



Burwill Holdings Limited

寶威控股有限公司

(於百慕達註冊成立之有限公司)

股份代號：24

年

報

2018



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Corporate Information 公司資料

DIRECTORS

CHAN Shing, *Chairman & Managing Director*
SIT Hoi Tung, *Executive Director & Deputy General Manager*
KWOK Wai Lam, *Executive Director*
SHAM Kai Man, *Executive Director*
CUI Shu Ming, *Independent Non-Executive Director*
TSANG Kwok Wa, *Independent Non-Executive Director*
CHEUNG Sing Din, *Independent Non-Executive Director*
HUANG Shenglan, *Non-Executive Director*

COMPANY SECRETARY

KWOK Wai Lam

AUDIT COMMITTEE

CUI Shu Ming
TSANG Kwok Wa
CHEUNG Sing Din

REMUNERATION COMMITTEE

CUI Shu Ming
TSANG Kwok Wa
CHEUNG Sing Din
SIT Hoi Tung

NOMINATION COMMITTEE

CHAN Shing
SIT Hoi Tung
CUI Shu Ming
TSANG Kwok Wa
CHEUNG Sing Din

RISK COMMITTEE

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

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

董事

陳城 (主席兼董事總經理)
薛海東 (執行董事兼副總經理)
郭偉霖 (執行董事)
岑啟文 (執行董事)
崔書明 (獨立非執行董事)
曾國華 (獨立非執行董事)
張聖典 (獨立非執行董事)
黃勝藍 (非執行董事)

公司秘書

郭偉霖

審核委員會

崔書明
曾國華
張聖典

薪酬委員會

崔書明
曾國華
張聖典
薛海東

提名委員會

陳城
薛海東
崔書明
曾國華
張聖典

風險委員會

陳城
薛海東
郭偉霖
岑啟文
吳文輝

核數師

國衛會計師事務所有限公司
香港執業會計師

Corporate Information 公司資料

LEGAL ADVISERS

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PRINCIPAL BANKERS

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

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主要往來銀行

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

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Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK

During the year 2018, the Group's turnover decreased by 7% to approximately HK\$2.3 billion while gross profits increased by 11% to approximately HK\$39 million year-on-year. The Group recorded a loss attributable to owners of the Company of approximately HK\$109 million, among which impairment loss to book value of Singapore listed securities of approximately HK\$69 million, bad debt provision of approximately HK\$16 million and increase in interest expense of approximately HK\$39 million.

Lithium-related Business

Faced with the scheduled phase-out of subsidies policy for new energy electric vehicles (NEVs), the entire industry value chain including the lithium segment in China felt the pinch of tightening cash flow in 2018. In particular, the second-tier and lower-tier lithium compound processors that suffered from lackluster sales with rising inventories, were among the first to resort to price cut in the hope to maintain their market shares and generate cash. Meanwhile, the price decline of imported lithium concentrate lagged behind that of lithium compounds. This further squeezed profit margins of those processors, who solely rely on procuring raw materials from overseas mines. All these factors contributed to a shift from restocking to destocking across the upstream and downstream players.

On the supply side, new capacity of domestic salt lakes and lithium compound plants gradually came on line, though the quality of their products remains to be tested. On the demand side, though the growth of NEVs sales continued to surprise on the upside throughout the year, the implied demand for lithium was not at par with that of supply due to seasonal fluctuations. This partly contributed to a sharp adjustment in lithium price in China, where the price of lithium carbonate almost halved in 2018: price of battery-grade lithium carbonate fell from RMB166,000/tonne at the beginning of the year, to approximately RMB80,000/tonne at the end of the year; while the price of industry-grade lithium carbonate fell from RMB150,000/tonne to approximately RMB70,000/tonne. In sharp contrast to the domestic market, the overseas market was featured with a price inversion – the battery-grade lithium carbonate price has been oscillating at high level since its steady ascending in 2017, and stood around US\$14,000/tonne (approximately RMB100,000/tonne) in the fourth quarter of 2018.

回顧與展望

2018年，本集團營業額按年下跌7%，至約港幣23億元；毛利按年上升11%，至約港幣3,900萬元；本公司權益持有人應佔虧損約港幣1.09億元，其中，含入股新加坡鋰礦上市公司股份賬面減值約港幣6,900萬元，壞賬撥備約港幣1,600萬元，利息支出增加約港幣3,900萬元。

鋰相關業務

中國鋰行業在2018年受到新能源電動車補貼退坡政策的影響，產業鏈整體現金流趨緊，尤其二線鋰鹽企業庫存累積，銷售不佳，率先降價來搶佔客戶。同時，進口鋰精礦價格下調慢於碳酸鋰等產品價格，進一步壓縮了依賴境外採購原材料加工企業的利潤，行業上下游從補庫存轉入去庫存。

供給端方面，國內鹽湖和礦法鋰鹽廠新增產能逐步放量；需求端方面，雖然全年新能源車終端需求高速增長，但是季節波動嚴重，導致鋰鹽需求增速相對弱於供給增速，引發國內鋰鹽價格大幅調整。全年碳酸鋰價格近乎腰斬：電池級碳酸鋰從年初的人民幣16.6萬/噸下跌至年末的8萬/噸左右，工業級碳酸鋰從人民幣15萬/噸下跌至7萬/噸左右。與國內情況形成鮮明對比，海外電池級鋰鹽價格倒掛：自2017年逐步抬升之後維持在高位震盪，2018年第四季度仍處於約1.4萬美元/噸左右（折人民幣約10萬元/噸）。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Lithium-related Business (continued)

As for the downstream application of lithium, NEVs continued to be the major growth driver, contributing to 37% of the total demand for lithium in 2018. Meanwhile, consumer electronics and traditional industrial applications accounted for 28% and 35%, respectively.

It is notable that the worldwide electric car sales advanced by leaps and bounds in 2018: global sales of electric passenger vehicles surged by 64.5% YoY to hit a record high of 2,018,247 units, surpassing 2 million units for the first time. The penetration rate of electric cars reached 2.1%. In China, according to China Association of Automotive Manufacturers (CAAM), the production and sales of NEVs reached 1.27 million units and 1.256 million units in 2018, representing a year-on-year increase of 59.9% and 61.7%, respectively. At the end of 2018, China's ownership of NEVs increased by 70% year-on-year to 2.61 million units, or 1.1% of the total car ownership.

Against the overhang of the phase-out of subsidies policy, many advantages of owning NEVs have been well received and gaining more tractions, thanks to introductions of new models and technologies. This has gradually helped the market to shift from a policy-driven to a market-driven one. According to China Industrial Association of Power Sources (CIAPS), China's total installed lithium battery capacity in NEVs reached 56.9GWh in 2018, up by 56.9% YoY. By the end of 2018, the energy density of lithium battery cell produced in China reached 265Wh/kg with cost below RMB1/Wh, meeting the 2020 target in advance.

Globally, the annual growth rate of electric vehicle sales over the past five years reached 60% in average. This sustained strong growth has initiated a new cycle for lithium. Top 13 global automakers have kicked off their long-term plan for 'electrification' with massive investment. According to their plans, 2020 will be the year that they began to roll out streams of new NEV models. In China, the NEV subsidies in 2019 are expected to be at least 30% below the level in 2018. However, as the cost structure of NEVs gets competitive to that of traditional ICE cars, the auto industry expects the demand to be unleashed to the level that will be eventually free from subsidies support. 2019 sets to be a critical year for the market-driven model to prevail: on the one hand, the 'Dual-credit' policy incentivizes automakers to produce more NEVs instead of ICE cars, this should in turn provide a base line support; on the other hand, substitutes of low-speed electric vehicles widely used in rural areas, as well as intercity operations of NEVs will likely trigger additional demand to sustain rapid sales.

回顧與展望 (續)

鋰相關業務 (續)

在鋰的下游應用領域，新能源車在2018年佔據了鋰需求的37%，繼續成為鋰行業增長的主要驅動因素。同時，消費品電池和傳統工業電池分別佔據了28%和35%的終端需求。

2018年是新能源車突飛猛進的一年，全球新能源乘用車銷量增長64.5%，首次突破200萬輛，達到歷史性的2,018,247輛，新能源車滲透率達到2.1%；在國內，據中國汽車工業協會統計，年內新能源車產銷分別完成127萬輛和125.6萬輛，比上年同期分別增長59.9%和61.7%。到2018年底，全國新能源車保有量達261萬輛，同比增長70%，佔汽車保有總量的1.1%。

雖然有補貼政策退坡的影響，但新能源車車型技術不斷驅動，優勢逐步凸顯，新能源車由政策引導逐步轉向市場需求。根據中國化學與物理電源行業協會發佈的資料，2018年中國新能源車動力電池裝機總量為56.9GWh，同比增長56.9%。到年底，我國量產的動力電池單體能量密度達到了265Wh/kg，成本控制在人民幣1元/Wh以下，提前達到2020年的目標。

從全球範圍來看，過去五年新能源車銷量年均增速達到60%，新能源車行業快速增長開啟了鋰的新一輪週期。根據海外13大車企的規劃，大多在2018年開始了在新能源領域的長週期大投入計劃，2020年將是新能源車型的密集上市期。在中國，行業估計2019年新能源車政策補貼力度較2018年至少下降30%，而新能源車結構貼近傳統車型，需求釋放，將逐步擺脫補貼依賴。2019年將會是政策與消費需求轉換的關鍵之年。我們認為，一方面雙積分政策鼓勵車企生產新能源汽車，對市場構成底部支撐，另一方面，低速電動車的消費替代、城際營運電動車等方面的需求增加將接力政府補貼，驅動國內新能源車繼續高速增長。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Lithium-related Business (continued)

The Group is optimistic and confident about the long-term development and future prospects of the lithium industry, and expects a new round of upcycle in lithium industry to pan out in coming years. As EU, Japan, South Korea, US and other countries are increasingly aware of environmental issues, thus promote policies that encourage adoption of electric vehicles, automakers have committed huge investment so that the trend of 'electrification' will strengthen across the globe. Looking forward to 2019, the Ministry of Industry and Information Technology (MIIT) forecasts that China's NEV production and sales will both exceed 1.5 million units, while Bloomberg predicts that the global electric car sales will rise 40% to 2.6 million units, of which China will account for approximately 57% of the market.

In terms of business operations, the Group remains committed to transform into an integrated supplier in the upstream of new energy materials. The Bald Hill Project in Western Australia has produced a total of 68,546 tonnes of high-quality lithium concentrates (SC6%) in 2018. In view of the volatile price change of lithium compound in domestic market, the Group has successfully amended the offtake contract in January 2019, changing the buying entity to Jiangxi Baojiang Lithium Industrial Limited ("Baojiang Lithium"), a joint venture that the Group owns a 50% stake and also the eventual processing plant for the contracted lithium concentrate. Besides, the pricing mechanism has been adjusted from fixed price to a market-based floating price. This greatly helps reduce the risk from large fluctuations in spot price and is in the interest of the shareholders of the Group.

In addition, Baojiang Lithium begun trial production at the end of 2018. Commissioning and processing optimization work has been organised by the production technology department. The plant has successfully produced industry-grade lithium carbonates after completing the single machine commissioning, water linkage test and feeding test. Baojiang Lithium aims to produce battery-grade lithium carbonates around the middle of 2019, so as to reach the designed capacity within the year. The product will then be available for sales after its quality is certified by end users.

回顧與展望 (續)

鋰相關業務 (續)

本集團看好鋰行業長期發展前景並對其未來具有信心，期待鋰行業新一輪繁榮週期的到來。伴隨歐盟、日本、韓國、美國等汽車製造大國日趨重視並推動新能源汽車普及政策，車企巨頭加大市場投入，全球汽車新能源化趨勢將繼續擴展。展望2019年，工信部預計中國新能源車產銷量有望能夠超過150萬輛；在全球範圍內，彭博預測全球新能源汽車銷量增加40%到260萬輛，其中中國佔據約57%的市場。

在運營方面，本集團繼續堅定轉型成為新能源上游材料一體供應商。其西澳大利亞巴爾德山項目在年內共生產了68,546噸6%品位的高品質鋰精礦。鑒於中國鋰鹽市場價格的劇烈變化，本集團於2019年1月成功修訂了包銷合同，把合約買方主體變更為本公司擁有50%股權的合資公司江西寶江鋰業有限公司（「寶江鋰業」），而寶江鋰業亦是包銷合約鋰精礦的直接最終生產加工企業。另外，固定包銷價格變更為按指數浮動價格機制，極大的減低了因市場價格大幅波動而帶來的風險，符合本集團股東的利益。

此外，寶江鋰業於2018年底開始試生產，生產技術部門組織調試和工藝流程優化工作，順利完成了單機調試、水聯動試車和投料試車，並生產出工業級碳酸鋰。寶江鋰業將爭取在今年年中生產出電池級碳酸鋰以至於年內基本達產，產品通過使用者的品質論證後，將投放市場實現銷售。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Steel Trading

In 2018, the Group's steel trading volume declined by approximately 23% compared to 2017, but the overall result was about the same as in 2017.

In 2018, global demand for steel trended up. According to the World Steel Association, global steel demand reached approximately 1.66 billion tonnes during the year, increased by approximately 4% compared with 2017. In particular, growth in Asia and Oceania was the strongest, with demand increasing by approximately 5%.

As for the Chinese market, both infrastructure investment and equipment manufacturing in the nation continued to thrive in 2018. Downstream demand for steel continued to grow, while the relatively high level of real estate investment activities further boosted the demand for steel, making consumption of construction steel stronger. The National Development and Reform Commission announced that, in 2018, China's crude steel production was approximately 928 million tonnes, up 6.6% year-on-year; steel production climbed 8.5% year-on-year to approximately 1.1 billion tonnes.

As improvements in steel demand provided strong support for steel prices in China, domestic steel prices continued to rise above the price level of the general export markets, causing China's steel exports to keep declining. Last year, the United States and the European Union imposed a 25% tariff on imported steel products and temporary safeguards for 23 types of imported steel products respectively. This further affected the steel exports of China. According to the General Administration of Customs, China's steel exports in 2018 were only approximately 69 million tonnes, down by as much as 8.1% from 2017.

回顧與展望 (續)

鋼鐵貿易

2018年本集團的鋼材貿易交易量較2017年下降約23%，但整體效益跟2017年相約。

2018年全球鋼鐵需求向好。按世界鋼鐵協會所述，2018年全球鋼鐵需求量達到約16.6億噸，較2017年增長約4%，其中尤以亞洲和大洋洲為最，需求增長約5%。

中國市場方面，2018年全國基建投資及機械設備製造均維持高景氣，鋼鐵下游需求保持增長，而相對高位的房地產投資活動亦進一步拉動鋼鐵需求，使建築類鋼材的消費較為強勁。發改委公佈，2018中國全年粗鋼產量約9.28億噸，較上一年增長6.6%；鋼材產量約11億噸，較上一年增長8.5%。

由於中國鋼鐵需求改善，鋼價得到有力的支撐，中國鋼材價格卻因此而持續高於一般出口市場的水平，使中國鋼材出口貿易量持續下降。去年美國及歐盟對進口鋼鐵產品分別加徵25%關稅及對23類進口鋼鐵產品實施臨時保障措施，亦進一步影響中國鋼材的出口。按海關總署資料顯示，2018年中國鋼材出口只有約6,900萬噸，較2017年下降8.1%之多。

Management Discussion and Analysis 管理層討論與分析

REVIEW AND OUTLOOK (continued)

Steel Trading (continued)

In the face of the above, the Group has adjusted its business strategies, that is procuring part of its steel export resources from regions outside of China instead of relying on China as the main source. The Group's European branch is proactively exploring resources in Europe and the Mediterranean region in an effort to reduce its dependence on Chinese steel resources.

Looking forward to 2019, there is uncertainty around the global demand for steel. Despite the continuous recovery of steel demand in 2018, the uplift in 2019 may be weakened. Meanwhile, China's GDP growth has shown a downward trend each quarter last year, and the effects of anti-dumping and exchange rate volatility have also increased trade risks. The World Steel Association forecasts that the growth of global steel demand will fall back to 1.4% in 2019.

In view of the fact that China's steel industry has shifted from a stage of rapid production growth to a new stage of high-quality development, the Group will no longer adopt a commercial steel-focused business model but continue to strengthen its exports of high-quality Chinese steels for a variety of infrastructure and machinery projects in 2019. In addition to the European market, the Group will enhance its marketing efforts in Southeast Asia and continuously strengthen its relationship with domestic and foreign steel procurement channels, with the aim to improve competitiveness and business performance.

回顧與展望 (續)

鋼鐵貿易 (續)

面對上述情況，本集團調整經營策略，鋼鐵出口資源從以往主要從中國採購轉至部分在中國以外的地區。歐洲分公司積極開拓發展歐洲及地中海區內之資源，減低了對中國鋼鐵資源的依賴。

展望2019年，全球鋼鐵需求面對不確定性。雖然2018年鋼鐵需求持續復蘇，但2019年的復蘇力度或會有所減弱。去年國內GDP增長亦已出現每季回落的勢態，而反傾銷的影響和匯率的波動也增加了貿易風險。世界鋼鐵協會預測，2019年全球鋼鐵需求增長將回落至1.4%。

鑒於中國鋼鐵行業已從高速增產階段轉入高品質發展的新階段，因此有別於以往以大宗普通鋼材為主的經營模式，本集團今年將針對各大小基建及機械設備項目繼續加強中國優質鋼材之出口。除歐洲市場外，將於東南亞增強營銷力度，並不斷加強國內尤其是國外的鋼鐵採購管道關係，以提高競爭力和經營業績。

Management Discussion and Analysis 管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

Due to the fair value change in the listed investments during the year, the Group's total equity decreased to approximately HK\$816 million. The Group's gearing ratio, as a ratio of total borrowings net of total cash and cash equivalents to total equity, increased to 0.73 (2017: 0.37) and current ratio, as a ratio of current assets to current liabilities, decreased to 1.63 (2017: 2.32) respectively as at 31 December 2018.

Following the issue of convertible bonds and the Company's notes during the year, the total borrowings of the Group increased to approximately HK\$665 million (2017: HK\$471 million) as at 31 December 2018 and their maturity profile was as follows:

| | |
|----------------------------|-------|
| Within one year | 一年內 |
| Between one and two years | 一至二年內 |
| Between two and five years | 二至五年內 |

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

FOREIGN EXCHANGE RISK EXPOSURE

The Group's receipts, payments, assets and liabilities are principally denominated in US Dollar, Renminbi, Hong Kong Dollar, Euro and Singapore Dollar. To minimise the exchange rate risk, forward exchange contracts are used when required.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2018.

CAPITAL COMMITMENTS

As at 31 December 2018, the Group had no capital commitments (2017: HK\$48,192,000).

資產流動性及財務資源

年內因上市投資公允價值變動，本集團二零一八年十二月三十一日之權益總額減至港幣8.16億元。於二零一八年十二月三十一日，本集團的負債比率（總貸款扣除總現金及現金等價物結餘與總權益相比）增至0.73（二零一七年：0.37）及流動比率（流動資產與流動負債相比）減至1.63（二零一七年：2.32）。

繼年內發行可換股債券及公司票據，於二零一八年十二月三十一日，本集團之總貸款增至約港幣6.65億元（二零一七年：港幣4.71億元），還款期如下：

| | 2018 二零一八年 HK\$ million 港幣百萬元 | 2017 二零一七年 HK\$ million 港幣百萬元 |
|--|--|--|
| | 594 | 251 |
| | 67 | 159 |
| | 4 | 61 |
| | 665 | 471 |

本集團貸款以美元、港元、歐元及新加坡元為貨幣單位，支付市場息率利息。

外匯兌換風險

本集團之收入、支出、資產及負債均主要為美元、人民幣、港元、歐元及新加坡元。為減低外匯風險，於有需要時會利用遠期外匯合同。

或然負債

二零一八年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零一八年十二月三十一日，本集團並無資本承擔（二零一七年：港幣48,192,000元）。

Management Discussion and Analysis 管理層討論與分析

CHARGE ON ASSETS

As at 31 December 2018, the following assets were pledged: (i) certain bank balances of approximately HK\$346,000 (2017: HK\$27,696,000); (ii) certain bills and accounts receivable of approximately HK\$38,655,000 (2017: HK\$126,436,000); (iii) certain inventories of approximately HK\$67,601,000 (2017: HK\$27,355,000); and (iv) certain financial assets at fair value through profit or loss of approximately HK\$115,157,000 (2017: HK\$167,792,000).

STAFF

As at 31 December 2018, the Group employed 259 staff. Staff remuneration packages are structured and reviewed by reference to market terms and individual merits. The Group also provides other staff benefits which include contributory provident fund and medical insurance. Share options and discretionary bonus may also be granted to eligible staff based on individual and the Group performances. Training programmes for staff are provided as and when required.

資產抵押

於二零一八年十二月三十一日，以下資產已予抵押：(i) 部份銀行結餘約港幣 346,000 元（二零一七年：港幣 27,696,000 元）；(ii) 部份應收票據及應收帳項約港幣 38,655,000 元（二零一七年：港幣 126,436,000 元）；(iii) 部份存貨約港幣 67,601,000 元（二零一七年：港幣 27,355,000 元）；及 (iv) 部份按公平值透過損益列帳的財務資產約港幣 115,157,000 元（二零一七年：港幣 167,792,000 元）。

僱員

於二零一八年十二月三十一日，本集團共僱用 259 名員工。僱員薪酬一般乃參考市場條件及根據個別表現制定及檢討。本集團並為僱員提供其它福利，包括需供款之公積金及醫療保險。此外，本集團亦根據公司經營業績按員工個別表現而授出購股權及發放花紅，並會視乎需要為僱員提供培訓計劃。

Biographies of Directors 董事簡歷

MR. CHAN SHING, AGED 63 *Chairman and Managing Director*

Mr. Chan joined the Group as Chairman and Managing Director in 1998. Mr. Chan has over 30 years of experience in international trading of minerals and metals, the processing and manufacturing of related products, the management of industrial enterprises, the investment in industrial and commercial properties, and corporate planning and management.

MR. SIT HOI TUNG, AGED 53 *Executive Director and Deputy General Manager*

Mr. Sit joined the Group in 1998 and was appointed as an Executive Director in 2000. He was promoted to Deputy General Manager in 2006. Mr. Sit is in-charge of contracts and import/export bills operation for commodity transaction. He had worked for banking sector and metal trading companies and has over 20 years of experience in international metal trading and import/export bills operation.

MR. KWOK WAI LAM, AGED 56 *Executive Director*

Mr. Kwok joined the Group in 1994 and is an Executive Director. He is also the Company Secretary and the Group's Financial Controller. Mr. Kwok has over 30 years' experience in the areas of auditing, finance and accounting. He is a Fellow of The Association of Chartered Certified Accountants.

MR. SHAM KAI MAN, AGED 52 *Executive Director*

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

MR. CUI SHU MING, AGED 81 *Independent Non-Executive Director*

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

陳城先生，六十三歲 *主席兼董事總經理*

陳先生於一九九八年加入本集團為主席兼董事總經理。陳先生在國際礦產、金屬貿易及加工製造相關之產品、工商企業管理、工商物業投資、企業策劃與管理方面擁有逾三十年經驗。

薛海東先生，五十三歲 *執行董事兼副總經理*

薛先生於一九九八年加入本集團，並於二零零零年獲委任為執行董事。二零零六年獲晉升為副總經理。薛先生主管大宗商品貿易的合同及出入口票據結算運作。彼曾任職銀行界及金屬貿易公司，彼在國際金屬貿易及出入口票據結算方面擁有逾二十年經驗。

郭偉霖先生，五十六歲 *執行董事*

郭先生於一九九四年加入本集團，現任執行董事。彼為本公司公司秘書及集團財務總監。郭先生具有逾三十年之核數、財務及會計經驗。彼乃英國特許公認會計師公會資深會員。

岑啟文先生，五十二歲 *執行董事*

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

崔書明先生，八十一歲 *獨立非執行董事*

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

Biographies of Directors 董事簡歷

MR. TSANG KWOK WA, AGED 53 *Independent Non-Executive Director*

Mr. Tsang joined the Group as an Independent Non-Executive Director in June 2017. Mr. Tsang has over 30 years of experience in accounting area. He holds a master degree of commerce with major in accounting from Charles Sturt University in Australia. Mr. Tsang is a member of the Hong Kong Institute of Certified Public Accountants, a member of the CPA Australia and a fellow member of the Taxation Institute of Australia. Mr. Tsang was an independent non-executive director of China Investment Fund Company Limited, a listed company in Hong Kong, during the period from 2012 to 2015. He was also an independent non-executive director of Asia Energy Logistics Group Limited.

MR. CHEUNG SING DIN, AGED 49 *Independent Non-Executive Director*

Mr. Cheung joined the Group as an Independent Non-Executive Director in June 2017. Mr. Cheung has over 25 years of experience in property industry area and had served various founded surveying firms, financial institutions and developers. He holds a master degree of Project Management and a master degree of Finance from The Hong Kong Polytechnic University as well as Executive Master of Business Administration from The Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). He is currently an executive director and the corporate development director of PRUDEN Holdings Limited (formerly Icon City Group Limited) and Adjunct Associate Professor of Department of Real Estate and Construction in The University of Hong Kong.

MR. HUANG SHENGLAN, AGED 67 *Non-Executive Director*

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

曾國華先生，五十三歲 *獨立非執行董事*

曾先生於二零一七年六月加入本集團為獨立非執行董事。曾先生於會計方面積逾三十年經驗。曾先生持有澳洲Charles Sturt大學之商學碩士學位，主修會計。彼為香港會計師公會會員、澳洲會計師公會會員及澳洲稅務學會資深會員。曾先生於二零一二年至二零一五年期間出任香港上市公司中國投資基金有限公司獨立非執行董事職務。彼曾為亞洲能源物流集團有限公司獨立非執行董事。

張聖典先生，四十九歲 *獨立非執行董事*

張先生於二零一七年六月加入本集團為獨立非執行董事。張先生擁有超過廿五年從事房地產行業的經驗，曾工作於多間著名測量師行、金融機構及大型發展商。張先生持有香港理工大學項目管理理學碩士、財務學碩士及香港中文大學行政人員工商管理碩士，彼為香港測量師學會會員及註冊專業測量師(產業測量)。張先生現為普繙控股有限公司(前稱理想城市集團有限公司)之執行董事及集團企業發展部總監及香港大學房地產及建設系客座副教授。

黃勝藍先生，六十七歲 *非執行董事*

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

Report of Directors 董事局報告

The board of Directors of Burwill Holdings Limited (the “Company”) presents to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31 December 2018.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on pages 70 and 71.

The state of affairs of the Group as at 31 December 2018 is set out in the balance sheet on pages 68 and 69.

The Group’s cash flows are set out in the consolidated statement of cash flows on pages 75 and 76.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding.

The principal activities of the Group are lithium concentrate investment, productions and distributions; international metal trading and mineral resources investment.

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

DIVIDEND

No interim dividend was paid during the year.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

Burwill Holdings Limited (寶威控股有限公司) (「本公司」) 董事局謹向各股東提呈本公司及其附屬公司(合稱「本集團」)截至二零一八年十二月三十一日止年度之董事局報告及經審核財務報表。

財務業績

本集團截至二零一八年十二月三十一日止年度之業績載列於第70頁及第71頁之綜合損益表內。

本集團於二零一八年十二月三十一日之財務狀況已載列於第68頁及第69頁之資產負債表內。

本集團之現金流動情況載列於第75頁及第76頁之綜合現金流量表內。

主要業務及營運分類分析

本公司之主要業務為投資控股公司。

本集團之主要業務為鋰精礦投資、生產及銷售；國際金屬貿易及礦產資源投資。

本集團之年度分部業績及其它分部資料載列於綜合財務報表附註5。

股息

本年度並無派付中期股息。

董事局不擬就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年：無)。

Report of Directors 董事局報告

MAJOR SUPPLIERS AND CUSTOMERS

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

| | % |
|-----------------------------------|----|
| – the largest supplier | 12 |
| – five largest suppliers combined | 40 |

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

| | % |
|-----------------------------------|----|
| – the largest customer | 8 |
| – five largest customers combined | 32 |

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

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The particulars of the Company's principal subsidiaries, associates and joint ventures as at 31 December 2018 are set out in notes 9 to 11 to the consolidated financial statements.

BANK LOANS

The particulars of the Group's bank loans are set out in note 21 to the consolidated financial statements.

The Group's bank loans were denominated in Hong Kong Dollar, US Dollar and Euro. As at 31 December 2018, around 87% of the Group's bank loans were denominated in US Dollar. All the bank loans bear interest at prevailing market rates.

主要供應商及客戶

本集團之主要供應商所佔購貨額之百分比如下：

| | 百分比 |
|--------------|-----|
| – 最大供應商 | 12 |
| – 五大供應商合併購貨額 | 40 |

本集團之主要客戶合併佔營業額之百分比如下：

| | 百分比 |
|-------------|-----|
| – 最大客戶 | 8 |
| – 五大客戶合併營業額 | 32 |

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

物業、機器及設備

本年度內物業、機器及設備之變動情況載列於綜合財務報表附註7。

附屬公司、聯營公司及合營公司

本公司於二零一八年十二月三十一日之主要附屬公司、聯營公司及合營公司資料載列於綜合財務報表附註9至11。

銀行貸款

本集團之銀行貸款之資料載於綜合財務報表附註21。

借予集團銀行貸款乃以港元、美元及歐元為貨幣單位。於二零一八年十二月三十一日，本集團約87%之銀行貸款均為美元貸款。所有銀行貸款均按目前市場息率支付利息。

Report of Directors 董事局報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 18 to the consolidated financial statements.

RESERVES

Details of movements in reserves during the year are set out in note 20 to the consolidated financial statements.

DONATION

The Group donated a total of HK\$1,000,000 to Hong Kong Environmental Protection Practitioners Charity Association and Hong Kong Environmental Protection Practitioners Association during the year ended 31 December 2018 (2017: Nil).

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution to shareholders calculated in accordance with the Companies Act 1981 of Bermuda amounted to HK\$228,004,000 (2017: HK\$228,004,000).

PRE-EMPTIVE RIGHTS

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

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

During the year ended 31 December 2018, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 36,506,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the general mandate granted by the shareholders at the annual general meeting held on 7 June 2018, details of which were as follows:

| Month/Year | Number of shares repurchased | Price per share | | Total consideration (before expense) |
|------------|------------------------------|-----------------|--------|--------------------------------------|
| | | Highest | Lowest | |
| 月/年 | 購回股份數目 | 每股價格 最高 | 最低 | 代價總額 (未計開支) |
| | | HK\$ | HK\$ | HK\$'000 |
| | | 港幣 | 港幣 | 港幣千元 |
| 10/2018 | 23,110,000 | 0.163 | 0.132 | 3,359 |
| 12/2018 | 13,396,000 | 0.163 | 0.143 | 2,078 |

股本

本公司股本於本年度之變動情況詳列於綜合財務報表附註18。

儲備

本年度內儲備之變動情況詳列於綜合財務報表附註20。

捐款

截至二零一八年十二月三十一日止年度內，本集團合共捐款港幣1,000,000元(二零一七年：無)予環總愛心慈善會及香港環保從業員總會。

可分派儲備

於二零一八年十二月三十一日，按照百慕達一九八一年公司法所計算，本公司可分派予股東之儲備為港幣228,004,000元(二零一七年：港幣228,004,000元)。

股份優先購買權

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

購買、出售或贖回本公司上市證券

截至二零一八年十二月三十一日止年度內，本公司透過全資附屬公司Hillot Limited根據於二零一八年六月七日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於香港聯合交易所有限公司(「聯交所」)購回本公司股份合共36,506,000股，詳情如下：

Report of Directors 董事局報告

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

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

SHARE OPTION SCHEMES

Pursuant to the share option schemes adopted by the Company on 8 June 2011 ("2011 Option Scheme") and 7 June 2018 ("2018 Option Scheme", together the "Share Option Schemes"), certain options were granted to subscribe for new ordinary shares of the Company. Details of which are set out as follows:

(I) Summary of terms of the Share Option Schemes

(i) Purpose of the Share Option Schemes

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

(ii) Participants

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

購買、出售或贖回本公司上市證券(續)

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

除上文所披露者外，截至二零一八年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

根據本公司於二零一一年六月八日採納之購股權計劃（「2011購股權計劃」）及二零一八年六月七日採納之購股權計劃（「2018購股權計劃」，統稱「購股權計劃」），已授出若干購股權以認購本公司新普通股股份，其詳情如下：

(I) 購股權計劃主要條款

(i) 購股權計劃目的

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

(ii) 參與者

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

Report of Directors 董事局報告

SHARE OPTION SCHEMES (continued)

(I) Summary of terms of the Share Option Schemes (continued)

(iii) Maximum number of shares

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Schemes, together with all outstanding options granted and yet to be exercised under any other share option schemes of the Company and/or any subsidiary must not exceed 30 per cent. of the number of issued shares from time to time. The total number of shares available for issue under 2011 Option Scheme as at the date of this report is 243,500,000 shares, representing approximately 4.77 per cent. of the issued share capital of the Company as of that date. The total number of shares available for issue under 2018 Option Scheme as at the date of this report is 512,832,823 shares, representing approximately 10.04 per cent. of the issued share capital of the Company as of that date.

(iv) Maximum entitlement of each Participant

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

(v) Option period

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

購股權計劃 (續)

(I) 購股權計劃主要條款 (續)

(iii) 股份數目上限

根據購股權計劃與及本公司及／或任何附屬公司之任何其它購股權計劃可授出而有待行使之全部尚未行使購股權獲行使後發行之股份總數限額，不可超逾不時已發行股份數目 30%。於本報告日期，根據 2011 購股權計劃可予發行之股份數量為 243,500,000 股，相等於當日本公司已發行股本約 4.77%；根據 2018 購股權計劃可予發行之股份數量為 512,832,823 股，相等於當日本公司已發行股本約 10.04%。

(iv) 每位參與者可獲授權益上限

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

(v) 購股權期限

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

Report of Directors 董事局報告

SHARE OPTION SCHEMES (continued)

(I) Summary of terms of the Share Option Schemes (continued)

(vi) Payment on acceptance of option

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

(vii) Subscription price

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

(viii) The life of the Share Option Schemes

2011 Option Scheme was terminated after the adoption of 2018 Option Scheme on 7 June 2018, after which period no further options will be granted nor accepted but the provisions of 2011 Option Scheme shall remain in full force and effect in all other respects.

2018 Option Scheme shall be valid and effective for a period of ten years commencing from 7 June 2018, after which period no further options will be granted nor accepted but the provisions of 2018 Option Scheme shall remain in full force and effect in all other respects.

(II) Movements of the Share Option Schemes

During the year ended 31 December 2018, no share options had been granted, exercised, cancelled nor lapsed under 2018 Option Scheme. There were options for 463,800,000 shares granted by the Company under 2018 Option Scheme on 20 February 2019.

購股權計劃 (續)

(I) 購股權計劃主要條款 (續)

(vi) 接納購股權須付款額

根據購股權計劃條款接納獲授購股權之參與者，在接納購股權時，須繳付港幣1元。

(vii) 認購價

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

(viii) 購股權計劃之限期

2011購股權計劃已在2018購股權計劃於二零一八年六月七日獲本公司採納後予以終止，其後將不得再授出或接納任何購股權，惟2011購股權計劃之條文在其它各方面將仍具有十足效力。

2018購股權計劃之有效期由二零一八年六月七日起計，為期十年，其後將不得再授出或接納任何購股權，惟購股權計劃之條文在其它各方面將仍具有十足效力。

(II) 購股權計劃之變動

截至二零一八年十二月三十一日止年度內，概無根據2018購股權計劃授出購股權，亦無購股權獲行使、被註銷或失效。於二零一九年二月二十日，本公司根據2018購股權計劃授出購股權股份463,800,000股。

Report of Directors 董事局報告

SHARE OPTION SCHEMES (continued)

購股權計劃(續)

(II) Movements of the Share Option Schemes (continued)

(II) 購股權計劃之變動(續)

During the year ended 31 December 2018, the movements of option shares under 2011 Option Scheme are shown as follows:

截至二零一八年十二月三十一日止年度內，2011購股權計劃項下之購股權股份變動如下：

| | Date of grant | Exercise price per share | Exercise period | | Number of option shares | | | | | balance as at 31/12/2018 | |
|---|---------------|--------------------------|-----------------|------------|------------------------------|-------------------------|---------------------------|---------------------------|------------------------|--------------------------|-------------|
| | | | from | until | outstanding as at 01/01/2018 | granted during the year | exercised during the year | cancelled during the year | lapsed during the year | | |
| | 授出日期 | 每股行使價 HK\$ 港幣 | 由 | 至 | 於二零一八年一月一日結存 | 年內授出 | 年內行使 (Note 1) (附註1) | 年內註銷 | 年內失效 | 於二零一八年十二月三十一日結餘 | |
| (i) Directors | | | | | | | | | | | |
| 董事 | | | | | | | | | | | |
| CHAN Shing 陳城 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | (4,900,000) | - | - | - | |
| SIT Hoi Tung 薛海東 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 10,000,000 | - | (3,000,000) | - | - | 7,000,000 | |
| KWOK Wai Lam 郭偉霖 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | - | 4,900,000 | |
| SHAM Kai Man 岑啟文 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | (4,900,000) | - | - | - | |
| CUI Shu Ming 崔書明 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | (4,900,000) | - | - | - | |
| TSANG Kwok Wa 曾國華 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | - | 4,900,000 | |
| CHEUNG Sing Din 張聖典 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | - | 4,900,000 | |
| HUANG Shenglan 黃勝藍 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | - | 4,900,000 | |
| CHEUNG Kwan (Note 2) 張軍(附註2) | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | (4,900,000) | - | |
| CHAN Ming Fai (Note 2) 陳明輝(附註2) | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 4,900,000 | - | - | - | - | 4,900,000 | |
| (ii) Continuous contract employees 連續合約僱員 | 13/06/2017 | 0.217 | 14/07/2017 | 13/07/2019 | 372,500,000 | - | (155,600,000) | - | - | 216,900,000 | |
| | | | | | Total: | | | | | | |
| | | | | | 總計: | 426,600,000 | - | (173,300,000) | - | (4,900,000) | 248,400,000 |

Report of Directors 董事局報告

SHARE OPTION SCHEMES (continued)

(II) Movements of the Share Option Schemes (continued)

Notes:

- Details of option shares exercised during the year ended 31 December 2018 are as follows:

| Exercise date | Exercise price per share | Weighted average closing price per share of the Company at exercise date | Number of option shares exercised |
|---------------|--------------------------|--|-----------------------------------|
| 行使日期 | 每股行使價 HK\$ 港幣 | 行使日之本公司每股 收市加權平均價 HK\$ 港幣 | 獲行使購股權 股份數目 |
| 09/01/2018 | 0.217 | 0.343 | 1,000,000 |
| 18/01/2018 | 0.217 | 0.311 | 1,000,000 |
| 27/02/2018 | 0.217 | 0.302 | 3,000,000 |
| 27/03/2018 | 0.217 | 0.351 | 500,000 |
| 18/04/2018 | 0.217 | 0.327 | 2,200,000 |
| 20/04/2018 | 0.217 | 0.323 | 3,000,000 |
| 11/05/2018 | 0.217 | 0.374 | 10,000,000 |
| 16/05/2018 | 0.217 | 0.379 | 10,000,000 |
| 18/05/2018 | 0.217 | 0.382 | 15,000,000 |
| 25/05/2018 | 0.217 | 0.405 | 4,900,000 |
| 01/06/2018 | 0.217 | 0.404 | 4,900,000 |
| 04/06/2018 | 0.217 | 0.400 | 100,000,000 |
| 12/06/2018 | 0.217 | 0.431 | 10,000,000 |
| 25/06/2018 | 0.217 | 0.339 | 1,900,000 |
| 03/07/2018 | 0.217 | 0.288 | 4,900,000 |
| 25/07/2018 | 0.217 | 0.293 | 1,000,000 |

- Ms. CHEUNG Kwan retired as a Director of the Company after the conclusion of the annual general meeting of the Company held on 7 June 2018. Mr. CHAN Ming Fai resigned as a Director of the Company with effect from 10 December 2018.

購股權計劃 (續)

(II) 購股權計劃之變動 (續)

附註：

- 截至二零一八年十二月三十一日止年度內購股權股份獲行使之詳情如下：

| Exercise date | Exercise price per share | Weighted average closing price per share of the Company at exercise date | Number of option shares exercised |
|---------------|--------------------------|--|-----------------------------------|
| 行使日期 | 每股行使價 HK\$ 港幣 | 行使日之本公司每股 收市加權平均價 HK\$ 港幣 | 獲行使購股權 股份數目 |
| 09/01/2018 | 0.217 | 0.343 | 1,000,000 |
| 18/01/2018 | 0.217 | 0.311 | 1,000,000 |
| 27/02/2018 | 0.217 | 0.302 | 3,000,000 |
| 27/03/2018 | 0.217 | 0.351 | 500,000 |
| 18/04/2018 | 0.217 | 0.327 | 2,200,000 |
| 20/04/2018 | 0.217 | 0.323 | 3,000,000 |
| 11/05/2018 | 0.217 | 0.374 | 10,000,000 |
| 16/05/2018 | 0.217 | 0.379 | 10,000,000 |
| 18/05/2018 | 0.217 | 0.382 | 15,000,000 |
| 25/05/2018 | 0.217 | 0.405 | 4,900,000 |
| 01/06/2018 | 0.217 | 0.404 | 4,900,000 |
| 04/06/2018 | 0.217 | 0.400 | 100,000,000 |
| 12/06/2018 | 0.217 | 0.431 | 10,000,000 |
| 25/06/2018 | 0.217 | 0.339 | 1,900,000 |
| 03/07/2018 | 0.217 | 0.288 | 4,900,000 |
| 25/07/2018 | 0.217 | 0.293 | 1,000,000 |

- 張軍女士自二零一八年六月七日本公司股東週年大會結束後退任董事之職務。陳明輝先生自二零一八年十二月十日起辭任本公司董事。

Report of Directors 董事局報告

DIRECTORS

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

Executive Directors

Mr. CHAN Shing (*Chairman and Managing Director*)
Mr. SIT Hoi Tung (*Deputy General Manager*)
Mr. KWOK Wai Lam
Mr. SHAM Kai Man
Ms. CHEUNG Kwan (*retired on 7 June 2018*)

Independent Non-Executive Directors

Mr. CUI Shu Ming
Mr. TSANG Kwok Wa
Mr. CHEUNG Sing Din
Mr. CHAN Ming Fai (*resigned on 10 December 2018*)

Non-Executive Director

Mr. HUANG Shenglan

In accordance with bye-law 85 of the Bye-laws of the Company, Messrs. SIT Hoi Tung and SHAM Kai Man shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Biographical details of the Directors of the Company are set out on pages 11 and 12.

