



AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)
(Stock Code 股份代號 : 232)



Annual Report
年報

2018

CONTENTS

目錄

Chairman's Statement and Management Discussion and Analysis	主席報告以及管理層討論及分析	2
Biographical Details of Directors and Senior Management	董事及管理高層之履歷	12
Corporate Governance Report	企業管治報告	18
Environmental, Social and Governance Report	環境、社會及管治報告	37
Report of the Directors	董事會報告	55
Independent Auditor's Report	獨立核數師報告	71
Consolidated Statement of Profit or Loss	綜合損益表	82
Consolidated Statement of Comprehensive Income	綜合全面收益表	83
Consolidated Statement of Financial Position	綜合財務狀況表	84
Consolidated Statement of Changes in Equity	綜合權益變動表	86
Consolidated Statement of Cash Flows	綜合現金流量表	90
Notes to Financial Statements	財務報表附註	93
Five Year Financial Summary	五年財務概要	278
Corporate Information	公司資料	279





CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

On behalf of the board (the "Board") of directors (the "Directors") of AVIC International Holding (HK) Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018.

OVERALL REVIEW

On 7 February 2018, the Group completed the acquisition of the entire issued share capital of Motto Investment Limited ("Motto") and the shareholder's loan notes (the "Acquisition") from AVIC International (HK) Group Limited ("AVIC International (HK) Group"), an intermediate holding company, at an aggregate nominal consideration of HK\$2,400,000,000, of which HK\$1,400,000,000 was satisfied by way of allotment and issue of shares of the Company and HK\$1,000,000,000 was satisfied by cash. Further details of the Acquisition were included in the circular of the Company dated 29 December 2017. The core business of Motto and its subsidiaries ("Motto Group") is the general aviation aircraft piston engine business which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

During the year, the Group disposed of the entire issued share capital of Ease Triumph International Limited ("Ease Triumph") and the outstanding shareholder's loans and interests owed by Ease Triumph to the Company, to Shengtong Holding Limited (the "Disposal"). Ease Triumph and its subsidiaries engaged in the property development and investment business. The Disposal is part of a wider restructuring campaign being implemented by the state-owned Assets Supervision and Administration Commission of the State Council. Further details of the Disposal were included in the circular of the Company dated 25 October 2018. In 2018, the revenue of this discontinued operation amounted to HK\$41,095,000 (2017: HK\$1,520,710,000). Together with the after-tax gain on disposal of subsidiaries of HK\$568,550,000 (2017: Nil) recorded, the profit from this discontinued operation was HK\$507,569,000 (2017: loss of HK\$267,833,000).

本人謹代表AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「本公司」)之董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之全年業績。

整體回顧

於二零一八年二月七日，本集團完成從中間控股公司中航國際(香港)集團有限公司(「中航國際(香港)集團」)收購Motto Investment Limited(「Motto」)之全部已發行股本及股東貸款票據(「收購事項」)，總名義代價為2,400,000,000港元，其中1,400,000,000港元以本公司股份配發及發行方式償付，1,000,000,000港元以現金支付。收購事項的進一步詳情已載於本公司日期為二零一七年十二月二十九日之通函內。Motto及其附屬公司(「Motto集團」)的核心業務是通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

年內，本集團出售拓業國際有限公司(「拓業」)全部已發行股本以及拓業所欠本公司之未償還股東貸款及利息予盛通控股有限公司(「出售事項」)。拓業及其附屬公司從物業發展及投資業務。出售事項乃屬於國務院國有資產監督管理委員會正進行之廣泛重組活動之一部份。出售事項的進一步詳情已載於本公司日期為二零一八年十月二十五日之通函內。於二零一八年，該已終止經營業務之收益為41,095,000港元(二零一七年：1,520,710,000港元)。連同錄得之出售附屬公司之稅後利潤568,550,000港元(二零一七年：無)，來自該已終止經營業務之溢利為507,569,000港元(二零一七年：虧損267,833,000港元)。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

In 2018, the Group recorded revenue from continuing operations of HK\$1,341,223,000 (2017: Nil). The profit attributable to owners of the parent was HK\$398,968,000 compared with a loss of HK\$288,481,000 last year. The significant improvement was caused by the profit from the discontinued operation attributable to owners of the parent of HK\$526,100,000 (2017: loss of HK\$219,771,000) recorded, though there was also loss from continuing operations of HK\$127,132,000 (2017: HK\$68,710,000) recorded.

The increase in the loss from continuing operations from HK\$68,710,000 to HK\$127,132,000 was mainly because: (1) the newly acquired general aviation aircraft piston engine business recorded a loss of HK\$84,773,000 for 2018; (2) a one-off gain on disposal of convertible loans of HK\$87,151,000 was recorded last year; and (3) finance costs of HK\$15,461,000 (2017: Nil) was recorded in 2018 on the new loan from an intermediate holding company made in 2018; which were partly offset by: (a) the decrease in the impairment and fair value loss on financial assets from HK\$106,173,000 last year to HK\$28,054,000 in 2018; (b) an exchange gain of HK\$33,151,000 (2017: loss of HK\$17,000) arisen from the change in exchange rate was recorded in 2018; and (c) the decrease in the share of losses of the joint ventures and associates from HK\$18,821,000 last year to HK\$2,470,000 in 2018.

Basic earnings per share amounted to HK¢4.47 (2017: loss per share amounted to HK¢5.23). The return on equity, calculated on the basis of profit/loss attributable to owners of the parent as a percentage of equity attributable to owners of the parent as of 31 December 2018, was 11% (2017:-17%).

於二零一八年，本集團錄得來自持續經營業務之收益1,341,223,000港元（二零一七年：無）。母公司所有者應佔溢利是398,968,000港元，而上年則是虧損288,481,000港元。大幅改善的原因是由於錄得母公司所有者應佔來自已終止經營業務之溢利526,100,000港元（二零一七年：虧損219,771,000港元），惟同時錄得來自持續經營業務之虧損127,132,000港元（二零一七年：68,710,000港元）。

來自持續經營業務之虧損由68,710,000港元增加至127,132,000港元，主要是由於：(1)新收購之通用航空飛機活塞發動機業務於二零一八年錄得虧損84,773,000港元；(2)上年錄得一次性出售可換股貸款之利潤87,151,000港元；以及(3)二零一八年新增之來自中間控股公司的貸款，因此於二零一八年錄得財務開支15,461,000港元（二零一七年：無）；惟被以下項目抵消了部份影響：(a)財務資產之減值及公平值虧損由上年的106,173,000港元減少至二零一八年的28,054,000港元；(b)於二零一八年錄得由匯率變動而產生的匯兌利潤33,151,000港元（二零一七年：虧損17,000港元）；以及(c)分佔合營公司及聯營公司之虧損由上年的18,821,000港元減少至二零一八年的2,470,000港元。

每股基本盈利為4.47港仙（二零一七年：每股基本虧損為5.23港仙）。股本回報率按母公司所有者應佔溢利／虧損佔二零一八年十二月三十一日之母公司所有者應佔權益之百分比計算為11%（二零一七年：-17%）。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

BUSINESS REVIEW

During the year, the Group acquired the general aviation aircraft piston engine business and disposed of the property development and investment business. Accordingly, the Group has only one reportable operating segment, namely the general aviation aircraft piston engine business, which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

In accordance with HKFRS 3, the identifiable assets acquired and liabilities assumed in a business combination should be measured at their fair values at the acquisition date. Accordingly, at the Group's level, property, plant and equipment, other tangible assets and inventories of Motto Group were stated at their fair values at the acquisition date. The Group subsequently measures and accounts for the assets acquired and liabilities assumed in the business combination in accordance with other applicable HKFRSs for those items, depending on their nature.

Since the completion of the Acquisition, i.e. 7 February 2018, up to 31 December 2018, the general aviation aircraft piston engine business recognised revenue and gross profit of HK\$1,341,223,000 and HK\$270,961,000, respectively, and recorded loss of HK\$84,773,000. Had the assets acquired and liabilities assumed in the Acquisition been stated at their carrying values at Motto Group's level, i.e. excluding the effect from the aforesaid fair value adjustments charged to current year's profit or loss of HK\$105,065,000 at the Group's level, the general aviation aircraft piston engine business would have recorded profit of HK\$20,292,000.

In 2018, the general aviation aircraft piston engine business built and shipped 2,511 engines, a 13% increase from 2017 (before being acquired by the Group). Engine volume is an important measure to the business as it reflects market share gains reflective of the business strategy to have the widest product offerings to ensure access to all general aviation piston engine aircraft types. In 2018, there was growth in both our Titan product line and our Jet-A Engine product line.

業務回顧

年內，本集團收購了通用航空飛機活塞發動機業務，並出售了物業發展及投資業務。因此，本集團只有一個須呈報之經營分部－通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

根據香港財務報告準則第3號，企業合併中可識別的購入資產及承擔負債應於收購當日按公平值計量。因此，於收購當日，在本集團層面上，Motto集團之物業、廠房和設備、其他無形資產以及存貨乃按公平值列賬。其後，本集團依照所購入資產及承擔負債的性質，根據適用於該項目之其他香港財務報告準則計量及處理。

自完成收購事項之日二零一八年二月七日至二零一八年十二月三十一日，通用航空飛機活塞發動機業務確認了收益及毛利分別1,341,223,000港元及270,961,000港元，並錄得虧損84,773,000港元。假如於收購事項所購入資產及承擔負債按其在Motto集團層面的賬面值列賬，即撇除已在本年損益扣除之上述在本集團層面的公平值調整的影響105,065,000港元，則通用航空飛機活塞發動機業務錄得溢利20,292,000港元。

於二零一八年，通用航空飛機活塞發動機業務共交付2,511台發動機，較二零一七年（被本集團收購前）增長13%。發動機交付量是該業務一個重要衡量指標，因為它代表著市場份額的變化，而公司的戰略是為市場提供最廣泛的通用航空活塞發動機飛機產品。於二零一八年，我們的Titan系列產品和Jet-A系列產品均有增長。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

FINANCIAL REVIEW

Convertible bonds

As at 31 December 2017, the Group held convertible bonds issued by Peace Map Holding Limited ("PMH") and AVIC Joy Holdings (HK) Limited ("AVIC Joy"), respectively, both are listed companies in Hong Kong. These convertible bonds are managed and their performance is evaluated on a fair value basis. Fair values are mainly influenced by the prices of the underlying securities and the time value of the conversion option.

On 1 January 2018, the Group adopted HKFRS 9. Originally, the convertible bonds were separated into derivative financial instruments and available-for-sale debt instruments. In accordance with HKFRS 9, the entire convertible bonds should be classified as financial assets at fair value through profit or loss.

On 6 March 2018, the convertible bond issued by AVIC Joy matured and was redeemed by AVIC Joy. On 2 August 2018, the convertible bond issued by PMH matured but PMH failed to redeem them. Therefore, they were included in financial assets at fair value through profit or loss and stated at fair values of zero as at 31 December 2018.

In 2018, net fair value loss on financial assets at fair value through profit or loss of HK\$30,573,000 was recognised in respect of the convertible bonds issued by PMH and AVIC Joy, whereas last year, a fair value loss on derivative financial instruments of HK\$11,337,000 was recognised in respect of the derivatives embedded in these convertible bonds.

財務回顧

可換股債券

於二零一七年十二月三十一日，本集團持有分別由天下圖控股有限公司（「天下圖控股」）及幸福控股（香港）有限公司（「幸福控股」）（兩間均為香港上市公司）發行之可換股債券。該等可換股債券乃按公平值基準管理，其表現亦按公平值基準評價。公平值主要受相關證券價格以及換股權的時間值所影響。

於二零一八年一月一日，本集團採納了香港財務報告準則第9號。原本，可換股債券乃分割為衍生金融工具及可供出售債務工具兩部份。根據香港財務報告準則第9號，整個可換股債券應分類為按公平值計入損益之財務資產。

於二零一八年三月六日，由幸福控股所發行之可換股債券到期，並已被幸福控股贖回。於二零一八年八月二日，由天下圖控股所發行之可換股債券到期，惟天下圖控股無力贖回。因此，該些可換股債券於二零一八年十二月三十一日包含在按公平值計入損益之財務資產中，並按零之公平值列賬。

於二零一八年，就天下圖控股及幸福控股所發行之可換股債券確認了按公平值計入損益之財務資產之公平值虧損淨額30,573,000港元。上年，就該等可換股債券中嵌入之衍生工具確認了衍生金融工具之公平值虧損11,337,000港元。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

Listed equity investments

As at 31 December 2017, the Group held shares issued by PMH and classified the investment as a financial asset at fair value through profit or loss, and held shares issued by AVIC Joy and classified the investment as an available-for-sale investment.

On 1 January 2018, the Group adopted HKFRS 9. In accordance with HKFRS 9, the Group elected the option to irrevocably designate all its equity investments as equity investments designated at fair value through other comprehensive income. Net changes in fair value are recognised as other comprehensive income instead of being recognised in the statement of profit or loss. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised. Since 2018, PMH's shares have been suspended for trading and PMH is in liquidation process. As at 31 December 2018, the fair value of the shares issued by PMH and AVIC Joy was assessed to be zero and HK\$53,642,000 respectively, which were included in equity investments designated at fair value through other comprehensive income.

Last year, the Group recorded a fair value loss on the shares issued by PMH of HK\$6,857,000 which was recognised in the statement of profit or loss. Furthermore, an impairment of available-for-sale investments of HK\$67,280,000 in respect of the shares issued by AVIC Joy was also recorded.

Joint ventures and associates

During the year, the Group recorded share of losses of joint ventures and associates in an aggregate of HK\$2,470,000 (2017: HK\$18,821,000).

Other income and gain

Other income and gain from continuing operations increased from HK\$6,227,000 last year to HK\$51,355,000 in 2018, mainly due to the exchange gain of HK\$33,151,000 recorded.

上市股本投資

於二零一七年十二月三十一日，本集團持有由天下圖控股所發行之股份，並把該投資分類為按公平值計入損益之財務資產，以及持有由幸福控股所發行之股份，並把該投資分類為可供出售的投資。

於二零一八年一月一日，本集團採納了香港財務報告準則第9號。根據香港財務報告準則第9號，本集團選擇不可撤銷地將其所有股本投資指定為按公平值計入其他全面收益之股本投資。其公平值變動淨額乃確認為其他全面收益，而非於損益表確認。該等股本投資終止確認時，其於其他全面收益中錄得的利潤及虧損不得重新計入損益。自二零一八年起，天下圖控股之股份暫停交易，而天下圖控股則正進行清盤。於二零一八年十二月三十一日，由天下圖控股及幸福控股所發行之股份之公平值分別被評定為零及53,642,000港元，已包括在按公平值計入其他全面收益之股本投資內。

上年，本集團錄得由天下圖控股所發行之股份之公平值虧損6,857,000港元，已於損益表確認。此外，也就幸福控股所發行之股份錄得可供出售的投資之減值67,280,000港元。

合營公司及聯營公司

年內，本集團錄得分佔合營公司及聯營公司之虧損合共2,470,000港元（二零一七年：18,821,000港元）。

其他收入及利潤

來自持續經營業務之其他收入及利潤由上年的6,227,000港元增加至二零一八年的51,355,000港元，主要是由於錄得匯兌利潤33,151,000港元所致。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses from continuing operations of HK\$83,367,000 (2017: Nil) represents those selling and distribution expenses incurred by the general aviation aircraft piston engine business newly acquired in 2018.

Administrative expenses

During the year, the Group recorded administrative expenses from continuing operations of HK\$351,248,000 (2017: HK\$37,054,000), of which HK\$319,998,000 were incurred by the general aviation aircraft piston engine business newly acquired in 2018. Administrative expenses consist of salaries and wages, product liability expenses, engineering expenses, legal and professional expenses and other general expenses.

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group has consistently maintained sufficient working capital. As at 31 December 2018, the Group had current assets of HK\$1,892,118,000 (2017: HK\$3,825,763,000), including cash and bank balances and time deposits in an aggregate of HK\$1,191,575,000 (2017: HK\$627,140,000). The Group's current liabilities as at 31 December 2018 were HK\$540,746,000 (2017: HK\$980,982,000).

On 7 February 2018, the Acquisition was completed and a total of 3,783,783,783 new shares of the Company have been issued as fully paid to AVIC International (HK) Group, an intermediate holding company. The fair value of these shares was HK\$1,627,027,000 which was measured based on the listed share price of HK\$0.43 on that date. Accordingly, the issued share capital and share premium account of the Company increased by HK\$378,378,000 and HK\$1,248,649,000 respectively.

