group has been actively diversifying into new cash generating business, i.e. intelligent car parking and automotive device business to reduce its business risk and improve its quality of seeking new bank facilities. At the same time, the Group has been improving its production efficiency and tightening cost control in shipbuilding business so as to reduce unnecessary expenditure;
- (b) the Group is in negotiation with banks to allow revolving of loans upon their due dates when the same renewal conditions entitling the past renewal are met;
- (c) the Group is in negotiation with financial institutions such to obtain new borrowings or issue of new convertible securities;
- (d) the Group is seeking assistance from local government; and
- (e) the Group is in negotiation with its creditors to extend payment due date.

2. 綜合財務報表編製基準（續）

為改善本集團之營運及財務狀況，董事一直進行以下各項營運及融資措施：

- (a) 本集團一直積極擴展至新現金產生業務（即智慧停車及汽車電子業務），以減少業務風險並提高其尋求新銀行融資之質素。與此同時，本集團亦於船舶製造業務中提升生產效率及加緊控制成本，以減少不必要之開支；
- (b) 本集團正與銀行進行磋商，於貸款到期當日，在達到賦予過往續約之條件相同之續約條件之情況下，容許循環；
- (c) 本集團正與金融機構進行磋商以獲取新借貸或發行新可換股證券；
- (d) 本集團正向地方政府尋求協助；及
- (e) 本集團正與其貸款人商討延長還款期。



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

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In addition, during the year ended 31 December 2016, the delay in production schedules (the “Delay”) has impacted the Group’s shipbuilding business. Penalties due to delay in delivery of vessels in accordance with the related shipbuilding contracts amounting to HK\$49,719,000 were recognised and included in cost of sales for the year ended 31 December 2016. Also, due to the Delay, there were seven vessels (the “Seven Vessels”) which owned by three customers (collectively referred to as the “Three Customers”), in accordance with the relevant shipbuilding contracts, the Three Customers have the rights to issue rescission notices to the Group if the Three Customers cannot receive the vessels on or before the agreed vessels delivery dates (i.e. June 2016 to March 2017), in accordance with the relevant shipbuilding contracts. As a result, the Group may be required to return all of the payments received so far from the Three Customers, amounting to an aggregate amount of approximately USD109,466,000 (equivalent to HK\$848,362,000) and to pay interests on such amounts calculated in accordance with the relevant shipbuilding contracts to the customers (the “Interests”).

The management of the Group have not reached any formal agreement with the Three Customers as at the date when the consolidated financial statements are authorised for issue. However, the Directors are of the opinion that the Group could reach the agreement with the Three Customers and they would not exercise their rights to issue the rescission notices to the Group. Therefore, the Directors believe that it is not necessary to provide any Interests nor to reverse the related revenue and cost of sales.

2. 綜合財務報表編製基準 (續)

此外，於截至二零一六年十二月三十一日止年度，造船計劃的延誤（「延誤」）已對本集團之造船業務產生影響。已確認因延遲根據相關造船合約交付船舶而產生之罰款49,719,000港元並計入截至二零一六年十二月三十一日止年度之銷售成本。另外，由於延誤，根據相關造船合約，擁有七艘船舶（「七艘船舶」）的三名客戶（統稱為「三名客戶」）有權在未能於協定的船舶交付日期（即二零一六年六月至二零一七年三月）或之前收到船舶的情況下根據相關造船合約向本集團發出撤銷通知。因此，本集團須退還其迄今為止從三名客戶收取的所有付款共計約109,466,000美元（相當於848,362,000港元），並就有關款項向客戶支付根據相關造船合約計算的利息（「利息」）。

於綜合財務報表獲授權發佈之日，本集團管理層尚未與三名客戶達成任何正式協議。然而，董事認為，本集團可與三名客戶達成協議及彼等不會行使權利向本集團發出撤銷通知。因此，董事認為，無需就任何利息計提撥備或撥回相關收益及銷售成本。



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

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

If the Three Customers exercise their rights to issue the rescission notices to the Group, the Group might engage legal counsels to defend the Group through arbitration proceedings concerning about the validity of the rescission notices issued by the Three Customers. If the result of the arbitrations is unfavorable to the Group, the Group will be required to return the abovementioned payments together with the Interests to the Three Customers.

Also, the Directors are of the opinion that, taking into account the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from this consolidated financial statements were authorised to issue. Accordingly, the Directors believe that the consolidated financial statements should be prepared on a going concern basis. However, the eventual outcome is uncertain, should the going concern assumption be inappropriate, and/or the Group fails to reach agreement with the abovementioned Three Customers and the Group is required to repay all the payments paid to the Group as well as the Interests, adjustments may have to be made to reverse related revenue and cost of sales, to recognise impairment on work in progress vessels, to provide for further foreseeable loss that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

2. 綜合財務報表編製基準（續）

倘三名客戶行使權利向本集團發出撤銷通知，本集團或會聘請法律顧問透過仲裁程序針對三名客戶所發出撤銷通知的有效性為本集團進行抗辯。倘仲裁結果對本集團不利，本集團將須向三名客戶退還上述款項連同利息。

此外，董事認為，經考慮上述措施，本集團將有足夠營運資金履行其自本綜合財務報表獲授權發佈之日起未來十二個月之到期財務責任。因此，董事認為，綜合財務報表應按持續經營基準編製。然而，最終的結果並不明確，倘持續經營假設不適用，及／或本集團未能與上述三名客戶達成協議，本集團須償還支付予本集團的所有款項以及有關利息，並可能須作出調整，以撥回相關收益及銷售成本，就在造船船確認減值，就可能產生的進一步可預見虧損計提撥備，以及分別將非流動資產及非流動負債重新分類為流動資產及流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. These amendments have been applied by the Group for the first time in the current year unless otherwise specified. The impacts of these amendments are described below.

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to Hong Kong Accounting Standard (“HKAS”) 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

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

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）

於本年度強制生效之經修訂香港財務報告準則

於本年度，本集團已採用若干由香港會計師公會（「香港會計師公會」）頒佈之於二零一六年一月一日或之後開始之會計期間強制生效之經修訂香港財務報告準則。除另有說明外，本集團已於本年度首次應用該等修訂本。該等修訂本的影響列述如下。

香港財務報告準則第11號修訂本	收購合營業務權益的會計處理方法
香港會計準則（「香港會計準則」）第1號修訂本	主動披露
香港會計準則第16號及香港會計準則第38號修訂本	澄清可接受的折舊及攤銷方法
香港會計準則第16號及香港會計準則第41號修訂本	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號修訂本	投資實體：應用綜合入賬例外情況
香港財務報告準則修訂本	二零一二年至二零一四年週期之年度改進

於本年度應用經修訂香港財務報告準則對本集團於本年度及過往年度之財務表現及狀況及／或此等綜合財務報表所載之披露事項概無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

New and amendments to HKFRSs in issued but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and related Amendments ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i> ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2017

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則

本集團並未提早應用下列已頒佈但仍未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號修訂本	以股份為基礎之付款交易之分類及計量 ¹
香港財務報告準則第4號修訂本	採用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第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 ³
香港會計準則第7號修訂本	主動披露 ⁴
香港會計準則第12號修訂本	就未變現虧損確認遞延稅項資產 ⁴

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

³ 於有待確定日期或之後開始之年度期間生效

⁴ 於二零一七年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

HKFRS 9 Financial Instruments

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets; b) impairment of financial assets; and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入a)財務資產分類及計量；b)財務資產減值；及c)一般對沖會計之新要求。

尤其是，就財務資產分類及計量而言，香港財務報告準則第9號要求香港財務報告準則第9號範圍內的所有已確認財務資產隨後按攤銷成本或公平值計量。目標為收取合約現金流量的業務模式中所持有及合約現金流量均純粹為支付本金及尚未償還本金的利息的債務投資，一般於後續會計期末按攤銷成本計量。目標為同時收取合約現金流及出售財務資產之業務模式中持有之債務工具，以及合約條款純粹為支付本金及尚未償還本金利息的債務工具，一般均按透過其他全面收入按公平值列賬之方式計量。所有其他債務投資及股本投資於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收入呈列股本投資（並非持作買賣或應用香港財務報告準則第3號收購方於業務合併所確認的或然代價）之其後公平值變動，而一般僅於損益內確認股息收入；當取消確認投資後，累計公平值變動將不會重新分類至損益。



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

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

HKFRS 9 Financial Instruments (Continued)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具（續）

就計量指定為按公平值計入損益的財務負債而言，香港財務報告準則第9號規定，財務負債之信貸風險變動以致該負債公平值變動之金額於其他全面收入內呈報，除非於其他全面收入中確認該負債之信貸風險變動影響將造成或加大損益內之會計誤算盈虧則作別論。財務負債之信貸風險引致之公平值變動其後不會重新分類至損益內。根據香港會計準則第39號，指定為按公平值計入損益之財務負債之整筆公平值變動金額於損益內呈報。

就財務資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。通常，預期信貸虧損模式規定實體於各報告日期評估財務資產自初始確認以來的信貸風險變動，並根據信貸風險變動程度確認預期信貸虧損。

就一般對沖會計規定而言，香港財務報告準則第9號保留目前根據香港會計準則第39號可用的三種對沖會計機制。根據香港財務報告準則第9號，符合對沖會計資格交易的類型已引入更大彈性，尤其是擴闊符合對沖工具資格的工具類型及符合對沖會計資格的非金融項目的風險成份類型。此外，成效測試已作重整，並以「經濟關係」原則取代。對沖成效亦毋須進行追溯評估，並引入增加有關實體風險管理活動披露的規定。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

HKFRS 9 Financial Instruments (Continued)

The Group is still in the process of assessing the impact of HKFRS 9. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 15 Revenue from Contracts with Customers and the clarification to HKFRS 15

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

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

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

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具（續）

本集團仍在就香港財務報告準則第9號的影響進行評估。董事認為在本集團完成評估前於該等綜合財務報表中披露有關影響並不可行。

香港財務報告準則第15號來自客戶合約的收益及澄清香港財務報告準則第15號

所頒佈的香港財務報告準則第15號制定單一全面模式，供實體用作將自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，其將取代香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋現時所載的收益確認指引。

香港財務報告準則第15號的核心原則為實體就反映向客戶轉讓承諾貨品或服務所確認的收益金額，應為能反映該實體預期就交換該等貨品及服務有權獲得的代價。具體而言，香港財務報告準則第15號引入確認收益的五個步驟：

- 第一步：識別與一名客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於（或當）實體完成履約責任時確認收益

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綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

HKFRS 15 Revenue from Contracts with Customers and the clarification to HKFRS 15 (Continued)

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

The Group is still in the process of assessing the impact of HKFRS 15. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 *Leases* and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, 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 re-measurement 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. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號來自客戶合約的收益及澄清香港財務報告準則第15號（續）

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

本集團仍在就香港財務報告準則第15號的影響進行評估。董事認為在本集團完成評估前於該等綜合財務報表中披露有關影響並不可行。

香港財務報告準則第16號租賃

香港財務報告準則第16號將於其生效時取代當前的租賃指引，包括香港會計準則第17號租賃及相關註釋。

就承租人會計處理而言，根據香港會計準則第17號，經營租賃及融資租賃的劃分已由某一模式取代，其規定承租人須就所有租賃確認使用權資產及相應負債，惟短期租賃及租賃低價值資產除外。具體而言，使用權資產初步按成本計量，其後按成本（受若干例外情況所限）減累計折舊及減值虧損（就租賃負債重新計量作出調整）計量。租賃負債初步按於該日尚未支付的租賃付款現值計量。其後，租賃負債就利息及租賃付款作出調整。此外，現金流量的分類亦將受到影響，原因為香港會計準則第17號下的經營租賃付款呈列為經營現金流量，而根據香港財務報告準則第16號模式，租賃付款將拆分為本金及利息部分，分別呈列為融資現金流量及經營現金流量。

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

HKFRS 16 Leases (Continued)

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

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The Group is in the process of assessing the impact of HKFRS 16. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

- In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a “net settlement feature”, such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃（續）

就出租人會計處理而言，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要求出租人將其租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求於財務報表內進行更全面的披露。

本集團仍在就香港財務報告準則第16號的影響進行評估。董事認為在本集團完成評估前於該等綜合財務報表中披露有關影響並不可行。

香港財務報告準則第2號以股份為基礎的付款交易之分類及計量之修訂本

該等修訂本闡述如下：

- 於估計以現金結算以股份為基礎付款的公平值時，影響股權結算以股份為基礎的付款的歸屬及非歸屬條件的會計處理應遵循同一方法。
- 倘稅法或法規規定實體須預扣相當於僱員稅務責任貨幣價值的特定數目股權工具，以履行僱員稅務責任，其後將匯款予稅務機構，如以股份為基礎的付款安排具備「淨額結算特徵」，該安排將整體分類為以股權結算，倘其並非載入淨額結算特徵，則以股份為基礎的付款將分類為股權結算。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions (Continued)

- A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: the original liability is derecognised. The equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date. Any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments and hence the Directors do not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第2號以股份為基礎的付款交易之分類及計量之修訂本（續）

- 由現金結算變為股權結算的交易的以股份為基礎的付款的修訂應按以下方式入賬：取消確認初始負債。倘於修訂日期提供該等服務，股權結算以股份為基礎的付款將按修訂日期已授出股權工具的公平值確認。修訂日期負債的賬面值與於股權中確認的金額之間的差額將立即於損益確認。

本集團並無就以股份為基礎的付款與稅務機構訂有任何現金結算以股份為基礎的付款安排或任何預扣稅安排，因此，董事預測，於日後應用該等修訂本將不會對本集團的綜合財務報表造成重大影響。

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綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Group did not enter into these transactions in the current year. The Directors anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to make disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The Directors do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

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
香港財務報告準則第10號及香港會計準則第28號修訂本處理當投資者與其聯營公司或合營企業之間有資產出售或注資的情況。具體而言，修訂本規定在與以權益法入賬的一間聯營公司或一間合營企業進行之交易中失去一間並無包含業務的附屬公司的控制權所帶來收益或虧損，於母公司之損益內確認，並僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，按於成為以權益法列賬之聯營公司或合營企業之任何前附屬公司所保留之投資公平值重新計量所得盈虧於前母公司損益賬確認且僅以非相關投資者於新聯營公司或合營企業之權益為限。

本集團於本年度並無訂立該等交易。倘發生該等交易，董事預期應用該等修訂本或會影響本集團日後之綜合財務報表。

香港會計準則第7號之修訂本披露主動性
該等修訂本規定實體須作出披露以使財務報表的使用者能夠評估融資活動產生之負債變動。董事預期應用該等修訂本將不會對本集團之綜合財務報表產生重大影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments provide a number of guidance to help entities assess and estimate whether sufficient taxable profits will be available against which it can utilise a deductible temporary difference. The Directors do not anticipate that the application of these amendments will have a material impact on the Group’s consolidated financial statements.

4. 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 (the “Listing Rule”) and by the Hong Kong Companies Ordinance (the “CO”).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value 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.

3. 採用新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但仍未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第12號之修訂本就未變現虧損確認遞延稅項資產

該等修訂本提供一系列指引，幫助實體評估及估計是否有足夠應課稅溢利可用作抵扣可扣減暫時差額。董事預計應用該等修訂本將不會對本集團於綜合財務報表內確認的金額造成重大影響。

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露事項。

於各報告期末，除若干財務工具以公平值計量外，綜合財務報表乃根據歷史成本基準編製（詳情見下文會計政策）。

歷史成本一般根據貨品及服務交換所得代價之公平值而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. 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, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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 follow:

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

The principal accounting policies are set out below.

4. 主要會計政策 (續)

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於此等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號範圍內之以股份為付款基礎之交易、屬於香港會計準則第17號範圍內之租賃交易，以及其計量與公平值之計量存在某些相似之處但並非公平值，例如香港會計準則第2號之可變現淨值或香港會計準則第36號之使用價值。

此外，就財務報告而言，公平值計量分為第一層級、第二層級或第三層級，此等層級之劃分乃根據其數據的可觀察程度及該數據對公平值計量的整體重要性產生，並概述如下：

- 第一層級輸入數據指該實體於計量日期由活躍市場上獲得的相同資產或負債的報價（未經調整）；
- 第二層級輸入數據指直接或間接可觀察資產或負債（除計入第一層級內的報價外）的輸入數據；及
- 第三層級輸入數據指不可觀察資產或負債的輸入數據。

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

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

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

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

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

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

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

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.

4. 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及其附屬公司控制之實體(包括結構實體)之財務報表。當本公司符合以下情況,即取得控制權:

- 有權控制被投資方;
- 因其參與被投資方業務而獲得或有權獲得可變回報;及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制權條件之其中一項或多項有變,本集團會重新評估其是否控制被投資方。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬,並於失去附屬公司控制權時終止綜合入賬。具體而言,於本年度內購入或出售之附屬公司之收入及開支,按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止,計入綜合損益及其他全面收入報表內。

損益及其他全面收入之各項目歸本公司擁有人及非控股股東權益所有。附屬公司之全面收入總額歸本公司擁有人及非控股權益所有,即使由此引致非控股權益結餘為負數。

必要時會調整附屬公司之財務報表以使其會計政策與本集團會計政策一致。

集團內公司間的資產與負債、權益、收入、開支及與本集團成員公司間交易相關的現金流量已於綜合賬目時全數對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, 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 acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with 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.

4. 主要會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之股權於收購日期之公平值之總額。有關收購之成本通常於產生時確認於損益中。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產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；
- 與被收購方以股份支付安排或本集團訂立以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號以股份為基礎之付款計量（見下文會計政策）；及
- 根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務分類為持作出售的資產（或出售組別）根據該項準則計量。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

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

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. 主要會計政策 (續)

業務合併 (續)

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權 (如有) 公平值的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後，所收購可識別資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權 (如有) 公平值的總和，則超出部分即時於損益內確認為議價收購收益。

屬現時所有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按其公平值或 (如適用) 另一項香港財務報告準則規定的基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價之一部分。或然代價之公平值變動如符合資格作為計量期調整，則會追溯調整，並以商譽作出相應調整。計量期調整指於「計量期」內取得有關於收購日期存在事實及情況之額外資料而產生之調整。計量期不得超過收購日期起計一年。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains controls), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4. 主要會計政策 (續)

業務合併 (續)

不符合計量期間調整條件之或然代價，其往後公平值變動之入賬方式應取決於或然代價之分類方法。分類為權益之或然代價於其後之報告日期不會重新計量，其日後結算於權益內入賬。分類為資產或負債之或然代價於其後之報告日期根據香港會計準則第39號重新計量，並於損益確認相應收益或虧損。

倘業務合併是分階段達成，本集團先前於被收購方持有的股本權益於收購日期（即本集團取得控制權日期）重新計量其公平值，由此所產生的收益或虧損（如有）於損益中確認。如出售於被收購方權益，以往在其他全面收益中確認的從該等權益於收購日期前產生的金額重新分類至損益（如此處理方法合適）。

倘業務合併之初步會計處理於進行合併之報告期末仍未完成，則本集團就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期（見上文）內作出調整，並確認額外資產或負債，以反映就於收購日期已存在事實及情況取得之新資料（倘知悉該等資料，將會影響於當日確認之金額）。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in subsidiaries

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less accumulated impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策 (續)

商譽

收購一項業務產生之商譽乃按於業務收購日期 (見上文會計政策) 所確立之成本減累計減值虧損 (如有) 列賬。

就減值測試而言, 商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位 (或現金產生單位組別)。

獲分配商譽的現金產生單位會每年進行減值測試, 或於有跡象顯示該單位可能出現減值時經常進行減值測試。就於某一報告期間內因收購所產生之商譽而言, 獲分配商譽之現金產生單位於該報告期間末前進行減值測試。倘現金產生單位的可回收金額少於其賬面值, 則減值虧損會先用作減低任何分配至該單位的商譽的賬面值, 其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。任何商譽減值虧損直接於損益內確認。就商譽確認的減值虧損不會於其後期間撥回。

於出售相關現金產生單位時, 商譽應佔金額於釐定出售時的損益金額時計入在內。

本集團有關收購聯營公司及合營企業所產生商譽之政策載列如下。

於附屬公司之投資

於本公司之財務狀況表中, 於附屬公司之投資按成本減累計虧損列賬。附屬公司之業績由本公司按已收及應收股息之基準入賬。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures

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.

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.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purpose are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture 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 associate or joint venture. When the Group's share of losses of an associate or joint ventures exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4. 主要會計政策 (續)

於聯營公司及合營企業之投資

聯營公司為一間本集團擁有重大影響力之實體。重大影響力乃有權參與被投資方之財務及經營政策決定而非控制或共同控制該等政策。

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當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。

聯營公司或合營企業之業績及資產與負債以權益會計法綜合計入此等綜合財務報表。對於本集團該等類似交易及相似環境中發生之事項，聯營公司及合營企業用於會計權益之財務報表以一致的財務政策編製。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司或合營企業之損益及其他全面收益而作出調整。當本集團應佔聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益時（包括實質上成為本集團於該聯營公司或合營企業投資淨額一部分之任何長期權益），本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該聯營公司或合營企業支付款項之情況下，方會進一步確認虧損。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

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

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs 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.

4. 主要會計政策 (續)

於聯營公司及合營企業之投資 (續)

於被投資方成為一間聯營公司或合營企業當日，對聯營公司或合營企業之投資採用權益法入賬。於收購一間聯營公司或合營企業之投資時，投資成本超過本集團分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，則會於收購投資之期間即時在損益確認。

香港會計準則第39號獲應用以釐定是否需要確認有關本集團投資於聯營公司或合營企業之任何減值虧損。於有需要時，投資之全部賬面值（包括商譽）會根據香港會計準則第36號資產減值作為單一資產進行減值測試，方法為比較其可收回金額（使用價值及公平值減出售成本的較高者）與其賬面值。被確認之任何減值虧損均形成投資賬面值之一部分。該減值虧損之任何撥回根據香港會計準則第36號確認，惟以隨後增加之可收回投資金額為限。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

4. 主要會計政策 (續)

於聯營公司及合營企業之投資 (續)

倘本集團不再對聯營公司有重大影響或共同控制合營企業，則按出售於被投資方之全部權益入賬，而所得收益或虧損則於損益中確認。倘本集團保留於原聯營公司或合營企業之權益且該保留權益為香港會計準則第39號範疇內的財務資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為於初步確認時之公平值。聯營公司或合營企業之賬面值與任何保留權益及出售聯營公司或合營企業有關權益之任何所得款項公平值間之差額，會於釐定出售該聯營公司或合營企業之收益或虧損時計入。此外，本集團會將先前在其他全面收入就該聯營公司或合營企業確認之所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所需基準相同。因此，倘該聯營公司或合營企業先前已於其他全面收入確認之收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於終止採用權益法時將收益或虧損由權益重新分類至損益（作為重新分類調整）。

當於聯營公司之投資成為於合營企業之投資或於合營企業之投資成為於聯營公司之投資時，本集團將繼續使用權益法。於此類所有權權益變動發生時，公平值不會重新計量。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4. 主要會計政策 (續)

於聯營公司及合營企業之投資 (續)

倘本集團削減其於聯營公司或合營企業之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

當集團實體與本集團之聯營公司或合營企業進行交易時，則與聯營公司或合營企業交易所產生溢利及虧損僅於聯營公司或合營企業之權益與本集團無關時，方於本集團之綜合財務報表確認。

收益確認

收益乃按已收或應收代價之公平值計算。收益因折扣及其他類似撥備而加以削減。收益因估計客戶退貨、折扣及其他類似撥備而加以削減。

當收益金額能可靠計量時；可能有未來經濟利益流向本集團時及本集團各項活動符合特定標準時（如下文所述），方確認收益。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees are recognised by reference to the proportion of the total cost of providing the service for the product sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

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

Revenue from the sales of goods is recognised when the goods are delivered and title has passed.

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.

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

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

4. 主要會計政策 (續)

收益確認 (續)

提供服務合約之收益經參考合約完成階段確認。合約完成階段釐定如下：

- 安裝費用乃經參考安裝完成階段後確認，並釐定為於報告期末預期安裝所用總時長之部分；
- 服務費乃經參考就所出售產品提供服務總成本之比例確認；及
- 時間及物料合約收益於產生勞動時間及直接開支時按合約費率確認。

本集團有關確認建造服務收益之政策乃載於下文有關建築合約之會計政策內。

銷售貨品收益於付運貨品及其擁有權已轉移時予以確認。

利息收入按時間基準並參考未償還本金及按適用實際利率累計。有關利率為於財務資產預期年限內將估計未來所收現金準確貼現至該資產於首次確認時的賬面淨值的利率。

投資之股息收入於股東收取款項之權利確立時確認。

本集團有關確認經營租賃收益之會計政策乃載述於下文有關租賃之會計政策內。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. 主要會計政策 (續)

租賃

凡租約之條款將所有權之絕大部分風險及回報轉移至承租人，該等租約分類為融資租賃。所有其他租約均列作經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款項按本集團於租賃之淨投資金額確認為應收款項。融資租賃收入被分配至會計期間，以反映本集團於有關租賃為投資結欠之淨額之經常性定期回報率。

經營租賃之租金收入按直線法在相關租期內於損益中確認。協商及安排經營租賃產生之初步直接成本計入租賃資產之賬面值。

本集團作為承租人

經營租賃付款以直線法，按租期確認為開支，但如另有系統性基準更能代表租賃資產之經濟效益據此被消耗之時間模式則除外。經營租賃下之或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠整體利益以直線法沖減租金開支確認，但如另有系統性基準更能代表租賃資產之經濟效益據此被消耗之時間模式則除外。



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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at costs less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised accumulated impairment loss. Costs include professional fees. 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.

Depreciation is recognised so as to write-off the cost of assets 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.

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.

4. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備（包括用於生產或供應貨品或服務或為行政用途持有的樓宇（在建工程除外））於綜合財務狀況報表內按成本減其後累計折舊及其後累計減值虧損（如有）列賬。

用作生產、供應或行政用途的在建物業按成本扣除任何已確認累計減值虧損後列賬。成本包括專業費用。該等物業於完工時及可隨時作擬定用途時分類至物業、廠房及設備的適當類別。該等資產可隨時作擬定用途時按與其他物業資產相同的基準開始計提折舊。

資產（在建工程除外）確認之折舊以直線法按估計使用年期使用直線法撇銷成本（扣除剩餘價值後）。估計使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按未來適用基準相應入賬。

物業、廠房及設備項目於出售後或於預期持續使用該資產將不會產生未來經濟利益時解除確認。於出售或報廢物業、廠房及設備項目時產生的任何收益或虧損釐定為資產的銷售所得款項與賬面值的差額，於損益確認。



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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

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

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

4. 主要會計政策 (續)

投資物業

投資物業指持作賺取租金及／或待資本增值之物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初始確認後，投資物業使用按公平值計量。本集團所有根據經營租賃持有以作賺取租金及／或待資本增值用途之投資物業已分類並入賬列為投資物業及使用公平值模式計量。投資物業之公平值變動所產生之盈虧於產生期間計入損益。

投資物業乃於出售後或在投資物業永久不再使用或預期出售物業不會產生未來經濟利益時取消確認。取消確認該資產時產生之任何損益(按出售所得款項淨額與該資產之賬面值之差額計算)計入該項目取消確認期間之損益內。

租賃土地及樓宇

當一項租賃包括土地及樓宇部分，本集團會根據各部分所有權附帶的絕大部分風險及回報是否轉移至本集團之評估，獨立評估各部分以分類為融資或經營租賃，惟兩部分均為經營租賃，則整份租賃視作經營租賃處理。特別是，最低租賃款項(包括任何一次性預付款)於租賃開始時，按租賃土地與樓宇部分的租賃權益的相關公平值的比例在土地與樓宇部分間進行分配。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Provisions

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

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

Provisions for the expected cost of warranty obligations under the relevant sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Borrowing costs

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

4. 主要會計政策 (續)

租賃土地及樓宇 (續)

租賃款項能夠可靠分配時，租賃土地權益作為經營租賃在綜合財務狀況表中列作「預付租賃款項」，並於租期內按直線基準攤銷。當租賃款項無法於土地與樓宇部分間可靠分配，整份租賃一般分類為融資租賃處理，並入賬列作物業、廠房及設備。

撥備

當本集團因過往事件而須承擔現有責任（法定或推定）、本集團很有可能須履行有關責任且能可靠地估計該責任之金額時，確認有關撥備。

確認為撥備之金額乃計及與責任有關之風險及不明朗因素後，按於報告期末就履行現有責任所須代價所作之最佳估計而計量。若使用就履行現有責任所估計之現金流量來計量撥備，其賬面值為該等現金流量現值（如貨幣時間價值的影響屬重大）。

根據相關貨物銷售法規之保修責任之預期成本於有關產品銷售日期按董事對履行本集團責任所需開支之最佳估計確認撥備。

借貸成本

所有借貸成本於其產生期間在損益中確認。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivables 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.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Construction contracts

When the outcome of a construction contract for shipbuilding can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as determined by reference to the standard hours incurred up to the end of the reporting period as a percentage of total estimated standard hours for each contract. 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.

4. 主要會計政策 (續)

政府補助金

在合理地保證本集團會遵守政府補助金的附帶條件以及將會得到補助後，政府補助金方會予以確認。

政府補助金乃就本集團確認的有關支出（預期補助可予抵銷成本的支出）期間按系統化的基準於損益中確認。具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府補助金乃於綜合財務狀況表確認為相關資產的賬面值減少，並於相關資產的可用年期內基於系統合理基準轉撥至損益中。

政府補助金是抵銷已產生的支出或虧損或旨在給予本集團的即時財務支援（而無未來有關成本），於有關補助金成為應收款項的期間在損益中確認。

按低於市場利率作出的政府貸款的收益被視為政府補助金，按所收取的所得款項與按現行市場利率計算的貸款公平值之間的差額計量。

建造合約

如能夠可靠地估計造船建造合約之成果，則收益及成本乃參照於報告期末合約活動之完成階段（參照直至報告期末所產生之工時佔各合約之估計工時總額之百分比而釐定）予以確認。合約工程、索償及獎金款項之變動只會在有關款項能夠可靠計量且很有可能收取該等款項時入賬。



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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction contracts (Continued)

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

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

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

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. 主要會計政策 (續)

建造合約 (續)

倘不能夠可靠地估計建造合約之成果，合約收入僅以很可能收回的已產生合約成本部分確認。合約成本於其產生期間確認為開支。

當總合約成本很可能超出總合約收入時，則預期虧損將立即確認為開支。

倘迄今產生之合約成本加已確認溢利減已確認虧損超出進度款項，則超出部分列作應收客戶合約工程款。倘進度款項超出迄今產生之合約成本加已確認溢利減已確認虧損，則超出部分列作應付客戶合約工程款。於完成有關工程前收取之款項，作為負債計入綜合財務狀況報表中之已收預付款項。就完工工程發出賬單但客戶尚未支付之款項則計入綜合財務狀況報表之貿易應收款項。

財務工具

倘本集團成為工具合約條文的訂約方，則就此確認財務資產及財務負債。

財務資產及財務負債初步以公平值計量。收購或發行財務資產及財務負債（透過損益按公平值計算之財務資產或財務負債除外）直接應佔之交易成本乃於初步確認時在財務資產或財務負債之公平值加入或扣除（如適用）。收購透過損益按公平值計算之財務資產或財務負債直接應佔之交易成本，應即時於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”) 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 basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, (ii) it is designated as at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination to which HKFRS 3 applies.

4. 主要會計政策 (續)

財務工具 (續)

財務資產

財務資產分類為下列特定類別：按公平值計入損益（「按公平值計入損益」）之財務資產及貸款及應收款項。分類乃視乎財務資產之性質及用途，並於初步確認時釐定。所有以正常方式購買或銷售之財務資產按交易日之基準確認及取消確認。以正常方式購買或銷售指按照市場規定或慣例於一段期限內須進行資產交付之財務資產買賣。

實際利率法

實際利率法乃計算債務工具之攤銷成本及按相關期間攤分利息收入之方法。實際利率為可準確透過債務工具之估計年期或（倘適用）在較短期間內對估計未來現金收入（包括所支付或收取屬實際利率構成部分之全部費用及積分、交易成本及其他溢價或折讓）折算至初步確認之資產賬面淨值之利率。

利息收入按債務工具之實際利率基準確認。

按公平值計入損益之財務資產

當財務資產為(i)持作交易、(ii)指定為按公平值計入損益或(iii)收購方可能收取之或然代價（作為業務合併之部分，適用香港財務報告準則第3號），則財務資產分類為按公平值計入損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; 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.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the “change in fair value of investments held for trading” line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 7(c) to the consolidated financial statements.

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, finance lease receivables, pledged bank deposits, amounts due from associates, restricted cash and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss of 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.

4. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

按公平值計入損益之財務資產 (續)

財務資產分類為持作交易用途，若：

- 購進之主要目標是於近期內將之變賣；或
- 於初步確認時，其為由本集團共同管理之已識別財務工具組合之其中一部分，並於近期有實際之短期獲利特點；或
- 其為一種並不能作為指定及有效對沖工具之衍生工具。

按公平值計入損益之財務資產以公平值列賬，而重新計量產生之任何收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括就財務資產賺取之任何股息或利息，並計入綜合損益及其他全面收益表「持作買賣投資之公平值變動」項目。公平值按綜合財務報表附註7(c)所述方式釐定。

貸款及應收款項

貸款及應收款項指未於活躍之市場內報價而附帶固定或可議定付款之非衍生財務資產。於初步確認後，貸款及應收款項（包括貿易應收款項、其他應收款項、應收融資租賃款項、已抵押銀行存款、聯營公司應付款項、受限制現金及銀行結餘及現金）乃採用實際利率法按攤銷成本減任何減值計量（見下文財務資產減值之會計政策）。

利息收入採用實際利率確認，惟確認利息不大之短期應收款項除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

4. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值

於各報告期末評定財務資產 (不包括按公平值計入損益之財務資產) 是否有減值跡象。當有客觀證據顯示財務資產之估計未來現金流量因於初步確認該財務資產後發生之一項或多項事件而受到影響時, 即視為對該財務資產確認減值。

對於所有其他財務資產, 減值的客觀證據可包括:

- 發行人或交易對方出現重大財政困難; 或
- 違反合約, 如未能繳付或延遲償還利息或本金; 或
- 借款人有可能面臨破產或財務重組; 或
- 因出現財政困難導致該財務資產失去活躍市場。

應收款項組合出現減值的客觀證據包括本集團過往收款記錄、組合內超過90天信貸期之延遲還款次數增加及與拖欠應收款項相聯繫之全國或當地經濟條件之可觀察變化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables and finance lease 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 and other receivable and finance lease receivables is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss.