董事

本公司於本年度內至本報告刊行日期止之董事詳列如下：

執行董事

陳城先生 (*主席兼董事總經理*)
薛海東先生 (*副總經理*)
郭偉霖先生
岑啟文先生
張軍女士 (*於二零一八年六月七日退任*)

獨立非執行董事

崔書明先生
曾國華先生
張聖典先生
陳明輝先生 (*於二零一八年十二月十日辭任*)

非執行董事

黃勝藍先生

依據本公司之公司細則第85條之規定，薛海東先生及岑啟文先生於應屆股東週年大會上告退，惟彼等均願意膺選連任。

本公司董事之簡歷載列於第11頁及第12頁。

Report of Directors 董事局報告

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

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company (including those interests and short positions which were taken or deemed to have interests and short positions under the provisions of the Securities and Futures Ordinance (the "SFO")) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉

於二零一八年十二月三十一日，根據本公司按照證券及期貨條例（「證券及期貨條例」）第352條所規定須予備存的登記冊所載，或如依據上市發行人董事進行證券交易的標準守則通知本公司及聯交所，本公司各董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有的權益及淡倉，詳情如下：

Interests in Shares and Underlying Shares of the Company

本公司股份及相關股份權益

| Name of Director 董事姓名 | Number of issued voting ordinary shares held 所持已發行有投票權普通股股份數目 | | | | Approximate percentage in the Company's issued voting shares 約佔本公司已發行有投票權股份百分比 | Number of option shares personally held 個人所持購股權股份數目 (Note 1) (附註1) |
|--------------------------|--|--------------------------|--|-------------------|---|---|
| | Personal Interests 個人權益 | Family Interests 家族權益 | Corporate Interests 公司權益 | Total 總數 | | |
| CHAN Shing 陳城 | 170,772,521 (L) | 104,042,601 (L) | 1,091,486,149 (L) (Note 2) (附註2) | 1,366,301,271 (L) | 26.74% (L) | - |
| SIT Hoi Tung 薛海東 | 10,213,869 (L) | - | - | 10,213,869 (L) | 0.20% (L) | 7,000,000 |
| KWOK Wai Lam 郭偉霖 | - | - | - | - | 0% (L) | 4,900,000 |
| SHAM Kai Man 岑啟文 | 10,900,000 (L) | - | - | 10,900,000 (L) | 0.21% (L) | - |
| CUI Shu Ming 崔書明 | 7,150,000 (L) | - | - | 7,150,000 (L) | 0.14% (L) | - |
| TSANG Kwok Wa 曾國華 | - | - | - | - | 0% (L) | 4,900,000 |
| CHEUNG Sing Din 張聖典 | - | - | - | - | 0% (L) | 4,900,000 |
| HUANG Shenglan 黃勝藍 | 2,250,000 (L) | - | - | 2,250,000 (L) | 0.04% (L) | 4,900,000 |

Report of Directors 董事局報告

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

Interests in Shares and Underlying Shares of the Company (continued)

Notes:

1. These underlying shares were unlisted option shares granted pursuant to the share option scheme(s) of the Company. Particulars of which are set out in section "Share Option Schemes".
2. 879,119,336 shares were held by Glory Add Limited ("Glory Add"), a wholly-owned subsidiary of Favor King Limited ("Favor King"). 211,900,848 shares were held by Strong Purpose Corporation ("Strong Purpose"). Favor King and Strong Purpose are wholly-owned by Mr. CHAN Shing and Ms. LAU Ting, the spouse of Mr. CHAN Shing. 465,965 shares were held by Hang Sing Overseas Limited, a wholly-owned subsidiary of Orient Strength Limited (a company which is wholly-owned by Ms. LAU Ting).
3. The letter "L" denotes long position and the letter "S" denotes short position.

Save as otherwise disclosed above, as at 31 December 2018, none of the Directors or chief executive of the Company had, or were deemed under the SFO to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

董事及行政總裁於股份、相關股份及債券證中擁有的權益及淡倉 (續)

本公司股份及相關股份權益 (續)

附註：

1. 此等相關股份屬根據本公司購股權計劃授出之非上市購股權股份，其詳情載於「購股權計劃」一節內。
2. 879,119,336股由Favor King Limited (「Favor King」) 全資附屬公司Glory Add Limited (「Glory Add」) 持有。211,900,848股由Strong Purpose Corporation (「Strong Purpose」) 持有。陳城先生及其配偶劉婷女士全資擁有Favor King及Strong Purpose。465,965股由劉婷女士全資擁有的公司Orient Strength Limited 透過其全資附屬公司Hang Sing Overseas Limited 持有。
3. 「L」表示好倉；「S」表示淡倉。

除上文所披露者外，於二零一八年十二月三十一日，本公司各董事或行政總裁概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券證中擁有或按照證券及期貨條例被視為擁有任何權益或淡倉記錄在按照證券及期貨條例第352條所規定須備存之登記冊內，或須如依據上市發行人董事進行證券交易的標準守則通知本公司及聯交所。

Report of Directors 董事局報告

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

As at 31 December 2018, according to the register required to be kept by the Company under Section 336 of the SFO, the following persons (other than the Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company:

Interests in Shares and Underlying Shares

| Name of shareholder | Nature of interest | Number of issued voting ordinary shares held 所持已發行有投票權普通股股份數目 | Approximate percentage in the Company's issued voting shares 約佔本公司已發行有投票權股份百分比 |
|---------------------|--|--|---|
| 股東名稱 | 權益性質 | | |
| LAU Ting 劉婷 | Personal, Family & Corporate 個人、家族及公司 | 1,366,301,271 (L) (Note 1) (附註1) | 26.74% (L) |
| Favor King | Corporate 公司 | 879,119,336 (L) (Note 2) (附註2) | 17.21% (L) |
| CHEUNG Kwan 張軍 | Personal & Corporate 個人及公司 | 662,110,000 (L) (Note 3) (附註3) | 12.96% (L) |

Notes:

- 104,042,601 shares were directly held by Ms. LAU Ting. 170,772,521 shares were directly held by Mr. CHAN Shing, the spouse of Ms. LAU Ting. 879,119,336 shares were held by Glory Add, a wholly-owned subsidiary of Favor King. 211,900,848 shares were held by Strong Purpose. Favor King and Strong Purpose are wholly-owned by Mr. CHAN Shing and Ms. LAU Ting. 465,965 shares were held by Hang Sing Overseas Limited, a wholly-owned subsidiary of Orient Strength Limited (a company which is wholly-owned by Ms. LAU Ting). As the interests of each of Mr. CHAN Shing and Ms. LAU Ting are deemed to be the interests of each other, the figures referred to the same shares.
- These interests were held by Glory Add, a company which is wholly-owned by Favor King. Favor King is wholly-owned by Mr. CHAN Shing and Ms. LAU Ting.
- 539,110,000 shares were directly held by Ms. CHEUNG Kwan. 123,000,000 shares were held by The Internet of Things Investment Ltd. which is wholly-owned by Ms. CHEUNG Kwan.
- The letter "L" denotes long position and the letter "S" denotes short position.

主要股東於股份及相關股份中擁有的權益及淡倉

於二零一八年十二月三十一日，根據本公司按照證券及期貨條例第336條所規定須予備存之登記冊所載，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益及淡倉：

股份及相關股份權益

| Name of shareholder | Nature of interest | Number of issued voting ordinary shares held 所持已發行有投票權普通股股份數目 | Approximate percentage in the Company's issued voting shares 約佔本公司已發行有投票權股份百分比 |
|---------------------|--|--|---|
| 股東名稱 | 權益性質 | | |
| LAU Ting 劉婷 | Personal, Family & Corporate 個人、家族及公司 | 1,366,301,271 (L) (Note 1) (附註1) | 26.74% (L) |
| Favor King | Corporate 公司 | 879,119,336 (L) (Note 2) (附註2) | 17.21% (L) |
| CHEUNG Kwan 張軍 | Personal & Corporate 個人及公司 | 662,110,000 (L) (Note 3) (附註3) | 12.96% (L) |

附註：

- 104,042,601 股由劉婷女士直接持有。170,772,521 股由劉婷女士之配偶陳城先生直接持有。879,119,336 股由 Favor King 全資附屬公司 Glory Add 持有。211,900,848 股由 Strong Purpose 持有。陳城先生及劉婷女士全資擁有 Favor King 及 Strong Purpose。465,965 股由劉婷女士全資擁有的公司 Orient Strength Limited 透過其全資附屬公司 Hang Sing Overseas Limited 持有。由於陳城先生及劉婷女士之權益被視為彼此的權益，故所列數字指相同的股份。
- 此等權益由 Favor King 全資擁有的公司 Glory Add 擁有。陳城先生及劉婷女士全資擁有 Favor King。
- 539,110,000 股由張軍女士直接持有。123,000,000 股由張軍女士全資擁有的公司 The Internet of Things Investment Ltd. 持有。
- [L] 表示好倉；[S] 表示淡倉。

Report of Directors 董事局報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Interests in Shares and Underlying Shares (continued)

Save as disclosed above, as at 31 December 2018, there was no person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

ISSUE OF CONVERTIBLE BONDS

2017 Convertible Bonds

The subscription agreement dated 25 September 2017 entered into between Haitong International Financial Products (Singapore) Pte. Ltd. and the Company in relation to convertible bonds in the principal amount of US\$20,000,000 (the "2017 Convertible Bonds"). Upon full conversion of the 2017 Convertible Bonds at the conversion price of HK\$0.26 per conversion share (subject to adjustments), a total of 603,846,000 new ordinary shares of the Company (the "2017 Conversion Share(s)") will be issued. The 2017 Convertible Bonds may be converted into ordinary shares of the Company commencing on 3 June 2018. As at the date hereof, no 2017 Conversion Shares are converted into ordinary shares of the Company and therefore, no dilutive impact on number of issued shares of the Company and its respectively shareholdings of the substantial shareholders of the Company. Details of the 2017 Convertible Bonds were set out in the Company's 2017 annual report (the "2017 Annual Report").

主要股東於股份及相關股份中擁有的權益及淡倉 (續)

股份及相關股份權益 (續)

除上文所披露者外，於二零一八年十二月三十一日，概無任何人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有權益或淡倉記錄於按照證券及期貨條例第336條所存置的登記冊內，及／或直接或間接地持有已發行股本的5%或以上權益，並可於任何情況下，有權在本集團任何成員公司的股東大會上投票的權益。

發行可換股債券

2017可換股債券

本公司與Haitong International Financial Products (Singapore) Pte. Ltd.於二零一七年九月二十五日簽訂認購協議以發行本金20,000,000美元可換股債券（「2017可換股債券」）。倘2017可換股債券獲每換股股份換股價港幣0.26元（可予調整）悉數轉換，合計將可發行603,846,000股本公司新普通股股份（「2017換股股份」）。2017可換股債券自二零一八年六月三日起可轉換本公司普通股股份。至本日期，概無2017換股股份轉換為本公司普通股股份，故對本公司已發行股份數目及對本公司個別主要股東所持股權並無攤薄影響。2017可換股債券之詳情已列載於本公司二零一七年年報（「2017年報」）內。

Report of Directors 董事局報告

ISSUE OF CONVERTIBLE BONDS (continued)

2018 Convertible Bonds

On 20 March 2018, the Company entered into the subscription agreement with Tongfang Securities Limited, Haitong International Asset Management (HK) Limited and Mount Everest Fund in relation to the issue of convertible bonds in the aggregate principal amount of US\$13,000,000 by the Company (the "2018 Convertible Bonds"). Upon full conversion of the 2018 Convertible Bonds at the conversion price of HK\$0.32 per conversion share (subject to adjustments), a total of 316,875,000 new ordinary shares of the Company (the "2018 Conversion Share(s)") will be issued. The 2018 Conversion Shares will be allotted and issued pursuant to the general mandate granted to the Directors of the Company at annual general meeting of the Company held on 30 June 2017. The conversion period of the 2018 Convertible Bonds will commence on 28 July 2019. As at the date hereof, no 2018 Conversion Shares are convertible into ordinary shares of the Company and therefore, no dilutive impact on number of issued shares of the Company and its respectively shareholdings of the substantial shareholders of the Company. Net proceeds of approximately HK\$24.74 million were applied for further acquisition of shares in Alliance Mineral Assets Limited, a company incorporated in Australia, which is currently admitted to the official list of Singapore Exchange Securities Trading Limited and Australian Securities Exchange; and approximately HK\$74.63 million were applied for general working capital in particular necessary expenses for the operating cycle of procurement, logistics, processing and sales in relation to lithium concentrates.

Mr. CHAN Shing has undertaken to remain as a substantial shareholder of the Company during the term of the 2018 Convertible Bonds. Details of the issue of the 2018 Convertible Bonds were set out in the Company's announcements dated 20 March 2018 and 26 March 2018.

PLACING OF 7% NOTES DUE 2019, 2020 AND 2025

On 17 May 2017, the Company entered into conditional placing agreement with GEO Securities Limited (the "Placing Agent") pursuant to which the Placing Agent agreed to act as a placing agent, on a best effort basis, for the purposes of arranging places for the issue of notes of an aggregate principal amount of up to HK\$200,000,000 in multiple tranches with maturity period(s) of two, three or eight years from the issue date. The placing period was further extended to 30 April 2019.

As at the date hereof, 2-year-notes for an aggregate principal amount of HK\$45,500,000 were issued.

發行可換股債券(續)

2018 可換股債券

二零一八年三月二十日，本公司與Tongfang Securities Limited（同方證券有限公司）、Haitong International Asset Management (HK) Limited（海通國際資產管理（香港）有限公司）及Mount Everest Fund（珠峰基金）簽訂認購協議以發行本金合計13,000,000美元可換股債券（「2018可換股債券」）。倘2018可換股債券獲每換股股份換股價港幣0.32元（可予調整）悉數轉換，合計將可發行316,875,000股本公司新普通股股份（「2018換股股份」）。2018換股股份將根據於二零一七年六月三十日舉行之本公司股東週年大會上授予董事之一般性授權配發及發行。2018可換股債券的轉換期將於二零一九年七月二十八日開始。至本日期，概無2018換股股份轉換為本公司普通股股份，故對本公司已發行股份數目及對本公司個別主要股東所持股權並無攤薄影響。所得款項淨額約港幣2,474萬元用於向Alliance Mineral Assets Limited（一間於澳大利亞註冊成立的公司，其股份現於新加坡證券交易所及澳洲證券交易所上市）增購股權；約港幣7,463萬元用作一般營運資本，特別是鋰電池上游資源的鋰精粉包銷、物流、加工直至完成銷售各環節必要的支出。

陳城先生承諾於2018可換股債券有效期內保持為本公司主要股東。2018可換股債券詳情已列載於二零一八年三月二十日及二零一八年三月二十六日本公司公佈內。

配售2019、2020及2025年到期7%票據

二零一七年五月十七日，本公司與智易東方證券有限公司（「配售代理」）訂立有條件配售協議，據此，配售代理同意擔任配售代理且盡其最大努力，為發行合計本金總額不超過港幣200,000,000元的多份自發行日期起計兩年到期、三年到期或八年到期票據安排承配人。配售期已進一步延長至二零一九年四月三十日。

截至本日期，本公司發行了合共本金港幣45,500,000元的兩年期票據。

Report of Directors 董事局報告

DISPOSAL OF INTEREST IN A SUBSIDIARY

On 4 May 2018, the Company (as vendor), Zaozhuang Dongya Enterprise Company Limited (棗莊東亞實業有限公司) (“Zaozhuang”) (as purchaser) and Mr. Hou Chuanqi (侯傳齊) (as guarantor) entered into a sale and purchase agreement dated 4 May 2018, pursuant to which the Company agreed to sell the entire issued shares of Smart Task Limited to Zaozhuang for a consideration of RMB18,000,000 in cash (the “Disposal”). The initial payment and second payment in an aggregate of RMB1,500,000 were paid; the third payment of RMB6,500,000 will be paid on or before 18 May 2019 and the fourth payment of RMB10,000,000 will be paid on or before 18 May 2020 by Zaozhuang to the Company. The Disposal was completed on 15 May 2018. The Group records a gain of approximately HK\$95 million from the Disposal.

Details of the Disposal were set out in the Company’s announcement dated 4 May 2018.

LITHIUM CONCENTRATE OFFTAKE CONTRACTS

Burwill Lithium Company Limited (“BLCL”), a wholly-owned subsidiary of the Company, principally engages in lithium concentrate procurement, lithium carbonate and lithium hydroxide processing and sales.

BLCL entered into exclusive lithium concentrate offtake contracts (as amended) (the “Contracts”) with Alliance Mineral Assets Limited, Lithco No. 2 Pty Ltd and Tawana Resources NL (collectively, the “Sellers”) respectively since 2017, pursuant to which, BLCL advanced HK\$86,298,000 to the Sellers as at 31 December 2018.

Following amendments made on the Contracts, the Company and BLCL respectively entered into new amended contracts (the “New Contracts”) with the Sellers, Jiangxi Special Electric Motor Co., Ltd. and Jiangxi Bao Jiang Lithium Industrial Limited on 14 January 2019. The Company considered that entering into the New Contracts determines new main buying entity, offtake quantities and pricing mechanism etc. which greatly reduces the market price risk caused by volatile fluctuation and is in the best interests of the Company. Details of key terms of the New Contracts were set out in the Company’s announcement dated 15 January 2019.

出售附屬公司權益

二零一八年五月四日，本公司（作為賣方）、棗莊東亞實業有限公司（「棗莊」）（作為買方）與侯傳齊先生（作為擔保方）簽訂二零一八年五月四日買賣協議，據此，本公司同意向棗莊出售 Smart Task Limited 全部已發行股份，代價為 18,000,000 人民幣現金（「出售」）。首及第二筆轉讓價款合共 1,500,000 人民幣已支付；第三筆轉讓價款 6,500,000 人民幣將於二零一九年五月十八日或之前由棗莊支付本公司，及第四筆轉讓價款 10,000,000 人民幣將於二零二零年五月十八日或之前由棗莊支付本公司。出售已於二零一八年五月十五日完成。本集團就出售錄得收益約港幣 9,500 萬元。

出售之詳情已列載於二零一八年五月四日本公司公佈內。

鋰精礦包銷合約

本公司全資附屬公司寶威鋰業有限公司（「BLCL」），專門從事鋰精礦的採購、碳酸鋰、氫氧化鋰的加工及銷售業務。

BLCL 自二零一七年分別與 Alliance Mineral Assets Limited、Lithco No. 2 Pty Ltd 及 Tawana Resources NL（統稱「賣方」）簽訂鋰精礦包銷合約（經修訂）（「合約」），據此，於二零一八年十二月三十一日，BLCL 已向賣方支付預付款港幣 86,298,000 元。

繼合約修訂後，於二零一九年一月十四日，本公司、BLCL 分別與賣方、江西特種電機股份有限公司及江西寶江鋰業有限公司簽訂最新的修訂合約（「新合約」）。本公司認為，簽訂新合約確定了新的買方主體、包銷數量、定價機制等，極大的減低了因市場價格大幅波動而帶來的風險，更加符合本公司的利益。新合約主要條款已詳列於二零一九年一月十五日本公司公佈內。

Report of Directors 董事局報告

UPDATE ON LITIGATION

Legal proceeding in Hong Kong in relation to BCHL

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

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

A Statement of Claim (the “Claim”) under the action of HCA 2895/2016 was filed by BCHL on 13 February 2017 which was subsequently amended and filed on 9 March 2017.

As at the date of this report, the date of trial of HCA 2895/2016 has not been fixed.

On 23 May 2017, Mr. IP and Charm Best issued a defence and counterclaim in the High Court of Hong Kong against BCHL and CLA under HCA 2895/2016. BCHL as plaintiff (by original action) had filed and served the Reply and Defence to Counterclaim on 17 July 2017.

On 18 November 2016, Mr. IP and Charm Best issued a writ of summons in the High Court of Hong Kong against, inter alia, BCHL and CLA (“HCA 3015/2016”). On 4 January 2017, the Court queried the need for the plaintiffs in HCA 3015/2016 (Mr. IP and Charm Best), to issue such legal action and then on 6 February 2017, the Court directed the plaintiffs in HCA 3015/2016 to proceed by way of a counterclaim under HCA 2895/2016.

訴訟最新進展

於香港有關寶威商業的法律訴訟

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

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

寶威商業已於二零一七年二月十三日將案件HCA 2895/2016之申索陳述書存案，經修訂申索陳述書亦已於二零一七年三月九日存案。

於本報告日期，HCA 2895/2016審訊日期仍未確定。

二零一七年五月二十三日，葉先生及Charm Best作為案件HCA 2895/2016被告人已對寶威商業及新港資產向香港高等法院提出抗辯及反申索。寶威商業作為原案件原告人已於二零一七年七月十七日將反申索之答辯及抗辯送達並存案。

二零一六年十一月十八日，葉先生及Charm Best於香港高等法院向（當中包括）寶威商業及新港資產發出傳訊令狀（「HCA 3015/2016」）。二零一七年一月四日法院質疑HCA 3015/2016原告人（葉先生及Charm Best）提出HCA 3015/2016法律訴訟的需要，期後於二零一七年二月六日法院指令HCA 3015/2016原告人應對HCA 2895/2016開展反申索。

Report of Directors 董事局報告

UPDATE ON LITIGATION (continued)

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

The Company has been provided with a writ dated 16 June 2015 (“Writ”) filed with the Shandong Province Yantai City Intermediate People’s Court of the People’s Republic of China (“PRC”) under which an individual (“Plaintiff”) alleged that he is the beneficial owner of 50% of the equity interest in 萊陽泰鑫礦業有限公司 (“Allegation”) and that 青島泰鑫礦業有限公司 holds such 50% equity interest in 萊陽泰鑫礦業有限公司 (“萊陽泰鑫 50% equity interest”) as nominee for the Plaintiff. In the Writ, 萊陽泰鑫礦業有限公司 has been named as defendant. In the interim, as a result of the Allegation, the Shandong Province Yantai City Intermediate People’s Court of the PRC had imposed a freezing order in respect of 35% equity interest in 萊陽泰鑫礦業有限公司 held by 青島泰鑫礦業有限公司 (the “Freezing Order”). The frozen equity interest was restricted from transfer or pledge during the existence of the Freezing Order but the operations of 萊陽泰鑫礦業有限公司 will not be hindered by the imposition of the Freezing Order. The trial of the Allegation was held in August 2016 that the Plaintiff lost a lawsuit and the judgement was received in the early 2017 that 萊陽泰鑫礦業有限公司 was not liable to any claim and the Plaintiff alleged that he owned 萊陽泰鑫 50% equity interest was not in fact. The Plaintiff served a notice of appeal to the judgement. The trial of the final appeal was held in December 2017 and it was judged that the Plaintiff should have 0.67% of the equity interest in 萊陽泰鑫礦業有限公司.

On 15 May 2018, the Company sold the entire issued shares of Smart Task Limited to Zaozhuang Dongya Enterprise Company Limited (棗莊東亞實業有限公司). All matters of Allegation remained unchanged on or before 15 May 2018 and there were no further information to be provided after the disposal.

訴訟最新進展 (續)

於中國有關萊陽泰鑫礦業有限公司及青島泰鑫礦業有限公司的法律訴訟

本公司收到已交中華人民共和國(「中國」)山東省煙臺市中級人民法院登記日期為二零一五年六月十六日之起訴書(「起訴書」)，起訴書指一名個人(「原告」)指稱其為持有萊陽泰鑫礦業有限公司50%股權(「該指稱」)，而青島泰鑫礦業有限公司僅作為原告之代名人代其持有萊陽泰鑫礦業有限公司50%股權(「萊陽泰鑫50%股權」)。萊陽泰鑫礦業有限公司為起訴書內之被告。期間，中國山東省煙臺市中級人民法院基於該指稱已據此對由青島泰鑫礦業有限公司所持萊陽泰鑫礦業有限公司35%股權查封(「該查封」)。被查封之股權在該查封期內將被禁止轉讓或質押，然而，萊陽泰鑫礦業有限公司之日常營運不會受該查封所影響。該指稱審判已於二零一六年八月舉行，判決原告敗訴，於二零一七年初收到判決指萊陽泰鑫礦業有限公司不需承擔任何責任，而原告指稱擁有萊陽泰鑫50%股權不成立。原告對判決展開上訴，上訴審判於二零一七年十二月舉行，判決指原告擁有萊陽泰鑫礦業有限公司0.67%股權。

本公司已於二零一八年五月十五日向棗莊東亞實業有限公司出售 Smart Task Limited 全部已發行股份。有關該指稱之一切於二零一八年五月十五日或以前保持不變，惟在項目出售後概無進一步資料提供。

Report of Directors 董事局報告

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

With effect from 10 December 2018, Mr. CHAN Ming Fai resigned as an Independent Non-Executive Director of the Company, members of the Audit Committee, Remuneration Committee and Nomination Committee of the Company and Mr. TSANG Kwok Wa and Mr. CHEUNG Sing Din were appointed as members of the Remuneration Committee of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

SERVICE CONTRACTS WITH DIRECTORS

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

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

其它根據上市規則第13.51B(1)條披露之資料

自二零一八年十二月十日起，陳明輝先生辭任本公司獨立非執行董事、審核委員會委員、薪酬委員會委員及提名委員會委員，及曾國華先生及張聖典先生獲委任為本公司薪酬委員會委員。

認購股份或債券之安排

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

董事之服務合約

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

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

Report of Directors 董事局報告

DIRECTORS' INTERESTS IN CONTRACTS

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

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

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

MANAGEMENT CONTRACTS

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

INDEMNITY PROVISION

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

BUSINESS REVIEW

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. As a responsible corporation, to the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection during the year ended 31 December 2018.

董事於合約之權益

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

控股股東於合約之權益

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

管理合約

於年度內並無訂立或存有任何與本公司業務全部或主要部份相關之行政及管理合約。

彌償條文

本公司已向董事提供適當的法律訴訟保險安排。

業務審視

本公司業務之審視詳列於本報告「管理層討論與分析」內之「回顧與展望」。

環境政策及表現

本集團致力於環境及其營運所在社區之長遠可持續發展。據董事所深知，本集團作為負責任之企業，於截至二零一八年十二月三十一日止年度內一直遵守有關保護環境之所有相關法例及規例。

Report of Directors 董事局報告

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations. To the best knowledge of the Directors, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 December 2018.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

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

EMPLOYEES RETIREMENT BENEFIT

Details of the retirement benefit schemes of the Group and the employees' retirement benefit costs charged to the consolidated income statement for the year are set out in note 29 to the consolidated financial statements.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 212.

SUFFICIENCY OF PUBLIC FLOAT

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

遵守相關法例及規例

本集團明白到符合規例要求的重要性以及不遵守適用規則及規例之風險。據董事所深知，於截至二零一八年十二月三十一日止年度內，本集團在各重大方面一直遵守對本集團業務及營運有重大影響之相關法例及規例。

與僱員、供應商、客戶及其它持份者之關係

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

僱員退休福利

本集團退休福利計劃詳情及計入年度內綜合損益表之僱員退休福利費用，載於綜合財務報表附註29。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要刊載於第212頁。

公眾持股量之足夠性

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

Report of Directors 董事局報告

AUDIT COMMITTEE

The Company has established an Audit Committee which currently comprises three Independent Non-Executive Directors of the Company, Mr. CUI Shu Ming, Mr. TSANG Kwok Wa and Mr. CHEUNG Sing Din. The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee.

AUDIT QUALIFICATION

Proposed plan of the Company to remove the audit qualification

The root cause of the qualified opinion for 2018 is that the auditors of the Company were unable to obtain sufficient appropriate audit evidence regarding the financial information of CLA for the year ended 31 December 2018 as a result of the disputes of the Group with Mr. Ip and Charm Best which was originated from the failure of Charm Best with respect to its repayment obligations to the Group on CLA's behalf. Details of which are disclosed under Note 35 to the Consolidated Financial Statements at pages 192 to 193 of the 2017 annual report of the Company. As a result, the Company commenced the Legal Proceedings against Mr. Ip and Charm Best in November 2016, details of which are set out in the announcement of the Company dated 14 November 2016.

After the group restructure of CLA, which involved the disposal of certain subsidiaries of CLA and was completed on 7 November 2018, the disputes of the Group with Mr. Ip and Charm Best and hence the Legal Proceedings was no longer a major issue for the current year's audit qualification. Therefore, the auditors were able to obtain sufficient appropriate audit evidence with respect to the remainder companies. As such, the management expects that the Company can remove audit qualification for the financial year ending 31 December 2019 (except for the opening) even when (a) the Legal Proceedings has not been completed before 31 December 2019; and (b) the Company has not completed the disposal of its 45% interest in CLA before 31 December 2019.

審核委員會

本公司已成立審核委員會，現由三位獨立非執行董事崔書明先生、曾國華先生及張聖典先生組成。審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零一八年十二月三十一日止年度本集團經審核財務報表已經由審核委員會審閱。

審計保留意見

本公司對於移除審計保留意見的建議計劃

二零一八年度保留意見的根本原因是：基於本集團與葉先生及 Charm Best 間的爭議（爭議源自 Charm Best 無法代新港資產對本集團履行付款責任，其詳情於本公司二零一七年年報中第 192 至 193 頁綜合財務報表附註 35 中披露），本公司審計師無法就新港資產截至二零一八年十二月三十一日止年度的財務資訊獲得充分適當審計證據。因此，本公司在二零一六年十一月對葉先生及 Charm Best 開展法律訴訟，其詳情載列於本公司二零一六年十一月十四日公告內。

新港資產集團重組（包括於二零一八年十一月七日完成出售新港資產若干附屬公司）後，本集團與葉先生及 Charm Best 間的爭議及至法律訴訟已不再為現年度審計保留意見的主要問題。據此，審計師已可對餘下公司獲得充分適當審計證據。因此，管理層預期，儘管 (a) 於二零一九年十二月三十一日以前未能完成法律訴訟；及 (b) 本公司未能於二零一九年十二月三十一日以前完成出售新港資產 45% 權益，本公司亦可於截至二零一九年十二月三十一日止財政年度移除審計保留意見（年初數除外）。

Report of Directors 董事局報告

AUDIT QUALIFICATION (continued)

Actual and potential impact of the audit qualification and the views of the management and audit committee of the Company

As mentioned in the Independent Auditors' Report, the independent auditors continue to be unable to satisfy themselves as to whether (i) the carrying amount of the Group's investment in CLA of approximately HK\$139,984,000 as included in the Group's consolidated balance sheet as at 31 December 2018; and (ii) the Group's share of the loss of CLA of approximately HK\$431,000 and other comprehensive income of CLA of approximately HK\$409,000, as included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2018, respectively, were fairly stated.

The Audit Committee has reviewed the qualified opinions on the Company's audited accounts for the year ended 31 December 2018 and has well noted the basis thereof.

The management has reviewed the impact of the audit qualification on the Group and considers that such audit qualification does not have significant effect on Group's daily operation as the audit qualification is related to an associate of the Group only.

As mentioned above, after the group restructure of CLA, the management expects, and the Audit Committee concurs that with the basis stated above, the Company can remove audit qualification for the financial year ending 31 December 2019 (except for the opening).

The Audit Committee concurred with the management's view that the Company can remove the audit qualification on the financial information of CLA for the financial year ending 31 December 2019 (except for the opening).

AUDITORS

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

On behalf of the Board
CHAN Shing
Chairman

Hong Kong, 29 March 2019

審計保留意見(續)

審計保留意見的實際及潛在影響，以及本公司管理層及審核委員會之觀點

如獨立核數師報告中所述，獨立核數師仍然無法認定：(i)本集團截至二零一八年十二月三十一日綜合資產負債表中所示本集團對新港資產的投資帳面價值為約港幣139,984,000元；及(ii)本集團截至二零一八年十二月三十一日年度綜合損益表及綜合全面損益表中所示本集團所佔新港資產虧損為約港幣431,000元及其它全面收益為約港幣409,000元是否公允陳述。

審核委員會已審閱截至二零一八年十二月三十一日止年度本公司經審核賬目的保留意見，並非常知悉其基礎。

管理層已經審閱了集團審計保留意見的影響，並且認為，鑒於該審計保留意見僅與本集團一間聯營公司有關，該等審計保留意見對本集團日常運營並無重大影響。

如上文所述，新港資產集團重組後，管理層(在審核委員會同意上述基礎上)預期，本公司可於截至二零一九年十二月三十一日止財政年度移除審計保留意見(年初數除外)。

審核委員會同意管理層的觀點，本公司可於截至二零一九年十二月三十一日止財政年度移除對新港資產財務資訊的審計保留意見(年初數除外)。

核數師

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

董事局代表
主席
陳城

香港，二零一九年三月二十九日

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2018, except for the deviations as disclosed in this report.

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

Executive Directors

Mr. CHAN Shing (*Chairman and Managing Director*)
Mr. SIT Hoi Tung (*Deputy General Manager*)
Mr. KWOK Wai Lam
Mr. SHAM Kai Man
Ms. CHEUNG Kwan (*retired on 7 June 2018*)

Independent Non-Executive Directors

Mr. CUI Shu Ming
Mr. TSANG Kwok Wa
Mr. CHEUNG Sing Din
Mr. CHAN Ming Fai (*resigned on 10 December 2018*)

Non-Executive Director

Mr. HUANG Shenglan

企業管治常規

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

除本報告所述有關偏離外，董事認為，本公司於截至二零一八年十二月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）所有適用守則條文。

董事的證券交易

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

董事局

本年度內及至本報告日期，本公司董事包括：

執行董事

陳城先生（*主席兼董事總經理*）
薛海東先生（*副總經理*）
郭偉霖先生
岑啟文先生
張軍女士（*於二零一八年六月七日退任*）

獨立非執行董事

崔書明先生
曾國華先生
張聖典先生
陳明輝先生（*於二零一八年十二月十日辭任*）

非執行董事

黃勝藍先生

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

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

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

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

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

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

董事局 (續)

於本報告日期，董事局由八名董事組成，四名執行董事（包括主席）、三名獨立非執行董事及一名非執行董事。有關各董事之背景及資歷於本年報標題為「董事簡歷」一節中載述。本公司已向董事提供適當的法律訴訟保險安排。

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

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

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

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

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

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

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

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

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

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

董事局 (續)

據董事所知悉，董事局各成員之間並無財務、業務及親屬關係。

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

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

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

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

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS (continued)

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

董事局 (續)

回顧年內，共舉行兩次董事局定期會議及一次股東大會。董事之出席記錄詳情如下：

| | | Board Meeting 董事局會議 | General Meeting 股東大會 |
|---|-------------------------|------------------------|-------------------------|
| Executive Directors | 執行董事 | | |
| Mr. CHAN Shing (Chairman and Managing Director) | 陳城先生 (主席兼董事總經理) | 2/2 | 1/1 |
| Mr. SIT Hoi Tung (Deputy General Manager) | 薛海東先生 (副總經理) | 2/2 | 1/1 |
| Mr. KWOK Wai Lam | 郭偉霖先生 | 2/2 | 1/1 |
| Mr. SHAM Kai Man | 岑啟文先生 | 2/2 | 1/1 |
| Ms. CHEUNG Kwan (retired on 7 June 2018) | 張軍女士 (二零一八年六月七日退任) | 0/1 | 0/1 |
| Independent Non-Executive Directors | 獨立非執行董事 | | |
| Mr. CUI Shu Ming | 崔書明先生 | 2/2 | 1/1 |
| Mr. TSANG Kwok Wa | 曾國華先生 | 2/2 | 1/1 |
| Mr. CHEUNG Sing Din | 張聖典先生 | 2/2 | 1/1 |
| Mr. CHAN Ming Fai (resigned on 10 December 2018) | 陳明輝先生 (二零一八年十二月十日辭任) | 2/2 | 1/1 |
| Non-Executive Director | 非執行董事 | | |
| Mr. HUANG Shenglan | 黃勝藍先生 | 2/2 | 0/1 |

CHAIRMAN AND CHIEF EXECUTIVE

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

主席及行政總裁

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

Corporate Governance Report 企業管治報告

NON-EXECUTIVE DIRECTORS

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

REMUNERATION COMMITTEE

The Remuneration Committee was established on 12 September 2006 with specific written terms of reference which deal with its authority and duties. As at 31 December 2018, the Remuneration Committee comprised four members, Mr. CUI Shu Ming, Mr. TSANG Kwok Wa, Mr. CHEUNG Sing Din and Mr. SIT Hoi Tung. The chairman of the Remuneration Committee is Mr. CUI Shu Ming. Mr. CHAN Ming Fai resigned as a member of the Remuneration Committee with effect from 10 December 2018.

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

非執行董事

本公司公司細則(「公司細則」)並無規定董事最少每三年輪值告退一次。然而，根據公司細則第85條，於每屆股東週年大會上，按當時在任董事人數計三分之一董事(或倘數目並非三之倍數，則為最接近但不超過三分之一之數目)必須輪值告退，惟主席或董事總經理者則無須輪值告退。本公司所有非執行董事已與本公司訂立服務合約，合約初步為期兩／三年可再續期兩／三年，而董事局亦會確保每位董事(惟擔任主席或董事總經理職務者除外)至少每三年輪值告退一次，以符合守則條文之規定。主席並未按守則條文第A.4.2條所定輪值退任，因董事局認為主席任期之連續性可予集團強而穩定的領導方向，乃對集團業務之順暢經營運作極為重要。根據公司細則第85條之規定，薛海東先生及岑啟文先生於應屆股東週年大會輪值退任。

薪酬委員會

本公司於二零零六年九月十二日成立具有特定成文權責範圍的薪酬委員會。於二零一八年十二月三十一日，薪酬委員會由崔書明先生、曾國華先生、張聖典先生及薛海東先生四位成員組成。薪酬委員會主席為崔書明先生。陳明輝先生於二零一八年十二月十日辭任薪酬委員會委員。

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

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REMUNERATION COMMITTEE (continued)

One Remuneration Committee meeting was held during the year ended 31 December 2018 to review and make adjustments to remuneration packages of the Directors. Details of the attendance of the Remuneration Committee members are as follows:

| | | Members' Attendance 委員出席次數 |
|--|----------------------------|--------------------------------------|
| Mr. CUI Shu Ming (Remuneration Committee Chairman) | 崔書明先生 (薪酬委員會主席) | 1/1 |
| Mr. TSANG Kwok Wa (appointed as a member on 10 December 2018) | 曾國華先生 (於二零一八年十二月十日獲任委員) | 0/0 |
| Mr. CHEUNG Sing Din (appointed as a member on 10 December 2018) | 張聖典先生 (於二零一八年十二月十日獲任委員) | 0/0 |
| Mr. SIT Hoi Tung | 薛海東先生 | 1/1 |
| Mr. CHAN Ming Fai (resigned as a member on 10 December 2018) | 陳明輝先生 (於二零一八年十二月十日辭任委員) | 1/1 |

NOMINATION COMMITTEE

The Nomination Committee was established on 23 March 2012 with specific written terms of reference which deal with its authority and duties. As at 31 December 2018, the Nomination Committee comprised five members, Mr. CHAN Shing, Mr. SIT Hoi Tung, Mr. CUI Shu Ming, Mr. TSANG Kwok Wa and Mr. CHEUNG Sing Din. Mr. CHAN Shing is the chairman of the Nomination Committee. Mr. CHAN Ming Fai resigned as a member of the Nomination Committee with effect from 10 December 2018.

The Nomination Committee's duties include:

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

薪酬委員會 (續)

截至二零一八年十二月三十一日止年度內，共舉行了一次薪酬委員會會議以檢討並調整董事薪酬待遇。薪酬委員會委員之出席記錄詳情如下：

提名委員會

本公司於二零一二年三月二十三日成立具有特定成文權責範圍的提名委員會。於二零一八年十二月三十一日，提名委員會由陳城先生、薛海東先生、崔書明先生、曾國華先生及張聖典先生五位成員組成。提名委員會主席為陳城先生。陳明輝先生於二零一八年十二月十日辭任提名委員會委員。

提名委員會之職責包括：

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

Corporate Governance Report 企業管治報告

NOMINATION COMMITTEE (continued)

The Nomination Committee has a policy concerning diversity of Board members. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Two Nomination Committee meetings were held during the year ended 31 December 2018 to make recommendations to the Board on the appointment of the newly appointed Remuneration Committee members and to review the structure, size and composition of the Board. Details of the attendance of the Nomination Committee members are as follows:

| | | Members' Attendance 委員出席次數 |
|---|----------------------------|--------------------------------------|
| Mr. CHAN Shing (Nomination Committee Chairman) | 陳城先生 (提名委員會主席) | 2/2 |
| Mr. SIT Hoi Tung | 薛海東先生 | 2/2 |
| Mr. CUI Shu Ming | 崔書明先生 | 2/2 |
| Mr. TSANG Kwok Wa | 曾國華先生 | 1/1 |
| Mr. CHEUNG Sing Din | 張聖典先生 | 1/1 |
| Mr. CHAN Ming Fai (resigned as a member on 10 December 2018) | 陳明輝先生 (於二零一八年十二月十日辭任委員) | 1/1 |

CORPORATE GOVERNANCE FUNCTIONS

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

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

提名委員會 (續)

提名委員會訂有董事局成員多元化政策。本公司在設定董事局成員組合時，會從多個方面考慮董事局成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事局所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事局成員多元化的裨益。

截至二零一八年十二月三十一日止年度內，共舉行了兩次提名委員會會議以就新任薪酬委員會委員的委任向董事局提出建議，並檢討董事局的架構、人數及組成。提名委員會委員之出席記錄詳情如下：

企業管治職能

董事局同時負責釐定本公司企業管治政策及常規，並履行如下企業管治職責：

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

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE

The Audit Committee was established in 2001 and provides the Board with advice and recommendations. As at 31 December 2018, the Audit Committee comprised three members, Mr. CUI Shu Ming, Mr. TSANG Kwok Wa and Mr. CHEUNG Sing Din. All of them are Independent Non-Executive Directors. The chairman of the Audit Committee is Mr. CUI Shu Ming. Mr. CHAN Ming Fai resigned as a member of the Audit Committee with effect from 10 December 2018. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee.

The Audit Committee's functions includes:

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

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

| | | |
|---|----------------------------|-----|
| Mr. CUI Shu Ming (Audit Committee Chairman) | 崔書明先生 (審核委員會主席) | 3/3 |
| Mr. TSANG Kwok Wa | 曾國華先生 | 3/3 |
| Mr. CHEUNG Sing Din | 張聖典先生 | 3/3 |
| Mr. CHAN Ming Fai (resigned as a member on 10 December 2018) | 陳明輝先生 (於二零一八年十二月十日辭任委員) | 2/2 |

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group and auditing, internal controls and financial reporting matters. The audited financial statements of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee.