銷售及營銷費用

來自持續經營業務之銷售及營銷費用83,367,000港元(二零一七年:無)乃指二零一八年新增之通用航空飛機活塞發動機業務所產生之銷售及營銷費用。

行政管理費用

年內,本集團錄得來自持續經營業務之行政管理費用351,248,000港元(二零一七年:37,054,000港元),其中319,998,000港元乃由二零一八年新增之通用航空飛機活塞發動機業務所產生。行政管理費用包括薪金及工資、產品責任費用、工程費用、法律及專業費用以及其他一般費用。

資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零一八年十二月三十一日,本集團有流動資產1,892,118,000港元(二零一七年:3,825,763,000港元),其中包括現金及銀行結存及定期存款合共1,191,575,000港元(二零一七年:627,140,000港元)。本集團於二零一八年十二月三十一日之流動負債為540,746,000港元(二零一七年:980,982,000港元)。

於二零一八年二月七日,收購事項完成,合共3,783,783,783股本公司新股份已繳足發行予中間控股公司中航國際(香港)集團。該些股份之公平值為1,627,027,000港元,乃按當天上市股價每股0.43港元計算。因此,本公司已發行股本及股份溢價賬分別增加378,378,000港元及1,248,649,000港元。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

As at 31 December 2018, the Group's equity attributable to owners of the parent amounted to HK\$3,619,168,000 (2017: HK\$1,732,505,000), comprising issued capital of HK\$930,337,000 (2017: HK\$551,959,000) and reserves of HK\$2,688,831,000 (2017: HK\$1,180,546,000). The Group's interest-bearing debts included interest-bearing bank borrowings of HK\$121,249,000 (2017: loans from a fellow subsidiary of HK\$923,077,000 and loans from an intermediate holding company of HK\$503,550,000). The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of equity attributable to owners of the parent plus the interest-bearing debts, was 3% (2017: 45%).

The Group's banking facilities are mainly utilised for general working capital requirements.

CHARGES ON THE GROUP'S ASSETS

There were no charges on the Group's assets.

EXPOSURE TO FOREIGN CURRENCY RISK

As most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's exposure to foreign currency risk is minimal.

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the transactions as disclosed elsewhere in this annual report, the Group had no other material acquisitions or disposals during the year.

CONTINGENT LIABILITIES

Details of the significant contingent liabilities of the Group are set out in note 47 to the financial statements.

於二零一八年十二月三十一日，本集團之母公司所有者應佔權益為3,619,168,000港元（二零一七年：1,732,505,000港元），由已發行股本930,337,000港元（二零一七年：551,959,000港元）及儲備2,688,831,000港元（二零一七年：1,180,546,000港元）所組成。本集團之計息債務包括計息銀行貸款121,249,000港元（二零一七年：來自同系附屬公司的貸款923,077,000港元及來自中間控股公司的貸款503,550,000港元）。本集團之資本負債率按計息債務佔母公司所有者應佔權益加計息債務之百分比計算為3%（二零一七年：45%）。

本集團之銀行信貸主要用於應付一般營運資金的需要。

本集團資產抵押

本集團並沒有資產抵押。

外匯風險

由於本集團的大部分業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的外匯風險極微。

重大收購及出售

除本年報另有披露之交易外，本集團於年內並無任何其他重大收購或出售。

或然負債

有關本集團重大或然負債之詳情載於財務報表附註47。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

ENVIRONMENTAL AND REGULATORY COMPLIANCE

Environmental protection and the effective use of natural resources have gradually become an important concept in modern economic growth. The Group has been keeping track on the major trends in environmental protection around the world and has been making an effort to integrate the concept of environmental protection in its operations. Based on new technology and management approach, the Group strictly control its environmental impact and resource usage such that cleaner production featuring lower pollution and lower emissions thus sustainable development can be achieved.

The Group strictly complies all applicable laws and regulations released by the relevant authorities which are material to us. Throughout the year, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, there were 691 (2017: 70) employees in the Group. The employee wages and salaries for the continuing operations, excluding directors' remuneration, amounted to HK\$252,989,000 (2017: HK\$5,846,000) for the year ended 31 December 2018. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to building good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

環境及法規的遵從

保護環境及善用天然資源已逐步成為現代經濟發展的重要觀念，本集團一直密切關注全球環保的大趨勢，並一直在努力將環境保護的概念融入營運模式中。本集團採用新科技、新管理配套，嚴格控制環境影響及資源使用，致力打造低污染低排放的清潔生產模式，從而實現可持續發展經濟的重要方向。

本集團嚴格遵循所有由相關監管部門發佈而對公司有重要影響的相關的適用法律及規例。於二零一八年全年，本集團沒有不遵守對其業務有重大影響的有關法律及規例的事故。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團共有僱員691名(二零一七年：70名)。截至二零一八年十二月三十一日止年度，持續經營業務之僱員工資及薪金(不包括董事酬金)為252,989,000港元(二零一七年：5,846,000港元)。本集團重視與僱員保持良好關係。董事認為，為僱員提供優越的工作環境及福利，有助建立良好員工關係及挽留員工。本集團的薪酬政策乃根據各員工的表現及市場情況制定並定期進行檢討。本集團並為僱員提供其他福利包括醫療及人壽保險，以及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

OUTLOOK

Across the five market sectors accessible to the piston aircraft (Certified General Aviation Business and Pleasure; Certified General Aviation Pilot Training; Uncertified General Aviation; General Aviation Light Sport; and Unmanned Aircraft), our strategy is to have the widest breadth of product offerings and to invest heavily in new product development and certification so as to meet future opportunities in the market. In addition, our commitment to continuous improvement and modernisation of the manufacturing facility are on schedule to deliver operational and cost efficiencies in 2019 and 2020.

Blue Marlin Program

The Blue Marlin factory modernisation program (the "Blue Marlin Program"), a US\$75 million investment in new facilities and equipment, began construction in July of 2018. As of December 2018, facility construction, despite substantial weather impacts, was on schedule to complete construction in June 2019. In addition, equipment upgrades were on schedule with the first equipment completing supplier runoff verification in December 2018. This equipment will be ready for shipment and installation in May 2019. Overall progress remains on schedule for full production rates in late 2020.

Research and Development

Research and Development projects aimed at bringing new engine variants to market including the IO-370, CD-170, CD-285, and CD-300, which have completed major milestones and entered important installation and flight testing programs with original equipment manufacturers of various aircrafts. We expect these programs to exit development and certification in phases across the next 24 months allowing transition to full production and customer delivery in that timeframe.

展望

在活塞飛機的五個主要市場(認證類通用航空商務和休閒、認證類通用航空飛行員培訓、非認證類通用航空、輕型運動類通用航空、以及無人駕駛飛機)，我們的戰略是為市場提供最廣泛的產品系列，並投資於產品研發和認證以滿足未來的市場機遇。另外，我們致力持續改進和按計劃進行生產設施現代化改造，將為二零一九年和二零二零年帶來生產和成本有效性的提升。

藍色金槍魚計劃

藍色金槍魚工廠現代化改造計劃(「藍色金槍魚計劃」)(7,500萬美元投資於新廠房及設備)於二零一八年七月開始建設。截至二零一八年十二月三十一日，雖然受到惡劣天氣的影響，廠房建設仍得以按計劃進行，計劃於二零一九年六月完工。設備升級按計劃進行，首台設備於二零一八年十二月在供應商處完成產品驗證。該設備將在二零一九年五月船運和安裝。整個進度按計劃進行，計劃於二零二零年後期實現全速率生產。

研發

研發項目的目標是為市場帶來新的不同的發動機，包括IO370、CD170、CD285、以及CD300，這些項目已經完成重要里程碑，並已經與各種飛機的原始設備製造商共同開展重要的安裝和試飛工作。我們預計這些項目將在未來24個月裡完成研發和認證工作，使我們可以在這個週期內實現全面生產和客戶交付。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

Challenge and opportunities

The uncertainty of the global economy in 2019 and thus resulting changes in the global general aviation market will affect the sales targets of the Group. In addition, in case there is a delay in the progress of the Research and Development projects and the Blue Marlin Program, it may have an impact on short-term production.

The many opportunities, initiatives and investments that were underway in 2018 are expected to continue in 2019 as both the Blue Marlin Program and major product programs would reach fruition in 2020. At that time, the Group expects to achieve improved operating results and to have growth opportunities.

APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow Directors and all our staff for their support, hard work and dedication.

By order of the Board

AVIC International Holding (HK) Limited

Liu Hongde

Chairman

Hong Kong, 15 March 2019

挑戰及機遇

二零一九年全球經濟的不確定性以及由此可能引起的全球通用航空市場的變化，會影響本集團銷售目標的實現。另外，假如研發項目和藍色金槍魚計劃出現進度拖延，亦會對短期的生產交付造成影響。

上述在二零一八年正在進行的機會、專案和投資（包括藍色金槍魚計劃和研發項目），將在二零一九年繼續實施，並將在二零二零年取得成果。其時，本集團預期將能實現更好的運營結果及獲得更多發展機遇。

致謝

本人謹此向各董事及全體職員所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命

AVIC International Holding (HK) Limited

中國航空工業國際控股(香港)有限公司

主席

劉洪德

香港，二零一九年三月十五日



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

EXECUTIVE DIRECTORS

Mr. Liu Hongde, aged 58, has been an executive Director, the Chairman of the Company, and a member of the Remuneration Committee of the Company since December 2016. He is a PhD in Management Science and Engineering of Harbin Engineering University (哈爾濱工程大學) and a professoriate senior engineer. He enjoys the special government allowances of the State Council. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu is currently the chairman of the board of directors of AVIC International Holding Corporation (“AVIC International”), a director of AVIC International (HK) Group and the supervisor of Aviation Industry Corporation of China, Ltd (“AVIC”), all being substantial shareholders of the Company. Mr. Liu was appointed in February 2017 as an executive director of AVIC International Holdings Limited (“AVIC IHL”), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dongan Engine Corporation (哈爾濱東安發動機公司), the general manager and chairman of Harbin Dongan Auto Engine Co., Ltd. (哈爾濱東安汽車動力股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Co., Ltd. (哈爾濱航空工業(集團)有限公司), the chairman of Jiangxi Changhe Automobile Co., Ltd. (江西昌河汽車股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the general manager of AVIC Automobile Industry Corporation (中國航空汽車工業總公司), the deputy general manager of AviChina Industry & Technology Company Limited, which shares are listed on the main board of the Stock Exchange, the head of the corporate cultural departments of the China Aviation Industry Corporation II (中國航空工業第二集團公司) and AVIC, and the vice executive chairman of the trade union of AVIC.

執行董事

劉洪德先生，58歲，自二零一六年十二月出任本公司執行董事、主席及薪酬委員會成員。劉先生為哈爾濱工程大學管理科學與工程專業博士及研究員級高級工程師。彼享受國務院政府特殊津貼。劉先生於經營管理、科研管理、組織及文化建設方面擁有豐富工作經驗。劉先生現任本公司主要股東中國航空技術國際控股有限公司(「中航國際」)董事長、中航國際(香港)集團董事及中國航空工業集團有限公司(「中航工業」)監事。劉先生於二零一七年二月獲委任為股份於香港聯合交易所有限公司(「聯交所」)主板上市之中航國際控股股份有限公司(「中航國際控股」)的執行董事。加入中航國際前，劉先生曾出任哈爾濱東安發動機公司副總裁、哈爾濱東安汽車動力股份有限公司(其股份於上海證券交易所上市及買賣)總裁及董事長、哈爾濱航空工業(集團)有限公司董事及常務副總裁、江西昌河汽車股份有限公司(其股份於上海證券交易所上市及買賣)董事長、中國航空汽車工業總公司總裁、中國航空科技工業股份有限公司(其股份於聯交所主板上市)副總裁、中國航空工業第二集團公司企業文化部部長、中航工業企業文化部部長、以及中航工業工會常務副主席。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Lai Weixuan, aged 54, has been an executive Director since June 2015, and the Chief Executive Officer of the Company and a member of the Nomination Committee of the Company since August 2018. He is a senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University. Mr. Lai is now the Chief Executive Officer of AVIC International and a director of AVIC International (HK) Group. Mr. Lai joined AVIC International Shenzhen Company Limited ("AVIC Shenzhen", a wholly owned subsidiary of AVIC International) in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the Chairman of Fiyta Holdings Limited ("Fiyta"), the deputy chairman of Tianma Microelectronics Co., Ltd. ("Tianma") and the chairman of Rainbow Department Store Co., Ltd. ("Rainbow Department Store"). Fiyta, Tianma and Rainbow Department Store are companies listed on Shenzhen Stock Exchange. He is also the director of two subsidiaries of the Group. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC IHL from 2004 to 2012 and was appointed as an executive director again in 2014.

Mr. Fu Fangxing, aged 45, has been an executive Director since August 2018. He obtained a Bachelor's Degree in Investment, Economics and Management from Central University of Finance and Economics in 1996 and a Master's Degree in Accountancy from Shanghai University of Finance and Economics in 2005. Mr. Fu is currently an executive director of AVIC IHL. He is also the director and the head of financial management department of AVIC International, a substantial shareholder of the Company and the director of AVIC International (HK) Group and Tacko International Limited. He previously served as the executive director of AVIC Joy Holdings (HK) Limited ("AVIC Joy"), which shares are listed on the main board of the Stock Exchange, the deputy head of the financial management department of AVIC International, the deputy chief accountant of AVIC-INTL Project Engineering Company and the chief accountant of AVIC International Aero-Development Corporation. He is also a director of a subsidiary of the Group. Mr. Fu is a senior accountant and has extensive experience in financial management, investment and financing management as well as mergers and acquisitions.

賴偉宣先生，54歲，自二零一五年六月出任執行董事，並自二零一八年八月起同時出任本公司行政總裁及提名委員會成員。賴先生為高級會計師，同濟大學管理學博士及北京大學光華管理學院EMBA。賴先生現為中航國際總裁及中航國際(香港)集團董事。賴先生於一九八三年加入中航國際之全資附屬公司中國航空技術深圳有限公司(「中航深圳」)。賴先生曾任中航深圳副總經理、飛亞達(集團)股份有限公司(「飛亞達」)董事長、天馬微電子股份有限公司(「天馬」)副董事長及天虹商場股份有限公司(「天虹商場」)董事長。飛亞達、天馬及天虹商場之股份於深圳證券交易所上市。賴先生亦為本集團兩間附屬公司之董事。賴先生具有豐富之財務及經營管理經驗，曾於二零零四年至二零一二年於中航國際控股擔任執行董事，並於二零一四年再次獲委任為執行董事。

傅方興先生，45歲，自二零一八年八月出任執行董事。傅先生於一九九六年獲中央財經大學頒授投資經濟管理學士學位，並於二零零五年於上海財經大學取得會計學碩士學位。傅先生現出任中航國際控股執行董事、本公司主要股東中航國際的董事及總會計師，以及中航國際(香港)集團及Tacko International Limited董事。傅先生曾任幸福控股(香港)有限公司(「幸福控股」)(其股份於聯交所主板上市)之執行董事、中航國際財務管理部副部長、中航國際成套設備有限公司副總會計師、中航國際航空發展有限公司總會計師。傅先生亦為本集團一間附屬公司之董事。傅先生為高級會計師，在財務管理、投融資管理及投資併購等方面具有豐富的經驗。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Zhang Zhibiao, aged 45, has been an executive Director since August 2018. Mr. Zhang is currently the head of the operations management department of AVIC International, a director of AVIC Sunda Holding Company Limited (中航善達股份有限公司), which shares are listed and traded on the Shenzhen Stock Exchange and an executive director of AVIC Joy. Mr. Zhang previously served as the president assistant of AVIC Securities Co., Ltd (中航證券有限公司) (formerly known as SouthChina Securities Co., Ltd.* (江南證券有限責任公司)), the head of SouthChina Financial Research Institute* (江南金融研究所) and the deputy office manager of the capital operation office of AVIC International. Mr. Zhang was also the office manager of international aviation business, the head of the administrative management department and the head of the planning and development department of AVIC International. Mr. Zhang has over 22 years of working experience in the areas of management, aviation business, strategic development, industries research, securities, investment and initial public offerings.

Mr. Yu Xiaodong, aged 46, has been an executive Director since August 2018. He obtained a Master's Degree in International Trade from University of International Business and Economics in 1997. He previously served as the project manager of AVIC International, the assistant general manager of AVIC International Harbin Company* (中航國際哈爾濱公司), the operations management vice director of the international cooperation department of AVIC International, the organisational performance director of the human resources department of AVIC International, the vice general manager of the human resources department of AVIC International and the general manager of the auditing department of AVIC International. He is also the director of four subsidiaries of the Group.