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

4. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

就按已攤銷成本值列賬之財務資產而言，已確認減值虧損之金額為資產之賬面值與估計未來現金流量按財務資產之初始實際利率貼現之現值之間之差額。

就按成本值列賬之財務資產而言，減值虧損之金額按該項資產之賬面值與估計未來現金流量按類似財務資產現時市場回報率貼現之現值之間之差額計量。該減值虧損將不會於其後之期間撥回（見下文會計政策）。

所有財務資產之減值虧損會直接於所有財務資產之賬面值中作出扣減，惟貿易及其他應收款項及應收融資租賃款項除外，其賬面值會透過撥備賬作出扣減。撥備賬之賬面值變動乃於損益確認。當貿易及其他應收款項及應收融資租賃款項被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷之賬款如其後收回，將計入損益內。

就按已攤銷成本計量之財務資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

4. 主要會計政策 (續)

財務工具 (續)

財務負債及權益工具

由集團實體發行之債務及權益工具根據所訂立合約安排之內容及財務負債與權益工具之定義分類為財務負債或股本。

權益工具

權益工具指證明於本集團資產經扣除其所有負債後之剩餘權益之任何合約。本集團發行之權益工具乃按已收所得款項扣除直接發行成本確認。

實際利率法

實際利率法乃計算財務負債之攤銷成本及按相關期間攤分利息開支的方法。實際利率為可準確透過財務負債之預計年期或(倘適用)在較短期間內將估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用及利率差價、交易成本及其他溢價或折讓)折現至初步確認時之賬面淨值之利率。利息開支按實際利率基準確認,惟分類為按公平值計入損益之財務資產除外,該等財務資產之利息開支計入損益淨額。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) it is designated as at FVTPL or (ii) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial liability other than contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

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

4. 主要會計政策 (續)

財務工具 (續)

財務負債及權益工具 (續)

按公平值計入損益之財務負債

當財務負債為(i)指定為按公平值計入損益或(ii)收購方可能須支付之或然代價(作為業務合併之部分, 適用香港財務報告準則第3號), 則財務負債分類為按公平值計入損益。

倘符合下列條件, 可由收購人償付作為業務合併一部分的財務負債(惟不包括或然代價)可於初始確認時指定為按公平值計入損益:

- 該指定消除或大幅減少了可能出現的計量或確認方面的一致性; 或
- 該財務負債是一組財務資產或財務負債或財務資產和財務負債組合的一部分, 而根據本集團制定的風險管理或投資策略, 該項資產的管理和績效評估是以公平值為基礎進行, 並且有關分組的信息是按此基礎向內部提供; 或
- 構成包含一項或多項嵌入衍生工具的合約的一部分, 而香港會計準則第39號允許將整個組合合約(資產或負債)指定為按公平值計入損益。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and is included in the “change in fair value of convertible bonds payables” and “change in fair value of contingent consideration payable” line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 7(c) to the consolidated financial statements.

Other financial liabilities

Other financial liabilities including trade, bills and other payables, borrowings, amounts due to related parties, amount due to an associate and amounts due to directors are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

Convertible bonds contain equity component

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

4. 主要會計政策 (續)

財務工具 (續)

財務負債及權益工具 (續)

按公平值計入損益之財務負債 (續)

按公平值計入損益之財務負債以公平值計量，而重新計量產生之任何收益或虧損則於損益確認。於損益確認之收益或虧損淨額不包括就財務負債應付之任何利息，並計入綜合損益及其他全面收益表「應付可換股債券之公平值變動」及「應付或然代價之公平值變動」內。公平值按綜合財務報表附註7(c)所述方式釐定。

其他財務負債

其他財務負債（包括貿易、票據及其他應付款項、借貸、應付關聯人士款項、應付聯營公司款項及應付董事款項）其後採用實際利率法按攤銷成本計量。

可換股債券

含有權益部分之可換股債券

可換股債券的組成部分根據合約安排內容以及財務負債及股本工具之定義獨立分類為財務負債及權益。倘換股權以固定金額現金或其他金融資產換取固定數目之本公司股本工具的方式結算，則分類為股本工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

Convertible bonds contain equity component (Continued)

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to accumulated loss. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

4. 主要會計政策 (續)

財務工具 (續)

財務負債及權益工具 (續)

可換股債券 (續)

含有權益部分之可換股債券 (續)

於發行日期，負債部分的公平值（包括任何嵌入式非股本衍生工具）乃透過計量不包含相關權益部分的類似負債之公平值估算。

分類為權益的換股權乃由複合工具整體之公平值扣除負債部分之金額而釐定。此金額在扣除所得稅影響後在權益確認入賬，其後將不會重新計量。此外，分類為權益的換股權將保留在權益中，直至換股權獲行使為止，而在此情況下，在權益中確認的結餘將轉撥至股份溢價。倘換股權於可換股債券到期日仍未獲行使，則在權益中確認的結餘將轉撥至累計虧損。在換股權獲轉換或到期時，不會於損益內確認任何盈虧。

與發行可換股債券有關之交易成本按所得款項總額分配比例分配至負債及權益部分。與權益部分有關之交易成本直接於權益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並於可換股債券期限內按實際利率法攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

Convertible bonds contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

Convertible bonds designated by the Group as fair value through profit or loss

Some of the convertible bonds issued by the Company are designated as financial liabilities at fair value through profit or loss on initial recognition. At each reporting dates subsequent to initial recognition, the entire convertible bonds is measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

財務工具 (續)

財務負債及權益工具 (續)

可換股債券 (續)

含有負債及衍生工具部分之可換股債券以固定金額現金或其他金融資產換取固定數目之本公司股本工具以外的方式結付的換股權被視為換股權衍生工具。

於發行日期，負債部分及衍生工具部分均按公平值確認。於往後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。衍生工具部分乃按公平值計量，公平值變動於損益中確認。

與發行可換股債券有關之交易成本乃以該等債券的相關公平值按比例分配至負債及衍生工具部分。與衍生工具部分有關之交易成本直接於損益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並於可換股債券期限內按實際利率法攤銷。

本集團指定為按公平值計入損益之可換股債券

於初步確認時，本公司發行之若干可換股債券乃指定為按公平值計入損益之財務負債。初始確認後之各個報告日期，全部可換股債券均按公平值計量，公平值變動於產生期間在損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee 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 HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expired, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 主要會計政策 (續)

財務工具 (續)

財務擔保合約

財務擔保合約為要求發行人對持有人因指定債務人未能根據債務工具之條款於到期時作出付款而引致之損失，作出指定付款以補償持有人之合約。

本集團發出之財務擔保合約初步按公平值計量，倘並非指定為按公平值計入損益，則其後按以下兩者之較高者計量：

- (i) 根據香港會計準則第37號撥備、或然負債及或然資產釐定之合約責任金額；及
- (ii) 初始確認之金額減（如適用）根據收益確認政策確認之累計攤銷。

終止確認

僅當從資產收取現金流量之合約權利屆滿時，或本集團將財務資產及該項資產所有權之絕大部分風險及回報轉讓至另一實體，本集團方會終止確認該項財務資產。倘本集團並無轉讓或保留所有權之絕大部分風險及回報並繼續控制該已轉讓資產，本集團就其可能須支付的金額確認於資產及相關負債中的保留權益。倘本集團保留已轉讓財務資產所有權之絕大部分風險及回報，則本集團繼續確認該項財務資產，亦確認已收所得款項之已抵押借貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derecognition (Continued)

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 a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognised 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.

4. 主要會計政策 (續)

財務工具 (續)

終止確認 (續)

全數終止確認財務資產時，資產賬面值與已收及應收代價以及已於其他全面收益確認並於權益累計之累計收益或虧損總額間之差額於損益確認。

除全面終止確認外，於終止確認財務資產時，本集團將財務資產之過往賬面值，根據其繼續確認部分及不再確認之部分於轉讓日期之相對公平值在兩者間作出分配。不再確認部分獲分配之賬面值與已於其他全面收益確認之不再確認部分之已收代價及獲分配之任何累計收益或虧損之總和之差額乃於損益內確認。已於其他全面收益確認之累計收益或虧損，將按繼續確認部分及不再確認部分之相對公平值在兩者間作出分配。

本集團僅於其責任已被解除、註銷或屆滿時方會終止確認財務負債。取消確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。



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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs 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 (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策 (續)

有形資產 (不包括商譽) 之減值虧損 (見上文有關商譽之會計政策)

於報告期末，本集團審閱其具可使用年期有限之有形及無形資產賬面值，以確定該等資產有否出現任何減值虧損跡象。倘出現任何該等跡象，則會估計資產之可收回金額以確定減值虧損之程度 (如有)。

倘不可能估計個別資產之可收回金額，本集團則估計該資產所屬之現金產生單位之可收回金額。當可識別合理及一致之分配基準時，公司資產亦獲分配至個別現金產生單位，或分配至可識別合理及一致分配基準之最小組別現金產生單位。

可回收金額乃公平值減出售成本及使用價值中之較高者。於評估使用價值時，估計未來現金流量採用反映現時市場對貨幣時間價值及資產之特定風險之除稅前貼現率，貼現至其現值，及並無就此對未來現金流量估計予以調整。

倘估計資產 (或現金產生單位) 之可收回金額低於其賬面值，則資產 (或現金產生單位) 之賬面值將減至其可收回金額。減值虧損即時於損益中確認。

Notes to the Consolidated Financial Statements

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 “loss before tax” as reported in the consolidated statement of profit or loss and other comprehensive income 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 amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary 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 (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

4. 主要會計政策 (續)

有形資產 (不包括商譽) 之減值虧損 (見上文有關商譽之會計政策) (續)

倘減值虧損其後撥回，資產 (或現金產生單位) 賬面值將調高至其經修訂之估計可收回金額，惟該調高之賬面值不得超過假設以往年度並無確認資產 (或現金產生單位) 之任何減值虧損而應釐定之賬面值。撥回減值虧損即時於損益中確認。

稅項

所得稅支出指即期應付稅項及遞延稅項之總和。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所呈報之「除稅前虧損」不同，此乃由於在其他年度應課稅或可扣減之收入或支出項目及永不課稅或可扣減之項目所致。本集團之即期稅項負債是以報告期末前已頒佈或實質已頒佈之稅率計算。

遞延稅項乃以資產及負債於綜合財務報表之賬面值與用於計算應課稅溢利之相應稅基兩者之臨時差額確認。遞延稅項負債一般以所有應課稅臨時差額確認。遞延稅項資產一般以所有可扣減暫時差額，並限於應課稅溢利很有可能全數用以抵銷可扣減暫時差額予以確認。倘臨時差額因一項既不影響應課稅溢利亦不影響會計溢利之交易 (業務合併除外) 中初步確認資產及負債而引致，則不會確認該等遞延稅項資產及負債。此外，倘臨時差額因初步確認商譽而產生，則不會確認遞延稅項負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each 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.

Current and deferred tax is recognised into profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. 主要會計政策 (續)

稅項 (續)

與於附屬公司及聯營公司之投資以及於合營企業之權益有關之應課稅暫時差額會確認為遞延稅項負債，但假若本集團可以控制暫時差額之撥回，且暫時差額很可能在可預見未來不會撥回則除外。與該等投資及權益相關之可扣減暫時差額所產生遞延稅項資產，僅於有可能具有足夠應課稅溢利可抵消暫時差額之利益，且預期彼等於可見將來撥回時確認。

遞延稅項資產之賬面值於各報告期末作出檢討，並在不大有可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債乃根據報告期末已頒佈或實質頒佈的稅率（及稅法），按預期於負債償還或資產變現期間之適用稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或結算資產及負債賬面值之方式所產生之稅務影響。

即期及遞延稅項會於損益中確認，惟若其有關於其他全面收益或直接於權益中確認之項目，則即期及遞延稅項亦會分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計方法而產生即期稅項或遞延稅項，有關稅務影響會計入業務合併之會計方法內。



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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interest as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial assets), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. 主要會計政策 (續)

外幣

於編製各獨立集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）進行之交易，按交易當日之適用匯率確認。於報告期末，以外幣列值之貨幣項目以該日之匯率重新換算。按公平值以外幣列值之非貨幣項目按於釐定公平值當日之適用匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

貨幣項目所產生之匯兌差額計入產生期間的損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債按各報告期末之匯率換算為本集團之呈列貨幣（即港元），而其收支項目按本年度平均匯率換算，惟年內匯率出現重大波幅除外，在此情況下，則採用交易日期之適用匯率。所產生匯兌差額（如有）均於其他全面收益確認並於權益中以匯兌儲備（非控制性權益應佔（如適用））累計。

於出售海外業務（即出售本集團於海外業務之全部權益或涉及失去包含海外業務的附屬公司控制權之出售或出售於包含海外業務的合營安排或聯營公司之部分權益（當中的保留權益成為財務資產））時，就本公司擁有人應佔之該業務於權益累計之所有匯兌差額重新列入損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (“MPF”) and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another 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.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4. 主要會計政策 (續)

存貨

存貨乃按成本及可變現淨值兩者之較低值入賬。存貨成本乃按加權平均法釐定。可變現淨值指存貨估計售價減全部估計完成成本及銷售所需成本。

退休福利成本

強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃款項於僱員提供服務而有權獲得有關供款時確認為開支。

短期僱員福利

短期僱員福利按預期於僱員提供服務時支付之未貼現福利金額確認。所有短期僱員福利確認為開支，惟另一項香港財務報告準則規定或允許有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

於業務合併中收購之無形資產

於業務合併中收購之無形資產乃與商譽分開確認，並於收購當日初步按其公平值(被視為其成本)確認。

於初步確認後，於業務合併中收購之使用年期有限之無形資產按成本減累計攤銷及累計減值虧損呈報。使用年期有限之無形資產攤銷按估計使用年期以直線法確認。估計使用年期及攤銷方法於各報告期末檢討，而任何估計變動之影響按未來適用基準相應入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets acquired in a business combination (Continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Share-based payment arrangements

Share options granted to employees

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. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 42 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. 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 share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

4. 主要會計政策 (續)

於業務合併中收購之無形資產 (續)

無形資產於出售時或倘預期使用或出售不再產生未來經濟利益時終止確認。終止確認無形資產產生之收益及虧損按出售所得款項淨額及資產賬面值之差額計量，並於資產終止確認時於損益內確認。

以股份為基礎之付款安排

授予僱員之購股權

向僱員或提供類似服務的其他人士支付以權益結算以股份為基礎付款之款項乃以權益工具於授出日期的公平值計量。有關釐定以權益結算以股份為基礎付款交易的公平值之詳情載於綜合財務報表附註42。

根據本集團對將最終歸屬的權益工具的估計於授出以權益結算以股份為基礎的付款日期釐定的公平值按直線法於歸屬期間支銷，而權益（購股權儲備）亦相應增加。於各報告期末，本集團修訂其估計預期歸屬之權益工具數目。修訂原先估計之影響（如有）於損益確認（累計開支反映經修訂估計），並於購股權儲備作出相應調整。就於授出日期即時歸屬的購股權而言，所授出購股權的公平值即時於損益支銷。

當行使購股權時，先前於購股權儲備確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未行使，先前於購股權儲備確認之數額將轉撥至累計虧損。

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綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are required to make judgements, 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.

4. 主要會計政策 (續)

以股份為基礎之付款安排 (續)

授予顧問之購股權

與訂約方(僱員除外)之以權益結算以股份為基礎的付款交易乃按所收取貨品或服務之公平值計量,除非該公平值未能可靠計量,而在此情況下,所收取之貨品或服務乃於實體獲得貨品或交易對方提供服務當日按所授出權益工具之公平值計量。所收取貨品或服務之公平值確認為開支。

5. 重要會計判斷及估計不明朗因素之主要來源

在應用綜合財務報表附註4所述本集團會計政策時,董事須對無法依循其他途徑得知的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃按照過往經驗及其他被視為相關之因素作出。實際結果或有別於該等估計。

該等估計及相關假設會作持續檢討。如修訂會計估計只會影響當年度之會計期,當年度之會計期內會確認有關修訂;如修訂會影響當年度及未來之會計期,則會在當年度及未來之會計期內確認有關修訂。



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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies

The following are the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) *Going concern and liquidity*

As explained in Note 2 to the consolidated financial statements, the financial position and financial performance of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 2 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(a) 應用會計政策之重大判斷

除涉及估計之判斷以外(見下文),以下為董事於應用本集團之會計政策時已作出且對綜合財務報表中確認之金額產生最重大影響之重大判斷。

(i) *持續經營及流動資金*

誠如綜合財務報表附註2所闡釋,本集團之財務狀況及財務表現表明,存在或會使本集團持續經營之能力嚴重成疑之重大不確定因素。對持續經營假設之評估,涉及董事於特定時間就本質上不確定之事件或狀況之未來結果作出判斷。董事認為本集團有能力持續經營,而可能導致持續經營假設嚴重成疑之重大狀況載於綜合財務報表附註2。



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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies (Continued)

(ii) *Classification of Zhoushan China Ocean Investment Fund (“Zhoushan Investment Fund”) and its subsidiary (collectively known as the “Zhoushan Investment Fund Group”) as joint ventures*

Zhoushan Investment Fund is a limited liability company incorporated in the PRC whose legal form confers separation between the parties to the joint arrangements and the parties themselves. There are no contractual arrangements or any other facts and circumstances that indicate that the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Furthermore, under the joint venture agreement, the significant investment of Zhoushan Investment Fund requires the consent and approval from all joint venturers. Accordingly, Zhoushan Investment Fund Group are classified as joint ventures of the Group. Details of the interests in the Zhoushan Investment Fund Group are disclosed in Note 23 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因 素之主要來源 (續)

(a) 應用會計政策之重大判斷 (續)

(ii) 將舟山中海投創業投資企業 (「舟山投資企業」)及其附屬 公司(統稱為「舟山投資企 業集團」)分類為合營企業

舟山投資企業為於中國註冊成立的有限公司，其法律形式將合營安排各方與訂約方本身分開。並無合約安排或任何其他事實和情況訂明合營安排各方對合營安排之資產享有權利以及對合營安排之負債負有責任。此外，根據合營協議，舟山投資企業之重大投資須獲得所有合營企業之同意及批准。因此，本集團將舟山投資企業集團分類為合營企業。有關舟山投資企業集團之權益詳情披露於綜合財務報表附註23。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Critical judgement in applying accounting policies (Continued)

(iii) *A subsidiary controlled by the Group through contractual arrangement*

Jiangxi Jiangzhou Union Shipbuilding Co., Ltd. (“Jiangxi Shipbuilding”), an indirectly wholly-owned subsidiary of the Company, entered into the contractual arrangements with Jiujiang Jinfu Equipment Manufacturing Company Limited (“Jiujiang Jinfu”), which enable Jiangxi Shipbuilding to:

- exercise effective financial and operational control over Jiujiang Jinfu;
- irrevocably exercise equity holders’ voting rights of Jiujiang Jinfu;
- receive substantially all of the economic returns generated by Jiujiang Jinfu by way of business support, technical and consulting services provided by Jiangxi Shipbuilding; and
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Jiujiang Jinfu from the respective equity holders.

Even though the Group does not have any equity interest in Jiujiang Jinfu, however through a series of the contractual arrangements, the Group has rights to the variable returns from its involvement in Jiujiang Jinfu and has the ability to affect those returns through its power over Jiujiang Jinfu, and is considered to control Jiujiang Jinfu. Consequently, the Company regards Jiujiang Jinfu as the indirectly wholly-owned subsidiary of the Company. The Group has included the statement of financial position, results and cash flows of Jiujiang Jinfu in the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(a) 應用會計政策之重大判斷 (續)

(iii) 本集團透過合約安排控制之附屬公司

本公司之間接全資附屬公司江西江州聯合造船有限責任公司(「江西造船」)與九江金湖裝備製造有限公司(「九江金湖」)訂立合約安排，令江西造船：

- 對九江金湖行使有效的財務及營運控制；
- 不可撤回地行使九江金湖之股權持有人投票權；
- 通過江西造船提供之業務援助、技術及顧問服務，獲得九江金湖所產生之絕大部分經濟回報；及
- 獲得可向各股權持有人購買九江金湖全部股權之不可撤回及獨家權利。

儘管本集團並無持有九江金湖的任何股權，然而透過一系列合約安排，本集團有權通過參與九江金湖的業務而享受可變回報且有能力透過其對九江金湖的控制權影響該等回報，並被視為控制九江金湖。因此，本公司將九江金湖視為本公司之間接全資附屬公司。本集團已將九江金湖的財務狀況、業績及現金流量表併入綜合財務報表內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty

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.

(i) Construction contracts

The Group recognises contract revenue and profit or loss on each shipbuilding contract according to management's estimation of the outcome of the contract as well as the percentage of completion of shipbuilding works. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the shipbuilding contracts according to the contract progress, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit or loss recognised. The Group also revisits the estimate of contract profit or loss according to the contract progress based on the information available in the market. During the year ended 31 December 2016, due to unforeseen circumstances in certain shipbuilding contracts, the Group recognised the foreseeable losses in respect of certain shipbuilding contracts in cost of sales as follows:

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源

下列為於報告期末有關未來之主要假設及估計不明朗因素之其他主要來源，當中涉及須於下一個財政年度對資產及負債賬面值作出重大調整之重大風險。

(i) 建造合約

本集團按照管理層對合約結果之估計及造船工程之完工百分比，就各份造船合約確認合約收益及損益。雖然管理層會因應合約進展而檢討及修訂造船合約之合約收益及成本之估計，但合約在總收益及成本方面之實際結果，可能會高於或低於有關估計，而這將影響所確認之收益及損益。本集團亦會因應合約進展，根據於市場可得之資料，重新考慮對合約損益之估計。於截至二零一六年十二月三十一日止年度，由於在若干造船合約方面出現未能預見之意外情況，本集團於銷售成本就若干造船合約確認可預見虧損如下：

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綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(i) Construction contracts (Continued)

Penalties due to the Delay (Note 2)	因延誤之罰款 (附註2)
Additional costs for raw materials	原材料額外成本

2016 HK\$'000 千港元	2015 HK\$'000 千港元
49,719	16,085
2,342	9,288
52,061	25,373

(ii) Profit recognition for construction contracts

The Group commences recognition of profit for each shipbuilding construction contract when the percentage of completion exceeds 10% for that vessel, assuming that the outcome of the contract can be reasonably ascertained, as the management considers that after this stage, the total contract costs attributable to the contracts can be measured reliably.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(i) 建造合約 (續)

(ii) 就建造合約確認溢利

本集團於船舶完工百分比超過10%並假設可合理確定合約結果時開始確認各造船建造合約溢利，原因為管理層認為於此階段後，各合約的總合約成本能夠可靠計量。



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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(iii) Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method. The Group reviews its inventory levels in order to identify slow-moving and obsolete items. When the Group identifies items of inventories which have a net realisable value lower than its carrying amount, the Group estimates the amount of written-off of inventories to net realisable value is recognised as an expense in the period the written-off occur. During the year ended 31 December 2016, no impairment (2015: Nil) were considered necessary by the management of the Group and at 31 December 2016, the carrying amount of inventories amounted to approximately HK\$53,696,000 (2015: HK\$101,571,000).

If the net realisable value of inventories of the Group become lower than its carrying amount subsequently, an additional allowance may be required.

5. 重要會計判斷及估計不明朗因 素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(iii) 存貨撥備

存貨乃以成本及可變現淨值的較低者進行估值。成本乃根據加權平均法計算。本集團會檢討其存貨水平，以識別滯銷及陳舊項目。倘本集團識別存貨項目之可變現淨值低於其賬面值，本集團估計撇銷存貨金額為可變現淨值，並於撇銷期間確認為開支。截至二零一六年十二月三十一日止年度，本集團管理層認為並無產生必要減值（二零一五年：無）及於二零一六年十二月三十一日，存貨之賬面值為約53,696,000港元（二零一五年：101,571,000港元）。

倘本集團存貨之可變現淨值其後低於其賬面值，或須作出額外撥備。



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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(iv) *Estimated impairment of property, plant and equipment*

The carrying amount of property, plant and equipment is reviewed annually and adjusted for impairment in accordance with HKAS 36 *Impairment of Assets* whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The value-in-use calculation requires the Group to determine the recoverable amount of the assets based on the estimations of future expected cash flows from the usage of these assets and a suitable discount rate. Where the future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2016, the Group has recognised an impairment loss of approximately HK\$66,828,000 (2015: Nil) in respect of property, plant and equipment. Details of the calculation on the recoverable amount for property, plant and equipment are disclosed in Note 17 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(iv) 物業、廠房及設備之估計減值

物業、廠房及設備之賬面值，在發生若干事件或情況變化，顯示賬面值可能無法收回時，根據香港會計準則第36號資產減值按年進行減值審核及調整。使用價值之計算要求本集團基於使用該等資產產生之未來預計現金流量估計及適當貼現率釐定該等資產之可收回金額。倘未來現金流量低於預期，則可能會產生重大減值虧損。於截至二零一六年十二月三十一日止年度，本集團已就物業、廠房及設備確認減值虧損約66,828,000港元（二零一五年：無）。物業、廠房及設備之可收回金額計算詳情披露於綜合財務報表附註17。



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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(v) *Estimated impairment of prepaid lease payments*

The carrying amount of prepaid lease payments is reviewed annually and adjusted for impairment in accordance with HKAS 36 *Impairment of Assets* whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group determined the recoverable amounts of the assets based on the comparison approach assuming sale with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market. Where the recoverable amount is less than the carrying value, an impairment loss may arise. The Group has recognised an impairment loss of approximately HK\$18,766,000 (2015: Nil) in respect of prepaid lease payments for the year ended 31 December 2016. Details of the calculation on the recoverable amount for prepaid lease payments are disclosed in Note 19 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因 素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(v) 預付租賃款項之估計減值

預付租賃款項之賬面值，在發生若干事件或情況變化，顯示賬面值可能無法收回時，根據香港會計準則第36號資產減值按年進行減值審核及調整。本集團基於比較法（乃假設該物業權益按現有狀況交吉出售）及參照可於有關市場上提供之可比對銷售證據釐定該等資產之可收回金額。倘可收回金額低於賬面值，則可能會產生減值虧損。於截至二零一六年十二月三十一日止年度，本集團已就預付租賃款項確認減值虧損約18,766,000港元（二零一五年：無）。預付租賃款項之可收回金額計算詳情披露於綜合財務報表附註19。



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

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(vi) *Estimated impairment of trade receivables and other receivables*

When there is objective evidence indicate that the trade receivables and other receivables may not be recovered, the Group estimates the future cash flows to determine the impairment loss. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness, the past collection history of each customer/debtor and their operation as a going concern. If the financial conditions of customers/debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may required. During the year ended 31 December 2016, the Group has recognised an impairment loss of approximately HK\$844,000 (2015: Nil) and approximately HK\$9,177,000 (2015: Nil) in respect of trade receivables and other receivables, respectively and at 31 December 2016, the carrying amount of trade receivables and other receivables is approximately HK\$59,476,000 (2015: HK\$38,779,000) and approximately HK\$72,805,000 (2015: HK\$32,385,000), respectively.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(vi) *貿易應收款項及其他應收款項之估計減值*

倘有客觀證據顯示貿易應收款項及其他應收款項無法收回，本集團估計未來現金流量以釐定減值虧損。於評估該等應收款項之最終變現金額時，需要作出大量判斷，包括各客戶或債務人之信譽、過往收款記錄及客戶或債務人持續經營之能力。倘本集團客戶或債務人之財務狀況惡化，令到其付款能力有損，或須作出額外撥備。於截至二零一六年十二月三十一日止年度，本集團已分別就貿易應收款項及其他應收款項確認減值虧損約844,000港元（二零一五年：無）及約9,177,000港元（二零一五年：無），而於二零一六年十二月三十一日，貿易應收款項及其他應收款項之賬面值分別為約59,476,000港元（二零一五年：38,779,000港元）及約72,805,000港元（二零一五年：32,385,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(vii) Provision for warranty

The Group provides the cost of warranties granted on shipbuilding products and undertakings to repair or replace items that do not perform satisfactorily at the time revenues for the related items are recognised. The shipbuilding products are covered by warranty for one year from the date of delivery. While the Group has put in place product quality programs and processes, warranty obligations are affected by actual product failure rates and by material usage and service delivery costs incurred in correcting a product failure. The warranty provision is established based upon the best estimates at the amounts necessary to settle future and existing claims on products sold as at the end of the reporting period. While management believes that the Group's warranty provisions are adequate and that the judgements applied are appropriate, the ultimate cost of product warranty could differ materially from the estimates. When the actual cost of quality of the products is lower than management originally anticipated, the Group releases an appropriate proportion of the provision, and if the cost of quality is higher than anticipated, the Group increases the provision.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(vii) 保修撥備

於確認相關項目的收入時，本集團對就造船產品授出的保修及維修或更換性能不良項目的承諾估計保修成本。造船產品的保修期由交付日期起為期一年。雖然本集團制定產品質量計劃及程序，保修責任受實際產品故障率、維修故障產品所用材料及提供服務成本影響。保修撥備根據於報告期末解決售出產品的日後及現有索償所需金額最佳估計釐定。雖然管理層認為本集團的保修撥備足夠且所採用判斷適當，但產品保修最終成本仍可能與該等估計大相逕庭。當產品質量的實際成本低於管理層原本預期時，本集團會減少適當比例的撥備，而倘質量成本高於預期，則本集團將增加撥備。



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綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(viii) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Directors determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or liability, 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. The management of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 7(c) to the consolidated financial statements provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

5. 重要會計判斷及估計不明朗因素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(viii) 公平值計量及估值過程

本集團部分資產及負債就財務呈報目的按公平值計量。董事釐定公平值計量之適當估值技術及輸入值。在估計資產或負債之公平值時，本集團盡可能使用可得之可觀察市場數據。在並無第一級的輸入數據之情況下，本集團乃委聘第三方合資格估值師進行估值。本公司管理層與合資格外部估值師緊密合作，以建立適當之估值技術及有關模式之輸入值。

於估計若干類別財務工具之公平值時，本集團採用包括並非基於可觀察市場數據之輸入值之估值技術。有關用於釐定各種資產及負債公平值所使用之估值技術、輸入值及主要假設之詳細資料載於綜合財務報表附註7(c)。



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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(ix) *Estimated impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 December 2016, the Group has recognised an impairment loss of approximately HK\$64,483,000 (2015: Nil) in respect of goodwill. Details of the value in use calculation are disclosed in Note 29 to the consolidated financial statements.

5. 重要會計判斷及估計不明朗因 素之主要來源 (續)

(b) 估計不明朗因素之主要來源 (續)

(ix) *商譽之估計減值*

釐定商譽是否減值須要估計獲分配有關商譽的現金產生單位使用價值。計算使用價值須要本集團對預期可自現金產生單位獲得的未來現金流量以及適合計算現值的折現率作出估計。倘實際現金流量較預期為少，則可能產生重大減值虧損。截至二零一六年十二月三十一日止年度，本集團已確認商譽減值虧損約64,483,000港元（二零一五年：無）。使用價值計算詳情披露於綜合財務報表附註29。



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綜合財務報表附註

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

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The Group also monitors the current and expected liquidity requirements regularly to ensure that sufficient working capital and adequate committed lines of funding are maintained to meet its liquidity requirements. Upon the discovery of any default, the Group would negotiate immediately with the relevant lenders for proper arrangement in order to maintain sufficient working capital. Upon the expectation of any cash insufficiency, the Company would seek new source of funding so as to maintain sufficient working capital.

The capital structure of the Group consists of net debts, which include borrowings, convertible bonds payables, contingent consideration payable, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as issue of new debt or the redemption of existing debt.

6. 資本風險管理

本集團管理其資本以確保本集團內實體之持續經營能力，同時透過優化債務及權益結餘為股東提供最大回報。本集團之整體策略與過往年度相比仍無變動。

本集團亦定期監察即期及預期流動資金需要，確保維持充足營運資金及足夠已承諾資金額度應付其流動資金需要。發現任何違約後，本集團將即時與有關貸款人磋商作出適當安排以維持充足營運資金。預期有任何現金不足情況時，本公司會尋求新集資來源，以維持充足營運資金。

本集團之資本結構包括債務淨額，其借貸、應付可換股債券、應付或然代價，扣除現金及現金等價物及本公司擁有人應佔權益，其包括已發行股本、儲備及累計虧損。

董事每年審閱資本架構。董事認為資本成本及各類資本之相關風險乃審閱內容之一部分。根據董事之推薦建議，本集團將透過發行新股及發行新債務或贖回現有債務平衡其整體資本架構。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS

7. 財務工具

a. Categories of financial instruments

a. 財務工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	財務資產		
Fair value through profit or loss	按公平值計入損益賬		
– Investments held for trading	– 持作買賣投資	2,177	1,952
Loans and receivables (including bank balances and cash)	貸款及應收款項 (包括銀行結餘及現金)	<u>430,066</u>	<u>257,887</u>
		<u>432,243</u>	<u>259,839</u>
Financial liabilities	財務負債		
Fair value through profit or loss	按公平值計入損益賬		
– Contingent consideration payable	– 應付或然代價	317,628	315,740
– Convertible bonds payables	– 應付可換股債券	106,719	55,018
Other financial liabilities measured at amortised cost	按攤銷成本計量之其他財務負債	2,498,668	1,711,157
Convertible bonds payables	應付可換股債券	<u>242,160</u>	<u>238,714</u>
		<u>3,165,175</u>	<u>2,320,629</u>

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, finance lease receivables, investments held for trading, pledged bank deposits, bank balances and cash, amount due from(to) associates, restricted cash, trade, bills and other payables, amounts due to related parties, amounts due to directors, borrowings, convertible bonds payables and contingent consideration payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Company and its major operating subsidiaries use RMB as its functional currency and are mainly exposed to currency in respect of United States dollars ("USD"), Euro ("EUR") and HK\$, arising from foreign currency denominated bank balances and cash, restricted cash, trade receivables, other receivables, trade, bills and other payables, convertible bonds payables and contingent consideration payable. The Group's other operating subsidiaries established in Hong Kong whose functional currencies are HK\$ and do not have significant foreign currency exposure.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

7. 財務工具 (續)

b. 財務風險管理目標及政策

本集團之主要財務工具包括貿易應收款項、其他應收款項、應收融資租賃款項、持作買賣投資、已抵押銀行存款、銀行結餘及現金、應收(付)聯營公司款項、受限制現金、貿易應付款項、應付票據及其他應付款項、應付有關聯人士款項、應付董事款項、借貸、應付可換股債券及應付或然代價。該等財務工具之詳情於相關附註中披露。與該等財務工具有關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何減低此等風險之政策。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

市場風險

(i) 貨幣風險

本公司及其主要營運附屬公司(均以人民幣作為其功能貨幣)主要承受有關美元(「美元」)、歐元(「歐元」)及港元之外匯風險，由以外幣計值之銀行結餘及現金、受限制現金、貿易應收款項、其他應收款項、貿易應付款項、應付票據及其他應付款項、應付可換股債券及應付或然代價所產生。本集團之其他營運附屬公司於香港成立，其功能貨幣為港元，且並無重大外幣風險。

本集團目前並無外幣對沖政策。然而，管理層會監控外幣風險，並於需要時，將會考慮對沖重大外幣風險。

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7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

		Liabilities 負債		Assets 資產	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
USD	美元	8,029	–	182,210	36,332
EUR	歐元	–	–	142,268	3,013
HK\$	港元	698,182	631,314	97,412	7,035

Sensitivity analysis

The Group is mainly exposed to the foreign currency risk of USD, EUR and HK\$.