審核委員會

審核委員會於二零零一年成立，為董事局提供意見及建議。於二零一八年十二月三十一日，審核委員會由三名成員組成，分別為崔書明先生、曾國華先生及張聖典先生，全部均為獨立非執行董事。審核委員會主席為崔書明先生。陳明輝先生於二零一八年十二月十日辭任審核委員會委員。董事局認為各審核委員會成員均具有廣泛的商務經驗，而委員會內適當地融合了營運、會計及財務管理等方面的專業知識。

審核委員會的功能包括：

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

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

Members' Attendance 委員出席次數

審核委員會已與管理層審閱及討論本集團採用之會計政策及慣例，以及審計、內部監控及財務申報事宜。截至二零一八年十二月三十一日止年度之經審核財務報表已經審核委員會審閱。

Corporate Governance Report 企業管治報告

RISK COMMITTEE

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

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

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

Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

Currency risk management: cash balances principally denominated in Hong Kong Dollar, Renminbi and US Dollar are deposited at sizable financial institutions. Business transactions and loan financing items as well as receipts and payments are principally denominated in US Dollar. The Group considers that its exposure to currency fluctuation risk is modest.

A currency risk management team has been established to tackle few foreign exchange risks arising from Euro trading transactions. Forward exchange contracts are used to hedge against transactions settled in Euro. For transactions that are subject to foreign exchange risk, we shall assess the foreign exchange risk and make corresponding strategies and actions immediately after deals confirmed with customers.

風險委員會

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

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

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

財務風險方面

本集團的活動承受著多種的財務風險：市場風險（包括外匯風險、公平值利率風險、現金流量利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

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

匯率風險管理：大部分現金結存均以港元、人民幣及美元為貨幣單位存放於具規模的金融機構，而大部分業務交易及貸款項目均以美元為計算單位。我們大部分的收支賬目主要以同一貨幣（主要為美元）為計算單位。因此，我們認為其所承受的匯率波動風險不大。

對於少部分以歐元進行的買賣交易所產生的外匯風險，我們成立了匯率風險管理小組，就以歐元結算業務，安排了個別外匯遠期合約進行對沖。對於需要承受外匯風險的交易，我們會在確認與客戶簽訂交易後，立即就其外匯風險作出評估及相應策略及行動。

Corporate Governance Report 企業管治報告

RISK COMMITTEE (continued)

Financial Risks (continued)

Monthly updates giving details of the performance of the Group's business segments have been provided to the Directors. All segment heads report monthly for their responsible segments providing analysis and details of the business conditions, internal management and external market environment in the past month so that Directors can grasp the latest external and internal conditions to decide strategies and make adjustments.

Operational

Besides the Risk Committee, Burwill Resources Limited ("BRL"), a principal wholly-owned subsidiary of the Company, has also established a risk control committee to identify, evaluate and manage risks. The Group sees risk management as every employee's responsibility.

All BRL customers would be assessed the payment ability under our risk control policy before entering into the contract. For those with low payment ability customers, BRL shall require them to provide guarantee to assure the payment.

Steel trading team members usually meet once a week for reporting their work progress as well as conducting market researches and analysis to establish and/or adjust the operational direction and strategy. Foreseeable significant market changes should be timely reported to the Board.

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

Credit risk management: credit risk mainly arises from trade and other receivables. Our trading business has high credit risk because we, as agents, are exposed to all risks on accounts receivables and inventories associated with the Group's customers. We mainly use letters of credit as a means of settlement for trading transactions. The Group considers that its exposure to credit risk is modest.

For few receivable trading business, we have set up a global credit risk management mechanism and have stringent policies to manage the credit risk of these receivables.

風險委員會 (續)

財務風險方面 (續)

每月向董事更新集團各營業分部表現詳情。各分管主管每月報告其所負責業務，就過去月份之業務情況、內部管理及外在市場環境因素等各方面，進行分析及匯報，以便董事局能掌握最新市場及內部情況，決定最新策略及調整。

營運方面

除風險委員會以外，本公司主要全資附屬公司寶威物料供應有限公司（「寶威物料」）亦成立了一風險監控委員會以辨認、評估及管理風險。本集團視風險管理為每一員工之責任。

寶威物料各客戶在落實合約前需先根據風險管理政策評估客戶的還款能力，要求低還款能力之客戶作出付款保證。

鋼鐵貿易業務各成員一般每週舉行會議匯報其所負責業務進度並進行市場研究及分析以便決定及／或調整經營方向及策略。預期重大市場變化適時通報董事局。

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

信貸風險管理：信貸風險主要源於貿易及其他應收帳項。我們的貿易業務信用風險較高，因作為代理商，我們需承受與集團交易的客戶在應收帳項及庫存上的所有風險。我們貿易交易主要以信用狀作為交收途徑，信貸風險較少。

至於少部份的應收帳交易業務，我們設定了環球信貸風險管理機制，並訂有嚴謹的政策，以管理此等應收帳項之信貸風險。

Corporate Governance Report 企業管治報告

RISK COMMITTEE (continued)

Compliance

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

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

The Audit Committee reviews and monitors financial reporting and the reporting judgement contained in them. The Audit Committee held three meetings this year, two of which were attended by the external auditors, HLB Hodgson Impey Cheng Limited.

The Audit Committee from time to time engages external accountants as our tax advisors to provide professional advices on all tax liabilities arising from our operations.

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

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

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

風險委員會 (續)

合規方面

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

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

審核委員會審議及監察財務報告，以及報告所包含的申報判斷。審核委員會於年度內共舉行三次會議，外聘核數師國衛會計師事務所有限公司曾出席其中兩次會議。

審核委員會不時在外聘用會計師作為我們的稅務顧問，就業務所產生的各項稅務責任，提供專業意見。

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

Members' Attendance 委員出席次數

| | | |
|---|-------------------------|-----|
| Mr. CHAN Shing (<i>Risk Committee Chairman</i>) | 陳城先生 (<i>風險委員會主席</i>) | 1/1 |
| Mr. SIT Hoi Tung | 薛海東先生 | 1/1 |
| Mr. KWOK Wai Lam | 郭偉霖先生 | 1/1 |
| Mr. SHAM Kai Man | 岑啟文先生 | 1/1 |
| Mr. NG Man Fai, Matthew | 吳文輝先生 | 1/1 |

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

Corporate Governance Report 企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2018, the Group had engaged the Group's external auditors, HLB Hodgson Impey Cheng Limited and network firms, to provide the following services and their fees charged are set out as below:

Types of Services

Audit of consolidated financial statements of the Group for the year

服務類別

集團年度綜合財務報表審計

Fee charged for the year ended

31 December

收取費用

截至十二月三十一日止年度

2018

2017

二零一八年

二零一七年

HK\$

HK\$

港幣

港幣

1,260,000

1,205,000

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors' responsibilities for the financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 64 to 66.

COMPANY SECRETARY

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

SHAREHOLDERS' RIGHTS

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

核數師酬金

截至二零一八年十二月三十一日止年度內，集團委聘本集團外聘核數師國衛會計師事務所有限公司及網絡成員提供以下服務，並收取費用如下：

董事及核數師對財務報表之責任

董事對財務報表之責任及外聘核數師對股東之責任載於第64至66頁。

公司秘書

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

股東權利

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

Corporate Governance Report 企業管治報告

SHAREHOLDERS' RIGHTS (continued)

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

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

股東權利(續)

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

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

Corporate Governance Report 企業管治報告

CONSTITUTIONAL DOCUMENTS

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

In order to provide the Company with greater flexibility for future fund raisings as and when appropriate when investment opportunities arise or for other corporate purposes, the Board proposes to put forward to the shareholders for approval at the forthcoming annual general meeting by way of ordinary resolution to increase the authorized share capital of the Company to HK\$880,000,000.

COMMUNICATION WITH SHAREHOLDERS

The chairman of the board should attend the annual general meeting as stipulated in Code provision E.1.2. Mr. CHAN Shing, the Chairman of the Board, attended the Company's annual general meeting held on 7 June 2018, chaired the meeting and answered shareholders' questions.

章程文件

回顧年內，本公司的章程文件並無變動。

為了讓本公司於投資機會出現時更靈活適時進行未來集資或作其他企業用途，董事局建議於應屆股東週年大會上尋求股東以普通決議案方式批准將本公司法定股本增加至港幣880,000,000元。

與股東的溝通

守則條文第E.1.2條訂明董事局主席應出席股東週年大會。董事局主席陳城先生出席了本公司於二零一八年六月七日舉行的股東週年大會，主持會議並解答股東問題。

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

ABOUT BURWILL

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

ABOUT THE REPORT

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

The Environmental, Social and Governance ("ESG") Report 2018 was compiled pursuant to the Environmental, Social and Governance Reporting Guide (the ESG Guide) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report covers the material issues of the Group's operations for the fiscal year from 1 January 2018 to 31 December 2018, unless otherwise specified.

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

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

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

關於寶威

本集團主要從事鋼鐵貿易及分銷等業務，亦投資礦產資源。

報告簡介

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

2018年《環境、社會及管治報告》(「本報告」)乃按照香港聯合交易所有限公司的證券上市規則附錄二十七《環境、社會及管治報告指引》(「指引」)編寫。

內容涵蓋集團於2018年1月1日至12月31日財政年度(除另外說明外)期間所有業務的營運。

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

報告主題按以下六個主要領域而撰寫：

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

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

ABOUT THE REPORT *(continued)*

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

MATERIALITY ASSESSMENT

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

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

STAKEHOLDER ENGAGEMENT

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

報告簡介 (續)

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

重要性評估

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

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

持份者參與

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

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SUPPLY CHAIN AND QUALITY MANAGEMENT

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

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

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

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

供應鏈及質量管理

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

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

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

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

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SUPPLY CHAIN AND QUALITY MANAGEMENT (continued)

Client Service

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

EMPLOYMENT AND DEVELOPMENT

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

Employment

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

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

供應鏈及質量管理 (續)

客戶服務

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

就業及發展

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

就業情況

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

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

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EMPLOYMENT AND DEVELOPMENT (continued)

就業及發展 (續)

Employment (continued)

就業情況 (續)

| Gender | 性別 | Number of Hong Kong Employees 香港僱員數目 | |
|--------|----|---|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Male | 男 | 37.5 | 38 |
| Female | 女 | 21.6 | 22 |

| Age group | 年齡組別 | Number of Hong Kong Employees 香港僱員數目 | |
|-------------|----------|---|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Below 30 | 30歲以下 | 0.6 | 1 |
| 30 – 50 | 30 – 50歲 | 25.4 | 25 |
| 50 or above | 50歲或以上 | 33.1 | 34 |

| Gender | 性別 | Turnover Rate 流動率 | |
|--------|----|----------------------|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Male | 男 | 0.76% | 2.17% |
| Female | 女 | 1.09% | 1.48% |

Development and Training

發展及培訓

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

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

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

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

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

EMPLOYMENT AND DEVELOPMENT (continued)

就業及發展 (續)

Development and Training (continued)

發展及培訓 (續)

| Gender | 性別 | Total Number of Training Hours 培訓總時數 | |
|--------|----|---|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Male | 男 | 133.5 | 181.3 |
| Female | 女 | 30 | 38 |

| Employee Category | 員工級別 | Total Number of Training Hours 培訓總時數 | |
|-------------------|-------|---|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Senior Management | 高級管理層 | 74.5 | 126.5 |
| Middle Management | 中級管理層 | 78 | 75.8 |
| General Staff | 一般員工 | 11 | 17 |

Labour Standards

聘僱準則

The Group complies with requirements of all labour legislation and monitors the evolving changes in this regard.

集團嚴格遵守勞工法例要求，並密切留意條例的變化。

ENVIRONMENTAL ISSUES

環境保護

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

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

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

ENVIRONMENTAL ISSUES (continued)

Air Emissions

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

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

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

Carbon Emissions and Energy Consumption

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

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

環境保護 (續)

氣體排放

國際交通需求受全球人口和經濟增長所帶動。2015年，國際交通運輸論壇(ITF)預計到2050年，全球貨物運輸量將增長四倍。由於全球化貿易增加，船舶的排放量亦正同步增加。

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

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

碳排放及能源消耗

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

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

| | | 2018 2018年 | 2017 2017年 |
|--------------------------|---------|---|---|
| Total Scope 1 Emissions: | 總範圍1排放： | 23,185 kg of CO₂ equivalent 23,185kg 二氧化碳當量 | 542,895 kg of CO ₂ equivalent 542,895kg 二氧化碳當量 |
| Total Scope 2 Emissions: | 總範圍2排放： | 67,458 kg of CO₂ equivalent 67,458kg 二氧化碳當量 | 73,980 kg of CO ₂ equivalent 73,980kg 二氧化碳當量 |

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

ENVIRONMENTAL ISSUES (continued)

Emissions Reduction Policy

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

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

Consumption of energy for lighting and electrical equipment may also lead to greenhouse gas emissions. In order to minimise any environmental impact, the Group has actively promotes the following rules:

- Switch off the lighting in conference rooms and offices that are not in current operation.
- Switch off idle desktop screens, printers and others electrical appliances.
- Use only electrical devices with efficiency Grade 1 or 2 under the Energy Efficiency Labelling Scheme by the Electrical and Mechanical Services Department.

Waste Management

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

環境保護 (續)

減排政策

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

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

照明和電氣設備的能源消耗亦可導致溫室氣體排放。為盡力減低任何對環境的影響，集團積極推行以下規則：

- 當會議室和辦公室不在使用時，關閉照明系統。
- 關閉閒置的桌面顯示屏、打印機和其他電器。
- 使用機電工程署能源效益標籤計劃中，效益為1級或2級的電器。

廢物管理

減少廢物常令人聯想到回收，然而所涉及的問題卻不限於此。首先，避免產生並減少製造廢物是減少廢物策略的核心。廢紙是困擾集團的主要問題。有見及此，集團使用加強環境可持續性的打印機，如雙面打印作為預設選項及鼓勵使用電子傳單，以及採用電子掃描來減少打印文件。此外，集團已聘請紙張回收服務供應商管理所有廢紙。

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

ENVIRONMENTAL ISSUES (continued)

Packaging Materials

Packaging materials are deployed for marine shipping. Maritime cargo must be secured within a container against all rolling, pitching and yawing of the vessel. The best way to secure cargo is to distribute it evenly without any gaps over the entire floor. If gaps cannot be avoided, the space between the packaging and container walls must be filled using air bags, dunnage or other stowage material. The Group is liaising with its key suppliers to evaluate the amount and types of packaging materials we use with the aim of reducing overall waste.

The Environment and Natural Resources

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

HEALTH AND SAFETY

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

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

ETHICS

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

環境保護(續)

包裝物料

包裝材料用於海運。海運貨物應固定在集裝箱內，以防止滾動、俯仰和偏航。保護貨物的最佳方法是在整個地板上無縫、平均地安放貨物。如果不能避免空隙，則包裝和容器壁間的空位必須使用氣囊、襯墊或其他存儲物料填補。集團正與主要供應商聯絡，評估我們使用的包裝材料數量及種類，以減少整體浪費。

環境及天然資源

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

健康與安全

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

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

道德及操守

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

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

ETHICS (continued)

Anti-Corruption

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

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

Intellectual Property Rights

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

COMMUNITY INVESTMENT

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

As a socially responsible corporation, the Group has all along been engaging in community activities while expanding its footprint, with an aim to pay back to society.

Invited by Hong Kong Environmental Protection Practitioners Charity Association ("HKEPPCA"), the Group joined the gala dinner held at Hong Kong Convention and Exhibition Centre organized by HKEPPCA and Hong Kong Environmental Protection Practitioners Association on 18 January 2018. The theme of the gala dinner was "Uniting the underprivileged. Serving the society." In addition to the wonderful performance, a donation ceremony was held during the gala dinner. The funds raised in that evening will be used by HKEPPCA to offer emergency assistance, scholarship and organize activities for the underprivileged members. The Group donated HK\$1,000,000 at the gala dinner to support environmental protection practitioners and show its care for the underprivileged with an aim to promote positive attitude among society.

道德及操守 (續)

反貪污

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

有鑒於我們貫徹對反貪污的承諾，集團於年內並沒有關於貪污的案件。

保護知識產權

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

社區建設

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

作為肩負社會責任的企業，本集團在發展業務時，亦致力參與社會活動，回饋社會。

2018年1月18日，本集團應環總愛心慈善會的邀請，參加了環總愛心慈善會及香港環保從業員總會在香港會展中心舉行的「環總愛心慈善晚會」。晚會以「團結基層•服務社會」為主題，除獻上精彩的文藝表演，也舉行了愛心捐款儀式。當晚所籌善款將用於環總愛心慈善會為環保從業員等基層市民，提供緊急援助、會員子女獎學金及活動等。本集團在該慈善晚會捐贈1,000,000港元，藉以支持環保從業員的工作、關心幫助基層，弘揚社會正能量。

Independent Auditors' Report 獨立核數師報告



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TO THE SHAREHOLDERS OF BURWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

致寶威控股有限公司
全體股東
(於百慕達註冊成立之有限公司)

QUALIFIED OPINION

We have audited the consolidated financial statements of Burwill Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 211, which comprise the consolidated balance sheet as at 31 December 2018, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

保留意見

本核數師(以下簡稱「我們」)已審計列載於第68頁至211頁寶威控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合資產負債表與截至該日止年度的綜合損益表、綜合全面損益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，除本報告中保留意見之基礎部分所描述事項的可能影響外，該綜合財務報表符合香港會計師公會(「香港會計師公會」)所頒佈的《香港財務報告準則》(「香港財務報告準則」)，真實並公允反映了貴集團截至二零一八年十二月三十一日之綜合財務狀況以及當年度其綜合財務業績和綜合現金流量，並且遵守香港《公司條例》之披露要求而恰當編製。

Independent Auditors' Report 獨立核數師報告

BASIS FOR QUALIFIED OPINION

As disclosed in the Annual Report 2016, on 23 March 2016, the Group completed the disposal of its subsidiary, Burwill China Portfolio Limited ("BCPL"), to China Land Assets Limited ("CLA"), a 45% owned associate of the Group. As a result, the Group's investment in CLA, accounted for by the equity method, was carried at approximately HK\$139,984,000 on the Group's consolidated balance sheet as at 31 December 2018 (2017: HK\$147,340,000), and the Group's share of the loss of CLA of approximately HK\$431,000 (2017: HK\$82,942,000) and other comprehensive income of CLA of approximately HK\$409,000 (2017: other comprehensive expense of HK\$2,290,000), were included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2018, respectively.

Due to disputes between the Group and the 55% shareholder of CLA, we were unable to obtain sufficient appropriate audit evidence about the financial information of CLA as at and for the year ended 31 December 2017. In view of the above and in the absence of practicable alternative procedures in respect of the financial information of CLA, we were unable to satisfy ourselves as to whether (i) the carrying amount of the Group's investment in CLA of approximately HK\$147,340,000 (net of provision for impairment loss of approximately HK\$91,032,000 which was made by the Group against the net assets of CLA at 31 December 2017) as included in the Group's consolidated balance sheet as at 31 December 2017; and (ii) the Group's share of the loss of CLA of approximately HK\$82,942,000 (net of provision for impairment loss of approximately HK\$91,032,000 which was made by the Group against the net assets of CLA at 31 December 2017) and other comprehensive expense of CLA of approximately HK\$2,290,000, as included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2017, respectively, were fairly stated. In our auditor's report dated 29 March 2018 on the consolidated financial statements of the Group for the year ended 31 December 2017 we qualified our opinion due to a limitation in the scope of our audit relating to this matter.

保留意見之基礎

誠如二零一六年年報所披露，於二零一六年三月二十三日，貴集團完成向新港資產有限公司（「新港資產」）（為貴集團擁有其45%權益之聯營公司）出售其附屬公司Burwill China Portfolio Limited（「BCPL」）。因此，按照權益法核算，於貴集團截至二零一八年十二月三十一日綜合資產負債表中，貴集團對新港資產的投資的帳面值為約港幣139,984,000元（二零一七年：港幣147,340,000元），並且，貴集團截至二零一八年十二月三十一日止年度綜合損益表及綜合全面損益表中所示貴集團所佔新港資產虧損及新港資產其他全面收入分別為約港幣431,000元（二零一七年：港幣82,942,000元）及港幣409,000元（二零一七年：其他全面支出港幣2,290,000元）。

由於貴集團與擁有新港資產55%權益之股東間之糾紛，我們未能就新港資產於及截至二零一七年十二月三十一日止年度之財務資料獲得充分恰當的審計證據。鑒於前述，並且由於就新港資產財務資料缺乏可行的可替代方案，我們無法認定：(i) 貴集團截至二零一七年十二月三十一日綜合資產負債表中所示貴集團對新港資產投資的帳面值約港幣147,340,000元（扣除貴集團就二零一七年十二月三十一日新港資產資產淨值作出之減值虧損撥備約港幣91,032,000元）；(ii) 貴集團所佔新港資產虧損約港幣82,942,000元（扣除貴集團就二零一七年十二月三十一日之新港資產資產淨值作出之減值虧損撥備約港幣91,032,000元）；及貴集團截至二零一七年十二月三十一日止年度之綜合損益表及綜合全面損益表中分別所示新港資產之其他全面支出約港幣2,290,000元是否公允陳述。於我們日期為二零一八年三月二十九日的核數師報告中，鑒於我們就以上情況所作核數工作受限，因此對貴集團截至二零一七年十二月三十一日止年度之綜合財務報表發表了保留意見。

Independent Auditors' Report 獨立核數師報告

BASIS FOR QUALIFIED OPINION (continued)

During the year ended 31 December 2018 and up to the date of this report, this matter has not been resolved as the legal proceedings between the shareholders of CLA were still ongoing. In view of the above and in the absence of practicable alternative procedures in respect of the financial information of CLA, we continue to be unable to satisfy ourselves as to whether (i) the carrying amount of the Group's investment in CLA of approximately HK\$139,984,000 as included in the Group's consolidated balance sheet as at 31 December 2018; and (ii) the Group's share of the loss of CLA of approximately HK\$431,000 and other comprehensive income of CLA of approximately HK\$409,000, as included in the Group's consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2018, respectively, were fairly stated. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Any adjustments found to be necessary in respect of the above would affect the Group's net assets as at 31 December 2018, and could also affect the Group's consolidated financial performance for the year then ended, the opening balances of the Group's net assets, accumulated losses and other reserves as at 1 January 2018, and the related disclosures in these consolidated financial statements. In addition, the required summarised financial information about CLA has not been disclosed in accordance with HKFRS 12 "Disclosure of Interests in Other Entities" issued by the HKICPA.

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

保留意見之基礎 (續)

截至二零一八年十二月三十一日止年度內及至本報告日期，因新港資產股東間之法律程序仍在進行，上述情況因而未能解除。鑒於前述，並且由於就新港資產財務資料缺乏可行的可替代方案，我們繼續無法認定：(i) 貴集團截至二零一八年十二月三十一日綜合資產負債表中所示 貴集團對新港資產的投資帳面值為約港幣139,984,000元；及(ii) 貴集團截至二零一八年十二月三十一日止年度綜合損益表及綜合全面損益表中所示 貴集團所佔新港資產虧損為約港幣431,000元及新港資產其他全面收入為約港幣409,000元是否公允陳述。因此，我們無法確定是否需對該等數額做出任何調整。就上述財務資料所發現的任何必要的調整均可能會對 貴集團二零一八年十二月三十一日資產淨值、當年度其綜合財務業績、貴集團二零一八年一月一日資產淨值、累計虧損及其它儲備之期初結餘以及該等綜合財務報表中的相關披露產生相應影響。此外，並未按照香港會計師公會所頒佈的香港財務報告準則第12號「其他實體之權益披露」之要求披露新港資產之概要財務資料。

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

Independent Auditors' Report 獨立核數師報告

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

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of the Group's investment in an associate, CLA, as at 31 December 2018 and the Group's share of the loss and other comprehensive income of CLA for the year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

不包括綜合財務報表及核數師報告所載者之其他資料

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

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

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

基於我們已執行之工作，倘我們認為該等其他資料有重大錯誤陳述，我們須報告該事實。正如上文保留意見之基礎所述，我們未能就貴集團對一間聯營公司新港資產的投資於二零一八年十二月三十一日的帳面值，及貴集團所佔新港資產年內虧損及其他全面收入獲得充分恰當的審計證據。因此，我們未能陳述有關此事宜之其他資料是否存在重大錯誤陳述。

關鍵審核事項

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

Independent Auditors' Report 獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matter 關鍵審核事項

Impairment assessment of bills and accounts receivable 應收票據及應收帳項減值評估

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

The Group adopted HKFRS 9 "Financial Instruments", effective from 1 January 2018. The impairment assessment involves judgements as the calculation of expected credit losses has to reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.

At 31 December 2018, the carrying amount of bills and accounts receivable is approximately HK\$699,462,000 (net of allowance for impairment of accounts receivable of HK\$4,235,000). Details of the bills and accounts receivable are set out in Note 16 to the consolidated financial statements.

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

貴集團自二零一八年一月一日起採納香港財務報告準則第9號「金融工具」。減值評估涉及判斷，原因為計算預期信貸虧損須反映有關過往事件、現況及未來狀況預測，以及貨幣時間值的資料。

於二零一八年十二月三十一日，應收票據及應收帳項的帳面值約為港幣699,462,000元（扣除應收帳項減值撥備港幣4,235,000元）。應收票據及應收帳項詳情載於綜合財務報表附註16中。

關鍵審核事項 (續)

How our audit addressed the key audit matter 如何處理關鍵審核事項之方法

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

- Obtaining an understanding of how allowance for impairment of bills and accounts receivable is estimated by the management and testing the preparation of the ageing analysis of bills and accounts receivable;
- Assessing the reasonableness of recoverability of bills and accounts receivable with reference to the credit history, subsequent settlements and ageing analysis of customers; and
- Assessing whether the calculation of expected credit loss is in accordance with HKFRS 9.

就應收票據及應收帳項減值評估，我們執行之審核程序包括：

- 瞭解管理層估計應收票據及應收帳項減值撥備的方式及測試應收票據及應收帳項帳齡分析；
- 參考每名個別客戶包括信貸記錄，其後結算及帳齡分析，以評估應收票據及應收帳項可收回程度之合理性；及
- 評估預期信貸虧損是否是根據香港財務報告準則第9號計算。

Independent Auditors' Report 獨立核數師報告

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及審核委員會就綜合財務報表須承擔的責任

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

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

在審核委員會協助下，董事須負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

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

Independent Auditors' Report 獨立核數師報告

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

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

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

核數師就審核綜合財務報表須承擔的責任 (續)

我們根據香港審核準則進行審計的工作之一，是運用專業判斷，在整個審計過程中保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的效能發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注。倘有關的披露資料不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。

Independent Auditors' Report 獨立核數師報告

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

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

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

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

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

核數師就審核綜合財務報表須承擔的責任 (續)

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

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

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

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

Independent Auditors' Report 獨立核數師報告

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

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

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

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hui Chun Keung, David
Practising Certificate Number: P05447

Hong Kong, 29 March 2019

有關香港公司條例第407(2)及407(3)條項下其他事項之報告

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

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

負責此審核項目與簽發獨立核數師報告的項目合夥人為許振強。

國衛會計師事務所有限公司
香港執業會計師

許振強
執業證書編號：P05447

香港，二零一九年三月二十九日

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2018 於二零一八年十二月三十一日

| | | Note 附註 | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|-------------------------|------------|--------------------------|--------------------------|
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Leasehold land and land use rights | 租賃土地及土地使用權 | 6 | – | 3,754 |
| Property, plant and equipment | 物業、機器及設備 | 7 | 1,869 | 90,774 |
| Intangible assets | 無形資產 | 8 | – | – |
| Investments in associates | 聯營公司投資 | 10 | 208,026 | 217,665 |
| Investments in joint ventures | 合營公司投資 | 11 | 49,695 | 5,737 |
| Financial assets at fair value through other comprehensive income | 按公平值透過其它全面 收入列帳的財務資產 | 13 | 21,601 | – |
| Available-for-sale financial assets | 可供出售財務資產 | 13 | – | 25,063 |
| Club debentures | 會籍債券 | | 1,473 | 1,473 |
| Deferred income tax assets | 遞延所得稅資產 | 23 | 14,206 | 15,861 |
| Total non-current assets | 總非流動資產 | | 296,870 | 360,327 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 14 | 86,024 | 35,190 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳 的財務資產 | 15 | 133,937 | 170,086 |
| Bills and accounts receivable | 應收票據及應收帳項 | 16 | 699,462 | 704,600 |
| Deposits, prepayments and other receivables | 按金、預付款及 其它應收款 | 16 | 402,315 | 253,011 |
| Due from associates | 聯營公司欠款 | 10 | 129,062 | 120,163 |
| Due from joint ventures | 合營公司欠款 | 11 | 58 | 43 |
| Income tax refundable | 可收回所得稅 | | 649 | 87 |
| Cash and bank balances | 現金及銀行結餘 | 17 | 70,251 | 149,226 |
| Total current assets | 總流動資產 | | 1,521,758 | 1,432,406 |
| Total assets | 總資產 | | 1,818,628 | 1,792,733 |
| EQUITY | 權益 | | | |
| Share capital | 股本 | 18 | 510,962 | 497,283 |
| Other reserves | 其它儲備 | 20 | 1,004,943 | 1,010,532 |
| Accumulated losses | 累計虧損 | 20 | (691,187) | (520,363) |
| Capital and reserves attributable to owners of the Company | 本公司權益持有人 應佔股本及儲備 | | 824,718 | 987,452 |
| Non-controlling interests | 非控股權益 | | (8,670) | (35,646) |
| Total equity | 總權益 | | 816,048 | 951,806 |

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2018 於二零一八年十二月三十一日

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|------------|--------------------------|--------------------------|
| | Note 附註 | | |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 21 | 71,301 | 220,025 |
| Deferred income tax liabilities | 23 | 4 | 415 |
| Provision for land restoration and environmental costs | 25 | – | 4,125 |
| Total non-current liabilities | | <u>71,305</u> | <u>224,565</u> |
| Current liabilities | | | |
| Borrowings | 21 | 593,871 | 251,093 |
| Contract liabilities | 22 | 32,179 | – |
| Due to associates | 10 | 516 | 568 |
| Bills and accounts payable | 24 | 88,000 | 116,916 |
| Other payables and accruals | | 215,109 | 247,753 |
| Income tax payable | | 1,600 | 32 |
| Total current liabilities | | <u>931,275</u> | <u>616,362</u> |
| Total liabilities | | <u>1,002,580</u> | <u>840,927</u> |
| Total equity and liabilities | | <u>1,818,628</u> | <u>1,792,733</u> |
| Net current assets | | <u>590,483</u> | <u>816,044</u> |
| Total assets less current liabilities | | <u>887,353</u> | <u>1,176,371</u> |

The consolidated financial statements on pages 68 to 211 were approved by the Board of Directors on 29 March 2019 and were signed on its behalf by:

第68至211頁的綜合財務報表已由董事局於二零一九年三月二十九日批核，並代表董事局簽署：

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事

Consolidated Income Statement 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | | Note | 2018 HK\$'000 | 2017 HK\$'000 (restated) |
|---|-----------------------|------|------------------|--------------------------------|
| | | 附註 | 港幣千元 | 港幣千元 (經重列) |
| Continuing operations | 持續經營業務 | | | |
| Revenue | 收入 | 5 | 2,305,467 | 2,491,789 |
| Cost of sales | 銷售成本 | 27 | (2,266,098) | (2,456,404) |
| Gross profit | 毛利 | | 39,369 | 35,385 |
| Other (expense)/income and net gains | 其它(支出)/收入及 收益淨額 | 26 | (52,281) | 9,914 |
| Selling and distribution expenses | 銷售及分銷費用 | 27 | (40,596) | (38,661) |
| General and administrative expenses | 一般及行政費用 | 27 | (72,136) | (44,847) |
| Net impairment losses on financial assets | 財務資產減值虧損淨值 | | (18,814) | - |
| Other operating expenses | 其它經營支出 | 28 | - | (85,801) |
| Share option expenses | 購股權支出 | 19 | - | (26,160) |
| Operating loss | 經營虧損 | | (144,458) | (150,170) |
| Finance costs | 融資成本 | 30 | (57,944) | (19,036) |
| (Loss)/Gain on disposal of property, plant and equipment | 出售物業、機器及設備 (虧損)/收益 | | (1) | 202,445 |
| Share of profits/(losses) of associates | 所佔聯營公司盈利/(虧損) | 10 | 2,023 | (86,840) |
| Share of losses of joint ventures | 所佔合營公司虧損 | 11 | (1,263) | (164) |
| Loss before income tax | 除所得稅前虧損 | | (201,643) | (53,765) |
| Income tax (expense)/credit | 所得稅(支出)/貸項 | 31 | (2,570) | 1,188 |
| Loss for the year from continuing operations | 年度持續經營業務虧損 | | (204,213) | (52,577) |
| Discontinued operations | 已終止經營業務 | | | |
| Profit for the year from discontinued operations | 年度已終止經營業務盈利 | 38 | 94,451 | 37,700 |
| Loss for the year | 年度虧損 | | (109,762) | (14,877) |
| Loss attributable to: | 虧損歸屬於： | | | |
| Owners of the Company | 本公司權益持有人 | | (109,496) | (7,715) |
| Non-controlling interests | 非控股權益 | | (266) | (7,162) |
| | | | (109,762) | (14,877) |

Consolidated Income Statement 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | Note | 2018 HK\$'000 | 2017 HK\$'000 (restated) |
|---|--|------------------|--------------------------------|
| | 附註 | 港幣千元 | 港幣千元 (經重列) |
| (Loss)/Profit attributable to owners of the Company arises from: | (虧損)/盈利歸屬於本公司權益持有人來自： | | |
| Continuing operations | 持續經營業務 | (203,947) | (45,415) |
| Discontinued operations | 已終止經營業務 | 94,451 | 37,700 |
| | | (109,496) | (7,715) |
| (Loss)/Earnings per share from continuing and discontinued operations attributable to owners of the Company for the year | 年度本公司權益持有人應佔來自持續經營業務及已終止經營業務的每股(虧損)/盈利 | | |
| | 32 | | |
| Basic (loss)/earnings per share | 每股基本(虧損)/盈利 | | |
| From continuing operations (HK cents) | 來自持續經營業務(港仙) | (4.02) | (0.91) |
| From discontinued operations (HK cents) | 來自已終止經營業務(港仙) | 1.86 | 0.76 |
| | | (2.16) | (0.15) |
| Diluted (loss)/earnings per share | 每股攤薄(虧損)/盈利 | | |
| From continuing operations (HK cents) | 來自持續經營業務(港仙) | (4.02) | (0.91) |
| From discontinued operations (HK cents) | 來自已終止經營業務(港仙) | 1.86 | 0.76 |
| | | (2.16) | (0.15) |

Consolidated Statement of Comprehensive Income 綜合全面損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | | Note | 2018 HK\$'000 | 2017 HK\$'000 (restated) |
|--|---------------------------|------|------------------|--------------------------------|
| | | 附註 | 港幣千元 | 港幣千元 (經重列) |
| Loss for the year | 年度虧損 | | (109,762) | (14,877) |
| Other comprehensive expense: | 其它全面支出： | | | |
| <i>Items that may be reclassified to profit or loss</i> | <i>可能重新分類至損益的項目</i> | | | |
| Share of other comprehensive income/ (expense) of associates | 所佔聯營公司其它全面收入／(支出) | 20 | 409 | (3,845) |
| Release of translation adjustments upon disposal of subsidiaries | 出售附屬公司轉出換算調整 | 20 | (55,515) | (9,890) |
| Release of reserves upon reclassification of associate to available-for-sale financial assets | 聯營公司重列作可供出售財務資產轉出儲備 | 20 | - | (9,432) |
| Change in fair value of available-for-sale financial assets | 可供出售財務資產公平值變動 | 20 | - | (33,536) |
| Reclassification upon impairment of available-for-sale financial assets | 可供出售財務資產減值需作儲備調整 | 20 | - | 33,536 |
| Currency translation differences | 貨幣匯兌差額 | | (16,683) | 22,719 |
| <i>Items that will not be reclassified to profit or loss</i> | <i>未能重新分類至損益的項目</i> | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | 按公平值透過其它全面收入列帳的股權投資公平值變動 | 20 | (3,463) | - |
| Other comprehensive expense for the year, net of tax | 年度其它全面支出，扣除稅項 | | (75,252) | (448) |
| Total comprehensive expense for the year | 年度全面支出總額 | | (185,014) | (15,325) |
| Total comprehensive expense for the year attributable to: | 年度全面支出總額歸屬於： | | | |
| Owners of the Company | 本公司權益持有人 | | (184,748) | (7,506) |
| Non-controlling interests | 非控股權益 | | (266) | (7,819) |
| | | | (185,014) | (15,325) |
| Total comprehensive (expense)/income attributable to owners of the Company arising from: | 全面(支出)／收入總額歸屬於本公司權益持有人來自： | | | |
| Continuing operations | 持續經營業務 | | (223,950) | (43,450) |
| Discontinued operations | 已終止經營業務 | | 39,202 | 35,944 |
| | | | (184,748) | (7,506) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | | Note 附註 | Attributable to owners of the Company 本公司權益持有人應佔 | | | Non- controlling interests 非控股權益 HK\$'000 港幣千元 | Total equity 總權益 HK\$'000 港幣千元 |
|---|-------------------------|------------|---|---|---|---|---|
| | | | Share capital 股本 HK\$'000 港幣千元 | Other reserves 其他儲備 HK\$'000 港幣千元 | Accumulated losses 累計虧損 HK\$'000 港幣千元 | | |
| Balance at 1 January 2017 | 二零一七年一月一日結餘 | | 501,656 | 972,159 | (512,648) | (27,827) | 933,340 |
| Comprehensive income | 全面收入 | | | | | | |
| Loss for the year | 年度虧損 | | - | - | (7,715) | (7,162) | (14,877) |
| Other comprehensive expense | 其他全面支出 | | | | | | |
| Share of other comprehensive expense of associates | 所佔聯營公司其他全面支出 | 20 | - | (3,845) | - | - | (3,845) |
| Release upon disposal of subsidiaries | 出售附屬公司權益轉出儲備 | 20&38 | - | (9,890) | - | - | (9,890) |
| Release of reserves upon reclassification of associate to available-for-sale financial assets | 聯營公司重列作可供出售 財務資產轉出儲備 | | | | | | |
| Change in fair value of available-for- sale financial assets | 可供出售財務資產公平值 變動 | 20 | - | (9,432) | - | - | (9,432) |
| Reclassification upon impairment of available-for-sale financial assets | 可供出售財務資產減值需作 儲備調整 | 20 | - | 33,536 | - | - | 33,536 |
| Currency translation differences | 貨幣匯兌差額 | | | | | | |
| - Group | - 集團 | 20 | - | (10,383) | - | (657) | (11,040) |
| - Associates | - 聯營公司 | 20 | - | 33,759 | - | - | 33,759 |
| Total other comprehensive income/ (expense) | 其他全面收入/(支出) 總額 | | - | 209 | - | (657) | (448) |
| Total comprehensive income/(expense) | 全面收入/(支出) 總額 | | - | 209 | (7,715) | (7,819) | (15,325) |
| Repurchase of shares | 購回股份 | 18&20 | (5,313) | (3,331) | - | - | (8,644) |
| Employee share option scheme: | 僱員購股權計劃: | | | | | | |
| - value of employee services | - 僱員服務價值 | 20 | - | 26,160 | - | - | 26,160 |
| - share options exercised | - 行使購股權 | 18&20 | 940 | 1,099 | - | - | 2,039 |
| Issue of convertible bonds | 發行可換股債券 | | | | | | |
| - equity component | - 權益組成部份 | 20 | - | 14,236 | - | - | 14,236 |
| Total transactions with owners | 與權益持有人的交易總額 | | (4,373) | 38,164 | - | - | 33,791 |
| Balance at 31 December 2017 | 二零一七年十二月三十一日 結餘 | | 497,283 | 1,010,532 | (520,363) | (35,646) | 951,806 |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | | Note 附註 | Attributable to owners of the Company 本公司權益持有人應佔 | | | | Total equity 總權益 HK\$'000 港幣千元 |
|--|----------------------------------|------------|---|---|---|---|---|
| | | | Share capital 股本 HK\$'000 港幣千元 | Other reserves 其他儲備 HK\$'000 港幣千元 | Accumulated losses 累計虧損 HK\$'000 港幣千元 | Non- controlling interests 非控股權益 HK\$'000 港幣千元 | |
| | | | | | | | |
| Balance at 1 January 2018 | 二零一八年一月一日結餘 | | 497,283 | 1,010,532 | (520,363) | (35,646) | 951,806 |
| Change in accounting policy | 會計政策變動 | 2.2(iii) | - | - | (10,040) | - | (10,040) |
| Restated total equity at 1 January 2018 | 於二零一八年一月一日 經重列總權益 | | 497,283 | 1,010,532 | (530,403) | (35,646) | 941,766 |
| Comprehensive income | 全面收入 | | | | | | |
| Loss for the year | 年度虧損 | | - | - | (109,496) | (266) | (109,762) |
| Other comprehensive expense | 其他全面支出 | | | | | | |
| Share of other comprehensive income of associates | 所佔聯營公司其他全面收入 | 20 | - | 409 | - | - | 409 |
| Release upon disposal of subsidiaries | 出售附屬公司權益轉出儲備 | 20&38 | - | (55,515) | - | - | (55,515) |
| Changes in the fair value of equity investments at fair value through other comprehensive income | 按公平值透過其它全面 收入列帳的股權投資 公平值變動 | 20 | - | (3,463) | - | - | (3,463) |
| Currency translation differences | 貨幣匯兌差額 | | | | | | |
| - Group | - 集團 | 20 | - | (5,363) | - | - | (5,363) |
| - Associates | - 聯營公司 | 20 | - | (11,320) | - | - | (11,320) |
| Total other comprehensive expense | 其他全面支出總額 | | - | (75,252) | - | - | (75,252) |
| Total comprehensive expense | 全面支出總額 | | - | (75,252) | (109,496) | (266) | (185,014) |
| Repurchase of shares | 購回股份 | 18&20 | (3,651) | (1,858) | - | - | (5,509) |
| Employee share option scheme: | 僱員購股權計劃： | | | | | | |
| - share options exercised | - 行使購股權 | 18&20 | 17,330 | 20,233 | - | - | 37,563 |
| Disposal of subsidiaries | 出售附屬公司 | | - | 51,580 | (51,580) | 27,242 | 27,242 |
| Release upon lapse of share options | 購股權失效轉出儲備 | | - | (292) | 292 | - | - |
| Total transactions with owners | 與權益持有人的交易總額 | | 13,679 | 69,663 | (51,288) | 27,242 | 59,296 |
| Balance at 31 December 2018 | 二零一八年十二月三十一日 結餘 | | 510,962 | 1,004,943 | (691,187) | (8,670) | 816,048 |

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | | 2018 | 2017 |
|---|---------------------|------------------------|-----------|
| | Note | HK\$'000 | HK\$'000 |
| | 附註 | 港幣千元 | 港幣千元 |
| Cash flows from operating activities | 營運活動的現金流量 | | |
| Cash used in operations | 營運所用的現金 | 34(a) (226,729) | (208,675) |
| Interest paid | 已付利息 | (29,247) | (13,479) |
| Hong Kong Profits Tax paid | 已付香港利得稅 | (480) | – |
| Overseas tax paid | 已付海外稅項 | – | (849) |
| Overseas tax refunded | 退還海外稅項 | – | 41 |
| | | <hr/> | <hr/> |
| Net cash used in operating activities | 營運活動所用的淨現金 | (256,456) | (222,962) |
| Cash flows from investing activities | 投資活動的現金流量 | | |
| Acquisition of property, plant and equipment | 購入物業、機器及設備 | (6) | (62) |
| Acquisition of an associate | 購入聯營公司 | – | (5) |
| Deposits paid for subscription of shares | 認購股份已付按金 | (11,592) | – |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備所得款 | – | 262,421 |
| Disposal of subsidiaries | 出售附屬公司 | 38 1,631 | 95,996 |
| Fund applied to financial assets at fair value through profit or loss | 資金用在按公平值透過損益列帳的財務資產 | (32,522) | (122,113) |
| Funds released from derivative financial instruments, net | 資金來自衍生金融工具，淨額 | – | 2,850 |
| Interest received | 已收利息 | 196 | 243 |
| Investments in joint ventures | 合營公司投資 | (48,192) | – |
| Dividends received from an associate | 已收聯營公司股息 | 3,455 | 1,667 |
| Dividends received from financial assets at fair value through profit or loss | 已收按公平值透過損益列帳的財務資產股息 | – | 9 |
| | | <hr/> | <hr/> |
| Net cash (used in)/generated from investing activities | 投資活動(所用)／產生的淨現金 | (87,030) | 241,006 |

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

| | <i>Note</i> <i>附註</i> | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|--------------------------|---------------------------------|--------------------------|
| Cash flows from financing activities | 融資活動的現金流量 | | |
| Payments for share repurchase | 支付購回股份支出 | (5,509) | (8,644) |
| Share options exercised | 行使購股權 | 37,563 | 2,039 |
| Increase/(decrease) in trust receipts bank loans | 信託提貨銀行貸款增加/ (減少) | 51,014 | (74,872) |
| Additions of other bank loans | 新增其他銀行貸款 | 7,924 | 66,875 |
| Repayment of other bank loans | 償還其他銀行貸款 | (19,302) | (169,344) |
| Additions of other loans | 新增其他貸款 | 4,432 | 69,379 |
| Issue of notes payables | 發行應付票據 | 85,026 | 22,800 |
| Issue of convertible bonds | 發行可換股債券 | 99,221 | 152,492 |
| Interest element of finance lease rental payments | 付融資租賃利息部份 | - | (50) |
| Capital element of finance lease rental payments | 付融資租賃資本部份 | - | (3,065) |
| Decrease/(increase) in pledged bank balances | 已抵押銀行結餘減少/ (增加) | 27,350 | (15,122) |
| Net cash generated from financing activities | 融資活動產生的淨現金 | 287,719 | 42,488 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/ 增加淨額 | (55,767) | 60,532 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及 現金等價物 | 121,530 | 60,566 |
| Effect of exchange rate changes | 匯率變動之影響 | (135) | 432 |
| Cash and cash equivalents at 31 December | 於十二月三十一日之 現金及現金等價物 | 65,628 | 121,530 |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

1. GENERAL INFORMATION

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

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 29 March 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) except that the Group is unable to fulfill the requirement of HKFRS 12 “Disclosure of Interests in Other Entities” for its investment in an associate, China Land Assets Limited. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

1. 一般資料

寶威控股有限公司(「本公司」)為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易及鋰業務。

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

除另有說明外，綜合財務報表以港幣千元(「港幣千元」)列報。綜合財務報表已經由董事局在二零一九年三月二十九日批准刊發。

2. 重要會計政策摘要

本附註提供於編製該等綜合財務報表時採納的重大會計政策的清單。除另有指明外，該等政策於所有呈報年度貫徹應用。綜合財務報表為本集團(包括本公司及其附屬公司)編製。

2.1 編製基準

(i) 遵守香港財務報告準則及香港公司條例

本集團綜合財務報表乃按照香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編製。惟本集團未能就其於聯營公司新港資產有限公司之投資遵守香港財務報告準則第12號「其他實體之權益披露」之規定。此外，本綜合財務報表亦包括聯交所證券上市規則及香港公司條例規定之適用披露資料。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.1 Basis of preparation (continued)

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) New standards and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

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

The Group had to change its accounting policies following the adoption of HKFRS 9 and HKFRS 15 and the effects arising from initial application of them are summarised below. The other standards and amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1 編製基準(續)

(ii) 歷史成本法

綜合財務報表已根據歷史成本基準擬備，惟若干財務資產及負債按公平值計量除外。

(iii) 本年度強制性生效之新訂及經修訂的香港財務報告準則

本集團於二零一八年一月一日開始的年度報告期間首次採納下列準則及修訂本：

| | |
|---------------------|---------------------------------|
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 客戶合約收益及相關修訂 |
| 香港(國際財務報告詮釋委員會)-22號 | 外匯交易及預付代價 |
| 香港財務報告準則第2號修訂 | 股份支付交易的分類與計量 |
| 香港會計準則第28號修訂 | 作為香港財務報告準則二零一四年至二零一六年週期年度改進的一部分 |
| 香港會計準則第40號修訂 | 投資物業轉讓 |

本集團於採納香港財務報告準則第9號及香港財務報告準則第15號後須變更其會計政策，有關首次應用後之影響摘要如下。上述其它準則及修訂並無對過往期間所確認的金額造成任何重大影響，且預期不會對當前及未來期間造成重大影響。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.1 Basis of preparation (continued)

(iv) *New standards, amendments and interpretations not yet adopted*

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards, amendments and interpretations is set out below.