張志標先生，45歲，自二零一八年八月出任執行董事。張先生現為中航國際之經營管理部部長、中航善達股份有限公司（其股份於深圳證券交易所上市及買賣）董事以及幸福控股執行董事。張先生曾任中航證券有限公司（前稱江南證券有限責任公司）總裁助理、江南金融研究所所長以及中航國際資本運營辦副主任。張先生亦出任中航國際國際航空業務辦公室主任、行政管理部部長及規劃發展部部長。張先生在管理、航空業務、戰略規劃、行業研究、證券、投資及首次公開招股方面有超過22年工作經驗。

于曉東先生，46歲，自二零一八年八月出任執行董事。于先生於一九九七年獲頒對外經濟貿易大學國際貿易碩士學位。彼曾任中航國際項目經理、中航國際哈爾濱公司協理、中航國際國際合作部運作管理處副總監、中航國際人力資源部架構績效處總監、中航國際人力資源部副總經理及中航國際審計部總經理。于先生亦為本集團四間附屬公司之董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

NON-EXECUTIVE DIRECTOR

Mr. Chow Wai Kam, JP, aged 71, has been a non-executive Director since June 2015. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001. He is currently an executive director of CK Asset Holdings Limited ("CKAH"), a company listed on the main board of the Stock Exchange. Mr. Chow joined the Hutchison Group in July 1995 and was the Group Managing Director of the property and hotels divisions of the Hutchison Group since 2000. He is now the Group Managing Director of Hutchison Property Group Limited, a wholly-owned subsidiary of CKAH. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland China and overseas.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Yu Lin, David, JP, SBS, aged 75, has been an independent non-executive Director since May 1999. He is also a member and the Chairman of the Nomination Committee, the Audit Committee and the Remuneration Committee of the Company. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited. Mr. Chu is an independent non-executive director of Chuang's China Investments Limited, Chuang's Consortium International Limited and Zhuhai Holdings Investment Group Limited, all being listed on the main board of the Stock Exchange.

非執行董事

周偉淦先生，太平紳士，71歲，自二零一五年六月出任非執行董事。周先生分別於一九七零年十一月及一九七二年十一月獲得香港大學建築學文學學士學位及建築學學士學位。並分別自一九七六年七月及一九九一年一月起成為認可人士（建築師名單）及註冊建築師。自二零零一年八月起，周先生成為香港建築師學會資深會員。周先生現為於聯交所主板上市之長江實業集團有限公司（「長實集團」）之執行董事。周先生於一九九五年七月加入和黃集團，並自二零零零年起曾任和黃集團之物業及酒店部門集團董事總經理。周先生現任長實集團之全資附屬公司和記地產集團有限公司集團董事總經理。周先生於各類發展之項目管理與建築設計方面，包括於香港、中國與海外之酒店、住宅、商業、工業及校舍項目有逾四十年經驗。

獨立非執行董事

朱幼麟先生，JP，SBS，75歲，自一九九九年五月出任獨立非執行董事。朱先生同時出任本公司提名委員會、審核委員會及薪酬委員會成員兼主席。朱先生持有美國東北大學電機工程及管理學學位，後獲哈佛大學頒授工商管理碩士學位及獲美國東北大學頒發名譽博士學位（公共服務）。朱先生曾於多間頗具規模之國際機構如美國銀行、General Electric Co.及怡和洋行有限公司工作。朱先生現出任莊士中國投資有限公司、莊士機構國際有限公司及珠海控股投資集團有限公司獨立非執行董事（上述公司全部均於聯交所主板上市）。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Li Ka Fai, David, aged 64, has been an independent non-executive Director since December 2007. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). Mr. Li is also a fellow of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, UK, as well as The Institute of Chartered Accountants in England & Wales. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited and Wai Yuen Tong Medicine Holdings Limited, all being listed on the main board of the Stock Exchange.

Mr. Zhang Ping, aged 54, has been an independent non-executive Director since May 2017. He is also a Chairman and member of the Nomination Committee member and the Audit Committee of the Company. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organized key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC IHL, until December 2014. He is currently an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司).

李家暉先生，64歲，自二零零七年十二月出任獨立非執行董事。李先生同時出任本公司審核委員會及薪酬委員會成員。李先生持有化學及管理榮譽理學士學位。李先生現為李湯陳會計師事務所副執行合夥人。李先生亦為香港會計師公會執業資深會計師、英國特許公認會計師公會及英格蘭及威爾斯特許會計師公會資深會員。李先生現出任招商局港口控股有限公司、中港照相器材集團有限公司、四海國際集團有限公司、金利來集團有限公司、上海實業城市開發集團有限公司及位元堂藥業控股有限公司獨立非執行董事(上述公司全部均於聯交所主板上市)。

張平先生，54歲，自二零一七年五月出任獨立非執行董事。張先生同時出任本公司提名委員會主席及審核委員會成員。張先生獲得中國社會科學院研究生院經濟博士學位。張先生自一九八八年七月開始在中國社會科學院經濟研究所工作。他曾領導及主持多項重點國家經濟研究項目。彼在理論研究和調查的基礎上寫出了諸多論著，主要研究領域為中國經濟增長和宏觀經濟政策。張先生曾出任股份於聯交所上市之中航國際控股股份有限公司的獨立非執行董事至二零一四年十二月。張先生現任民生通惠資產管理有限公司獨立董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

SENIOR MANAGEMENT

Mr. Zhao Yang, aged 48, joined the Group in January 2017 as the Chief Financial Officer and is responsible for the Group's corporate finance, accounting and treasury functions. He is also a director of Tacko and certain subsidiaries of the Company. He holds a Bachelor's degree in Finance from Nankai University and EMBA degree from China Europe International Business School. Mr. Zhao Yang is a senior economist. Prior to joining the Group, Mr. Zhao held senior management positions in different companies, of which two are Shenzhen listed companies. Mr. Zhao has over 25 years of experience in accounting and finance.

Mr. Lin Jining, aged 47, joined the Group in June 2018 as Deputy Chief Financial Officer and is responsible for assisting the Chief Financial Officer for the Group's corporate finance, accounting and treasury functions. He holds a Bachelor's degree in accounting and economic from University of Xiamen. Mr. Lin held senior management positions in different companies. He has over 25 years of experience in accounting and finance and international aviation business.

管理高層

趙揚先生，48歲，二零一七年一月加入本集團擔任財務總監，負責本集團之企業融資、會計及財政等職務。趙先生同時出任Tacko董事，並為本公司若干附屬公司董事。趙先生持有南開大學金融學士學位及中歐國際工商學院EMBA，並為高級經濟師。在加盟本集團之前，趙先生曾於多間公司擔任高級管理職務，其中兩間為深圳上市公司。趙先生在會計及財務方面擁有逾25年經驗。

林紀寧先生，47歲，二零一八年六月加入本公司擔任副財務總監，並負責協助財務總監處理本集團之企業融資、會計及財政等職務。林先生持有廈門大學會計系經濟學學士學位。在加盟本集團之前，林先生曾於多間公司擔任高級管理職務。林先生在會計財務方面、以及國際航空及相關領域業務方面擁有逾25年經驗。



CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE

The Company is committed to maintain good standards of corporate governance practices by emphasising transparency, accountability and responsibility to its shareholders.

For the year ended 31 December 2018, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the "Corporate Governance Code" (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except as noted hereunder:

Other than the Non-executive Director appointed on 23 June 2015 and the Independent Non-executive Director appointed on 26 May 2017, the other two Independent Non-executive Directors were appointed without specific terms (code provision A.4.1), details of which are mentioned under the section headed "NON-EXECUTIVE DIRECTORS" in this report.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. A reminder was served by the Company to each Director twice annually of the black out period that Director cannot deal in the securities and derivatives (if any) of the Company.

企業管治

本公司致力於對其股東強調透明度、問責性及責任性，從而保持良好的企業管治常規。

除下文所述外，本公司於截至二零一八年十二月三十一日止年度已實施並遵守載於聯交所證券上市規則（「上市規則」）附錄十四的《企業管治守則》（「企業管治守則」）的所有守則條文及（如適用）建議最佳常規：

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期（守則條文第A.4.1條），詳情載於本報告內「非執行董事」項下。

本公司將參考企業管治的最新發展，定期檢討及改善其企業管治常規。

董事的證券交易

本公司已採納載於上市規則附錄十的《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的行為守則。本公司每年就禁止買賣期發出兩次通知提醒每位董事不可買賣本公司之證券及衍生工具（如有）。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors are required to notify the Chief Executive Officer (who is also a Director) and receive a dated written acknowledgement before dealing in the securities and derivatives (if any) of the Company. In the case of the Chief Executive Officer himself, he must notify the Chairman and receive a dated written acknowledgement before any dealing.

Having made specific enquiry, all Directors had confirmed that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2018.

The Company has also established a written guideline no less exacting than the Model Code for securities transactions by relevant employees (including any employee of the Company or director or employee of a subsidiary who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company). No incidence of non-compliance was noted by the Company.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Currently, the Board comprises five Executive Directors, and four Non-executive Directors, including three Independent Non-executive Directors. An Independent Non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as prescribed by the Listing Rules. 6 out of the 9 Directors served the full year for the year ended 31 December 2018. The biographical details of the Directors are set out on pages 12 to 16 of this annual report. There is no relationship (including financial, business, family or other material/relevant relationship) between Board members.

董事進行本公司之證券及衍生工具(如有)買賣前,必須先知會行政總裁(行政總裁亦為董事),並待收到註明日期之書面確認才可進行買賣。倘為行政總裁本人,則必須先知會主席,並待收到註明日期之書面確認才可進行買賣。

在作出特定查詢後,所有董事確認彼等於截至二零一八年十二月三十一日止年度已遵守標準守則所載的規定。

本公司亦已制定一份不遜於標準守則的有關僱員(包括本公司任何僱員、或附屬公司的任何董事或僱員,不會利用他們因在該公司或該附屬公司的職務或工作而可能管有與本公司證券有關的內幕消息)進行證券交易的書面指引。本公司並無知悉任何違規事件。

董事會

本公司由董事會管理,董事會負有領導及監控本公司之責任。董事透過集體領導及監督本公司事務,共同負責推動本公司的成功。

董事會目前由五名執行董事及四名非執行董事(包括三名獨立非執行董事)組成。一名獨立非執行董事具備上市規則所規定之適當的專業資格或會計或相關的財務管理專長。九位董事中有六位於截至二零一八年十二月三十一日止整個年度內任職。董事之履歷資料載於本年報第12頁至第16頁。董事會成員之間並無任何關係(包括財務、業務、家屬或其他重大/相關的關係)。



CORPORATE GOVERNANCE REPORT 企業管治報告

Notwithstanding any contractual or other terms on which any Director may be appointed or engaged at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. A new Director appointed by the Board after the preceding annual general meeting shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election at that meeting.

The Company did not have a nomination committee before 24 August 2018. The Board was directly in charge of nomination of Directors before 24 August 2018. In accordance with the Bye-laws of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. For nomination, consideration will be made to the qualifications and capabilities of the nominated individual. During the year, the Board selected and recommended the appointment of Mr. Fu Fangxing, Mr. Yu Xiaodong and Mr. Zhang Zhibiao as Executive Directors.

儘管在每次股東周年大會上可能有任何董事按合約條款或其他條款被委任或聘用，其時三分之一的董事（或，若董事的人數不是三(3)的倍數，則最接近但不少於三分之一的人數）須輪席退任，即每位董事至少每三年須退任一次。每年退任的董事須為自上一次選舉以來任期最長的董事，對於同一日連任的董事，則須以抽籤方式決定（除非董事之間另有協定）。退任董事合資格重選連任。於上屆股東週年大會後獲董事會委任之新董事，將任職至本公司下屆股東大會（如為填補空缺者）或任職至本公司下屆股東週年大會（如為增加現有董事會成員），並合資格在有關會議上重選連任。

本公司在2018年8月24日前並未設立提名委員會。在未設立提名委員會前，董事會直接負責董事之委任事宜。根據本公司細則，董事會有權不時並於任何時間委任任何人士為董事，以填補空缺或增加董事會成員，但因此委任之董事人數不得超過股東於股東大會上不時訂定的最多人數。提名時將考慮該獲提名人士之資格及能力。年內，董事會遴選及推薦委任傅方興先生、于曉東先生及張志標先生為執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company had adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to maintaining a competitive advantage of the Board. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities. The Board will consider and if appropriate, set measurable objectives to implement the Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Policy, from time to time, to ensure its continued effectiveness.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximize the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions.

The Board is also responsible for performing the corporate governance functions under the requirements of the CG Code. The major role and functions of the Board regarding its corporate governance include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;

本公司已採納了一份載列實現並保持董事會成員多元化途徑的董事會成員多元化政策(「本政策」),以保持董事會的競爭優勢。本公司透過考慮多項因素,包括但不限於才能、技能、地域及行業經驗、背景、性別及其他特質,以尋求實現董事會多元化。董事會將考慮並在適當情況下制定可計量目標以推行本政策,並檢討該等目標以確保其合適度及確定達標的進度。董事會將不時檢討本政策,以確保其持續有效。

董事會制定本集團之整體策略,監察其財務表現及對管理層維持有效之監督。董事會成員盡心履行及忠誠行事,爭取股東長遠最大利益,並使本集團之目標及方向與當前經濟及市場狀況保持一致。

董事會同時負責履行企業管治守則項下要求的企業管治職能。董事會就其企業管治的主要角色和職能,包括:

1. 制定及檢討本公司的企業管治政策及常規並向董事會提出建議;
2. 檢討及監察董事及本公司管理高層的培訓及持續專業發展;



CORPORATE GOVERNANCE REPORT 企業管治報告

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| <p>3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;</p> <p>4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and</p> <p>5. to review the Company's compliance with the CG Code and disclosure in this report.</p> | <p>3. 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；</p> <p>4. 制定、檢討及監察本公司僱員及董事的操守準則及合規手冊(如有)；及</p> <p>5. 檢討本公司遵守企業管治守則的情況及於本報告內的披露。</p> |
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The following is a summary of the work of the Board in respect of corporate governance matters during the year ended 31 December 2018:

以下是董事會於截至二零一八年十二月三十一日止年度內就企業管治事宜的工作概要：

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|---|---|
| <p>1. performed corporate governance duties under the CG Code;</p> <p>2. reviewed the Company's corporate governance policies and practices;</p> <p>3. reviewed the connected transactions and the continuing connected transactions of the Group;</p> <p>4. reviewed the compliance with the CG Code; and</p> <p>5. reviewed the effectiveness of the risk management and internal control systems of the Company through the Audit Committee.</p> | <p>1. 履行企業管治守則項下的企業管治職責；</p> <p>2. 檢討本公司之企業管治政策及常規；</p> <p>3. 檢討本集團之關連交易及持續關連交易；</p> <p>4. 檢討是否遵守企業管治守則；及</p> <p>5. 透過審核委員會檢討本公司實施之風險管理及內部監控系統是否有效。</p> |
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The senior management of the Company is delegated with responsibilities in the day-to-day management and administration of the Company and makes operational and business decisions within the control and delegation framework of the Company.

按本公司之監控及授權架構，本公司管理高層獲授權負責本公司之日常及行政管理，並作出營運及業務上之決策。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company had issued formal letters of appointment for Directors setting out the key terms and conditions of their appointment.

本公司已發出訂明有關委任的主要條款及條件的正式的董事委任書。

The Company had arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the extent of insurance cover each year.

本公司已就因董事及高級職員所承擔之法律責任安排適當保險，本公司每年對保險之保障範圍進行檢討。

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that board procedures, and all applicable rules and regulations, are followed; and also regularly updates the Board on governance and regulatory matters. Any Director, in the furtherance of his or her duties, may take independent professional advice in appropriate circumstances through the Chairman at the expense of the Company. The availability of professional advice extends to the Audit, Nomination and Remuneration Committees.

所有董事均可獲得公司秘書的意見和服務，公司秘書負責確保遵循董事會程序及所有適用規則及規例；並定期就管治及法規等事宜向董事會提供最新的信息。任何董事可在適當的情況下透過主席尋求獨立專業意見，以協助有關董事履行對本公司的責任，費用由本公司支付。尋求專業意見亦適用於審核委員會、提名委員會及薪酬委員會。

Minutes of Board meetings were taken by the Company Secretary and, together with any supporting Board papers, are available to all Board members. During the year ended 31 December 2018, eight regular Board meetings were held by the Company.