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

下表列示於報告期末，本集團以外幣列值之貨幣資產及貨幣負債之賬面值：

敏感度分析

本集團主要承受美元、歐元及港元之外幣風險。

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in RMB against the relevant foreign currencies. A 5% (2015: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at the end of the reporting period for a 5% (2015: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where RMB strengthens 5% (2015: 5%) against the relevant currency. For a 5% (2015: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

下表詳列因應本集團分別對人民幣兌有關外幣升值及減值5% (二零一五年: 5%) 之敏感度。5% (二零一五年: 5%) 為內部向主要管理人員報告外匯風險時使用的敏感度利率，並指管理層對匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之尚未平倉貨幣項目，並於報告期末調整其兌換以反映外幣匯率之5% (二零一五年: 5%) 變動。下列正數表示人民幣兌有關貨幣升值5% (二零一五年: 5%) 所導致的除稅後虧損減少。倘人民幣兌有關貨幣貶值5% (二零一五年: 5%)，將會對除稅後虧損造成相等及相反之影響，而以下之結餘將成為負數。

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Decrease (increase) in loss	虧損減少 (增加)		
– USD Impact	– 美元影響	(8,709)	(1,817)
– EUR Impact	– 歐元影響	(7,113)	(151)
– HK\$ Impact	– 港元影響	30,038	31,214

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7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and borrowings, and exposed to fair value interest rate risk in relation to fixed-rate finance lease receivables, pledged bank deposits, bank balances and cash, fixed-rate borrowings, the liability component of convertible bonds payables.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and borrowings at the end of the reporting period. The analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 5 and 50 basis points (2015: 5 and 50 basis points) increase or decrease in interest rate for bank balances and borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

本集團承受之現金流量利率風險與浮息銀行結餘及借貸有關，本集團承受之公平值利率風險與固息應收融資租賃款項、已抵押銀行存款、銀行結餘及現金、固息借貸、應付可換股債券之債務部分有關。

本集團目前並無利率對沖政策。然而，管理層會監控利率風險，並於需要時，將會考慮對沖重大利率風險。

本集團財務負債承受之利率風險之詳情於本附註流動資金風險管理一節詳述。

敏感度分析

下文之敏感度分析已根據於報告期末浮息銀行結餘及借貸之利率浮動須承受之利率風險而釐定。分析乃假設於報告期末未償還之金額於整個年度內並無償還而予以編製，分別5及50基點（二零一五年：5及50基點）之銀行結餘及借貸利率向上或向下浮動用於對內部向主要管理層人員報告利率風險並指管理層對利率可能出現合理變動之評估。

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7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis (Continued)

If interest rates had been 50 basis points (2015: 50 basis points) higher/lower for borrowings and all other variables were held constant, the post-tax loss for the year ended 31 December 2016 would increase/decrease by approximately HK\$3,577,000 (2015: HK\$1,631,000).

If interest rate had been 5 basis points (2015: 5 basis points) higher/lower for bank balances, and all other variables were held constant, the post-tax loss for the year ended 31 December 2016 would decrease/increase by approximately HK\$51,000 (2015: HK\$35,000).

(iii) Price risk

Price risk on investments held for trading

The Group is exposed to equity price risk through its investments held for trading. The Group's equity price risk is mainly concentrated on listed equity securities quoted in the stock exchange. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of investments held for trading at the end of the reporting period.

If the prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, post-tax loss for the year ended 31 December 2016 would decrease/increase by approximately HK\$109,000 (2015: approximately HK\$98,000) as a result of the change in fair value of investments held for trading.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析 (續)

倘借貸之利率上升/下降50基點(二零一五年: 50基點)而所有其他可變因素維持不變,則截至二零一六年十二月三十一日止年度之除稅後虧損將增加/減少約3,577,000港元(二零一五年: 1,631,000港元)。

倘銀行結餘利率上升/下降5基點(二零一五年: 5基點),而所有其他可變因素維持不變,則截至二零一六年十二月三十一日止年度之除稅後虧損將減少/增加約51,000港元(二零一五年: 35,000港元)。

(iii) 價格風險

持作買賣投資之價格風險

本集團因其持作買賣投資而須承受股本價格風險。本集團之股本價格風險主要集中於聯交所報價之上市股本證券。管理層透過密切監察價格風險及維持一組不同風險的投資組合管理該等風險。

敏感度分析

下文之敏感度分析已根據持作買賣投資於報告期末須承受之股本價格風險而釐定。

倘各股本工具之價格已上升/下降5%,而所有其他可變因素維持不變,則截至二零一六年十二月三十一日止年度除稅後虧損將減少/增加約109,000港元(二零一五年: 約98,000港元),乃由於持作買賣之投資之公平值發生變動所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Price risk (Continued)

Price risk on contingent consideration payable
The Group is exposed to the Company's share price risk through contingent consideration payable.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the Company's share price and risk free rate price risks of contingent consideration payable at the end of reporting period.

If the Company's share prices of the respective contingent consideration payable had been 5% higher/lower and all other variables were held constant, post-tax loss for the year ended 31 December 2016 would be increase/decrease by approximately HK\$15,881,000 and HK\$15,881,000 respectively (2015: increase/decrease by approximately HK\$16,000,000 and HK\$16,000,000) as a result of the change in fair value of contingent consideration payable.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

應付或然代價之價格風險
本集團因應付或然代價而承受本公司股價風險。

敏感度分析

下文之敏感度分析已根據應付或然代價於報告期末須承受之本公司股價及無風險利率價格風險而釐定。

倘有關應付或然代價之本公司股價已上升／下降5%，而所有其他可變因素維持不變，則截至二零一六年十二月三十一日止年度除稅後虧損將分別增加／減少約15,881,000港元及15,881,000港元（二零一五年：增加／減少約16,000,000港元及16,000,000港元），乃由於應付或然代價之公平值發生變動所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk on receivables is significantly reduced.

The Group has concentration of credit risk in finance lease segment as the entire outstanding finance lease receivable of approximately HK\$17,833,000 (2015: HK\$28,418,000) was contributed from a single customer as at 31 December 2016. The Directors consider that the risks will be mitigated by exploring new customers in future.

The Group also has concentration of credit risk in trading segment as the entire outstanding trade receivable of approximately HK\$8,069,000 (2015: Nil) was contributed from a single customer as at 31 December 2016. The Directors consider that the risks will be mitigated by exploring new customers in future.

The credit risk of liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

信貸風險

於二零一六年十二月三十一日，本集團須承受之最大信貸風險（其將因交易對手未能履行責任導致本集團之財務虧損並由本集團作出撥備）乃於綜合財務狀況報表列賬之各項已確認財務資產之賬面值而產生。

為盡量減低信貸風險，本集團之管理層採用信貸批准及其他監管程序，以確保能跟進追討過期債務之事宜。此外，本集團於各報告期末檢討各項個別應收款項的可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，董事認為本集團應收款項之信貸風險已大幅減少。

於二零一六年十二月三十一日，全部未償還應收融資租賃款項約17,833,000港元（二零一五年：28,418,000港元）來自一名單一客戶，令本集團融資租賃分部面臨信貸集中風險。董事認為可通過日後開發新客戶緩解該風險。

於二零一六年十二月三十一日，全部未償還貿易應收款項約8,069,000港元（二零一五年：無）來自一名單一客戶，亦令本集團貿易分部面臨信貸集中風險。董事認為可通過日後開發新客戶緩解該風險。

流動資金之信貸風險有限，因交易對手方是獲國際信貸評級機構給予高信貸評級的銀行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Operational risk

The Group had improved the operational risk as more new customers were added to minimise the effects of over reliance on one customer during the years ended 31 December 2016 and 31 December 2015.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group was exposed to liquidity risk at 31 December 2016 as the Group had net current liabilities and net liabilities of approximately HK\$1,090,208,000 and HK\$604,752,000, respectively. In order to improve the Group's liquidity position, the Directors have been implementing various operating and financing measures, details of which are set out in Note 2 to the consolidated financial statements.

The Group relied on borrowings as significant sources of liquidity, details of which are set out in Note 32 to the consolidated financial statements.

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. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

經營風險

由於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度內增加更多新客戶以盡量降低倚賴一名客戶的影響，本集團的經營風險已改善。

流動資金風險

於管理流動資金風險之過程中，本集團監控並維持管理層視為足夠為本集團營運提供資金之一定水平的現金及現金等價物並減輕因現金流量浮動帶來的影響。

本集團於二零一六年十二月三十一日面臨流動資金風險，此乃因本集團的流動負債淨額及淨負債分別約1,090,208,000港元及604,752,000港元。為改善本集團的流動資金狀況，董事正推行各項營運及財務措施，有關詳情載於綜合財務報表附註2。

本集團依賴借貸作為流動資金之重要來源，有關詳情載於綜合財務報表附註32。

下表載列就非衍生財務負債而言，本集團之其餘合約到期日之詳情。此表乃根據本集團可能最早被要求償還財務負債之日，財務負債之未貼現現金流量而編製。尤其是，含有須按要求償還條款之銀行借貸乃計入最早時間段，而不論銀行是否可能選擇行使彼等之權利。其他非衍生財務負債之到期日分析乃根據預定之償還日期編製。

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

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables

The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險表

下表已載列利息及本金之現金流量。倘利息流按浮動利率計算，未貼現金額則按於報告期末之利率計算得出。

	Weighted average effective interest rate	On demand or less than 1 month	Over 1 month but less than 3 months	Over 3 months but less than 1 year	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2016
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
2016								二零一六年
Non-derivative financial liabilities								十二月三十一日之賬面值
Trade and other payables		314,720	10,948	77,044	4,937	-	407,649	407,649
Amounts due to related parties		425	-	-	-	-	425	425
Amounts due to directors		1,521	-	-	-	-	1,521	1,521
Amount due to an associate		877	-	-	-	-	877	877
Convertible bonds payables (Note)	7.48	7,500	-	255,858	-	-	263,358	242,160
Borrowings								
- fixed rates	7.11	424,382	12,328	418,599	409,867	159,542	1,424,718	1,372,855
- variable rates	5.16	65,031	101,191	55,378	54,945	444,000	720,545	715,341
		814,456	124,467	806,879	469,749	603,542	2,819,093	2,740,828

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

	Weighted average effective interest rate	On demand or less than 1 month	Over 1 month but less than 3 months	Over 3 months but less than 1 year	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2015 於 二零一五年 十二月三十一日 之賬面值
	加權平均 實際利率 %	按要求或 少於1個月 HK\$'000 千港元	1個月以上 但少於3個月 HK\$'000 千港元	3個月以上 但少於1年 HK\$'000 千港元	1年以上 但少於2年 HK\$'000 千港元	2年以上 但少於5年 HK\$'000 千港元	未貼現現金 流量總額 HK\$'000 千港元	十二月三十一日 之賬面值 HK\$'000 千港元
2015								
Non-derivative financial liabilities								
Trade and other payables		278,928	21,092	57,638	-	-	357,658	357,658
Bills payables		-	-	141,600	-	-	141,600	141,600
Amounts due to related parties		4,163	-	-	-	-	4,163	4,163
Amounts due to directors		597	-	-	-	-	597	597
Convertible bonds payables (Note)	7.5	-	-	197,491	47,073	-	244,564	238,714
Borrowings								
- fixed rates	8.72	363,818	7,710	371,229	149,760	21,473	913,990	880,944
- variable rates	6.13	105,003	820	153,632	19,033	63,720	342,208	326,195
		752,509	29,622	921,590	215,866	85,193	2,004,780	1,949,871

Note: The undiscounted amount represents the coupon interest and redemption amount on maturity on the assumption that there was no conversion prior to maturity.

b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險表 (續)

附註：未貼現金額指假設於到期前並無轉換之票息及到期贖回款項。



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

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2016 and 31 December 2015, there was no principal amount of the Group's bank borrowings with unconditional repayment on demand clause.

The amounts included as above for variable interest rate instruments of non-derivative financial liabilities are subject to change if change in variable interest rates differ to those estimates of interest rate determined at the end of the reporting period.

c. Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

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.

7. 財務工具 (續)

b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團的銀行借貸本金概不附帶無條件按要求償還條款。

若浮動利率變動不同於報告期末釐定之利率估計，則上述非衍生財務負債之浮息工具之款項亦會有所改變。

c. 財務工具之公平值計量

本附註提供資料說明本集團為各項財務資產及財務負債釐定公平值的方法。

就財務報告而言，本集團若干財務工具按公平值計量。

於估計公平值時，本集團採用可用之市場可觀察數據。倘第一層級輸入數據不可用時，本集團將委聘第三方合資格估值師進行估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 財務工具之公平值計量 (續)

Financial assets/ financial liabilities 財務資產／財務負債	Fair value as at 公平值		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入值	Significant unobservable inputs 重大不可觀察輸入值
	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元			
Held-for-trading non-derivative financial assets classified as investments held for trading in the consolidated statement of financial position 於綜合財務狀況表內分類為持作買賣投資之持作買賣非衍生財務資產	Listed equity securities- approximately 2,177 上市股本證券一 約2,177	Listed equity securities- approximately 1,952 上市股本證券一 約1,952	Level 1 第一層級	Quoted prices in an active market 於活躍市場之報價	N/A 不適用
Derivative financial liabilities classified as convertible bonds payable in the consolidated statement of financial position 於綜合財務狀況表內分類為應付可換股債券之衍生財務負債	Liability- approximately 13,872 負債一 約13,872	Liability- approximately 55,018 負債一 約55,018	Level 3 第三層級	Binomial Model – volatility, time to maturity, applicable stock price, risk free rate 二項式模型－波幅、到期日、適用股價、無風險利率	Volatility of 37.34% taking into account Effective interest rate of 18.59% taking into account 考慮波幅為37.34% 考慮實際利率為18.59%
CBIX at FVTPL (defined in Note 35) classified as convertible bonds payable in the consolidated statement of financial position 於綜合財務狀況表內分類為應付可換股債券之按公平值計入損益之可換股債券IX (定義見附註35)	Liability- approximately 92,847 負債一 約92,847	N/A 不適用	Level 3 第三層級	Monte Carlo Simulation Method – volatility, time to maturity, applicable stock price, risk free rate 蒙特卡羅模擬方法－波幅、到期日、適用股價、無風險利率	Effective interest rate of 19.18% taking into account 考慮實際利率為19.18%
Contingent consideration payable in a business combination 於業務合併中之應付或然代價	N/A 不適用	Liability- approximately 315,740 負債一 約315,740	Level 3 第三層級	Income approach – the Company's share price, risk free rate 收入法－本公司股價、無風險利率	The estimated profit for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度之估計溢利
Contingent consideration payable in a business combination 於業務合併中之應付或然代價	Liability- approximately 317,628 負債一 約317,628	N/A 不適用	Level 1 第一層級	Quoted prices in an active market 於活躍市場之報價	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 財務工具之公平值計量 (續)

		Fair value hierarchy 公平值層級			
		Level 1 第一層級	Level 2 第二層級	Level 3 第三層級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2016	二零一六年				
Financial assets	財務資產				
Investments held for trading	持作買賣之投資	2,177	-	-	2,177
		<u>2,177</u>	<u>-</u>	<u>-</u>	<u>2,177</u>
Financial liabilities	財務負債				
Convertible bonds payables	應付可換股債券				
- Derivative financial liabilities (Note 2)	- 衍生財務負債 (附註2)	-	-	13,872	13,872
- CBIX at FVTPL (Note 3)	- 按公平值計入損益之可換股債券IX (附註3)	-	-	92,847	92,847
Contingent consideration payable (Note 1)	應付或然代價 (附註1)	317,628	-	-	317,628
		<u>317,628</u>	<u>-</u>	<u>-</u>	<u>317,628</u>
		<u>317,628</u>	<u>-</u>	<u>106,719</u>	<u>424,347</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

c. Fair value measurement of financial instruments (Continued)

c. 財務工具之公平值計量 (續)

		Fair value hierarchy 公平值層級			
		Level 1 第一層級	Level 2 第二層級	Level 3 第三層級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2015	二零一五年				
Financial asset	財務資產				
Investments held for trading	持作買賣之投資	1,952	-	-	1,952
Financial liabilities	財務負債				
Convertible bonds payables	應付可換股債券				
- derivative financial liabilities (Note 2)	- 衍生財務負債 (附註2)	-	-	55,018	55,018
Contingent consideration payable (Note 1)	應付或然代價 (附註1)	-	-	315,740	315,740
		-	-	370,758	370,758

Note 1: The fair values of the contingent consideration payable were estimated by applying the income approach. The applied discount rate is 2.37%. Should the estimated net profit after tax of Success Capture Limited for the year ended 31 December 2015 increase/decrease by 5% and all other variables were held constant, the fair value of contingent consideration payable would be increased/decreased by approximately HK\$4,000,000.

Note 2: An increase in effective interest rate used in isolation would result in an increase in fair value measurement of the derivative financial liabilities, and vice versa. A 5% increase/decrease in effective interest rate and holding all other variables constant would increase/decrease the carrying amount of the derivative financial liabilities by HK\$188,000/HK\$189,000 respectively (2015: HK\$270,000/HK\$274,000 respectively).

An increase in volatility used in isolation would result in an increase in fair value measurement of the derivative financial liabilities, and vice versa. A 5% increase/decrease in volatility and holding all other variables constant would increase/decrease the carrying amount of the derivative financial liabilities by HK\$964,000/HK\$818,000 respectively (2015: HK\$2,451,000/HK\$2,466,000 respectively).

附註1: 應付或然代價之公平值使用收益法估計。所採用之貼現率為2.37%。倘Success Capture Limited截至二零一五年十二月三十一日止年度之估計除稅後淨溢利增加/減少5%，而所有其他變量維持不變，應付或然代價之公平值將增加/減少約4,000,000港元。

附註2: 所使用之實際利率單獨上升將導致衍生財務負債之公平值計量增加，反之亦然。倘實際利率上升/下降5%，而所有其他變量維持不變，將導致衍生財務負債之賬面值分別增加/減少188,000港元/189,000港元（二零一五年：270,000港元/274,000港元）。

所使用之波幅單獨上升將導致衍生財務負債之公平值計量增加，反之亦然。倘波幅上升/下降5%，而所有其他變量維持不變，將導致衍生財務負債之賬面值分別增加/減少964,000港元/818,000港元（二零一五年：2,451,000港元/2,466,000港元）。

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綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value measurement of financial instruments (Continued)

Note 3: An increase in effective interest rate used in isolation would result in a decrease in fair value measurement of the CBIX at FVTPL, and vice versa. A 5% increase/decrease in effective interest rate and holding all other variables constant would decrease/increase the carrying amount of the CBIX at FVTPL by HK\$12,000/HK\$10,000 respectively.

The contingent consideration payable represent the fair value of the Second Tranche Consideration (as defined in Note 38 to the consolidated financial statements). The fair value of the contingent consideration payable as at 31 December 2016 amounts to HK\$317,628,000 (2015: HK\$315,740,000). The fair value of the contingent consideration payable as at 31 December 2015 was measured using a valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy. As at 31 December 2016, as the Guarantee Profit (as defined in Note 38 to the consolidated financial statements) has been achieved, the fair value of the contingent consideration payable represented the market value of the Second Tranche Consideration (as defined in Note 38 to the consolidated financial statements) on 31 December 2016. Therefore the fair value of the contingent consideration payable was determined based on a published price quotation available on the Stock Exchange and was classified as Level 1 of the fair value hierarchy.

Other than disclosed above, there was no transfer between Level 1, 2 and 3 during the year.

7. 財務工具 (續)

c. 財務工具之公平值計量 (續)

附註3：所使用之實際利率單獨上升將導致按公平值計入損益之可換股債券IX之公平值計量減少，反之亦然。倘實際利率上升／下降5%，而所有其他變量維持不變，將導致按公平值計入損益之可換股債券IX之賬面值分別減少／增加12,000港元／10,000港元。

應付或然代價為第二批代價（定義見綜合財務報表附註38）之公平值。應付或然代價於二零一六年十二月三十一日之公平值為317,628,000港元（二零一五年：315,740,000港元）。應付或然代價於二零一五年十二月三十一日之公平值金額使用重大不可觀察輸入數據的估值技術計量，因此分類為公平值層級第三層級。於二零一六年十二月三十一日，由於已達致保證溢利（定義見綜合財務報表附註38），應付或然代價之公平值為第二批代價（定義見綜合財務報表附註38）於二零一六年十二月三十一日之市場價值。因此，應付或然代價之公平值乃根據聯交所所報公開價格釐定，分類為公平值層級第一層級。

除上文披露者外，年內第一、第二及第三層級之間概無轉撥。

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

7. 財務工具 (續)

c. Fair value measurement of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements

		Contingent consideration payable	CBIX at FVTPL	Derivative financial liabilities	Total
		應付或然代價 HK\$'000 千港元	按公平值計入損益之可換股債券IX HK\$'000 千港元	衍生財務負債 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	-	-	-	-
Addition	添置	341,218	-	19,028	360,246
Fair value change	公平值變動	(25,478)	-	35,990	10,512
At 31 December 2015	於二零一五年十二月三十一日	315,740	-	55,018	370,758
Transfer out of level 3	轉出第三層級	(315,740)	-	-	(315,740)
Extension of CBVIII	延長可換股債券VIII期限	-	-	14,736	14,736
Addition	添置	-	92,954	-	92,954
Fair value change	公平值變動	-	(107)	(55,882)	(55,989)
At 31 December 2016	於二零一六年十二月三十一日	-	92,847	13,872	106,719

Of the total gains or losses for the year included in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$107,000 relates to CBIX at FVTPL held at the end of the current reporting period.

Of the total gains or losses for the year included in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$55,882,000 relates to derivative financial liabilities held at the end of the current reporting period.

c. 財務工具之公平值計量 (續)

第三層級公平值計量之對賬

計入綜合損益及其他全面收益表之本年度收益或虧損總額中約107,000港元與於本報告期末持有之按公平值計入損益之可換股債券IX有關。

計入綜合損益及其他全面收益表之本年度收益或虧損總額中約55,882,000港元與於本報告期末持有之衍生財務負債有關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value measurement of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements (Continued)

The Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their values.

8. REVENUE AND SEGMENT INFORMATION

Information reported to the board of Directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- a) Shipbuilding business – provision of shipbuilding services under shipbuilding construction contracts and operated in the People’s Republic of China (the “PRC”).
- b) Trading business – provision of trading of electronic appliance and operated in Hong Kong.
- c) Finance leasing business – provision of direct finance leasing, sale and leaseback, advisory services and provision of factoring services in the PRC.
- d) Intelligent car parking and automotive device business – manufacturing and sales of car parking equipment, investment, operation and management of car parks and electronic automotive devices in the PRC.

7. 財務工具 (續)

c. 財務工具之公平值計量 (續)

第三層級公平值計量之對賬 (續)

董事認為，於綜合財務報表內以攤銷成本入賬之其他財務資產及財務負債之賬面值乃與其價值相若。

8. 收益及分部資料

向董事會（其為主要營運決策者（「主要營運決策者」））就分部資源分配及其表現評估而報告之資料集中於所交付或提供之貨品或服務種類。在達致本集團之呈報分部時，並無彙集主要經營決策者所識別之經營分部。

具體而言，本集團根據香港財務報告準則第8號經營分部劃分之可呈報及經營分部如下：

- a) 船舶製造業務－根據造船合約在中華人民共和國（「中國」）提供船舶製造服務。
- b) 貿易業務－在香港經營貿易業務。
- c) 融資租賃業務－在中國提供直接融資租賃、售後租回、顧問服務及提供保理服務。
- d) 智慧停車及汽車電子業務－於中國提供停車設備的生產及銷售、投資、運營、管理停車場以及汽車電子業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2016

8. 收益及分部資料 (續)

分部收益及業績

本集團按可呈報及經營分部劃分之收益及業績分析如下。

截至二零一六年十二月三十一日止年度

		Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business	Elimination	Total
		船舶製造 業務	貿易業務	融資租賃 業務	智慧停車 及汽車電子 業務	抵銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue	分部收益						
- External sales	- 外部銷售	154,220	51,124	1,420	210,549	-	417,313
- Inter-segment sales	- 分部間銷售	2,640	14,885	7,850	54,373	(79,748)	-
Total segment revenue	分部收益總額	156,860	66,009	9,270	264,922	(79,748)	417,313
Segment result	分部業績	(321,284)	(15,359)	(14,548)	(49,960)		(401,151)
Unallocated other income	未分配其他收入						1,099
Unallocated other gains and losses	未分配其他收益及虧損						(25,066)
Change in fair value of contingent consideration payable	應付或然代價之公平值變動						(1,888)
Change in fair value of investments held for trading	持作買賣投資之公平值變動						225
Change in fair value of convertible bonds payables	應付可換股債券之公平值變動						55,989
Finance costs	融資成本						(37,156)
Share of profit of associates	分佔聯營公司之溢利						14,277
Share of profit of joint ventures	分佔合營企業之溢利						52,206
Unallocated corporate expenses	未分配之公司開支						(24,934)
Loss before tax	除稅前虧損						(366,399)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收益及分部資料 (續)

Segment revenue and results (Continued)

分部收益及業績 (續)

For the year ended 31 December 2015

截至二零一五年十二月三十一日止年度

		Shipbuilding business 船舶製造 業務 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Finance leasing business 融資租賃 業務 HK\$'000 千港元	Intelligent car parking and automotive device business 智慧停車 及汽車電子 業務 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue	分部收益						
– External sales	– 外部銷售	143,187	–	3,442	11,006	–	157,635
– Inter-segment sales	– 分部間銷售	–	–	9,315	–	(9,315)	–
Total segment revenue	分部收益總額	143,187	–	12,757	11,006	(9,315)	157,635
Segment result	分部業績	(350,647)	–	3,112	(4,936)		(352,471)
Unallocated other income	未分配其他收入						2,007
Unallocated other gains and losses	未分配其他收益及虧損						(14,968)
Change in fair value of contingent consideration payable	應付或然代價之公平值變動						25,478
Change in fair value of investments held for trading	持作買賣投資之公平值變動						(1,684)
Change in fair value of convertible bonds payables	應付可換股債券之公平值變動						(35,990)
Loss on settlement of loan by issuance of shares	發行股份以清償貸款之虧損						(10,755)
Share-based payments expenses	以股份為基礎之付款開支						(49,194)
Finance costs	融資成本						(71,171)
Share of profit of associates	分佔聯營公司之溢利						8,791
Share of loss of joint ventures	分佔合營企業之虧損						(1,054)
Unallocated corporate expenses	未分配之公司開支						(26,109)
Loss before tax	除稅前虧損						(527,120)



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

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by (loss from) each segment without allocation of certain other income, certain other gains or losses, change in fair value of contingent consideration payable, change in fair value of investments held for trading, change in fair value of convertible bonds payables, loss on settlement of loan by issuance of shares, share-based payments expenses, certain finance costs, share of profit of associates, share of profit (loss) of joint ventures and certain corporate expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

8. 收益及分部資料 (續)

分部收益及業績 (續)

經營分部之會計政策與本集團會計政策相同。分部業績指各分部的溢利(虧損)，不包括若干其他收入、若干其他收益或虧損、應付或然代價之公平值變動、持作買賣投資之公平值變動、應付可換股債券之公平值變動、發行股份以清償貸款之虧損、以股份為基礎之付款開支、若干融資成本、分佔聯營公司之溢利、分佔合營企業之溢利(虧損)及若干公司開支之分配。此乃向主要營運決策者呈報以進行資源分配及表現評估之方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

8. 收益及分部資料 (續)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

分部資產及負債

本集團可按呈報及經營分部劃分之資產及負債分析如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Assets	資產		
Segment assets	分部資產		
– Shipbuilding business	– 船舶製造業務	813,180	1,065,649
– Trading business	– 貿易業務	8,069	–
– Finance leasing business	– 融資租賃業務	221,667	58,090
– Intelligent car parking and automotive device business	– 智慧停車及汽車電子業務	<u>709,396</u>	<u>477,145</u>
Total segment assets	分部資產總額	1,752,312	1,600,884
Pledged bank deposits, bank balances and cash and restricted cash	已抵押銀行存款、銀行結餘及現金以及受限制現金	195,785	151,714
Interests in associates	於聯營公司之權益	192,706	93,410
Interests in joint ventures	於合營企業之權益	527,461	472,118
Amount due from an associate	應收一間聯營公司款項	7,215	–
Unallocated corporate assets	未分配之公司資產	<u>4,128</u>	<u>3,698</u>
Consolidated assets	綜合資產	<u>2,679,607</u>	<u>2,321,824</u>
Liabilities	負債		
Segment liabilities	分部負債		
– Shipbuilding business	– 船舶製造業務	1,773,558	1,791,072
– Trading business	– 貿易業務	8,029	–
– Finance leasing business	– 融資租賃業務	523,207	57,547
– Intelligent car parking and automotive device business	– 智慧停車及汽車電子業務	<u>194,430</u>	<u>101,426</u>
Total segment liabilities	分部負債總額	2,499,224	1,950,045
Convertible bonds payables	應付可換股債券	348,879	293,732
Contingent consideration payable	應付或然代價	317,628	315,740
Deferred tax liabilities	遞延稅項負債	86,071	115,208
Amount due to an associate	應付一間聯營公司款項	877	–
Unallocated corporate liabilities	未分配之公司負債	<u>31,680</u>	<u>33,871</u>
Consolidated liabilities	綜合負債	<u>3,284,359</u>	<u>2,708,596</u>



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

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in joint ventures, certain other receivables, pledged bank deposits, bank balances and cash, restricted cash, investments held for trading, amount due from an associate and certain corporate property, plant and equipment; and
- all liabilities are allocated to operating segments other than convertible bonds payables, contingent consideration payable, deferred tax liabilities, amount due to an associate and certain other payables and accruals.

8. 收益及分部資料 (續)

分部資產及負債 (續)

為方便監控分部表現及在分部間分配資源：

- 所有資產均分配至經營分部，惟為於聯營公司之權益、於合營企業之權益、若干其他應收款項、已抵押銀行存款、銀行結餘及現金、受限制現金、持作買賣之投資、應收一間聯營公司款項及若干公司物業、廠房及設備除外；及
- 所有負債均分配至經營分部，惟應付可換股債券、應付或然代價、遞延稅項負債、稅項負債、應付一間聯營公司款項及若干其他應付款項及應計費用除外。

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綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

Year ended 31 December 2016

Amounts included in the measure of segment result or segment assets:

8. 收益及分部資料 (續)

其他分部資料

截至二零一六年十二月三十一日止年度

計量分部業績或分部資產時計入之金額如下：

		Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business	Unallocated	Total
		船舶製造業務	貿易業務	融資租賃業務	智慧停車及汽車電子業務	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Additions to property, plant and equipment	添置物業、廠房及設備	6,066	-	23	40,500	704	47,293
Addition to investment properties	投資物業增加	-	-	-	16,386	-	16,386
Addition to prepaid lease payments	預付租賃款項增加	-	-	-	11,987	-	11,987
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	50,548	-	102	1,895	388	52,933
Amortisation of prepaid lease payments	預付租賃款項攤銷	7,090	-	-	242	-	7,332
Amortisation of intangible assets	無形資產攤銷	-	-	-	39,840	-	39,840
Loss on written-off of property, plant and equipment	撤銷物業、廠房及設備之虧損	18	-	-	18	-	36
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(463)	-	-	-	-	(463)
Foreseeable losses (included penalties due to the Delay) recognised in respect of additional estimated costs (included in shipbuilding contract cost and recognised as cost of sales)	就額外估計成本(計入造船合約成本及確認為銷售成本)而確認之可預見虧損(計及因延誤之罰款)(附註5(b)(i))	52,061	-	-	-	-	52,061
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備而確認之減值虧損	66,828	-	-	-	-	66,828
Impairment loss recognised in respect of trade receivables	就貿易應收款項而確認之減值虧損	-	-	-	844	-	844
Impairment loss recognised in respect of other receivables	就其他應收款項而確認之減值虧損	9,177	-	-	-	-	9,177
Impairment loss recognised in respect of prepaid lease payments	就預付租賃款項而確認之減值虧損	18,766	-	-	-	-	18,766
Impairment loss recognised in respect of goodwill	就商譽而確認之減值虧損	-	-	-	64,483	-	64,483
Change in fair value of investment properties	投資物業之公平值變動	-	-	-	(211)	-	(211)
Finance costs	融資成本	89,593	-	8,023	1,552	37,156	136,324

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment result:

8. 收益及分部資料 (續)

其他分部資料 (續)

定期提交予主要營運決策者但在計量分部業績時並無計入之金額如下：

	Shipbuilding business	Trading business	Finance leasing business	Intelligent car parking and automotive device business	Unallocated	Total
	船舶製造業務	貿易業務	融資租賃業務	智慧停車及汽車電子業務	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Interest income	(534)	-	(27)	(535)	(3)	(1,099)
Foreign exchange loss (gain)	6,693	1,585	-	(604)	17,474	25,148
Share of profit of associates	-	-	-	-	(14,277)	(14,277)
Share of profit of joint ventures	-	-	-	-	(52,206)	(52,206)
Change in fair value of convertible bonds payables	-	-	-	-	(55,989)	(55,989)
Additions to interests in associates	-	-	-	-	84,155	84,155
Additions to interests in joint ventures	-	-	-	-	311	311
Change in fair value of investments held for trading	-	-	-	-	(225)	(225)
Change in fair value of contingent consideration payable	-	-	-	-	(1,888)	(1,888)

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8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Year ended 31 December 2015

8. 收益及分部資料 (續)

其他分部資料 (續)

截至二零一五年十二月三十一日止年度

		Shipbuilding business 船舶製造 業務 HK\$'000 千港元	Finance leasing business 融資租賃 業務 HK\$'000 千港元	Intelligent car parking and automotive device business 智慧停車 及汽車電子 業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Additions to property, plant and equipment	添置物業、廠房及設備	3,616	12	1,663	707	5,998
Goodwill arising through acquisition of subsidiaries	透過收購附屬公司產生之商譽	–	–	188,057	–	188,057
Intangible assets arising through acquisition of subsidiaries	透過收購附屬公司所產生之 無形資產	–	–	249,000	–	249,000
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	57,770	115	10	314	58,209
Amortisation of prepaid lease payments	預付租賃款項攤銷	7,231	–	–	–	7,231
Amortisation of intangible assets	無形資產攤銷	–	–	3,320	–	3,320
Loss on written-off of property, plant and equipment	撇銷物業、廠房及設備之虧損	9	–	–	–	9
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(1,743)	–	–	–	(1,743)
Foreseeable losses (included penalties due to the Delay) recognised in respect of additional estimated costs (included in shipbuilding contract cost and recognised as cost of sales) (Note (5)(b)(i))	就額外估計成本 (計入造船合約 成本及確認為銷售成本) 而確認之可預見虧損 (計及因延誤之罰款) (附註(5)(b)(i))	25,373	–	–	–	25,373
Finance costs	融資成本	130,137	–	539	71,171	201,847

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment result:

	Shipbuilding business	Finance leasing business	Intelligent car parking and automotive device business	Unallocated	Total
	船舶製造業務	融資租賃業務	智慧停車及汽車電子業務	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Additions to interests in associates	於聯營公司之權益增加	-	-	31,016	31,016
Interest income	利息收入	(1,846)	(137)	(14)	(2,007)
Foreign exchange loss	匯兌虧損	1,224	-	197	14,968
Change in fair value of contingent consideration payable	應付或然代價之公平值變動	-	-	-	(25,478)
Change in fair value of investments held for trading	持作買賣投資之公平值變動	-	-	-	1,684
Change in fair value of convertible bonds payables	應付可換股債券之公平值變動	-	-	-	35,990
Loss on settlement of loan by issuance of shares	發行股份以清償貸款之虧損	-	-	-	10,755
Share-based payments expenses	以股份為基礎之付款開支	-	-	-	49,194
Share of loss of joint ventures	分佔合營企業之虧損	-	-	-	1,054
Share of profit of associates	分佔聯營公司之溢利	-	-	-	(8,791)

8. 收益及分部資料 (續)

其他分部資料 (續)

定期提交予主要營運決策者但在計量分部業績時並無計入之金額如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in the PRC, Hong Kong and Germany.