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$12,620,000.

For the lease commitments the Group expects to recognise right-of-use assets on 1 January 2019 and lease liabilities (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018). Net current assets may be lower due to the presentation of a portion of the liability as a current liability.

2.1 編製基準(續)

(iv) *尚未採納之新訂準則、修訂及詮釋*

若干新訂會計準則、修訂及詮釋已獲頒佈，但於二零一八年十二月三十一日報告期間並非強制生效，且未獲本集團提前採納。本集團對該等新訂準則、修訂及詮釋影響的評估載列如下。

香港財務報告準則第16號租賃

香港財務報告準則第16號於二零一六年一月頒佈。由於對經營租賃和融資租賃的計量劃分已經刪除，這將會導致幾乎所有租賃須由承租人在資產負債表內確認。根據新準則，資產(租賃項目的使用權)和支付租金的財務負債須確認入帳。豁免僅適用於短期和低價值租賃。出租人之會計處理將不會出現重大變動。

該準則將主要影響本集團經營租賃之會計處理。於報告日期，本集團之不可撤銷經營租賃承擔約為港幣12,620,000元。

就租賃承擔而言，本集團預期於二零一九年一月一日確認使用權資產及租賃負債(就於二零一八年十二月三十一日確認的預付款項及應計租賃付款作出調整後)。由於部分負債列為流動負債，故流動資產淨值可能會減少。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.1 Basis of preparation (continued)

(iv) *New standards, amendments and interpretations not yet adopted (continued)*

HKFRS 16 Leases (continued)

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

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards, amendments and interpretations that are not yet effective and that would be expected to have a material impact on the Company's consolidated financial statements.

2.1 編製基準 (續)

(iv) 尚未採納之新訂準則、修訂及詮釋 (續)

香港財務報告準則第16號租賃 (續)

部分承擔可能被短期及低價值租賃之例外情況所涵蓋，而部分承擔則可能與不符合香港財務報告準則第16號之租賃安排有關。

本集團將自該準則強制採納日期二零一九年一月一日起應用該準則。本集團擬應用簡單過渡方式，且將不會重列首次採納之前年度的比較數字。物業租賃使用權資產將於過渡時計量，猶如已一直應用新規則。所有其他使用權資產將於採用時按租賃負債的金額計量（經任何預付或應付租賃開支調整）。

概無其他尚未生效的準則、修訂及詮釋預期會對本公司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 2018 截至二零一八年十二月三十一日止年度

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

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments* on the Group's financial statements.

(i) *HKFRS 15 Revenue from Contracts with Customers*

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

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

The Group recognises revenue from sales of goods which arise from contracts with customers in its steel trading operations.

2.2 會計政策變動

本附註解釋採納香港財務報告準則第15號*客戶合約收益*及香港財務報告準則第9號*金融工具*對本集團財務報表造成的影響。

(i) *香港財務報告準則第15號客戶合約收益*

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號將取代香港會計準則第18號*收益*、香港會計準則第11號*建築合約*及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累積影響已於首次應用日期(二零一八年一月一日)確認。於首次應用日期之任何差額已於期初累計虧損(或其它權益部分，倘適用)確認，且並無重列比較資料。再者，根據香港財務報告準則第15號之過渡條文，本集團已選擇僅對於二零一八年一月一日尚未完成之合約追溯應用該準則。由於比較資料乃根據香港會計準則第18號*收益*及香港會計準則第11號*建築合約*以及相關詮釋編製，因此，若干比較資料可能無法比較。

本集團確認來自鋼鐵貿易業務客戶合約之銷售貨品收益。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.2 Changes in accounting policies (continued)

(i) HKFRS 15 Revenue from Contracts with Customers (continued)

The transition to HKFRS 15 does not have impact on the Group's accumulated losses at 1 January 2018.

The following adjustments were made to the amounts recognised in the consolidated balance sheet at 1 January 2018. Line items that were not affected by the changes have not been included.

| Current liabilities | 流動負債 |
|-----------------------------|-------------|
| Other payables and accruals | 其它應付帳項及應計費用 |
| Contract liabilities | 合約負債 |

As at 1 January 2018, receipts in advance from customers amounting to approximately HK\$20,359,000 in respect of sales contracts signed with customers previous included in other payables and accruals were reclassified to contract liabilities.

2.2 會計政策變動 (續)

(i) 香港財務報告準則第15號客戶合約收益 (續)

過渡至香港財務報告準則第15號對本集團於二零一八年一月一日之累計虧損並無影響。

對二零一八年一月一日綜合資產負債表所確認金額作出的調整如下。並無載列未有受到變動影響的項目。

| Carrying amounts previously reported at 31 December 2017 | Reclassification | Carrying amounts under HKFRS 15 at 1 January 2018 |
|--|--------------------------|---|
| 二零一七年十二月三十一日過往呈報的帳面值 HK\$'000 港幣千元 | 重新分類 HK\$'000 港幣千元 | 根據香港財務報告準則第15號計算的帳面值 HK\$'000 港幣千元 |
| 247,753 | (20,359) | 227,394 |
| - | 20,359 | 20,359 |

與客戶訂立銷售合約收取預付款約港幣20,359,000元，原先列作其它應付帳款項及應計費用，已自二零一八年一月一日起重新分類為合約負債。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.2 Changes in accounting policies (continued)

(ii) HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities; ii) expected credit losses ("ECL") for financial assets; and iii) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

2.2 會計政策變動(續)

(ii) 香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其它香港財務報告準則的相關相應修訂。香港財務報告準則第9號引入有關下列各項的新規定：i)財務資產及財務負債的分類及計量；ii)財務資產的預期信貸虧損（「預期信貸虧損」）；及iii)一般對沖會計處理。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年一月一日（首次應用日期）尚未終止確認的工具追溯應用分類及計量規定（包括預期信貸虧損模式下的減值），且未有對二零一八年一月一日已經終止確認的工具應用該等規定。二零一七年十二月三十一日的帳面值與二零一八年一月一日的帳面值之間的差異於期初累計虧損及其它權益部分中確認，而並無重列比較資料。

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

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.2 Changes in accounting policies (continued)

(ii) HKFRS 9 Financial Instruments (continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets, and the adjustment due to new requirements for ECL, under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2.2 會計政策變動 (續)

(ii) 香港財務報告準則第9號金融工具 (續)

首次應用香港財務報告準則第9號產生的影響概要

下表闡述於二零一八年一月一日首次應用日期，根據香港財務報告準則第9號及香港會計準則第39號對財務資產的分類及計量及因預期信貸虧損新規定作出調整。

| | | Available-for-sale financial assets | Equity instruments at FVOCI | Financial assets at amortised cost (previously classified as loans and receivables) | Accumulated losses |
|---|--------------------------------------|-------------------------------------|-----------------------------|---|--------------------|
| | | 可供出售財務資產 | 按公平值透過 其它全面收入 列帳之股本工具 | 按攤銷成本計 量之財務資產 (先前分類為 貸款及應收款) | 累計虧損 |
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Closing balance at 31 December 2017 – HKAS 39 | 二零一七年十二月三十一日 之期末結餘—香港會計 準則第39號 | 25,063 | – | 1,064,289 | (520,363) |
| Reclassification | 重新分類 | | | | |
| From available-for sale (“AFS”) | 自可供出售(「可供出售」) | (25,063) | 25,063 | – | – |
| Remeasurement | 重新計量 | | | | |
| Impairment losses under ECL model | 預期信貸虧損模式項下 之減值虧損 | – | – | (10,040) | (10,040) |
| Opening balance at 1 January 2018 under HKFRS 9 | 根據香港財務報告準則第9號 於二零一八年一月一日之 期初結餘 | – | 25,063 | 1,054,249 | (530,403) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

(ii) HKFRS 9 Financial Instruments (continued)

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

(i) Available-for-sale (“AFS”) financial assets

From AFS financial assets to fair value through other comprehensive income (“FVOCI”)

The Group elected to present in other comprehensive income (“OCI”) for the fair value changes of all its equity investment previously classified as AFS. The investment is not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, approximately HK\$25,063,000 were reclassified from AFS financial assets to equity instrument at FVOCI, which related to listed equity investment previously measured at fair value under HKAS 39.

(ii) Impairment under ECL model

The Group applied the new HKFRS 9 ECL model from 1 January 2018. As at 1 January 2018, additional credit loss allowance for financial assets of approximately HK\$10,040,000 has been recognised against accumulated losses. The additional loss allowance is charged against the respective asset.

2. 重要會計政策摘要 (續)

2.2 會計政策變動 (續)

(ii) 香港財務報告準則第9號金融工具 (續)

首次應用香港財務報告準則第9號產生的影響概要 (續)

(i) 可供出售 (「可供出售」) 財務資產

自可供出售財務資產轉為按公平值透過其它全面收入列帳 (「按公平值透過其它全面收入列帳」)

本集團選擇將其先前分類為可供出售的全部股本投資的公平值變動於其它全面收入 (「其它全面收入」) 中列帳。該等投資並非持作買賣，且預計不會於可預見未來出售。於首次應用香港財務報告準則第9號當日，約港幣25,063,000元由可供出售財務資產重新分類為按公平值透過其它全面收入列帳的股本投資，其與先前根據香港會計準則第39號按公平值計量的上市股本投資有關。

(ii) 預期信貸虧損模式項下之減值

本集團自二零一八年一月一日起應用新的香港財務報告準則第9號預期信貸虧損模式。於二零一八年一月一日，財務資產額外信貸虧損撥備約港幣10,040,000元已於累計虧損中確認。額外虧損撥備於有關資產中支銷。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.2 Changes in accounting policies (continued)

(iii) Impacts on opening consolidated balance sheet arising from the application of all new standards

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

2.2 會計政策變動 (續)

(iii) 應用所有新訂準則對期初綜合資產負債表的影響

由於本集團的上述會計政策變更，期初綜合資產負債表須重列。下表顯示就各個受影響的項目所確認的調整。不受變動影響的項目並未包括在內。

| | 31 December 2017 (Audited) | HKFRS 15 | HKFRS 9 | 1 January 2018 (Restated) |
|---|----------------------------------|----------------------|---------------------|---------------------------------|
| | 二零一七年 十二月三十一日 (經審核) | 香港財務 報告準則 第15號 | 香港財務 報告準則 第9號 | 二零一八年 一月一日 (經重列) |
| | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Non-current assets | | | | |
| AFS financial assets | 25,063 | - | (25,063) | - |
| Equity instruments at FVOCI | - | - | 25,063 | 25,063 |
| | | | | |
| Current assets | | | | |
| Financial assets at fair value through profit or loss | 170,086 | - | - | 170,086 |
| Bills and accounts receivable | 704,600 | - | (4,185) | 700,415 |
| Deposits and other receivables | 90,257 | - | (5,599) | 84,658 |
| Due from associates | 120,163 | - | (256) | 119,907 |
| Due from joint ventures | 43 | - | - | 43 |
| Cash and bank balances | 149,226 | - | - | 149,226 |
| | | | | |
| Current liabilities | | | | |
| Contract liabilities | - | 20,359 | - | 20,359 |
| Other payables and accruals | 247,753 | (20,359) | - | 227,394 |
| | | | | |
| Capital and reserve | | | | |
| Accumulated losses | 520,363 | - | 10,040 | 530,403 |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting

i. Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

2. 重要會計政策摘要(續)

2.3 編製綜合帳目之準則

i. 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構實體)。當本集團承受或享有參與實體所得之可變回報,且有能透過其主導實體業務之權力影響該等回報時,則本集團控制該實體。附屬公司自控制權轉移至本集團之日起開始完全綜合入帳,並自控制權喪失之日起終止綜合入帳。

本集團採用收購會計法為業務合併列帳。

集團內公司間交易、結餘及交易的未變現收益予以抵銷。未變現虧損亦予以抵銷,除非交易有證據顯示所轉讓資產出現減值。本公司已在必要情況下對附屬公司之會計政策作出修訂,以確保與本集團所採納之政策一致。

於附屬公司之業績及權益之非控股權益分別單獨呈列於綜合損益表、綜合全面損益表、綜合權益變動表及綜合資產負債表。

ii. 聯營公司

聯營公司為本集團對其有重大影響但不擁有控制權或共同控制權的所有實體。於一般情況下,本集團擁有介乎20%至50%的投票權。於初步按成本確認後,於聯營公司的投資採用權益會計法(見下文(iv))入帳。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.3 Principles of consolidation and equity accounting (continued)

iii. Joint arrangements

Under HKFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.3 編製綜合帳目之準則(續)

iii. 合營安排

根據香港財務報告準則第11號合營安排，合營安排下的投資分類為合營業務或合營企業。分類取決於各投資方的合約權利及義務，而非按合營安排的法定結構。

於合營企業的權益在綜合資產負債表中初步按成本確認後以權益法入帳，請參閱以下第(iv)項。

iv. 權益法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔被投資方收購後溢利或虧損並於其他全面收入確認本集團應佔被投資方其他全面收入的變動。已收或應收聯營公司及合營企業的股息確認為投資帳面值扣減。

倘本集團應佔權益入帳投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting (continued)

iv. Equity method (continued)

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2. 重要會計政策摘要 (續)

2.3 編製綜合帳目之準則 (續)

iv. 權益法 (續)

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易顯示已轉讓資產減值的證據。權益入帳被投資方的會計政策已在需要時作出調整，以確保與本集團所採納會計政策一致。

權益入帳投資的帳面值根據附註2.9所述政策進行減值測試。

v. 擁有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。擁有權權益變動導致控股與非控股權益帳面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司權益擁有人應佔權益中的獨立儲備內確認。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.3 Principles of consolidation and equity accounting (continued)

v. Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

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

2.3 編製綜合帳目之準則(續)

v. 擁有權權益變動(續)

當本集團因喪失控制權、共同控制權或重大影響力而停止綜合入帳或按權益入帳一項投資時，於實體的任何保留權益重新按公平值計量，而帳面值變動於損益確認。就其後入帳列作聯營公司、合營企業或財務資產的保留權益而言，該公平值為初始帳面值。此外，先前於其他全面收入就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入帳。這意味著先前於其他全面收入確認的金額重新分類至損益或轉撥至適用香港財務報告準則所指明／許可的另一權益類別內。

倘於一間合營企業或聯營公司的擁有權權益減少但保留共同控制權或重大影響力，則先前於其他全面收入確認的金額僅有一定比例份額重新分類至損益(如適用)。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.4 獨立財務報表

附屬公司投資按成本扣除減值入帳。成本包括投資的直接歸屬成本。本公司將附屬公司業績按已收及應收股息基準入帳。

當收到於附屬公司投資的股息時，而股息超過附屬公司在宣派股息期間的全面收益總額，或在單獨財務報表的投資帳面值超過被投資方淨資產(包括商譽)在綜合財務報表的帳面值時，則必須對有關投資進行減值測試。

2.5 分部報告

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

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar (HK\$), which is the Company's functional and presentation currency.

(ii) Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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

2.6 外幣匯兌

(i) 功能及呈報貨幣

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

(ii) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算該等交易產生的外匯收益及虧損以及以外幣計值的貨幣資產及負債以年終匯率換算所產生的外匯收益及虧損於損益中確認。倘其與合資格現金流量對沖及合資格淨投資對沖有關或應佔部分國外業務投資淨額，則於權益內遞延。

所有外匯收益和虧損已於綜合損益表的「一般及行政開支」中呈列。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.6 Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

2.6 外幣匯兌(續)

(ii) 交易及結餘(續)

按外幣公平值計量的非貨幣性項目採用公平值釐定當日的匯率換算。按公平值入帳的資產及負債的換算差額作為公平值收益或虧損的一部分列報。例如，非貨幣性財務資產及負債(如按公平值透過損益列帳的權益)的換算差額在損益中確認為公平值收益或虧損的一部分。而非貨幣性資產(如分類為按公平值透過其他全面收入列帳的財務資產的權益)的換算差額在其他全面收入中確認。

(iii) 集團公司

功能貨幣異於呈列貨幣之境外業務(概無擁有處於嚴重通脹經濟體系之貨幣)之業績及財務狀況按下列方式換算為呈列貨幣：

- 呈列之各資產負債表之資產及負債按該資產負債表日期之收市匯率換算；
- 各損益表及全面損益表之收支按平均匯率換算(除非此平均匯率不足以合理地概括反映交易日適用匯率之累積影響，在此情況下，收支則按交易日之匯率換算)；及
- 一切因此而產生之匯兌差額均於其他全面收入內確認。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.6 Foreign currency translation (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

2.6 外幣匯兌(續)

(iii) 集團公司(續)

於編製綜合帳目時，換算境外實體任何投資淨額以及指定為該等投資之對沖項目之借貸及其他金融工具產生之匯兌差額於其他全面收入內確認。於出售境外業務或償還組成投資淨額一部分之任何借貸時，相關匯兌差額重新分類至損益，作為出售損益之一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產及負債，並按收市匯率換算。

(iv) 出售及部分出售海外業務

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對一間設有海外業務之附屬公司控制權之出售、或涉及失去對設有海外業務之合營企業共同控制權之出售、或涉及失去對一間設有海外業務之聯營公司重大影響力之出售)時，就本公司擁有人應佔該業務而於權益內累計之所有貨幣匯兌差額，重新分類至損益表。

倘此乃部分出售而不導致本集團失去設有海外業務之附屬公司之控制權，該累計貨幣匯兌差額之應佔比例重新歸於非控股權益，且不會於損益確認。就所有其他部分出售(即本集團於聯營公司或合營企業擁有權益減少而不會導致本集團失去重大影響或共同控制權)而言，該累計匯兌差額之應佔比例須重新分類至損益表。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.7 Property, plant and equipment

Land and buildings comprised offices. Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Amortisation on leasehold land classified as finance lease and depreciation on other assets are calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.7 物業、機器及設備

土地及樓宇包括辦公室。分類為融資租賃的租賃土地及所有其他物業、機器及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔的開支。

僅於項目有關的未來經濟利益可能流入本集團及能可靠地計量項目成本時，其後成本方會計入資產帳面值或確認為另外一項資產(如適用)。入帳列為單獨資產的任何部分的帳面值於替換時確認。所有其他維修及維護開支於產生的報告期間計入損益。

分類為融資租賃的租賃土地的攤銷及其他資產的折舊於其估計可使用年期內採用直線法分攤其成本或重估金額(扣除剩餘價值)計算，或倘為租賃物業裝修及若干租賃廠房及設備，則按以下較短租賃期算：

- | | |
|----------------|-------------------|
| • 分類為融資租賃的租賃土地 | 剩餘租賃期或可使用年期較短者 |
| • 樓宇 | 25至50年 |
| • 租賃樓宇裝修 | 4至5年(或按租約年期(如較短)) |
| • 機器 | 8至10年 |
| • 傢具及設備 | 4至10年 |
| • 車輛 | 4至10年 |

資產之剩餘價值及可使用年期於各報告期結束時予以檢討，並於適當情況下作出調整。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.7 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.8 Intangible assets

(i) Mining right

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

(ii) Exploration and evaluation assets

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

2.7 物業、機器及設備(續)

倘資產帳面值大於其估計可收回金額，則資產帳面值即時減記至其可收回金額(附註2.9)。

出售之損益按所得款項與資產帳面值的差額釐定，計入收益表。

2.8 無形資產

(i) 採礦權

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

(ii) 勘探及評估資產

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

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

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

2.8 Intangible assets (continued)

(iii) Domain names and trademarks

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

(iv) Computer software

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

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

2.8 無形資產(續)

(iii) 域名及商標

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

(iv) 電腦軟件

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

2.9 非財務資產之減值

擁有無限可使用年期之無形資產不作攤銷，而須每年測試一次是否減值，倘有事件或情況變動顯示帳面值或會減值時，則測試次數更頻繁。倘有事件或情況變動顯示帳面值或不可收回時，其他資產將進行減值測試。減值虧損確認為資產帳面值超過其可收回金額之數額。可收回金額為資產公平值減銷售成本與使用價值兩者之較高者。為評估減值，資產按大致獨立於其他資產或資產組別(現金產生單位)之單獨可識別現金流入最基本層次分類。已減值之非金融資產(除商譽外)於各報告期末檢討是否可能撥回減值。

2.10 已終止經營業務

已終止經營業務為已出售或分類為持作出售及代表一項按業務或地區劃分的獨立主要業務的實體的組成部分，為出售按業務或地區劃分的該獨立主要業務的單一統籌計劃的一部分，或為一間專為轉售目的而收購的附屬公司。終止經營業務的業績於綜合損益表中單獨呈列。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.11 Investments and other financial assets

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11 投資及其他財務資產

(i) 分類

自二零一八年一月一日起，本集團將其財務資產分類為以下各類：

- 其後按公平值計量(計入其他全面收入或計入損益)之財務資產；及
- 按攤銷成本計量之財務資產。

有關分類取決於實體管理財務資產的業務模式以及現金流量的合約條款。

就按公平值計量的資產而言，收益及虧損將計入損益或其他全面收入。就非持有作買賣之權益工具投資而言，分類取決於本集團在初始確認時是否作出不可撤回選擇將其入帳為按公平值透過其他全面收入列帳的權益工具。

僅當管理該等資產之業務模式發生變化時，本集團方會對債務投資進行重新分類。

(ii) 確認及終止確認

財務資產的定期購入及出售，均於交易日(即本集團承諾購入或出售該資產當日)確認入帳。當本集團從該等財務資產收取現金流量的權利已到期或已被轉讓，及本集團已將擁有權帶來的絕大部分風險和回報轉移，則會終止確認該等財務資產。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2. 重要會計政策摘要(續)

2.11 投資及其他財務資產(續)

(iii) 計量

於初始確認時，本集團按財務資產之公平值另加(倘財務資產並非按公平值透過損益列帳)直接歸屬於收購財務資產之交易成本計量財務資產。按公平值透過損益列帳的財務資產之交易成本於損益帳支銷。

在確定具有嵌入式衍生工具之財務資產之現金流量是否僅為支付本金及利息時，需從財務資產的整體作考慮。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該資產之現金流量特徵。本集團將其債務工具分類為三個計量類別：

- 攤銷成本：倘持作收回合約現金流量之資產之現金流量僅為支付本金及利息，則按攤銷成本計量。該等財務資產之利息收入按實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／(虧損)中與外匯收益及虧損一併列示。減值虧損於綜合損益表中作為獨立項目列示。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.11 Investments and other financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2.11 投資及其他財務資產(續)

(iii) 計量(續)

債務工具(續)

- 按公平值透過其他全面收入列帳的財務資產：持作收回合約現金流量及出售財務資產之資產，倘該等資產現金流量僅指支付之本金及利息，則按公平值透過其他全面收入列帳的財務資產計量。帳面值之變動乃計入其他全面收入，惟於損益確認之減值收益或虧損、利息收入及匯兌收益及虧損除外。在財務資產終止確認時，先前於其他全面收入確認之累計收益或虧損由權益重新分類至損益並確認為其他收益／(虧損)。該等財務資產之利息收入乃按實際利率法計入金融收入。匯兌收益及虧損於綜合損益表的其他收益／(虧損)列報，而減值開支則以獨立項目列報。
- 按公平值透過損益列帳：不符合攤銷成本或按公平值透過其他全面收入列帳的資產乃按公平值透過損益列帳計量。隨後按公平值透過損益列帳之債務投資之利得或虧損於其產生期間在損益表確認並在其其他盈利／(虧損)中呈列為淨值。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.11 Investments and other financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For bills and accounts receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 投資及其他財務資產(續)

(iii) 計量(續)

權益工具

本集團按公平值後續計量所有權益投資。倘本集團管理層選擇於其他全面收入列報權益投資之公平值收益及虧損，終止確認投資後，概無後續重新分類公平值收益及虧損至損益。當本集團有權收取股息付款時，該等投資之股息繼續於損益確認為其他收入。

按公平值透過損益列帳公平值變動在適用的情況下於綜合損益表確認為其他收益／(虧損)。按公平值透過其他全面收入列帳之權益投資之減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。

(iv) 減值

自二零一八年一月一日起，本集團對有關其按攤銷成本列帳及按公平值透過其他全面收入列帳之債務工具的預期信貸虧損進行前瞻性評估。所應用之減值方法取決於信貸風險是否大幅增加。

就應收票據及應收帳項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其要求全期預期虧損自首次確認應收款項起予以確認。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017 the Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition.

2.11 投資及其他財務資產(續)

(v) 應用至二零一七年十二月三十一日之會計政策

本集團已追溯應用香港財務報告準則第9號，但選擇不重列比較資料。因此，所提供的比較資料繼續根據本集團過往會計政策入帳。

截至二零一七年十二月三十一日，本集團將其財務資產分類如下：

- 按公平值透過損益列帳的財務資產；
- 貸款及應收款項；及
- 可供出售財務資產。

分類取決於該項投資的目的。管理層於初始確認時釐定其投資的分類。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017 (continued)

a. Reclassification

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

2. 重要會計政策摘要(續)

2.11 投資及其他財務資產(續)

(v) 應用至二零一七年十二月三十一日之會計政策(續)

a. 重新分類

倘財務資產不再持作供近期出售，則本集團可選擇將非衍生交易性財務資產自持有作買賣類別中移出並重新分類。貸款及應收款項以外的財務資產僅於發生不尋常且於近期再發生的機會甚微的單一事件所導致的罕見情況下，方可自持有作買賣類別中移出並重新分類。此外，倘本集團有意且有能力於可見未來持有該等財務資產或於重新分類日期持有該等財務資產至到期，則本集團可選擇將符合貸款及應收款項定義的財務資產自持有作買賣或可供出售類別中移出並重新分類。

重新分類乃按重新分類日期的公平值進行。公平值成為新成本或攤銷成本(倘適用)，且於重新分類日前錄得的公平值收益或虧損不得於其後撥回。重新分類至貸款及應收款項的財務資產的實際利率在重新分類日確定。估計現金流量的進一步增加會導致須對實際利率作出追溯調整。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017 (continued)

b. Measurement

At initial recognition, the Group measured a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that were directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss were expensed in profit or loss. Loans and receivables were subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at fair value through profit or loss – in profit or loss within other income or other expenses;
- for available-for-sale financial assets that were monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income; and
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

2. 重要會計政策摘要(續)

2.11 投資及其他財務資產(續)

(v) 應用至二零一七年十二月三十一日之會計政策(續)

b. 計量

於初始確認時，本集團按其公平值加（倘屬並非按公平值透損益列帳的財務資產）直接歸屬於購買財務資產的交易成本計量財務資產。貸款及應收款項其後利用實際利息法按攤銷成本列帳。

可供出售財務資產及按公平值透損益列帳的財務資產其後以公平值列帳。公平值變動產生的收益或虧損確認如下：

- 就按公平值透損益列帳的財務資產而言—於其他收入或其他開支內的損益；
- 就以外幣計值貨幣證券的可供出售財務資產而言—證券攤銷成本變動相關換算差額於損益表確認，而帳面值的其他變動於其他全面收入確認；及
- 就分類為可供出售的其他貨幣及非貨幣證券而言—於其他全面收入。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017 (continued)

b. Measurement (continued)

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments were recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss was included in the net gains/(losses). Interest on available-for-sale securities and loans and receivables calculated using the effective interest method was recognised in the consolidated income statement as part of revenue from continuing operations.

c. Impairment of financial assets

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets were impaired.

2. 重要會計政策摘要(續)

2.11 投資及其他財務資產(續)

(v) 應用至二零一七年十二月三十一日之會計政策(續)

b. 計量(續)

倘本集團收取付款的權利獲確立時，按公平值透損益列帳的財務資產及可供出售股權工具的股息於損益表中確認為持續經營業務所得的收入。

按公平值透損益列帳的財務資產的利息收入計入收益／(虧損)淨額。可供出售證券及使用實際利率法計算的貸款及應收款項的利息於綜合損益表確認為持續經營業務所得的收入。

c. 財務資產減值

本集團會於每個結算日評估是否存在客觀證據顯示某項財務資產或某組財務資產出現減值。只有資產在初始確認後發生了某項或多項事件(「虧損事件」)而出現減值的客觀證據，且能夠可靠地估計虧損事件對財務資產或一組財務資產的估計未來現金流量構成影響時，方可確定財務資產或一組財務資產出現減值並產生減值虧損。對於分類為可供出售之權益投資，證券公平值顯著下跌或長期低於成本亦是資產減值的證據。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017 (continued)

c. Impairment of financial assets (continued)

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

2.11 投資及其他財務資產(續)

(v) 應用至二零一七年十二月三十一日之會計政策(續)

c. 財務資產減值(續)

按攤銷成本列帳的資產

就貸款及應收款項而言，虧損金額按資產帳面值及估計未來現金流量以財務資產初始實際利率折現的現值(不包括尚未發生的未來信貸虧損)之差額計量。資產之帳面值下降，虧損金額於損益中確認。倘貸款或持有至到期投資按浮動利率計息，計量任何減值虧損之折現率為合約下釐定之現行實際利率。實務中，本集團亦可以採用觀察到的市場價值確定某項金融工具的公平值，並以此作為基準計算減值。

如其後減值虧損降低，並證實與在確認減值虧損後出現的事件相關(例如債務人信貸評級改善)，則過往確認之減值虧損於損益表內確認。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments and other financial assets (continued)

(v) Accounting policies applied until 31 December 2017 (continued)

c. Impairment of financial assets (continued)

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

2. 重要會計政策摘要 (續)

2.11 投資及其他財務資產 (續)

(v) 應用至二零一七年十二月三十一日之會計政策 (續)

c. 財務資產減值 (續)

分類為可供出售之資產

如有客觀證據顯示可供出售財務資產已減值，則累計虧損—即購入成本與當前公平值減去該財務資產先前於損益表確認之減值虧損的差額—自權益轉撥至損益。

減值虧損計入損益表的權益工具不通過損益轉回。

若後續期間，分類為可供出售之債務工具公平值增加，且客觀上與已計入損益的原減值虧損確認後發生的事項有關，原確認的減值虧損予以轉回，計入當期損益。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using specific identification of their individual costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of accounts and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 16 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2.12 金融工具抵銷

當本集團目前擁有法定可執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，財務資產及負債可互相抵銷，並在綜合資產負債表中報告其淨額。本集團亦已訂立並不符合抵銷標準的安排，但仍允許相關金額在如破產或終止合約的若干情況下予以抵銷。

2.13 存貨

存貨按成本及可變現淨值兩者的較低者列帳。存貨成本乃採用特定識別其個別成本而釐定。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。

2.14 應收帳項

應收帳項是於日常業務過程中向客戶銷售商品或提供服務而應收之款項。倘應收帳項及其他應收帳款計將在一年或一年以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產。否則，在非流動資產中列報。

應收帳項均初步按無條件的代價金額確認，除非應收帳項於按公平值確認時含有重大融資成分。本集團持有應收帳項的目的為收取合約現金流量，故其後則利用實際利率法按攤銷成本計量。有關本集團應收帳項會計處理及本集團減值政策描述的進一步資料，請分別參閱附註16及附註3.1。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.16 Share capital

Ordinary shares are classified as equity.

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

2.17 Accounts and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.15 現金及現金等價物

就呈列現金流量表而言，現金及現金等價物包括手頭現金、金融機構的活期存款、可隨時轉換為已知數額現金且價值變動風險較少之其他短期高流通性且原到期日為三個月或以內的投資以及銀行透支。銀行透支於綜合資產負債表內流動負債中列為借貸。

2.16 股本

普通股被列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.17 應付帳項及其他應付款項

該等金額指於財政年度結束前提供予集團之商品及服務之未償還負債。應付帳項及其他應付款項列示為流動負債，除非付款並非於報告日期起計12個月內到期。有關款項以初始公平值確認，其後採用實際利息法按攤銷成本計量。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

2.18 貸款

借貸首次按公平值扣除所產生的交易成本確認。借貸其後按攤銷成本列帳。所得款(扣除交易成本)與贖回價值的任何差額使用實際利率法於借貸期間在損益內確認。倘貸款融資很有可能部分或全部被提取，則就設立貸款融資時支付的費用確認為貸款交易成本。在此情況下，費用遞延至提取發生為止。倘無任何證據顯示該貸款很有可能部分或全部提取，則該費用撥充資本作為流動資金服務的預付款，並於有關融資期間攤銷。

當合約列明的債務被解除、取消或到期時，借貸自綜合資產負債表中刪除。已消除或轉撥至另一方的財務負債的帳面值與已付對價的差額，包括任何已轉撥的非現金資產或承擔的負債，在損益中確認為融資成本。

除非集團有無條件權利遞延結算報告期末後至少12個月的負債，否則借貸歸類為流動負債。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.19 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

2.20 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bond that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition except on conversion or expiry.

2.19 借貸成本

借款成本於產生期間支銷。

2.20 複合金融工具

本集團發行的複合金融工具包括可按持有人的選擇轉換為股本的可轉換票據，而將予發行的股份數目不跟隨其公平值而改變。

複合金融工具的負債組成部份按沒有權益轉換選擇權的相類似負債的公平價作初始值確認。權益組成部份按複合金融工具的整體公平值與負債組成部份的公平值的差額作初始確認(列入其他儲備中的股東權益)。任何直接歸屬的交易費用按其初始帳面值的比例分配至負債和權益的組成部份。

初始確認後，複合金融工具的負債組成部份利用實際利率法按攤銷成本計量。在初始確認後，除非已轉換或已到期，否則複合金融工具的權益組成部份不重新計量。

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

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

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2.21 本年及遞延所得稅項

期內所得稅開支或抵免為基於各司法權區的適用所得稅率(由暫時差額導致的遞延稅項資產及負債變動調整)於當前期間應付的稅項。

本年所得稅

本年所得稅支出根據本公司及其附屬公司及聯營公司營運及產生應課稅收入之國家於報告期末已頒佈或實質頒佈之稅務法計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅

遞延所得稅乃按負債法就資產及負債之稅基與資產及負債在綜合財務報表之帳面值產生之暫時差異悉數計提撥備。然而，若遞延所得稅負債來自對商譽的初始確認，則不予確認。若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計或應課稅利潤或損失，則不作記帳。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法律)而釐定。

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.21 Current and deferred income tax (continued)

Deferred income tax (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.22 Employee benefits

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

2.21 本年及遞延所得稅項(續)

遞延所得稅(續)

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可見將來撥備，則不會就外國業務投資帳面值與稅基之間的暫時差額確定遞延稅項負債及資產。

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結算或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益確認，惟倘即期及遞延稅項於在其他全面收入或直接於權益中確認的項目有關，在此情況下，稅項亦會分別於其他全面收入或直接於權益中確認。

2.22 僱員福利

(i) *短期債務*

薪金、非貨幣福利及累計病假預期將於期末後12個月內償付，其中僱員所提供之相關服務將就彼等截至報告期末止之服務予以確認，並按清償負債時預期將予支付之金額計量。其他短期僱員福利債務呈列於綜合資產負債表。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.22 Employee benefits (continued)

(ii) Bonus plans

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

(iii) Post-employment obligations

The Group operates a number of defined contribution plans.

Pension obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.22 僱員福利(續)

(ii) 獎金計劃

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

(iii) 離職後責任

本集團經營數個定額供款計劃。

退休金責任

就定額供款計劃而言，本集團就強制性、合約性或自願性之公眾或私人管理退休金保險計劃作出供款。一經作出供款後，本集團並無進一步付款責任。供款於到期時確認為僱員福利開支。預付供款以現金退回或扣減未來付款為限確認為資產。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.23 Share-based payments

Equity-settled share-based payment transactions

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

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2.23 以股份支付之報酬

以股本支付的股份報酬交易

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

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

費用的總金額在歸屬期間內確認，歸屬期間指將符合所有特定可行權的條件期間。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

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

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

2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2. 重要會計政策摘要 (續)

2.23 以股份支付之報酬 (續)

以股本支付的股份報酬交易 (續)

在每個結算日，本集團根據非市場表現及服務條件修訂其對預期歸屬購股權數目的估計。如本集團確認原估算修訂有影響，會對權益作出相應調整。

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

2.24 撥備

當本集團因過往事件擁有當前之法律或推定義務時，且可能需要流出資源以完成義務，並已可靠地估計該金額，則確認撥備。未來經營虧損不作撥備確認。

倘有多項相若之義務，須外流資源以解決義務之可能性，乃透過視義務類別為一整體以決定。即使同類別義務中任何一項相關之資源外流可能性不大，撥備也會予以確認。

撥備乃按清償義務預期所需之管理層最佳估計支出以稅前比率計算之現值計算，該稅前比率反映當時市場對金錢之時間值及該義務之特定風險之評估。因時間推移而增加之撥備確認為利息支出。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.25 Revenue recognition

Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customers, the customers have full discretions to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, control of the products has been transferred to the customers, and either the customers have accepted the products in accordance with the sales contracts, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Deposits payments on sales of goods received prior to the date of revenue recognition are included in the consolidated balance sheet as "contract liabilities" under current liabilities.