董事會會議記錄由公司秘書記存，連同任何相關的董事會文件，可供董事會所有成員查閱。於截至二零一八年十二月三十一日止年度，本公司曾舉行八次董事會定期會議。



CORPORATE GOVERNANCE REPORT 企業管治報告

The attendance record of Directors at regular Board meetings and other Committee meetings as well as general meetings during the year ended 31 December 2018 are set out in the table below:

董事於截至二零一八年十二月三十一日止年度內出席董事會定期會議及其他委員會會議以及股東大會的記錄載於下表：

Director	董事	Number of regular meetings or meetings attended/held 出席/舉行定期會議或會議次數			Number of general meetings attended/held 出席/舉行股東大會次數		
		Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Annual 週年	Special 特別
<i>Executive Directors</i> 執行董事							
Liu Hongde	劉洪德	6/8	–	–	–	1/1	3/3
Pan Linwu*	潘林武*	5/5	–	–	–	1/1	1/2
Lai Weixuan	賴偉宣	6/8	–	–	–	1/1	2/3
Zhou Chunhua*	周春華*	3/5	–	–	–	0/1	0/2
Xu Hongge*	徐洪舸*	0/5	–	–	–	0/1	0/2
Fu Fangxing**	傅方興**	3/3	–	–	–	0/0	0/1
Yu Xiaodong**	于曉東**	3/3	–	–	–	0/0	1/1
Zhang Zhibiao**	張志標**	3/3	–	–	–	0/0	0/1
<i>Non-executive Director</i> 非執行董事							
Chow Wai Kam	周偉淦	8/8	–	–	–	1/1	3/3
<i>Independent Non-executive Directors</i> 獨立非執行董事							
Chu Yu Lin, David	朱幼麟	7/8	–	–	2/2	1/1	2/3
Li Ka Fai, David	李家暉	8/8	–	–	2/2	1/1	3/3
Zhang Ping	張平	7/8	–	–	2/2	0/1	0/3

* Mr. Pan Linwu, Ms. Zhou Chunhua and Mr. Xu Hongge resigned on 24 August 2018. Up to the date of their resignation, five Board meetings and three general meetings were held during the year.

* 潘林武先生、周春華女士及徐洪舸先生於二零一八年八月二十四日退任。截至他們退任日止年內曾舉行五次董事會會議及三次股東大會。

** Mr. Fu Fangxing, Mr. Yu Xiaodong and Mr. Zhang Zhibiao were appointed as director of the Company on 24 August 2018. Three Board meetings and one general meeting were held during the period from the date of their appointment up to the end of the year.

** 傅方興先生、于曉東先生及張志標先生於二零一八年八月二十四日獲委任為本公司董事。從他們的任命之日至今年年底期間召開了三次董事會會議及一次股東大會。

No meeting was held during the period from the date of establishment of the Nomination Committee up to the end of the year.

提名委員會從成立之日起至二零一八年底期間並沒有舉行會議。

Save for the annual general meeting, three special general meetings were held during the year 2018.

除股東週年大會外，於二零一八年內舉行了三次股東特別大會。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every newly appointed director was given a comprehensive, formal and tailored induction training to ensure that he is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

All directors were encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. According to the records provided by the Directors, the Directors received the following training during the year 2018:

董事培訓及專業發展

每名新委任的董事獲給予全面、正式兼特為其而設的就任須知，以確保他們完全知道本身在法規及普通法、上市規則、法律及其他監管規定下的職責。

本公司鼓勵全體董事參與持續專業發展，發展並更新其知識及技能。根據董事提供的記錄，董事於二零一八年內接受以下培訓：

Director	董事	Type of continuous professional development programmes 持續專業發展計劃類別	
		Reading materials and updates 閱讀材料及更新資料	Attending briefing sessions/seminars 出席簡介會/研討會
<i>Executive Directors</i>			
Liu Hongde	劉洪德	✓	✓
Pan Linwu*	潘林武*	✓	✓
Lai Weixuan	賴偉宣	✓	✓
Zhou Chunhua*	周春華*	✓	✓
Xu Hongge*	徐洪舸*	✓	—
Fu Fangxing**	傅方興**	✓	✓
Yu Xiaodong**	于曉東**	✓	✓
Zhang Zhibiao**	張志標**	✓	✓
<i>Non-executive Director</i>			
Chow Wai Kam	周偉淦	✓	✓
<i>Independent Non-executive Directors</i>			
Chu Yu Lin, David	朱幼麟	✓	✓
Li Ka Fai, David	李家暉	✓	✓
Zhang Ping	張平	✓	✓

* resigned on 24 August 2018.

** appointed on 24 August 2018.

* 於二零一八年八月二十四日退任。

** 於二零一八年八月二十四日獲委任。



CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the Chairman is separated from that of the Chief Executive Officer. Currently, the Chairman and the Chief Executive Officer of the Company are Mr. Liu Hongde and Mr. Lai Weixuan respectively.

The Chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying Board papers are circulated where possible at least three days before the time of a Board meeting. The Chairman is also responsible for making sure all Directors are properly briefed on issues arising at Board meetings. The Chief Executive Officer is delegated with the authorities to manage the business of the Group in all aspects effectively.

The division of responsibilities between the Chairman and the Chief Executive Officer has been clearly established and set out in writing.

NON-EXECUTIVE DIRECTORS

The non-executive Directors bring a wide range of skills and experience to the Group. They serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole. The Company had received from each of the independent non-executive Directors an annual confirmation of his Independence pursuant to Rule 3.13 of the Listing Rules. The Board considered that the independent non-executive Directors are independent in character and judgment and fulfill the independence guidelines set out in rule 3.13 of the Listing Rules.

Other than the non-executive Director appointed on 23 June 2015 and the independent non-executive Director appointed on 26 May 2017, the other two independent non-executive Directors were appointed without specific terms, but are subject to retirement by rotation as explained above under section headed "BOARD OF DIRECTORS".

主席及行政總裁

為確保權力和授權分佈均衡，主席及行政總裁的角色有獨立區分。現時本公司之主席及行政總裁分別為劉洪德先生及賴偉宣先生。

主席負責領導董事會，確保董事會各方面有效地運作及釐定董事會會議議程，並考慮將其他董事提出的議題加入議程。會議議程及隨附的董事會文件（在可能情況下）在舉行董事會會議當日最少三日前傳閱。主席亦負責確保所有董事均適當知悉在董事會會議上提出的事項。行政總裁則獲授權有效地管理本集團各方面之業務。

主席及行政總裁的職責區分已清晰界定並以書面列明。

非執行董事

非執行董事為本集團帶來廣泛技能及經驗。彼等就保障股東及本公司之整體利益上發揮重要制衡功能。本公司已收到獨立非執行董事們根據上市規則第3.13條的獨立性周年確認書。董事會認為獨立非執行董事在個性及判斷上皆獨立，並符合上市規則第3.13條所載的獨立性準則。

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期，惟須根據以上「董事會」項下所述輪席退任。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises one Executive Director, Mr. Liu Hongde, and two independent non-executive Directors, namely, Mr. Chu Yu Lin, David (as chairman) and Mr. Li Ka Fai, David. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The role, authority and duties of the Remuneration Committee are clearly set out in its terms of reference.

No meeting was held during the year 2018 to review and recommend the remuneration of non-executive Directors, executive Directors and senior management since the review and recommendation of the remuneration for the year 2018 were performed in the meeting held in December 2017. The attendance of each member is set out in the table above under section headed "BOARD OF DIRECTORS".

The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate Executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, no director or any of his associates is allowed in deciding his own remuneration. During the year 2018, the Remuneration Committee had adopted the model "to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management".

薪酬委員會

薪酬委員會目前由一名執行董事(劉洪德先生)及兩名獨立非執行董事(朱幼麟先生擔任主席及李家暉先生)組成。薪酬委員會的職責包括向董事會就有關本公司董事及管理高層之薪酬政策及架構、以及就制訂有關薪酬政策而建立之正規且具透明度的程序提供建議。薪酬委員會的角色、權限及職責已清晰地載於其職權範圍內。

於二零一八年內,薪酬委員會沒有舉行會議,因在二零一七年十二月的會議已檢討及建議非執行董事、執行董事及管理高層在二零一八年之薪酬待遇。各成員之出席記錄載於上述「董事會」項下的出席表內。

行政人員薪酬政策之主要目的是透過把執行董事的待遇與按企業目標量度的表現掛鉤,藉此挽留及勉勵本公司執行董事。根據薪酬政策,任何董事或其任何聯繫人不得參與釐定其自身的薪酬。於二零一八年內,薪酬委員會已採納了《獲董事會轉授責任,釐定個別執行董事及高級管理人員的薪酬待遇》的模式。



CORPORATE GOVERNANCE REPORT 企業管治報告

Details of remuneration of members of senior management of the Company by band for the year ended 31 December 2018 are set out below:

截至二零一八年十二月三十一日止年度，本公司管理高層之酬金等級載列如下：

Remuneration	酬金	Number of individuals 人數
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	1

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8 and 9 to the financial statements respectively.

根據上市規則附錄十六之披露要求，董事酬金及五名最高薪僱員之詳情分別載於財務報表附註8及9。

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems and the effectiveness of the Company's internal audit function. It currently comprises three independent non-executive Directors, namely Mr. Chu Yu Lin, David (as chairman), Mr. Li Ka Fai, David and Mr. Zhang Ping. The Audit Committee met two times during the year 2018 to review the interim and final results, the interim and annual reports, the external auditor's engagement letter and fee, the risk management and internal control systems of the Group, the effectiveness of the Group's internal audit function and the continuing connected transactions. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS". The duties of the Audit Committee are clearly set out in its terms of reference.

審核委員會

本公司已設立根據上市規則第3.21條規定成立之審核委員會，以檢討及監督本集團之財務申報程序、風險管理及內部監控系統及公司的內部審計職能的有效性。審核委員會現由三名獨立非執行董事（朱幼麟先生擔任主席、李家暉先生及張平先生）組成。審核委員會於二零一八年內曾舉行二次會議，以審閱本集團的中期業績及末期業績、中期報告及年報、外聘核數師之委聘函及費用、風險管理及內部監控系統、本集團的內部審核功能的有效性以及持續關連交易。各成員之出席記錄載於上述「董事會」項下的出席表內。審核委員會的職責已清晰地載於其職權範圍內。

Full minutes of meetings were kept and sent to all members of the Board. Matters raised at the meetings were reported back to the Board so that due consideration was given as to the action to be taken.

相關會議的全部記錄已備存，並發送予董事會所有成員。在會議上提出的事項均已匯報董事會，以便及時考慮所需行動。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The Company had established a Nomination Committee on 24 August 2018 in compliance with code provisions A.5.1 to A.5.4 of the CG Code for the purposes of reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board regarding any proposed changes, identifying candidates with suitable qualifications as directors, selecting and making recommendations to the Board, assessing the independence of independent non-executive Directors, and making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors. It currently comprises one executive Director, Mr. Lai Weixuan, and two independent non-executive Directors, namely, Mr. Zhang Ping (as chairman) and Mr. Chu Yu Lin, David. The duties of the Nomination Committee are clearly set out in its terms of reference. No meeting was held during the period from the date of its establishment up to the end of the year.

BOARD NOMINATION POLICY

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

提名委員會

本公司在二零一八年八月二十四日已根據企業管治守則守則條文第A.5.1至A.5.4條規定設立提名委員會，以檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何建議變動向董事會提出建議、物色具備合適資格擔任董事的人士，並挑選有關人士出任董事並就此向董事會提出建議、評估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繼任計劃相關的事宜向董事會提出建議。提名委員會現由一名執行董事（賴偉宣先生）及兩名獨立非執行董事（張平先生擔任主席及朱幼麟先生）組成。提名委員會的職責已清晰地載於其職權範圍內。提名委員會從成立之日起至二零一八年底期間並沒有舉行會議。

董事提名政策

提名委員會應努力尋找具有高度誠信及事業成就的人士，並具備專業的資格、素質和技能，能為本集團及股東爭取最佳的利益。被選中的候選人具備能力做出良好的判斷，並提供實用的見解和不同的觀點。提名委員會亦會根據當時的董事會組成及本集團的營運要求對候選人進行評估。此外，提名委員會會考慮多樣性因素（包括但不限於性別、種族、民族、年齡、經驗和技能）及其他因素，其中包括董事會和本公司當前和預期的未來需求，及保持在董事會中的觀點、資格、質量和技能的平衡。



CORPORATE GOVERNANCE REPORT 企業管治報告

The Nomination Committee considered the following qualifications at a minimum to be required of any Board members in recommending to the Board potential new board members, or the continued service of existing members:

- the highest professional and personal ethics;
 - broad experience in business;
 - ability to provide insights and practical wisdom based on their experience and expertise;
 - commitment to enhancing shareholder value;
 - sufficient time to effectively carry out their duties;
 - compliance with legal and regulatory requirements; and
 - ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Group.
- 高尚的職業道德和個人道德；
 - 廣泛的商業經驗；
 - 根據他們的經驗和知識提供專業的見解和實踐智慧；
 - 致力於提高股東的價值；
 - 有足夠的時間有效履行職責；
 - 遵守法律和監管要求；及
 - 能夠與其他董事會成員建立良好的工作關係，並有助董事會與本集團的管理層建立工作關係。

AUDITORS' REMUNERATION

Ernst & Young are the auditors of the Company. The services provided by them include audit and non-audit. Fees for auditing and non-auditing (including interim review, taxation and other professional services) services for the year ended 31 December 2018 amounted to HK\$4,164,000 and HK\$5,197,000 respectively.

提名委員會認為董事會成員向董事會推薦新董事會成員時，或現有的董事會成員時，至少需要具備以下資格：

核數師酬金

安永會計師事務所乃本公司之核數師。彼等所提供之服務包括審核及非審核。截至二零一八年十二月三十一日止年度，審核及非審核（包括中期審閱、稅務及其他專業服務）服務費用分別為4,164,000港元及5,197,000港元。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING

The Directors are responsible for monitoring the preparation of financial statements of each financial period and ensuring those financial statements provide a true and fair view of the state of affairs of the Group and of the results and cash flow for the relevant financial period. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them consistently, adopted Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, made a prudent and reasonable judgment and estimation, and, prepared the financial statements on a going concern basis.

The Company has timely announced and published its financial results in accordance with the requirements of the Listing Rules.

The auditors are responsible for forming an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the members of the Company, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (the "Companies Act"), and for no other purpose.

A statement by the auditors about their reporting responsibilities is set out in the Independent Auditor's Report of this annual report.

財務申報

董事負責監督擬備每個財政期間之財務報表，使該財務報表能真實而中肯地反映本集團於該有關財政期間之業務狀況、業績及現金流量表現。在擬備該等財務報表時，董事已選擇及貫徹採用合適的會計政策；採納香港會計師公會頒佈的香港財務報告準則；及作出審慎合理判斷及估計，並按持續經營基準擬備財務報表。

本公司已按上市規則規定適時公告及發佈其財務業績。

核數師的責任乃根據彼等審核工作的結果，對該等財務報表作出獨立意見，並根據百慕達公司法一九八一（「公司法」）第90條僅為本公司全體股東報告，而不作任何其他用途。

核數師就其申報責任而作出的聲明載於本年報獨立核數師報告書內。



CORPORATE GOVERNANCE REPORT 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness through the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, losses or fraud. Procedures have been designed for safeguarding assets against unauthorized use or disposition, for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. Procedures have also been designed for compliance of applicable laws, rules and regulations.

Reviews of the adequacy and effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, were conducted by the internal audit section of the Group from time to time. The results and recommendations were reported to the Audit Committee and thereafter to the Board. The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions had also been reviewed by the Board and Audit Committee. During the year ended 31 December 2018, internal audit section of the Group evaluated the effectiveness and adequacy of the Group's risk management and internal control systems by adopting an integrated risk assessment approach, and the review report was presented to the Audit Committee and the Board for review in March 2019. No material deficiency was identified. The Board considered that the Group's risk management and internal control systems were adequate and effective and the Company had complied with the provisions on risk management and internal control of the CG Code. The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of Audit Committee, internal audit section and senior management.