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets (excluded financial instruments) is presented based on the geographical locations of the assets.

8. 收益及分部資料 (續)

地區資料

本集團之業務位於中國、香港及德國。

有關本集團之外部客戶收益資料以客戶所在地為基準呈列。有關本集團非流動資產(財務工具除外)資料以資產所在地區為基準呈列。

		Revenue from external customers		Non-current assets	
		Year ended 31 December		at 31 December	
		截至十二月三十一日止年度之外部客戶收益		於十二月三十一日之非流動資產	
		2016	2015	2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Germany	德國	151,429	143,137	–	–
The PRC	中國	214,760	14,498	1,543,212	1,615,929
Hong Kong	香港	51,124	–	980	557
		417,313	157,635	1,544,192	1,616,486

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

8. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶A ¹	N/A不適用 ³	41,469
Customer B ¹	客戶B ¹	N/A不適用 ³	55,471
Customer C ¹	客戶C ¹	101,982	46,197
Customer D ²	客戶D ²	51,124	-

¹ Revenue from shipbuilding business

² Revenue from trading business

³ The corresponding revenue did not contribute over 10% if the total revenue of the Group

8. 收益及分部資料(續)

有關主要客戶之資料

於相應年度來自佔本集團總收益逾10%之客戶之收益如下：

¹ 船舶製造業務收益

² 貿易業務收益

³ 相應收益並無佔本集團總收益的10%以上

9. OTHER INCOME

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Government grant	政府補貼	9,313	-
Sales of scrap materials	銷售廢料	1,632	-
Interests on bank deposits	銀行存款利息	1,099	2,007
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	463	1,743
Others	其他	2,922	893
		15,429	4,643

9. 其他收入

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綜合財務報表附註

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

10. OTHER GAINS AND LOSSES

10. 其他收益及虧損

		2016	2015
		二零一六年 HK\$'000 千港元	二零一五年 HK\$'000 千港元
Loss on written-off of property, plant and equipment	撇銷物業、廠房及 設備之虧損	(36)	(9)
Foreign exchange loss	匯兌虧損	(25,148)	(14,968)
Others	其他	82	(587)
		(25,102)	(15,564)

11. FINANCE COSTS

11. 融資成本

		2016	2015
		二零一六年 HK\$'000 千港元	二零一五年 HK\$'000 千港元
Interests on borrowings wholly repayable within five years:	須於五年內悉數償還之 借款利息：		
Convertible bonds payable at effective interest rates (Note 35)	按實際利率之應付可換 股債券(附註35)	37,081	71,171
Interests on bank borrowings and bill payables	銀行借貸及應付票據利息	35,598	38,072
Interests on other borrowings	其他借貸利息	52,206	73,950
Guarantee fee and fund management fee incurred in connection with borrowings	有關借貸之擔保費及 資金管理費	11,364	18,400
Others	其他	75	254
		136,324	201,847

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

12. INCOME TAX CREDIT

12. 所得稅抵免

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current tax	即期稅項		
– Hong Kong Profits Tax	– 香港利得稅	–	–
– PRC tax	– 中國稅項	10,207	395
Deferred tax (Note 36)	遞延稅項 (附註36)	<u>(17,380)</u>	<u>(26,702)</u>
		<u>(7,173)</u>	<u>(26,307)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made since the Group has no assessable profits for both years.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

One of the subsidiaries of the Group has obtained the qualification of High and New Technology Enterprise from the relevant PRC government authorities and subject to a preferential tax rate from 2016 to 2018. Certain subsidiaries of the Group in the PRC enjoy the tax holiday and the profits are fully exempted from EIT for three years starting from its first year of profitable operations, followed by 50% reduction in EIT in next three years.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% PRC Withholding Tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

香港利得稅於該兩個年度內均按估計應課稅溢利的16.5%計算。由於本集團於該兩個年度均無應課稅溢利，故並無就香港利得稅作出撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司之稅率由二零零八年一月一日起為25%。

本集團其中一間附屬公司已獲相關中國政府機構認定為高新技術企業，並可於二零一六年至二零一八年期間享受稅率優惠。本集團之若干中國附屬公司享有免稅期，溢利自其業務盈利首年起三年豁免全部企業所得稅，其後三年則獲減免50%企業所得稅。

根據適用的中國稅務法規，於中國成立的公司就二零零八年一月一日之後賺取的利潤向境外投資者分派股息一般須徵收10%的中國預扣稅。倘若境外投資者於香港註冊成立，並符合中國與香港訂立的雙邊稅務安排項下的條件及規定，相關預扣稅率將從10%降低至5%。

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

12. INCOME TAX CREDIT (CONTINUED)

12. 所得稅抵免 (續)

Income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

本年度所得稅抵免與綜合損益及其他全面收益表所列之除稅前虧損之對賬如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loss before tax	除稅前虧損	(366,399)	(527,120)
Tax at applicable domestic income tax rate of 25% (2015: 25%)	按本地適用所得稅稅率25% (二零一五年: 25%) 計算之稅項	(91,600)	(131,780)
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減支出之稅務影響	51,900	67,112
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅之收入之稅務影響	(30,967)	(8,572)
Tax effect of tax loss not recognised	未確認之稅項虧損之稅務影響	58,659	69,908
Tax effect of PRC withholding tax	中國預扣稅之稅務影響	14,850	-
Tax effect of relief of PRC withholding tax	減免中國預扣稅之稅務影響	-	(25,350)
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營之附屬公司不同稅率之影響	1,567	2,375
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(185)	-
Reduction of income tax under preferential tax treatment	因稅務優惠而獲所得稅削減	(11,397)	-
Income tax credit for the year	本年度所得稅抵免	(7,173)	(26,307)

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

13. LOSS FOR THE YEAR

13. 年內虧損

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loss for the year has been arrived at after charging (crediting):	年內虧損已於扣除(計入)下列項目後達致:		
Directors' and chief executive's emoluments (Note 14)	董事及主要行政人員之酬金(附註14)	5,799	33,670
Other staff costs:	其他員工成本:		
Salaries and other benefits	薪酬及其他福利	42,041	34,569
Contributions to retirement benefits scheme	退休福利計劃供款	7,538	6,444
Share-based payments expenses – employees	以股份為基礎之付款開支 – 僱員	–	21,247
Total staff costs	員工成本總額	55,378	95,930
Auditor's remuneration	核數師酬金		
– Audit service	– 審核服務	3,035	1,555
– Non-audit service	– 非審核服務	539	923
Cost of inventories recognised as an expense	確認為開支之存貨成本	174,847	9,979
Depreciation of property, plant and equipment	物業、廠房及設備折舊	52,933	58,209
Amortisation of prepaid lease payments	預付租賃款項攤銷	7,332	7,231
Amortisation of intangible assets	無形資產攤銷	39,840	3,320
Minimum lease payments paid under operating leases in respect of rented premises	租賃物業有關經營租約之最低租賃付款	7,847	5,437
Shipbuilding contract costs recognised as cost of sales	確認為銷售成本之造船合約成本	268,260	305,432
Foreseeable losses (included penalties due to the Delay) recognised in respect of additional estimated costs (included in shipbuilding contract cost and recognised as cost of sales) (Note (5)(b)(i))	就額外估計成本(計入造船合約成本及確認為銷售成本)而確認之可預見虧損(計及因延誤之罰款)(附註(5)(b)(i))	52,061	25,373
Impairment loss recognised in respect of trade receivables	就貿易應收款項而確認之減值虧損	844	–
Impairment loss recognised in respect of other receivables	就其他應收款項而確認之減值虧損	9,177	–
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備而確認之減值虧損	66,828	–
Impairment loss recognised in respect of prepaid lease payments	就預付租賃款項確認之減值虧損	18,766	–
Impairment loss recognised in respect of goodwill	就商譽而確認之減值虧損	64,483	–
Reversal of impairment loss recognised in respect of finance lease receivables	有關融資租賃應收款項已確認之減值虧損之撥回	–	(70)

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14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the years, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

14. 董事及主要行政人員酬金

於以下年度中根據適用上市規則及公司條例披露之董事及主要行政人員酬金如下：

	Year ended 31 December 2016 截至二零一六年十二月三十一日止年度				Year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
	Fees	Salaries	Contributions to retirement benefits scheme	Total	Fees	Salaries and other benefits	Contributions to retirement benefits scheme	Share-based payments expenses	Total
	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元 (Note a) (附註a)	退休福利計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元	袍金 HK\$'000 千港元	薪金及其他福利 HK\$'000 千港元 (Note a) (附註a)	退休福利計劃供款 HK\$'000 千港元	為基礎之股份付款開支 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors:	執行董事:								
Mr. Li Ming (Chairman) (Note c)	-	1,504	18	1,522	-	1,527	18	7,245	8,790
Mr. Zhang Shi Hong (Chief Executive Officer) (Note d)	-	1,200	18	1,218	-	1,107	18	9,316	10,441
Mr. Wang San Long	-	360	-	360	-	621	1	-	622
Dr. Tse Kwing Chuen (Note e)	-	-	-	-	-	215	5	-	220
Mr. Chen Hong (Note f)	-	-	-	-	-	199	5	-	204
Mr. Liu Jin (Note g)	-	951	18	969	-	260	4	11,386	11,650
Non-executive director:	非執行董事:								
Mr. Chau On Ta Yuen (Honorary Chairman) (Note b)	-	1,430	-	1,430	-	1,443	-	-	1,443
Independent non-executive directors:	獨立非執行董事:								
Mr. Hu Bai He	100	-	-	100	100	-	-	-	100
Ms. Xiang Siying	100	-	-	100	100	-	-	-	100
Ms. Xiang Ying	100	-	-	100	100	-	-	-	100
	300	5,445	54	5,799	300	5,372	51	27,947	33,670

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

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Notes:

- (a) Salaries paid to executive directors of the Company are in connection with the management of the affairs of the Company or its subsidiary undertakings.
- (b) Ceased to be the Chairman and executive director, and re-designated as non-executive director and appointed as the Honorary Chairman with effect from 23 June 2015.
- (c) Appointed as Chairman with effect from 23 June 2015 and resigned as the Chief Executive Officer with effect from 22 September 2015.
- (d) Appointed as Chief Executive Officer with effect from 22 September 2015.
- (e) Resigned as executive director with effect from 23 March 2015.
- (f) Resigned as executive director with effect from 17 March 2015.
- (g) Appointed as executive director with effect from 22 September 2015.

There were no arrangements under which a director waived or agreed to waive any emoluments during the years ended 31 December 2016 and 31 December 2015. Apart from the Directors, the Group has not classified any other person as chief executives during the years ended 31 December 2016 and 31 December 2015.

During the year ended 31 December 2015, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 42 to the Group's consolidated financial statements. The amount of the benefit in relation to share options has been determined in the sole discretion of the Board of Directors.

14. 董事及主要行政人員酬金 (續)

附註：

- (a) 支付予本公司執行董事之薪金與本公司事務或其附屬公司業務之管理有關。
- (b) 卸任主席及執行董事職務，並調任為非執行董事及獲委任為榮譽主席，自二零一五年六月二十三日起生效。
- (c) 於二零一五年六月二十三日獲委任為主席及於二零一五年九月二十二日辭任行政總裁。
- (d) 於二零一五年九月二十二日獲委任為行政總裁。
- (e) 於二零一五年三月二十三日辭任執行董事。
- (f) 於二零一五年三月十七日辭任執行董事。
- (g) 於二零一五年九月二十二日獲委任為執行董事。

截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金的安排。截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，除董事外，本集團並無將任何其他人士分類為主要行政人員。

截至二零一五年十二月三十一日止年度，若干董事根據本公司之購股權計劃因其向本集團提供之服務獲授購股權。購股權計劃之詳情載於本集團綜合財務報表附註42。有關購股權之受益金額乃由董事會全權釐定。

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15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four directors (2015: three), detail of whose remuneration are set out in Note 14 above. Details of the remuneration for the year of the remaining one (2015: two) highest paid individuals were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,260	1,571
Contributions to retirement benefits scheme	退休福利計劃供款	-	58
Share-based payments expenses	以股份為基礎之付款開支	-	12,141
		1,260	13,770

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

		Number of employee 僱員人數	
		2016 二零一六年	2015 二零一五年
HK\$1,000,000 to HK\$2,000,000	1,000,000港元至2,000,000港元	1	-
HK\$5,000,000 to HK\$6,000,000	5,000,000港元至6,000,000港元	-	1
HK\$7,000,000 to HK\$8,000,000	7,000,000港元至8,000,000港元	-	1
		-	1

No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None of the five highest paid employees waived any emoluments in both years.

During the year ended 31 December 2015, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 42 to the Group's consolidated financial statements. The amount of the benefit in relation to share options has been determined in the sole discretion of the Board of Directors.

15. 五名最高薪酬僱員

於本年度，本集團之五名最高薪酬僱員包括四名（二零一五年：三名）董事，其薪酬詳情載於上文附註14。年內其餘一名（二零一五年：兩名）最高薪酬僱員之薪酬詳情如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,260	1,571
Contributions to retirement benefits scheme	退休福利計劃供款	-	58
Share-based payments expenses	以股份為基礎之付款開支	-	12,141
		1,260	13,770

並非董事且酬金介乎下列範圍之最高薪酬僱員數目如下：

		Number of employee 僱員人數	
		2016 二零一六年	2015 二零一五年
HK\$1,000,000 to HK\$2,000,000	1,000,000港元至2,000,000港元	1	-
HK\$5,000,000 to HK\$6,000,000	5,000,000港元至6,000,000港元	-	1
HK\$7,000,000 to HK\$8,000,000	7,000,000港元至8,000,000港元	-	1
		-	1

本集團並無向任何五名最高薪酬僱員支付酬金，作為加入本集團或於加入本集團時的鼓勵，或作為離職補償。於兩個年度內，概無五名最高薪酬僱員放棄任何酬金。

截至二零一五年十二月三十一日止年度，若干非董事及非主要行政人員最高薪酬僱員根據本公司之購股權計劃因彼等向本集團提供之服務獲授購股權。購股權計劃之詳情載於本集團綜合財務報表附註42。有關購股權之受益金額乃由董事會全權釐定。

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16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	用以計算每股基本及攤薄虧損之本公司擁有人應佔年內虧損	<u>(353,156)</u>	<u>(500,799)</u>
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	用以計算每股基本及攤薄虧損之普通股加權平均數	<u>11,996,663</u>	<u>9,912,342</u>

The computation of diluted loss per share for the years ended 31 December 2016 and 2015 does not assume i) the exercise of the Company's share options; and ii) the conversion of the Company's outstanding convertible bonds since their assumed exercise or conversion would result in a decrease in loss per share for the year which is regarded as anti-dilutive.

16. 每股虧損

計算本公司擁有人應佔每股基本及攤薄虧損以下列數據為依據：

計算截至二零一六年及二零一五年十二月三十一日止年度之每股攤薄虧損時，由於行使或轉換購股權及尚未兌換可換股債券將導致年內每股虧損減少，此被視為具反攤薄影響，故並無假設i)本公司之購股權已獲行使；及ii)本公司之尚未兌換可換股債券已獲兌換。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Furniture and fixtures	Motor vehicles	Plant and machinery	Construction in progress	Total
		樓宇	傢俱及裝置	汽車	廠房及機器	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
COST	成本						
At 1 January 2015	於二零一五年一月一日	1,151,496	5,220	27,292	213,096	–	1,397,104
Exchange adjustments	匯兌調整	(93,685)	(306)	(1,415)	(12,050)	–	(107,456)
Additions	添置	902	438	1,295	689	2,674	5,998
Acquisition of subsidiaries	收購附屬公司	15	165	–	253	–	433
Transfer	轉撥	744	–	40	1,890	(2,674)	–
Disposal	出售	(29)	–	(613)	–	–	(642)
Written-off	撇銷	–	–	(173)	–	–	(173)
		<u>1,059,443</u>	<u>5,517</u>	<u>26,426</u>	<u>203,878</u>	<u>–</u>	<u>1,295,264</u>
At 31 December 2015	於二零一五年十二月三十一日	1,059,443	5,517	26,426	203,878	–	1,295,264
Exchange adjustments	匯兌調整	(96,570)	(664)	(1,341)	(12,722)	–	(111,297)
Additions	添置	5,376	6,753	850	13,666	20,648	47,293
Transfer	轉撥	1,042	–	15	77	(1,134)	–
Disposal	出售	–	–	(1,766)	(1,538)	–	(3,304)
Written-off	撇銷	–	(18)	(60)	(3)	–	(81)
		<u>969,291</u>	<u>11,588</u>	<u>24,124</u>	<u>203,358</u>	<u>19,514</u>	<u>1,227,875</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>969,291</u>	<u>11,588</u>	<u>24,124</u>	<u>203,358</u>	<u>19,514</u>	<u>1,227,875</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值						
At 1 January 2015	於二零一五年一月一日	850,314	3,183	21,749	104,358	–	979,604
Exchange adjustments	匯兌調整	(49,499)	(186)	(1,204)	(6,643)	–	(57,532)
Provided for the year	年內撥備	36,172	565	2,788	18,684	–	58,209
Eliminated on disposal	出售時抵銷	(11)	–	(453)	–	–	(464)
Written-off	撇銷	–	–	(164)	–	–	(164)
		<u>836,976</u>	<u>3,562</u>	<u>22,716</u>	<u>116,399</u>	<u>–</u>	<u>979,653</u>
At 31 December 2015	於二零一五年十二月三十一日	836,976	3,562	22,716	116,399	–	979,653
Exchange adjustments	匯兌調整	(54,676)	(286)	(1,230)	(7,754)	–	(63,946)
Provided for the year	年內撥備	32,099	1,611	1,819	17,404	–	52,933
Eliminated on disposal	出售時抵銷	–	–	(1,678)	(892)	–	(2,570)
Impairment loss recognised	已確認減值虧損	66,828	–	–	–	–	66,828
Written-off	撇銷	–	(2)	(42)	(1)	–	(45)
		<u>881,227</u>	<u>4,885</u>	<u>21,585</u>	<u>125,156</u>	<u>–</u>	<u>1,032,853</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>881,227</u>	<u>4,885</u>	<u>21,585</u>	<u>125,156</u>	<u>–</u>	<u>1,032,853</u>
CARRYING VALUES	賬面值						
At 31 December 2016	於二零一六年十二月三十一日	<u>88,064</u>	<u>6,703</u>	<u>2,539</u>	<u>78,202</u>	<u>19,514</u>	<u>195,022</u>
At 31 December 2015	於二零一五年十二月三十一日	<u>222,467</u>	<u>1,955</u>	<u>3,710</u>	<u>87,479</u>	<u>–</u>	<u>315,611</u>

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the term of the lease, or 5%
Furniture and fixtures	20%
Motor vehicles	12.5%
Plant and machinery	6.67% – 25%

For the years ended 31 December 2016 and 2015, the Directors after taking into account the economic condition and industrial development prospect, had considered that the gross operating loss incurred during both years indicated impairment issue for the Group's property, plant and equipment and prepaid lease payments in the shipbuilding segment and therefore conducted an impairment review on the carrying amounts of the property, plant and equipment and prepaid lease payments.

The Directors appointed an independent professional valuer, BMI Appraisals Limited ("BMI Appraisals"), an independent professional valuer not connected to the Group to perform a valuation on the property, plant and equipment as at 31 December 2016 and 2015. Impairment loss of approximately HK\$66,828,000 (2015: Nil) on property, plant and equipment, was considered necessary as the carrying amount of the assets as at 31 December 2016 exceeded the recoverable amount based on the valuation report issued by BMI Appraisals. The value-in-use calculation is based on a pre-tax discount rate of 16.92% (2015: 18.41%) and cash flow projections prepared from financial forecasts approved by the management of the Group, taking into account the current economic condition and operation of shipbuilding industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales, gross margin and relevant facts and circumstances related to the Group's current situation. Such estimation is based on the management's expectations about the Group's shipbuilding business.

17. 物業、廠房及設備 (續)

上述物業、廠房及設備 (在建工程除外) 項目按直線基準以下列年率計算折舊:

樓宇	按租約年期或5 (以較短者為準)
傢俱及裝置	20%
汽車	12.5%
廠房及機器	6.67% – 25%

截至二零一六年及二零一五年十二月三十一日止年度,董事經考慮經濟情況及行業發展前景後,認為於兩個年度內造船分部產生的經營虧損總額顯示本集團之物業、廠房及設備以及預付租賃款項出現減值問題,因此對物業、廠房及設備以及預付租賃款項之賬面值作出減值檢討。

董事委任獨立專業估值師中和邦盟評估有限公司(「中和邦盟」,為與本集團並無關連之獨立專業估值師)對於二零一六年及二零一五年十二月三十一日之物業、廠房及設備進行估值。根據中和邦盟發出的估值報告,資產於二零一六年十二月三十一日之賬面值超過可收回金額,故考慮有必要就物業、廠房及設備計提減值虧損約66,828,000港元(二零一五年:無)。使用價值根據除稅前貼現率16.92%(二零一五年:18.41%)及本集團管理層批准之財務預測所編製之現金流量預測計算,並計及現行經濟狀況及造船業之營運。計算使用價值之其他主要假設與現金流入/流出估計(包括預計銷售額、毛利率)以及有關本集團現況之相關事實及情況有關。該估計乃以管理層對本集團船舶製造業務之預期為基準。

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 December 2016, plant and machinery with carrying values of approximately HK\$65,694,000 (2015: HK\$86,631,000) and buildings of approximately HK\$83,141,000 (2015: HK\$222,421,000) have been pledged to various banks and a financial institution in the PRC to secure the Group's borrowings (Note 41).

17. 物業、廠房及設備 (續)

於二零一六年十二月三十一日，賬面值約65,694,000港元(二零一五年：86,631,000港元)之廠房及機器以及約83,141,000港元(二零一五年：222,421,000港元)之樓宇已抵押予中國多家銀行及一家金融機構，以獲取本集團借貸(附註41)。

18. INVESTMENT PROPERTIES

18. 投資物業

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fair value	公平值		
At 1 January	於一月一日	-	-
Additions	添置	16,386	-
Exchange adjustments	匯兌調整	(852)	-
Net change in fair value recognised in profit or loss	於損益確認之公平值變動淨額	211	-
At 31 December	於十二月三十一日	15,745	-

The Group's properties interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

本集團根據經營租賃持有以賺取租金或實現資本增值為目的之物業權益採用公平值模型計量，並入賬列為投資物業。

During the year, the Group has acquired the beneficial interests of certain properties with aggregated carrying values of approximately HK\$15,745,000 (2015: Nil), which were located in Shandong Province and Shanxi Province through the contractual arrangements with certain property developers (Note 49).

於本年度內，本集團已透過與若干物業開發商之合約安排收購位於山東省及山西省之若干物業的實益權益，總賬面值約為15,745,000港元(二零一五年：無)(附註49)。

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

18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 December 2016 (2015: Nil) has been arrived at on the basis of a valuation carried out by BMI Appraisals, independent qualified professional valuers not connected to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2016 are as follows:

18. 投資物業 (續)

本集團投資物業之公平值計量

本集團於二零一六年十二月三十一日之投資物業公平值(二零一五年:無)乃依據與本集團並無關連的獨立合資格專業估值師中和邦盟發出的估值報告釐定。

於估計物業公平值時,物業之最高及最佳用途為其當前用途。

本集團於二零一六年十二月三十一日之投資物業詳情及公平值層級資料如下:

		Level 3	Fair value
		第三層級	公平值
		HK\$'000	HK\$'000
		千港元	千港元
2016	二零一六年		
Investment properties	投資物業	15,745	15,745

There were no transfers into or out of Level 3 during the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度,概無第三層級轉入或轉出。

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18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties (Continued)

Information about Level 3 fair value measurements of investment properties:

Valuation technique 估值技術	Key input 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入值	Sensitivity 敏感度
Direct comparison 直接比較法	Recent sale price of comparable properties, time factor and discount or premium on quality of properties 可比較物業之近期售價、時間因素以及物業質量之折讓或溢價	Average rate of discount on quality of properties at 6% 物業質量之平均折讓率為6%	The higher the discount, the lower the fair value of properties 折讓越高，物業之公平值越低

Valuation techniques and inputs used in Level 3 fair value measurements of investment properties:

The fair values of investment properties are determined using direct comparison approach assuming sale in its existing state with the benefit of vacant possession and by reference to comparable sales evidence or asking prices of comparable properties as available in the relevant market.

Reconciliation of Level 3 fair value measurements of investment properties on recurring basis:

18. 投資物業 (續)

本集團投資物業之公平值計量 (續)

有關投資物業第三層級公平值計量之資料：

投資物業第三層級公平值計量所使用之估值技術及輸入數據：

投資物業之公平值乃使用直接比較法假設物業以其現況交吉出售，並參考可資比較銷售憑證或相關市場可獲得之可資比較物業詢價而釐定。

投資物業第三層級公平值計量按持續基準之對賬：

		Investment properties classified as Level 3 分類為第三層級 之投資物業 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	–
Addition	添置	16,386
Net increase in fair value recognised in profit or loss	於損益中確認之公平值增加淨額	211
Exchange adjustments	匯兌調整	(852)
At 31 December 2016	於二零一六年十二月三十一日	15,745

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18. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of the Group's investment properties (Continued)

The above net increase in fair value recognised in profit or loss are included in the consolidated statement of profit or loss and other comprehensive income and is attributable to the change in fair values of investment properties at the end of the reporting period.

19. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Leasehold land in the PRC	於中國之租賃土地		
Carrying amount at 1 January	於一月一日之賬面值	308,841	320,529
Additions	添置	11,987	-
Amortised during the year	年內攤銷	(7,332)	(7,231)
Impairment recognised	已確認減值	(18,766)	-
Exchange realignment	匯兌調整	(4,133)	(4,457)
		290,597	308,841
Carrying amount at 31 December	於十二月三十一日之賬面值		
Analysed for reporting purposes as:	就呈報目的分析如下:		
Non-current asset	非流動資產	283,724	301,610
Current asset	流動資產	6,873	7,231
		290,597	308,841

At 31 December 2016, the Group's certain prepaid lease payments with carrying value of approximately HK\$129,870,000 (2015: HK\$151,570,000) have been pledged to various banks to secure the Group's borrowings (Note 41).

18. 投資物業 (續)

本集團投資物業之公平值計量 (續)

上述於損益中確認之公平值增加淨額計入綜合損益及其他全面收益表並歸因於報告期末投資物業之公平值變動。

19. 預付租賃款項

本集團之預付租賃款項包括:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Leasehold land in the PRC	於中國之租賃土地		
Carrying amount at 1 January	於一月一日之賬面值	308,841	320,529
Additions	添置	11,987	-
Amortised during the year	年內攤銷	(7,332)	(7,231)
Impairment recognised	已確認減值	(18,766)	-
Exchange realignment	匯兌調整	(4,133)	(4,457)
		290,597	308,841
Carrying amount at 31 December	於十二月三十一日之賬面值		
Analysed for reporting purposes as:	就呈報目的分析如下:		
Non-current asset	非流動資產	283,724	301,610
Current asset	流動資產	6,873	7,231
		290,597	308,841

於二零一六年十二月三十一日，本集團賬面值約129,870,000港元（二零一五年：151,570,000港元）之預付租賃款項已抵押予若干銀行，以獲取本集團借貸（附註41）。

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19. PREPAID LEASE PAYMENTS (CONTINUED)

Application for land use right certificate of the lake located in Xiaochao Lake Ruichang City Jiangxi Province (the "Lake") with aggregate carrying values of approximately HK\$148,740,000 (2015: HK\$157,271,000) was still in progress and the land use right certificate had not been issued to the Group by the relevant government authorities at 31 December 2016. The Lake is amortised over its estimated useful life of 50 years (2015: 50 years) on a straight-line basis.

The Directors are of the opinion that the Group has acquired the beneficial interest of the Lake at the end of the reporting period, and the land use right certificate can be obtained upon the settlement of the purchase consideration.

For the years ended 31 December 2016 and 2015, the Directors, after taking into account the economic condition and industrial development prospect, had considered that the gross operating loss incurred by the shipbuilding segment during both years indicated impairment issue for the Group's prepaid lease payments and therefore conducted an impairment review on the carrying amounts of prepaid lease payments for the shipbuilding segment.

The Directors appointed an independent professional valuer, BMI Appraisals, to perform a valuation on the prepaid lease payments at 31 December 2016. Impairment loss of approximately HK\$18,766,000 (2015: Nil) was considered necessary as the aggregated carrying amount of prepaid lease payments as at 31 December 2016 exceeded the recoverable amount based on the valuation report issue by BMI Appraisals. The recoverable amount is calculated by comparison approach assuming sale with the benefit of vacant possession and by making reference to comparable sales evidences as available in the relevant market. Other key assumptions for the prepaid lease payments valuation relate to (i) the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement; (ii) no account has been taken of any option or right of pre-emption concerning or effecting the sale of the property and no forced sale situation in any manner; and (iii) the proper legal title of the property is in possession and the property could be transferred freely in the market at no extra land premium or other onerous payment payable to the government.

19. 預付租賃款項 (續)

位於江西省瑞昌市下巢湖(「該湖泊」)賬面總值約148,740,000港元(二零一五年: 157,271,000港元)之湖泊之土地使用權證申請仍在辦理中,於二零一六年十二月三十一日,本集團尚未獲有關政府機關發出土地使用權證。該湖泊以直線法按其估計可使用年期50年(二零一五年: 50年)攤銷。

董事認為於報告期末本集團已取得該湖泊之實益權益,將能夠於償清購買代價後取得有關土地使用權證。

截至二零一六年及二零一五年十二月三十一日止年度,董事經考慮經濟情況及行業發展前景後,認為於兩個年度內造船分部產生的經營虧損總額顯示本集團之預付租賃款項出現減值問題,因此對造船分部之預付租賃款項之賬面值作出減值檢討。

董事委任獨立專業估值師中和邦盟對於二零一六年十二月三十一日之預付租賃款項進行估值。根據中和邦盟發出的估值報告,預付租賃款項於二零一六年十二月三十一日之總賬面值超過可收回金額,故考慮有必要計提減值虧損約18,766,000港元(二零一五年: 無)。可收回金額採用比較法計算並假設物業權益交吉出售並參考相關市場之可比較銷售憑據。計算預付租賃款項之其他主要假設與以下各項有關: (i)物業將在市場出售,並無遞延條款合約、售後租回、合營企業、管理協議或任何其他類似安排之利益; (ii)並無計及與銷售該物業有關或影響該物業銷售之任何優先購買權或權利,亦無任何形式之迫售情況; 及(iii)已取得該物業之適當合法業權及該物業可於市場上毋須按額外地價或應付政府之其他繁重款項自由地轉讓。

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20. GOODWILL

20. 商譽

HK\$'000
千港元

COST	成本	
At 1 January 2015	於二零一五年一月一日	–
Arising on acquisition of subsidiaries (Note 39)	因收購附屬公司而產生 (附註39)	188,057
At 31 December 2015 and 31 December 2016	於二零一五年十二月三十一日及 二零一六年十二月三十一日	188,057
ACCUMULATED IMPAIRMENT	累計減值	
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	–
Impairment recognised	已確認減值	64,483
At 31 December 2016	於二零一六年十二月三十一日	64,483
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	123,574
At 31 December 2015	於二零一五年十二月三十一日	188,057

Particular regarding impairment testing on goodwill are disclosed in Note 29.

有關商譽減值測試之詳情披露於附註29。

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

21. INTANGIBLE ASSETS

21. 無形資產

		Licenses (Note (b))	Contracted and uncontracted customer relationships (Note (a))	Total
		許可 (附註(b))	已訂約及 未訂約之 客戶關係 (附註(a))	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST	成本			
At 1 January 2015	於二零一五年一月一日	–	1,827,982	1,827,982
Exchange adjustments	匯兌調整	–	(102,367)	(102,367)
Acquisition of subsidiaries (Note 39)	收購附屬公司 (附註39)	249,000	–	249,000
At 31 December 2015	於二零一五年 十二月三十一日	249,000	1,725,615	1,974,615
Exchange adjustments	匯兌調整	–	(100,466)	(100,466)
At 31 December 2016	於二零一六年 十二月三十一日	249,000	1,625,149	1,874,149
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值			
At 1 January 2015	於二零一五年一月一日	–	1,827,982	1,827,982
Exchange adjustments	匯兌調整	–	(102,367)	(102,367)
Amortisation for the year	年內攤銷	3,320	–	3,320
At 31 December 2015	於二零一五年 十二月三十一日	3,320	1,725,615	1,728,935
Exchange adjustments	匯兌調整	–	(100,466)	(100,466)
Amortisation for the year	年內攤銷	39,840	–	39,840
At 31 December 2016	於二零一六年 十二月三十一日	43,160	1,625,149	1,668,309
CARRYING VALUES	賬面值			
At 31 December 2016	於二零一六年 十二月三十一日	205,840	–	205,840
At 31 December 2015	於二零一五年 十二月三十一日	245,680	–	245,680

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21. INTANGIBLE ASSETS (CONTINUED)

Notes:

(a) Contracted and uncontracted customer relationships was arising from the acquisition of INPAX Group during the year ended 31 December 2008 and are amortised over its estimated useful life of 10 years on a straight-line basis. The balance had been fully impaired during the year ended 31 December 2010.

(b) Intelligent car parking manufacturing licenses was arising from the acquisition of Success Capture Limited during the year ended 31 December 2015 (Note 39).

Licenses are amortised over its estimated useful life of 6.25 years on a straight-line basis.

21. 無形資產 (續)

附註：

(a) 已訂約及未訂約客戶關係因於截至二零零八年十二月三十一日止年度收購INPAX集團而產生並以其估計可使用年期10年按直線法攤銷。餘額已於截至二零一零年十二月三十一日止年度悉數減值。

(b) 智能車庫生產許可因於截至二零一五年十二月三十一日止年度收購Success Capture Limited取得(附註39)。

該等許可以其估計可使用年期6.25年按直線法攤銷。

22. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

22. 於聯營公司之權益

本集團於聯營公司之權益詳情如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted cost of investment in associates	於聯營公司投資之非上市成本	172,219	88,064
Share of post-acquisition profit	分佔收購後溢利	24,654	10,377
Share of translation reserve of associates	分佔聯營公司之換算儲備	(6,745)	(6,011)
Share of other reserve of associates	分佔聯營公司之其他儲備	2,578	980
		192,706	93,410
Amount due from an associate	應收一間聯營公司款項		
– non-current portion (Note)	– 非即期部分(附註)	2,775	–
Amount due from an associate within a year	一年內應收一間聯營公司款項	4,440	–
Amount due to an associate within a year	一年內應付一間聯營公司款項	(877)	–

As at 31 December 2016, amount due from (to) an associate are unsecured, interest-free and repayable on demand.

Note: The balance represented secured deposit for borrowings from an associate (Note 32(iv)).