2.25 收入確認

銷售貨品

銷售貨品於集團實體已向客戶交付產品，客戶已對銷售產品全權酌情考慮，且概無可能影響客戶接受產品的未履行責任時確認。直至產品運送至特定地點，產品控制權已轉移予客戶，以及客戶已根據銷售合約接收產品，接收條款已失效，或本集團有客觀證據證明已達至所有接收條件時，方落實交付。

於收益確認日期前出售貨品收取的按金付款作為「合約負債」計入綜合資產負債表流動負債項下。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.26 (Loss)/earnings per share

(i) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.26 每股(虧損)/盈利

(i) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃除以以下項目後計算得出：

- 本公司擁有人應佔(虧損)/溢利(扣除普通股以外之任何服務權益成本)

除以財政年度內發行在外的普通股加權平均數。

(ii) 每股攤薄(虧損)/盈利

每股攤薄(虧損)/盈利調整用於釐定每股基本盈利的數字，以計及：

- 利息的除所得稅後影響及與潛在攤薄普通股有關的其他融資成本；及
- 假設轉換所有潛在攤薄普通股後將發行在外的額外普通股的加權平均數。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.27 Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI) (2017: from financial assets at FVPL and available-for-sale financial assets). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.28 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.27 股息收入

股息乃按公平值透過損益列帳及按公平值透過其它全面收入列帳(二零一七年：來自按公平值透過損益列帳的財務資產及可供出售財務資產)計量的財務資產收取。當確認收取股息的權利時，股息在損益中確認為其他收入。就算股息乃以收購前溢利派付，此仍適用，除非股息明確說明可收回部分投資成本。在此情況下，倘股息與按公平值透過其他全面收入列帳的投資有關，則其於其他全面收入確認。然而，有關投資可能因此需進行減值測試。

2.28 租賃

擁有權的大部分風險及回報尚未轉讓予本集團(作為承租人)的租賃分類為經營租賃。根據經營租賃作出的付款(扣除已收出租人的任何獎勵)以直線基準於租賃期間內自損益扣除。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.29 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortised cost and financial assets at FVOCI (2017: available-for-sale financial assets and loans and receivables) calculated using the effective interest method is recognised in the consolidated income statement as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.30 Related parties

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

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

or

2.29 利息收入

產生自按公平值透過損益列帳的財務資產的利息收入計入該等資產的公平值收益／(虧損)淨額。

採用實際利率法計算的按攤銷成本計量之財務資產及按公平值透過其他全面收入列帳的財務資產(二零一七年：可供出售財務資產以及貸款及應收款項)之利息收入於綜合損益表中確認為部分其他收入。

倘利息收入乃賺取自持作現金管理用途的財務資產，則其列報為融資收入。任何其他利息收入於其他收入列帳。

利息收入是用實際利率乘以財務資產帳面總額計算得出，惟後續發生信貸減值的財務資產除外。就信貸減值的財務資產而言，其利息收入是用實際利率乘以財務資產帳面淨額(經扣除虧損撥備)得出。

2.30 關連方

在下列情況下，一方將被視為與本集團有關：

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

或

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

2.30 Related parties (continued)

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

2.30 關連方(續)

- (b) 有關聯人士為適用以下任何一項條件之實體：
 - (i) 該實體與本集團均為同一集團內之成員；
 - (ii) 其中一個實體是另一實體之聯營公司或共同控制實體(或是另一實體之母公司、子公司或其附屬公司)；
 - (iii) 該實體與本集團為同一第三方之共同控制實體；
 - (iv) 其中一個實體為第三方之共同控制實體，而另一實體為該同一第三方之聯營公司；
 - (v) 有關人士為本集團或任何屬本集團有關連人士之實體為其僱員利益而設立之終止僱用後福利計劃；
 - (vi) 該實體由(a)中定義之人士所控制或共同控制；
 - (vii) (a)(i)中定義之人士對該實體能施加重大影響或為該實體(或該實體之母公司)之主要管理人員；及
 - (viii) 向本集團或本集團母公司提供主要管理層成員服務的實體或其所屬集團的任何成員公司。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

(a) Market risk

(i) Foreign exchange risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 79% (2017: 71%) of the Group's revenue are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 23% (2017: 17%) of costs are denominated in the units' functional currency. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flow generated from business transactions locally. The management monitors foreign exchange exposure closely and forward exchange contracts are used for hedging purposes when required.

3. 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括外匯風險、公平值利率風險、現金流量利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

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

(a) 市場風險

(i) 外匯風險

本集團面對交易貨幣風險。該等風險來自營運單位使用單位功能貨幣以外的貨幣進行銷售或採購。本集團約79%（二零一七年：71%）之收入以進行銷售的營運單位功能貨幣以外的貨幣列值，約23%（二零一七年：17%）的成本以該單位功能貨幣列值。本集團透過當地業務交易所產生之現金流為其當地營運及投資提供資金，以管理日常業務過程中及投資於海外業務產生之外匯風險。管理層密切監察外幣風險及於有需要時，會利用遠期外匯合約作對沖用途。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

In view of the fact that Hong Kong dollar ("HK\$") is pegged to United States dollar ("US\$"), the Group's exposure to change in US\$ exchange rate is minimal.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in Chinese Renminbi ("RMB"), Singapore Dollar ("SGD") and Euro ("EUR") exchange rate, with all other variables held constant, of the Group's loss after income tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity. 2%–5% (2017: 2%–5%) increase/decrease represents management's assessment of a reasonably possible change in RMB, SGD and EUR exchange rate which have the most impact on the Group over the period until the end of the next reporting period.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

由於港元與美元掛鈎，本集團面對之外匯風險屬輕微。

下表呈列當所有其他變數保持不變時，本集團之除所得稅後虧損（因貨幣資產及負債公平值變動）及權益於報告日期末對人民幣、新加坡幣及歐元匯率的合理變動之敏感度。2%–5%（二零一七年：2%–5%）的上升／下跌代表管理層就直至下個報告日期末之期間對本集團影響最大之人民幣、新加坡幣及歐元之匯率可能出現的合理變動作出之評估。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

2018

| | | | | |
|---------------------------------|------------|-----|---------|---------|
| If HK\$ weakens against RMB | 倘港元兌人民幣轉弱 | 5 | (4,449) | 4,449 |
| If HK\$ strengthens against RMB | 倘港元兌人民幣轉強 | (5) | 4,449 | (4,449) |
| If HK\$ weakens against SGD | 倘港元兌新加坡幣轉弱 | 2 | 1,232 | (1,232) |
| If HK\$ strengthens against SGD | 倘港元兌新加坡幣轉強 | (2) | (1,232) | 1,232 |
| If HK\$ weakens against EUR | 倘港元兌歐元轉弱 | 2 | (407) | 407 |
| If HK\$ strengthens against EUR | 倘港元兌歐元轉強 | (2) | 407 | (407) |

2017

| | | | | |
|---------------------------------|------------|-----|---------|---------|
| If HK\$ weakens against RMB | 倘港元兌人民幣轉弱 | 5 | 1,102 | (1,102) |
| If HK\$ strengthens against RMB | 倘港元兌人民幣轉強 | (5) | (1,102) | 1,102 |
| If HK\$ weakens against SGD | 倘港元兌新加坡幣轉弱 | 2 | 1,159 | (1,159) |
| If HK\$ strengthens against SGD | 倘港元兌新加坡幣轉強 | (2) | (1,159) | 1,159 |
| If HK\$ weakens against EUR | 倘港元兌歐元轉弱 | 2 | (1,288) | 1,288 |
| If HK\$ strengthens against EUR | 倘港元兌歐元轉強 | (2) | 1,288 | (1,288) |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

| Increase/ (Decrease) in RMB/SGD/EUR 人民幣/ 新加坡幣/ 歐元上升/ (下降) % | Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元 | Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元 |
|--|--|---|
|--|--|---|

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity price risk arising from investments held by the Group and classified in the consolidated balance sheet either as financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) (Note 13) or financial assets at fair value through profit or loss (Note 15). To manage its price risk arising from investments in equity securities, the Group control its portfolio size. The Group's investments listed in Hong Kong and overseas are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to 5% increase/decrease in the fair values of financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) and financial assets at fair value through profit or loss with all other variables held constant and after any impact on income tax, based on their carrying amounts at the end of the reporting period.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險

本集團就於綜合資產負債表中呈列並持有的投資分類為按公平值透過其他全面收入列帳的財務資產(二零一七年:可供出售財務資產)(附註13)及按公平值透過損益列帳的財務資產(附註15)面臨股價風險。本集團為了管理因投資股本證券而產生的價格風險,而控制其投資組合的規模。本集團之投資乃於香港及海外上市,按報告日期末所報市場價格估值。

下表呈列按公平值透過其他全面收入列帳的財務資產(二零一七年:可供出售財務資產)及按公平值透過損益列帳的財務資產於報告日期末之帳面值對公平值增加/減少5%之敏感度,當所有其他變數保持不變並計及任何所得稅的影響後。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險 (續)

| | Increase/ (Decrease) in carrying amount of financial assets at fair value through other comprehensive income/ financial assets at fair value through profit or loss 按公平值透過其他 全面收入列帳的財務 資產/按公平值 透過損益列帳的 財務資產帳面值 增加/(減少) HK\$'000 港幣千元 | Increase/ (Decrease) in other comprehensive expense/loss after income tax 其他全面支出/ 除所得稅後 虧損增加/ (減少) HK\$'000 港幣千元 | Increase/ (Decrease) in equity 權益增加/ (減少) HK\$'000 港幣千元 |
|---|--|--|---|
| 2018 | | | |
| 5% increase in fair value of financial assets at fair value through other comprehensive income | 按公平值透過其他全面收入 列帳的財務資產的公平值 上升5% 1,080 | (1,080) | 1,080 |
| 5% decrease in fair value of financial assets at fair value through other comprehensive income | 按公平值透過其他全面收入 列帳的財務資產的公平值 下降5% (1,080) | 1,080 | (1,080) |
| 5% increase in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 上升5% 6,697 | (6,696) | 6,696 |
| 5% decrease in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 下降5% (6,697) | 6,696 | (6,696) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

| | Increase/ (Decrease) in carrying amount of available-for-sale financial assets/ financial assets at fair value through profit or loss 可供出售財務資產/ 按公平值透過損益 列帳的財務資產 帳面值增加/(減少) HK\$'000 港幣千元 | Increase/ (Decrease) in other comprehensive expense/loss after income tax 其他全面支出/ 除所得稅後 虧損增加/(減少) HK\$'000 港幣千元 | Increase/(Decrease) in equity 權益增加/(減少) HK\$'000 港幣千元 |
|--|--|--|---|
| 2017 | | | |
| 5% increase in fair value of available-for-sale financial assets | 可供出售財務資產 的公平值上升5% 1,253 | (1,253) | 1,253 |
| 5% decrease in fair value of available-for-sale financial assets | 可供出售財務資產 的公平值下降5% (1,253) | 1,253 | (1,253) |
| 5% increase in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 上升5% 8,504 | (8,502) | 8,502 |
| 5% decrease in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 下降5% (8,504) | 8,502 | (8,502) |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險 (續)

| | Increase/ (Decrease) in carrying amount of available-for-sale financial assets/ financial assets at fair value through profit or loss 可供出售財務資產/ 按公平值透過損益 列帳的財務資產 帳面值增加/(減少) HK\$'000 港幣千元 | Increase/ (Decrease) in other comprehensive expense/loss after income tax 其他全面支出/ 除所得稅後 虧損增加/(減少) HK\$'000 港幣千元 | Increase/(Decrease) in equity 權益增加/(減少) HK\$'000 港幣千元 |
|--|--|--|---|
| 2017 | | | |
| 5% increase in fair value of available-for-sale financial assets | 可供出售財務資產 的公平值上升5% 1,253 | (1,253) | 1,253 |
| 5% decrease in fair value of available-for-sale financial assets | 可供出售財務資產 的公平值下降5% (1,253) | 1,253 | (1,253) |
| 5% increase in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 上升5% 8,504 | (8,502) | 8,502 |
| 5% decrease in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列帳的 財務資產的公平值 下降5% (8,504) | 8,502 | (8,502) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from borrowings at variable rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2017, the Group's borrowings at variable rate were denominated in US\$ and HK\$.

During 2018, the Group were not exposed to significant interest rate risk on floating rate borrowing.

The Group has not hedged its exposure to cash flow and fair value interest rate risk, as the management considers the risk is insignificant to the Group.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

本集團的利率風險來自浮動利率貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。二零一七年，本集團變動利率的貸款為美元及港元。

於二零一八年，本集團並無面對浮動利率貸款之重大利率風險。

由於管理層認為有關風險對本集團並不重大，故本集團並無對沖其現金流量及公平值利率風險。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss after income tax (through the impact on floating rate borrowings) and the Group's equity for 2017.

2017

| | | | | |
|------|----|-------|-------|-------|
| US\$ | 美元 | 100 | 40 | (40) |
| HK\$ | 港元 | 100 | 471 | (471) |
| US\$ | 美元 | (100) | (40) | 40 |
| HK\$ | 港元 | (100) | (471) | 471 |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

下表呈列於二零一七年當所有其他變數不變時，本集團之除所得稅後虧損（透過浮動利率貸款變動之影響）及本集團權益對合理利率變動之敏感度。

| Increase/ (Decrease) in basis points | Increase/ (Decrease) in loss after income tax 除所得稅後 虧損增加/ (減少) | Increase/ (Decrease) in equity | | |
|--|--|--------------------------------------|-------|-------|
| 利率基點 增加/(減少) | 虧損增加/ (減少) HK\$'000 港幣千元 | 權益增加/ (減少) HK\$'000 港幣千元 | | |
| 2017 | | | | |
| US\$ | 美元 | 100 | 40 | (40) |
| HK\$ | 港元 | 100 | 471 | (471) |
| US\$ | 美元 | (100) | (40) | 40 |
| HK\$ | 港元 | (100) | (471) | 471 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

The Group reviews the recoverability of its financial assets periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision for impairment allowance is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

As at 31 December 2017 and 2018, substantially all of the Group's bank balances are deposited in major financial institutions. Management does not expect any losses from non-performance by these banks. The credit quality of cash and cash equivalents has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, due from associates, due from joint ventures and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險來自現金及現金等價物，按攤銷成本計量的債務工具及存放於銀行及金融機構的存款及來自客戶的信貸風險（包括尚未償還應收款項）。

(i) 風險管理

本集團定期檢討其財務資產之可收回金額，以確保及早對交易對方的信貸風險作出管理，並在有需要時作充足之減值虧損撥備。此外，本集團持續監察應收結餘情況，而本集團並無重大壞帳風險。

於二零一七年及二零一八年十二月三十一日，本集團的絕大部分銀行結餘乃存放於主要金融機構。管理層預期不會出現因該等銀行未能履約而產生的任何損失。現金及現金等價物的信貸質素已參考外部信貸評級或有關交易對手方違約率的歷史資料進行評估。現有交易對手方過往並無違約。

就有關本集團其他財務資產（其中包括現金及現金等價物、聯營公司欠款、合營公司欠款及其他應收款）的信貸風險，本集團因對方違約所產生的信貸風險，上限相等於該等工具的帳面值。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

Bills and accounts receivable

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all bills and accounts receivable. The Group measures the ECL on a collective basis.

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. The Group also estimates the provision for ECL on a collective basis by grouping the accounts receivable based on shared credit loss risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its past due ageing category, and applying ECL rates to respective gross carrying amounts of the receivables. Having taken into account the historical credit losses experienced in the group of receivables for up to 3 years, the ECL reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. As at 31 December 2018, the ECL of these collectively assessed receivables balance was approximately HK\$4,235,000.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務資產減值

應收票據及應收帳項

本集團應用香港財務報告準則第9號簡化方式計量預期信貸虧損，而預期信貸虧損就所有應付票據及應收帳項使用全期預期虧損撥備法。本集團按集體基準計量預期信貸虧損。

與已知財務困難或對應收帳項收款存在重大疑問的客戶有關的應收帳項將單獨評估減值準備。本集團亦根據共享信貸風險特徵對應收帳項進行分組，並根據客戶的性質及其逾期賬齡類別共同評估恢復可能性，並將預期信貸虧損率應用於各應收款項的帳面總額。經計及本集團應收帳項經歷長達3年的歷史信貸虧損，預期信貸虧損反映影響客戶結算應收帳項能力的因素的當前和前瞻性信息。於二零一八年十二月三十一日，該等集體評估應收帳項結餘的預期信貸虧損約為港幣4,235,000元。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Bills and accounts receivable (continued)

The closing loss allowances for bills and accounts receivable as at 31 December 2018 reconcile to the opening loss allowances as follows:

| | |
|---|-------------------------------------|
| 31 December – calculated under HKAS 39 | 十二月三十一日 – 根據香港會計準則第39號計算 |
| Amounts restated through opening retained earnings | 透過期初保留盈利經重列金額 |
| Opening loss allowance as at 1 January 2018 – calculated under HKFRS 9 | 於二零一八年一月一日的期初虧損撥備 – 根據香港財務報告準則第9號計算 |
| Increase in loss allowance recognised in profit or loss during the year | 年內於損益確認的虧損撥備增加 |
| Receivables written off during the year as uncollectible | 年內作為不可收回的應收帳款撇銷 |
| Currency translation differences | 貨幣匯兌差額 |
| At 31 December | 於十二月三十一日 |

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on accounts receivable are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務資產減值 (續)

應收票據及應收帳項 (續)

應收票據及應收帳項於二零一八年十二月三十一日的期末虧損撥備與期初虧損撥備的對帳如下：

Bills and accounts receivable

應收票據及應收帳項

| 2018 | 2017 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

| | |
|----------------|---------|
| 5,416 | 6,024 |
| 4,185 | – |
| 9,601 | 6,024 |
| 198 | – |
| (5,564) | (1,904) |
| – | 1,296 |
| 4,235 | 5,416 |

倘沒有合理的收回預期，應收帳項將予以撇銷。沒有合理收回預期的指標包括(其中包括)債務人未能與本集團訂立還款計劃。

應收帳項減值虧損列為經營虧損內的淨減值虧損。之前已撇銷金額的後續收回將於同一列項目入帳。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Previous accounting policy for impairment of accounts receivable

In the prior year, the impairment of accounts receivable was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務資產減值 (續)

有關應收帳項減值的過往會計政策

上年度，應收帳項減值根據已發生的虧損模型進行評估。已知無法收回的個別應收帳項直接削減帳面值予以撇銷。對其他應收款項進行集體評估，以確定是否有客觀證據表明已發生減值但尚未識別。就該等應收帳項而言，估計減值虧損於另一項減值撥備確認。如果出現以下任何指標，本集團認為存在減值跡象：

- 債務人經歷重大財務困難；
- 債務人可能面臨破產或進行財務重組；及
- 違約或延遲付款。

當沒有預期收回額外現金時，已確認減值撥備的應收帳項與該準備金抵銷。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include amount due from associate, amount due from joint venture, deposits and other receivables.

The loss allowance for other financial assets at amortised cost as at 31 December 2017 reconciles to the opening loss allowance on 1 January 2018 and to the closing loss allowance as at 31 December 2018 as follows:

| | | Amount due from associates | Amount due from joint ventures | Deposits and other receivables | 2018 Total | 2017 Total |
|--|--------------------------------------|----------------------------|--------------------------------|--------------------------------|------------------------|------------------------|
| | | 聯營公司欠款 HK\$'000 港幣千元 | 合營公司欠款 HK\$'000 港幣千元 | 按金及其他應收款 HK\$'000 港幣千元 | 總計 HK\$'000 港幣千元 | 總計 HK\$'000 港幣千元 |
| Closing loss allowance as at 31 December 2017 (calculated under HKAS 39) | 於二零一七年十二月三十一日之年終虧損撥備(根據香港會計準則第39號計算) | - | - | 91,927 | 91,927 | 85,775 |
| Amounts restated through opening retained earnings | 透過年初保留盈利重列之金額 | 256 | - | 5,599 | 5,855 | - |
| Opening loss allowance as at 1 January 2018 (calculated under HKFRS 9) | 於二零一八年一月一日之年初虧損撥備(根據香港財務報告準則第9號計算) | 256 | - | 97,526 | 97,782 | 85,775 |
| Increase in the allowance recognised in profit or loss during the period | 期內於損益確認之撥備增加 | 2,628 | - | 15,988 | 18,616 | 1,444 |
| Written-off against uncollectible receivables | 撇銷不可收回應收款 | (2,706) | - | (91,927) | (94,633) | - |
| Currency translation differences | 貨幣匯兌差額 | - | - | - | - | 4,708 |
| Closing loss allowance as at 31 December 2018 | 於二零一八年十二月三十一日之年終虧損撥備 | 178 | - | 21,587 | 21,765 | 91,927 |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務資產減值 (續)

其他按攤銷成本計量的財務資產

攤銷成本的其他財務資產包括應收聯營公司款項、應收合營企業款項、按金及其他應收帳項。

於二零一七年十二月三十一日按攤銷成本計量的其他財務資產之虧損撥備與於二零一八年一月一日之年初虧損撥備以及於二零一八年十二月三十一日之年終虧損撥備之對帳如下：

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

2018

| | | |
|-----------------------------|-------------|---------|
| Borrowings | 貸款 | 665,172 |
| Due to associates | 欠聯營公司款項 | 516 |
| Bills and accounts payable | 應付票據及應付帳項 | 88,000 |
| Other payables and accruals | 其他應付帳項及應計費用 | 214,776 |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

本集團董事局就流動資金風險管理承擔最終責任，並已為本集團之短期、中期及長期資金融資及流動資金需求的管理建立一個合適之流動資金風險管理藍圖。本集團藉不斷監察預測及實際現金流、財務資產及負債之年期配對，及維持充足儲備及信貸額，管理流動資金風險。

根據已立約而未貼現之付款計算，本集團於報告日期末財務負債之年期如下：

| Carrying amount as per consolidated balance sheet 按綜合資產負債表之帳面值 HK\$'000 港幣千元 | Total contractual undiscounted cash flows 已立約而未貼現之現金流量總額 HK\$'000 港幣千元 | On demand or within 1 year 應要求或一年內償還 HK\$'000 港幣千元 | More than 1 year but less than 5 years 一年以上但於五年內 HK\$'000 港幣千元 |
|---|---|---|---|
| | 665,172 | 610,343 | 79,695 |
| | 516 | 516 | - |
| | 88,000 | 88,000 | - |
| | 214,776 | 214,776 | - |
| | <u>968,464</u> | <u>913,635</u> | <u>79,695</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

2017

| | | |
|-----------------------------|-------------|---------|
| Borrowings | 貸款 | 471,118 |
| Due to associates | 欠聯營公司款項 | 568 |
| Bills and accounts payable | 應付票據及應付帳項 | 116,916 |
| Other payables and accruals | 其他應付帳項及應計費用 | 227,015 |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

| Carrying amount as per consolidated balance sheet 按綜合資產負債表之帳面值 HK\$'000 港幣千元 | Total contractual undiscounted cash flows 已立約而未貼現之現金流量總額 HK\$'000 港幣千元 | On demand or within 1 year 應要求或一年內償還 HK\$'000 港幣千元 | More than 1 year but less than 5 years 一年以上但於五年內 HK\$'000 港幣千元 |
|---|---|---|---|
| | 471,118 | 268,814 | 230,457 |
| | 568 | 568 | - |
| | 116,916 | 116,916 | - |
| | 227,015 | 227,015 | - |
| | <u>815,617</u> | <u>613,313</u> | <u>230,457</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (including share capital, reserves, accumulated losses and non-controlling interests as shown in the consolidated balance sheet) and other loans from non-controlling shareholders of subsidiaries.

During 2018, the Group's strategy, which was unchanged from 2017, was to maintain a debt-to-adjusted capital ratio below 90%. The debt-to-adjusted capital ratios at 31 December 2017 and 2018 were as follows:

3. 財務風險管理 (續)

3.2 資金管理

本集團管理資金之目標為保障本集團持續經營之能力，以為股東帶來回報、為其他權益持有人帶來利益，及維持理想資金結構以減低資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息之金額，向股東歸還資金或發行新股份。

本集團按債務對經調整股本比率監察股本。此比率按債務淨額除以經調整股本計算。債務淨額按總貸款（包括綜合資產負債表所列示之流動及非流動貸款）減現金及現金等價物計算。經調整股本包括所有權益部分（包括綜合資產負債表所列示的股本、儲備、累計虧損及非控股權益）及附屬公司非控股股東的其他貸款。

於二零一八年，本集團之策略為維持債務與經調整股本比率低於90%，與二零一七年相同。於二零一七年及二零一八年十二月三十一日之債務對經調整股本比率如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|-------------------------|--------------------------|--------------------------|
| Total borrowings | 總貸款 | 665,172 | 471,118 |
| Less: Cash and cash equivalents (Note 34(b)) | 減：現金及現金等價物 (附註34(b)) | (65,628) | (121,530) |
| Net debt | 債務淨額 | 599,544 | 349,588 |
| Total equity | 總權益 | 816,048 | 951,806 |
| Adjusted capital | 經調整股本 | 816,048 | 1,008,466 |
| Debt-to-adjusted capital ratio | 債務對經調整股本比率 | 73% | 35% |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

Financial assets and liabilities

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table:

3. 財務風險管理 (續)

3.3 公平值估計

財務資產及負債

公平值層級

本節解釋在釐定財務報表中按公平值確認及計量的金融工具的公平值時所作出的判斷及估計。為得出釐定公平值所用輸入數據的可信度指標，本集團根據會計準則將其金融工具分為三級。各層級的解釋如下表：

| | Level 1 第一級 HK\$'000 港幣千元 | Level 2 第二級 HK\$'000 港幣千元 | Level 3 第三級 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| At 31 December 2018 | | | | |
| Financial assets | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| - Listed equity securities | 21,601 | - | - | 21,601 |
| Financial assets at fair value through profit or loss | | | | |
| - Listed equity securities | 133,937 | - | - | 133,937 |
| | <u>155,538</u> | <u>-</u> | <u>-</u> | <u>155,538</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Financial assets and liabilities (continued)

Fair value hierarchy (continued)

3. 財務風險管理 (續)

3.3 公平值估計 (續)

財務資產及負債 (續)

公平值層級 (續)

| | | Level 1 第一級 HK\$'000 港幣千元 | Level 2 第二級 HK\$'000 港幣千元 | Level 3 第三級 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|---|-----------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | |
| Financial assets | 財務資產 | | | | |
| Available-for-sale financial assets | 可供出售財務資產 | 25,063 | - | - | 25,063 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產 | | | | |
| - Listed equity securities | - 上市股本證券 | 170,086 | - | - | 170,086 |
| | | <u>195,149</u> | <u>-</u> | <u>-</u> | <u>195,149</u> |

There were no transfers among level 1, level 2 and level 3 during the year.

本年度分類之第一級、第二級及第三級之間概無調動。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Financial assets and liabilities (continued)

Fair value hierarchy (continued)

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3. 財務風險管理(續)

3.3 公平值估計(續)

財務資產及負債(續)

公平值層級(續)

(i) 第一級金融工具

在活躍市場買賣之金融工具之公平值乃按報告日期末之市場報價計算。就本集團所持財務資產所用市場報價為現行買價。該等工具屬第一級。

(ii) 第二級金融工具

並非在活躍市場買賣之金融工具(如場外交易衍生工具)之公平值採用估值技術釐定。該等估值技術以最大限度使用了可獲得的可觀察市場數據，將對實體特定估計的依賴降到最低。倘按公平值計量一項工具的所有重大輸入值均可觀察獲得，則該項工具屬第二級。

(iii) 第三級金融工具

倘一個或多個重大輸入值並非根據可觀察市場數據釐定，則該項工具屬第三級。非上市股本證券乃該等情況。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Income taxes and deferred income tax

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the periods in which such determination are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax in the periods in which such estimate is changed.

4. 關鍵會計估算及判斷

估算和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

關鍵會計估算及假設

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的帳面值作出重大調整的估算和假設討論如下。

(i) 所得稅及遞延所得稅

本集團需要在中國及香港繳納稅項。在釐定稅項撥備金額及繳付相關稅項的時間時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延所得稅撥備。

當管理層認為未來可能存在應課稅盈利，令暫時差異或稅損得以被利用，有關該暫時差異及稅損的遞延所得稅資產會被確認。在預期情況有別於原估計時，該差異會在情況變更的期間內影響遞延所得稅資產和所得稅的確認。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting estimates and assumptions (continued)

(ii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The directors assess the performance of the operating segments based on a measure of profit or loss from continuing operations before income tax for the year. The information provided to the directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is organised into two major operating units in its continuing operations: (i) steel trading and (ii) lithium business. The mineral resources segment, presented as a separate reportable segment in the previous year, is classified as discontinued operations.

Revenue recognised during the year is as follows:

Continuing operations

Sale of goods

持續經營業務
銷貨

4. 關鍵會計估算及判斷(續)

關鍵會計估算及假設(續)

(ii) 財務資產減值

財務資產的虧損準備乃基於對違約風險及預期虧損率作出的假設。本集團根據本集團過往歷史、現有市況及各報告期末的前瞻性估計，於作出該等假設及選擇減值計算的輸入數據時使用判斷。

5. 分部資料

主要營運決策者已被確定為本公司董事局。董事評審本集團的內部報告，以評估業績和分配資源。管理部門已根據這些報告決定了經營分部。

董事局按本年度來自持續經營業務除所得稅前盈利或虧損以評估經營分部的業績。向董事報告的資料與本綜合財務報表資料測量的方式屬一致。

本集團持續經營業務由兩個主要營運單位組成：(i) 鋼鐵貿易；及(ii) 鋰業務。礦產資源(前年度報告作為一獨立分部)分類作已終止經營業務。

本年度確認之收入如下：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | <u>2,305,467</u> | <u>2,491,789</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2018 are as follows:

5. 分部資料 (續)

截至二零一八年十二月三十一日止年度的分部業績如下：

| | | Continuing operations 持續經營業務 | | | |
|--|----------------------|---|---|--|---------------------------------|
| | | Steel trading 鋼鐵貿易 HK\$'000 港幣千元 | Lithium business 鋰業務 HK\$'000 港幣千元 | Unallocated 未分配 HK\$'000 港幣千元 | Group 集團 HK\$'000 港幣千元 |
| Total segment sales | 分部銷售總額 | 2,305,467 | - | - | 2,305,467 |
| Inter-segment sales | 分部間銷售 | - | - | - | - |
| Sales to external customers | 銷售予外部客戶 | 2,305,467 | - | - | 2,305,467 |
| Operating profit/(loss) before below items | 未計下述項目的經營盈利/(虧損) | 16,454 | (9,949) | (63,478) | (56,973) |
| Fair value losses on financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產公平值虧損 | - | - | (68,671) | (68,671) |
| Net impairment losses on financial assets | 財務資產減值虧損淨值 | (2,990) | (125) | (15,699) | (18,814) |
| Operating profit/(loss) | 經營盈利/(虧損) | 13,464 | (10,074) | (147,848) | (144,458) |
| Finance costs | 融資成本 | (11,206) | (5,189) | (41,549) | (57,944) |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備虧損 | (1) | - | - | (1) |
| Share of profits of associates | 所佔聯營公司盈利 | - | - | 2,023 | 2,023 |
| Share of losses of joint ventures | 所佔合營公司虧損 | - | (1,259) | (4) | (1,263) |
| Segment results | 分部業績 | 2,257 | (16,522) | (187,378) | (201,643) |
| Income tax expense | 所得稅支出 | | | | (2,570) |
| Loss for the year from continuing operations | 年度來自持續經營業務虧損 | | | | (204,213) |
| Profit for the year from discontinued operations | 年度來自已終止經營業務盈利 | | | | 94,451 |
| Loss for the year | 年度虧損 | | | | (109,762) |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2017 are restated as follows:

5. 分部資料 (續)

截至二零一七年十二月三十一日止年度的分部業績(經重列)如下:

| | | Continuing operations 持續經營業務 | | | Group 集團 |
|--|----------------------|---|---|--|------------------|
| | | Steel trading 鋼鐵貿易 HK\$'000 港幣千元 | Lithium business 鋰業務 HK\$'000 港幣千元 | Unallocated 未分配 HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Total segment sales | 分部銷售總額 | 2,491,789 | - | - | 2,491,789 |
| Inter-segment sales | 分部間銷售 | - | - | - | - |
| Sales to external customers | 銷售予外部客戶 | <u>2,491,789</u> | <u>-</u> | <u>-</u> | <u>2,491,789</u> |
| Operating profit/(loss) before below items | 未計下述項目的經營盈利/(虧損) | 16,136 | (12,530) | (45,378) | (41,772) |
| Fair value gains on financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產公平值收益 | - | - | 48,014 | 48,014 |
| Fair value losses on derivative financial instruments | 衍生金融工具公平值虧損 | (445) | - | - | (445) |
| Gains on reclassification of an associate to available-for-sale financial assets | 聯營公司重列作可供出售財務資產收益 | - | - | 17,392 | 17,392 |
| Impairment losses on amount due from associates | 聯營公司欠款減值 | - | - | (75) | (75) |
| Impairment loss on available-for-sale financial assets | 可供出售財務資產減值 | - | - | (33,536) | (33,536) |
| Impairment losses on deposits, prepayments and other receivables | 按金、預付款及其它應收款減值 | (1,444) | - | - | (1,444) |
| Settlement of customer claims | 客戶索賠處理 | - | - | (85,801) | (85,801) |
| Dilution loss on an associate | 聯營公司攤薄虧損 | - | - | (26,343) | (26,343) |
| Share option expenses | 購股權支出 | - | - | (26,160) | (26,160) |
| Operating profit/(loss) | 經營盈利/(虧損) | 14,247 | (12,530) | (151,887) | (150,170) |
| Finance costs | 融資成本 | (11,465) | (2,036) | (5,535) | (19,036) |
| Gain on disposal of property, plant and equipment | 出售物業、機器及設備收益 | - | - | 202,445 | 202,445 |
| Share of losses of associates | 所佔聯營公司虧損 | - | - | (86,840) | (86,840) |
| Share of losses of joint ventures | 所佔合營公司虧損 | - | (160) | (4) | (164) |
| Segment results | 分部業績 | <u>2,782</u> | <u>(14,726)</u> | <u>(41,821)</u> | <u>(53,765)</u> |
| Income tax credit | 所得稅貸項 | | | | 1,188 |
| Loss for the year from continuing operations | 年度來自持續經營業務虧損 | | | | (52,577) |
| Profit for the year from discontinued operations | 年度來自已終止經營業務盈利 | | | | 37,700 |
| Loss for the year | 年度虧損 | | | | <u>(14,877)</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

Segment results represent the profit/(loss) earned by each segment without allocation of unallocated corporate expenses including directors' salaries, dilution loss on an associate, impairment losses on an associate, gains on reclassification of an associate to available-for-sale financial assets, fair value gains/(losses) on financial assets at fair value through profit or loss, impairment loss on available-for-sale financial assets, other operating expenses, share of profits/(losses) of associates and joint ventures and share option expenses.

Other segment information

The segment assets and liabilities as at 31 December 2018, depreciation and additions to non-current assets for the year ended 31 December 2018 are as follows:

5. 分部資料 (續)

分部業績指由各分部賺取之盈利／(虧損)而並不包括未分配之企業開支，當中包括董事薪金、聯營公司攤薄虧損、聯營公司減值虧損、聯營公司重列作可供出售財務資產收益、按公平值透過損益列帳的財務資產公平值收益／(虧損)、可供出售財務資產減值虧損、其它營運支出、所佔聯營公司、合營公司盈利／(虧損)及購股權支出。

其它分部資料

於二零一八年十二月三十一日的分部資產和負債以及截至二零一八年十二月三十一日止年度的折舊及增添非流動資產如下：

| | | Continuing operations 持續經營業務 | | | |
|---------------------------------|---------|---|---|--|---------------------------------|
| | | Steel trading 鋼鐵貿易 HK\$'000 港幣千元 | Lithium business 鋰業務 HK\$'000 港幣千元 | Unallocated 未分配 HK\$'000 港幣千元 | Group 集團 HK\$'000 港幣千元 |
| Assets | 資產 | <u>1,116,118</u> | <u>96,647</u> | <u>605,863*</u> | <u>1,818,628</u> |
| Liabilities | 負債 | <u>512,240</u> | <u>102,625</u> | <u>387,715</u> | <u>1,002,580</u> |
| Depreciation | 折舊 | <u>1,112</u> | <u>-</u> | <u>33</u> | <u>1,145</u> |
| Additions to non-current assets | 增添非流動資產 | <u>-</u> | <u>-</u> | <u>6</u> | <u>6</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

Other segment information (continued)

The segment assets and liabilities as at 31 December 2017 and depreciation, amortisation and additions to non-current assets for the year ended 31 December 2017 are restated as follows:

| | | Continuing operations | | | Discontinued operation | Group |
|---------------------------------|---------|-----------------------|------------------|-------------|------------------------|-----------|
| | | 持續經營業務 | | | 已終止經營業務 | |
| | | Steel trading | Lithium business | Unallocated | Mineral resources | |
| | | 鋼鐵貿易 | 鋰業務 | 未分配 | 礦產資源 | 集團 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| Assets | 資產 | 990,845 | 125,152 | 584,384* | 92,352 | 1,792,733 |
| Liabilities | 負債 | 404,189 | 69,531 | 226,119 | 141,088 | 840,927 |
| Depreciation | 折舊 | 1,127 | - | 538 | 650 | 2,315 |
| Amortisation | 攤銷 | - | - | - | 160 | 160 |
| Additions to non-current assets | 增添非流動資產 | 8 | - | 54 | - | 62 |

* Including investment in the listed shares of Alliance Mineral Assets Limited of approximately HK\$134 million (2017: HK\$170 million) which were not elected to recognise fair value gains or losses through other comprehensive income.

Segment assets exclude club debentures, deferred income tax assets, investments in associates and joint ventures, financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets), income tax refundable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred income tax liabilities, income tax payable, corporate borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

5. 分部資料 (續)

其它分部資料 (續)

於二零一七年十二月三十一日的分部資產和負債以及截至二零一七年十二月三十一日止年度的折舊、攤銷及增添非流動資產重列如下：

* 包括約港幣1.34億元(二零一七年：港幣1.7億元)於Alliance Mineral Assets Limited的上市股份投資，該等投資不列作透過其它全面收入確認為公平值收益或虧損。

分部資產不包括會籍債券、遞延所得稅資產、聯營、合營公司投資、按公平值透過其他全面收入列帳的財務資產(二零一七年：可供出售財務資產)、可收回所得稅及其它未分配總公司及企業資產，因這些資產以集團方式管理。

分部負債不包括遞延所得稅負債、應付所得稅、企業貸款及其它未分配總公司及企業負債，因這些負債以集團方式管理。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

Geographical information

The Group's business segments operate in four main geographical areas, even though they are managed on a worldwide basis.

5. 分部資料 (續)

地區資料

本集團的業務分部以全球方式管理，主要在四個地區經營。

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|-----------------|--------------------------|--------------------------|
| <i>Continuing operations</i> | <i>持續經營業務</i> | | |
| Revenue (by location of customers) | 收入 (按顧客地區分類) | | |
| – Europe | – 歐洲 | 858,302 | 1,188,167 |
| – Mainland China | – 中國 | 567,654 | 432,897 |
| – Hong Kong | – 香港 | 440,771 | 109,500 |
| – Asia (other than Mainland China and Hong Kong) | – 亞洲 (不包括中國及香港) | 407,345 | 418,567 |
| – Others | – 其它 | 31,395 | 342,658 |
| | | 2,305,467 | 2,491,789 |
| | | | |
| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
| Non-current assets | 非流動資產 | | |
| – Mainland China | – 中國 | 80 | 91,636 |
| – Hong Kong | – 香港 | 1,723 | 2,791 |
| – Europe | – 歐洲 | 66 | 100 |
| – Others | – 其它 | – | 1 |
| | | 1,869 | 94,528 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

Geographical information (continued)

The non-current assets information above is based on the location of assets and excludes club debentures, deferred income tax assets, investments in associates, investments in joint ventures and financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets).

For the year ended 31 December 2018, the Group did not have any single customer with the transaction value above 10% of the external sales.

For the year ended 31 December 2017, the Group had sales of approximately HK\$283,623,000 to a single significant customer of the steel trading segment, representing approximately 11% of the sales to external customers.

6. LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

Outside Hong Kong, held on: 在香港以外持有：
Leases of between 10 to 50 years 十至五十年期的租賃

Movement of the leasehold land and land use rights during the year is as follows:

| | | | |
|--|------------|---------|---------|
| At 1 January | 於一月一日 | 3,754 | 7,906 |
| Currency translation differences | 貨幣匯兌差額 | - | 298 |
| Amortisation of prepaid operating lease payments | 預付營運租賃款項攤銷 | (56) | (212) |
| Disposal of subsidiaries | 出售附屬公司 | (3,698) | (4,238) |
| At 31 December | 於十二月三十一日 | - | 3,754 |

5. 分部資料 (續)

地區資料 (續)

以上非流動資產按資產所在地區劃分，但不包括會籍債券、遞延所得稅資產、聯營公司投資、合營公司投資及按公平值透過其它全面收入列帳的財務資產(二零一七年：可供出售財務資產)。

截至二零一八年十二月三十一日止年度，本集團並無單一客戶，佔本集團之外部銷售10%以上。

截至二零一七年十二月三十一日止年度，本集團鋼鐵貿易分部銷售約港幣283,623,000元予一位單一重大客戶，佔本集團之外部銷售約11%。

6. 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | - | 3,754 |

租賃土地及土地使用權於年內的變動如下：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | 3,754 | 7,906 |
| | - | 298 |
| | (56) | (212) |
| | (3,698) | (4,238) |
| | - | 3,754 |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、機器及設備

| | | Leasehold improvements 租賃 樓宇裝修 HK\$'000 港幣千元 | Machinery 機器 HK\$'000 港幣千元 | Furniture and equipment 傢具 及設備 HK\$'000 港幣千元 | Motor vehicles 車輛 HK\$'000 港幣千元 | Construction in progress 在建工程 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|-----------------------|---|-------------------------------------|--|---|---|---------------------------------|
| Year ended 31 December 2018 | 截至二零一八年 十二月三十一日止年度 | | | | | | |
| Opening net book amount | 期初帳面淨值 | - | 1,944 | 375 | 2,830 | 85,625 | 90,774 |
| Currency translation differences | 貨幣匯兌差額 | - | - | (5) | (2) | - | (7) |
| Additions | 增添 | - | - | 6 | - | - | 6 |
| Disposals | 出售 | - | - | (1) | - | - | (1) |
| Disposals of subsidiaries | 出售附屬公司 | - | (1,720) | (104) | (82) | (85,625) | (87,531) |
| Depreciation charge | 折舊 | - | (224) | (85) | (1,063) | - | (1,372) |
| Closing net book amount | 期終帳面淨值 | - | - | 186 | 1,683 | - | 1,869 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | | | | |
| Cost | 成本 | 3,363 | - | 4,357 | 5,153 | - | 12,873 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (3,363) | - | (4,171) | (3,470) | - | (11,004) |
| Net book amount | 帳面淨值 | - | - | 186 | 1,683 | - | 1,869 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

7. PROPERTY, PLANT AND EQUIPMENT (continued)

7. 物業、機器及設備 (續)

| | | Leasehold land in Hong Kong under long-term finance lease 於香港長期 融資租賃土地 | Buildings 樓宇 | Leasehold improvements 租賃 樓宇裝修 | Machinery 機器 | Furniture and equipment 傢具 及設備 | Motor vehicles 車輛 | Construction in progress 在建工程 | Total 總額 |
|---|-----------------------|---|------------------|---|------------------|--|-------------------------|-------------------------------------|------------------|
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | | | | | | | |
| Opening net book amount | 期初帳面淨值 | 53,605 | 14,290 | - | 2,438 | 502 | 4,218 | 96,853 | 171,906 |
| Currency translation differences | 貨幣匯兌差額 | - | - | - | 173 | 29 | 10 | 7,278 | 7,490 |
| Additions | 增添 | - | - | - | - | 62 | - | - | 62 |
| Disposals | 出售 | (53,191) | (6,735) | - | (15) | (96) | (317) | - | (60,354) |
| Disposal of subsidiaries | 出售附屬公司 | - | (6,958) | - | - | - | - | - | (6,958) |
| Impairment charge | 減值 | - | - | - | - | - | - | (18,506) | (18,506) |
| Depreciation charge | 折舊 | (414) | (597) | - | (652) | (122) | (1,081) | - | (2,866) |
| Closing net book amount | 期終帳面淨值 | - | - | - | 1,944 | 375 | 2,830 | 85,625 | 90,774 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | | | | | |
| Cost | 成本 | - | - | 3,363 | 8,784 | 5,406 | 6,809 | 311,283 | 335,645 |
| Accumulated depreciation and impairment | 累計折舊及減值 | - | - | (3,363) | (6,840) | (5,031) | (3,979) | (225,658) | (244,871) |
| Net book amount | 帳面淨值 | - | - | - | 1,944 | 375 | 2,830 | 85,625 | 90,774 |

No depreciation expenses of continuing operations has been charged in cost of sales, approximately HK\$1,112,000 (2017: HK\$1,137,000) has been charged in selling and distribution expenses and HK\$33,000 (2017: HK\$1,178,000) in general and administrative expenses.