風險管理及內部監控

董事會對於本集團的風險管理及內部監控系統負有整體責任，並透過審核委員會對其有效程度進行檢討。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述、損失或詐騙作出合理而非絕對的保證。就保障資產免受非法使用或處置、保存妥善會計記錄以及提供可靠的財務資料供內部或作刊發用途，已設計出相應步驟。同時亦已設計出相應步驟確保適用的法例、規則及法規得以遵守。

本集團的內部審核部門不時就本集團的風險管理及內部監控系統的足夠性及有效性進行檢討。有關檢討涵蓋所有重要監控，包括財務監控、營運監控及合規監控。相關結果及建議已向審核委員會報告；及後向董事會報告。董事會及審核委員會亦審閱本集團在會計、內部審核及財務匯報職能方面的資源充足性、員工資歷及經驗，以及員工所接受的培訓課程及有關預算的足夠性。於截至二零一八年十二月三十一日止年度內，本集團的內部審核部門通過綜合風險評估方法評估本集團的風險管理及內部監控系統的有效性及足夠性，評估報告於二零一九年三月提交審核委員會及董事會審閱。本公司並無發現重大缺點。董事會認為本集團的風險管理及內部監控系統是足夠及有效的，同時本公司也遵守了企業管治守則關於風險管理及內部監控的條文。董事會確認該系統和程序能就實現本公司戰略目標而可能涉及的重大風險進行辨識、監控和作出報告。董事會在審核委員會、內部審核部門及管理高層的支持下監督這些風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has implemented Corporate Disclosure Policy, which set out the reporting procedures for the handling and dissemination of inside information.

COMPANY SECRETARY

Mr. Kwok Chi Ho, the Company Secretary, is an employee of the Company and responsible directly to the Board. He had complied with all the qualification, experience and training requirement under the Listing Rules.

The Company Secretary reports to the Chairman and the Chief Executive Officer.

INVESTOR RELATIONS

The updated Memorandum of Association and Bye-laws of the Company had been posted on the Company's website at www.avic.com.hk and the Stock Exchange's designated website at www.hkexnews.hk. During the year 2018, there was no change in the Memorandum of Association and Bye-laws of the Company.

SHAREHOLDERS' RIGHTS

Convening of a special general meeting by shareholders

Pursuant to the Bye-laws of the Company and the Companies Act, the Board shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company (the "Registered Office"), which is presently situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and may consist of several documents in like form each signed by one or more requisitionists.

本公司已經實施企業信息披露政策，其中規定了對內幕消息的處理發發佈的報告程序。

公司秘書

公司秘書郭致豪先生是本公司僱員，並直接向董事會負責。郭先生一直遵守上市規則項下所有的資歷，經驗及培訓要求。

公司秘書向主席及行政總裁匯報。

投資者關係

本公司最新的組織大綱及細則已登載於本公司網頁 www.avic.com.hk 及聯交所指定網頁 www.hkexnews.hk。於二零一八年內，本公司組織大綱及細則並無變動。

股東權利

股東召開股東特別大會

根據本公司細則及公司法，於持有可於本公司股東大會投票之已繳足股本不少於十分之一之股東遞交呈請書當日，董事會須隨即召開股東特別大會。

呈請書必須列明會議目的，並必須由呈請人簽署及遞交本公司註冊辦事處（「註冊辦事處」，現時地址為 Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda），而呈請書可由若干相同格式之文件組成，而每份文件均由一名或以上呈請人簽署。



CORPORATE GOVERNANCE REPORT 企業管治報告

If the Board does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting forward proposals at shareholders' meetings

Pursuant to the Companies Act, either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than one hundred shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition. Provided that if, an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事會並無於呈請人遞交呈請書當日起二十一日內隨即召開會議，則呈請人（或其中代表全體呈請人總表決權半數以上之任何人士）可自行召開會議，惟按此方式召開之任何會議不得於遞交呈請書當日起計三個月屆滿後舉行。

於股東大會上提呈議案之程序

根據公司法，任何股東數目代表不少於該呈請書提出當日有權於會議上投票之所有股東之總投票權二十分之一；或不少於一百名股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通告，以告知任何可能於該會議上正式動議及擬於該會議上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知於該會議上提呈之任何建議決議案所述事宜或將處理之事項。

由所有呈請人簽署之呈請書，必須在不少於（倘為要求通知決議案之呈請書）會議舉行前六週或（倘為任何其他呈請書）會議舉行前一週，遞交到註冊辦事處，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請書後六週或較短期間內之某一日召開股東週年大會，則該呈請書雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for shareholders to propose a person for election as a Director

Regarding the procedures for proposing a person for election as a Director, please refer to the procedures made available under section Corporate Governance of the Company's website at www.avic.com.hk.

Procedures for directing shareholder's enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit B, 15th Floor, United Centre
95 Queensway, Hong Kong
Fax: (852) 2915 0867

Shareholders may also make enquiries with the Board at general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to fair disclosure, comprehensive and transparent reporting. Effective communication with shareholders has always been one of the Company's priorities. Information in relation to the Group is disseminated to shareholders in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

The Company has established a shareholders' communication policy which is subject to review on a regular basis to ensure its effectiveness.

股東提名候選董事之程序

關於提名候選董事之程序，請參閱本公司網頁 www.avic.com.hk 企業管治項下之程序。

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書轉遞其查詢及問題予董事會。公司秘書之聯絡詳情如下：

香港金鐘道95號
統一中心15樓B室
傳真：(852) 2915 0867

股東亦可在本公司之股東大會上向董事會作出查詢。

與股東的溝通

本公司致力於公平披露、綜合及透明的報告。本公司一向高度重視與股東之間的有效溝通。有關本集團之資料，已透過各種正式渠道及時向股東發佈，包括中期報告及年報、公告以及通函。

本公司已制定一份股東通訊政策並對該政策定期作出檢討以確保其成效。



CORPORATE GOVERNANCE REPORT 企業管治報告

General meetings of the Company provide good opportunities for direct communications between the Board and its shareholders. The Chairman of the Board, all other Directors and senior management endeavor to attend any general meeting of the Company and answer queries from shareholders. Separate resolution is proposed for each issue by the chairman of the meeting at each general meeting. Notice of general meeting is served together with the circular to the shareholders at least twenty clear business days or twenty-one clear days, whichever is the longer, before an annual general meeting and at least ten clear business days or twenty-one clear days, whichever is the longer, before a meeting called for passing of a special resolution, and, at least ten clear business days or fourteen clear days, whichever is the longer, before a meeting other than an annual general meeting or a meeting for the passing of a special resolution.

Detailed procedures for conducting a poll are to be explained by the chairman of the meeting at the commencement of the general meeting. Any questions raised from shareholders regarding voting by way of a poll may also be answered by the chairman of the meeting.

The 2018 annual general meeting of the Company was held on 24 May 2018. At the meeting, a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of retiring directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules. All Directors except for two Executive Directors and an Independent Non-executive Director, the chairman of the audit committee and remuneration committee and a member of the audit committee and remuneration committee, attended the 2018 annual general meeting and had effective communications with shareholders.

本公司之股東大會提供董事會與股東直接溝通之良好機會。董事會主席、所有其他董事及管理高層盡量出席本公司的任何股東大會，並解答股東的提問。會議主席於每個股東大會上就各項議題提呈個別決議案。股東大會通告連同通函分別於召開股東週年大會最少二十個完整營業日或二十一日前（以較長者為準）及為通過特別決議案之會議最少十個完整營業日或二十一日前（以較長者為準），以及於召開其他會議（股東週年大會或為通過特別決議案之會議除外）最少十個完整營業日或十四日前（以較長者為準），送交本公司股東。

以投票方式進行表決的詳細程序於股東大會開始時由會議主席說明，而股東就有關以投票方式表決提出的任何提問亦可由會議主席回答。

本公司二零一八年股東週年大會已於二零一八年五月二十四日舉行。在會議上，會議主席就各項個別議題提呈個別決議案（包括重選退任董事），並以投票方式表決。本公司已根據上市規則規定的方式公告投票結果。除兩位執行董事及一位獨立非執行董事外，所有董事、審核委員會兼薪酬委員會主席及一名審核委員會兼薪酬委員會成員出席二零一八年股東週年大會並與股東有效溝通。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SCOPE OF REPORTING

The Group is pleased to present this environmental, social and governance report. This report specifies the Group's environmental, social and governance performance for the fiscal year 2018 (1 January to 31 December 2018), which runs consistent with the annual report of the Group. The Group adopted the materiality principle in planning and preparing this report. Unless otherwise stated, this report covers the newly acquired general aviation piston engine business in the United States. Compared with the previous fiscal year, this report of this year does not cover the real estate development business in Dalian since the related business has been sold. The scope of reporting herein has been updated based on the latest business portfolio of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDELINES AND REPORTING

The Group's environmental, social and governance philosophy is to create long-term value for stakeholders that grows in tandem with the Group's business and sustainable development while being in line with environmental interests. The Group is committed to becoming a responsible corporate citizen and believes that transparency and responsibility are important foundations for building trust with stakeholders.

As such, the Board endeavours to contribute to sustainability. Meanwhile, the Board is responsible for assessing and identifying the Group's environmental, social and governance risks. By identifying and managing such risks, the Board can formulate well-defined environmental, social and governance policies and ensure the solid implementation of relevant policies and guidelines.

報告範圍

本集團欣然提呈本環境、社會及管治報告。此報告詳列本集團於環境及社會的管治表現，報告的時間範圍為二零一八年財政年度（二零一八年一月一日至十二月三十一日）。與本集團年報的時間一致。本集團在規劃和發展此報告時採用了重要性原則—除非另有說明，本報告涵蓋了位於美國新收購之通用航空飛機活塞發動機業務。由於本集團已經出售所持有的地產業務，因此，與上一個財政年度比較，本年度並未包含位於大連之地產發展業務。此報告的範圍已根據本集團的最新業務組合作出更新。

環境、社會及管治方針與報告

本集團的環境、社會及管治哲學乃為持份者締造配合本集團業務增長及可持續發展，同時符合所在環境利益的長遠價值。本集團致力成為負責任的企業公民，並相信透明度及責任感乃與持份者建立互信的重要基礎。

因此，董事會致力為可持續發展作出貢獻。同時，董事會負責評估及釐定本集團有關環境、社會及管治的風險。透過釐定及調節有關風險，董事會得以制訂明確的環境、社會及管治政策，並確保所有政策和方針得以穩妥實行。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

BASIS OF PREPARATION

This report is prepared and presented with reference to the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 to the Listing Rules:

1. **Materiality:** the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported.
2. **Quantitative:** KPIs need to be measurable. Targets can be set to reduce a particular impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.
3. **Balance:** The ESG report should provide an unbiased picture of the Group's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
4. **Consistency:** The Group should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The issuer should disclose in the ESG report any changes to the methods used or any other relevant factors affecting a meaningful comparison.

COMMUNICATION WITH STAKEHOLDERS

As part of its business strategy, the Group communicated with stakeholders in an open, honest and positive manner. That involved a variety of formal communication channels, such as interim reports, annual reports, announcements and circulars. In 2018, the Group continued to maintain an open dialogue with stakeholders to review and update the key areas identified as important to the Group's business operations. This helped the Group to develop sustainability plans in line with the business strategy.

編制基準

本報告根據上市規則附錄二十七對《環境、社會及管治報告指引》的要求編撰及呈列相關資料：

1. **重要性：**當環境、社會及管治的相關事宜會對投資者及其他關聯方產生重要影響時，本報告須作出彙報。
2. **量化：**如有訂立關鍵績效指標，該指標須可予以計量並於適當情況下作出有效對比，而所訂立的指標亦須闡述其目的及影響。
3. **平衡：**本報告須不偏不倚地呈報本集團在環境、社會及管治方面的表現，以及避免不恰當地誤導讀者決策或判斷的選擇、遺漏或呈報格式。
4. **一致性：**本報告使用一致的披露統計方法，使相關數據日後可作有意義的比較。若統計方法於日後有所變更，亦須在報告中注明。

與持份者溝通

作為業務戰略之一部分，本集團以公開、誠實及積極的態度與持份者進行溝通。當中，包括多種正式溝通渠道，例如中期報告及年報、公告以及通函。於2018年，本集團繼續與持份者保持開放的對話，以檢視及更新已識別為對本集團業務而言屬重要的主要範疇。此舉有助於制定切合業務策略的可持續發展工作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

A. ENVIRONMENTAL

The Group upholds the philosophy of “Low-carbon economy will become the norm of future economic development” and is committed to aligning its business model with this philosophy. The Group implemented a series of environmental management measures on air and greenhouse gas emissions, water and land discharges, and the generation of hazardous and non-hazardous wastes. This can reduce the damage caused by daily business activities to the environment and enable the Group to achieve a green production mode with low pollution and low emissions, which leads the Group towards a low-carbon economy.

1. GREENHOUSE GAS AND AIR EMISSIONS

In an effort to practice environmental protection, the Group regards the management of greenhouse gas and air emissions as part of the operational decisions. Along with the strategy, the Group also takes effective measures to reduce greenhouse gas and air emissions, in addition to comply with relevant government laws and regulations and keeping abreast of the latest environmental developments around the world. The Group’s air emissions mainly come from its general aviation piston engine business, which involves air pollutants from transportation and testing of engines. The air emissions include nitrogen oxides (NOx), sulphur oxides (SOx) and respirable suspended particulates.

Emission 排放物		Unit 單位	Emissions 排放量
Nitrogen oxides (NOx)	氮氧化物(NOx)	kg 千克	2721.00
Sulphur oxides (SOx)	硫氧化物(SOx)	kg 千克	73.00
Particulate matter	顆粒物	kg 千克	1996.00

Table 1 – Total Emissions During the Reporting Period

表1—報告期內的排放物總量

A. 環境

本集團秉承「低碳經濟將成為未來經濟發展」的原則，並致力把營運模式與此觀念接軌。本集團通過實施一系列的環境管理規定，落實廢氣及溫室氣體排放、水及土地排污、有害及無害廢棄物產生之管理方法，從而減少因日常經營活動對環境造成之損害，務求達致低污染低排放的綠色生產模式，引領本集團走向低碳經濟的重要方向。

1. 溫室氣體及廢氣排放

本集團把溫室氣體及廢氣管理作為本集團營運決策的一部分，積極採取有效的減少溫室氣體及廢氣排放的行動，同時遵守政府法例法規要求，並留意最新國際相關環保趨勢，致力實踐環境保護的相關工作。本集團的廢氣排放物主要來自通用航空飛機活塞發動機業務，當中涉及運輸及測試引擎所產生之空氣污染物，例如氮氧化物(NOx)、硫氧化物(SOx)及可吸入顆粒物。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境·社會及管治報告

The Group's greenhouse gas emissions come from the operations of the aircraft factory, including fuel consumption for testing aircraft engines. During the reporting period, the Group produced a total of approximately 1,100 tonnes of carbon dioxide equivalent of greenhouse gases, representing an emission density of 3 tonnes of carbon dioxide equivalent per employee.

本集團的溫室氣體排放來自飛機工廠營運，當中包括測試航空發動機之消耗燃油。於報告期內，本集團產生的溫室氣體總量約1,100噸二氧化碳當量，每名員工排放密度約3噸二氧化碳當量。

Scope of greenhouse gas emissions	Emission source	Emissions (Tonnes of carbon dioxide equivalent) 排放量 (以噸二氧化碳當量計)	Density (Emissions per employee) 密度 (排放量/員工)	Total emissions (In percentage) 總排放量 (以百分比計)
Scope 1 Direct emissions 範圍1 直接排放				
Aviation fuel	航空燃油	543.33	1.31	47.71
Unleaded gasoline	無鉛汽油	10.28	0.02	0.90
Liquefied petroleum gas	液化石油氣	96.29	0.23	8.46
Kerosene	煤油	90.98	0.22	7.99
Diesel	柴油	0.23	0.00	0.01
Natural gas	天然氣	0.00	0.00	0.00
Acetylene	乙炔	0.04	0.00	0.00
R22 refrigerant	R22製冷劑	6.57	0.02	0.58
Carbon dioxide fire extinguishers	二氧化碳滅火器	3.82	0.01	0.33
Scope 2 Indirect emissions 範圍2 間接排放				
Purchased electricity	購買電力	6.92	0.02	0.61
Scope 3 Other indirect emissions 範圍3 其它間接排放				
Disposed paper waste	棄置廢紙	50.11	0.12	4.40
Employee flight mileage	員工飛行里數	330.46	0.79	29.01
Total	總計	1138.92	2.74	100.00

Table 2 – Total Greenhouse Gas Emissions During the Reporting Period

表2—報告期內的溫室氣體排放總量

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group's business units take different measures to reduce air pollutants and greenhouse gas emissions. In order to reduce power consumptions and emissions from office operations, the Group prefers using low-power electrical appliances or products, and avoids using unnecessary high-power equipment. For example, the Group preferably chooses low-wattage with bright lighting systems to effectively reduce power consumption. In addition, the Group is committed to using appropriate machinery and equipment. Pollution control devices have been installed in paint shops, sandblasting machines and treatment tanks in the factory to effectively control and reduce the emissions of carbon monoxide, volatile organic compounds, harmful air pollutants and particulate matters, thus achieving the goal of reducing greenhouse gas emissions.