於二零一六年十二月三十一日，應收(付)一間聯營公司款項為無抵押、免息及須按要求償還。

附註：餘額指應收一間聯營公司之有抵押借貸按金(附註32(iv))。

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22. INTERESTS IN ASSOCIATES (CONTINUED)

22. 於聯營公司之權益 (續)

Details of the Group's material associates at the end of the reporting period are as follow:

本集團主要聯營公司於報告期末之詳情如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營運地點	Proportion of ownership interests held by the Group 本集團所持所有 權益比例		Proportion of voting rights held by the Group 本集團所持 投票權比例		Principal activities 主營業務
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Zhejiang Ocean Leasing Company Limited ("Zhejiang Ocean") 浙江海洋租賃股份公司 (「浙江海洋」)	Incorporated 註冊成立	PRC/PRC 中國/中國	20%	20%	20%	20%	Finance leasing business 融資租賃業務
Zhoushan Ocean Leasing Company Limited ("Zhoushan Ocean")* (Note a) 舟山海洋租賃有限責任有限公司 (「舟山海洋」)* (附註a)	Incorporated 註冊成立	PRC/PRC 中國/中國	20%	N/A 不適用	20%	N/A 不適用	Finance leasing business 融資租賃業務
Zhoushan Fishing Development Services Company Limited ("Zhoushan Fishing")* 舟山遠洋漁業發展服務有限公司 (「舟山漁業」)*	Incorporated 註冊成立	PRC/PRC 中國/中國	7%	7%	7%	7%	Ocean fishery industry and providing shipyard finance leasing 遠洋捕魚業及提供船廠融 資租賃
Zhejiang Ocean Lihe Capital Management Company Limited ("Zhejiang Lihe")* (Note a) 浙江海洋力合資本管理有限公司 (「浙江力合」) (附註a)	Incorporated 註冊成立	PRC/PRC 中國/中國	9%	N/A 不適用	9%	N/A 不適用	Asset management business 資產管理業務
Beijing ZhongShou Intelligent Parking Management Company Limited (Note a) 北京中首智慧停車管理有限公司 (附註a)	Incorporated 註冊成立	PRC/PRC 中國/中國	25.24%	N/A 不適用	25.24%	N/A 不適用	Investment and management of car parks 投資及管理停車場
Qiandao Financial Leasing Company Limited ("Qiandao Financial Leasing") (Notes a & b) 浙江千島融資租賃有限公司 (「千島融資」) (附註a及b)	Incorporated 註冊成立	PRC/PRC 中國/中國	25%	N/A 不適用	20% (Note b) (附註b)	N/A 不適用	Finance leasing business 融資租賃業務
Nantong Xiangyu Ocean Equipment Company Limited ("Nantong Xiangyu") (Notes a & c) 南通象嶼海洋裝備有限責任公司 (「南通象嶼」) (附註a及c)	Incorporated 註冊成立	PRC/PRC 中國/中國	24%	N/A 不適用	27% (Note c) (附註c)	N/A 不適用	Shipbuilding, shipping logistics, leasing of ports, shipbuilding financial leasing 造船、船務物流、租賃港 口、造船融資租賃

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22. INTERESTS IN ASSOCIATES (CONTINUED)

* Zhoushan Fishing and Zhejiang Lihe are associates of Zhejiang Ocean

Zhoushan Ocean is a wholly-owned subsidiary of Zhejiang Ocean

Note:

a) It was newly incorporated during the year ended 31 December 2016.

b) Merge Limited, a direct wholly owned subsidiary of the Company, has appointed one out of five directors of Qiandao Financial Leasing.

c) According to the shareholder agreement of Nantong Xiangyu, China Ocean Industry (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company, has 27% voting rights of Nantong Xiangyu.

Summarised consolidated financial information of associates

Summarised consolidated financial information in respect of the Group's material associates are set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

Set out below is the summarised consolidated financial information for Zhejiang Ocean which is accounted for using the equity method.

22. 於聯營公司之權益 (續)

* 舟山漁業及浙江力合為浙江海洋之聯營公司

舟山海洋為浙江海洋之全資附屬公司

附註：

a) 該公司於截至二零一六年十二月三十一日止年度新註冊成立。

b) 本公司之直接全資附屬公司聚合有限公司已委任千島融資五名董事中的一名。

c) 根據南通象嶼之股東協議，本公司之間接全資附屬公司中海重工（深圳）有限公司享有南通象嶼27%之投票權益。

聯營公司之綜合財務資料概要

本集團主要聯營公司之綜合財務資料概要載於下文。下文載列之財務資料概要指根據香港財務報告準則編製之聯營公司財務報表所示金額。

使用權益法入賬之浙江海洋綜合財務資料概要載於下文。

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22. INTERESTS IN ASSOCIATES (CONTINUED)

22. 於聯營公司之權益 (續)

Zhejiang Ocean

浙江海洋

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	<u>1,533,470</u>	<u>1,371,844</u>
Non-current assets	非流動資產	<u>1,249,206</u>	<u>873,111</u>
Current liabilities	流動負債	<u>(1,241,432)</u>	<u>(886,785)</u>
Non-current liabilities	非流動負債	<u>(843,665)</u>	<u>(816,887)</u>
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	<u>178,878</u>	<u>155,954</u>
Profit for the year	年內溢利	<u>68,760</u>	<u>43,956</u>
Other comprehensive expenses for the year	年內其他全面收益	<u>(2,960)</u>	<u>–</u>
Total comprehensive income for the year	年內全面收益總額	<u>65,800</u>	<u>48,856</u>
Dividends received from associates during the year	年內已收聯營公司之股息	<u>–</u>	<u>–</u>

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22. INTERESTS IN ASSOCIATES (CONTINUED)

Zhejiang Ocean (Continued)

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interests in Zhejiang Ocean recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of Zhejiang Ocean	浙江海洋之資產淨值	697,579	541,283
Unpaid registered capital in Zhejiang Ocean	浙江海洋之未繳註冊股本	232,500	77,500
		930,079	618,783
Proportion of the Group's ownership interest in Zhejiang Ocean	本集團於浙江海洋之所有權權益比例	20%	20%
Unpaid registered capital in Zhejiang Ocean by the Group	本集團於浙江海洋之未繳註冊資本	(46,500)	(31,000)
Exchange realignment	匯兌調整	13	13
Goodwill	商譽	640	640
Carrying amount of the Group's interest in Zhejiang Ocean	本集團於浙江海洋之權益之賬面值	140,169	93,410

During the year ended 31 December 2016, Merge Limited, a direct wholly owned subsidiary of the Company, had unpaid registered capital of USD6 million (2015: USD4 million) to Zhejiang Ocean, which should be made by 31 March 2017.

22. 於聯營公司之權益 (續)

浙江海洋 (續)

上述綜合財務資料概要與於綜合財務報表確認之於浙江海洋之權益之賬面值對賬：

截至二零一六年十二月三十一日止年度，本公司之直接全資附屬公司聚合有限公司有未繳付予浙江海洋之註冊資本6,000,000美元（二零一五年：4,000,000美元），該款項須於二零一七年三月三十一日前支付。

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22. INTERESTS IN ASSOCIATES (CONTINUED)

22. 於聯營公司之權益 (續)

Aggregate information of associates that are not individually material

Set out below is the aggregate financial information of associates that are not individually material:

個別非主要聯營公司之匯總資料

下文載列個別非主要聯營公司之匯總財務資料：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of profit	本集團分佔溢利	<u>525</u>	<u>N/A 不適用</u>
The Group's share of other comprehensive expenses	本集團分佔其他全面開支	<u>(142)</u>	<u>N/A 不適用</u>
The Group's share of total comprehensive income	本集團分佔全面收益總額	<u>383</u>	<u>N/A 不適用</u>
Aggregate carrying amount of the Group's interests in these associates	本集團於聯營公司之權益之賬面總值	<u>52,537</u>	<u>N/A 不適用</u>

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

23. INTERESTS IN JOINT VENTURES

Details of each of the Group's interests in joint ventures are as follows:

23. 於合營企業之權益

本集團於合營企業之各項權益詳情如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted cost of investments in joint ventures	於合營企業投資之非上市成本	502,578	502,267
Share of post-acquisition profits	分佔收購後溢利	52,358	152
Share of translation reserve of joint ventures	分佔合營企業之換算儲備	(32,978)	(30,301)
Share of other reserve of joint ventures	分佔合營企業之其他儲備	5,503	-
		527,461	472,118

Pursuant to a joint venture agreement entered into between an indirect wholly-owned subsidiary of the Company and two joint venture partners on 6 August 2014 in relation to the establishment of a joint venture company, Zhoushan Investment Fund, the Group contributed RMB400 million to Zhoushan Investment Fund, which represented 78.74% of the equity interests in Zhoushan Investment Fund. Under the joint venture agreement, all acquisitions and disposals of significant investments of Zhoushan Investment Fund require the consent and approval from all joint venture parties. The Directors are of the opinion that Zhoushan Investment Fund is therefore classified as joint venture of the Group.

根據本公司一間間接全資附屬公司與兩名合營夥伴於二零一四年八月六日就成立合營企業舟山投資企業訂立之合營協議，本集團向舟山投資企業注資人民幣400,000,000元，佔舟山投資企業之78.74%股權。根據合營協議，舟山投資企業之所有重大投資收購及出售均須獲所有合營方之同意及批准。董事認為，舟山投資企業因此而分類為本集團之合營企業。

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

23. 於合營企業之權益 (續)

Details of each of the Group's joint ventures at the end of the reporting period are as follow:

本集團各合營企業於報告期末之詳情如下：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ Principal place of operation 註冊成立地點/ 主要營運地點	Proportion of ownership interests/ Group's effective interest held by the Group 本集團所持所有權權益/ 本集團實際權益比例		Proportion of voting rights held by the Group 本集團所持 投票權比例		Principal activities 主營業務
			2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
Zhoushan Investment Fund 舟山投資企業	Incorporated 註冊成立	PRC/PRC 中國/中國	78.74%	78.74%	33.33%	33.33%	Equity investment using its own capital fund and provision of management consultancy services and consultancy services for setting up enterprises 利用其自有資本資金進行股權投資及提供管理諮詢服務以及就成立公司提供諮詢服務
Zhoushan China Ocean Technology ("Zhoushan China Ocean Technology")* 舟山中海投海洋科技 (「舟山中海投海洋科技」)*	Incorporated 註冊成立	PRC/PRC 中國/中國	-	56.50%	-	26.66%	Development and application of energy saving technologies, research and development and production of clean energy facilities and equipment development and consultancy services on ocean engineering related equipment technology 節能技術開發及應用、清潔能源設施及設備的研發及生產、海洋工程相關設備技術的開發及諮詢服務
Jiangxi Yan Jiang Industrial Development Venture Investment Enterprise ("Jiangxi Yan Jiang") 江西沿江產業發展創業投資企業 (「江西沿江」)	Incorporated 註冊成立	PRC/PRC 中國/中國	20.79%	N/A 不適用	40% (Note) (附註)	N/A 不適用	Equity investment using its own capital fund and provision of management consultancy services and consultancy services for setting up enterprises 利用其自有資本資金進行股權投資及提供管理諮詢服務以及就成立公司提供諮詢服務

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

- * Zhoushan China Ocean Technology is a non-wholly owned subsidiary of Zhoushan Investment Fund. On 15 December 2016, Zhoushan Investment Fund has disposed of its entire equity interests of Zhoushan China Ocean Technology to an independent third party with consideration of RMB593,000,000.

Note: Pursuant to a joint venture agreement entered into between two indirect non-wholly owned subsidiaries of the Company and one joint venture partner on 18 March 2016 in relation to the formation of a joint venture company, Jiangxi Yan Jiang, the acquisition and disposal of significant investments of Jiangxi Yan Jiang require the consent of at least 80% of the members of the management committee. The Directors are of the opinion that Jiangxi Yan Jiang is therefore classified as joint venture of the Group.

Summarised financial information of joint venture

The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

Set out below is the summarised financial information for joint ventures which is accounted for using the equity method.

23. 於合營企業之權益 (續)

- * 舟山中海投海洋科技為舟山投資企業之非全資附屬公司。於二零一六年十二月十五日，舟山投資企業已向一名獨立第三方出售舟山中海投海洋科技之全部股權，代價為人民幣593,000,000元。

附註：根據本公司兩間間接非全資附屬公司及一名合營夥伴於二零一六年三月十八日就設立一間合營企業江西沿江訂立之合營協議，江西沿江之重大投資收購及出售須獲得管理委員會至少80%成員的同意。董事認為，江西沿江因此而分類為本集團之合營企業。

合營企業之財務資料概要

下文載列之財務資料概要指根據香港財務報告準則編製之合營企業財務報表所示金額。

下文載列按權益法入賬之合營企業之財務資料概要。

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

23. 於合營企業之權益 (續)

Summarised financial information of joint venture (Continued)

合營企業之財務資料概要 (續)

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	110,980	837,684	222	N/A 不適用
Non-current assets	非流動資產	584,909	–	47,730	N/A 不適用
Current liabilities	流動負債	(26,384)	(2,086)	–	N/A 不適用
Non-current liabilities	非流動負債	–	–	–	N/A 不適用
The above amounts of assets and liabilities include the following:		上述資產及負債金額包括下列各項：			
Cash and cash equivalents	現金及現金等價物	2,074	4,604	222	N/A 不適用
Current financial liabilities (excluding trade and other payables and provisions)	流動財務負債 (不包括貿易及其他應付款項及撥備)	(23,752)	(488)	–	N/A 不適用
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動財務負債 (不包括貿易及其他應付款項及撥備)	–	–	–	N/A 不適用

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

23. 於合營企業之權益 (續)

Summarised financial information of joint venture (Continued)

合營企業之財務資料概要 (續)

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		Year ended 31 December 截至十二月三十一日止年度		14 April 2016 to 31 December 2016 二零一六年 四月十四日至 二零一六年 十二月 三十一日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	
Revenue	收益	-	-	-	N/A 不適用
Profit (loss) for the year/period	年內/期內溢利 (虧損)	66,327	(1,338)	(94)	N/A 不適用
Other comprehensive expenses for the year	年內其他全面開支	(3,400)	-	-	N/A 不適用
Total comprehensive income (expenses) for the year/period	年內/期內全面收益 (開支)總額	62,927	(1,338)	(94)	N/A 不適用
Dividends received from the joint ventures during the year/period	年內/期內已收合營企業之股息	-	-	-	N/A 不適用

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of joint venture (Continued)

The above profit (loss) for the year/period include the following:

23. 於合營企業之權益 (續)

合營企業之財務資料概要 (續)

上述年內／期內溢利(虧損)包括以下各項：

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江	
		Year ended 31 December 截至十二月三十一日止年度		14 April 2016 to 31 December 2016 二零一六年 四月十四日至 二零一六年 十二月 三十一日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	-	-	-	N/A 不適用
Interest income	利息收入	13	262	-	N/A 不適用
Interest expense	利息開支	-	-	-	N/A 不適用
Income tax expense	所得稅開支	24,557	-	-	N/A 不適用

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23. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of joint venture (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in joint ventures recognised in the financial statements:

23. 於合營企業之權益 (續)

合營企業之財務資料概要 (續)

上述財務資料概要與於財務報表確認之於合營企業權益的賬面值對賬：

		Zhoushan Investment Fund 舟山投資企業		Jiangxi Yan Jiang 江西沿江		Total 總計	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets	資產淨值	669,505	835,598	47,952	N/A 不適用	717,457	835,598
Unpaid registered capital	未繳註冊資本	-	-	512,510	N/A 不適用	512,510	-
Non-controlling interests	非控股權益	-	(236,007)	-	N/A 不適用	-	(236,007)
Net assets attributable to owners	擁有人應佔之資產淨值	669,505	599,591	560,462	N/A 不適用	1,229,967	599,591
Proportion of the Group's ownership interest	本集團之所有權權益比例	78.74%	78.74%	20.79%	N/A 不適用		
Unpaid registered capital	未繳註冊資本	-	-	(116,239)	N/A 不適用	(116,239)	-
Carrying amount of the Group's interest	本集團權益之賬面值	527,168	472,118	293	N/A 不適用	527,461	472,118

During the year ended 31 December 2016, the Group had unpaid registered capital of RMB104,720,000 to Jiangxi Yan Jiang.

截至二零一六年十二月三十一日止年度，本集團有未繳付予江西沿江之註冊資本人民幣104,720,000元。

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24. INVENTORIES

24. 存貨

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Raw materials	原材料	21,586	92,074
Work in progress	在製品	11,770	4,015
Finished goods	製成品	20,340	5,482
		53,696	101,571

25. TRADE RECEIVABLES/DEPOSITS/ OTHER RECEIVABLES/PREPAYMENT

25. 貿易應收款項／按金／其他應 收款項／預付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables – non-current portion	貿易應收款項 – 非流動部分	683	622
Trade receivables – current portion	貿易應收款項 – 流動部分	59,594	38,157
Less: Allowance for doubtful debts	減：呆賬撥備	(801)	–
Trade receivables – current portion, net	貿易應收款項 – 流動部分，淨額	58,793	38,157
Total trade receivables, net of allowance for doubtful debts (Note a)	貿易應收款項總額 (扣除呆賬撥備) (附註a)	59,476	38,779
Deposits – non-current portion (Note b)	按金 – 非流動部分 (附註b)	66,711	–
Other receivables (Note c)	其他應收款項 (附註c)	88,427	39,301
Less: Allowance for doubtful debts	減：呆賬撥備	(15,622)	(6,916)
Other receivables, net	其他應收款項淨額	72,805	32,385
Value-added tax recoverable	可收回增值稅項	149,453	161,767
Deposits placed to agents and a stakeholder (Note d)	存放於代理及一名利益相關者 之按金 (附註d)	77,002	6,591
Total other receivables, net	其他應收款項淨總額	299,260	200,743
Prepayment (Note e)	預付款項 (附註e)	426,389	174,930

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25. TRADE RECEIVABLES/DEPOSITS/ OTHER RECEIVABLES/PREPAYMENT (CONTINUED)

Notes:

- (a) At 31 December 2016 and 31 December 2015, the Group's trade receivables include (1) trade receivables from factoring services with one year credit period; (2) trade receivables from intelligent car parking and automotive related products with average 90 days credit period; and (3) retention receivables for intelligent car parking with range from one to two years under the respective terms of contract.

At 31 December 2016, trade receivables are non-interest bearing, except for trade receivables from factoring services with aggregated amount of HK\$2,331,000 (2015: HK\$28,556,000) which bear interest rate of 12% (2015: 12%) per annum.

- (b) The amount mainly represent the non-refundable deposit paid to a property developer for acquisition of property, plant and equipment of approximately HK\$66,600,000 (RMB60,000,000) which located in the PRC with the total consideration of approximately HK\$145,577,000 (RMB13,150,000).
- (c) Included in the other receivables, amount of approximately HK\$26,640,000 (RMB24,000,000) represented the earnest money deposits paid in relation to the establishment of a joint venture in the PRC under a cooperation framework agreement dated 28 December 2016 (the "Cooperation Framework Agreement"). The details of the Cooperation Framework Agreement has been disclosed in the Company's announcement dated 28 December 2016.
- (d) During the year ended 31 December 2016, certain vessel buyers have made progress payments for shipbuilding contracts to four agents and one stakeholder (2015: three agents and one stakeholder) rather than directly to the Group. The Group has the entitlement to these progress payments in accordance with the contracts but the balances are custody by the agents/stakeholder to ensure the progress payments are used to pay for the costs to relevant shipbuilding contracts. The progress payments held in custody will be paid over to the Group based on the shipbuilding progress.
- (e) Prepayment represents amount paid for purchase of raw materials, steel plates and vessel components for shipbuilding during the years ended 31 December 2016 and 31 December 2015.

25. 貿易應收款項／按金／其他應 收款項／預付款項（續）

附註：

- (a) 於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團貿易應收款項包括(1)保理服務之貿易應收款項（信貸期為一年）；(2)買賣智慧停車及汽車相關產品之貿易應收款項（平均信貸期為90天）；及(3)有關智能車庫的應收保留金（根據相關合約條款為期一到兩年）。

於二零一六年十二月三十一日，貿易應收款項為免息，惟保理服務之貿易應收款項總額2,331,000港元（二零一五年：28,556,000港元）按年利率12%（二零一五年：12%）計息。

- (b) 該金額主要指就以總代價約145,577,000港元（人民幣13,150,000元）收購位於中國之物業、廠房及設備已付一名物業開發商之不可退還按金約66,600,000港元（人民幣60,000,000元）。
- (c) 其他應收款項包括有關根據日期為二零一六年十二月二十八日之合作框架協議（「合作框架協議」）於中國成立合營公司已付之誠意金按金約26,640,000港元（人民幣24,000,000元）。有關合作框架協議之詳情載於本公司日期為二零一六年十二月二十八日之公告。
- (d) 截至二零一六年十二月三十一日止年度，若干船舶買家已向四名代理及一名利益相關者（二零一五年：三名代理及一名利益相關者）而非直接向本集團支付有關造船合約之進度款項。本集團有權根據合約收取該等進度款項，惟餘額乃由代理／利益相關者託管，以確保進度款項用於支付相關造船合約產生的成本。受託管的進度款項將根據造船進度支付予本集團。
- (e) 預付款項指於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度購買造船之原材料、鋼板及船舶部件所支付之金額。

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25. TRADE RECEIVABLES/DEPOSITS/ OTHER RECEIVABLES/PREPAYMENT (CONTINUED)

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on contract date/delivery date at the end of the reporting periods:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0至90日	56,643	38,225
More than 90 days but not exceeding one year	90日以上但一年內	1,320	554
In more than one year	超過一年	1,513	-
		59,476	38,779

At 31 December 2016 and 31 December 2015, the aging analysis of trade receivables that was past due but not impaired are as follows:

		Past due but not impaired 已逾期但未減值					
		Total	Neither past due nor impaired 既未逾期 亦未減值	1-30 days	31-60 days	61-90 days	More than 90 days
		總計	亦未減值	1至30日	31至60日	61至90日	90日以上
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2016	於二零一六年 十二月三十一日	59,476	58,984	471	21	-	-
At 31 December 2015	於二零一五年 十二月三十一日	38,779	38,779	-	-	-	-

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral over these balances.

25. 貿易應收款項／按金／其他應 收款項／預付款項（續）

下列為根據合約日期／交付日期呈列貿易應收款項（扣除呆賬撥備）於報告期末之賬齡分析：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0至90日	56,643	38,225
More than 90 days but not exceeding one year	90日以上但一年內	1,320	554
In more than one year	超過一年	1,513	-
		59,476	38,779

於二零一六年十二月三十一日及二零一五年十二月三十一日，已逾期但未減值之貿易應收款項之賬齡分析如下：

		Past due but not impaired 已逾期但未減值					
		Total	Neither past due nor impaired 既未逾期 亦未減值	1-30 days	31-60 days	61-90 days	More than 90 days
		總計	亦未減值	1至30日	31至60日	61至90日	90日以上
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2016	於二零一六年 十二月三十一日	59,476	58,984	471	21	-	-
At 31 December 2015	於二零一五年 十二月三十一日	38,779	38,779	-	-	-	-

已逾期但未減值之貿易應收款項與本集團往績記錄良好之客戶有關。根據過往經驗，由於信貸質素並無重大變動且有關結餘仍被視為可悉數收回，故管理層認為毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

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

25. TRADE RECEIVABLES/DEPOSITS/ OTHER RECEIVABLES/PREPAYMENT (CONTINUED)

25. 貿易應收款項／按金／其他應 收款項／預付款項（續）

Movement in the allowance for doubtful debts for trade receivables:

貿易應收款項之呆賬撥備變動：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	-	92,344
Amounts written-off as uncollectible	撇銷為不可收回之款項	-	(92,344)
Impairment recognised	已確認之減值	844	-
Exchange realignment	匯兌調整	(43)	-
		<hr/>	<hr/>
At 31 December	於十二月三十一日	801	-

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

25. TRADE RECEIVABLES/DEPOSITS/ OTHER RECEIVABLES/PREPAYMENT (CONTINUED)

At the end of the reporting period, the Group's trade receivables were individually determined to be impaired.

Movement in the allowance for doubtful debts for other receivables:

25. 貿易應收款項／存款／其他應 收款項／預付款項（續）

於報告期末，本集團之貿易應收款項獲個別定為減值。

其他應收款項之呆賬撥備變動：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	6,916	6,916
Impairment loss recognised	已確認之減值虧損	9,177	-
Exchange realignment	匯兌調整	(471)	-
At 31 December	於十二月三十一日	<u>15,622</u>	<u>6,916</u>

Included in trade receivables, other receivables and prepayment are the following amounts denominated in a currency other than the functional currency of the Group:

貿易應收款項、其他應收款項及預付款項包括下列以本集團功能貨幣以外貨幣計值之款項：

		2016 二零一六年 '000 千元	2015 二零一五年 '000 千元
USD	美元	23,450	11,678
EUR	歐元	<u>17,434</u>	<u>8,478</u>

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26. INVESTMENTS HELD FOR TRADING

26. 持作買賣之投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed securities:	上市證券：		
Equity securities listed in Hong Kong	於香港上市之股本證券	2,177	1,952

27. FINANCE LEASE RECEIVABLES

27. 應收融資租賃款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Analysed as:	分析為：		
Current	流動	17,833	15,390
Non-current	非流動	-	13,028
		17,833	28,418

Amounts receivable under finance leases

融資租賃項下應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Finance lease receivables	應收融資租賃款項	20,348	32,033
Less: Unearned finance income	減：未賺取融資收入	(2,245)	(3,328)
Present value of minimum lease payment receivables	最低應收租賃款項現值	18,103	28,705
Less: Accumulated impairment loss	減：累計減值虧損	(270)	(287)
		17,833	28,418

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27. FINANCE LEASE RECEIVABLES (CONTINUED)

Amounts receivable under finance leases (Continued)

The maturity profile of these finance lease receivables from customers at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Repayable (including interests)	須於以下期間償還 (包括利息)		
Within one year	一年內	20,348	17,915
One to two years	一至兩年	-	14,118
		<u>20,348</u>	<u>32,033</u>
Repayable (net of interests)	須於以下期間償還 (扣除利息)		
Within one year	一年內	17,833	15,390
One to two years	一至兩年	-	13,028
		<u>17,833</u>	<u>28,418</u>
Accumulated impairment loss	累計減值虧損		
At the beginning of year	年初	287	378
Exchange realignments	匯兌調整	(17)	(21)
Reversal for the year	年內撥回	-	(70)
At the end of year	年末	<u>270</u>	<u>287</u>

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at the end of the reporting period.

The finance lease receivables bear interest rate at 7.6% (2015: 7.6%) per annum.

27. 應收融資租賃款項 (續)

融資租賃項下應收款項 (續)

於報告期末，該等應收客戶融資租賃款項按截至合約到期日之剩餘期間分析之到期情況如下：

概無有關本集團融資租賃安排或然租賃安排的未擔保剩餘價值須於報告期末入賬。

應收融資租賃款項按年利率7.6% (二零一五年：7.6%) 計息。

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

28. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.35% (2015: from 0.01% to 0.35%) per annum.

During the year ended 31 December 2015, the pledged bank deposits carry fixed interest rate ranging from 0.35% to 2.75% per annum and were pledged for secured bills payables and bank borrowings as required by the relevant banks (Note 32).

Included in the pledged bank deposits and bank balances and cash are the following amounts denominated in currencies other than the functional currency of the Group:

		2016 二零一六年 '000 千元	2015 二零一五年 '000 千元
USD	美元	60	3,781
EUR	歐元	1	358

Included in the pledged bank deposits and bank balances and cash are the following amounts which are subject to foreign exchange control regulations or not freely transferable:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts denominated in:	列入以下項目：		
– pledged bank deposits	– 已抵押銀行存款	–	81,533
– bank balances and cash	– 銀行結餘及現金	100,167	33,396
		100,167	114,929

28. 已抵押銀行存款／銀行結餘及現金

銀行結餘按市場利率收取每年0.01%至0.35%（二零一五年：0.01%至0.35%）之利息。

截至二零一五十二月三十一日止年度，已抵押銀行存款收取固定息率每年0.35%至2.75%之利息，並按相關銀行要求用作抵押應付票據及銀行借貸（附註32）。

已抵押銀行存款及銀行結餘及現金包括下列以本集團功能貨幣以外貨幣計值之款項：

已抵押銀行存款以及銀行結餘及現金包含下列受外匯管制規例規限或不能自由兌換之款項：



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29. IMPAIRMENT TESTING ON GOODWILL WITH INDEFINITE USEFUL LIVES AND INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

Impairment test on goodwill and intangible assets

For the purposes of impairment testing, goodwill and license with definite useful lives set out in Notes 20 and 21 have been allocated to one cash generating unit (“CGU”).

During the year ended 31 December 2016, the Group recognised an impairment loss of approximately HK\$64,483,000 (2015: Nil) in relation to goodwill arising on acquisition of Success Capture Limited and its subsidiaries which engaged in the intelligent car parking and automotive device business segment.

The basis of the recoverable amounts of the above CGU and their major underlying assumption is summarised below:

Intelligent car parking and automotive device business segment

The recoverable amount of this unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 20.55% (2015: 24.72%). The cash flows beyond the 5-year period are extrapolated using a steady growth rate of 3% (2015: 3%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of intelligent car parking and automotive device business to exceed the aggregate recoverable amount of intelligent car parking and automotive device business.

29. 具有無限可使用年期之商譽及具有有限可使用年期之無形資產之減值測試

商譽及無形資產減值測試

就減值測試而言，附註20及21所載具有有限可使用年期之商譽及許可已分配至一個現金產生單位（「現金產生單位」）。

截至二零一六年十二月三十一日止年度，本集團就收購Success Capture Limited及其附屬公司（從事於智慧停車及汽車電子業務分部）所產生之商譽確認減值虧損約64,483,000港元（二零一五年：無）。

以上現金產生單位可收回金額的基準及彼等之主要相關假設概述如下：

智慧停車及汽車電子業務分部

此單位的可收回金額乃根據使用價值之計算而釐定。該計算使用的現金流量預測乃基於管理層批准涵蓋五年期的財務預算及20.55%（二零一五年：24.72%）的除稅前折現率計算。超過五年期的現金流量會以穩定的3%（二零一五年：3%）增長率推算。此增長率乃基於有關行業增長預測及並無超出有關行業的平均長期增長率。其他用於計算使用價值的主要假設涉及包括銷售預算及毛利的現金流入／流出估計，該估計乃基於單位的過往表現及管理層對市場發展的期望。管理層認為任何該等假設的任何合理可能變動，將不會導致智慧停車及汽車電子業務的總賬面值超過其可收回的總金額。

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30. TRADE, BILLS AND OTHER PAYABLES

30. 貿易、票據及其他應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Consideration payable for acquisition of property, plant and equipment – non-current portion	收購物業、廠房及設備之應付代價—非流動部分	4,937	—
Trade payables	貿易應付款項	70,860	54,192
Bills payables	應付票據	—	141,600
Consideration payable for acquisition of prepaid lease payments	收購預付租賃款項之應付代價	41,865	44,505
Payable to guarantors (Note i)	應付擔保人款項(附註i)	1,652	5,888
Contribution payables to labour union and education funds	應付工會及教育基金供款	12,668	12,491
Accrual of contractor fees	應計承辦費	7,135	17,707
Accrual of government funds	應計政府基金	28,860	30,680
Other payables and accruals (Note ii)	其他應付款項及應計費用(附註ii)	248,187	192,195
		411,227	499,258

Notes:

- (i) The balances represented guarantee fee payable to several guarantors in relation to their guarantee on the banking facilities and borrowings obtained by the Group at 31 December 2016 and 31 December 2015.
- (ii) Material balances included in other payables and accruals are as follow:
- (a) The Group has accrued the land use tax of approximately HK\$38,404,000 (equivalent to RMB34,598,000) at 31 December 2016 (2015: HK\$33,807,000 (equivalent to RMB28,650,000)).

附註:

- (i) 結餘指於二零一六年十二月三十一日及二零一五年十二月三十一日就若干擔保人就本集團所獲銀行融資及借貸提供之擔保而應付彼等之擔保費用。
- (ii) 計入其他應付款項及應計費用之重大結餘如下:
- (a) 於二零一六年十二月三十一日,本集團應計土地使用稅約38,404,000港元(相當於人民幣34,598,000元)(二零一五年:33,807,000港元(相當於人民幣28,650,000元))。

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

30. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Notes:

- (b) The Group has accrued salaries of approximately HK\$31,573,000 (equivalent to RMB28,444,000) at 31 December 2016 (2015: HK\$25,282,000 (equivalent to RMB21,426,000)).
- (c) The Group has accrued the social security fund for its employees of approximately HK\$40,206,000 (equivalent to RMB36,221,000) at 31 December 2016 (2015: approximately HK\$39,681,000 (equivalent to RMB33,628,000)). Pursuant to a repayment agreement signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015, the amounts of accrued social security fund should be repaid before December 2019.

The following is an aged analysis of trade and bills payables presented based on invoice date or issue date, respectively, at the end of the reporting periods:

30. 貿易、票據及其他應付款項 (續)

附註：

- (b) 於二零一六年十二月三十一日，本集團應計薪金約31,573,000港元（相當於人民幣28,444,000元）（二零一五年：25,282,000港元（相當於人民幣21,426,000元））。
- (c) 於二零一六年十二月三十一日，本集團為僱員繳納的應計社保基金金額約40,206,000港元（相當於人民幣36,221,000元）（二零一五年：約39,681,000港元（相當於人民幣33,628,000元））。根據本公司全資附屬公司江西造船與相關政府部門於二零一五年一月二十六日簽訂之還款協議，應計社保基金金額須於二零一九年十二月前償還。

以下為分別根據發票日期或發出日期呈列貿易應付款項及應付票據於報告期末之賬齡分析：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 30 days	0–30日	9,315	56,526
31 – 60 days	31–60日	7,439	25,156
61 – 90 days	61–90日	3,730	72,634
Over 90 days	超過90日	<u>50,376</u>	<u>41,476</u>
		<u>70,860</u>	<u>195,792</u>

Trade payables are unsecured, non-interest bearing and repayable on demand.

貿易應付款項為無抵押、免息及須按要求償還。

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30. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Included in trade payables is the following amounts denominated in a currency other than the functional currency of the Group:

	2016 二零一六年 '000 千元	2015 二零一五年 '000 千元
USD 美元	<u>1,036</u>	<u>-</u>

30. 貿易、票據及其他應付款項 (續)

貿易應付款項包括以下並非以本集團功能貨幣計值之款項：

31. AMOUNTS DUE TO CUSTOMERS FOR CONTRACT WORK

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Contracts in progress at the end of the reporting period: 於報告期末之在建合約：		
Contract costs incurred to date 迄今所產生之合約成本	1,305,511	1,227,596
Recognised profits less recognised losses 已確認溢利減已確認虧損	(433,789)	(381,766)
	871,722	845,830
Less: progress billings 減：進度款項	(888,899)	(1,118,477)
Amounts due to customers for contract work 應付客戶合約工程款項	(17,177)	(272,647)

As mentioned in Note 2 to the consolidated financial statements, during the year ended 31 December 2016, the Delay has impacted the Group's shipbuilding business.

Up to the date of this report, the Group have not reached any formal agreement with the Three Customers. The Directors are of the opinion that the Group could reach the agreement with the Three Customers and they would not exercise their rights to issue the rescission notices to the Group.