概無持續經營業務折舊費用計入銷售成本，約港幣1,112,000元(二零一七年：港幣1,137,000元)計入銷售及分銷費用，而港幣33,000元(二零一七年：港幣1,178,000元)則計入一般及行政費用。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment test of the construction in progress

For the year ended 31 December 2017, the construction in progress is included in the mineral resources operating segment. It relates to processing plants being constructed on iron ore mines in the Mainland China. In the opinion of the directors, the construction in progress would be able to be operated efficiently for the function for it was designed, built and erected after certain refurbishing.

Due to the market prices of iron ore concentrates in Mainland China decreased to a level lower than the projected production cost of the mineral resources operation, the Group had halted operation of the assets pending improvements in the market conditions for iron ore concentrates, and impairment charge was made for construction in progress of approximately HK\$18,506,000 in 2017. The recoverable amount of construction in progress is determined based on the higher of the fair value less costs of disposal and value-in-use calculation. As at 31 December 2017, the recoverable amount of construction in progress was determined based on fair value less costs of disposal, management has taken reference to the valuation reports conducted by an independent valuer. The fair value measurement of the construction in progress was classified as level 3. The market value of construction in progress has been derived using cost approach and this considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation. The key assumptions are that the cost of reproduction/replacement new of the subject assets, accrued depreciation and the assets will continue to be used in its present existing state with the benefit of continuity of the tenure of land and building during the foreseeable future.

7. 物業、機器及設備(續)

在建工程減值檢測

截至二零一七年十二月三十一日止年度，在建工程是屬於礦產資源經營分部。相關的加工廠於中國鐵礦山建造。根據董事局意見，在建工程能憑藉設計、建立及刷新使其有效運作。

由於中國鐵精礦的市場價格降至比預期礦產資源運營的生產成本低，本集團已停止運作該資產直至鐵精礦的市場狀況改善。於二零一七年，在建工程減值費用約港幣18,506,000元。在建工程的可收回金額按照公平值減出售成本及使用價值兩者中較高而釐定。於二零一七年十二月三十一日，管理層參照獨立估值師評估報告，在建工程可收回金額以按照公平值減出售成本而釐定。在建工程的公平值計算已分類為第三級。在建工程的市場價值採用成本法(折舊重置成本)計算並已考慮到複製或在新條件下按照目前同類資產的市場價格扣除應計折舊成本。主要假設是基於重建/重置上述資產的成本，應計折舊及將在可見將來土地及樓宇年期獲延續下以現況使用。

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8. INTANGIBLE ASSETS

8. 無形資產

| | | Mining right | Exploration and evaluation assets | Domain names, trademark and computer software | Total |
|---|-------------------|--------------|-----------------------------------|---|-----------|
| | | 採礦權 | 勘探及評估資產 | 域名、商標及電腦軟件 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| At 1 January 2017 | 於二零一七年一月一日 | | | | |
| Cost | 成本 | 180,382 | 17,020 | 193 | 197,595 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (180,382) | (17,020) | (193) | (197,595) |
| Net book amount | 帳面淨值 | – | – | – | – |
| Year ended 31 December 2017 | 截至二零一七年十二月三十一日止年度 | | | | |
| Opening net book amount and closing net book amount | 期初帳面淨值及期終帳面淨值 | – | – | – | – |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | |
| Cost | 成本 | 195,595 | 18,454 | 193 | 214,242 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (195,595) | (18,454) | (193) | (214,242) |
| Net book amount | 帳面淨值 | – | – | – | – |
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | |
| Opening net book amount and closing net book amount | 期初帳面淨值及期終帳面淨值 | – | – | – | – |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | |
| Cost | 成本 | – | – | 193 | 193 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | – | – | (193) | (193) |
| Net book amount | 帳面淨值 | – | – | – | – |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

9. PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2018:

9. 主要附屬公司

於二零一八年十二月三十一日之主要附屬公司如下：

| Name 名稱 | Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位 | Issued and fully paid capital 已發行及 已繳足股本 | Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比 | | Principal activities 主要業務性質 |
|---|--|---|---|------|-----------------------------------|
| | | | 2018 | 2017 | |
| Directly held: 直接持有： | | | | | |
| Burwill and Company Limited | Hong Kong limited liability company 香港有限責任公司 | HK\$50,000,000 and £ 50,000 港幣 50,000,000 元及 50,000 英磅 | 100% | 100% | Investment holding 投資控股 |
| Burwill HK Portfolio Limited | The British Virgin Islands limited liability company 英屬處女群島有限責任公司 | US\$2 2 美元 | 100% | 100% | Investment holding 投資控股 |
| Burwill Network Investment Limited 寶威網絡投資有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$1 港幣 1 元 | 100% | 100% | Investment holding 投資控股 |
| Indirectly held: 間接持有： | | | | | |
| Burwill (China) Limited 寶威(中國)有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$200 港幣 200 元 | 100% | 100% | Investment holding 投資控股 |
| Burwill Commercial Holdings Limited 寶威商業地產有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$1 港幣 1 元 | 100% | 100% | Investment holding 投資控股 |
| Burwill Cobalt Company Limited 寶威鈷業有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$1 港幣 1 元 | 100% | – | Metal trading 金屬貿易 |

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9. PRINCIPAL SUBSIDIARIES (continued)

9. 主要附屬公司 (續)

| Name 名稱 | Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位 | Issued and fully paid capital 已發行及 已繳足股本 | Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比 | | Principal activities 主要業務性質 |
|---|--|--|---|------|---|
| | | | 2018 | 2017 | |
| Indirectly held: (continued) 間接持有：(續) | | | | | |
| Burwill Lithium Company Limited (Former known as "Burwill Commodity Limited") 寶威鋰業有限公司 (前稱「寶威物料有限公司」) | Hong Kong limited liability company 香港有限責任公司 | HK\$1 港幣 1 元 | 100% | 100% | Concentrate procurement, lithium carbonate processing and sales 精礦採購、碳酸鋰加工 和銷售 |
| Burwill Resources Limited 寶威物料供應有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$41,000,000 港幣 41,000,000 元 | 100% | 100% | Steel trading 鋼鐵貿易 |
| Burwill Resources Europe, S.A. | Spain limited liability company 西班牙有限責任公司 | EUR62,000 62,000 歐元 | 70% | 70% | Steel trading 鋼鐵貿易 |
| Burwill Warehousing (Shanghai) Limited (Note (i)) 寶威倉儲(上海)有限公司 (附註(i)) | Mainland China 中國 | US\$1,200,000 1,200,000 美元 | 100% | 100% | Steel trading 鋼鐵貿易 |
| Century Capital Investment Limited 紀盈投資有限公司 | Hong Kong limited liability company 香港有限責任公司 | HK\$1 港幣 1 元 | 100% | 100% | Investment holding 投資控股 |
| Ever Century Investments Limited | The British Virgin Islands limited liability company 英屬處女群島有限 責任公司 | US\$1 1 美元 | 100% | 100% | Investment holding 投資控股 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

9. PRINCIPAL SUBSIDIARIES (continued)

9. 主要附屬公司 (續)

| Name 名稱 | Place of incorporation/ operations and kind of legal entity 註冊成立/ 經營地點 及法定地位 | Issued and fully paid capital 已發行及 已繳足股本 | Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益/有投票 權股本百分比 2018 2017 | Principal activities 主要業務性質 |
|--|--|--|--|------------------------------------|
| Indirectly held: (continued) 間接持有：(續) | | | | |
| Grand Triumph Global Limited | The British Virgin Islands limited liability company 英屬處女群島有限責任公司 | US\$1 1美元 | 100% | – Investment holding 投資控股 |
| Hillot Limited | Hong Kong limited liability company 香港有限責任公司 | HK\$500,000 港幣500,000元 | 100% | 100% Securities investment 證券投資 |
| Super Ace Holdings Limited | The British Virgin Islands limited liability company 英屬處女群島有限責任公司 | US\$1 1美元 | 100% | 100% Investment holding 投資控股 |
| 寶威(上海)金屬貿易有限公司 (Note (i))(附註(i)) | Mainland China 中國 | HK\$10,000,000 港幣10,000,000元 | 100% | 100% Steel trading 鋼鐵貿易 |

Note:

- (i) Burwill Warehousing (Shanghai) Limited and 寶威(上海)金屬貿易有限公司 are wholly foreign owned enterprise established in Mainland China to be operated for 50 years up to March 2050 and 50 years up to August 2055, respectively.

None of the above principal subsidiaries have material non-controlling interests for the year ended 31 December 2017 and 2018.

附註：

- (i) 寶威倉儲(上海)有限公司及寶威(上海)金屬貿易有限公司均為於中國成立之外商獨資企業，營業期分別為五十年至二零五零年三月及五十年至二零五五年八月。

截至二零一七年及二零一八年十二月三十一日止年度間，上述主要附屬公司概無擁有重大非控股權益。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

10. INVESTMENTS IN AND BALANCES WITH ASSOCIATES 10. 聯營公司投資及結餘

(i) Investments in associates

The amounts recognised in the consolidated balance sheet are as follows:

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------|----------|--------------------------|--------------------------|
| At 31 December | 於十二月三十一日 | <u>208,026</u> | <u>217,665</u> |

The amounts recognised in the consolidated income statement are as follows:

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------------|--------------|--------------------------|--------------------------|
| For the year ended 31 December | 截至十二月三十一日止年度 | <u>2,023</u> | <u>(86,840)</u> |

Set out below is the associate of the Group as at 31 December 2018 which, in the opinion of the directors, is material to the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held indirectly by the Group. The proportion of ownership interest is the same as the proportion of voting rights held.

(i) 聯營公司投資

綜合資產負債表內確認金額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------|----------|--------------------------|--------------------------|
| At 31 December | 於十二月三十一日 | <u>208,026</u> | <u>217,665</u> |

綜合損益表內確認金額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------------|--------------|--------------------------|--------------------------|
| For the year ended 31 December | 截至十二月三十一日止年度 | <u>2,023</u> | <u>(86,840)</u> |

下文載列於二零一八年十二月三十一日董事認為對本集團而言屬重大之聯營公司。下列公司擁有由本集團間接持有僅以普通股構成之股本。所有權之權益比例與持有之投票權比例相同。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

10. INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued) 10. 聯營公司投資及結餘(續)

(i) Investments in associates (continued)

Nature of investments in associates as at 31 December 2017 and 2018:

| Name 名稱 | Place of business 業務地點 | Country of incorporation 註冊成立國家 | Percentage of ownership interest 持有權益百分比 | Nature of relationship 關係的性質 | Measurement method 計量方法 |
|--|------------------------------|---------------------------------------|--|------------------------------------|-----------------------------------|
| Indirectly held: 間接持有： | | | | | |
| | | | <u>2018</u> | <u>2017</u> | |
| China Land Assets Limited 新港資產有限公司 | Mainland China 中國 | Hong Kong 香港 | 45% | 45% | <i>Note</i> 附註 Equity 權益 |

Notes:

China Land Assets Limited ("CLA") is engaged in the commercial property investments in Mainland China.

CLA is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in CLA.

(i) 聯營公司投資(續)

於二零一七年及二零一八年十二月三十一日聯營公司投資之性質：

附註：

新港資產有限公司(「新港資產」)主要在中國從事工商物業投資業務。

新港資產為一間私營公司，其股份並無市場報價。

本集團於新港資產的權益並沒有或然負債。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

10. INVESTMENTS IN AND BALANCES WITH ASSOCIATES 10. 聯營公司投資及結餘(續) (continued)

(i) Investments in associates (continued)

Individually immaterial associates

In addition to the interests in associate disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|---------------------|--------------------------|--------------------------|
| Aggregate carrying amount of individually immaterial associates | 個別非重大之聯營公司 綜合帳面值 | <u>68,042</u> | <u>70,327</u> |
| Aggregate amounts of the Group's share of associates | 本集團所佔聯營公司 綜合金額 | | |
| Profit or loss | 收益或虧損 | 2,454 | 3,925 |
| Other comprehensive expense | 其他全面支出 | <u>-</u> | <u>(1,555)</u> |
| Total comprehensive income | 全面收入總額 | <u><u>2,454</u></u> | <u><u>2,370</u></u> |

(ii) Balances with associates

Except for the amount due from CLA amounting to approximately HK\$13,110,000 (2017: HK\$13,110,000) which bears interest at 18% (2017: 10%–18%) per annum, all the outstanding balances with associates are unsecured, non-interest bearing and repayable on demand.

(i) 聯營公司投資(續)

非個別重大的聯營公司

除上文所披露聯營公司權益外，本集團亦擁有多間非重大聯營公司權益，其均採用權益法入帳。

(ii) 聯營公司結餘

除新港資產欠款約為港幣13,110,000元(二零一七年：港幣13,110,000元)計年息為18厘(二零一七年：10至18厘)，所有其他與聯營公司結欠均無抵押、免利息及於要求時還款。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

11. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES 11. 合營公司投資及結餘

(i) Investments in joint ventures

The amounts recognised in the consolidated balance sheet are as follows:

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------|----------|--------------------------|--------------------------|
| At 31 December | 於十二月三十一日 | <u>49,695</u> | <u>5,737</u> |

The amounts recognised in the consolidated income statement are as follows:

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------------|--------------|--------------------------|--------------------------|
| For the year ended 31 December | 截至十二月三十一日止年度 | <u>(1,263)</u> | <u>(164)</u> |

Set out below is the joint venture of the Group as at 31 December 2018 which, in the opinion of the directors, is material to the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held indirectly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(i) 合營公司投資

綜合資產負債表內確認金額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--|--------------------------|--------------------------|
| | | <u>49,695</u> | <u>5,737</u> |

綜合損益表內確認金額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--|--------------------------|--------------------------|
| | | <u>(1,263)</u> | <u>(164)</u> |

下文載列於二零一八年十二月三十一日董事認為對本集團而言屬重大之合營公司。下列公司擁有由本集團間接持有僅以普通股構成之股本。註冊成立的國家也是主要經營地，而所有權之權益比例與持有之投票權比例相同。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

11. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (continued) 11. 合營公司投資及結餘(續)

(i) Investments in joint ventures (continued)

Nature of investments in joint venture as at 31 December 2017 and 2018:

| Name 名稱 | Place of business 業務地點 | Country of incorporation 註冊成立國家 | Percentage of ownership interest 持有權益百分比 | Nature of relationship 關係的性質 | Measurement method 計量方法 |
|------------|---------------------------|------------------------------------|---|---------------------------------|----------------------------|
|------------|---------------------------|------------------------------------|---|---------------------------------|----------------------------|

Indirectly held:
間接持有：

| | | | 2018 | 2017 | | |
|------------------------|----------------------|----------------------|------|------|-------------------|--------------|
| 江西寶江鋰業有限公司 (「江西寶江」) | Mainland China 中國 | Mainland China 中國 | 50% | 50% | Note (a) 附註(a) | Equity 權益 |

Notes:

- (a) 江西寶江 is principally engaged in the processing of lithium concentrates and sales of lithium carbonate and lithium hydroxide.
- (b) 江西寶江 is private company and there is no quoted market price for its shares.

附註：

- (a) 江西寶江主要從事鋰精礦加工、銷售碳酸鋰和氫氧化鋰。
- (b) 江西寶江為私營公司，其股份並無市場報價。

Commitments in respect of joint ventures

合營公司之承擔

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|-----------------|--------------------------|--------------------------|
| Commitments – joint ventures Capital commitments | 承擔一合營公司 資本承擔 | – | 48,192 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

11. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (continued) 11. 合營公司投資及結餘(續)

(i) Investments in joint ventures (continued)

The following table illustrates the summarised financial information of the Group's joint venture, 江西寶江, extracted from the financial statements:

| | | 2018 HK\$'000 港幣千元 |
|--|----------|--------------------------|
| Current assets | 流動資產 | 227,193 |
| Non-current assets | 非流動資產 | 209 |
| Current liabilities | 流動負債 | (139,248) |
| Non-current liabilities | 非流動負債 | - |
| Net assets | 資產淨值 | <u>88,154</u> |
| Revenue | 收入 | 662 |
| Expenses | 支出 | (3,172) |
| Other comprehensive expense | 其他全面支出 | - |
| Total comprehensive expense for the year | 年度全面支出總額 | <u>(2,510)</u> |

Individually immaterial joint venture

In addition to the interests in joint ventures disclosed above, the Group also has interests in individually immaterial joint ventures that are accounted for using the equity method.

(i) 合營公司投資(續)

下表說明摘錄自財務報表的本集團合營公司江西寶江的概要財務資料：

個別非重大合營公司

除上文所披露的合營公司權益外，本集團亦擁有以權益法入賬的個別非重大合營公司權益。

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|----------------|--------------------------|--------------------------|
| Aggregate carrying amount of individually immaterial joint ventures | 個別非重大合營公司的帳面總值 | <u>5,618</u> | <u>5,737</u> |
| Aggregate amounts of the Group's share of joint ventures | 本集團應佔合營公司總額 | | |
| Profit or loss | 損益 | (8) | (164) |
| Other comprehensive expense | 其他全面支出 | - | - |
| Total comprehensive income | 全面收入支出總額 | <u>(8)</u> | <u>(164)</u> |

(ii) Balances with joint ventures

All the outstanding balances with joint ventures are unsecured, non-interest bearing and repayable on demand.

(ii) 合營公司結餘

所有與合營公司結欠均無抵押、免利息及於要求時還款。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

12. FINANCIAL INSTRUMENTS BY CATEGORY

12. 按類別劃分之金融工具

| At 31 December 2018 | 於二零一八年十二月三十一日 | Carrying amount 帳面值 HK\$'000 港幣千元 |
|---|----------------------|--|
| Assets as per consolidated balance sheet | 綜合資產負債表所列資產 | |
| Financial assets at fair value through other comprehensive income | 按公平值透過其他全面收入列帳的財務資產 | 21,601 |
| Financial assets at fair value through profit or loss: | 按公平值透過損益列帳的財務資產： | |
| – Held for trading | – 持有作買賣 | 157 |
| – Recognised at fair value through profit or loss | – 確認為按公平值透過損益列帳 | 133,780 |
| Financial assets at amortised cost: | 按攤銷成本入帳的財務資產： | |
| – Bills and accounts receivable | – 應收票據及應收帳項 | 699,462 |
| – Deposits and other receivables | – 按金及其他應收款 | 261,752 |
| – Due from associates | – 聯營公司欠款 | 129,062 |
| – Due from joint ventures | – 合營公司欠款 | 58 |
| – Cash and bank balances | – 現金及銀行結餘 | 70,251 |
| | | 1,316,123 |
| | | Carrying amount 帳面值 HK\$'000 港幣千元 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | |
| Liabilities as per consolidated balance sheet | 綜合資產負債表所列負債 | |
| Financial liabilities at amortised cost: | 按攤銷成本入帳的財務負債： | |
| – Borrowings | – 貸款 | 665,172 |
| – Due to associates | – 欠聯營公司款項 | 516 |
| – Bills and accounts payable | – 應付票據及應付帳項 | 88,000 |
| – Other payables and accruals | – 其他應付帳項及應計費用 | 214,776 |
| | | 968,464 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

12. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 12. 按類別劃分之金融工具(續)

| | | Carrying amount 帳面值 HK\$'000 港幣千元 |
|--|------------------|---|
| At 31 December 2017 | 於二零一七年十二月三十一日 | |
| Assets as per consolidated balance sheet | 綜合資產負債表所列資產 | |
| Available-for-sale financial assets | 可供出售財務資產 | 25,063 |
| Financial assets at fair value through profit or loss: | 按公平值透過損益列帳的財務資產： | |
| – Held for trading | – 持有作買賣 | 294 |
| – Designated at fair value through profit or loss | – 指定按公平值透過損益列帳 | 169,792 |
| Financial assets classified as loans and receivables: | 分類為貸款和應收款項的財務資產： | |
| – Bills and accounts receivable | – 應收票據及應收帳項 | 704,600 |
| – Deposits and other receivables | – 按金及其他應收款 | 90,257 |
| – Due from associates | – 聯營公司欠款 | 120,163 |
| – Due from joint ventures | – 合營公司欠款 | 43 |
| – Cash and bank balances | – 現金及銀行結餘 | 149,226 |
| | | <u>1,259,438</u> |
| | | Carrying amount 帳面值 HK\$'000 港幣千元 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | |
| Liabilities as per consolidated balance sheet | 綜合資產負債表所列負債 | |
| Financial liabilities at amortised cost: | 按攤銷成本入帳的財務負債： | |
| – Borrowings | – 貸款 | 471,118 |
| – Due to associates | – 欠聯營公司款項 | 568 |
| – Bills and accounts payable | – 應付票據及應付帳項 | 116,916 |
| – Other payables and accruals | – 其他應付帳項及應計費用 | 227,015 |
| | | <u>815,617</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(ii) Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

Non-current assets

Listed equity investment, at fair value
– Kazakhstan Potash Corporation
Limited ("KPC") (Note)

非流動資產

上市股權投資，按公平值
– Kazakhstan Potash
Corporation Limited
("KPC") (附註)

Note: The investment was classified as available-for-sale in 2017.

On disposal of these equity investments, any related balance within the FVOCI reserve will be reclassified to retained earnings.

In the prior financial year, the Group had designated equity investments as available-for-sale financial assets where management intended to hold them for the medium to long-term.

Note 2.2 explains the change of accounting policy and the reclassification of certain equity investments from available-for-sale to at fair value through other comprehensive income. Note 2.11 sets out the remaining accounting policies.

13. 按公平值透過其他全面收入列帳的財務資產

(i) 按公平值透過其他全面收入列帳的財務資產分類

按公平值透過其他全面收入列帳的財務資產包括並非持有作買賣的股本證券且本集團於初始確認階段決定性的選擇此分類。此類為策略投資而本集團認為分類至此更為合適。

(ii) 按公平值透過其他全面收入列帳的股權投資

按公平值透過其他全面收入列帳的股權投資包括以下個別投資：

| 2018 | 2017 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

21,601

–

附註：該投資於二零一七年被分類為可供出售。

於出售該等股權投資時，按公平值透過其他全面收入列帳的儲備內的任何相關結餘將重新分類至保留盈利。

於上一個財政年度，本集團已將股權投資指定為可供出售財務資產，原因為管理層擬將其持有至中長期。

附註2.2解釋會計政策的變動及若干股本投資由可供出售重新分類至按公平值透過其他全面收入列帳。附註2.11載列其餘會計政策。

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13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

(iii) Financial assets previously classified as available-for-sale financial assets (2017)

Non-current assets

Listed equity investment, at fair value
– KPC

非流動資產

上市股權投資，按公平值
– KPC

Classification of financial assets as available-for-sale financial assets

Investments were designated as available-for-sale financial assets if they did not have fixed maturities and fixed or determinable payments, and management intended to hold them for the medium to long-term. Financial assets that were not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) were also included in the available-for-sale category.

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within 12 months of the end of the reporting period.

Impairment indicators for available-for-sale financial assets

A security was considered to be impaired if there had been a significant or prolonged decline in the fair value below its cost. See Note 2.11 for further details about the Group's previous impairment policies for available-for-sale financial assets.

13. 按公平值透過其他全面收入列帳的財務資產(續)

(iii) 先前分類為可供出售財務資產(二零一七年)

| 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------|--------------------------|
|--------------------------|--------------------------|

| | |
|---|--------|
| – | 25,063 |
|---|--------|

將財務資產分類為可供出售財務資產

倘投資並無固定期限及固定或可確定的付款且管理層擬將其持有至中長期，則投資將指定為可供出售財務資產。未分類至任何其他類別(按公平值透過損益列帳、貸款及應收款項或持有至到期投資)的財務資產亦計入可供出售類別。

除非財務資產到期或管理層有意於呈報期末後十二個月內出售，否則財務資產作非流動資產呈列。

可供出售財務資產的減值跡象

倘公平值大幅或長期下跌至低於其成本，則證券被視為減值。有關本集團可供出售財務資產先前的減值政策的進一步詳情，請參閱附註2.11。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

14. INVENTORIES

14. 存貨

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|----------------|--------------------------|--------------------------|
| Finished goods – steel products held for resale | 製成品—待重新出售之鋼鐵產品 | 86,024 | 35,190 |

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$2,238,745,000 (2017: HK\$2,294,845,000).

存貨成本中確認為費用並列入銷售成本的金額共計約港幣2,238,745,000元(二零一七年：港幣2,294,845,000元)。

At 31 December 2018, the Group had certain inventories of approximately HK\$67,601,000 (2017: HK\$27,355,000) pledged with the banks (see Note 37(a)).

於二零一八年十二月三十一日，本集團有部份存貨約港幣67,601,000元(二零一七年：港幣27,355,000元)抵押予銀行(見附註37(a))。

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

15. 按公平值透過損益列帳的財務資產

(i) Classification of financial assets at fair value through profit or loss

(i) 按公平值透過損益列帳的財務資產分類

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

本集團將以下分類按公平值透過損益列帳的財務資產：

- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

- 持有作買賣的股權投資；及
- 實體並無選擇按公平值透過其他全面收入列帳確認的權益工具。

Current assets

流動資產

Financial assets held for trading:
Listed equity securities
– Hong Kong

持有作買賣的財務資產：
上市股本證券
– 香港

157

294

Financial assets recognised as at fair value through profit or loss (2017: designated as at fair value through profit or loss):

確認為按公平值透過損益列帳的財務資產(二零一七年：指定為按公平值透過損益列帳)：

Listed equity securities
– Overseas (Note)

上市股本證券
– 海外(附註)

133,780

169,792

Market value of listed equity securities

上市股本證券之市值

133,937

170,086

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(i) Classification of financial assets at fair value through profit or loss (continued)

Note: The financial assets represent the investment in Alliance Mineral Assets Limited (“AMAL”) which are dual-listed on the Australian Securities Exchange (“ASX”) and Singapore Stock Exchange Catalyst. As of 31 December 2018, a total of 93,388,728 (2017: 76,510,228) ordinary shares of AMAL are held by the Group, representing 7.16% (2017:13.77%) of AMAL’s total issued ordinary shares.

Changes in fair values of financial assets at fair value through profit or loss are recorded in “other income and net gains” in the consolidated income statement (see Note 26).

The fair value of all equity securities is based on their current bid prices in an active market.

At 31 December 2018, equity securities with market value of approximately HK\$115,157,000 (2017: HK\$169,792,000) were pledged to secure other loans of the Group (see Note 37(b)).

(ii) Previous accounting policy: Classification of financial assets at fair value through profit or loss

In 2017, the Group classified financial assets at fair value through profit or loss if they were acquired principally for the purpose of selling in the short term, i.e. are held for trading or financial assets designated as at fair value through profit or loss. They were presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they were presented as non-current assets. See Note 2.11 for the Group’s other accounting policies for financial assets.

15. 按公平值透過損益列帳的財務資產 (續)

(i) 按公平值透過損益列帳的財務資產分類 (續)

*附註：*上述財務資產為於Alliance Mineral Assets Limited (「AMAL」)的投資，該公司在澳洲證券交易所(「澳交所」)及新加坡證券交易所Catalist雙重上市。於二零一八年十二月三十一日，本集團共持有AMAL 93,388,728股(二零一七年：76,510,228股)普通股，佔AMAL已發行普通股總數7.16%(二零一七年：13.77%)。

按公平值透過損益列帳的財務資產的公平值變動，在綜合損益表內「其他收入及收益淨額」中列帳(見附註26)。

所有股本證券公平值乃根據其在活躍市場之現時出價計算。

於二零一八年十二月三十一日，股本證券市值約港幣115,157,000元(二零一七年：港幣169,792,000元)已為本集團其他貨款作抵押(見附註37(b))。

(ii) 先前會計政策：按公平值透過損益列帳的財務資產分類

於二零一七年，倘收購財務資產的目的主要為於短期內出售(如持有作買賣或指定按公平值透過損益列帳)，則本集團將其分類為按公平值透過損益列帳的財務資產。倘財務資產預計於報告期末後的12個月內出售，則彼等呈列為流動資產；否則彼等呈列為非流動資產。有關本集團財務資產的其他會計政策見附註2.11。

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16. BILLS, ACCOUNTS AND OTHER RECEIVABLES

16. 應收票據、應收帳項及其他應收款

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|---------------------|--------------------------|--------------------------|
| Bills and accounts receivable | 應收票據及應收帳項 | 703,697 | 710,016 |
| Less: Allowance for impairment of accounts receivable | 減：應收帳項減值撥備 | <u>(4,235)</u> | <u>(5,416)</u> |
| Bills and accounts receivable, net (Note (i)) | 應收票據及應收帳項，淨額（附註(i)） | <u>699,462</u> | <u>704,600</u> |
| Deposits, prepayments and other receivables | 按金、預付款及其他應收款 | 423,902 | 344,938 |
| Less: Allowance for impairment of deposits, prepayments and other receivables | 減：按金、預付款及其他應收款減值撥備 | <u>(21,587)</u> | <u>(91,927)</u> |
| Deposits, prepayments and other receivables, net | 按金、預付款及其他應收款，淨額 | <u>402,315</u> | <u>253,011</u> |
| | | <u>1,101,777</u> | <u>957,611</u> |

Notes:

- (i) The following is an aged analysis of bills and accounts receivable net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

附註：

- (i) 以下為於報告期末（與相關收入確認日期相若）根據發票日期呈列的應收票據及應收帳項（已扣除撥備）的帳齡分析：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|---------------|--------------------------|--------------------------|
| Within three months | 三個月內 | 284,226 | 484,370 |
| Over three months but within six months | 超過三個月而不超過六個月 | 64,319 | 94,118 |
| Over six months but within twelve months | 超過六個月而不超過十二個月 | 216,132 | 126,112 |
| Over twelve months | 超過十二個月 | <u>134,785</u> | <u>-</u> |
| | | <u>699,462</u> | <u>704,600</u> |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

16. BILLS, ACCOUNTS AND OTHER RECEIVABLES (continued) 16. 應收票據、應收帳項及其他應收款 (續)

Notes: (continued)

- (ii) At 31 December 2018 and 2017, the ageing analysis of bills and accounts receivable based on due dates is as follows:

| | |
|--|---------------|
| Within three months: | 三個月內： |
| – not yet due | – 未逾期 |
| – past due within three months | – 逾期三個月內 |
| Over three months but within six months | 超過三個月而不超過六個月 |
| Over six months but within twelve months | 超過六個月而不超過十二個月 |
| Over twelve months | 超過十二個月 |

There is no significant concentration of credit risk with respect to bills and accounts receivable as the Group has a large number of customers, which are internationally dispersed.

- (iii) The carrying amounts of the Group's bills and accounts receivable are denominated in the following currencies:

| | |
|------|----|
| US\$ | 美元 |
| EUR | 歐元 |

At 31 December 2018, the Group had certain bills and accounts receivable of approximately HK\$38,655,000 (2017: HK\$126,436,000) pledged with the banks (see Note 37(c)).

附註：(續)

- (ii) 於二零一八年及二零一七年十二月三十一日，根據逾期日期的應收票據及應收帳款的帳齡分析如下：

| 2018 | 2017 |
|----------------|----------------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| 346,005 | 577,206 |
| 89,664 | 40,866 |
| 125,894 | 86,528 |
| 137,246 | – |
| 653 | – |
| 699,462 | 704,600 |

應收票據及應收帳項並無重大集中的信貸風險，因為本集團有眾多客戶，遍佈世界各地。

- (iii) 本集團的應收票據及應收帳項的帳面值以下列貨幣為單位：

| 2018 | 2017 |
|----------------|----------------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| 661,142 | 574,687 |
| 38,320 | 129,913 |
| 699,462 | 704,600 |

於二零一八年十二月三十一日，本集團有部份應收票據及應收帳項約港幣38,655,000元（二零一七年：港幣126,436,000元）抵押予銀行（見附註37(c)）。

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17. CASH AND BANK BALANCES

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---------------------------|---------|--------------------------|--------------------------|
| Cash at banks and on hand | 銀行及庫存現金 | 70,251 | 149,226 |

At 31 December 2018, the Group had certain bank balances of approximately HK\$346,000 (2017: HK\$27,696,000) pledged with the banks (see Note 37(d)).

於二零一八年十二月三十一日，本集團有部份銀行結餘約港幣346,000元(二零一七年：港幣27,696,000元)抵押予銀行(見附註37(d))。

At 31 December 2018, cash and bank balances of approximately HK\$11,788,000 (2017: HK\$1,769,000) are denominated in RMB and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government.

於二零一八年十二月三十一日，現金及銀行結餘約港幣11,788,000元(二零一七年：港幣1,769,000元)是以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該等資金會受限於中國政府實施之外匯管制規條。

18. SHARE CAPITAL

| | | Number of ordinary shares 普通股數目 (thousands) (千計) | Nominal value 面值 HK\$'000 港幣千元 |
|---|-----------------------------|---|--|
| <i>Authorised</i> | <i>法定</i> | | |
| At 1 January 2017, | 於二零一七年一月一日、 | | |
| 31 December 2017, | 二零一七年十二月三十一日、 | | |
| 1 January 2018 and | 二零一八年一月一日及 | | |
| 31 December 2018 | 二零一八年十二月三十一日 | 6,800,000 | 680,000 |
| <i>Issued and fully paid</i> | <i>已發行及繳足</i> | | |
| At 1 January 2017 | 於二零一七年一月一日 | 5,016,565 | 501,656 |
| Repurchase of shares (Note (a)) | 購回股份(附註(a)) | (53,136) | (5,313) |
| Share options exercised | 行使購股權 | 9,400 | 940 |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日 及二零一八年一月一日 | 4,972,829 | 497,283 |
| Repurchase of shares (Note (b)) | 購回股份(附註(b)) | (36,506) | (3,651) |
| Share options exercised | 行使購股權 | 173,300 | 17,330 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 5,109,623 | 510,962 |

17. 現金及銀行結餘

18. 股本

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

18. SHARE CAPITAL (continued)

Notes:

- (a) During the year ended 31 December 2017, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 53,136,000 shares of the Company on the Stock Exchange pursuant to the general mandate granted by the shareholders at the annual general meeting held on 22 June 2016.
- (b) During the year ended 31 December 2018, the Company via Hillot Limited, a wholly-owned subsidiary of the Company, repurchased a total of 36,506,000 shares of the Company on the Stock Exchange pursuant to the general mandate granted by the shareholders at the annual general meeting held on 7 June 2018.

19. SHARE-BASED PAYMENTS

At the annual general meeting of the Company held on 8 June 2011 ("2011 Option Scheme") and 7 June 2018 ("2018 Option Scheme"), (together the "Share Option Schemes"), shareholders of the Company approved the adoption of Share Option Schemes. Under the Share Option Schemes, the Company may grant options to employee (whether full-time or part-time), officer, buying agent, selling agent, consultant, sales representative or marketing representative of, or supplier or provider of goods or services to, the Company or any of its subsidiaries, including any executive or non-executive director of the Company or any of its subsidiaries, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options.

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

2011 Option Scheme was terminated after the adoption of 2018 Option Scheme on 7 June 2018, after which period no further options will be granted nor accepted but the provisions of 2011 Option Scheme shall remain in full force and effect in all other respects.

2018 Option Scheme shall be valid and effective for a period of ten years commencing from 7 June 2018, after which period no further options will be granted nor accepted but the provisions of 2018 Option Scheme shall remain in full force and effect in all other respects. No share option is granted, forfeited, exercised or expired under 2018 option scheme since its adoption on 7 June 2018.

18. 股本 (續)

附註：

- (a) 截至二零一七年十二月三十一日止年度內，本公司透過本公司全資附屬公司Hillot Limited根據於二零一六年六月二十二日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於聯交所購回本公司股份合共53,136,000股。
- (b) 截至二零一八年十二月三十一日止年度內，本公司透過本公司全資附屬公司Hillot Limited根據二零一八年六月七日舉行之股東週年大會上獲股東授予董事購回股份之一般授權，於聯交所購回本公司股份合共36,506,000股。

19. 以股份支付之報酬

本公司股東於本公司於二零一一年六月八日及二零一八年六月七日舉行之股東週年大會上批准採用購股權計劃（「二零一一年購股權計劃」）及（「二零一八年購股權計劃」）（統稱「購股權計劃」）。根據購股權計劃，本公司可授予本公司或其任何附屬公司之僱員（不論是是全職或兼職）、主管、採購代理、銷售代理、顧問、銷售代表或市務代表，或本公司或其任何附屬公司之商品或服務供應商或提供商（包括本公司或其任何附屬公司之任何執行董事或非執行董事）購股權，但僅限於最多本公司不時已發行股本之30%。

認購價將由董事局定價，並最少為下列價格中之最高者：(a) 股份在授出（有待接受）購股權當日（必須為營業日）在聯交所每日報價表所列之收市價；(b) 股份在緊接授出（有待接受）購股權之日期前五個營業日，在聯交所每日報價表所列之平均收市價；及(c) 股份之面值。

於二零一八年六月七日採納二零一八年購股權計劃後，二零一一年購股權計劃已終止，其後將不得再授出或接納任何購股權，惟二零一一年購股權計劃之條文在其它各方面將仍具有十足效力。

二零一八年購股權計劃之有效期由二零一八年六月七日起計，為期十年，其後將不得再授出或接納任何購股權，惟二零一八年購股權計劃之條文在其它各方面將仍具有十足效力。自二零一八年六月七日採納以來，二零一八年購股權計劃項下概無購股權授出、沒收、行使或屆滿。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

19. SHARE-BASED PAYMENTS (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | | 2018 | | 2017 | |
|----------------|----------|---|---------------------------------|---|---------------------------------|
| | | Average exercise price in HK\$ per share option 每購股權平均行使價 (港元) | Options (thousands) 購股權 (千計) | Average exercise price in HK\$ per share option 每購股權平均行使價 (港元) | Options (thousands) 購股權 (千計) |
| At 1 January | 於一月一日 | 0.217 | 426,600 | - | - |
| Granted | 已授出 | - | - | 0.217 | 436,000 |
| Exercised | 已行使 | 0.217 | (173,300) | 0.217 | (9,400) |
| Forfeited | 已沒收 | 0.217 | (4,900) | - | - |
| At 31 December | 於十二月三十一日 | 0.217 | 248,400 | 0.217 | 426,600 |

All the outstanding options were exercisable as at 31 December 2017 and 2018. Options exercised in 2018 resulted in 173,300,000 (2017: 9,400,000) shares being issued at a weighted average price of HK\$0.217 (2017: HK\$0.217). The related weighted average share price at the time of exercise was HK\$0.39 (2017: HK\$0.34) per share.

The related transaction costs approximately to HK\$41,000 (2017: HK\$9,000) had been netted off with the proceeds received for the year ended 31 December 2018.

19. 以股份支付之報酬 (續)

尚未行使之購股權數目及彼等有關加權平均行使價變動如下：

於二零一七年及二零一八年十二月三十一日，所有未行使之購股權均可予行使。於二零一八年共有173,300,000份（二零一七年：9,400,000份）購股權按每份港幣0.217元（二零一七年：港幣0.217元）之加權平均價行使。於行使時之相關加權平均股價為每股股份港幣0.39元（二零一七年：港幣0.34元）。

截至二零一八年十二月三十一日止年度相關交易成本約為港幣41,000元（二零一七年：港幣9,000元），透過已收取所得款項結清。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

19. SHARE-BASED PAYMENTS (continued)

Share options outstanding at the end of the year had the following expiry date and exercise price:

| Expiry date | 到期日 | Exercise price in HK\$ per share option 每購股權行使價 (港元) | Options (thousands) 購股權 (千計) | |
|------------------------------------|--------------------------|--|------------------------------------|---------|
| | | | 2018 | 2017 |
| 2011 Option Scheme 13 July 2019 | 二零一一年購股權計劃 二零一九年七月十三日 | 0.217 | 248,400 | 426,600 |

19. 以股份支付之報酬(續)

於年末尚未行使之購股權之到期日及行使價如下：

The vesting period of the options is from the date of the grant until the commencement of the exercisable period.

購股權之歸屬期由授出當日起至行使期開始當日止。

According to Black-Scholes options pricing model, the fair value of options granted in 2017 was approximately HK\$26,160,000 of which the Group recognised a share option expenses of approximately HK\$26,160,000 for the year ended 31 December 2017.

根據「柏力克－舒爾斯」期權計價模式，於二零一七年授出之購股權之公平值約港幣26,160,000元，其中本集團於截至二零一七年十二月三十一日止年度確認購股權支出約港幣26,160,000元。

The weighted average fair value of options granted in 2017 determined using the Black-Scholes options pricing model was \$0.06 per option. The significant inputs into the model were summarised as follows:

於二零一七年授出之購股權，其加權平均公平值以「柏力克－舒爾斯」期權計價模式釐定，每份購股權為港幣0.06元。輸入該模式之重大數據綜合如下：

| | |
|--------------------------------|-----------|
| Volatility | 52.05% |
| Exercise price | HK\$0.217 |
| Expected option life | 2 years |
| Annual risk-free interest rate | 0.79% |
| Share price at the grant date | HK\$0.217 |

| | |
|----------|----------|
| 波動幅度 | 52.05% |
| 行使價 | 港幣0.217元 |
| 購股權之預計年期 | 兩年 |
| 無風險年利率 | 0.79% |
| 於授出日期之股價 | 港幣0.217元 |

The volatility represented the average standard deviation of historical share price movement of the Company in the relevant periods matching expected life of the share options. The amount of share-based payments charged to the consolidated income statement for the year ended 31 December 2017.