本集團業務單位採取不同措施以減少空氣污染物及溫室氣體排放。為減少辦公室耗電從而減少排放，本集團優先採用低耗電電器或產品，避免使用非必要的高耗能設備，例如在照明方面優先選用低瓦數、高光度的照明系統，有效減低電力消耗。此外，本集團致力採用適當的機械及裝置。於工廠油漆間、砂粒噴磨機、噴砂機，處理罐等已安裝污染物控制裝置，有效控制 and 減少一氧化碳、揮發性有機化合物、有害空氣污染物和顆粒物的排放，從而達致減少溫室氣體排放的目的。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

(a) Waste Management

The Group adheres to the principles of waste management and strives to properly handle and dispose of all wastes generated from business activities. In order to reduce environmental impact, the Group classify and recycle wastes where feasible to increase the potential of downstream recycling, and properly dispose of non-recyclable wastes.

By implementing waste assessment procedures, the Group assesses the emissions of air, water and solid waste, special waste, hazardous and non-hazardous waste for newly added machines and processes. Meanwhile, the Group classifies hazardous and non-hazardous waste in the factory to meet the requirements of local laws and regulations. The hazardous waste is handed over to four qualified hazardous waste collectors for disposal. When selecting a suitable hazardous waste collector, the Group requires the supplier to obtain a hazardous waste transportation permit issued by the U.S. Department of Transportation.

(a) 廢棄物管理

本集團堅持廢棄物管理原則，並致力妥善處理及處置來自業務活動所產生的廢棄物。為達致減少環境影響的目標，本集團在可行的情況下將廢棄物分類回收，提升下游再造利用的潛力，並適當地棄置不可回收再造的廢棄物。

透過實施廢棄物評估程序，本集團為新添加之機器或工序進行空氣、水、固體廢棄物、特殊廢棄物、無害廢棄物和有害廢棄物評估，以測試其排放情況。同時，工廠分類有害及無害廢棄物，以符合當地法規要求。有害廢棄物均交由4間合資格之有害廢棄物收集商處理。在選擇合適有害廢棄物收集商時，本集團亦要求供應商獲得美國運輸部頒發的運送有害廢棄物許可證明。

Waste	Unit	Emissions	Density (Emissions per employee) 密度(排放量/ 員工)
廢棄物	單位	排放量	
Total hazardous waste 有害廢棄物總量	tonnes 噸	27.00	0.06
Total non-hazardous waste 無害廢棄物總量	tonnes 噸	244.33	0.59

Table 3 – Waste Generated During the Reporting Period

表3 – 報告期內所產生廢棄物

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

During the reporting period, the Group strictly complied with the relevant environmental laws and there was no case of prosecution against the Group for violation of environmental laws.

於報告期內，本集團嚴格遵行相關的環保法例，未有因為違反與環保相關法例而被檢控的個案。

2. USE OF RESOURCES

In order to effectively use resources, reduce waste and protect the ecological environment, the Group is committed to protecting resources to achieve environmental and operational benefits. In order to fulfil its environmental commitments, the Group has implemented a series of green production measures to improve energy efficiency and reduce paper and water consumption. By monitoring and managing the use of resources, the Group aims to reduce operating costs and carbon footprint.

(a) Resources

During the reporting period, the resources directly consumed by the Group for operations are as follows:

2. 資源使用

為了有效地使用資源、減少浪費和保護生態環境，本集團致力保護資源以達致環保及營運效益。為履行環保承諾，本集團已實施多項綠色生產措施，從而提升能源效益、減低用紙量和用水。通過積極監察及管理資源使用，本集團旨在減少營運成本及碳足跡。

(a) 資源

於報告期內，本集團用於營運的直接消耗資源如下：

Resources	Unit	Consumption	Density (consumption per employee) 密度 (消耗量/ 員工)
資源	單位	消耗量	
Power 電力	kilowatt hour 千瓦時	13,056.00	31.38
Aviation fuel 航空燃油	litre 公升	223,422.57	537.07
Unleaded gasoline 無鉛汽油	litre 公升	3,797.53	9.13



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境·社會及管治報告

Resources	Unit	Consumption	Density (consumption per employee) 密度 (消耗量/ 員工)
資源	單位	消耗量	
Liquefied petroleum gas 液化石油氣	litre 公升	31,916.70	76.72
Kerosene 煤油	litre 公升	37,411.22	89.93
Diesel 柴油	litre 公升	41.64	0.10
Natural gas 天然氣	cubic metre 立方米	756,037.35	1,817.40
Acetylene 乙炔	kilogramme 公斤	11.04	0.03
R22 refrigerant R22製冷劑	kilogramme 公斤	3.63	0.01
Carbon dioxide fire extinguishers 二氧化碳滅火器	kilogramme 公斤	3,819.70	9.18
Water 水	cubic metre 立方米	5,692,900.00	13,684.86
Steam 蒸氣	cubic metre 立方米	21,042.00	50.58
Packaging materials for finished products (plastic) 製成品包裝材料(塑料)	tonnes 噸	31.90	0.08
Packaging materials for finished products (paper) 製成品包裝材料(紙張)	tonnes 噸	185.90	0.45
Packaging materials for finished products (wood) 製成品包裝材料(木材)	tonnes 噸	196.01	0.47

Table 4 – Consumption of Resources During the Reporting Period

表4—報告期內的資源消耗總量

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has been implementing the “5S methodology” (standing for “Sort”, “Set in order”, “Shine”, “Standardize”, and “Sustain”) as the core model for the daily management, implementation and discussion. Furthermore, the Group conducts lean management and waste reduction management to realise the “Zero emission plan”. The plan is aimed at encouraging employees to redesign the use of resources from many aspects to prolong the life cycle of resources. Through effective use of products or materials, the plan can help reduce the use of resources and generate less waste.

In addition, the Group attaches great importance to energy management in order to make effective use of power resources. The Group gives preference to the use of energy-efficient equipment, including energy-saving lighting fixtures, with a view to reducing energy consumption in the long run.

(b) *Water Consumption*

Sustainable and responsible use of water resources is a major global issue. The Group is aware that water shortage, excessive demand and overuse of water can cause serious problems. In view of this, the Group has in place wastewater treatment equipment. Through waste minimization plans, neutralization, chromate reduction, and alkaline chlorination of cyanide, the Group effectively reduce wastewater effluent characteristics and the discharge in the factory.

本集團已推行「5S」評估規劃，分別是整理、存放、清潔、標準和修養，作日常管理、執行、討論的核心模式。同時，本集團實行精益管理和減廢管理以達至「零排放計劃」。該計劃旨在鼓勵員工從多方面重新設計，使資源生命週期延長。此計劃有效地使產品或物料重新使用，達至減少使用資源和產生較少的廢棄物。

此外，本集團重視能源管理，以期達致有效善用電力資源。本集團通過優先採用更具能源效益的設備，包括慎選節能照明系統，務求能長遠減少能源消耗。

(b) *用水*

可持續及負責任地使用水資源是一個全球關鍵議題。本集團意識到缺水、過度需求及使用可引致嚴重問題。有見及此，本集團設有廢水處理設備。透過減少廢水計劃、中和、減少鉻酸鹽以及利用鹼性氯化處理氰化物，本集團有效地減少廢水產生及排放。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境·社會及管治報告

3. ENVIRONMENT AND NATURAL RESOURCES

The Group continuously identifies, assesses and manages potential adverse impacts on the environment, and strives to maintain a balance between business development and ecological environment for long-term sustainable development. When reviewing its business strategies and planning for future business development, the Group will definitely take environmental protection and conservation of natural resources into consideration.

The Group is dedicated to taking a series of effective measures to avoid and mitigating the impact on the environment and surrounding areas, including reducing noise, emissions and indoor air pollution. The Group has engaged qualified environmental consultants to review its environmental projects on a regular basis. For example, the Group ensures that the factory is in compliance with the Resource Conservation and Recycling Act (RCRA), the Air Emissions Permit, and the National Pollutant Discharge Elimination System (NPDES) permit.

During the reporting period, the Group did not have any major environmental accidents.

3. 環境及自然資源

本集團持續識別、評估及管理對環境的潛在不利影響，並致力維護產業與生態環境間之平衡，追求長期持續發展。在檢討經營策略、規劃未來產業發展的同時，本集團定必將環境保護及珍惜天然資源納入考慮因素當中。

本集團致力採取一系列有效措施避免及緩減對環境及週邊的影響，包括針對減少噪音、排放，及室內空氣污染等。本集團已委托合資格的環保顧問定期審查環保項目，例如確保其工廠符合當地的資源保護與回收法(RCRA)、空氣排放許可及國家污水排放控制系統(NPDES)許可證明。

於報告期內，期內本集團未有出現重大環境事故。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B. SOCIAL

1. EMPLOYMENT AND LABOUR PRACTICES

Employees are an important asset of the Group and have a critical impact on the quality of the Group's products and services. The Group attaches great importance to the protection and development of its employees and hopes to establish long-term relations with them.

The Group strives to build a safe, healthy, fair and non-discriminative work environment and maintains a harmonious relationship with employees, so as to bring together all employees to promote the long-term sustainable development of the Group.

The Group is convinced that equal employment relations can improve employee satisfaction, which in turn helps retain and motivates outstanding talents and thus speeds up the Group's business development. As such, in order to prevent employees from discrimination in the hiring process. The Group has formulated relevant recruitment procedures to ensure that recruitment decisions are based on the capabilities, knowledge and experience of job applicants related to the open positions irrespective of factors such as gender, age, race, family status, religious belief and disability.

In addition, the Group has developed a well-established dismissal policy. As a result of downsizing or business restructuring, those dismissed employees with a good track record maybe entitled to severance pay. Moreover, all dismissals are properly carried out in accordance with established procedures.

B. 社會

1. 僱傭與勞工常規

員工為本集團重要的資產，員工對本集團的產品和服務質素存在關鍵性的影響。本集團重視對員工的保障和發展，希望能與員工建立長久的關係。

本集團積極構建一個安全健康、公平公正、不存在歧視的工作環境，並致力維護本集團與員工的和諧關係，凝聚人才，合力推動本集團產業的長期可持續發展。

本集團深信平等的僱傭關係可提高員工滿意度，從而留住和激勵優秀人才，加快本集團的產業發展。因此，為了使員工在聘用階段中不受到任何歧視，本集團制定了相關招聘程序，確保人事決策建基於應徵者的才能、知識及與職位有關的經驗，而排除性別、年齡、種族、家庭狀況、宗教信仰或殘疾等因素。

此外，本集團已訂立妥善解僱政策。因人員削減和業務重整，其有良好記錄而被解僱的員工，均可能獲得遣散金。同時，所有解僱情況均按照既定程序妥善進行。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

During the reporting period, the Group did not have any cases of violation of relevant employment laws and regulations, nor did it receive any complaints related to recruitment.

2. OCCUPATIONAL HEALTH AND SAFETY

Ensuring that employees have a safe and healthy working environment is the basic responsibility of each company, and the Group takes it seriously. In an effort to create a safe and sound working environment for employees, the Group has developed occupational safety measures, in addition to enhancing employees' safety awareness, provide protective devices, and regularly monitor and review the safety performance.

The Group has set up a safety committee to take charge of its occupational health and safety matters. The committee, which consists of the human resources director, safety manager and fire- Fire Specialist, as well as hourly team members from the shop floor, is responsible for the Group's occupational health and safety matters. The committee meets once per week to discuss health and safety issues brought up by team members, formulate safety management measures for compliance, and advise internal departments on government standards and regulations. On the other hand, the Group incorporating safety performance into the annual performance appraisal. As such, the Group effectively improves occupational health and safety.

於報告期內，本集團並無違反相關的僱傭法律及法規的個案，亦無與招聘相關的投訴個案。

2. 職業健康與安全

確保員工享有安全和健康的工作環境，是每個企業的基本責任，本集團視之為己任。透過建立職業安全制度、提升員工安全意識、提供保護裝置、定期監察及審核安全表現等多方面著手，本集團致力為員工營造一個良好及安全的工作環境。

本集團設有安全委員會，專責本集團的職業健康及安全事務。該委員會由人事部經理、安全經理、消防主任及車間常規人員組成，並負責本集團職業健康及安全事務。委員會定期每周進行會議，內容涵蓋各成員提出的職業健康及安全事宜、制定合規的安全管理措施，及就政府標準及規例向內部部門提供建議。此外，本集團透過把安全表現納入每年一次的績效評估，有效地推動職業健康與安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In addition, the Group has developed measures for drug abuse prevention. According to the Employee Assistance Program, professionals are engaged to diagnose whether local employees have drug and alcohol abuse problems and advise them thereon, and to provide professional guidance, training and consultation in this regard. In addition, the Group requires all employees to attend monthly safety meetings. Such meetings cover the latest information on occupational health and safety, internal safety policies and safety accident review.

During the reporting period, the Group found no cases of violation of laws and regulations related to occupational safety and health, nor did it receive any complaints about work conditions. Also, there was no work-related death or injury within the Group.

3. DEVELOPMENT AND TRAINING

The Group understands the importance of providing employees with opportunities to pursue meaningful and prosperous careers, which can help employees demonstrate their potential and facilitate the Group's objectives.

In order to provide opportunities for employees to grow, the Group provides induction training and guidance for all new employees, offers a variety of training courses to in-service employees, including internal and external training, and creates opportunities for employees to exchange and learn in work-projects. Moreover, the Group has established the Educational Assistance Plan which provide educational subsidies to employees on job-related internal training courses and support them to take external training courses.

另外，本集團已設立藥物濫用預防制度。據此，當地員工可透過「員工支援計劃」，通過專業人員進行有關濫用藥物和酒精的診斷、建議，並對員工提供專業指導、培訓和諮詢。此外，本集團要求所有員工出席每月舉行之安全會議。會議涵蓋職業健康及安全的最新資訊、內部安全政策，及安全事故檢討。

於報告期內，本集團並無發現違反與職業安全健康相關的法例和法規，或關於工作情況的投訴個案；及沒有任何因工作而死亡或工傷的情況。

3. 發展及培訓

本集團明白為僱員提供機會追求有意義和發展豐盛事業的重要性，藉此能協助僱員展現潛能，同時亦可配合本集團的目標。

為了向員工提供成長機會，本集團為所有新入職員工提供入職及導引活動，並向在職員工提供多種培訓機會，包括本集團內部及外部培訓，並創造機會讓員工在項目進行交流學習。同時，本集團已訂立教育援助計劃。此計劃為合資格之員工提供與工作相關之內部培訓支助，及支助員工進行外部培訓課程。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

4. LABOUR STANDARDS

(a) *Prohibition of Child Labour and Forced Labour*

The Group is firmly against child labour and forced labour, and prohibits the employment of any child labour and forced labour in any operations and services.

All employees of the Group must reach the statutory minimum working age. Before hiring any candidate, the Group will check the age-related documents to verify his/her age. The Group adheres to the principle of fair and voluntary recruitment, strictly forbids forced or fraudulent recruitment, ensures that all employees work on a voluntary basis, and prohibits forced labour in any form. Where employees are needed to work overtime in the production process, the Group will formulate overtime arrangements with the employee representatives and employees, and the working hours will not exceed the maximum legal limits. Moreover, the management personnel will not force the employees to carry out work with significant safety and health risks or illicit work.

During the reporting period, the Group found no incidents in violation of the laws and regulations on labour standards.

4. 勞工準則

(a) **禁止使用童工和強迫勞工**

本集團堅守反對童工及強迫勞工現的原則，禁止於任何營運及服務中聘用任何童工和強制勞工。

本集團所有員工均須符合法定工作年齡，在聘用任何應徵者之前均會檢查與年齡相關的檔案，有效核實其年齡。本集團秉持公正自願原則進行招聘，嚴禁以強逼或欺詐手段招募，又確保所有員工都在自願的基礎上勞動或工作，禁止任何形式的強迫勞工。本集團在生產過程中需要加班亦會與員工代表和員工協商，並且不會超過法定時間，而管理人員亦不會自恃職務強迫員工進行具有顯著安全衛生風險或違規的工作。

於報告期內，本集團並無發現有關勞工準則法例及規例的不合規事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

5. SUPPLY CHAIN MANAGEMENT

The Group believes that building a sustainable supply chain create values for employees, suppliers of goods, service providers, communities and customers. The Group also emphasises promoting good communication and cooperation with business partners to jointly maintain the quality and safety of products and services.