誠如綜合財務報表附註2所述，於截至二零一六年十二月三十一日止年度，延誤已對本集團的造船業務產生影響。

截至本報告日期，本集團未與三名客戶達成任何正式協議。董事認為，本集團可與三名客戶達成協議及彼等不會行使權利向本集團發出撤銷通知。

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32. BORROWINGS

32. 借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank borrowings	銀行借貸	992,857	363,452
Other borrowings	其他借貸	<u>1,095,339</u>	<u>843,687</u>
		<u>2,088,196</u>	<u>1,207,139</u>
Secured	有抵押	554,862	356,173
Unsecured	無抵押	<u>1,533,334</u>	<u>850,966</u>
		<u>2,088,196</u>	<u>1,207,139</u>

The carrying amounts of the above borrowings are repayable as follow (Note):

上述借貸之賬面值應於下列期間償還(附註):

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	於一年內	1,049,146	953,153
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年期間	562,242	168,793
Within a period of more than two years but not exceeding five years	兩年以上但不超過五年期間	<u>476,808</u>	<u>85,193</u>
		<u>2,088,196</u>	1,207,139
Less: Amounts due within one year shown under current liabilities	減: 一年內到期並列作流動負債金額	<u>(1,049,146)</u>	<u>(953,153)</u>
Amounts show under non-current liabilities	列作非流動負債金額	<u>1,039,050</u>	<u>253,986</u>

Note: The amounts due are based on scheduled repayment dates set out in the loan agreements.

附註: 到期款項乃以貸款協議所載計劃還款日為基準。

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

32. BORROWINGS (CONTINUED)

32. 借貸(續)

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates were as follows:

本集團定息借貸的風險及合約到期日如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fixed-rate borrowings repayable:	定息借貸應於下列期間償還：		
Within one year	於一年內	803,446	709,711
Within a period of more than one year but not exceeding two years	一年以上但不超過 兩年期間	409,867	149,760
Within a period of more than two years but not exceeding five years	兩年以上但不超過 五年期間	<u>159,542</u>	<u>21,473</u>
		<u>1,372,855</u>	<u>880,944</u>

The exposure of the Group's variable-rate borrowings and the contractual maturity dates were as follows:

本集團浮息借貸的風險及合約到期日如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Variable-rate borrowings repayable:	須償還之浮息借貸：		
Within one year	一年內	245,700	243,442
Within a period of more than one year but not exceeding two years	一年以上但不超過 兩年期間	152,375	19,033
Within a period of more than two years but not exceeding five years	兩年以上但不超過 五年期間	<u>317,266</u>	<u>63,720</u>
		<u>715,341</u>	<u>326,195</u>

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32. BORROWINGS (CONTINUED)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		2016 二零一六年	2015 二零一五年
Effective interest rates:	實際利率：		
Fixed-rate borrowings (bank and other borrowings)	定息借貸 (銀行及其他借貸)	0.35% – 43.80%	0.35% – 30%
Variable-rate borrowings (bank and other borrowings)	浮息借貸 (銀行及其他借貸)	4.75% – 8.03%	4.75% – 7.56%

The details of other borrowings are as follows:

- (i) At 31 December 2016, the Group has loan advances from employees of approximately HK\$2,268,000 (equivalent to approximately RMB2,043,000) (2015: approximately HK\$3,292,000 (equivalent to approximately RMB2,790,000)) which bears interest rate of 15% (2015: 15%) per annum and will be repayable within one year. The proceeds were used to finance the daily operation of the Group.
- (ii) At 31 December 2016, the Group has loan advances from several independent third parties of approximately HK\$701,882,000 (equivalent to approximately RMB632,326,000) (2015: approximately HK\$534,447,000 (equivalent to approximately RMB452,921,000)). The proceeds were used to finance the daily operation of the Group. The borrowings carry variable interest of a range from 0.35% to 43.80% (2015: 0.35% to 30%) per annum.

32. 借貸 (續)

本集團借貸之實際利率(亦相等於已訂約利率)之幅度如下：

		2016 二零一六年	2015 二零一五年
Effective interest rates:	實際利率：		
Fixed-rate borrowings (bank and other borrowings)	定息借貸 (銀行及其他借貸)	0.35% – 43.80%	0.35% – 30%
Variable-rate borrowings (bank and other borrowings)	浮息借貸 (銀行及其他借貸)	4.75% – 8.03%	4.75% – 7.56%

其他借貸之詳情如下：

- (i) 於二零一六年十二月三十一日，本集團擁有僱員貸款墊款約2,268,000港元(相當於約人民幣2,043,000元)(二零一五年：約3,292,000港元(相當於約人民幣2,790,000元))按年利率15%(二零一五年：15%)計息及須一年內償還。所得款項乃用作本集團之日常經營資金。
- (ii) 於二零一六年十二月三十一日，本集團擁有數名獨立第三方提供之貸款墊款約701,882,000港元(相當於約人民幣632,326,000元)(二零一五年：約534,447,000港元(相當於約人民幣452,921,000元))。該等所得款項已用於撥付本集團之日常營運。該等借貸按介乎每年0.35%至43.80%(二零一五年：0.35%至30%)之浮動利率計息。

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32. BORROWINGS (CONTINUED)

(iii) At 31 December 2016, the Group has loan advances from one of the shareholders of the Group's associate, Zhejiang Ocean, of approximately HK\$326,779,000 (equivalent to approximately RMB294,396,000) (2015: approximately HK\$251,668,000 (equivalent to approximately RMB213,278,000)). The proceeds were used to finance the daily operation of the Group. The borrowing carries interest of 8.5% (2015: 8.5%) per annum. Mr. Li Ming, the executive director of the Company and an independent third party have provided a guarantee to secure the payment obligations of the borrowing.

(iv) At 31 December 2016, the Group has loan advances from an associate, Zhejiang Ocean, of approximately HK\$64,410,000 (equivalent to approximately RMB58,027,000) (2015: HK\$54,280,000 (equivalent to approximately RMB46,000,000)). The proceeds were used to finance the daily operation of the Group. The borrowing bears interest rate ranging from 5.0% to 7.6% (2015: 7.6%) per annum and secured by deposit as details in Note 22. The repayment terms are ranging from 2 to 3 years.

At 31 December 2016 and 2015, there was no repayment on demand clause on the Group's bank borrowings and other borrowings.

At 31 December 2016, borrowings of approximately HK\$554,862,000 (2015: HK\$356,173,000) were secured by collaterals as details in Note 41 to the consolidated financial statements.

At 31 December 2016, a bank borrowing of HK\$119,897,000 (equivalent to RMB108,015,000) (2015: HK\$126,260,000 (equivalent to RMB107,000,000)), which bears interest at 5.75% (2015: 6.46%) per annum, will be repayable on 7 March 2019 and was secured by the entire equity interests of Jiangxi Shipbuilding.

All the borrowings are denominated in RMB as at 31 December 2016 and 31 December 2015.

32. 借貸(續)

(iii) 於二零一六年十二月三十一日，本集團擁有本集團聯營公司浙江海洋之其中一名股東提供之貸款墊款約326,779,000港元(相當於約人民幣294,396,000元)(二零一五年：約251,668,000港元(相當於約人民幣213,278,000元))。所得款項已用於撥付本集團之日常營運。該借貸按年利率8.5%(二零一五年：8.5%)計息。本公司之執行董事李明先生及一名獨立第三方已提供無償擔保，以擔保借貸的付款責任。

(iv) 於二零一六年十二月三十一日，本集團擁有聯營公司浙江海洋供之貸款墊款約64,410,000港元(相當於約人民幣58,027,000元)(二零一五年：54,280,000港元(相當於約人民幣46,000,000元))。所得款項已用於撥付本集團之日常營運。該借貸按年利率介乎5.0%至7.6%(二零一五年：7.6%)計息，並由按金擔保(詳情載於附註22)。還款期限介乎2至3年。

於二零一六年及二零一五年十二月三十一日，本集團並無銀行借貸及其他借貸載有按要求償還條款。

於二零一六年十二月三十一日，借貸約554,862,000港元(二零一五年：356,173,000港元)乃以數項抵押品作抵押(詳情載於綜合財務報表附註41)。

於二零一六年十二月三十一日，銀行借貸119,897,000港元(相當於人民幣108,015,000元)(二零一五年：126,260,000港元(相當於人民幣107,000,000元))按每年利率5.75%(二零一五年：6.46%)計息及將須於二零一九年三月七日償還，且以於江西造船之全部股權作抵押。

於二零一六年十二月三十一日及二零一五年十二月三十一日，所有借貸均以人民幣列值。

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33. PROVISION FOR WARRANTY

33. 保養撥備

		HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	142
Additional provision for the year	年內額外撥備	-
Exchange adjustments	匯兌調整	(2)
Reversal of provision	撥備撥回	(140)
		<hr/>
At 31 December 2015	於二零一五年十二月三十一日	-
Additional provision for the year	年內額外撥備	3,539
Exchange adjustments	匯兌調整	(182)
Reversal of provision	撥備撥回	-
		<hr/>
At 31 December 2016	於二零一六年十二月三十一日	<u>3,357</u>

The Group provides a one-year warranty on shipbuilding and undertakes to repair or replace items that fail to perform satisfactorily. The provision is estimated based on historical data of the level of repairs and replacement.

本集團於造船提供一年的保養期，並承諾維修或替換未達至理想表現的項目。撥備乃根據維修及替換水平之過往數據而估計。

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34. SHARE CAPITAL

34. 股本

		Number of ordinary shares 普通股數目		Amount 金額	
		2016 二零一六年	2015 二零一五年	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股				
Authorised:	法定:				
At 1 January and 31 December	於一月一日及 十二月三十一日	20,000,000,000	20,000,000,000	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足:				
At 1 January	於一月一日	11,957,983,840	7,530,722,155	597,899	376,536
Issue of shares upon conversion of CBVI (as defined in Note 35) (Note a)	於兌換可換股債券VI (定義見附註35)時發行股份 (附註a)	-	3,330,000,000	-	166,500
Issue of share upon conversion of CBVII (as defined in Note 35) (Note b)	於兌換可換股債券VII (定義見附註35)時發行股份 (附註b)	-	300,000,000	-	15,000
Issue of shares for the acquisition of subsidiaries (Note c)	發行股份以收購附屬公司 (附註c)	-	259,500,000	-	12,975
Issue of shares for settlement of loans (Note d)	發行股份以清償貸款 (附註d)	-	537,761,685	-	26,888
Issue of shares upon exercise of share options (Note e)	於行使購股權時發行股份 (附註e)	40,000,000	-	2,000	-
Issue of shares upon conversion of CBIX (as defined in Note 35) (Note f)	於兌換可換股債券IX (定義見附註35)時發行股份 (附註f)	4,775,000	-	239	-
At 31 December	於十二月三十一日	12,002,758,840	11,957,983,840	600,138	597,899

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34. SHARE CAPITAL (CONTINUED)

Notes:

- (a) During the year ended 31 December 2015, certain holders of CBVI (as defined in Note 35) converted of HK\$666,000,000 of CBVI for 3,330,000,000 new ordinary shares at a conversion price of HK\$0.20 per conversion share (Note 35).
- (b) During the year ended 31 December 2015, the holders of CBVII (as defined in Note 35) converted of HK\$60,000,000 of CBVII for 300,000,000 new ordinary shares at a conversion price of HK\$0.20 per conversion share (Note 35).
- (c) On 4 December 2015, the Company has issued 259,500,000 new ordinary shares to the vendor in relation to the acquisition of the entire issued share capital of Success Capture Limited (Note 39).
- (d) On 25 September 2015, the Company, Jiangxi Shipbuilding, an indirectly wholly-owned subsidiary of the Company and certain creditors of Jiangxi Shipbuilding (the "Creditors") entered into a subscription agreement, in which the Creditors could subscribe for 537,761,685 new ordinary shares of the Company at the subscription price of HK\$0.26 per subscription share, for the settlement of the loans in an aggregate amount of approximately RMB114,944,000 (equivalent to approximately HK\$139,818,000) due to the Creditors with all rights and benefits attaching thereto and thereon. The subscription was completed on 13 November 2015 at a closing price of HK\$0.28 per share. As a result, loss on settlement of loan by issuance of shares of approximately HK\$10,755,000 was recognised in the consolidated statement of profit or loss and other comprehensive income. Details of the subscription have been disclosed in the Company's announcement dated 28 September 2015.
- (e) On 15 January 2016, the Company issued and allotted 40,000,000 new ordinary shares to the executive director of the Company, Mr. Li Ming ("Mr. Li"), upon exercise of the share options by Mr. Li at the exercise price of HK\$0.211 per share.
- (f) During the year ended 31 December 2016, the holder of CBIX (as defined in Note 35) converted HK\$1,000,000 of CBIX for 4,775,000 new ordinary shares at a conversion price of HK\$0.2095 per conversion share (Note 35).

All new shares issued during the years ended 31 December 2016 and 2015 ranked pari passu with the existing shares in all respects.

34. 股本 (續)

附註：

- (a) 於截至二零一五年十二月三十一日止年度，若干可換股債券VI（定義見附註35）之持有人按兌換價每股兌換股份0.20港元將666,000,000港元之可換股債券VI兌換為3,330,000,000股新普通股（附註35）。
- (b) 於截至二零一五年十二月三十一日止年度，可換股債券VII（定義見附註35）之持有人按兌換價每股兌換股份0.20港元將60,000,000港元之可換股債券VII兌換為300,000,000股新普通股（附註35）。
- (c) 於二零一五年十二月四日，本公司已就收購Success Capture Limited的全部已發行股本向賣方發行259,500,000股新普通股（附註39）。
- (d) 於二零一五年九月二十五日，本公司、本公司間接全資附屬公司江西造船及江西造船若干債權人（「債權人」）訂立認購協議，當中債權人可按認購價每股認購股份0.26港元認購537,761,685股本公司新普通股，以償還借方結欠債權人之總金額約人民幣114,944,000元（相當於約139,818,000港元）債務，連同債務所附帶及應計之所有權利及利益。認購事項已於二零一五年十一月十三日完成，收市價為每股0.28港元。因此，有關透過發行股份償還貸款之虧損約10,755,000港元已於綜合損益及其他全面收益表確認。認購事項之詳情於本公司日期為二零一五年九月二十八日之公佈內披露。
- (e) 於二零一六年一月十五日，本公司於本公司執行董事李明先生（「李先生」）按行使價每股股份0.211港元行使購股權後向李先生發行及配發40,000,000股新普通股。
- (f) 於截至二零一六年十二月三十一日止年度，可換股債券IX（定義見附註35）之持有人按兌換價每股兌換股份0.2095港元將1,000,000港元之可換股債券IX兌換為4,775,000股新普通股（附註35）。

於截至二零一六年及二零一五年十二月三十一日止年度發行之所有新股份在各方面與現有股份享有同等權益。

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35. CONVERTIBLE BONDS PAYABLES

(a) Issuance of convertible bonds – CBVI

On 27 June 2014, the Company issued convertible bonds with the aggregate principal amount of HK\$1,000,000,000 (the “CBVI”). The CBVI is denominated in HK\$. The CBVI carries interest at 7.5% per annum and is payable annually. The holder(s) of the CBVI may convert the whole or part of the principal amount of the CBVI into ordinary shares of the Company from the issue date to the date before the maturity date (on the third anniversary of the issue date, i.e. 26 June 2017), at an initial conversion price of HK\$0.20 per share, subject to certain customary anti-dilutive adjustments. If the CBVI have not been converted before the maturity date (the conversion is at the option of the holder of the CBVI), they will be redeemed on maturity date at principal amount plus the accrued interest. Both the principal and interest will be settled in RMB based on a fixed exchange rate as set out in the agreement.

The CBVI on initial recognition was considered as a compound financial instrument that includes a debt element and a conversion option classified as an equity element. Also at the initial recognition, the liability component was measured at the present value of the redemption amount. The equity element is presented in equity heading “convertible bonds reserve”. The effective interest rate of the liability component is 18.27% per annum determined at the initial recognition.

During the year ended 31 December 2014, certain holders of the CBVI had converted the CBVI held by them with outstanding principal amount of HK\$282,000,000 in consideration for conversion of 1,410,000,000 ordinary shares of the Company at a conversion price of HK\$0.20 per conversion share.

During the year ended 31 December 2015, certain holders of the CBVI had converted the CBVI held by them with outstanding principal amount of HK\$666,000,000 in consideration for conversion of 3,330,000,000 ordinary shares of the Company at a conversion price of HK\$0.20 per conversion share.

During the year ended 31 December 2016, no holders of the CBVI had exercised the conversion options to convert the CBVI into ordinary shares of the Company.

35. 應付可換股債券

(a) 發行可換股債券 – 可換股債券VI

於二零一四年六月二十七日，本公司發行本金總額為1,000,000,000港元的可換股債券（「可換股債券VI」）。可換股債券VI以港元列值。可換股債券VI按每年7.5%的利率計息並須每年支付。可換股債券VI持有人可於發行日起至到期日（發行日滿三週年之日，即二零一七年六月二十六日）前一日按初步兌換價每股股份0.20港元（可作出若干慣常反攤薄調整）將可換股債券VI的全部或部分本金兌換為本公司普通股。倘可換股債券VI於到期日前尚未兌換（贖回的選擇權在可換股債券VI持有人），將於到期日按本金加應計利息贖回。本金及利息將按協議所列既定匯率以人民幣結清。

於初次確認時，可換股債券VI被視為包含債務部分及分類為為股權部分的可換股期權的複合財務工具。此外，初次確認時，負債部分按贖回款項的現值計量。股權部分呈列於權益的「可換股債券儲備」項下。於初次確認時，負債部分的實際利率釐定為每年18.27%。

於截至二零一四年十二月三十一日止年度，若干可換股債券VI之持有人按兌換價每股兌換股份0.20港元將彼等持有的尚未兌換本金額為282,000,000港元之可換股債券VI兌換為1,410,000,000股本公司普通股。

於截至二零一五年十二月三十一日止年度，若干可換股債券VI之持有人按兌換價每股兌換股份0.20港元將彼等持有的尚未兌換本金額為666,000,000港元之可換股債券VI兌換為3,330,000,000股本公司普通股。

於截至二零一六年十二月三十一日止年度，概無可換股債券VI之持有人行使兌換權將可換股債券VI兌換為本公司普通股。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(b) Issuance of convertible bonds – CBVII

On 6 March 2015, the Company issued convertible bonds with the aggregate principal amount of HK\$60,000,000 (the “CBVII”). The CBVII is denominated in HK\$. The CBVII carries interest at 7.5% per annum and is payable annually in arrear. The holder(s) of the CBVII may convert the CBVII into ordinary shares of the Company from the issue date to the date before the maturity date (on the third anniversary of the issue date, i.e. 5 March 2018), at an initial conversion price of HK\$0.20 per share, subject to certain customary anti-dilutive adjustments. If the CBVII have not been converted before the maturity date, they will be redeemed on maturity date at the principal amount plus the accrued interest. Both the principal and interest will be settled in RMB based on a fixed exchange rate as set out in the agreement.

The CBVII on initial recognition was considered as a compound financial instrument that includes a debt element and a conversion option that was classified as an equity element. Also, at the initial recognition, the liability component was measured at the present value of the redemption amount. The equity element is presented in equity heading “convertible bonds reserve”. The effective interest rate of the liability component is 24.60% per annum determined at the initial recognition.

35. 應付可換股債券（續）

(b) 發行可換股債券－可換股債券VII

於二零一五年三月六日，本公司發行本金總額為60,000,000港元的可換股債券（「可換股債券VII」）。可換股債券VII以港元列值。可換股債券VII按每年7.5%的利率計息並須每年於期末支付。可換股債券VII持有人可於發行日起至到期日（發行日滿三週年之日，即二零一八年三月五日）前一日按初步兌換價每股股份0.20港元（可作出若干慣常反攤薄調整）將可換股債券VII兌換為本公司普通股。倘可換股債券VII於到期日前尚未兌換，將於到期日按本金加應計利息贖回。本金及利息將按協議所列既定匯率以人民幣結清。

可換股債券VII初步確認為帶有債務部分及可換股期權（分類為權益部分）之複合財務工具。此外，於初步確認時，負債部分按贖回款項的現值計量。權益部分於「可換股債券儲備」項下呈列為權益。於初步確認時，負債部分的實際利率釐定每年24.60%。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(b) Issuance of convertible bonds – CBVII (Continued)

The valuation of the CBVII was performed by Greater China Appraisal Limited (“Greater China”). The inputs used in the model in determining the value of the liability component on initial recognition were as follows:

		CBVII at 6 March 2015 於二零一五年 三月六日之 可換股債券VII
Share price	股價	RMB0.1381 人民幣0.1381元 (equivalent to HK\$0.16) (相當於 0.16港元)
Exercise price	行使價	RMB0.17 人民幣0.17元 (equivalent to HK\$0.20) (相當 0.20港元)
Contractual life	合約年期	3 years 3年
Risk-free rate	無風險利率	3.2950%
Expected dividend yield	預期股息率	0%
Volatility	波幅	71.76%

During the year ended 31 December 2015, all holders of the CBVII had converted the CBVII held by them with outstanding principal amount of HK\$60,000,000 in consideration for conversion of 300,000,000 ordinary shares of the Company at a conversion price of HK\$0.20 per conversion share.

35. 應付可換股債券 (續)

(b) 發行可換股債券－可換股債券VII (續)

可換股債券VII之估值乃由漢華評值有限公司(「漢華」)進行。釐定負債部分於初步確認時之價值的模型使用的輸入數據如下：

		CBVII at 6 March 2015 於二零一五年 三月六日之 可換股債券VII
Share price	股價	RMB0.1381 人民幣0.1381元 (equivalent to HK\$0.16) (相當於 0.16港元)
Exercise price	行使價	RMB0.17 人民幣0.17元 (equivalent to HK\$0.20) (相當 0.20港元)
Contractual life	合約年期	3 years 3年
Risk-free rate	無風險利率	3.2950%
Expected dividend yield	預期股息率	0%
Volatility	波幅	71.76%

於截至二零一五年十二月三十一日止年度，所有可換股債券VII之持有人已轉換彼等所持尚未兌換本金額為60,000,000港元的可換股債券VII，代價為按換股價每股兌換股份0.20港元轉換為本公司300,000,000股普通股。



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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – CBVIII

On 8 July 2015, the Company issued convertible bonds with the principal amount of HK\$200,000,000 (the “CBVIII”). The CBVIII is denominated in HK\$. The CBVIII carries interest at 7.5% per annum and is payable semi-annually in advance. The holder(s) of the CBVIII may convert the CBVIII into ordinary shares of the Company from 8 July 2015 to 8 July 2016, at an initial conversion price of HK\$0.2481 per share, subject to certain customary anti-dilutive adjustments. Unless previously converted or cancelled or unless the holder has previously issued an event of default notice of repayment, the Company shall redeem on the maturity date all the outstanding principal amount of the CBVIII at an amount equal to the aggregate of the outstanding principal amount plus interest accrued. The CBVIII on initial recognition was considered as a compound financial instrument that include a debt element and a conversion option derivative and other derivative. Also, at the initial recognition, the liability component was measured at the present value of the redemption amount. The conversion option derivative and other derivative was classified as a derivative liability and was measured at FVTPL at initial recognition and each reporting date. The effective interest rate of the liability component is 14.9128% per annum determined at the initial recognition.

35. 應付可換股債券 (續)

(c) 發行可換股債券 – 可換股債券VIII

於二零一五年七月八日，本公司發行本金額200,000,000港元之可換股債券（「可換股債券VIII」）。可換股債券VIII按港元計值。可換股債券VIII按年利率7.5%計息，且須每半年預先支付。可換股債券VIII持有人可於二零一五年七月八日至二零一六年八月七日按初步換股價每股股份0.2481港元（可作出若干慣常反攤薄調整）轉換可換股債券VIII為本公司普通股。除非先前獲轉換、註銷或持有人先前已發出還款違約事件通知，否則本公司將於到期日按尚未兌換本金額加應計利息贖回可換股債券VIII之所有尚未兌換本金額。可換股債券VIII初步確認為帶有債務部分及可換股期權衍生工具及其他衍生工具之複合財務工具。此外，於初步確認時，負債部分按贖回款項的現值計量。換股期權衍生工具及其他衍生工具分類為衍生負債並於初步確認時及於各報告日期按公平值計入損益計量。負債部分之實際利率於初步確認時按年利率14.9128%計息。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – CBVIII (Continued)

Pursuant to the relevant bond instrument, if agreed in writing by the Company and the holder(s) of CBVIII at least ten business days prior to 8 July 2016 (“Initial Maturity Date”), the maturity date of the CBVIII can be extended to a date falling on the twelve months after the Initial Maturity Date (“Extended Maturity Date”, i.e. 8 July 2017). On 7 July 2016, the Company and the CBVIII holders entered into an acknowledgement and confirmation (the “Acknowledgement and Confirmation”) confirming that the maturity date of the CBVIII shall be extended to 8 July 2017 and all other terms and conditions of the CBVIII remained unchanged. The modification is not accounted for as an extinguishment under HKAS 39 as the terms are not substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Accordingly, any costs or fees incurred will adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. The change in fair value of the conversion option up to the date of the modification of approximately HK\$55,882,000 was recognised in profit or loss.

35. 應付可換股債券 (續)

(c) 發行可換股債券－可換股債券VIII (續)

根據有關債券工具，倘本公司與可換股債券VIII之持有人於二零一六年七月八日（「初始到期日」）前至少十個營業日以書面協定，則可換股債券VIII之到期日可延長至初始到期日後十二個月當日（「經延長到期日」，即二零一七年七月八日）。於二零一六年七月七日，本公司與可換股債券VIII之持有人訂立接納及確認契據（「接納及確認契據」），確認可換股債券VIII之到期日將延長至二零一七年七月八日，而可換股債券VIII之所有其他條款及條件維持不變。該修訂不構成香港會計準則第39號項下之終絕，此乃由於新條款項下之現金流貼現現值（包括任何已付費用（扣除任何已收費用）並按初始實際利率貼現計算）與初始財務負債剩餘現金流貼現現值（使用初始實際利率計算）相比差異少於10%，故條款並無大幅變動。因此，任何所產生之成本或費用均調整負債之賬面值並於經修訂負債之剩餘期限內進行攤銷。截至修訂日期，換股期權之公平值變動約55,882,000港元已於損益中確認。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(c) Issuance of convertible bonds – CBVIII (Continued)

The CBVIII after modification contains a debt component and a conversion option derivative. The derivatives are measured at fair value through profit or loss with changes in fair value being recognised in fair value through profit or loss.

The valuation of the CBVIII was performed by Greater China. The inputs used in the model in determining the fair value of derivatives of CBVIII were as follows:

35. 應付可換股債券 (續)

(c) 發行可換股債券 – 可換股債券VIII (續)

可換股債券VIII經修訂後包括債務部分及換股期權衍生工具。衍生工具按公平值計入損益計量，而公平值變動按公平值計入損益進行確認。

可換股債券VIII之估值乃由漢華進行。釐定可換股債券VIII衍生工具之公平值的模型使用的輸入數據如下：

		CBVIII at 8 July 2015 於二零一五年 七月八日之 可換股債券VIII	CBVIII at 31 December 2015 於二零一五年 十二月 三十一日之 可換股債券VIII	CBVIII at 7 July 2016 於二零一六年 七月七日之 可換股債券VIII	CBVIII at 31 December 2016 於二零一六年 十二月 三十一日之 可換股債券VIII
Share price	股價	HK\$0.13 0.13港元	HK\$0.235 0.235港元	HK\$0.161 0.161港元	HK\$0.216 0.216港元
Exercise price	行使價	HK\$0.2481 0.2481港元	HK\$0.2481 0.2481港元	HK\$0.2481 0.2481港元	HK\$0.2481 0.2481港元
Contractual life	合約年期	1 year 1年	0.52 year 0.52年	1 year 1年	0.52 year 0.52年
Risk-free rate	無風險利率	0.4997%	0.5601%	0.7286%	1.1291%
Expected dividend yield	預期股息率	0.00%	0.00%	0.00%	0.00%
Volatility	波幅	81.55%	98.46%	53.02%	37.34%



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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(d) Issuance of convertible bonds – CBIX

On 6 December 2016, the Company entered a subscription agreement with Macquarie Bank Limited (the “Subscriber”) in respect of the issuance of convertible bonds with the aggregate principal amount of not more than HK\$400,000,000 (the “CBIX”). The CBIX is denominated in HK\$. The CBIX comprise of four tranches with each tranche with an aggregate principal amount of HK\$100,000,000. Each tranche of the CBIX will be subscribed at a price equal to 94 per cent of the principal amount of the relevant tranche of the CBIX. The aggregate principal amount for each tranche will be deposited into a non-interest bearing bank account of the Company opened with the Subscriber which will be subject to a charge for the benefit of the Subscriber as a restricted bank balance (“Restricted Cash Account”) without interest.

The Company shall not make any withdrawal from the Restricted Cash Account except with the prior consent of the Subscriber. If the Subscriber is satisfied that all amounts which may be or become payable by the Company under or in connection with the CBIX have been irrevocably paid in full, the Subscriber will release, reassign or discharge the security asset.

35. 應付可換股債券 (續)

(d) 發行可換股債券 – 可換股債券IX

於二零一六年十二月六日，本公司與麥格理銀行有限公司（「認購人」）就發行本金總額不超過400,000,000港元之可換股債券（「可換股債券IX」）訂立認購協議。可換股債券IX按港元計值。可換股債券IX分為四批，各批本金總額為100,000,000港元。各批可換股債券IX將按有關批次之可換股債券IX的本金額94%之價格進行認購。各批本金總額將存放於本公司於認購人開立之不計息銀行賬戶，作為一項以認購人為受益人的不計息受限制銀行結餘（「受限制現金賬戶」）押記。

除獲認購人事先同意外，本公司不得從受限制現金賬戶提取任何款項。倘認購人信納本公司根據或就可換股債券IX可能應付或應付之所有款項已不可撤回地悉數支付，則認購人將免除、重新指派或解除抵押資產。



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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(d) Issuance of convertible bonds – CBIX (Continued)

On 15 December 2016, the CBIX with principal amount of HK\$100,000,000 (i.e. the first tranche) were issued by the Company to the Subscriber. Proceeds of HK\$94,000,000 were received by the Company on 15 December 2016 and deposited into the above mentioned Restricted Cash Account. Due to the restriction as explained above, the bank balance had been classified as “restricted cash” and separately presented in the Group’s consolidated statement of financial position. The CBIX carries interest at 2 per cent per annum and is payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year. The conversion right in respect of the CBIX may be exercised, at the option of the holder thereof, at any time on or after the issue date up to the close of business on the date falling one day prior to the maturity date (i.e. on the second anniversary of the closing date i.e. 14 December 2018, which is no later than five business days after all the conditions precedent are satisfied), at a conversion price which is 100% of the volume weighted average price of the shares traded on the Stock Exchange on the day on which the Stock Exchange is open for trading and the shares are freely available for trading immediately preceding the date on which such holder submits an irrevocable notice of conversion to the Company, provided that no conversion right may be exercised at a conversion price which is lower than the floor price (i.e. minimum conversion price of HK\$0.18 per share (subject to adjustment)). Unless previously redeemed, converted or purchased and cancelled, the Company will redeem the CBIX at 94 per cent of its principal amount on the maturity date.

35. 應付可換股債券 (續)

(d) 發行可換股債券 – 可換股債券IX (續)

於二零一六年十二月十五日，本公司已向認購人發行本金額為100,000,000港元之可換股債券IX（即首批可換股債券IX）。本公司於二零一六年十二月十五日收取所得款項94,000,000港元並存放於上述受限制現金賬戶。由於上文闡述之限制，銀行結餘已分類為「受限制現金」並於本集團綜合財務狀況表中單獨呈列。可換股債券IX按年利率2%計息，且須每年的三月三十一日、六月三十日、九月三十日及十二月三十一日按季度於期末支付。可換股債券IX之換股權可於發行日期當日或其後直至到期日（即完成日期第二週年當日（即二零一八年十二月十四日），而完成日期不遲於所有先決條件獲達成後五個營業日之日子）前一日營業結束時由可換股債券IX之持有人隨時行使，換股價為緊接有關持有人向本公司呈交不可撤回的換股通知日期前股份於聯交所開市買賣且股份可自由買賣之日子之成交量加權平均價之100%，惟換股權不得以低於底價（即最低換股價每股0.18港元（可予調整））之換股價行使。除非先前獲贖回、轉換或購買及註銷，否則本公司將於到期日按可換股債券IX本金額之94%予以贖回。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(d) Issuance of convertible bonds – CBIX (Continued)

The Company may declare a committed conversion period (the “Committed Conversion Period”) by delivering to the Subscriber a one prior trading day notice. The Committed Conversion Period is a period of twenty qualified trading days during which the Subscriber shall convert all outstanding convertible bonds currently held by the subscriber with the date of issuing the first tranche CBIX.

The Company may declare up to three non-conversion periods by delivering to the Subscriber a three prior trading days’ notice. Each non-conversion period may last for up to 10 trading days, during which the Subscriber may not issue a conversion notice.

The CBIX contains a debt component and conversion option derivative and other derivatives.

The derivatives are measured at fair value through profit or loss with changes in fair value being recognised in fair value through profit or loss.

The CBIX had been designated by the management of the Company at FVTPL at initial recognition and at each reporting date.

35. 應付可換股債券 (續)

(d) 發行可換股債券－可換股債券IX (續)

本公司可藉向認購人送達提前一個交易日通知宣佈承諾轉換期間(「承諾轉換期間」)。承諾轉換期間為二十個合資格交易日，期內認購人將兌換所有目前由認購人自首批可換股債券IX發行日期起持有之尚未兌換可換股債券。

本公司可藉向認購人送達提前三個交易日通知宣佈最多三個非轉換期間。各非轉換期間可最多持續10個交易日，期內認購人不可發出轉換通知。

可換股債券IX包括債務部分及換股權衍生工具及其他衍生工具。

衍生工具按公平值計入損益計量，而公平值變動按公平值計入損益進行確認。

可換股債券IX已由本公司管理層指定為於初步確認時及於各報告日期按公平值計入損益。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

(d) Issuance of convertible bonds – CBIX (Continued)

The valuation of the CBIX was performed by Greater China. The inputs used in the model in determining the fair value of the CBIX were as follows:

		CBIX at 15 December 2016 於二零一六年 十二月 十五日之 可換股債券IX	CBIX at 31 December 2016 於二零一六年 十二月 三十一日之 可換股債券IX
Share price	股價	HK\$0.22 0.22港元	HK\$0.216 0.216港元
Exercise price	行使價	Note 1 附註1	Note 1 附註1
Contractual life	合約年期	2 years 2年	1.96 years 1.96年
Risk-free rate	無風險利率	1.5830%	1.7166%
Expected dividend yield	預期股息率	0.00%	0.00%
Volatility	波幅	50.51%	50.07%

Note 1: Conversion price is 100% of the volume weighted average price of the company's share immediately preceding the conversion date; but could not lower than the floor price at HK\$0.18 per share.

During the year ended 31 December 2016, the Subscriber of the CBIX had exercised the conversion option to convert the principal amount of HK\$1,000,000 in consideration for conversion of 4,775,000 ordinary shares of the Company at a conversion price of HK\$0.2095 per conversion share.