波動幅度指本公司於相關期內匹配購股權之預計年期的歷史股價變動之平均標準偏差。截至二零一七年十二月三十一日止年度，於綜合損益表扣除以股份支付之報酬之款項。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

20. OTHER RESERVES AND ACCUMULATED LOSSES

20. 其他儲備及累計虧損

| | | Share premium | Capital reserve (Note (i)) | Contributed surplus (Note (ii)) | Capital redemption reserve | Available-for-sale reserve | Translation adjustments | Share-based compensation reserve | Convertible bonds reserve | Accumulated losses | Total |
|---|---------------------|---------------|----------------------------|---------------------------------|----------------------------|----------------------------|-------------------------|----------------------------------|---------------------------|--------------------|----------|
| | | 資本儲備 | 資本儲備 (附註(i)) | 繳入盈餘 (附註(ii)) | 資本回贖儲備 | 可供出售儲備 | 換算調整 | 以股份支付之補償儲備 | 可換股債券儲備 | 累計虧損 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| At 1 January 2017 | 於二零一七年一月一日 | 850,865 | (51,580) | 99,172 | 12,037 | - | 61,665 | - | - | (512,648) | 459,511 |
| Loss for the year | 年度虧損 | - | - | - | - | - | - | - | - | (7,715) | (7,715) |
| Share of other comprehensive expense of associates | 所佔聯營公司其他全面支出 | - | - | - | - | - | (3,845) | - | - | - | (3,845) |
| Release upon disposal of subsidiaries | 出售附屬公司權益轉出儲備 | - | - | - | - | - | (9,890) | - | - | - | (9,890) |
| Release of reserves upon reclassification of associate to available-for-sale financial assets | 聯營公司重列作可供出售財務資產轉出儲備 | - | - | - | - | - | (9,432) | - | - | - | (9,432) |
| Change in fair value of available-for-sale financial assets | 可供出售財務資產公平值變動 | - | - | - | - | (33,536) | - | - | - | - | (33,536) |
| Reclassification upon impairment of available-for-sale financial assets | 於可供出售財務資產減值時重新分類 | - | - | - | - | 33,536 | - | - | - | - | 33,536 |
| Currency translation differences | 貨幣匯兌差額 | | | | | | | | | | |
| - Group | - 集團 | - | - | - | - | - | (10,383) | - | - | - | (10,383) |
| - Associates | - 聯營公司 | - | - | - | - | - | 33,759 | - | - | - | 33,759 |
| Repurchase of shares | 回購股份 | (3,331) | - | - | - | - | - | - | - | - | (3,331) |
| Employee share option scheme: | 僱員購股權計劃: | | | | | | | | | | |
| - value of employee services | - 僱員服務價值 | - | - | - | - | - | - | 26,160 | - | - | 26,160 |
| - share options exercised | - 行使購股權 | 1,663 | - | - | - | - | - | (564) | - | - | 1,099 |
| Issue of convertible bonds | 發行可換股債券 | | | | | | | | | | |
| - equity component | - 權益組成部分 | - | - | - | - | - | - | - | 14,236 | - | 14,236 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 849,197 | (51,580) | 99,172 | 12,037 | - | 61,874 | 25,596 | 14,236 | (520,363) | 490,169 |

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

20. OTHER RESERVES AND ACCUMULATED LOSSES 20. 其他儲備及累計虧損 (續)

(continued)

| | | Share premium | Capital reserve (Note (i)) | Contributed surplus (Note (ii)) | Capital redemption reserve | Financial assets at FVOCI reserve | Translation adjustments | Share-based compensation reserve | Convertible bonds reserve | Accumulated losses | Total |
|--|--------------------------|---------------|----------------------------|---------------------------------|----------------------------|-----------------------------------|-------------------------|----------------------------------|---------------------------|--------------------|-----------|
| | | 股份溢價 | 資本儲備 (附註(i)) | 繳入盈餘 (附註(ii)) | 資本回贖儲備 | 按公平值透過其他全面收入列帳的財務資產儲備 | 換算調整 | 以股份支付之補償儲備 | 可換股債券儲備 | 累計虧損 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| At 31 December 2017 | 於二零一七年一月一日 | 849,197 | (51,580) | 99,172 | 12,037 | - | 61,874 | 25,596 | 14,236 | (520,363) | 490,169 |
| Reclassification on the adoption of HKFRS 9 | 採納香港財務報告準則第9號而重新分類 | - | - | - | - | - | - | - | - | (10,040) | (10,040) |
| 1 January 2018 | 於二零一八年一月一日 | 849,197 | (51,580) | 99,172 | 12,037 | - | 61,874 | 25,596 | 14,236 | (530,403) | 480,129 |
| Loss for the year | 年度虧損 | - | - | - | - | - | - | - | - | (109,496) | (109,496) |
| Share of other comprehensive income of associates | 所佔聯營公司其他全面收入 | - | - | - | - | - | 409 | - | - | - | 409 |
| Release upon disposal of subsidiaries | 出售附屬公司權益轉出儲備 | - | - | - | - | - | (55,515) | - | - | - | (55,515) |
| Changes in the fair value of equity investments at fair value through other comprehensive income | 按公平值透過其他全面收入列帳的權益工具公平值變動 | - | - | - | - | (3,463) | - | - | - | - | (3,463) |
| Currency translation differences | 貨幣匯兌差額 | - | - | - | - | - | - | - | - | - | - |
| - Group | - 集團 | - | - | - | - | - | (5,363) | - | - | - | (5,363) |
| - Associates | - 聯營公司 | - | - | - | - | - | (11,320) | - | - | - | (11,320) |
| Repurchase of shares | 回購股份 | (1,858) | - | - | - | - | - | - | - | - | (1,858) |
| Employee share option scheme: - share options exercised | 僱員購股權計劃：- 行使購股權 | 30,633 | - | - | - | - | - | (10,400) | - | - | 20,233 |
| Disposal of subsidiaries | 出售附屬公司 | - | 51,580 | - | - | - | - | - | - | (51,580) | - |
| Transfer of share option reserve upon the forfeiture or expiry of share options | 於購股權沒收或屆滿時轉撥購股權儲備 | - | - | - | - | - | - | (292) | - | 292 | - |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 877,972 | - | 99,172 | 12,037 | (3,463) | (9,915) | 14,904 | 14,236 | (691,187) | 313,756 |

Notes:

- (i) Capital reserve of the Group represents the difference between the considerations paid over the proportionate share of net assets attributable to the acquisition of additional interest in subsidiaries.
- (ii) Contributed surplus represents (a) the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired; and (b) transfer from share premium account. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that a company shall not declare or pay a dividend, or make a distribution out of contributed surplus if (a) it is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

附註：

- (i) 本集團的資本儲備指所支付代價與收購附屬公司額外權益按比例應佔資產淨值之間的差額。
- (ii) 繳入盈餘乃(a)股份發行之面值與購入附屬公司之淨資產帳面值之差額；及(b)由股份溢價帳轉入。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

根據百慕達一九八一年公司法，繳入盈餘可分派給股東，但如(a)於分派後，公司未能償還到期債務或(b)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，公司不能宣佈或支付股息或分派繳入盈餘。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. BORROWINGS

21. 貸款

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|-------------------------|--------------------------|--------------------------|
| Non-current | 非流動 | | |
| Convertible bonds (Note (i)) | 可換股債券(附註(i)) | – | 140,300 |
| Notes payables (Note (ii)) | 應付票據(附註(ii)) | 71,301 | 23,065 |
| Other loans from non-controlling shareholders of subsidiaries (Note (iii)) | 附屬公司非控股股東的其他貸款(附註(iii)) | – | 56,660 |
| | | 71,301 | 220,025 |
| Current | 流動 | | |
| Bank overdrafts (Note 34(b)) | 銀行透支(附註34(b)) | 4,277 | – |
| Bank borrowings due within one year | 須於一年內償還的銀行貸款 | 221,350 | 181,714 |
| Convertible bonds (Note (i)) | 可換股債券(附註(i)) | 253,816 | – |
| Notes payables (Note (ii)) | 應付票據(附註(ii)) | 40,617 | – |
| Other loans (Note (iv)) | 其他貸款(附註(iv)) | 73,811 | 69,379 |
| | | 593,871 | 251,093 |
| Total borrowings | 總貸款 | 665,172 | 471,118 |

Secured borrowings are as follows:

有抵押貸款如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|-----------------|------|--------------------------|--------------------------|
| Bank borrowings | 銀行貸款 | 104,778 | 124,082 |
| Other loans | 其他貸款 | 73,811 | 69,379 |
| | | 178,589 | 193,461 |

At 31 December 2018, bank borrowings of approximately HK\$104,778,000 (2017: HK\$124,082,000) were secured by certain inventories, bills and accounts receivable and bank balances (see Notes 14, 16 and 17).

於二零一八年十二月三十一日，銀行貸款約港幣104,778,000元(二零一七年：港幣124,082,000元)以部份存貨、應收票據及應收帳項及銀行結餘作抵押(見附註14、16及17)。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. BORROWINGS (continued)

Certain banking facilities of the Group are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 3.1(c). As at 31 December 2017 and 2018, none of the covenants relating to the drawn down facilities had been breached.

At 31 December 2017 and 2018, the Group's borrowings were repayable as follows:

21. 貸款(續)

本集團部分銀行信貸須受履行與本集團若干資產負債比率有關的契約所規限。該等契約常見於與金融機構達成的借貸安排。若本集團違反契約，則已提取的貸款將須於要求時償還。本集團會定期監察該等契約的遵行情況。本集團管理流動資金風險的進一步詳情載於附註3.1(c)。於二零一七年及二零一八年十二月三十一日，本集團並無違反有關已提取信貸的契約。

於二零一七年及二零一八年十二月三十一日，本集團貸款的償還情況如下：

| | Bank borrowings and overdrafts 銀行貸款及透支 | | Other borrowings 其他貸款 | |
|---|---|--------------------------|--------------------------|--------------------------|
| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
| Within one year 一年內 | 225,627 | 181,714 | 368,244 | 69,379 |
| Between one and two years (Note) 一至二年內 (附註) | – | – | 66,801 | 159,465 |
| Between two and five years (Note) 二至五年內 (附註) | – | – | 4,500 | 60,560 |
| | 225,627 | 181,714 | 439,545 | 289,404 |

Note:

The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignored the effect of any repayment on demand clause.

附註：

到期金額乃按貸款協議所載的預定償還日期計算，並無計及任何可隨時要求償還條款之影響。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. BORROWINGS (continued)

Notes: (continued)

(i) Convertible bonds

2017 Convertible Bonds

On 25 September 2017, the Company entered into the subscription agreement dated 25 September 2017 with Haitong International Financial Products (Singapore) Pte. Ltd. in relation to the issue of convertible bonds in the aggregate principal amount of US\$20,000,000, carrying an interest of 7%, which is payable semi-annually by the Company (the "2017 Convertible Bonds"). The 2017 Convertible Bonds will be due on 3 October 2019. Upon full conversion of the 2017 Convertible Bonds at the conversion price of HK\$0.26 per conversion share (subject to anti-dilutive adjustments), a total of 603,846,000 new ordinary shares of the Company will be issued. The shares will be allotted and issued pursuant to the general mandate granted to the Directors of the Company at annual general meeting of the Company held on 30 June 2017. The 2017 Convertible bonds may be converted into ordinary shares of the Company commencing on 3 June 2018. The liability component of the 2017 Convertible Bonds was calculated using the effective interest rate of 13.9% per annum.

2018 Convertible Bonds

On 20 March 2018, the Company entered into the subscription agreement dated 20 March 2018 with Tongfang Securities Limited, Haitong International Asset Management (HK) Limited and Mount Everest Fund in relation to the issue of convertible bonds in the aggregate principal amount of US\$13,000,000, carrying an interest of 7%, which is payable semi-annually by the Company (the "2018 Convertible Bonds"). The conversion period of the 2018 Convertible Bonds will be matured on 28 September 2019. Upon full conversion of the 2018 Convertible Bonds at the conversion price of HK\$0.32 per conversion share (subject to anti-dilutive adjustments), a total of 316,875,000 new ordinary shares of the Company will be issued. The shares will be allotted and issued pursuant to the general mandate granted to the Directors of the Company at annual general meeting of the Company held on 30 June 2017. The conversion period of the 2018 Convertible Bonds will commence on 28 July 2019. In the event that the convertible bondholders shall give conversion notice to the Company to exercise the conversion right with respect to any convertible bonds (the "Relevant Convertible Bonds"), the Company shall have the rights (the "Early Redemption Right") to redeem the Relevant Convertible Bonds by giving a redemption notice (the "Early Redemption Notice") to the convertible bondholders within 15 business days from the date of the Conversion Notice at an aggregate price (the "Early Redemption Amount") of (i) the outstanding principal amount of the Relevant Convertible Bonds, (ii) all accrued and unpaid interest for the Relevant Convertible Bonds from the issue date up to (and including) the date of the Redemption Notice, and (iii) such amount as would result in an internal rate of return of fifteen (15%) per annum on the outstanding principal amount of the Relevant Convertible Bonds at the date of the Redemption Notice. Upon maturity, the Company shall redeem at redemption price determinate the same manner as the Early Redemption Amount. The 2018 Convertible Bonds is hybrid instrument as the conversion option does not meet the definition of an equity instrument. The fair value of embedded derivatives is determinate to be insignificant as at the date of issuance and 31 December 2018.

21. 貸款 (續)

附註：(續)

(i) 可換股債券

2017 可換股債券

於二零一七年九月二十五日，本公司與 Haitong International Financial Products (Singapore) Pte. Ltd. 訂立日期為二零一七年九月二十五日之認購協議，內容有關發行本金總額 20,000,000 美元，按 7 厘計息，須由本公司每半年償還的可換股債券（「2017 可換股債券」）。2017 可換股債券將於二零一九年十月三日到期。倘 2017 可換股債券按換股價每換股份港幣 0.26 元（可予反攤薄調整）悉數轉換，合共 603,846,000 股本公司新普通股股份將予發行。股份將根據於二零一七年六月三十日舉行之本公司股東週年大會上授予董事之一般性授權配發及發行。自二零一八年六月三日開始，2017 可換股債券可轉換為本公司普通股。2017 可換股債券的負債組成部份乃使用實際年利率 13.9 厘計算。

2018 可換股債券

於二零一八年三月二十日，本公司與同方證券有限公司、海通國際資產管理（香港）有限公司及珠峰基金簽訂日期為二零一八年三月二十日之認購協議，內容有關發行本金總額 13,000,000 美元，按 7 厘計息，須由本公司每半年償還的可換股債券（「2018 可換股債券」）。2018 可換股債券的轉換期將於二零一九年九月二十八日到期。倘 2018 可換股債券按換股價每換股份港幣 0.32 元（可予反攤薄調整）悉數轉換，合共 316,875,000 股本公司新普通股股份將予發行。股份將根據於二零一七年六月三十日舉行之本公司股東週年大會上授予董事之一般性授權配發及發行。2018 可換股債券的轉換期將於二零一九年七月二十八日開始。倘若可換股債券持有人向公司發出換股通知以就任何可換股債券（「相關可換股債券」）行使換股權，本公司有權（「提早贖回權」）通過於換股通知日期後十五個營業日內向可換股債券持有人發出贖回通知（「提早贖回通知」）贖回相關可換股債券，總價為 (i) 相關可換股債券之未償本金、(ii) 相關可換股債券於發行日期直至贖回通知日期（包括該日）之全部已發生但未支付利息，及 (iii) 於贖回通知日期相關可換股債券未償本金之內部年回報率十五（15%）（「提早贖回金額」）。於到期時，本公司將按與提早贖回金額相同的方式釐定的贖回價贖回。2018 可換股債券為混合工具，因為換股權不符合權益工具的定義。於發行日期及二零一八年十二月三十一日，嵌入式衍生工具的公平值被釐定為不重大。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

21. BORROWINGS (continued)

Notes: (continued)

(i) Convertible bonds (continued)

The convertible bonds recognised in the consolidated balance sheet are calculated as follows:

| | | 2018 | 2017 | 2017 | 2017 |
|--|-----------------|----------------|----------------|----------------|----------------|
| | | Convertible | Convertible | Total | Convertible |
| | | Bonds | Bonds | Bonds | Bonds |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| As at 1 January | 於一月一日 | – | 140,300 | 140,300 | – |
| Face value of convertible bonds issued during the year | 於年內發行的可轉換債券的票面值 | 101,400 | – | 101,400 | 156,000 |
| Transaction costs | 交易成本 | (2,179) | – | (2,179) | (3,508) |
| Equity component (Note 20) | 權益組成部份(附註20) | – | – | – | (14,236) |
| Interest expense | 利息支出 | 11,076 | 19,501 | 30,577 | 4,738 |
| Interest paid and payable | 已付及應付利息 | (5,362) | (10,920) | (16,282) | (2,694) |
| Liability component at 31 December | 十二月三十一日的負債組成部份 | <u>104,935</u> | <u>148,881</u> | <u>253,816</u> | <u>140,300</u> |

(ii) Notes payables

On 17 May 2017, the Company entered into the placing agreement with the placing agent pursuant to which the placing agent agreed to act as a placing agent, on a best effort basis, for the purposes of arranging places for the issue of the notes with an aggregate principal amount of up to HK\$200,000,000 in multiple tranches. The placing period was extended to 30 April 2019. At 31 December 2017 and 2018, the placing notes carry interest at 7% per annum and payable annually in arrears on the anniversary date of the issue date of the notes or on the maturity date.

In addition, during the year ended 31 December 2017 and 2018, the Company issued 5.5% to 12.5% notes. The notes have a one to five years term and payable annually in arrears on the anniversary date of the issue date of the notes or on the maturity date.

21. 貸款(續)

附註：(續)

(i) 可換股債券(續)

在綜合資產負債表確認的可換股債券計算如下：

| | 2018 | 2017 | 2017 |
|--|----------------|----------------|----------------|
| | Convertible | Convertible | Convertible |
| | Bonds | Bonds | Bonds |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | 港幣千元 | 港幣千元 | 港幣千元 |
| As at 1 January | – | 140,300 | – |
| Face value of convertible bonds issued during the year | 101,400 | – | 156,000 |
| Transaction costs | (2,179) | – | (3,508) |
| Equity component (Note 20) | – | – | (14,236) |
| Interest expense | 11,076 | 19,501 | 4,738 |
| Interest paid and payable | (5,362) | (10,920) | (2,694) |
| Liability component at 31 December | <u>104,935</u> | <u>148,881</u> | <u>140,300</u> |

(ii) 應付票據

二零一七年五月十七日，本公司與配售代理訂立配售協議，據此，配售代理同意擔任配售代理且盡其最大努力，發行合計本金總額不超過港幣200,000,000元的多份票據安排承配人。配售期已延長至二零一九年四月三十日。於二零一七年及二零一八年十二月三十一日，配售票據乃按年利率7厘計息並且按年度，於票據發行日期的週年日期或於到期日支付。

此外，截止二零一七年及二零一八年十二月三十一日止年度，本公司發行5.5至12.5厘票據。票據為期一至五年並且按年度，於票據發行日期的週年日期或於到期日支付。

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21. BORROWINGS (continued)

Notes: (continued)

(iii) Other loans from non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and not repayable within one year.

(iv) Other loans were secured by certain financial assets at fair value through profit or loss in overseas, bearing interest at 7% per annum and repayable on demand.

(v) Fair value

The fair values of convertible bonds are as follow:

| | | 2018 | | 2017 | |
|------------------------|------------|--|---------------------------------------|--|---------------------------------------|
| | | Carrying amount 帳面值 HK\$'000 港幣千元 | Fair value 公平值 HK\$'000 港幣千元 | Carrying amount 帳面值 HK\$'000 港幣千元 | Fair value 公平值 HK\$'000 港幣千元 |
| 2017 Convertible Bonds | 2017 可換股債券 | 148,881 | 150,517 | 140,300 | 143,551 |
| 2018 Convertible Bonds | 2018 可換股債券 | 104,935 | 105,089 | - | - |
| | | 253,816 | 255,606 | 140,300 | 143,551 |

The effective interest rates at the end of the reporting period are as follows:

| | | 2018 | | 2017 | |
|-------------------------------|---------|-------------|-------------|-------------|-------------|
| | | US\$ 美元 | EUR 歐元 | US\$ 美元 | EUR 歐元 |
| Bank borrowings and overdraft | 銀行貸款及透支 | 5.8% | 2.0% | 4.7% | 2.2% |

The carrying amounts of the Group's borrowings are denominated in the following currencies:

| | | 2018 | 2017 |
|------|------|------------------|------------------|
| | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| US\$ | 美元 | 451,056 | 343,063 |
| RMB | 人民幣 | - | 3,899 |
| HK\$ | 港元 | 111,918 | 23,065 |
| EUR | 歐元 | 28,387 | 31,712 |
| SGD | 新加坡元 | 73,811 | 69,379 |
| | | 665,172 | 471,118 |

21. 貸款 (續)

附註：(續)

(iii) 附屬公司非控股股東的其他貸款並無抵押、免利息及不須於一年內償還。

(iv) 其他貸款為金融機構及孖展融資貸款以按公平值透過損益列帳的海外財務資產抵押，年利率7%利息及於要求時還款。

(v) 公平值

可換股債券的公平值如下：

於報告日期末的實際利率如下：

本集團貸款的帳面值以下列貨幣為單位：

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22. CONTRACT LIABILITIES

22. 合約負債

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|-----------------------------|---------|--------------------------|--------------------------|
| Advances for sales of goods | 銷售商品預付款 | 32,179 | - |

Note:

- (i) On 1 January 2018, the balance of the Group's contract liabilities was approximately HK\$20,359,000, of which approximately HK\$15,597,000 has been recognised as revenue in 2018.
- (ii) In addition, the Group has received advance from its customers amounting to approximately HK\$164,453,000 as at 31 December 2018 (2017: HK\$74,828,000) which are refundable and for which the customers have not yet placed binding purchase orders with the Group. Accordingly, these amounts are classified as other payables rather than as contract liabilities.

附註：

- (i) 於二零一八年一月一日，本集團的合約負債結餘約為港幣20,359,000元，其中約港幣15,597,000元已於二零一八年確認為收益。
- (ii) 此外，於二零一八年十二月三十一日，本集團收到客戶預付款項約港幣164,453,000元（二零一七年：港幣74,828,000元），該等款項可退還且客戶尚未向本集團下達具約束力的採購訂單。因此，該等款項分類為其他應付款項而非合約負債。

23. DEFERRED INCOME TAX

23. 遞延所得稅

The gross movement on the deferred income tax account is as follows:

遞延所得稅帳目之變動總額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|---------------|--------------------------|--------------------------|
| At 1 January | 於一月一日 | 15,446 | 42,630 |
| Currency translation differences | 貨幣匯兌差額 | (160) | 489 |
| Consolidated income statement (charge)/ credit | 在綜合損益表(扣除)/進帳 | (1,084) | 1,220 |
| Disposal of subsidiaries | 出售附屬公司 | - | (28,893) |
| At 31 December | 於十二月三十一日 | 14,202 | 15,446 |

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23. DEFERRED INCOME TAX (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

| | |
|--|----------|
| At 1 January | 於一月一日 |
| Charged to consolidated income statement | 在綜合損益表扣除 |
| Disposal of subsidiaries | 出售附屬公司 |
| At 31 December | 於十二月三十一日 |

Deferred income tax assets

| | | Decelerated tax depreciation | | Tax losses | | Total | |
|---|---------------|------------------------------|----------|------------|----------|----------|----------|
| | | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| At 1 January | 於一月一日 | (817) | 340 | 16,263 | 43,467 | 15,446 | 43,807 |
| (Charged)/Credited to the consolidated income statement | 在綜合損益表(扣除)/進帳 | (96) | (333) | (984) | 1,553 | (1,080) | 1,220 |
| Currency translation differences | 貨幣匯兌差額 | - | - | (160) | 489 | (160) | 489 |
| Disposal of subsidiaries | 出售附屬公司 | - | (824) | - | (29,246) | - | (30,070) |
| At 31 December | 於十二月三十一日 | (913) | (817) | 15,119 | 16,263 | 14,206 | 15,446 |

23. 遞延所得稅(續)

年內遞延所得稅資產及負債之變動(沒有考慮與同一徵稅地區之結餘抵銷)如下:

遞延所得稅負債

Accelerated tax depreciation

| 加速稅項折舊 | |
|----------|----------|
| 2018 | 2017 |
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| - | (1,177) |
| (4) | - |
| - | 1,177 |
| (4) | - |

遞延所得稅資產

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23. DEFERRED INCOME TAX (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet as assets/liabilities not realisable/due within one year:

| | |
|---------------------------------|---------|
| Deferred income tax assets | 遞延所得稅資產 |
| Deferred income tax liabilities | 遞延所得稅負債 |

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$620,954,000 (2017: HK\$849,404,000), which certain amounts are subject to approval from the Hong Kong Inland Revenue Department. Tax losses of PRC subsidiaries of approximately HK\$40,077,000 (2017: HK\$3,746,000) have an expiry period of five years, while tax losses of Hong Kong subsidiaries have no expiry date. Tax losses can be carried forward to offset future taxable income.

In addition, the Group has deductible temporary differences arising from expected credit losses amounting to approximately HK\$25,999,000 as at 31 December 2018 which are not recognised as it is considered not probable that future taxable amounts will be available to utilise these temporary differences.

23. 遞延所得稅 (續)

倘有合法強制執行權利可抵銷當期稅項資產與當期稅項負債，以及當遞延所得稅資產與負債與同一課稅當局就有意按淨額基準結付結餘。在計入適當抵銷後，下列金額在綜合資產負債表內以不可於一年內變現／到期之資產／負債列帳：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | 14,206 | 15,861 |
| | (4) | (415) |
| | <u>14,202</u> | <u>15,446</u> |

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損約港幣620,954,000元(二零一七年：港幣849,404,000元)，其中部份需待香港稅務局批准。中國內地成立之附屬公司的稅損約港幣40,077,000元(二零一七年：港幣3,746,000)屆滿期為五年，而香港成立之附屬公司的稅損並無到期日。稅損可結轉以抵銷未來應課稅收入。

此外，於二零一八年十二月三十一日，本集團有因預期信貸虧損而產生約港幣25,999,000元的可扣減暫時差異尚未確認，因未來應課稅金額可能不足以用作抵消該等暫時差異。

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23. DEFERRED INCOME TAX (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprise established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5-10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries and associates established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2018, there was no significant unrecognised deferred tax liability (2017: HK\$388,000) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries, associates or joint ventures.

24. BILLS AND ACCOUNTS PAYABLE

The ageing analysis of bills and accounts payable is as follows:

| | |
|---------------------|--------|
| Within three months | 三個月內 |
| Over twelve months | 超過十二個月 |

The carrying amounts of the Group's bills and accounts payable are denominated in the following currencies:

| | |
|------|-----|
| US\$ | 美元 |
| RMB | 人民幣 |
| EUR | 歐元 |

23. 遞延所得稅(續)

根據新中國企業所得稅法，於中國內地成立之外國投資企業向外國投資者宣派之股息須徵收10%預扣稅。此規定於二零零八年一月一日生效並適用於二零零七年十二月三十一日以後之盈利。倘中國內地與外國投資者所屬司法權區訂立稅務條約，則較低之預扣稅率可能會適用。就本集團而言，適用稅率為5-10%。因此，本集團須就其於中國內地成立之該等附屬公司及聯營公司就於二零零八年一月一日後產生之盈利而派付之股息繳納預扣稅。

於二零一八年十二月三十一日，概無就本集團附屬公司、聯營公司或合營公司的未匯出盈利而應付之稅項確認重大遞延所得稅(二零一七年：港幣388,000元)。

24. 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

| 2018 | 2017 |
|---------------|----------------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| 87,643 | 94,316 |
| 357 | 22,600 |
| 88,000 | 116,916 |

本集團的應付票據及應付帳項的帳面值以下列貨幣為單位：

| 2018 | 2017 |
|---------------|----------------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |
| 70,912 | 83,682 |
| - | 22,227 |
| 17,088 | 11,007 |
| 88,000 | 116,916 |

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25. PROVISION FOR LAND RESTORATION AND ENVIRONMENTAL COSTS 25. 土地復原及環境成本撥備

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------------------------|----------|--------------------------|--------------------------|
| At 1 January | 於一月一日 | 4,125 | 3,804 |
| Currency translation differences | 貨幣匯兌差額 | - | 321 |
| Disposal of subsidiaries | 附屬公司 | <u>(4,125)</u> | <u>-</u> |
| At 31 December | 於十二月三十一日 | <u>-</u> | <u>4,125</u> |

The provision for land restoration and environmental costs is in relation to the estimated costs of complying with the Group's obligations for land reclamation. These costs are expected to be incurred on mine closure, which are based on current mineral reserve estimates.

土地復原及環境成本撥備是關於本集團對復墾的責任相關成本之估計。此項成本乃根據現有礦產資源儲備估計，並預期在礦井關閉時產生。

26. OTHER (EXPENSE)/INCOME AND NET GAINS

26. 其他(支出)/收入及收益淨額

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 (restated) 港幣千元 (經重列) |
|--|-------------------|--------------------------|---|
| Fair value (losses)/gains on: | 公平值(虧損)/收益： | | |
| - financial assets at fair value through profit or loss | - 按公平值透過損益列帳的財務資產 | (68,671) | 48,014 |
| - derivative financial instruments | - 衍生金融工具 | - | (445) |
| Gains on reclassification of an associate to available-for-sale financial assets | 聯營公司重列作可供出售財務資產收益 | - | 17,392 |
| Impairment loss on available-for-sale financial assets | 可供出售財務資產減值 | - | (33,536) |
| Interest income on: | 利息收入： | | |
| - bank deposits | - 銀行存款 | 55 | 43 |
| - other receivables | - 其他應收款 | 6,556 | 159 |
| - due from associates | - 聯營公司欠款 | 2,360 | 2,190 |
| Dividend income | 股息收入 | - | 9 |
| Dilution loss on an associate | 聯營公司攤薄虧損 | - | (26,343) |
| Others | 其他 | <u>7,419</u> | <u>2,431</u> |
| | | <u>(52,281)</u> | <u>9,914</u> |

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27. EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

| | |
|---|--------------------------|
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 |
| Operating lease rentals | 營運租賃租金 |
| Employee benefit expense (including directors' emoluments) (Note 29) | 僱員福利開支(包括董事酬金) (附註29) |
| Provision for impairment of deposits, prepayments and other receivables | 按金、預付款及其他應收款 減值撥備 |
| Provision for impairment of amounts due from associates | 聯營公司欠款減值撥備 |
| Provision for inventories | 存貨撥備 |
| Net exchange gains | 匯兌淨收益 |
| Auditors' remuneration | 核數師酬金 |

28. OTHER OPERATING EXPENSES

Other operating expenses represent settlement of customer claims in respect of disputes arose from the execution of several sales contracts in 2017.

29. EMPLOYEE BENEFIT EXPENSE

| | |
|---|------------------------|
| Wages and salaries and other termination benefit | 薪金工資及其他離職補助金 |
| Share options granted to directors and employees | 授予董事及僱員的購股權 |
| Pension costs – defined contribution plans (Note (a)) | 退休成本—界定供款計劃 (附註(a)) |
| Staff welfare | 員工福利 |

27. 按性質分類的費用

列在銷售成本、銷售及分銷費用和一般及行政費用內的費用分析如下：

| 2018 HK\$'000 港幣千元 | 2017 HK\$'000 (restated) 港幣千元 (經重列) |
|--------------------------|---|
| 1,145 | 1,665 |
| 9,081 | 6,595 |
| 62,404 | 89,575 |
| – | 1,444 |
| – | 75 |
| – | (2,394) |
| (7) | (14,817) |
| 1,260 | 1,150 |

28. 其他經營支出

其他經營支出為於二零一七年處理若干銷售合同履行產生糾紛涉及之客戶索賠。

29. 僱員福利開支

| 2018 HK\$'000 港幣千元 | 2017 HK\$'000 (restated) 港幣千元 (經重列) |
|--------------------------|---|
| 58,195 | 59,871 |
| – | 26,160 |
| 2,949 | 2,711 |
| 1,260 | 833 |
| 62,404 | 89,575 |

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29. EMPLOYEE BENEFIT EXPENSE (continued)

Notes:

(a) Pensions – defined contribution plans

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the “Original Scheme”), which is managed by independently administered funds. The Group’s monthly contributions are based on 5% of employees’ monthly salaries. The employees are entitled to receive 100% of the Group’s contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. From 1 June 2014, both the employer’s and the employees’ contributions are subject to a maximum of HK\$1,500 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 14% to 22% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group’s contributions to the aforementioned schemes was approximately HK\$2,969,000 (2017: HK\$2,821,000) without deduction of forfeited contributions of the Original Scheme.

29. 僱員福利開支(續)

附註：

(a) 退休金—界定供款計劃

本集團為香港僱員安排參與由獨立基金管理之界定供款退休計劃(「原計劃」)。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃(「強積金計劃」)，一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。由二零一四年六月一日起，僱主及僱員的各自供款最高為每名僱員每月港幣1,500元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約14%至22%供款。除年度供款外，本集團毋須承擔其他實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣2,969,000元(二零一七年：港幣2,821,000元)，並無扣除原計劃的沒收供款。

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29. EMPLOYEE BENEFIT EXPENSE (continued)

Notes: (continued)

(b) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 31 December 2018 is set out below:

| Name of director | Fees | Salaries, allowances and benefits | Discretionary bonuses | Employer's contribution to pension scheme | Total |
|--|------------------|-----------------------------------|-----------------------|---|------------------|
| 董事姓名 | 袍金 | 薪金、津貼及福利 | 酌情獎金 | 退休計劃的僱主供款 | 總額 |
| | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Executive directors | | | | | |
| Mr. CHAN Shing (Note (i)) | - | 6,098 | 1,000 | 266 | 7,364 |
| Mr. SIT Hoi Tung | - | 2,880 | 150 | 144 | 3,174 |
| Mr. KWOK Wai Lam | - | 2,160 | 150 | 108 | 2,418 |
| Mr. SHAM Kai Man | - | 2,130 | 200 | 107 | 2,437 |
| Ms. CHEUNG Kwan (Note (ii)) | - | - | - | - | - |
| Non-executive director | | | | | |
| Mr. HUANG Shenglan | 319 | - | - | - | 319 |
| Independent non-executive directors | | | | | |
| Mr. CUI Shu Ming | 446 | - | - | - | 446 |
| Mr. TSANG Kwok Wa | 240 | - | - | - | 240 |
| Mr. CHEUNG Sing Din | 240 | - | - | - | 240 |
| Mr. CHAN Ming Fai (Note (iii)) | 300 | - | 200 | - | 500 |
| | 1,545 | 13,268 | 1,700 | 625 | 17,138 |

29. 僱員福利開支(續)

附註：(續)

(b) 董事及高級管理層薪酬

截至二零一八年十二月三十一日止年度，每名董事及行政總裁的薪酬如下：

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

29. EMPLOYEE BENEFIT EXPENSE (continued)

Notes: (continued)

(b) Directors' and chief executive's emoluments (continued)

The remuneration of every director and the chief executive for the year ended 31 December 2017 is set out below:

| Name of director 董事姓名 | Fees 袍金 HK\$'000 港幣千元 | Salaries allowances and benefits 薪金、津貼 及福利 | Discretionary bonuses 酌情獎金 HK\$'000 港幣千元 | Employer's contribution to pension scheme 退休計劃 的僱主供款 HK\$'000 港幣千元 | Employee share option benefit 僱員 購股權福利 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|--------------------------------|--|--|---|--|---------------------------------|
| | | HK\$'000 港幣千元 | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | |
| Executive directors 執行董事 | | | | | | |
| Mr. CHAN Shing (Note (i)) 陳城先生(附註(i)) | – | 5,878 | 1,500 | 266 | 294 | 7,938 |
| Mr. SIT Hoi Tung 薛海東先生 | – | 2,880 | 500 | 144 | 600 | 4,124 |
| Mr. KWOK Wai Lam 郭偉霖先生 | – | 2,160 | 500 | 108 | 294 | 3,062 |
| Mr. SHAM Kai Man 岑啟文先生 | – | 2,040 | – | 102 | 294 | 2,436 |
| Ms. CHEUNG Kwan (Note (iii)) 張羣女士(附註(iii)) | – | 3,586 | – | 17 | 294 | 3,897 |
| Mr. WEI Jia Fu (Note (vi)) 魏家福先生(附註(vi)) | – | 1,080 | – | – | – | 1,080 |
| Non-executive director 非執行董事 | | | | | | |
| Mr. HUANG Shenglan (Note (iv)) 黃勝藍先生(附註(iv)) | 319 | – | – | – | 294 | 613 |
| Independent non-executive directors 獨立非執行董事 | | | | | | |
| Mr. CUI Shu Ming 崔書明先生 | 446 | – | – | – | 294 | 740 |
| Mr. CHAN Ming Fai (Note (iii)) 陳明輝先生(附註(iii)) | 319 | – | – | – | 294 | 613 |
| Mr. TSANG Kwok Wa (Note (v)) 曾國華先生(附註(v)) | 139 | – | – | – | 294 | 433 |
| Mr. CHEUNG Sing Din (Note (v)) 張聖典先生(附註(v)) | 139 | – | – | – | 294 | 433 |
| | 1,362 | 17,624 | 2,500 | 637 | 3,246 | 25,369 |

Notes:

- (i) The chief executive of the Company is Mr. CHAN Shing, who is also one of the executive directors of the Company.
- (ii) Retired on 7 June 2018.
- (iii) Resigned on 10 December 2018.
- (iv) Re-designated as non-executive director on 3 March 2017.
- (v) Appointed on 2 June 2017.
- (vi) Removed on 9 June 2017.

Salaries, allowance and benefits paid to or for the executive directors are generally emoluments paid or payable by the Group in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

29. 僱員福利開支(續)

附註：(續)

(b) 董事及高級管理層薪酬(續)

截至二零一七年十二月三十一日止年度，每名董事及行政總裁的薪酬如下：

| Name of director 董事姓名 | Fees 袍金 HK\$'000 港幣千元 | Salaries allowances and benefits 薪金、津貼 及福利 | Discretionary bonuses 酌情獎金 HK\$'000 港幣千元 | Employer's contribution to pension scheme 退休計劃 的僱主供款 HK\$'000 港幣千元 | Employee share option benefit 僱員 購股權福利 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--|--------------------------------|--|--|---|--|---------------------------------|
| | | HK\$'000 港幣千元 | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | |
| Executive directors 執行董事 | | | | | | |
| Mr. CHAN Shing (Note (i)) 陳城先生(附註(i)) | – | 5,878 | 1,500 | 266 | 294 | 7,938 |
| Mr. SIT Hoi Tung 薛海東先生 | – | 2,880 | 500 | 144 | 600 | 4,124 |
| Mr. KWOK Wai Lam 郭偉霖先生 | – | 2,160 | 500 | 108 | 294 | 3,062 |
| Mr. SHAM Kai Man 岑啟文先生 | – | 2,040 | – | 102 | 294 | 2,436 |
| Ms. CHEUNG Kwan (Note (iii)) 張羣女士(附註(iii)) | – | 3,586 | – | 17 | 294 | 3,897 |
| Mr. WEI Jia Fu (Note (vi)) 魏家福先生(附註(vi)) | – | 1,080 | – | – | – | 1,080 |
| Non-executive director 非執行董事 | | | | | | |
| Mr. HUANG Shenglan (Note (iv)) 黃勝藍先生(附註(iv)) | 319 | – | – | – | 294 | 613 |
| Independent non-executive directors 獨立非執行董事 | | | | | | |
| Mr. CUI Shu Ming 崔書明先生 | 446 | – | – | – | 294 | 740 |
| Mr. CHAN Ming Fai (Note (iii)) 陳明輝先生(附註(iii)) | 319 | – | – | – | 294 | 613 |
| Mr. TSANG Kwok Wa (Note (v)) 曾國華先生(附註(v)) | 139 | – | – | – | 294 | 433 |
| Mr. CHEUNG Sing Din (Note (v)) 張聖典先生(附註(v)) | 139 | – | – | – | 294 | 433 |
| | 1,362 | 17,624 | 2,500 | 637 | 3,246 | 25,369 |

附註：

- (i) 本公司之行政總裁為陳城先生，亦為本公司之執行董事之一。
- (ii) 於二零一八年六月七日退任。
- (iii) 於二零一八年十二月十日辭任。
- (iv) 於二零一七年三月三日調任為非執行董事。
- (v) 於二零一七年六月二日委任。
- (vi) 於二零一七年六月九日被罷免。

支付予執行董事或為執行董事支付的薪金、津貼及福利一般為本集團就該等與本公司及其附屬公司事務管理有關的其他服務而支付或應付的薪酬。

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29. EMPLOYEE BENEFIT EXPENSE (continued)

Notes: (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2017: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining highest paid individual for the years ended 31 December 2017 and 2018 are as follows:

| | |
|--|-----------|
| Salaries, allowance and benefits | 薪金、津貼及福利 |
| Employer's contributions to pension scheme | 退休計劃的僱主供款 |
| Employee share option benefit | 僱員購股權福利 |

For the years ended 31 December 2017 and 2018, no payments had been made by the Group to the directors or the highest paid individual in respect of inducement to join or compensation for loss of office, and no directors or the highest paid individual waived any of the emoluments.