The Group requires all suppliers to undergo an evaluating, rating and approving process to assess their environmental and process certifications including AS9100 (quality management systems for the aviation industry). In addition, the Group also request that the suppliers utilize Solumina Supplier Rating System software to select and validate vendor codes. To ensure product quality and management, as well as motivating suppliers to make improvements, suppliers are required to certify its products via third-party certifications.

6. PRODUCT RESPONSIBILITY

(a) *Quality Assurance*

The Group strictly controls every aspect of the product trade and carries out stringent quality management. Accordingly, the Group has formulated different policies in the design, planning and production stages to ensure that the products meet the relevant quality and safety requirements. Before delivering products to customers, the processes stipulated by the Group's internal quality procedures are completed to ensure that the products meet the quality standards stipulated in laws and regulations and the quality requirements of the Group.

5. 供應鏈管理

本集團相信建立可持續的供應鏈可為員工、貨品供應商、服務供應商、社區和客戶創造價值。本集團亦強調促進與業務夥伴建立良好的溝通與合作關係，協力維護產品與服務的質量和安全。

本集團要求所有供應商需進行評估、評級及批核程序，以檢視其於環保及流程認證情況，包括AS9100(為航空業而設的質量管理認證)。此外，本集團又要求供應商利用Solumina供應商評級軟件以選擇和驗證供應商編號。為了達至最佳產品質數和管理，同時推動供應商的改進和提升，本集團會要求供應商取得第三方認證。

6. 產品責任

(a) *質量品證*

本集團嚴格控制產品貿易過程中的每一個環節，並對於質量管理實施嚴格控制。據此，本集團在設計、計劃和生產階段制定不同政策，確保產品符合質量和安全要求。在交付產品予客戶之前，會完成本集團內部制定的質量控制程序才交付予客戶，確保質量水平不單符合法律法規，且達到本集團的質量要求。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

The Group's general aviation piston engine business in the United States has obtained ISO 9001 quality management system certification and applies the Plan-Do-Check-Act (PDCA) model to continually improve quality management in the procurement process. The Group will strive to ensure that its products meet regulatory requirements and customer expectations on a continuous basis.

In addition, the Group regularly accesses its internal production processes to ensure customer satisfaction and compliance with the requirements of ISO9001, AS9100 and the Federal Aviation Administration.

During the reporting period, the Group found no violations of laws and regulations related to products or services.

本集團位於美國之通用航空飛機活塞發動機業務已取得ISO 9001質量管理體系認證，將「規劃、執行、查核、行動」的模式應用於持續改善採購流程的質量管理。本集團將持續致力確保產品合乎監管要求及客戶期望。

此外，本集團定期評估內部生產流程，確保符合客戶滿意度、ISO9001、AS9100及美國聯邦航空管理局等要求。

於報告期內，本集團無發現有關產品或服務的違反法例及規例事件。

7. INTEGRITY

The Group advocates honest operation, fair competition, and expects all employees to observe the highest ethical, personal and professional standards. The Group has developed sound codes of conduct on risk management and internal control to ensure that all employees comply with the Group's rules in daily operations.

The Group has established and implements an internal integrity system to strengthen the integrity of employees in management practices. Moreover, the Group has specifically established internal practices guidelines and a sound reporting system to encourage all employees, managers and directors to report acts that are harmful to the Group's interests or illegal acts.

7. 維護廉潔

本集團提倡誠實經營及公平競爭，並期望所有員工恪守最高的道德、個人及專業操守準則。本集團已制定完備的風險管理守則及內部控制守則，以確保所有員工於日常運作中均遵守本集團的規則。

本集團已制定並實施內部廉政制度，加強員工清正廉潔的管治操守。此外，本集團特別訂立了內部操守指引及建立完善的舉報制度，鼓勵所有員工、管理人員和董事報告損害本集團利益或不法的行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group provides clear guidelines against misconduct such as bribery, corruption, embezzlement, insider trading and swindling to ensure that employees can report matters of concern through various channels in an absolutely confidential manner. Where a case of misconduct is found valid after investigation, the Group will take appropriate corrective measures and disciplinary action against the person(s) involved. If there involves any criminal offence, the Group will hand over the suspect(s) to the competent authority. In addition, the Group engages a third-party agency to audit its financial statements each year.

During the reporting period, the Group found neither corruption incidents nor violations of relevant laws and regulations.

8. COMMUNITY ENGAGEMENT

As a responsible company, the Group fully understands its important role in promoting environmental protection in the areas where it operates. As such, the Group is always committed to integrating environmental protection into its day-to-day operations and encouraging employees, customers, business partners and communities to protect the environment together.

本集團就有關不當行為，例如賄賂、貪污舞弊、挪用、內幕交易、盜竊公司資產等行為提供清晰指引，確保其員工可以絕對保密的方式透過不同渠道就其關注的事項進行通報。如調查個案屬實，本集團將會採取合適的糾正措施和對涉事人作出紀律處分，倘若事件涉及刑事成分，本集團會轉交有關當局處理。此外，本集團每年均會聘請第三方機構審核內部財務。

於報告期內，本集團未發現貪腐事件，或任何違反相關法律及規例。

8. 社區參與

作為一家負責任的企業，本集團完全明白於業務地區中宣揚環保的重要角色。因此，本集團一直致力於其日常營運過程中融入環保元素，並鼓勵僱員、客戶、業務夥伴及社區共同保護環境。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境·社會及管治報告

The Group will continue to regularly review its objectives for community investment, and supervise community investment, sponsorship and donation activities and the relevant approval policies. The Group will also examine each year whether the social performance is in line with the Group's community investment policy and objectives for community activities to ensure that such policy is well implemented in all departments, while overseeing and improving the team's capabilities in this regard.

9. OUTLOOK

The Group believes that the implementation of current measures regarding environmental and social responsibility measures is sufficient for compliance with the relevant laws and listing rules, though necessary reviews and amendments are needed from time to time to meet the requirements of laws, listing rules and internal management. Looking forward, the Group will continue to carry out more measures beneficial to the environment, society and governance in business operations to live up its commitment to the environment and society.

本集團將繼續定期檢討社區投資的目標和方向，並監督社區投資、贊助和捐贈活動及批核政策。本集團又會每年審視本集團的社會表現是否切合社區投資政策和社區活動的目標，監管和優化團隊能力，並確保社區投資政策於各部門實行。

9. 展望

本集團認為，目前實施環境保護和社會責任的措施對有關法例、上市規則的遵守是充分的，但仍會不時因應各項法例、上市規則和內部管理的需要而作出必要的檢討和修訂。此外，本集團未來會繼續在營運上進行更多有利環境、社會以及管治的措施，以反映本集團對環境及社會的承擔。

REPORT OF THE DIRECTORS

董事會報告

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 1 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap 622 of the laws of Hong Kong), including a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 2 to 11 of this annual report. The Chairman's Statement and Management Discussion and Analysis forms part of this directors' report.

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2018 and the Group's financial position at that date are set out in the financial statements on pages 82 to 277 of this annual report.

At the Board meeting held on 15 March 2019, it was declared a special dividend of HK1 cent per ordinary share in respect of the year to shareholders on the register of members on 6 June 2019.

董事謹此呈報截至二零一八年十二月三十一日止年度之董事會報告及本集團之經審核財務報表。

主要業務及業務回顧

本公司主要從事投資控股，其主要附屬公司之主要業務詳情載於財務報表附註1。

按公司條例附表5(香港法例第章622)要求對這些業務的進一步討論及分析，包括本集團面臨的主要風險和不確定因素的描述和集團業務的可能未來發展的指示可以在載於這份年度報告的第2頁至第11頁的主席聲報告書及管理層討論及分析中找到。這個討論是本董事會報告的一部分。

業績及股息

本集團截至二零一八年十二月三十一日止年度之溢利及本集團於該日之財務狀況載於本年報第82頁至第277頁之財務報表。

於二零一九年三月十五日舉行的董事會會議上，董事會決以現金宣派特別股息每股1港仙，予於二零一九年六月六日名列股東名冊之股東。



REPORT OF THE DIRECTORS 董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow the shareholders to share the Company’s profits.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (1) the Group’s actual and expected financial results;
- (2) the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- (3) the Group’s liquidity position; and
- (4) any other factors that the Board may consider relevant.

The payment of dividend is subject to the compliance with applicable laws and regulations, including the laws of Bermuda and the Company’s bye-laws. The Board will continue to review the Dividend Policy from time to time.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 278 of this annual report. This summary does not form part of the audited financial statements.

股息政策

本公司可根據已採用的股息政策(「股息政策」)向股東宣佈及分配股息，以允許股東分享公司利潤。

董事會在決定是否建議派發股息及在釐定股息金額時會考慮下列因素，其中包括：

- (1) 本集團的實際和預期財務業績；
- (2) 本集團預期營運資本要求，資本開支要求及未來擴展計劃；
- (3) 本集團的流動資金狀況；及
- (4) 董事會認為相關的其他因素。

本公司派付股息亦會遵守適用的法例及規例，包括百慕達法例及本公司章程細則。董事會將繼續不時檢討此股息政策。

財務資料概要

本集團最近五個財政年度之已公佈業績及資產、負債及非控股權益之概要(摘錄自經審核財務報表)載於本年報第278頁。該概要並非經審核財務報表的部份。

REPORT OF THE DIRECTORS 董事會報告

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 38 to the financial statements.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to HK\$375,825,000. In addition, the Company's share premium account, in the amount of HK\$1,857,729,000, may be distributed in the form of fully paid bonus shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

股本

本公司之股本於年內之變動詳情載於財務報表附註38。

優先購買權

本公司細則或百慕達法例均無優先購買權條文，規定本公司必須按當時股東之持股比例向其發售新股。

可供分派儲備

按百慕達公司法一九八一之條文規定計算，於二零一八年十二月三十一日，本公司之可供分派儲備達375,825,000港元。此外，本公司之股份溢價賬1,857,729,000港元可以繳足紅股形式予以分派。

購入、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購入、贖回或出售本公司任何上市證券。



REPORT OF THE DIRECTORS 董事會報告

MAJOR SUPPLIERS AND CUSTOMERS

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

主要供應商及客戶

本集團主要供應商所佔本集團之採購額百分比如下：

		2018 二零一八年 %	2017 二零一七年 %
Percentage of purchases:	佔採購額百分比：		
From the largest supplier	來自最大供應商	3	6
From the five largest suppliers	來自五大供應商	15	8

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

本集團主要客戶所佔本集團之銷售百分比如下：

		2018 二零一八年 %	2017 二零一七年 %
Percentage of sales:	佔銷售百分比：		
To the largest customer	來自最大客戶	30	1
To the five largest customers	來自五大客戶	61	3

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

董事或其任何緊密聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東概無擁有本集團五大供應商和客戶任何權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS

The Board during the year and up to the date of this report comprises:

Executive Directors:

Liu Hongde	
Pan Linwu	(resigned on 24 August 2018)
Lai Weixuan	
Zhou Chunhua	(resigned on 24 August 2018)
Xu Hongge	(resigned on 24 August 2018)
Fu Fangxing	(appointed on 24 August 2018)
Yu Xiaodong	(appointed on 24 August 2018)
Zhang Zhibiao	(appointed on 24 August 2018)

Non-executive Director:

Chow Wai Kam

Independent Non-executive Directors:

Chu Yu Lin, David
Li Ka Fai, David
Zhang Ping

Pursuant to the Bye-laws of the Company, Mr. Liu Hongde, Mr. Lai Weixuan and Mr. Chow Wai Kam will retire by rotation. Mr. Fu Fangxing, Mr. Yu Xiaodong and Mr. Zhang Zhibiao, the Directors who were appointed by the Board on 24 August 2018, shall hold office only until the next following general meeting of the Company. All of them, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

董事

於年內及截至本報告日期，董事會包括：

執行董事：

劉洪德
潘林武（於二零一八年八月二十四日退任）
賴偉宣
周春華（於二零一八年八月二十四日退任）
徐洪舸（於二零一八年八月二十四日退任）
傅方興（於二零一八年八月二十四日獲委任）
于曉東（於二零一八年八月二十四日獲委任）
張志標（於二零一八年八月二十四日獲委任）

非執行董事：

周偉淦

獨立非執行董事：

朱幼麟
李家暉
張平

根據本公司細則，劉洪德先生、賴偉宣先生及周偉淦先生將於應屆股東週年大會上輪席退任。傅方興先生、于曉東先生及張志標先生（於二零一八年八月二十四日獲董事會委任之董事）之任期僅至本公司下屆股東大會為止。彼等符合資格並願意於應屆股東週年大會上重選連任。



REPORT OF THE DIRECTORS 董事會報告

The Company has received an annual confirmation from each of the Independent Non-executive Directors of his independence pursuant to rule 3.13 of the Listing Rules on the Stock Exchange. The Company, as at the date of this report, still considered all the Independent Non-executive Directors as independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

REMUNERATION POLICY

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

本公司已接獲各獨立非執行董事根據聯交所上市規則第3.13條有關其獨立性之年度確認函。截至本報告日期，本公司仍認為所有獨立非執行董事均屬獨立人士。

董事及管理高層之履歷

董事及本集團管理高層之履歷載於本年報第12頁至第17頁。

董事之服務合約

擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立僱主不可於一年內無償(法定賠償除外)終止之服務合約。

薪酬政策

僱員的薪酬(包括董事及本集團管理高層)乃參考彼等之資歷、於行業之專業知識與經驗、能力、於本集團之職責、本集團之業績表現及盈利能力，以及市場指標和當時市場情況而釐定。僱員亦有資格收取本集團根據其絕對酌情權，經考慮(其中包括)本集團之經營業績、市場狀況以及僱員個人表現，而適時發放的酌情年終獎勵花紅，以及酌情購股權。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or entities connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company's holding companies, subsidiaries or fellow subsidiaries was a party during or at the end of the year.

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

Except for certain Directors who had non-beneficial interests in certain subsidiaries of the Company held for the benefits of the Company, as at 31 December 2018, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (a) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"); or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於交易、安排或合約之權益

年內或年末，董事或董事之關連實體於本公司的任何控股公司、附屬公司或同系附屬公司所訂立之任何有關本集團業務之重要交易、安排或合約中概無直接或間接擁有重大權益。

董事及行政總裁於股份、相關股份及債券之權益及淡倉

除若干董事代本公司於若干附屬公司持有非實益股權外，於二零一八年十二月三十一日，概無董事及本公司行政總裁於本公司或其任何相聯法團之股份、相關股份或債券中擁有(a)須記入本公司根據證券及期貨條例(「證券及期貨條例」)第352條須予備存之登記冊內之權益或淡倉；或(b)根據標準守則須知會本公司及聯交所之權益或淡倉。



REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above and in the section of "Share option scheme" below, during the year no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company had been granted to any of the Directors or their respective spouses or children under 18 years of age; no such rights had been exercised by them; and none of the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. The share option scheme is valid and effective for a period of 10 years from the date of its adoption. Further details of the share option scheme are disclosed in note 39 to the financial statements.

Since the adoption of the share option scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2018.