35. 應付可換股債券 (續)

(d) 發行可換股債券 – 可換股債券IX (續)

可換股債券IX之估值乃由漢華進行。釐定可換股債券IX公平值的模型使用的輸入數據如下：

		CBIX at 15 December 2016 於二零一六年 十二月 十五日之 可換股債券IX	CBIX at 31 December 2016 於二零一六年 十二月 三十一日之 可換股債券IX
Share price	股價	HK\$0.22 0.22港元	HK\$0.216 0.216港元
Exercise price	行使價	Note 1 附註1	Note 1 附註1
Contractual life	合約年期	2 years 2年	1.96 years 1.96年
Risk-free rate	無風險利率	1.5830%	1.7166%
Expected dividend yield	預期股息率	0.00%	0.00%
Volatility	波幅	50.51%	50.07%

附註1：換股價為本公司股份於緊接轉換日期前成交量加權平均價之100%，但不得低於底價每股股份0.18港元。

於截至二零一六年十二月三十一日止年度，可換股債券IX之認購人已行使可換股期權轉換本金額1,000,000港元，作為按換股價每股兌換股份0.2095港元轉換本公司4,775,000股普通股之代價。

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

35. 應付可換股債券 (續)

(e) The movements of the liability, derivative and equity component of CBVI, CBVII, CBVIII and CBIX were as follows:

(e) 可換股債券VI、可換股債券VII、可換股債券VIII及可換股債券IX之負債、衍生工具及權益部分之變動如下：

		Liability component	Derivative components	CBIX at FVTPL 按公平值 計入損益之 可換股債券IX	Equity component	Total
		負債部分	衍生工具 部分	可換股債券IX	權益部分	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	572,935	-	-	156,621	729,556
Issuance of CBVII and CBVIII	發行可換股債券VII及 可換股債券VIII	220,454	19,028	-	20,518	260,000
Change in fair value	公平值變動	-	35,990	-	-	35,990
Conversion of CBVI and CBVII	兌換可換股債券VI、 可換股債券VII	(593,535)	-	-	(165,796)	(759,331)
Interest charged (Note 11)	已徵收利息 (附註11)	71,171	-	-	-	71,171
Interest paid	已付利息	(32,311)	-	-	-	(32,311)
At 31 December 2015	於二零一五年 十二月三十一日	238,714	55,018	-	11,343	305,075
Issuance of CBIX	發行可換股債券IX	-	-	94,000	-	94,000
Conversion of CBIX	兌換可換股債券IX	-	-	(586)	-	(586)
Extension of CBVIII	延長可換股債券VIII期限	(14,736)	14,736	-	-	-
Interest charged (Note 11)	已徵收利息 (附註11)	37,081	-	-	-	37,081
Interest paid	已付利息	(18,899)	-	(460)	-	(19,359)
Change in fair value	公平值變動	-	(55,882)	(107)	-	(55,989)
At 31 December 2016	於二零一六年 十二月三十一日	242,160	13,872	92,847	11,343	360,222

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35. CONVERTIBLE BONDS PAYABLES (CONTINUED)

35. 應付可換股債券 (續)

(e) (Continued)

(e) (續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Convertible bonds – liability and derivative components: Analysed for reporting purpose as: Non-current liabilities Current liabilities	可換股債券 — 負債及衍生工具部分 就呈報目的分析為: 非流動負債 流動負債	92,847 256,032 <hr/> 348,879	45,123 248,609 <hr/> 293,732

36. DEFERRED TAX

36. 遞延稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets Deferred tax liabilities	遞延稅項資產 遞延稅項負債	120 (86,071) <hr/> (85,951)	– (115,208) <hr/> (115,208)

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36. DEFERRED TAX (CONTINUED)

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

36. 遞延稅項 (續)

下列為於本年度及過往年度已確認之主要遞延稅項負債及其相關變動：

		Provision	Withholding tax on undistributed earnings of the PRC subsidiaries	Fair value adjustments on prepaid lease payments and intangible assets	Total
		撥備	於中國附屬公司未分派盈利之預扣稅	預付租賃款項及無形資產之公平值調整	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	–	30,980	60,212	91,192
Acquisition of subsidiaries (Note 39)	收購附屬公司 (附註39)	–	–	62,250	62,250
Exchange adjustments	匯兌調整	–	–	(11,532)	(11,532)
Credit to profit and loss (Note 12)	計入損益 (附註12)	–	(24,533)	(2,169)	(26,702)
At 31 December 2015	於二零一五年十二月三十一日	–	6,447	108,761	115,208
Exchange adjustments	匯兌調整	–	–	(11,877)	(11,877)
(Credit) charge to profit and loss (Note 12)	於損益 (計入) 扣除 (附註12)	(120)	14,850	(32,110)	(17,380)
At 31 December 2016	於二零一六年十二月三十一日	(120)	21,297	64,774	85,951

In accordance with the PRC laws and regulations, tax losses could be carried forward for five years to offset against its future taxable profits.

At the end of the reporting period, the Group had estimated unused tax losses of approximately HK\$194,419,000 (2015: approximately HK\$175,848,000) and approximately of HK\$984,632,000 (2015: approximately HK\$762,252,000) available for offset against future profits in Hong Kong and the PRC respectively. No deferred tax asset has been recognised in respect of the unused tax losses due to unpredictability of future profits streams.

根據中國法律及法規，稅項虧損可於五年內結轉，以抵銷其未來應課稅溢利。

於報告期末，本集團分別擁有可用於抵償香港及中國未來溢利之估計未動用稅項虧損約194,419,000港元（二零一五年：約175,848,000港元）及約984,632,000港元（二零一五年：約762,252,000港元）。由於未來溢利來源不可預測，故並無就未動用稅項虧損確認遞延稅項資產。

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36. DEFERRED TAX (CONTINUED)

The tax losses arising from the PRC operations expire five years after the relevant accounting year end.

36. 遞延稅項 (續)

中國業務營運產生之稅項虧損於相關會計年度結束後五年屆滿。

37. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows the details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

37. 非控股權益

擁有重大非控股權益的非全資附屬公司詳情

下表載列本集團擁有重大非控股權益的非全資附屬公司詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持所有權權益及投票權比例		Total comprehensive income allocated to non-controlling interests 非控股權益獲分配的全面收益總額		Accumulated non-controlling interests 累計非控股權益	
		31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日	31 December 2016 二零一六年十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年十二月三十一日 HK\$'000 千港元	31 December 2016 二零一六年十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年十二月三十一日 HK\$'000 千港元
China Ocean Materials Trading (Shenzhen) Company Limited ("China Ocean Materials Trading") and its subsidiaries ("China Ocean Materials Trading Group") 中海物貿(深圳)有限公司(「中海物貿」)及其附屬公司(「中海物貿集團」)	PRC 中國	45%	-	(6,521)	-	39,953	-
Others	其他					(241)	644
						39,712	644

At 31 December 2015, China Ocean Materials Trading was a wholly-owned subsidiary of the Group. During the year ended 31 December 2016, the Group has disposed of 45% equity interest in China Ocean Materials Trading to an independent third party. Details of the disposal has been disclosed in Note 50 to the consolidated financial statements.

於二零一五年十二月三十一日，中海物貿為本集團之全資附屬公司。於截至二零一六年十二月三十一日止年度，本集團已向獨立第三方出售於中海物貿之45%股權。有關出售之詳情已披露於綜合財務報表附註50。

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

37. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised consolidated financial information in respect of the China Ocean Materials Trading Group that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

37. 非控股權益 (續)

有關擁有重大非控股權益的中海物貿集團之綜合財務資料概要載列如下。下文所載財務資料概要指集團內公司間交易抵銷前的金額。

		2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	<u>153,875</u>
Non-current assets	非流動資產	<u>116,814</u>
Current liabilities	流動負債	<u>(188,740)</u>
Non-current liabilities	非流動負債	<u>(21,275)</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益	<u>20,721</u>
Non-controlling interests	非控股權益	<u>39,953</u>

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37. NON-CONTROLLING INTERESTS (CONTINUED)

37. 非控股權益 (續)

		2016 二零一六年 HK\$'000 千港元
Total revenue	總收益	<u>4</u>
Total expenses	總開支	<u>(12,075)</u>
Loss for the year	年內虧損	<u>(12,071)</u>
Loss attributable to owners of the Company	本公司擁有人應佔虧損	<u>(6,128)</u>
Loss attributable to non-controlling interests	非控股權益應佔虧損	<u>(5,943)</u>
Loss for the year	年內虧損	<u>(12,071)</u>
Other comprehensive income attributable to owners of the Company	本公司擁有人應佔 其他全面收益	<u>(164)</u>
Other comprehensive income attributable to non-controlling interests	非控股權益應佔 其他全面收益	<u>(578)</u>
Other comprehensive income for the year	年內其他全面收益	<u>(742)</u>
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔 全面收益總額	<u>(6,292)</u>
Total comprehensive income attributable to non-controlling interests	非控股權益應佔 全面收益總額	<u>(6,521)</u>
Total comprehensive income for the year	年內全面收益總額	<u>(12,813)</u>
Dividends paid to non-controlling interests	向非控股權益支付的股息	<u>-</u>

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38. CONTINGENT CONSIDERATION PAYABLE

During the year ended 31 December 2015

On 15 October 2015, Brilliant Plus Holdings Limited, a wholly-owned subsidiary of the Company (the “Purchaser”), entered into the sale and purchase agreement (the “Sale and Purchase Agreement”) with Pacific Greatest Limited (the “Vendor”) and Mr. Tang WuQiang, Mr. Ning JiZhong and Ms. Su RuLing (collectively referred to as the “Guarantors”), in relation to the acquisition of the entire issued share capital of Success Capture Limited (the “Acquisition”) at an initial consideration of HK\$67,470,000, which shall be adjusted upward to a maximum of HK\$450,000,000 if the net profit of Success Capture Limited (the “Target Company”) and its subsidiaries (collectively known as the “Target Group”) for the year ended 31 December 2016 (the “Relevant Period”) shall not be less than RMB60,000,000 (the “Guarantee Profit”). The maximum consideration for the acquisition is HK\$450,000,000 (subject to the adjustment of the Guarantee Profit), which shall be satisfied by the Purchaser by procuring the Company to allot and issue the consideration shares to the Vendor in the following manner: i) as to HK\$67,470,000 by the allotment and issuance of 259,500,000 consideration shares on completion of the Acquisition; and ii) as to a maximum of HK\$382,530,000 by the allotment and issuance of 1,470,500,000 consideration shares (the “Second Tranche Consideration”), if the net profit of RMB60,000,000 for the Relevant Period is attained.

In the event that the Target Group’s net profit for the year ended 31 December 2016 is less than the Guarantee Profit, the Second Tranche Consideration shall be adjusted in accordance with the formula as set out in the Company’s circular dated 12 November 2015.

38. 應付或然代價

截至二零一五年十二月三十一日止年度

於二零一五年十月十五日，本公司之全資附屬公司Brilliant Plus Holdings Limited（「買方」）與Pacific Greatest Limited（「賣方」）及唐武強先生、寧繼忠先生及蘇如林女士（統稱為「擔保人」）訂立買賣協議（「買賣協議」），內容有關收購Success Capture Limited的全部已發行股本（「收購事項」），初步代價為67,470,000港元，倘Success Capture Limited（「目標公司」）及其附屬公司（統稱為「目標集團」）於截至二零一六年十二月三十一日止年度（「相關期間」）的純利將不少於人民幣60,000,000元（「保證溢利」）時將上調至最多450,000,000港元。收購事項的最高代價為450,000,000港元（可經保證溢利調整），將透過由買方促致本公司按以下方式向賣方配發及發行代價股份結付：i)其中67,470,000港元透過於收購事項完成時配發及發行259,500,000股代價股份支付；及ii)倘若實現相關期間純利人民幣60,000,000元，最高382,530,000港元透過配發及發行1,470,500,000股代價股份（「第二批代價」）支付。

倘目標集團於截至二零一六年十二月三十一日止年度之純利少於保證溢利，第二批代價須按本公司日期為二零一五年十一月十二日之通函所載之公式進行調整。



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

38. CONTINGENT CONSIDERATION PAYABLE (CONTINUED)

During the year ended 31 December 2015

On 4 December 2015, the Acquisition was completed. The total fair value of the contingent consideration is valued by Roma Appraisals Limited, the independent professional valuer. The valuation of the contingent consideration is mainly based on the trading price of the Company's shares, the latest financial information of the Target Group, the Target Group's financial performance forecast and other relevant indicators.

At 4 December 2015, the fair value of the contingent consideration is estimated to be approximately HK\$341,218,000. Due to the facts that the final settlement value of the contingent consideration (consideration shares) is indexed to the achievement of the Guarantee Profit, therefore, the fair value of the contingent consideration is remeasured at 31 December 2015 on the same basis as above and the Group recognised a fair value gain on contingent consideration of approximately HK\$25,478,000 in the consolidated statement of profit or loss and other comprehensive income as a result of the decrease in share price of the Company.

During the year ended 31 December 2016

As the Target Group has achieved the Guarantee Profit for the Relevant Period, the Directors are of the opinion that the Second Tranche Consideration shall be allotted and issued in full to the Vendor. As at 31 December 2016, the fair value of the contingent consideration payable is approximately HK\$317,628,000 which represented the market value of the Second Tranche Consideration on 31 December 2016.

38. 應付或然代價 (續)

截至二零一五年十二月三十一日止年度

收購事項於二零一五年十二月四日完成。或然代價之公平值總額由獨立專業估值師羅馬國際評估有限公司進行估值。或然代價的估值乃主要基於本公司股份成交價、目標集團之最近財務資料、目標集團之財務表現預測及其他相關指標作出。

於二零一五年十二月四日，或然代價之公平值估計約為341,218,000港元。由於或然代價－代價股份之最終結算價值與達成保證溢利掛鉤，因此，或然代價之公平值於二零一五年十二月三十一日按上文相同基準重新計量，及於本公司股價下跌後本集團於綜合損益及其他全面收益表確認或然代價之公平值收益約25,478,000港元。

截至二零一六年十二月三十一日止年度

由於目標集團已達致相關期間之保證溢利，董事認為第二批代價應全數配發及發行予賣方。於二零一六年十二月三十一日，應付或然代價之公平值約317,628,000港元為第二批代價於二零一六年十二月三十一日之市場價值。

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

38. CONTINGENT CONSIDERATION PAYABLE (CONTINUED)

The movements of the contingent consideration payable are as follows:

		HK\$'000 千港元
Initial recognition on 4 December 2015	於二零一五年十二月四日初步確認	341,218
Fair value change	公平值變動	<u>(25,478)</u>
At 31 December 2015	於二零一五年十二月三十一日	315,740
Fair value change	公平值變動	<u>1,888</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>317,628</u>

38. 應付或然代價 (續)

應付或然代價之變動如下：

39. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2015

As disclosed in Note 38 to the consolidated financial statements, the Acquisition was completed on 4 December 2015. The Acquisition has been accounted for using the purchase method. The Directors considered that the Target Company became one of its indirect wholly-owned subsidiaries of the Group and the financial performance of the Target Company would be consolidated into the consolidated financial statements of the Group after the completion of the Acquisition.

The Board of Directors consider that the Acquisition could diversify the existing business activities of the Group.

The Target Group are engaged in the intelligent car parking and automotive devices business.

39. 收購附屬公司

截至二零一五年十二月三十一日止年度

誠如綜合財務報表附註38所披露，收購事項於二零一五年十二月四日完成。收購事項已使用收購法入賬。董事認為，於收購事項完成後，目標公司已成為本集團其中一間間接全資附屬公司，且目標公司之財務表現將於本集團之綜合財務報表中綜合入賬。

董事會認為收購事項可多元化本集團現有業務活動。

目標集團從事智慧停車及汽車電子業務。

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39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

39. 收購附屬公司 (續)

Consideration transferred

轉撥代價

		HK\$'000 千港元
Consideration Shares (Note)	代價股份 (附註)	66,173
Contingent Consideration Payable (Note 38)	應付或然代價 (附註38)	<u>341,218</u>
Total consideration	總代價	<u>407,391</u>

Note: As part of the consideration for the Acquisition, 259,500,000 ordinary shares of the Company with par value of HK\$0.05 each were issued. The fair value of the ordinary shares of the Company, determined using the published price available at the date of the Acquisition, amounted to HK\$66,173,000.

附註：作為收購事項之部分代價，259,500,000股每股面值0.05港元之本公司普通股已獲發行。本公司普通股之公平值乃採用收購事項日期開市價釐定，金額為66,173,000港元。

		HK\$'000 千港元
Acquisition – related costs (included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income)	收購相關成本 (包括於綜合損益及 其他全面收益表之行政開支)	<u>1,001</u>

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39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

39. 收購附屬公司 (續)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

於收購日期所收購之資產及所確認之負債如下：

		HK\$'000 千港元
Property, plant and equipment (Note 17)	物業、廠房及設備 (附註17)	433
Intangible assets (Note 21)	無形資產 (附註21)	249,000
Inventories	存貨	9,094
Trade receivables	貿易應收款項	8,778
Other receivables and prepayment	其他應收款項及預付款項	106,443
Tax recoverable	可收回稅項	67
Pledged bank deposit	已抵押銀行存款	8,281
Bank balance and cash	銀行結餘及現金	17,343
Trade payables	貿易應付款項	(4,014)
Other payables and accruals	其他應付款項及應計費用	(25,852)
Amount due to former shareholder	應付前股東之款項	(13,725)
Bank borrowings	銀行借貸	(72,600)
Other borrowings	其他借貸	(990)
Deferred tax liabilities	遞延稅項負債	(62,250)
Net assets acquired	所收購資產淨值	220,008
Goodwill arising on acquisition:	於收購事項產生之商譽：	
Consideration transferred	所轉撥之代價	407,391
Plus: non-controlling interests	加：非控股權益	674
Less: net assets acquired	減：所收購資產淨值	(220,008)
Goodwill arising on acquisition (Note 20)	於收購事項產生之商譽 (附註20)	188,057

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綜合財務報表附註

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

39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Goodwill arose in the acquisition of the Target Company because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the Target Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash inflow on acquisition of Success Capture Limited

Cash and cash equivalent balance acquired

Impact of acquisition on the results of the Group

Included in the loss for the year ended 31 December 2015 is a loss of approximately HK\$716,000 attributable to the additional business generated by the Target Group. Revenue for the year ended 31 December 2015 includes approximately HK\$11,006,000 generated from the Target Group.

Had the Acquisition been completed on 1 January 2015, total group revenue for the year would have been HK\$184,917,000 and loss for the year would have been HK\$529,730,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

39. 收購附屬公司 (續)

收購目標公司產生商譽，乃由於合併成本包括一筆控制權溢價所致。此外，已付合併代價實際包括與預期協同效益、收益增長、未來市場開發及目標集團全體勞工之利益有關之金額。由於該等利益不符合可識別無形資產的確認標準，故此該等利益並無與商譽分開確認。

收購Success Capture Limited之現金流入淨額

HK\$'000
千港元

已收購現金及現金等價物結餘

17,343

收購事項對本集團業績之影響

截至二零一五年十二月三十一日止年度之虧損中約716,000港元乃源於目標集團之新增業務。截至二零一五年十二月三十一日止年度之收益中約11,006,000港元乃產生自目標集團。

倘收購事項於二零一五年一月一日完成，則本集團之年內收益總額將為184,917,000港元，而年內虧損將為529,730,000港元。備考資料僅供說明用途，未必為倘收購事項於二零一五年一月一日已經完成本集團實際可達致之收益及經營業績的指標，亦不擬作為未來業績預測。

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39. ACQUISITION OF SUBSIDIARIES (CONTINUED)

In determining the “pro-forma” loss of the Group had the Target Company been acquired at the beginning of the current year, the Directors have calculated the depreciation of property, plant and equipment and the amortisation of the intangible asset acquired on the basis of the fair value arising in the initial accounting for the business combination rather than carrying amount recognised in the pre-acquisition financial statements.

39. 收購附屬公司 (續)

於假設於本年度初收購目標公司而釐定本集團「備考」虧損時，董事已根據於業務合併初次入賬時產生的公平值計算所收購物業、廠房及設備折舊以及無形資產攤銷，而非根據收購前財務報表確認之賬面值計算。

40. CAPITAL COMMITMENTS

40. 資本承擔

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Contracted for but not provided in the consolidated financial statement:	已訂約但尚未於綜合財務報表撥備：		
Unpaid registered capital for the associates	聯營公司之未繳註冊資本	128,787	77,500
Unpaid registered capital for the subsidiaries	附屬公司之未繳註冊資本	308,802	161,896
Unpaid registered capital for a joint venture	一間合營公司之未繳註冊資本	116,239	—
Capital expenditure in respect of the acquisition of property, plant and equipment	有關收購物業、廠房及設備之資本開支	78,977	—
		632,805	239,396

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged for the Group's banking facilities, bills payables and borrowings:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank deposits (Note 28)	銀行存款 (附註28)	-	81,533
Property, plant and equipment (Note 17)	物業、廠房及設備 (附註17)	148,835	309,052
Prepaid lease payments (Note 19)	預付租賃款項 (附註19)	129,870	151,570
		278,705	542,155

As at 31 December 2016, the Company were pledged the entire equity interest of Jiangxi Shipbuilding to secure a bank borrowing amounted to RMB108,015,000 (2015: RMB107,000,000).

42. SHARE OPTION SCHEME

The Company has adopted a share option scheme on 27 May 2002 (the "Scheme 2002"). Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 27 June 2012, the Scheme 2002 was expired and those options under the Scheme 2002 shall remain exercisable pursuant to the rules of the Scheme 2002, and a new share option scheme (the "Scheme 2012") was adopted.

The purpose of the Scheme 2002 and Scheme 2012 is to recognise and motivate the contribution of any employee, adviser, consultant, agent, contractor, client and supplier and/or such other person who in the sole discretion of the board of Directors, has contributed or may contribute to the Group and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

41. 資產抵押

於報告期末，就本集團銀行融資、應付票據及借貸而抵押之資產如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank deposits (Note 28)	銀行存款 (附註28)	-	81,533
Property, plant and equipment (Note 17)	物業、廠房及設備 (附註17)	148,835	309,052
Prepaid lease payments (Note 19)	預付租賃款項 (附註19)	129,870	151,570
		278,705	542,155

於二零一六年十二月三十一日，本公司已抵押江西造船之全部股權，作為銀行借貸人民幣108,015,000元（二零一五年：人民幣107,000,000元）之抵押。

42. 購股權計劃

本公司已於二零零二年五月二十七日採納一項購股權計劃（「二零零二年計劃」）。根據本公司於二零一二年六月二十七日舉行之股東週年大會上通過之一項普通決議案，二零零二年計劃已屆滿，而二零零二年計劃項下之購股權仍可根據二零零二年計劃之規則行使，並已採納一項新購股權計劃（「二零一二年計劃」）。

二零零二年計劃及二零一二年計劃旨在認可及激勵任何僱員、顧問、諮詢師、代理、承包商、客戶及供應商及／或董事會全權酌情認為曾經或可能對本集團作出貢獻的其他人士所作貢獻，以及作為獎勵並協助本公司挽留其現有僱員及招聘新員工，並為彼等提供直接經濟利益，以實現本公司長期業務目標。



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

42. SHARE OPTION SCHEME (CONTINUED)

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 10% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per person. Options may be exercised at any time during the exercise period. The subscription price of the option shall be determined by the board of Directors but in any case shall not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share.

At 31 December 2016, the number of outstanding share options under the Scheme 2012 and Scheme 2002 were 876,000,000 (2015: 916,000,000) and 46,449,780 (2015: 46,449,780) respectively, representing 7.69% (2015: 8.05%) of the shares of the Company in issue at that date.

42. 購股權計劃 (續)

就於任何一年內向任何個人已授出及可能授出之購股權而已發行及將予發行股份數目，在未獲本公司股東事先批准前，不得超過任何時間內本公司已發行股份之10%。已授出購股權須於授出日期起計21日內接納，並須每人支付1港元。購股權可於行使期內任何時間行使。購股權之認購價須由董事會釐定，惟於任何情況下不得低於以下較高者：(i)於授出日期（必須為交易日）於聯交所每日報價表所報之股份收市價；(ii)緊接授出日期前五個交易日聯交所每日報價表所報之股份平均收市價；或(iii)股份之面值。

於二零一六年十二月三十一日，二零一二年計劃及二零零二年計劃下尚未行使之購股權數目分別為876,000,000份（二零一五年：916,000,000份）及46,449,780份（二零一五年：46,449,780份），佔本公司當日已發行股份之7.69%（二零一五年：8.05%）。

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42. SHARE OPTION SCHEME (CONTINUED)

The following table discloses details of the options held by Directors, employees and other persons and movements in such holdings during the years ended 31 December 2016 and 2015:

Scheme 2002

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 31 December 2016 and 31 December 2015 and 1 January 2015 於二零一六年十二月三十一日及二零一五年十二月三十一日及二零一五年一月一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	
Directors 董事	5 March 2008 二零零八年三月五日	5 March 2008 to 4 March 2018 二零零八年三月五日至 二零一八年三月四日	HK\$5.693 5.693港元	2,529,600
		5 March 2009 to 4 March 2018 二零零九年三月五日至 二零一八年三月四日	HK\$5.693 5.693港元	1,897,200
		5 March 2010 to 4 March 2018 二零一零年三月五日至 二零一八年三月四日	HK\$5.693 5.693港元	1,897,200
				6,324,000

42. 購股權計劃 (續)

下表披露截至二零一六年及二零一五年十二月三十一日止年度，董事、僱員及其他人士所持有購股權之詳情，以及有關持股之變動：

二零零二年計劃

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42. SHARE OPTION SCHEME (CONTINUED)

42. 購股權計劃 (續)

Scheme 2002 (Continued)

二零零二年計劃 (續)

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at
				31 December 2016 and 31 December 2015 and 1 January 2015
				於二零一六年 十二月三十一日及 二零一五年 十二月三十一日及 二零一五年一月一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	
Directors 董事	7 May 2008 二零零八年 五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	1,644,240
		7 May 2009 to 6 May 2018 二零零九年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	1,233,180
		7 May 2010 to 6 May 2018 二零一零年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	1,233,180
				4,110,600
				10,434,600

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42. SHARE OPTION SCHEME (CONTINUED)

42. 購股權計劃 (續)

Scheme 2002 (Continued)

二零零二年計劃 (續)

Name	Date of grant	Exercisable period	Exercise price per share	Number of share options outstanding at 31 December 2016 and 31 December 2015 and 1 January 2015 於二零一六年 十二月三十一日及 二零一五年 十二月三十一日及 二零一五年一月一日 尚未行使購股權數目
名稱	授出日期	可行使期間	每股行使價 (Note a) (附註a)	
Employees 僱員	7 May 2008 二零零八年 五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	935,952
		7 May 2009 to 6 May 2018 二零零九年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	701,964
		7 May 2010 to 6 May 2018 二零一零年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	701,964
				2,339,880
Consultants (Note b) 顧問 (附註b)	7 May 2008 二零零八年 五月七日	7 May 2008 to 6 May 2018 二零零八年五月七日至 二零一八年五月六日	HK\$4.523 4.523港元	33,675,300
				46,449,780
Exercisable at the end of the year 於年末可行使				46,449,780

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42. SHARE OPTION SCHEME (CONTINUED)

Scheme 2002 (Continued)

Notes:

- a. The initial exercise prices of the share options granted on 5 March 2008 and 7 May 2008 are HK\$0.18 and HK\$0.143 respectively. Upon the share consolidation became effective on 25 June 2009 and the open offer and the related bonus element became effective on 7 September 2010, the exercise prices of share options were adjusted to HK\$5.693 and HK\$4.523 accordingly.
- b. The consultants provided consultancy service with regard to the acquisition and operation of INPAX Group.

The weighted average remaining contractual life and weighted average exercise price of the outstanding share options under Scheme 2002 is approximately 1.3 (2015: 2.3) years and HK\$4.682 (2015: HK\$4.682) per share respectively.

42. 購股權計劃 (續)

二零零二年計劃 (續)

附註:

- a. 於二零零八年三月五日及二零零八年五月七日授出之購股權之初步行使價分別為0.18港元及0.143港元。在股份合併於二零零九年六月二十五日生效，以及公開發售及相關紅利部分於二零一零年九月七日生效後，購股權之行使價已分別相應調整至5.693港元及4.523港元。
- b. 顧問就收購及經營INPAX集團提供顧問服務。

二零零二年計劃項下之尚未行使購股權的加權平均剩餘合約年期及加權平均行使價分別約為1.3年(二零一五年: 2.3年)及每股股份4.682港元(二零一五年: 4.682港元)。

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42. SHARE OPTION SCHEME (CONTINUED)

42. 購股權計劃 (續)

Scheme 2012

二零一二年計劃

Name	Date of grant	Exercisable period	Subscription price per share	Number of share options 購股權總數				
				Outstanding at 1 January 2015 於二零一五年一月一日尚未行使	Granted during the year 於年內授出	Outstanding at 31 December 2015 於二零一五年十二月三十一日尚未行使	Exercise during the year 於年內行使	Outstanding at 31 December 2016 於二零一六年十二月三十一日尚未行使
名稱	授出日期	可行使期間	每股認購價					
Directors 董事	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至二零二四年五月六日	HK\$0.211 0.211港元	120,000,000	-	120,000,000	(40,000,000)	80,000,000
	4 November 2015 二零一五年十一月四日	4 November 2015 to 3 November 2018 二零一五年十一月四日至二零一八年十一月三日	HK\$0.28 0.28港元	-	270,000,000	270,000,000	-	270,000,000
				<u>120,000,000</u>	<u>270,000,000</u>	<u>390,000,000</u>	<u>(40,000,000)</u>	<u>350,000,000</u>
Employees 僱員	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至二零二四年五月六日	HK\$0.211 0.211港元	50,000,000	-	50,000,000	-	50,000,000
	4 November 2015 二零一五年十一月四日	4 November 2015 to 3 November 2018 二零一五年十一月四日至二零一八年十一月三日	HK\$0.28 0.28港元	-	280,000,000	280,000,000	-	280,000,000
				<u>50,000,000</u>	<u>280,000,000</u>	<u>330,000,000</u>	<u>-</u>	<u>330,000,000</u>
Consultants (Note a) 顧問 (附註a)	7 May 2014 二零一四年五月七日	7 May 2014 to 6 May 2024 二零一四年五月七日至二零二四年五月六日	HK\$0.211 0.211港元	196,000,000	-	196,000,000	-	196,000,000
				<u>366,000,000</u>	<u>550,000,000</u>	<u>916,000,000</u>	<u>(40,000,000)</u>	<u>876,000,000</u>
Exercisable at the end of the year 於年末可行使				<u>366,000,000</u>		<u>916,000,000</u>		<u>876,000,000</u>
Weighted average exercise price 加權平均行使價						HK\$0.252 0.252港元		HK\$0.254 0.252港元
Weighted average remaining contractual life 加權平均剩餘合約年期						5 years 5年		3.9 years 3.9年

Note:

a. The consultants provided consultancy service with regard to the financing, restructuring and development of the Group.

附註:

a. 顧問就本集團之融資、重組及發展提供顧問服務。

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

42. SHARE OPTION SCHEME (CONTINUED)

The share options under Scheme 2012 granted during the year ended 31 December 2015 vested immediately at the date of grant.

40,000,000 share options were exercised during the year ended 31 December 2016 (31 December 2015: Nil).

The estimated fair values of the options granted on 5 March 2008, 7 May 2008, 7 May 2014 and 4 November 2015 are approximately HK\$18,086,000, HK\$30,502,000, HK\$42,163,000 and HK\$49,194,000 respectively. The fair value of service received from the Directors and employees in return for share options granted is measured by reference to the fair value of share options granted. In the opinion of the Directors, in view of the fair value of the service received from the consultants could not be estimated reliably by the Company, the fair value of the service received from the consultants was measured indirectly by reference to the fair value of the share options granted to the consultants.

These fair values were calculated using the Black-Scholes model with Binomial Tree method. The inputs into the model were as follows:

Scheme 2012

Grant date share price	授出日期之股價	HK\$0.2500 0.2500港元
Exercise price	行使價	HK\$0.2800 0.2800港元
Contractual life	合約年期	3 years 3年
Expected volatility	預計波幅	69.85%
Dividend yield	股息回報率	0%
Risk-free interest rate	無風險利率	0.761%

42. 購股權計劃 (續)

於截至二零一五年十二月三十一日止年度根據二零一二年計劃授出之購股權於授出日期即時歸屬。

於截至二零一六年十二月三十一日止年度有40,000,000份購股權獲行使(二零一五年十二月三十一日:無)。

於二零零八年三月五日、二零零八年五月七日、二零一四年五月七日及二零一五年十一月四日授出之購股權之估計公平值分別約為18,086,000港元、30,502,000港元、42,163,000港元及49,194,000港元。作為已授出購股權回報之已收取董事及僱員服務之公平值參考所授出購股權之公平值計量。董事認為，鑒於本公司不能可靠估計已收取顧問之服務的公平值，已收取顧問之服務的公平值乃參考顧問獲授的購股權之公平值間接計量。

該等公平值乃採用二叉樹法的柏力克-舒爾斯模式計算。該模式之輸入數據如下：

二零一二年計劃

**4 November
2015**
二零一五年
十一月四日



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

42. SHARE OPTION SCHEME (CONTINUED)

Expected volatility for the options granted on 4 November 2015 was determined by using the historical volatility of the Company's share price over the previous 3 years.

Expected volatility for the options granted on 5 March 2008, 7 May 2008 and 7 May 2014 was determined by using the historical volatility of the Company's share price over the previous 5 years.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

43. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group and in funds under the control of trustees. The Group contributes 5% or HK\$1,500 since June 2014 in maximum of relevant payroll costs to the MPF Scheme, which is matched by employees.

The Company's subsidiaries in the PRC is members of the state-managed retirement benefits scheme operated by the government of PRC. The retirement scheme contributions, which are based on a certain percentage of the basic salaries of the relevant subsidiary's employees, are charged to the consolidated statement of profit or loss and other comprehensive income in the period to which they relate and represent the amount of contributions payable by the subsidiary to the scheme. The only obligation of the Group with respect to the retirement benefits scheme operated by the government of PRC is to make the required contributions under the scheme.

The retirement benefit cost charged to the consolidated statement of profit or loss and other comprehensive income represents contributions paid and payable to the scheme by the Group at rate specified in the rules of the scheme.

42. 購股權計劃 (續)

於二零一五年十一月四日授出之購股權之預計波幅乃採用本公司股價於過往3個年度之歷史波幅釐定。

於二零零八年三月五日、二零零八年五月七日及二零一四年五月七日授出之購股權之預計波幅乃採用本公司股價於過往5個年度之歷史波幅釐定。

該模式所採用之預計年期已根據管理層對不可轉讓性、行使限制及行為模式考慮因素之影響之最佳估計作出調整。

43. 退休福利計劃

本集團為香港所有合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃之資產與本集團之資產分開持有，由信託人以基金形式管理。本集團向強積金計劃就相關工資成本供款5%或最高金額1,500港元(二零一四年六月起)，僱員之供款為相同之金額。

本公司於中國的附屬公司為中國政府經營的國家管理退休福利計劃成員。此退休計劃供款乃按相關附屬公司僱員的基本工資的若干百分比計量，並於有關期內將此等附屬公司的應付計劃供款於綜合損益及其他全面收益表扣除。本集團就中國政府經營之退休福利計劃之責任僅為根據計劃作出規定之供款。

退休福利成本於綜合損益及其他全面收益表扣除，指本集團按計劃規定指定之比率向計劃已付及應付之供款。

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44. LITIGATIONS AND CONTINGENT LIABILITIES

- (a) At 31 December 2016, the Group has not paid the social security fund for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The social security fund accrued up to 31 December 2016 of approximately HK\$40,206,000 (equivalent to RMB36,221,000) in aggregate, were recorded as “Trade, bills and other payables” in the consolidated statement of financial position (2015: HK\$39,681,000 (equivalent to RMB33,628,000)).