The emoluments fell within the following bands:

| | |
|--------------------------------|--------------------------|
| Emolument bands (in HK dollar) | 酬金範圍(港元) |
| HK\$3,500,001 – HK\$4,000,000 | 3,500,001 – 4,000,000 港元 |
| HK\$4,000,001 – HK\$4,500,000 | 4,000,001 – 4,500,000 港元 |
| HK\$4,500,001 – HK\$5,000,000 | 4,500,001 – 5,000,000 港元 |

30. FINANCE COSTS

Interest on:

| |
|-----------------------------|
| – bank borrowings |
| – finance lease liabilities |
| – convertible bonds |
| – notes payables |
| – other loans |

29. 僱員福利開支(續)

附註：(續)

(c) 五位最高薪酬人士

本年度集團最高薪酬的五位人士包括四位(二零一七年：兩位)董事，他們的薪酬在上文呈報的分析中反映。截至二零一七年及二零一八年十二月三十一日止年度，餘下最高薪酬人士的薪酬如下：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | 4,471 | 9,478 |
| | 224 | 314 |
| | – | 3,234 |
| | 4,695 | 13,026 |

截至二零一七年及二零一八年十二月三十一日止年度，本集團概無因就職或離職補償而向董事或最高薪人士支付款項，概無董事或最高薪人士放棄收取酬金。

其酬金範圍如下：

| | Number of individuals 人數 | |
|--|-----------------------------|----------|
| | 2018 | 2017 |
| | – | 1 |
| | – | 1 |
| | 1 | 1 |

30. 融資成本

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 (restated) 港幣千元 (經重列) |
|--|--------------------------|---|
|--|--------------------------|---|

利息：

| |
|----------|
| – 銀行貸款 |
| – 融資租賃負債 |
| – 可換股債券 |
| – 應付票據 |
| – 其他貸款 |

| | | |
|--|---------------|---------------|
| | 11,073 | 11,415 |
| | – | 50 |
| | 30,577 | 4,738 |
| | 9,772 | 797 |
| | 6,522 | 2,036 |
| | 57,944 | 19,036 |

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31. INCOME TAX EXPENSE/(CREDIT)

The Company is exempted from taxation in Bermuda until 2035. The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax of 25% (2017: 25%) on their taxable income determined according to Mainland China tax laws. Taxation on other overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

31. 所得稅支出／(貨項)

本公司可免繳百慕達稅項直至二零三五年。於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年度預計產生或源自香港的應課稅盈利之16.5% (二零一七年：16.5%)撥備。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之25% (二零一七年：25%)計算。其他海外盈利之稅項已根據估計年度應課稅盈利按本集團經營業務國家之現行稅率計算。

| | | 2018 | 2017 |
|---|------------|-----------------|-----------------------------|
| | | HK\$'000 | HK\$'000 |
| | | 港幣千元 | (restated) 港幣千元 (經重列) |
| Current tax: | 本年稅項： | | |
| Current tax on profits for the year | 本年度盈利應課稅 | | |
| – Hong Kong taxation | – 香港稅項 | 374 | – |
| Adjustments in respect of prior years: | 以前年度調整： | | |
| – Hong Kong taxation | – 香港稅項 | 1,112 | 32 |
| | | 1,486 | 32 |
| Deferred tax: | 遞延稅項： | | |
| Origination and reversal of temporary differences | 暫時差異的產生及轉回 | 1,084 | (1,220) |
| Income tax expense/(credit) | 所得稅支出／(貨項) | 2,570 | (1,188) |

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31. INCOME TAX EXPENSE/(CREDIT) (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

31. 所得稅支出／(貨項) (續)

本集團有關除所得稅前虧損之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 (restated) 港幣千元 (經重列) |
|--|-------------------------------|--------------------------|---|
| Continuing operations: | 持續經營業務： | | |
| Loss before income tax | 除所得稅前虧損 | (201,643) | (53,765) |
| Calculated at a tax rate of 16.5% (2017: 16.5%) | 按稅率 16.5% (二零一七年：16.5%) 計算 | (33,271) | (8,871) |
| Effect of different taxation rates in other countries | 其他國家不同稅率之影響 | 12,458 | 13,253 |
| Income not subject to taxation | 無須課稅之收入 | (1,375) | (47,256) |
| Expenses not deductible for taxation purposes | 不可扣稅之支出 | 10,857 | 33,445 |
| Tax losses for which no deferred income tax assets was recognised | 未確認遞延所得稅資產 的稅損 | 12,224 | 9,745 |
| Adjustments in respect of prior years | 以前年度調整 | 1,112 | 32 |
| Others | 其他 | 565 | (1,536) |
| Income tax expense/(credit) | 所得稅支出／(貨項) | 2,570 | (1,188) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

32. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

32. 每股(虧損)/盈利

每股基本及攤薄(虧損)/盈利根據本公司權益持有人應佔(虧損)/盈利，除以年內已發行普通股的加權平均數目計算。

| | | 2018 | 2017 (restated) (經重列) |
|--|-----------------------------|-------------------------|-----------------------------|
| Loss from continuing operations attributable to owners of the Company (HK\$'000) | 本公司權益持有人應佔來自持續經營業務虧損(港幣千元) | (203,947) | (45,415) |
| Profit from discontinued operations attributable to owners of the Company (HK\$'000) | 本公司權益持有人應佔來自已終止經營業務盈利(港幣千元) | 94,451 | 37,700 |
| Loss attributable to owners of the Company (HK\$'000) | 本公司權益持有人應佔虧損(港幣千元) | <u>(109,496)</u> | <u>(7,715)</u> |
| Weighted average number of ordinary shares in issue (thousands) | 已發行普通股的加權平均數(千計) | <u>5,070,730</u> | <u>4,979,271</u> |
| Basic and diluted (loss)/earnings per share (HK cents) | 每股基本及攤薄(虧損)/盈利(港仙) | | |
| From continuing operations | 來自持續經營業務 | (4.02) | (0.91) |
| From discontinued operations | 來自已終止經營業務 | 1.86 | 0.76 |
| | | <u>(2.16)</u> | <u>(0.15)</u> |

The outstanding share options and convertible bonds during the years ended 31 December 2017 and 31 December 2018 have an anti-dilutive effect on the basic (loss)/earnings per share.

截至二零一七及二零一八年十二月三十一日止年度內尚未行使的購股權及可換股債券對每股基本(虧損)/盈利存有反攤薄作用。

33. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

33. 股息

董事局不擬就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年：無)。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS 34. 綜合現金流量表附註

(a) Cash used in operations

(a) 營運所用的現金

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|-----------------------------|--------------------------|--------------------------|
| Loss for the year | 年度虧損 | (109,762) | (14,877) |
| Adjustments for: | 調整： | | |
| – Tax | – 稅項 | 2,570 | (1,229) |
| – Depreciation of property, plant and equipment | – 物業、機器及設備折舊 | 1,372 | 2,866 |
| – Amortisation | – 攤銷 | 56 | 212 |
| – Property, plant and equipment impairment charge | – 物業、機器及設備減值 | – | 18,506 |
| – Gain on disposal of subsidiaries | – 出售附屬公司之收益 | (95,067) | (66,134) |
| – Loss/(Gains) on disposal of property, plant and equipment | – 出售物業、機器及設備之虧損/(收益) | 1 | (202,069) |
| – Gain on reclassification of an associate to available-for-sale financial assets | – 聯營公司重列作可供出售財務資產收益 | – | (17,392) |
| – Impairment loss on available-for-sale financial assets | – 可供出售財務資產減值虧損 | – | 33,536 |
| – Dilution loss on an associate | – 聯營公司攤薄虧損 | – | 26,343 |
| – Share option expenses | – 購股權支出 | – | 26,160 |
| – Fair value losses/(gains) on financial assets at fair value through profit or loss | – 按公平值透過損益列帳的財務資產公平值虧損/(收益) | 68,671 | (48,014) |
| – Fair value losses on derivative financial instruments | – 衍生金融工具公平值虧損 | – | 433 |
| – Dividends received from financial assets at fair value through profit or loss | – 收取按公平值透過損益列帳的財務資產股息 | – | (9) |
| – Interest income | – 利息收入 | (8,971) | (2,431) |
| – Finance costs | – 融資成本 | 57,944 | 19,044 |
| – Share of (profits)/losses of associates | – 所佔聯營公司(盈利)/虧損 | (2,023) | 86,840 |
| – Share of losses of joint ventures | – 所佔合營企業虧損 | 1,263 | 164 |
| – Net impairment losses on financial assets | – 財務資產減值虧損淨額 | 18,814 | – |
| – Provision for impairment of deposits, prepayments and other receivables | – 按金、預付款及其他應收款減值撥備 | – | 1,444 |
| – Provision for amounts due from associates | – 聯營公司欠款減值撥備 | – | 75 |
| – Provision for inventories | – 存貨撥備 | – | (2,394) |
| – Effect of foreign exchange rate changes | – 外幣匯率變動之影響 | 4,109 | (26,692) |
| | | (61,023) | (165,618) |
| Changes in working capital: | 營運資金變更： | | |
| – Inventories | – 存貨 | (50,834) | 48,774 |
| – Bills and accounts receivable | – 應收票據及應收帳項 | 754 | 26,378 |
| – Contract liabilities | – 合約負債 | 32,179 | – |
| – Deposits, prepayments and other receivables | – 按金、預付款及其他應收款 | (134,906) | (120,764) |
| – Due from associates | – 聯營公司欠款 | (20,934) | (14,500) |
| – Due from joint ventures | – 合營公司欠款 | (15) | (8) |
| – Bills and accounts payable | – 應付票據及應付帳項 | (6,689) | (123,573) |
| – Other payables and accruals | – 其他應付帳項及應計費用 | 14,762 | 140,576 |
| – Due to an associate | – 欠聯營公司款項 | (23) | 60 |
| Cash used in operations | 營運所用的現金 | (226,729) | (208,675) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued) 34. 綜合現金流量表附註(續)

(b) Analysis of the balances of cash and cash equivalents

Cash and cash equivalents for the purpose of the consolidated statement of cash flows:

Cash at bank and on hand
Less: Pledged bank balances
Bank overdrafts

Cash and cash equivalents

就綜合現金流量表而言，
現金及現金等價物如下：

銀行及庫存現金
減：抵押銀行結餘
銀行透支

現金及現金等價物

(b) 現金及現金等價物結餘分析

| 2018 | 2017 |
|----------|----------|
| HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 |

| | |
|----------------|----------------|
| 70,251 | 149,226 |
| (346) | (27,696) |
| <u>(4,277)</u> | <u>-</u> |
| <u>65,628</u> | <u>121,530</u> |

(c) Reconciliation of liabilities arising from financing activities

At 1 January 2018
Changes from financing cash flows
Disposal of subsidiaries
Interest expense
Interest paid and payable classified as operating cash flows

At 31 December 2018

於二零一八年一月一日
融資活動的現金流量
出售附屬公司
利息支出
已付及應付利息分類為營運活動的現金流量

於二零一八年
十二月三十一日

(c) 融資活動所產生負債的對帳

| Bank borrowings | Convertible bonds | Other loans | Notes payables |
|-----------------|-------------------|---------------|----------------|
| 銀行貸款 | 可換股債券 | 其他貸款 | 應付票據 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 港幣千元 | 港幣千元 | 港幣千元 | 港幣千元 |
| 181,714 | 140,300 | 126,039 | 23,065 |
| 39,636 | 99,221 | 4,432 | 85,026 |
| - | - | (56,660) | - |
| - | 30,577 | - | 9,772 |
| <u>-</u> | <u>(16,282)</u> | <u>-</u> | <u>(5,945)</u> |
| <u>221,350</u> | <u>253,816</u> | <u>73,811</u> | <u>111,918</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

34. 綜合現金流量表附註(續)

(c) Reconciliation of liabilities arising from financing activities (continued)

(c) 融資活動所產生負債的對帳(續)

| | | Bank borrowings 銀行貸款 HK\$'000 港幣千元 | Finance lease liabilities 融資租賃負債 HK\$'000 港幣千元 | Convertible bonds 可換股債券 HK\$'000 港幣千元 | Other loans 其他貸款 HK\$'000 港幣千元 | Notes payables 應付票據 HK\$'000 港幣千元 |
|---|------------------|--|---|---|--|---|
| At 1 January 2017 | 於二零一七年一月一日 | 359,055 | 3,065 | - | 56,357 | - |
| Changes from financing cash flows | 融資活動的現金流量 | (177,341) | (3,065) | 152,492 | 69,379 | 22,800 |
| Foreign exchange movement | 匯率調整流動 | - | - | - | 303 | - |
| Equity component of convertible bonds | 可換股債券權益組成部份 | - | - | (14,236) | - | - |
| Interest expense | 利息支出 | - | - | 4,738 | - | 797 |
| Interest payable classified as operating cash flows | 應付利息分類為營運活動的現金流量 | - | - | (2,694) | - | (532) |
| At 31 December 2017 | 於二零一七年十二月三十一日 | <u>181,714</u> | <u>-</u> | <u>140,300</u> | <u>126,039</u> | <u>23,065</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

35. LITIGATION

(a) Legal Proceedings in Hong Kong in relation to BCHL

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

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

A Statement of Claim (the “Claim”) under the action of HCA 2895/2016 was filed by BCHL on 13 February 2017 which was subsequently amended and filed on 9 March 2017.

On 23 May 2017, Mr. IP and Charm Best issued a defence and counterclaim in the High Court of Hong Kong against BCHL and CLA under HCA 2895/2016. BCHL as plaintiff (by original action) had filed and served the Reply and Defence to Counterclaim on 17 July 2017.

On 18 November 2016, Mr. IP and Charm Best issued a writ of summons in the High Court of Hong Kong against, inter alia, BCHL and CLA (“HCA 3015/2016”). On 4 January 2017, the Court queried the need for the plaintiffs in HCA 3015/2016 (Mr. IP and Charm Best), to issue such legal action and then on 6 February 2017, the Court directed the plaintiffs in HCA 3015/2016 to proceed by way of a counterclaim under HCA 2895/2016.

As at 31 December 2018, the date of trial of HCA 2895/2016 has not been fixed.

35. 訴訟

(a) 於香港有關寶威商業的法律訴訟

於二零一六年十一月四日，本公司全資附屬公司寶威商業地產有限公司（「寶威商業」）作為原告人於香港高等法院向被告入Charm Best Investments Inc.（「Charm Best」）及葉國堅先生（「葉先生」）發出傳訊令狀（「HCA2895/2016」）。

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

寶威商業已於二零一七年二月十三日將案件HCA 2895/2016之申索（「申索」）陳述書存案，經修訂申索陳述書亦已於二零一七年三月九日存案。

於二零一七年五月二十三日，葉先生及Charm Best作為案件HCA 2895/2016被告人已對寶威商業及新港資產向香港高等法院提出抗辯及反申索。寶威商業作為原案件原告人已於二零一七年七月十七日將反申索之答辯及抗辯送達並存案。

於二零一六年十一月十八日，葉先生及Charm Best於香港高等法院向（當中包括）寶威商業及新港資產發出傳訊令狀（「HCA 3015/2016」）。二零一七年一月四日法院質疑HCA 3015/2016原告人（葉先生及Charm Best）提出HCA 3015/2016法律訴訟的需要，期後於二零一七年二月六日法院指令HCA 3015/2016原告人應對HCA 2895/2016開展反申索。

於二零一八年十二月三十一日，案件HCA 2895/2016之審訊日期仍未確定。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

35. LITIGATION (continued)

(b) Legal proceeding in the PRC in relation to 萊陽泰鑫礦業有限公司 and 青島泰鑫礦業有限公司

The Company has been provided with a writ dated 16 June 2015 (“Writ”) filed with the Shandong Province Yantai City Intermediate People’s Court of the People’s Republic of China (“PRC”) under which an individual (“Plaintiff”) alleged that he is the beneficial owner of 50% of the equity interest in 萊陽泰鑫礦業有限公司 (“Allegation”) and that 青島泰鑫礦業有限公司 holds such 50% equity interest in 萊陽泰鑫礦業有限公司 (“萊陽泰鑫 50% equity interest”) as nominee for the Plaintiff. In the Writ, 萊陽泰鑫礦業有限公司 has been named as defendant. In the interim, as a result of the Allegation, the Shandong Province Yantai City Intermediate People’s Court of the PRC had imposed a freezing order in respect of 35% equity interest in 萊陽泰鑫礦業有限公司 held by 青島泰鑫礦業有限公司 (the “Freezing Order”). The frozen equity interest was restricted from transfer or pledge during the existence of the Freezing Order but the operations of 萊陽泰鑫礦業有限公司 will not be hindered by the imposition of the Freezing Order. The trial of the Allegation was held in August 2016 that the Plaintiff lost a lawsuit and the judgement was received in the early 2017 that 萊陽泰鑫礦業有限公司 was not liable to any claim and the Plaintiff alleged that he owned 萊陽泰鑫 50% equity interest was not in fact. The Plaintiff served a notice of appeal to the judgement. The trial of the final appeal was held in December 2017 and it was judged that the Plaintiff should have 0.67% of the equity interest in 萊陽泰鑫礦業有限公司.

On 15 May 2018, the Company sold the entire issued shares of Smart Task Limited to Zaozhuang Dongya Enterprise Company Limited (棗莊東亞實業有限公司). All matters of Allegation remained unchanged on or before 15 May 2018 and there were no further information to be provided after the disposal.

The directors of the Company have reviewed the impact of the above litigations and considered that such litigations do not have significant effect on Group’s daily operations.

35. 訴訟 (續)

(b) 於中國有關萊陽泰鑫礦業有限公司及青島泰鑫礦業有限公司的法律訴訟

本公司收到已交中華人民共和國(「中國」)山東省煙臺市中級人民法院登記日期為二零一五年六月十六日之起訴書(「起訴書」)，起訴書指一名個人(「原告」)指稱其為持有萊陽泰鑫礦業有限公司50%股權(「該指稱」)，而青島泰鑫礦業有限公司僅作為原告之代名人代其持有萊陽泰鑫礦業有限公司50%股權(「萊陽泰鑫50%股權」)。萊陽泰鑫礦業有限公司為起訴書內之被告。期間，中國山東省煙臺市中級人民法院基於該指稱已據此對由青島泰鑫礦業有限公司所持萊陽泰鑫礦業有限公司35%股權查封(「該查封」)。被查封之股權在該查封期內將被禁止轉讓或質押，然而，萊陽泰鑫礦業有限公司之日常營運不會受該查封所影響。該指稱審判已於二零一六年八月舉行，判決原告敗訴，於二零一七年初收到判決指萊陽泰鑫礦業有限公司不需承擔任何責任，而原告指稱擁有萊陽泰鑫50%股權不成立。原告對判決展開上訴，上訴審判於二零一七年十二月舉行，判決指原告擁有萊陽泰鑫礦業有限公司0.67%股權。

本公司已於二零一八年五月十五日向棗莊東亞實業有限公司出售Smart Task Limited全部已發行股份。有關該指稱之一切於二零一八年五月十五日或以前保持不變，惟在項目出售後概無進一步資料提供。

本公司董事已審閱上述訴訟的影響，並認為上述訴訟對本集團的日常營運並無重大影響。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

36. COMMITMENTS AND CONTINGENT LIABILITIES

Operating lease commitments – where the Group is the lessee

At 31 December 2018, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

| | |
|---|---------------|
| Not later than one year | 不超過一年 |
| Later than one year and not later than five years | 一年後 但不超過五年 |
| Over five years | 超過五年 |

36. 承擔及或然負債

營運租賃承擔 – 本集團為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷之營運租賃而於未來支付之最低租賃付款總額如下：

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| | 9,511 | 10,845 |
| | 3,109 | 16,958 |
| | – | 7,213 |
| | <u>12,620</u> | <u>35,016</u> |

37. CHARGE ON ASSETS

At 31 December 2018, the following assets were pledged:

- Certain inventories of approximately HK\$67,601,000 (2017: HK\$27,355,000);
- Certain financial assets at fair value through profit or loss of approximately HK\$115,157,000 (2017: HK\$167,792,000);
- Certain bills and accounts receivable of approximately HK\$38,655,000 (2017: HK\$126,436,000); and
- Certain bank balances of approximately HK\$346,000 (2017: HK\$27,696,000).

37. 資產抵押

於二零一八年十二月三十一日，以下資產已予抵押：

- 部份存貨約港幣 67,601,000 元 (二零一七年：港幣 27,355,000 元)；
- 部份按公平值透過損益列帳的財務資產約港幣 115,157,000 元 (二零一七年：港幣 167,792,000 元)；
- 部份應收票據及應收帳項約港幣 38,655,000 元 (二零一七年：港幣 126,436,000 元)；及
- 部份銀行結餘約港幣 346,000 元 (二零一七年：港幣 27,696,000 元)。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS

(a) For the year ended 31 December 2018

On 4 May 2018, the Company, Zaozhuang Dongya Enterprise Company Limited (as Purchaser) and the Mr. Hou Chuanqi (as guarantor) entered into the agreement pursuant to which the Company has agreed to sell the entire issued share capital of Smart Task Limited to the Purchaser for a consideration of RMB18,000,000.

Smart Task Limited and its subsidiaries (the “2018 Disposal Group”) were principally engaged in the business of mineral resources operation of the Group.

Upon the disposal of the 2018 Disposal Group in May 2018, the Group had discontinued its mineral resources operation. Accordingly, the results of mineral resources operation have been presented as discontinued operation in the consolidated income statement. The comparative financial information in respect of for the year ended 31 December 2017 has been reclassified to conform with current presentation in accordance with HKFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”.

38. 已終止經營業務

(a) 截至二零一八年十二月三十一日止年度

於二零一八年五月四日，本公司、棗莊東亞實業有限公司（作為買方）與侯傳齊先生（作為擔保方）簽訂協議，據此，本公司已同意向買方出售 Smart Task Limited 的全部已發行股本，現金代價為人民幣 18,000,000 元。

Smart Task Limited 及其附屬公司（「二零一八年待售集團」）主要從事本集團礦資源業務。

於二零一八年五月出售二零一八年待售集團後，本集團已終止經營礦資源業務。因此，礦資源業務之業績已於綜合損益表中呈列為已終止經營業務。截至二零一七年十二月三十一日止年度比較財務資料被重新分類，以符合香港財務報告準則第 5 號「待出售非流動資產及已終止經營業務」。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(a) For the year ended 31 December 2018 (continued)

(i) Discontinued operations

Analysis of the results of discontinued operations, and the gain recognised on the disposal of the 2018 Disposal Group, is as follows:

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|------------------------|--------------------------|--------------------------|
| Revenue | 收入 | - | - |
| Expenses | 支出 | (616) | (23,174) |
| Loss before income tax of discontinued operations | 除所得稅前已終止經營業務之虧損 | (616) | (23,174) |
| Income tax credit | 所得稅貸項 | - | - |
| Loss after tax from discontinued operations | 年度來自已終止經營業務除稅後虧損 | (616) | (23,174) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 95,067 | - |
| | | 94,451 | (23,174) |
| Profit/(Loss) for the year from discontinued operations attributable to: | 年度來自已終止經營業務盈利/(虧損)歸屬於: | | |
| - Owners of the Company | - 本公司權益持有人 | 94,717 | (16,012) |
| - Non-controlling interests | - 非控股權益 | (266) | (7,162) |
| Profit/(Loss) for the year from discontinued operations | 年度來自已終止經營業務盈利/(虧損) | 94,451 | (23,174) |

Cash flows

現金流

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------------|-----------|--------------------------|--------------------------|
| Operating cash flows | 營運活動的現金流量 | (449) | (104) |
| Investing cash flows | 投資活動的現金流量 | 1,631 | - |
| Financing cash flows | 融資活動的現金流量 | - | - |
| Total cash flows | 總現金流量 | 1,182 | (104) |

38. 已終止經營業務 (續)

(a) 截至二零一八年十二月三十一日止年度 (續)

(i) 已終止經營業務

已終止經營業務之業績及出售二零一八年待售集團之已確認收益分析如下:

| | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|--------------------------|--------------------------|
| Revenue | - | - |
| Expenses | (616) | (23,174) |
| Loss before income tax of discontinued operations | (616) | (23,174) |
| Income tax credit | - | - |
| Loss after tax from discontinued operations | (616) | (23,174) |
| Gain on disposal of subsidiaries | 95,067 | - |
| | 94,451 | (23,174) |
| Profit/(Loss) for the year from discontinued operations attributable to: | | |
| - Owners of the Company | 94,717 | (16,012) |
| - Non-controlling interests | (266) | (7,162) |
| Profit/(Loss) for the year from discontinued operations | 94,451 | (23,174) |

Cash flows

現金流

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|----------------------|-----------|--------------------------|--------------------------|
| Operating cash flows | 營運活動的現金流量 | (449) | (104) |
| Investing cash flows | 投資活動的現金流量 | 1,631 | - |
| Financing cash flows | 融資活動的現金流量 | - | - |
| Total cash flows | 總現金流量 | 1,182 | (104) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(a) For the year ended 31 December 2018 (continued)

(ii) Disposal of 2018 Disposal Group

The assets and liabilities of the 2018 Disposal Group are as follows:

| | 2018 HK\$'000 港幣千元 |
|--|--------------------------|
| Leasehold land and land use rights | 3,698 |
| Property, plant and equipment | 87,531 |
| Deposits, prepayments and other receivables | 4,262 |
| Due from associates | 219 |
| Cash and bank balances | 125 |
| Borrowings | (56,660) |
| Bills and accounts payable | (22,227) |
| Other payables and accruals | (57,981) |
| Provision for land restoration and environmental costs | (4,125) |
| | <hr/> |
| Net liabilities of the subsidiaries | (45,158) |
| Non-controlling interest | 27,242 |
| | <hr/> |
| | (17,916) |

38. 已終止經營業務 (續)

(a) 截至二零一八年十二月三十一日止年度 (續)

(ii) 出售二零一八年待售集團

二零一八年待售集團之資產及負債如下：

| | 2018 HK\$'000 港幣千元 |
|--------------|--------------------------|
| 租賃土地及土地使用權 | 3,698 |
| 物業、機器及設備 | 87,531 |
| 按金、預付款及其他應收款 | 4,262 |
| 聯營公司欠款 | 219 |
| 現金及銀行結餘 | 125 |
| 貸款 | (56,660) |
| 應付票據及應付帳項 | (22,227) |
| 其他應付帳項及應計費用 | (57,981) |
| 土地復原及環境成本撥備 | (4,125) |
| | <hr/> |
| 附屬公司淨負債 | (45,158) |
| 非控股權益 | 27,242 |
| | <hr/> |
| | (17,916) |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(a) For the year ended 31 December 2018 (continued)

(ii) Disposal of 2018 Disposal Group (continued)

Details of sales proceeds and gain on disposal are as follow:

Consideration
Cost directly attributable to the disposal
Net liabilities disposed of, net of non-controlling interest
Release of translation reserve

Gain on disposal of the subsidiaries

Proceeds on disposal of the 2018 Disposal Group are as follows:

Proceeds received
Proceeds receivable

Net cash inflow arising on disposal:

Proceeds received in cash
Cost directly attributable to the disposal
Cash and bank balances disposed of

38. 已終止經營業務 (續)

(a) 截至二零一八年十二月三十一日止年度 (續)

(ii) 出售二零一八年待售集團 (續)

所獲得款項及處置收益情況如下：

2018
HK\$'000
港幣千元

代價
出售直接成本
出售的淨負債，扣除非控股權益
換算儲備回撥

出售附屬公司之收益

出售二零一八年待售集團所得款情況如下：

出售收到的所得款
出售應收帳項

出售產生的現金流入淨額：

出售收到的現金收益
出售直接成本
出售的現金及銀行結餘

21,687
(51)
17,916
55,515

95,067

1,807
19,880

21,687

1,807
(51)
(125)

1,631

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(b) For the year ended 31 December 2017

On 8 February 2017, Burwill and Company Limited, a wholly-owned subsidiary of the Company (as vendor), the Company (as guarantor) and Huge Mark International Holdings Limited (as purchaser) entered into the conditional sales and purchases agreement dated 8 February 2017, pursuant to which the vendor has conditionally agreed to sell and the purchaser has conditionally agreed to acquire the sale shares, representing the entire issued share capital of Burwill Steel Company Limited, a wholly-owned subsidiary of the vendor, at the consideration of HK\$97,000,000.

Burwill Steel Company Limited and its subsidiaries (the "2017 Disposal Group") were principally engaged in the business of steel processing operations of the Group.

Upon the disposal of the Disposal Group in April 2017, the Group had discontinued its steel processing operations. Accordingly, the results of steel processing operations have been presented as discontinued operations in the consolidated income statement.

38. 已終止經營業務 (續)

(b) 截至二零一七年十二月三十一日止年度

於二零一七年二月八日，Burwill and Company Limited (本公司全資附屬公司) (作為賣方)，本公司 (作為擔保方) 與宏成國際控股有限公司 (作為買方) 簽訂有條件買賣協議，據此，賣方有條件地同意出售並且買方有條件地同意購買 Burwill Steel Company Limited (賣方全資附屬公司) 之全部已發行股本。買方應付代價為港幣 97,000,000 元。

Burwill Steel Company Limited 及其附屬公司 (「二零一七年待售集團」) 主要從事本集團鋼鐵加工業務。

於二零一七年四月出售待售集團後，本集團已終止經營鋼鐵加工業務。因此，終止業務之業績已於綜合損益表中呈列為已終止經營業務。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(b) For the year ended 31 December 2017 (continued)

(i) Discontinued operations

Analysis of the results of discontinued operations, and the gain recognised on the disposal of 2017 Disposal Group, is as follows:

| | | 2017 HK\$'000 港幣千元 |
|---|-------------------|--------------------------|
| Revenue | 收入 | – |
| Expenses | 支出 | (5,301) |
| Loss before income tax of discontinued operations | 除所得稅前已終止經營業務之虧損 | (5,301) |
| Income tax credit | 所得稅貸項 | 41 |
| Loss after tax from discontinued operations | 年度來自已終止經營業務之除稅後虧損 | (5,260) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 66,134 |
| | | <u>60,874</u> |
| Profit for the year from discontinued operations attributable to: | 年度來自已終止經營業務盈利歸屬於： | |
| – Owners of the Company | – 本公司權益持有人 | 60,874 |
| – Non-controlling interests | – 非控股權益 | – |
| Profit for the year from discontinued operations | 年度來自已終止經營業務盈利 | <u>60,874</u> |

38. 已終止經營業務 (續)

(b) 截至二零一七年十二月三十一日止年度 (續)

(i) 已終止經營業務

已終止經營業務之業績及出售二零一七年待售集團之已確認收益分析如下：

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(b) For the year ended 31 December 2017 (continued)

(i) Discontinued operations (continued)

Cash flows

| | 2017 HK\$'000 港幣千元 |
|----------------------|--------------------------|
| Operating cash flows | (2,784) |
| Investing cash flows | 52 |
| Financing cash flows | — |
| Total cash flows | <u>(2,732)</u> |

(ii) Disposal of 2017 Disposal Group

The assets and liabilities arising from the disposal are as follows:

| | 2017 HK\$'000 港幣千元 |
|---|--------------------------|
| Leasehold land and land use rights | 4,238 |
| Property, plant and equipment | 6,958 |
| Deferred income tax assets | 28,893 |
| Deposits, prepayments and other receivables | 10 |
| Cash and bank balances | 44 |
| Other payables and accruals | (347) |
| Net assets of the subsidiaries | <u>39,796</u> |

38. 已終止經營業務 (續)

(b) 截至二零一七年十二月三十一日止年度 (續)

(i) 已終止經營業務 (續)

現金流

| | 2017 HK\$'000 港幣千元 |
|-----------|--------------------------|
| 營運活動的現金流量 | (2,784) |
| 投資活動的現金流量 | 52 |
| 融資活動的現金流量 | — |
| 總現金流量 | <u>(2,732)</u> |

(ii) 出售二零一七年度待售集團

出售之資產及負債如下：

| | 2017 HK\$'000 港幣千元 |
|--------------|--------------------------|
| 租賃土地及土地使用權 | 4,238 |
| 物業、機器及設備 | 6,958 |
| 遞延所得稅資產 | 28,893 |
| 按金、預付款及其他應收款 | 10 |
| 現金及銀行結餘 | 44 |
| 其他應付帳項及應計費用 | (347) |
| 附屬公司淨資產 | <u>39,796</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. DISCONTINUED OPERATIONS (continued)

(b) For the year ended 31 December 2017 (continued)

(ii) Disposal of 2017 Disposal Group (continued)

Details of sales proceeds and gain on disposal are as follow:

| | | 2017 HK\$'000 港幣千元 |
|--|----------------|--------------------------|
| Consideration | 代價 | 97,000 |
| Cost directly attributable to the disposal | 出售直接成本 | (960) |
| Net assets disposed of | 出售的資產淨值 | (39,796) |
| Release of reserve | 儲備回撥 | 9,890 |
| | | <hr/> |
| Gain on disposal of the subsidiaries | 出售附屬公司之收益 | 66,134 |
| | | <hr/> |
| Proceeds on disposal of the subsidiaries are as follows: | 出售附屬公司所得款情況如下： | |
| Proceeds received | 出售收到的所得款 | 95,996 |
| | | <hr/> |
| Net cash inflow arising on disposal: | 出售產生的現金流入淨額： | |
| Proceeds received in cash | 出售收到的現金收益 | 97,000 |
| Cost directly attributable to the disposal | 出售直接成本 | (960) |
| Cash and bank balances disposed of | 出售的現金及銀行結餘 | (44) |
| | | <hr/> |
| | | 95,996 |
| | | <hr/> |

38. 已終止經營業務 (續)

(b) 截至二零一七年十二月三十一日止年度 (續)

(ii) 出售二零一七年度待售集團 (續)

所獲得款項及處置收益情況如下：

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

39. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, the Group had the following material related party transactions for the year ended 31 December 2018:

(a) Related party transactions which were carried out in the normal course of the Group's business are as follows:

| | |
|--|------------|
| Interest income received from associates | 已收聯營公司利息收入 |
|--|------------|

These related party transactions did not constitute connected transactions or continuing connected transactions as defined in Chapter 14A the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Compensation to key management personnel

| | |
|--------------------------------|----------|
| Wages and salaries | 薪金工資 |
| Pension costs | 退休成本 |
| – defined contribution plans | – 界定供款計劃 |
| Staff welfare | 員工福利 |
| Employee share option benefits | 僱員購股權福利 |

39. 關連方交易

除綜合財務報表其他部分已披露外，本集團於截至二零一八年十二月三十一日止年度曾進行以下重大有關連人士交易：

(a) 於本集團日常業務過程中進行之關連方交易如下：

| 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------|--------------------------|
|--------------------------|--------------------------|

| | |
|--------------|--------------|
| <u>2,360</u> | <u>2,190</u> |
|--------------|--------------|

該等關連方交易並不構成聯交所證券上市規則第14A章所界定的關連交易或持續關連交易。

(b) 主要管理人員酬金

| 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--------------------------|--------------------------|
|--------------------------|--------------------------|

| | |
|---------------|--------|
| <u>15,729</u> | 20,922 |
|---------------|--------|

| | |
|------------|-----|
| <u>625</u> | 637 |
|------------|-----|

| | |
|------------|-----|
| <u>784</u> | 564 |
|------------|-----|

| | |
|----------|--------------|
| <u>–</u> | <u>3,246</u> |
|----------|--------------|

| | |
|---------------|---------------|
| <u>17,138</u> | <u>25,369</u> |
|---------------|---------------|

40. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year presentation including those for the discontinued operations.

40. 比較數字

若干比較數字經重列以確認呈現本年包括已終止經營業務。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 41. 本公司的資產負債表及儲備之變動

Balance sheet of the Company as at 31 December 2018

於二零一八年十二月三十一日之本公司的資產負債表

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|---|---------------------|--------------------------|--------------------------|
| ASSETS | 資產 | | |
| Non-current assets | 非流動資產 | | |
| Investments in subsidiaries | 附屬公司投資 | 69,863 | 70,910 |
| Due from subsidiaries | 附屬公司欠款 | 503,571 | 503,571 |
| Club debentures | 會籍債券 | 90 | 90 |
| Total non-current assets | 總非流動資產 | <u>573,524</u> | <u>574,571</u> |
| Current assets | 流動資產 | | |
| Deposits, prepayments and other receivables | 按金、預付款及其他應收款 | 16,245 | 4,792 |
| Due from subsidiaries | 附屬公司欠款 | 518,346 | 444,631 |
| Due from associates | 關聯公司欠款 | 94,592 | 98,407 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列帳的財務資產 | 156 | 292 |
| Cash and bank balances | 現金及銀行結餘 | 891 | 768 |
| Total current assets | 總流動資產 | <u>630,230</u> | <u>548,890</u> |
| Total assets | 總資產 | <u><u>1,203,754</u></u> | <u><u>1,123,461</u></u> |
| EQUITY | 權益 | | |
| Equity attributable to owners of the Company | 本公司權益持有人應佔權益 | | |
| Share capital | 股本 | 510,962 | 497,283 |
| Other reserves (Note) | 其他儲備(附註) | 1,147,153 | 1,129,070 |
| Accumulated losses (Note) | 累計虧損(附註) | (842,145) | (681,785) |
| Total equity | 總權益 | <u>815,970</u> | <u>944,568</u> |
| LIABILITIES | 負債 | | |
| Non-current liabilities | 非流動負債 | | |
| Borrowings | 貸款 | 71,301 | 163,365 |
| Total non-current liabilities | 總非流動負債 | <u>71,301</u> | <u>163,365</u> |

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued) 41. 本公司的資產負債表及儲備之變動(續)

Balance sheet of the Company as at 31 December 2018 (continued)

於二零一八年十二月三十一日之本公司的
資產負債表(續)

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 |
|--|-----------------|--------------------------|--------------------------|
| Current liabilities | 流動負債 | | |
| Due to subsidiaries | 欠附屬公司款項 | 10,946 | 10,034 |
| Due to associates | 欠聯營公司款項 | 4 | 24 |
| Other payables and accruals | 其他應付帳項及應計費用 | 11,100 | 5,470 |
| Borrowings | 貨款 | 294,433 | — |
| Total current liabilities | 總流動負債 | 316,483 | 15,528 |
| Total liabilities | 總負債 | 387,784 | 178,893 |
| Total equity and liabilities | 總權益及負債 | 1,203,754 | 1,123,461 |
| Net current assets | 流動資產淨值 | 313,747 | 533,362 |
| Total assets less current liabilities | 總資產減流動負債 | 887,271 | 1,107,933 |

The balance sheet of the Company was approved by the Board of Directors on 29 March 2019 and were signed on its behalf by:

本公司的資產負債表已於二零一九年三月二十九日獲董事局批准，並經下列人士代為簽署：

CHAN SHING
陳城
Chairman
主席

KWOK WAI LAM
郭偉霖
Director
董事

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

41. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued) 41. 本公司的資產負債表及儲備之變動(續)

Note: Reserves movement of the Company

附註：本公司儲備之變動

| | | Share premium | Capital redemption reserve | Contributed surplus | Share-based compensation reserve | Convertible bonds reserve | Accumulated losses | Total |
|---|------------------------|--------------------------|----------------------------------|--------------------------|--|---------------------------------|--------------------------|------------------------|
| | | 股份溢價 HK\$'000 港幣千元 | 資本回購儲備 HK\$'000 港幣千元 | 繳入盈餘 HK\$'000 港幣千元 | 以股份支付 之補償儲備 HK\$'000 港幣千元 | 可換股債券儲備 HK\$'000 港幣千元 | 累計虧損 HK\$'000 港幣千元 | 總額 HK\$'000 港幣千元 |
| At 1 January 2017 | 於二零一七年一月一日 | 850,865 | 12,037 | 228,004 | - | - | (664,658) | 426,248 |
| Loss for the year | 年度虧損 | - | - | - | - | - | (17,127) | (17,127) |
| Repurchase of shares | 回購股份 | (3,331) | - | - | - | - | - | (3,331) |
| Employee share option scheme: | 僱員購股權計劃： | | | | | | | |
| - value of employee services | - 僱員服務價值 | - | - | - | 26,160 | - | - | 26,160 |
| - share options exercised | - 行使購股權 | 1,663 | - | - | (564) | - | - | 1,099 |
| Issue of convertible bonds | 發行可換股債券 | - | - | - | - | - | - | - |
| - equity component | - 權益組成部分 | - | - | - | - | 14,236 | - | 14,236 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 849,197 | 12,037 | 228,004 | 25,596 | 14,236 | (681,785) | 447,285 |
| At 1 January 2018 | 於二零一八年一月一日 | 849,197 | 12,037 | 228,004 | 25,596 | 14,236 | (681,785) | 447,285 |
| Reclassification on the adoption of HKFRS 9 | 採納香港財務報告準則第9號而 重新分類 | - | - | - | - | - | (65) | (65) |
| | | 849,197 | 12,037 | 228,004 | 25,596 | 14,236 | (681,850) | 447,220 |
| Loss for the year | 年度虧損 | - | - | - | - | - | (160,587) | (160,587) |
| Repurchase of shares | 回購股份 | (1,858) | - | - | - | - | - | (1,858) |
| Employee share option scheme: | 僱員購股權計劃： | | | | | | | |
| - share options exercised | - 行使購股權 | 30,633 | - | - | (10,400) | - | - | 20,233 |
| Transfer of share option reserve upon the forfeiture or expiry of share options | 於購股權沒收或屆滿時 轉撥購股權儲備 | - | - | - | (292) | - | 292 | - |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 877,972 | 12,037 | 228,004 | 14,904 | 14,236 | (842,145) | 305,008 |

Five Years' Financial Summary 五年財務概要

The results, assets and liabilities of the Group for the last five financial years are as follows:

本集團過去五個財政年度之業績、資產及負債如下：

| | | 2018 HK\$'000 港幣千元 | 2017 HK\$'000 港幣千元 | 2016 HK\$'000 港幣千元 | 2015 HK\$'000 港幣千元 | 2014 HK\$'000 港幣千元 |
|--|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Results | 業績 | | | | | |
| Revenue | 收入 | | | | | |
| Continuing operations | 持續經營業務 | 2,305,467 | 2,491,789 | 2,647,915 | 4,500,065 | 6,005,309 |
| Discontinued operations | 已終止經營業務 | <u>–</u> | <u>–</u> | <u>56,024</u> | <u>198,981</u> | <u>292,228</u> |
| (Loss)/Profit attributable to owners of the Company arises from: | (虧損)/盈利歸屬於本公司權益持有人來自： | | | | | |
| Continuing operations | 持續經營業務 | (203,947) | (45,415) | (175,756) | (86,545) | (19,204) |
| Discontinued operations | 已終止經營業務 | 94,451 | 37,700 | (32,140) | (36,908) | (259,924) |
| | | (109,496) | (7,715) | (207,896) | (123,453) | (279,128) |
| Loss attributable to Non-controlling interests | 虧損歸屬於非控股權益 | (266) | (7,162) | (6,468) | (7,680) | (70,489) |
| Loss for the year | 年度虧損 | (109,762) | (14,877) | (214,364) | (131,133) | (349,617) |
| Assets and liabilities | 資產及負債 | | | | | |
| Non-current assets | 非流動資產 | 296,870 | 360,327 | 583,058 | 480,121 | 384,841 |
| Current assets | 流動資產 | 1,521,758 | 1,432,406 | 1,130,956 | 2,448,170 | 2,838,305 |
| Total assets | 總資產 | 1,818,628 | 1,792,733 | 1,714,014 | 2,928,291 | 3,223,146 |
| Non-current liabilities | 非流動負債 | 71,305 | 224,565 | 62,273 | 60,695 | 61,091 |
| Current liabilities | 流動負債 | 931,275 | 616,362 | 718,401 | 1,393,492 | 1,679,271 |
| Total liabilities | 總負債 | 1,002,580 | 840,927 | 780,674 | 1,454,187 | 1,740,362 |
| Total equity | 總權益 | 816,048 | 951,806 | 933,340 | 1,474,104 | 1,482,784 |