A repayment agreement was signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015 in respect of the settlement of the unpaid social security fund. Per the agreement, all outstanding amounts should be repaid before December 2019. The Directors considered that if the Group could settle the unpaid social security fund according to the repayment agreement, no penalty would be imposed by the relevant government authority.

- (b) At 31 December 2016, the Group has not paid the housing provident fund contributions for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The housing provident fund contributions accrued up to 31 December 2016 of approximately HK\$5,483,000 (equivalent to RMB4,940,000) in aggregate, were recorded as “Trade, bills and other payables” in the consolidated statement of financial position (2015: HK\$6,798,000 (equivalent to RMB5,761,000)).

The Directors are of the opinion that the possibility to the risk of being imposed the penalty by the relevant government authority is remote.

44. 訴訟及或然負債

- (a) 於二零一六年十二月三十一日，本集團尚未為及代表其僱員繳付社保基金，此令本集團承受被相關政府部門處以罰款之風險。截至二零一六年十二月三十一日之應計社保基金合共約為40,206,000港元（相當於人民幣36,221,000元）（二零一五年：39,681,000港元（相當於人民幣33,628,000元）），已在綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。

本公司之全資附屬公司江西造船與相關政府部門於二零一五年一月二十六日就清償未付社保基金簽訂還款協議。根據協議，所有未償付金額須於二零一九年十二月前償還。董事認為，倘本集團根據還款協議償付未繳社保基金，則相關政府部門不會追加罰款。

- (b) 於二零一六年十二月三十一日，本集團尚未為及代表其僱員繳付住房公積金供款，此令本集團承受被相關政府部門處以罰款之風險。截至二零一六年十二月三十一日之應計住房公積金供款合共約為5,483,000港元（相當於人民幣4,940,000元）（二零一五年：6,798,000港元（相當於人民幣5,761,000元）），已在綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。

董事認為面臨相關政府部門處以罰款風險之可能性甚微。



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44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) The Company had recognised the provision in relation to the litigations of approximately RMB13,812,000 (2015: RMB10,611,000) under “Trade, bill and other payables” in the consolidated statement of financial position as at 31 December 2016. On the basis of internal legal advice from the Group that it is not probable that these claims would result in an out flow of economic benefits exceeding the provisions made by the Group. Details are set out as follows:

- (i) In June 2016, a contractor filed its writ to Jiangxi Province Nanchang County People’s Court against Jiangxi Shipbuilding for the failed payment of contracting services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB313,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (ii) In August 2016, a supplier filed its writ to Gaoyou City People’s Court against Jiangxi Shipbuilding for the failed payment of the sale of cable. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB392,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.

44. 訴訟及或然負債 (續)

(c) 本公司已於二零一六年十二月三十一日之綜合財務狀況表內之「貿易、票據及其他應付款項」確認就訴訟作出之撥備約人民幣13,812,000元(二零一五年: 人民幣10,611,000元)。根據本集團之內部法律意見, 該等索償不大可能導致經濟利益流出金額超過本集團作出之撥備。詳情載列如下:

- (i) 於二零一六年六月, 一名分包商向江西省南昌縣人民法院提出針對江西造船就未支付合約服務款項的令狀。於報告期末, 該訴訟已結案, 且尚未償還之應付本金付款及相關應計利息合共約為人民幣313,000元, 已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (ii) 於二零一六年八月, 一名供應商向高郵市人民法院提出針對江西造船就未支付銷售電纜款項的令狀。於報告期末, 該訴訟已結案, 且尚未償還之應付本金付款及相關應計利息合共約為人民幣392,000元, 已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。

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44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) (Continued)

- (iii) In September 2015, a contractor filed its writ to Wuhan Marine Court against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB4,636,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (iv) In November 2015, a supplier filed its writ to Jiujiang Arbitration Commission against Jiangxi Shipbuilding for the failed payment of provided gas services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB3,422,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.
- (v) In November 2015, a contractor filed its writ to Shanghai Jinshan District People’s Court against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB762,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.

44. 訴訟及或然負債 (續)

(c) (續)

- (iii) 於二零一五年九月，一名分包商向武漢海事法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣4,636,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (iv) 於二零一五年十一月，一名供應商向九江仲裁委員會提出針對江西造船就未支付燃氣服務款的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣3,422,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。
- (v) 於二零一五年十一月，一名分包商向上海市金山區人民法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣762,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。



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44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

(c) (Continued)

(vi) In December 2014, a contractor filed its writ to Wuhan Marine Court against Jiangxi Shipbuilding for the failed payment of provided vessel decoration services. At the end of the reporting period, the litigation was judged and the outstanding payable of the principal payment and the relevant interests accrued of approximately RMB4,287,000 in aggregate, were recognised under “Trade, bills and other payables” in the consolidated statement of financial position.

(d) On 3 December 2015, Merge Limited and other shareholders of Zhejiang Ocean as counter guarantors (collectively referred to the “Counter Guarantor”) entered into the counter guarantee agreement with Zhoushan Marine Comprehensive Development and Investment Co., Ltd* (舟山海洋綜合開發投資有限公司) (the “Guarantor”), pursuant to which the Counter Guarantors shall, in proportion to their respective shareholding in Zhejiang Ocean and upon demand of the Guarantor, indemnify the Guarantor for all liabilities and expenses which may be incurred by the Guarantor under any guarantee given or to be given by the Guarantor in favour of Zhejiang Ocean during the period from 1 January 2015 to 31 December 2020 in respect of loan agreements and asset securitization agreements entered into by Zhejiang Ocean (the “Guarantee”), up to an aggregate amount of RMB900,000,000 (equivalent to approximately HK\$1,107,000,000), together with any interests, penalty, compensation and related fees and expenses which may be payable by the Guarantor under the Guarantee. Accordingly, the maximum amount which Merge Limited shall indemnify the Guarantor is 20% of the aforesaid aggregate amount, being RMB180,000,000 (equivalent to approximately HK\$221,400,000).

44. 訴訟及或然負債 (續)

(c) (續)

(vi) 於二零一四年十二月，一名分包商向武漢海事法院提出針對江西造船就未支付輪船裝修服務款項的令狀。於報告期末，該訴訟已結案，且尚未償還之應付本金付款及相關應計利息合共約為人民幣4,287,000元，已於綜合財務狀況報表以「貿易、票據及其他應付款項」入賬。

(d) 於二零一五年十二月三日，聚合有限公司及浙江海洋之其他股東（作為反擔保方，統稱為「反擔保方」）與舟山海洋綜合開發投資有限公司（「擔保方」）訂立反擔保協議，據此，反擔保方須按彼等各自於浙江海洋之持股比例及擔保方之要求，就擔保方因於二零一五年一月一日至二零二零年十二月三十一日期間就浙江海洋訂立之貸款協議及資產證券化協議給予或將給予以浙江海洋為受益人之任何擔保（「擔保」，總額最高為人民幣900,000,000元（相當於約1,107,000,000港元））而可能產生的一切負債及開支，連同擔保方於擔保下可能須支付的任何利息、罰款、賠償及相關費用與開支向擔保方作出彌償。因此，聚合有限公司應向擔保方作出之彌償之最高金額為上述總金額之20%，即人民幣180,000,000元（相當於約221,400,000港元）。

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44. LITIGATIONS AND CONTINGENT LIABILITIES (CONTINUED)

Details of the counter-guarantee are disclosed in the Company's announcement dated 3 December 2015.

Other than disclosed above, the Directors are of the opinion that the Group has no other material contingent liabilities at 31 December 2016 and 31 December 2015.

45. OPERATING LEASE COMMITMENTS

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

Within one year

一年內

The property held has committed tenants for next one year (2015: Nil).

44. 訴訟及或然負債 (續)

有關反擔保之詳情乃披露於本公司日期為二零一五年十二月三日之公佈。

除上文所披露者外，董事認為本集團於二零一六年十二月三十一日及二零一五年十二月三十一日並無任何其他重大或然負債。

45. 經營租賃承擔

本集團作為出租人

於報告期末，本集團已與租戶訂約之未來最低租賃付款額如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	96	—

所持有之物業於未來一年已有固定承租人 (二零一五年：無)。

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45. OPERATING LEASE COMMITMENTS (CONTINUED)

The Group as lessee (Continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments payable under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,378	6,188
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	697	4,499
		5,075	10,687

Operating lease payments represent rental payables by the Group for certain of its office premises. Leases are negotiated and rentals are fixed for an average term of 2 years (2015: 2 years).

45. 經營租賃承擔 (續)

本集團作為承租人 (續)

於報告期末，本集團有下列有關租賃物業之不可撤銷經營租約而須於下列期間支付未來最低租賃付款額之承擔：

經營租賃付款指本集團就其若干辦公室物業應付之租金。租期經磋商而租金按平均2年租期(二零一五年: 2年)訂定。

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46. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with related parties during the year as follows:

(a) Amounts due to related parties

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Jiangxi Haoli Fanya Energy Development Co., Ltd. ("Haoli Energy") (Note i)	江西昊利泛亞能源發展有限公司(「昊利能源」) (附註i)	-	3,711
Mr. Wu Ge ("Mr Wu") (Note ii)	吳革先生(「吳先生」) (附註ii)		
- advanced loan	- 墊付貸款	25	27
- consideration payable for the acquisition of Jiujiang Jinfu and accrued salaries	- 就收購九江金湖而應付之代價及應計薪金	400	425
		425	4,163

(b) Amounts due to directors

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Mr. Li Ming ("Mr. Li") (Note iii)	李明先生(「李先生」) (附註iii)	1,046	47
Mr. Zhang Shi Hong ("Mr. Zhang") (Note iv)	張士宏先生(「張先生」) (附註iv)	5	50
Mr. Wang San Long ("Mr. Wang") (Note vi)	汪三龍先生(「汪先生」) (附註vi)		
- consideration payable for the acquisition of Jiujiang Jinfu and accrued salaries	- 就收購九江金湖而應付之代價及應計薪金	470	500
		1,521	597

46. 有關聯人士交易

除於綜合財務報表其他部分所披露者，本集團於年內與有關聯人士之重大交易及結餘如下：

(a) 應付有關聯人士款項

(b) 應付董事款項

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46. RELATED PARTY TRANSACTIONS (CONTINUED)

46. 有關聯人士交易 (續)

(c) Transactions with related parties

(c) 與有關聯人士之交易

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest expenses and guarantee fee paid and payable to Haoli Energy (Note i)	已付及應付昊利能源之利息開支及擔保費 (附註i)	-	881
Interest expenses paid and payable to Mr. Wang (Note vi)	已付及應付汪先生之利息開支 (附註vi)	-	85
		-	966

Notes:

- (i) The legal representative of Haoli Energy is Mr. Zhang. Mr. Zhang is the executive director and chief executive officer of the Company. During the year ended 31 December 2015, the amount due to Haoli Energy is unsecured, interest-bearing at 14.4% per annum and repayable on demand.
- (ii) Mr. Wu is the senior management of the Group. The amount is unsecured, interest-free and repayable on demand.
- (iii) Mr. Li, is the executive director of the Company, the amount is unsecured, interest-free and repayable on demand.

Mr. Li has provided a personal guarantee in favor of the Group to guarantee a facility of RMB525,000,000 (2015: RMB170,000,000) granted by banks in the PRC during the year ended 31 December 2016.

Mr. Li also had provided a personal-guarantee to secure the payment obligations of the borrowings of RMB200,000,000 (2015: RMB200,000,000) from one of the shareholders of the Group's associate, Zhejiang Ocean during the year ended 31 December 2016.

附註:

- (i) 昊利能源之法人代表為張先生。張先生為本公司之執行董事兼行政總裁。於截至二零一五年十二月三十一日止年度，應付昊利能源之款項乃無抵押、按年利率14.4%計息及須按要求償還。
- (ii) 吳先生為本集團之高級管理層。該款項為無抵押、免息及須按要求償還。
- (iii) 李先生為本公司之執行董事，該款項為無抵押、免息及須按要求償還。

於截至二零一六年十二月三十一日止年度，李先生已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資人民幣525,000,000元（二零一五年：人民幣170,000,000元）。

於截至二零一六年十二月三十一日止年度，李先生亦就擔保償還一名人士（為本集團聯營公司浙江海洋之其中一名股東）借款人民幣200,000,000元（二零一五年：人民幣200,000,000元）之責任提供個人擔保。

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46. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with related parties (Continued)

Notes: (Continued)

- (iv) Mr. Zhang is the executive director of the Company, the amount is unsecured, interest-free and repayable on demand.

For the acquisition of the entire issued share capital of Success Capture Limited, Pacific Greatest Limited, a company incorporated on the British Virgin Islands with limited liability (the "Vendor") is held as to 22% by Mr. Zhang.

- (v) Mr. Zhang has provided a personal guarantee in favour of the Group to guarantee a facility of RMB430,000,000 (2015: Nil) granted by banks in the PRC during the year ended 31 December 2016.

- (vi) Mr. Wang is the executive director of the Company. The balances of amount due is unsecured, interest-free and repayable on demand.

Mr. Wang also had provided a personal-guarantee in favor of the Group to guarantee a facility of RMB158,015,000 (2015: RMB277,000,000) granted by banks in the PRC during the year ended 31 December 2016.

- (d) The key management of the Group comprises all Directors and chief executives, detail of their remuneration are disclosed in Note 14 to the consolidated financial statements. The remuneration of Directors and chief executives recommended by the remuneration committee and with reference to the market trends.

The Directors are of the view that the terms of the above related party transactions are fair and reasonable, based on normal commercial terms where no charge over the assets of the Group is created in respect of the above transactions.

46. 有關聯人士交易 (續)

(c) 與有關聯人士之交易 (續)

附註：(續)

- (iv) 張先生為本公司之執行董事，該款項為無抵押、免息及須按要求償還。

就收購Success Capture Limited之全部已發行股本而言，Pacific Greatest Limited (一間於英屬處女群島註冊成立之有限公司) (「賣方」)由張先生持有22%。

- (v) 於截至二零一六年十二月三十一日止年度，張先生已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資人民幣430,000,000元(二零一五年：無)。

- (vi) 汪先生為本公司之執行董事，到期款項結餘為無抵押、免息及須按要求償還。

於截至二零一六年十二月三十一日止年度，汪先生亦已以本集團為受益人提供個人擔保以擔保中國之銀行授出之融資人民幣158,015,000元(二零一五年：人民幣277,000,000元)。

- (d) 本集團之主要管理層包括全體董事及主要行政人員，其薪酬詳情已於綜合財務報表附註14內披露。董事及主要行政人員之薪酬乃由薪酬委員會經參考市場趨勢而建議。

董事認為上述有關聯人士交易之條款屬公平合理及按一般商業條款進行，其中概無就上述交易對本集團之資產設立押記。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

47. 本公司之財務狀況表及儲備

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		–	–
Investments in subsidiaries	於附屬公司之投資		433,770	707,391
Restricted cash	受限制現金		94,000	–
			<u>527,770</u>	<u>707,391</u>
CURRENT ASSETS	流動資產			
Other receivables	其他應收款項		–	16
Loan to a subsidiary	提供予一間附屬公司之貸款 (b)		95,258	273,474
Amounts due from subsidiaries	應收附屬公司款項		–	56,948
Investments held for trading	持作買賣之投資		2,177	1,952
Bank balances and cash	銀行結餘及現金		300	3,904
			<u>97,735</u>	<u>336,294</u>
CURRENT LIABILITIES	流動負債			
Other payables	其他應付款項		30,612	21,740
Amount due to a director	應付一名董事款項 (a)		1,000	–
Contingent consideration	或然代價		317,628	–
Convertible bonds payable	應付可換股債券		256,032	248,609
			<u>605,272</u>	<u>270,349</u>
NET CURRENT (LIABILITIES) ASSETS	流動資產淨值 (負債淨額)		<u>(507,537)</u>	<u>65,945</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		<u>20,233</u>	<u>773,336</u>

Notes to the Consolidated Financial Statements

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

47. 本公司之財務狀況表及儲備 (續)

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債		
Contingent consideration payable	應付或然代價	–	315,740
Financial guarantee	財務擔保	672,460	190,720
Convertible bonds payable	應付可換股債券	92,847	45,123
		765,307	551,583
NET (LIABILITIES) ASSETS	(負債淨額) 資產淨值	(745,074)	221,753
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	600,138	597,899
Reserves	儲備	(1,345,212)	(376,146)
		(745,074)	221,753

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 March 2017 and consigned on its behalf by:

董事會已於二零一七年三月三十日通過及授權刊發本公司財務狀況表，並由下列董事代表簽署核實：

LI Ming

李明

Director

董事

ZHANG Shi Hong

張士宏

Director

董事

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綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

47. 本公司之財務狀況表及儲備 (續)

Notes:

- (a) Amount due to a director is unsecured, interest-free and repayable on demand.
- (b) During the year ended 31 December 2016, a loan of approximately HK\$95,258,000 (equivalent to HK\$60,000,000 and RMB31,764,000) (2015: HK\$273,474,000 (equivalent to HK\$153,114,000 and RMB102,000,000)) was granted to Jiangxi Shipbuilding by the Company, in which the amount is unsecured, interest bearing at 7.5% per annum and repayable within one year.
- (c) Movements in the Company's reserves

附註:

- (a) 應付一名董事款項乃無抵押、免息及須按要求償還。
- (b) 於截至二零一六年十二月三十一日止年度，本公司向江西造船授予貸款約95,258,000港元（相當於60,000,000港元加人民幣31,764,000元）（二零一五年：273,474,000港元（相當於153,114,000港元加人民幣102,000,000元））。該貸款為無抵押、按年利率7.5%計息及須於一年內償還。
- (c) 本公司儲備之變動

		Share premium	Contributed surplus	Share option reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	可換股債券儲備 HK\$'000 千港元 (Note 35) (附註35)	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	875,349	3,368,411	85,856	156,621	(4,724,381)	(238,144)
Loss for the year, representing total comprehensive expenses for the year	本年度虧損 (即年內全面開支總額)	-	-	-	-	(796,632)	(796,632)
Recognition of equity component of convertible bonds payable	確認應付可換股債券之權益部分	-	-	-	20,518	-	20,518
Issuance of shares upon conversion of CBVI	於兌換可換股債券VI後發行股份	530,707	-	-	(145,278)	-	385,429
Issuance of shares upon conversion of CBVII	於兌換可換股債券VII後發行股份	47,124	-	-	(20,518)	-	26,606
Issuance of shares for the acquisition of subsidiaries	發行股份以收購附屬公司	53,198	-	-	-	-	53,198
Issuance of shares for settlement of loans	發行股份以清償貸款	123,685	-	-	-	-	123,685
Recognition of equity-settled share-based payments	確認以股權結算股份支付之款項	-	-	49,194	-	-	49,194
At 31 December 2015	於二零一五年十二月三十一日	1,630,063	3,368,411	135,050	11,343	(5,521,013)	(376,146)
Loss for the year, representing total comprehensive expenses for the year	本年度虧損 (即年內全面開支總額)	-	-	-	-	(975,853)	(975,853)
Issuance of shares upon exercise of share options	於購股權獲行使時發行股份	11,580	-	(5,140)	-	-	6,440
Issuance of shares upon conversion of CBIX	於兌換可換股債券IX後發行股份	347	-	-	-	-	347
At 31 December 2016	於二零一六年十二月三十一日	1,641,990	3,368,411	129,910	11,343	(6,496,866)	(1,345,212)

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綜合財務報表附註

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48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

48. 本公司之附屬公司詳情

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
INPAX Technology Limited	British Virgin Islands* 英屬處女群島*	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100	-	100	-	100	-	100	-	Investment holding 投資控股
Merge Limited 聯合有限公司	Hong Kong 香港	300,000,000 ordinary shares of HK\$1 each 300,000,000股每股面值1港元之普通股	100	-	100	-	100	-	100	-	Trading and investment holding 貿易及投資控股
China Ocean Shipbuilding Holdings Limited	British Virgin Islands* 英屬處女群島*	1 ordinary share of USD1 each 1股每股面值1美元之普通股	100	-	100	-	100	-	100	-	Investment holding 投資控股
China Ocean Natural Gas Holdings Limited	British Virgin Islands* 英屬處女群島*	1 ordinary share of USD1 each 1股每股面值1美元之普通股	100	-	100	-	100	-	100	-	Investment holding 投資控股
China Ocean Shipbuilding Services Limited	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	-	100	-	100	-	100	-	100	Inactive 暫無業務
China Ocean Shipbuilding (Hong Kong) Limited 中海船舶(香港)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	-	100	-	100	-	100	-	100	Investment holding and sale agent for shipbuilding 投資控股及造船銷售代理
China Ocean (LNG) Limited	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	-	100	-	100	-	100	-	100	Inactive 暫無業務

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綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Jiangxi Jiangzhou Union Shipbuilding Co., Ltd 江西江州聯合造船有限責任公司	PRC** 中國**	USD 59,000,000 paid-up registered capital 59,000,000美元 實繳註冊資本	-	100	-	100	-	100	-	100	Manufacturing metal vessel, vessel ancillary products and repair of vessels 製造金屬船舶、船舶配套產品以及維修船舶
Jiujiang Jinfu Equipment Manufacturing Company Limited 九江金湖裝備製造有限公司	PRC* 中國*	RMB30,000,000 paid-up registered capital 人民幣30,000,000元 實繳註冊資本	-	100	-	100	-	100	-	100	Metal structure and component manufacturing 金屬結構及構件製造
China Ocean Industry (Shenzhen) Financial Leasing Company Limited (Formerly known as China Ocean Shipbuilding (Shenzhen) Financial Leasing Company Limited) 中海重工(深圳)融資租賃有限公司 (前稱中海船舶(深圳)融資租賃有限公司)	PRC** 中國**	RMB 300,000,000 paid-up registered capital 人民幣300,000,000元 實繳註冊資本	-	100	-	100	-	100	-	100	Provision of financial leasing, acquisition and sale and lease back of fixed assets and advisory services, and business factoring in the PRC 於中國提供融資租賃、收購以及出售及租回固定資產及顧問服務，以及業務保理
Jiangxi Jincao New Energy Development Company Limited 江西金巢新能源發展有限公司	PRC 中國	RMB3,000,000 paid-up registered capital 人民幣3,000,000元 實繳註冊資本	-	100	-	100	-	100	-	100	Development of new energy technology and energy conservation facilities 發展新能源技術及節能設施
Brilliant Plus Holdings Limited	British Virgin Islands* 英屬處女群島*	1 ordinary share of USD1 each 1股每股面值1美元之普通股	100	-	100	-	100	-	100	-	Investment holding 投資控股

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48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Power On Investment Limited	British Virgin Islands* 英屬處女群島*	1 ordinary share of USD1 each 1股每股面值1美元之 普通股	100	-	100	-	100	-	100	-	Investment holding 投資控股
China Ocean Prosperity Logistic Limited	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之 普通股	-	100	-	100	-	100	-	100	Import and export electronic devices 電子設備進出口
China Ocean Materials Trading (Shenzhen) Company Limited (Note b) 中海物貿(深圳)有限公司 (附註b)	PRC 中國	RMB65,000,000 paid-up registered capital and RMB35,000,000 unpaid registered capital 人民幣65,000,000元 實繳註冊資本及 人民幣35,000,000元 未繳註冊資本	-	55	-	100	-	75 (Note c) (附註c)	-	100	Manufacturing and sales of intelligent car parking in the PRC 於中國製造及 銷售智能停車設備
Power On Heavy Lift 1071 Limited	Marshall Islands* 馬紹爾群島*	1 ordinary share of USD1 each 1股每股面值1美元之 普通股	-	100	-	100	-	100	-	100	Investment holding 投資控股
Power On Heavy Lift 1072 Limited	Marshall Islands* 馬紹爾群島*	1 ordinary share of USD1 each 1股每股面值1美元之 普通股	-	100	-	100	-	100	-	100	Investment holding 投資控股
Success Capture Limited	British Virgin Islands* 英屬處女群島*	10,000 ordinary shares of USD1 for consistency each 10,000股每股面值1美元 之普通股	-	100	-	100	-	100	-	100	Investment holding 投資控股
Shandong Ruitong (Hong Kong) Parking Management Services Company Limited 山東瑞通(香港)停車管理 服務有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元 之普通股	-	100	-	100	-	100	-	100	Investment holding 投資控股

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持所有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Shenzhen China Ocean Saige Intelligent Parking Development Company Limited (Note a) 深圳中海賽格智慧停車發展有限公司 (附註a)	PRC 中國	RMB32,500,000 unpaid registered capital 人民幣32,500,000元 未繳註冊資本	-	55.25%	-	-	-	55.25%	-	-	Investment and management of intelligent car parking in the PRC 於中國投資及管理智能停車場
Liaochen Dereton Industrial Development Co. Ltd 聊城德瑞通實業發展有限公司	PRC** 中國**	USD3,500,000 paid-up registered capital 3,500,000美元 實繳註冊資本	-	100	-	100	-	100	-	100	Investment holding 投資控股
Shandong Dereton Automotive Parking Equipment Co. Ltd 山東德通停車設備有限公司	PRC** 中國**	RMB30,000,000 paid-up registered capital and RMB20,000,000 unpaid registered capital 人民幣30,000,000元 實繳註冊資本及 人民幣20,000,000元 未繳註冊資本	-	100	-	100	-	100	-	100	Designing, manufacturing and installation of intelligent automotive parking equipment in the PRC 於中國設計、製造及 安裝智能汽車停車設備
Shenzhen Shanling Automotive Electronic Technology Co. Ltd 深圳市善領汽車電子科技有限公司	PRC 中國	RMB5,000,000 paid-up registered capital 人民幣5,000,000元 實繳註冊資本	-	100	-	100	-	100	-	100	Operating of "Internet of Vehicles" and designing and manufacturing of electronic automotive devices in the PRC 於中國從事車聯網運營及 設計及製造汽車 電子設備
Jiangxi Anlianshang Parking Management Service Co. Ltd 江西安聯尚停車投資管理有限公司	PRC 中國	RMB5,000,000 paid-up registered capital and RMB5,000,000 unpaid registered capital 人民幣5,000,000元 實繳註冊資本及 人民幣5,000,000元 未繳註冊資本	-	60	-	60	-	60	-	60	Investment and management of car parks 投資及管理停車場

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綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Shandong Anlianshang Parking Industry Co. Ltd 山東安聯尚停車產業有限公司	PRC 中國	RMB1,000,000 paid-up registered capital 人民幣1,000,000元 實繳註冊資本	-	60	-	60	-	60	-	60	Investment and management of car parks 投資及管理停車場
China Ocean Shipbuilding Leasing No.1 (Shenzhen) Co., Ltd	PRC 中國	RMB100,000 unpaid registered capital 人民幣100,000元 未繳註冊資本	-	100	-	100	-	100	-	100	Consulting and advisory services 諮詢及顧問服務
China Ocean Shipbuilding Leasing No.2 (Shenzhen) Co., Ltd	PRC 中國	RMB100,000 unpaid registered capital 人民幣100,000元 未繳註冊資本	-	100	-	100	-	100	-	100	Consulting and advisory services 諮詢及顧問服務
China Ocean Industry (Shenzhen) Company Limited (Note a) 中海重工(深圳)有限公司(附註a)	PRC** 中國**	RMB100,000,000 paid-up registered capital 人民幣100,000,000元 實繳註冊資本	-	100	-	-	-	100	-	-	Investment holding 投資控股
Jiangxi China Ocean Industry Company Limited (Note a) 江西中海重工有限公司(附註a)	PRC 中國	RMB100,000,000 unpaid registered capital 人民幣100,000,000元 未繳註冊資本	-	100	-	-	-	100	-	-	Inactive 暫無業務

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綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

48. 本公司之附屬公司詳情 (續)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:
(Continued)

於報告期末，由本公司直接及間接持有的附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營業務地點	Paid-up share capital/ registered capital 實繳股本/註冊資本	Proportion of ownership interest held by the Company 本公司所持所有權權益之比例				Proportion of voting power held by the Group 本集團所持投票權之比例				Principal activities 主要業務
			2016 二零一六年		2015 二零一五年		2016 二零一六年		2015 二零一五年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Xian China Ocean Huafu Parking Management Company Limited (Note a) 西安中海華富停車管理有限公司(附註a)	中國	RMB50,000,000 unpaid registered capital 人民幣50,000,000元 未繳註冊資本	-	100	-	-	-	100	-	-	Inactive 暫無業務
Shenzhen Qianhai Yuandongli Communication Technology Company Limited (Note a) 深圳市前海元動力通信技術有限公司(附註a)	中國	RMB34,500,000 unpaid registered capital 人民幣34,500,000元 未繳註冊資本	-	69	-	-	-	69	-	-	Inactive 暫無業務
Shenzhen Yuandongli Technology Company Limited 深圳市元動力科技有限公司	中國	RMB500,000 paid up registered capital 人民幣500,000元 實繳註冊資本	-	100	-	-	-	100	-	-	Invention of software and information technology services, selling software 開發軟件及資訊科技服務，銷售軟件

* The companies are engaged in investment holding and have no specific principal place of operation.

* 該等公司從事投資控股，並無固定主要營業地點。

** The companies are registered in the form of wholly foreign owned enterprises.

** 該等公司以外商獨資企業之形式註冊。

Jinjiang Jinfu is controlled by the Company through contracted agreements.

九江金湖由本公司透過合約協議之方式控制。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Notes:

- a) It was newly incorporated during the year ended 31 December 2016.
- b) The shareholding has been decreased from 100% to 55%. Details of the disposal has been disclosed in Note 50.
- c) The Group is able to exercise control over China Ocean Materials Trading because it appointed three out of four directors of China Ocean Materials Trading.

None of the subsidiaries had any debt securities at 31 December 2016 and 2015 or at any time during both years.

49. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2016, the revenue of approximately HK\$16,386,000 was recognised by the intelligent car parking and automotive device business which represented the fair value of 12 properties located in Shandong Province and Shanxi Province at the settlement date in exchange for the intelligent car parking structure. The properties were recorded as investment properties as disclosed in Note 18 to the consolidated financial statements.

50. DEEMED DISPOSAL OF A SUBSIDIARY

On 1 June 2016, the non-controlling shareholders acquired 20% paid-up registered capital in China Ocean Materials Trading with the cash consideration of HK\$11,100,000 (RMB10,000,000), the Group's equity interests in China Ocean Materials Trading was diluted from 100% to 80%. The difference between the cash consideration received and the carrying value of net assets deemed disposed of in an equity transaction with non-controlling interest resulted from the change in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary amounting to approximately HK\$457,000 was recognised in equity as other reserve and an increase of approximately HK\$10,643,000 was recognised in the non-controlling interests.

48. 本公司之附屬公司詳情 (續)

附註:

- a) 該公司於截至二零一六年十二月三十一日止年度新註冊成立。
- b) 該持股比例已由100%下降至55%。有關出售之詳情已披露於附註50。
- c) 由於本集團委任中海物貿四名董事中的三名，因此能夠對中海物貿行使控制權。

於二零一六年及二零一五年十二月三十一日或於該兩個年度內任何時間，概無附屬公司有任何債務證券。

49. 重大非現金交易

於截至二零一六年十二月三十一日止年度，智慧停車及汽車電子業務確認之收益約16,386,000港元指交換智能停車場結構之位於山東省及山西省的12項物業於結算日期之公平值。誠如綜合財務報表附註18所披露，該等物業列為投資物業。

50. 視作出售一間附屬公司

於二零一六年六月一日，非控股股東以現金代價11,100,000港元（人民幣10,000,000元）收購中海物貿之20%實繳註冊資本，本集團於中海物貿之股權由100%攤薄至80%。本集團於一間附屬公司所有權權益之變動（並無導致失去對附屬公司之控制權）導致與非控股權益股本交易中已收現金代價與視作已出售資產淨值賬面值之間的差額約457,000港元已於權益中作為其他儲備確認，並已確認非控股權益增加約10,643,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

50. DEEMED DISPOSAL OF A SUBSIDIARY (CONTINUED)

On 13 December 2016, the non-controlling interests shareholders further acquired 25% paid-up registered capital in China Ocean Materials Trading with the cash consideration of HK\$38,849,000 (RMB35,000,000), the Group's equity interests in China Ocean Materials Trading was further diluted from 80% to 55%. The different between the cash consideration received and the carrying value of net assets deemed disposed of in an equity transaction with non-controlling interest resulted from the change in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary amounting to approximately HK\$4,706,000 was recognised in equity as other reserve and an increase of approximately HK\$34,143,000 was recognised in the non-controlling interests.

51. EVENTS AFTER THE REPORTING PERIOD

- (a) Subsequent to the reporting period, the Subscriber of the CBIX had exercised the conversion option to convert the principal amount aggregated of HK\$12,000,000 in consideration for conversion of 58,160,000 ordinary shares of the Company.
- (b) On 14 March 2017, the shareholders of the Company has passed an ordinary resolution at a special general meeting to approve the Acquisition Agreement (as defined in the circular of the Company dated 24 February 2017) in connection with the proposed acquisition of the entire registered capital of Nantong Huakai Heavy Industry Company Limited. Details of the acquisition has been disclosed in the Company's circular dated 24 February 2017.

52. DIVIDEND

No dividends were paid or proposed for ordinary shareholders of the Company during 2016, nor has any dividend been proposed since the end of the reporting period (2015: Nil).

50. 視作出售一間附屬公司 (續)

於二零一六年十二月十三日，非控股權益股東進一步以現金代價38,849,000港元（人民幣35,000,000元）收購中海物貿之25%實繳註冊資本，本集團於中海物貿之股權進一步由80%攤薄至55%。本集團於一間附屬公司所有權權益之變動（並無導致失去對附屬公司之控制權）導致與非控股權益股本交易中已收現金代價與視作已出售資產淨值賬面值之間的差額約4,706,000港元已於權益中作為其他儲備確認，並已確認非控股權益增加約34,143,000港元。

51. 呈報期後事項

- (a) 於呈報期後，可換股債券IX之認購人已行使轉換權以轉換本金總額12,000,000港元之可換股債券，以換取本公司58,160,000股普通股。
- (b) 於二零一七年三月十四日，本公司股東於股東特別大會上通過一項普通決議案，以批准有關建議收購南通華凱重工有限公司全部註冊資本之收購協議（定義見本公司日期為二零一七年二月二十四日之通函）。收購事項之詳情已於本公司日期為二零一七年二月二十四日之通函內披露。

52. 股息

於二零一六年並無派付或建議派發股息予本公司普通股股東，而自報告期末起亦無建議派發任何股息（二零一五年：無）。

Financial Summary

財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
RESULTS	業績					
LOSS FOR THE YEAR	本年度虧損	(359,226)	(500,813)	(633,177)	(337,440)	(344,101)
		At 31 December 於十二月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
TOTAL ASSETS	資產總值	2,679,607	2,321,824	1,859,744	1,653,894	2,188,314
TOTAL LIABILITIES	負債總額	(3,284,359)	(2,708,596)	(2,638,022)	(2,691,096)	(2,911,388)
NET LIABILITIES	負債淨額	(604,752)	(386,772)	(778,278)	(1,037,202)	(723,074)