董事認購股份或債券之權利

除上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」項下及下文「購股權計劃」項下所披露外，於年內，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；本公司或其任何控股公司、附屬公司或同系附屬公司亦無參與任何安排，致使董事可於任何其他法人團體中取得該等權利。

購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃，目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。該購股權計劃自採納日期起的十年期間內有效。有關該購股權計劃之進一步詳情載於財務報表附註39。

自採納該購股權計劃以來，於二零一八年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

REPORT OF THE DIRECTORS 董事會報告

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

As at 31 December 2018, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

主要股東及其他人士於股份及相關股份之權益

於二零一八年十二月三十一日，本公司根據證券及期貨條例第336條存置之權益登記冊所記錄的本公司5%或以上已發行股本權益如下：

好倉：

Name of shareholders 股東名稱	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital as at 31 December 2018 於二零一八年十二月三十一日佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	(a)	Beneficial owner 實益擁有人	1,895,559,000	20.37
AVIC International (HK) Group Limited ("AVIC International (HK) Group") 中航國際(香港)集團有限公司 (「中航國際(香港)集團」)	(a)	Beneficial owner 實益擁有人	2,421,341,390	26.03
AVIC International (HK) Group Limited ("AVIC International (HK) Group") 中航國際(香港)集團有限公司 (「中航國際(香港)集團」)	(a)	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
AVIC International Holding Corporation ("AVIC International") 中國航空技術國際控股有限公司(「中航國際」)	(a)	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
Aviation Industry Corporation of China, Ltd ("AVIC") 中國航空工業集團有限公司(「中航工業」)	(a)	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40



REPORT OF THE DIRECTORS 董事會報告

Notes:

- (a) According to notices of disclosure of interests filed with the Company, Tacko is a wholly-owned subsidiary of AVIC International (HK) Group, which in turn is a wholly-owned subsidiary of AVIC International. AVIC International is a non-wholly-owned subsidiary of AVIC (62.52% interest controlled by AVIC as at 31 December 2018). Accordingly, each of AVIC International (HK) Group, AVIC International and AVIC is deemed to be interested in the shares held by Tacko.

Save as disclosed above, as at 31 December 2018, no person had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Charter 14A of the Listing Rules.

Connected transactions

(a) *Very substantial acquisition of Motto Investment Limited*

On 7 February 2018, in accordance with the terms of a sale and purchase agreement dated 19 September 2017 as amended by an amendment deed dated 27 October 2017, the Company acquired from AVIC International (HK) Group, a subsidiary of the Company's ultimate holding company, the entire share capital of Motto Investment Limited at cash consideration of HK\$1,000,000,000 and 3,783,783,783 shares of the Company. Further details of the transaction are included in note 42 to the financial statements.

附註:

- (a) 根據提交給本公司之權益披露通知書，Tacko 為中航國際(香港)集團之全資附屬公司，而中航國際(香港)集團為中航國際之全資附屬公司。中航國際為中航工業之非全資附屬公司(於二零一八年十二月三十一日，由中航工業控制62.52%權益)。因此，中航國際(香港)集團、中航國際及中航工業均被視為於Tacko持有之股份中擁有權益。

除上文所披露外，於二零一八年十二月三十一日，概無人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條而備存之登記冊內之權益或淡倉。

關連交易

於年內，本公司及本集團有以下關連交易，若干詳情已按上市規則第14A章之規定予以披露。

關連交易

(a) *非常重大收購 – Motto Investment Limited*

根據二零一七年九月十九日收購協議及二零一七年十月二十七日的修訂契據，本公司已於二零一八年二月七日以1,000,000,000港元現金及3,783,783,783本公司股份為代價完成與本公司之主要股東—中航國際(香港)集團收購Motto Investment Limited之100%股本權益事項。此交易之詳情已披露於財務報表附註42。

REPORT OF THE DIRECTORS 董事會報告

(b) Disposal of equity interests in Eaglet Aero-Technology Inc.

On 3 December 2018, in accordance with the terms of a sale and purchase agreement dated 12 November 2018, CATIC Helicopter Development (Shenzhen) Limited (中航技直升機技術服務(深圳)有限公司), a wholly-owned subsidiary of the Company, disposed of 40% equity interests in Eaglet Aero-Technology Inc. (北京伊格萊特航空技術發展有限公司) to China National Aero-Technology Import & Export Corporation (中航技進出口有限責任公司), which is owned by as to 50% by AVIC and 50% by AVIC International, for a total cash consideration of RMB3,839,000 (equivalent to approximately HK\$4,388,000). Further details of the transaction are included in note 19 to the financial statements.

(c) Very substantial disposal of Ease Triumph International Limited

On 28 December 2018, in accordance with the terms of a sale and purchase agreement dated 30 September 2018, the Company disposed the entire issued share capital, the shareholder's loans and the accrued interests of the shareholder's loans of Ease Triumph International Limited, a wholly-owned subsidiary of the Company, to Shengtong Holding Limited for a total cash consideration of approximately HK\$2,165 million. Shengtong Holding Limited is an indirect wholly-owned subsidiary of Hengda Real Estate Group Company Limited, which currently holds 80% of the issued share capital of Hangfa Investment Limited and therefore is a substantial shareholder of Dalian Hanghua Real Estate Company Limited, a 52.08%-owned subsidiary of Ease Triumph International Limited. Further details of the transaction are included in note 43 to the financial statements.

(b) 出售股權-北京伊格萊特航空技術發展有限公司

根據二零一八年十一月十二日股權轉讓協議，本公司之全資附屬公司中航技直升機技術服務(深圳)有限公司已於二零一八年十二月三日以3,839,000人民幣(約4,388,000港元)現金為代價完成與中航技進出口有限責任公司出售北京伊格萊特航空技術發展有限公司全部40%股權事項。中航技進出口有限責任公司由中航工業及中航國際分別擁有50%及50%股權。此交易之詳情已披露於財務報表附註19。

(c) 非常重大出售-拓業國際有限公司

根據二零一八年九月三十日收購協議，本公司已於二零一八年十二月二十八日以相當於2,165百萬港元為代價完成與盛通控股有限公司出售本公司之全資附屬公司拓業國際有限公司之100%股本權益，股東貸款及其利息事項。盛通控股有限公司為恒大地產集團有限公司の間接全資附屬公司，現時持有航發投資管理有限公司80%的已發行股本，因此其為大連航華置業有限公司(為拓業國際有限公司擁有52.08%權益的附屬公司)的主要股東。此交易之詳情已披露於財務報表附註43。



REPORT OF THE DIRECTORS 董事會報告

Continuing connected transactions

(a) *Pre-handover real estate management services*

On 31 May 2016, the Company and CATIC Property Management Co., Ltd (“AVIC Real Estate Management”), an associate of a controlling shareholder of the Company, namely, AVIC International, entered into a framework agreement for the engagement of AVIC Real Estate Management to provide pre-handover real estate management services for the relevant properties in real estate development projects of the Group. The management fees comprise the management costs based on the annual budget proposed by the relevant developers of the Group and the management commission of 10% of the total management costs incurred for each development project. Further details were disclosed in the announcement dated 31 May 2016.

(b) *Tender agency services*

On 31 May 2016, the Company and China National Aero-Technology Trade and Economic Development company Limited (“AVIC TED”), an associate of AVIC International, entered into a framework agreement for the engagement of AVIC TED to provide tender agency services for the construction projects of the Group. The fees for tender agency services is calculated by applying the marginal rates to the relevant actual sum of the tender awarded or contracted on a progressive scale as prescribed by the Provisional Measures on the Administration of Service Fees Charged for Tender Agency Services (招標代理服務收費管理暫行辦法) with such further discounts as the parties agree to in each engagement. Further details were disclosed in the announcement dated 31 May 2016.

持續關連交易

(a) *前期物業管理服務*

於二零一六年五月三十一日，本公司及其控股股東中航國際之聯繫人中航物業管理有限公司(「中航物業管理」)訂立框架協議，以聘用中航物業管理為本集團房地產發展項目內之相關物業提供前期物業管理服務。管理費包括基於本集團相關發展商建議之年度預算的管理費用及各發展項目所產生之管理成本總額的百分之十的管理佣金。詳情請閱二零一六年五月三十一日之公司公告。

(b) *招標代理服務*

於二零一六年五月三十一日，本公司及中航國際之聯繫人中航技國際經貿發展有限公司(「中航經貿」)訂立框架協議，以聘用中航經貿就中航集團之建設項目提供招標代理服務。招標代理服務之費用是根據招標代理服務收費管理暫行辦法規定之差額定率累進法於已批出或已訂約標書之相關中標金額中計算，而訂約方可於各聘約中協定其他折扣。詳情請閱二零一六年五月三十一日之公司公告。

REPORT OF THE DIRECTORS 董事會報告

(c) *Sale services*

On 24 October 2017, the Company and AVIC entered into a sale framework agreement (the "Sale Framework Agreement") for the sale of engines and engine parts to AVIC and/or its associates (excluding the Group) for use in new aircraft manufacture and the sale of parts into the aftermarket for maintenance, repair and overhaul. The price lists are determined based on a fair and reasonable basis based on the published price list and discounts provided based on factors including, but not limited to, volume levels. Further details were disclosed in the announcement dated 24 October 2017.

These continuing connected transactions of the Group are disclosed as related party transactions in note 48 to the financial statements.

The independent non-executive Directors had reviewed the above continuing connected transactions pursuant to Rule 14A.55 of the Listing Rules, and had confirmed that these continuing connected transactions had been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the terms of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(c) *銷售服務*

於二零一七年十月二十四日，本公司及其控股股東中航工業訂立銷售框架協議，本集團將向中航工業及／或其聯繫人（不包括本集團）出售發動機及發動機之零部件供製造新飛機之用及將零部件售往零部件市場進行保養、維修及大修。銷售價格乃基於公開價目表及根據（包括但不限於）數量水平等因素提供之折扣按公平合理基準釐定。詳情請閱二零一七年十月二十四日之公司公告。

本集團的這些持續關聯交易在財務報表附註48中作為關聯交易披露。

獨立非執行董事已根據上市規則第14A.55條審閱上述持續關連交易，並已確認該等持續關連交易：

- (1) 在本集團的日常業務中訂立；
- (2) 按一般商業條款或更佳的條款訂立；及
- (3) 根據相關框架協議的條款進行，條款公平合理，並且符合本公司股東的整體利益。



REPORT OF THE DIRECTORS 董事會報告

The total amounts of the pre-handover real estate management services fees, tender agency services fees and the sale income disclosed above during the year under review have not exceeded the annual caps amounts of HK\$30 million, HK\$9.5 million and US\$22 million (equivalent to approximately HK\$170.5 million), respectively.

Ernst & Young, the Company's external auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, the related party transactions that did not constitute connected transactions or continuing connected transactions of the Company during the year are disclosed in note 48 to the financial statements. The Directors confirmed that the Company had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

於回顧年度內，上文所披露的前期物業管理服務費，招標代理服務費及銷售收入的總金額分別未超過年度上限金額30,000,000港元，9,500,000港元及22,000,000美元（約170,500,000港元）。

本公司已委聘核數師安永會計師事務所，遵照香港會計師公會發出的《香港核證聘用準則3000》（經修訂）的「歷史財務資料審計或審閱以外的核證聘用」並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。安永會計師事務所已根據上市規則第14A.56條發出其無保留意見函件，當中載有其有關本集團於上文所披露之持續關連交易的結果及結論。本公司已經向聯交所提交核數師函件之副本。

除上述披露外，於年內進行且不構成本公司關聯交易或持續關聯交易的之關聯方交易披露於財務報表附註48。董事確認本公司已遵守上市規則第14A章之規定予以披露。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director had interests in the following businesses conducted through the company named below which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules:

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
Chow Wai Kam 周偉淦	CK Asset Holdings Limited 長江實業集團有限公司	Executive director 執行董事	– Property development and investment (“Excluded Businesses”) 物業發展及投資 (「豁免業務」)

The Board is of the view that the Group is capable of carrying on its business independently of, and at arms length from the Excluded Businesses. When making decisions on the businesses of the Excluded Businesses of the Group, Mr. Chow, in the performance of his duties as Director, has acted and will continue to act in the best interest of the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year 2018.

董事於競爭性業務上之權益

年內，下列董事透過下述公司持有下列業務的權益，而該等業務根據上市規則定義被視為與本集團的業務有競爭或可能有直接或間接競爭：

董事會認為本集團有能力獨立地及基於各自利益來經營豁免業務。在本集團就其豁免業務進行決策時，周先生在執行其董事職務時，已經並將會繼續以本集團之最佳利益行事。

彌償條文

為公司董事的利益而訂立的彌償條文(定義見「香港公司條例」)現正生效，並於二零一八年全年生效。



REPORT OF THE DIRECTORS 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

The financial statements of the Company and the Group for the year ended 31 December 2018 have been audited by Ernst & Young who shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

AVIC International Holding (HK) Limited

Liu Hongde
Chairman

Hong Kong
15 March 2019

公眾持股量

根據本公司循公眾途徑獲得的資料及據董事所知，截至本報告日期，公眾人士至少持有本公司已發行股本總額之25%。

核數師

本公司與本集團截至二零一八年十二月三十一日止年度之財務報表經由安永會計師事務所審核。安永會計師事務所應於應屆股東週年大會上退任，而一項續聘彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司

主席
劉洪德

香港
二零一九年三月十五日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



Ernst & Young
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To the shareholders of AVIC International Holding (HK) Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of AVIC International Holding (HK) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 82 to 277, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, 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, 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.

**致AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司全體股東
(於百慕達註冊成立之有限公司)**

意見

我們已審計AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第82頁至第277頁的綜合財務報表,此綜合財務報表包括二零一八年十二月三十一日的綜合財務狀況表,及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註(包括重大會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況,及其於截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港公司條例的披露規定妥為擬備。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已於本報告核數師就審計綜合財務報表承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨意見。我們對下述每一事項在審計中是如何處理作描述。

我們已經履行了本報告核數師就審計綜合財務報表承擔的責任一節闡述的責任，包括與該等關鍵審計事項相關的責任。因此，我們的審計工作包括執行設計的程序以應對我們對綜合財務報表的重大錯誤陳述風險的評估。我們執行審計程序的結果，包括處理下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Purchase price allocation related to business combination</i> 有關業務合併的購買價分配</p>	
<p>During the year, the Group completed the acquisition of Motto Investment Limited and its subsidiaries ("Motto Group") on 7 February 2018, satisfied by cash consideration of HK\$1,000 million and 3,783,783,783 shares of the Company.</p> <p>Motto Group is principally engaged in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.</p> <p>於本年度，貴集團於二零一八年二月七日完成收購Motto Investment Limited及其附屬公司（「Motto集團」），以現金代價1,000百萬港元及貴公司3,783,783,783股股份結算。</p> <p>Motto集團主要從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。</p>	<p>We assessed the competence and objectivity of the independent professional valuer engaged by management.</p> <p>We discussed with management the purchase price allocation process of the Group. We assessed management's identification of the Motto Group's identifiable assets and liabilities acquired at the acquisition date.</p> <p>我們已評估管理層聘用的獨立專業估值師的能力及客觀性。</p> <p>我們已與管理層討論貴集團的購買價分配流程。我們已評估管理層對收購當日所收購Motto集團可識別資產及負債的鑒定。</p>



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Purchase price allocation related to business combination (continued)</i> 有關業務合併的購買價分配(續)</p>	
<p>Management engaged an independent professional valuer to determine the fair values of the identifiable assets and liabilities of the Motto Group for the purpose of the purchase price allocation at the acquisition date.</p> <p>The determination of the fair values of the intangible assets is subjective in nature and involves significant management judgement and estimation of assumptions, including discount rates and growth rates.</p> <p>Relevant disclosures are included in note 42 to the consolidated financial statements.</p> <p>就購買價分配而言，管理層已委聘獨立專業估值師以釐定Motto集團於收購當日的可識別資產及負債之公平值。</p> <p>釐定無形資產的公平值具有主觀性，涉及管理層的重大判斷及假設估計，包括折現率及增長率。</p> <p>相關披露載於綜合財務報表附註42。</p>	<p>We evaluated the assumptions adopted by management in the cash flow forecasts used in the valuation.</p> <p>We involved our internal valuation specialists to assist us with our assessment of the valuation methodology and discount rates adopted.</p> <p>We also assessed the related disclosures made in the consolidated financial statements.</p> <p>我們已評估管理層於估值所用現金流量預測中所採用的假設。</p> <p>我們已聘用內部估值專家協助我們評估所採用的估值方法及折現率。</p> <p>我們亦已評估綜合財務報表所作的相關披露。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

<p>Key audit matter 關鍵審計事項</p>	<p>How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項</p>
<p><i>Impairment of goodwill and intangible assets</i> 商譽及無形資產的減值</p>	
<p>As at 31 December 2018, the Group had goodwill and intangible assets amounting to HK\$400 million and HK\$1,781 million, respectively, which are related to the "general aviation aircraft piston engine business in the United States of America" and the "general aviation aircraft piston engine business in Germany" cash-generating units ("CGUs").</p> <p>Management engaged an independent professional valuer to determine the valuation models for the impairment assessment.</p> <p>The determination of recoverable amounts, being the higher of fair value less costs of disposal and value-in-use, requires significant management judgement and estimates of variables such as expected growth in revenue, gross margins and discount rates.</p> <p>Relevant disclosures are included in notes 16 and 17 to the consolidated financial statements.</p> <p>於二零一八年十二月三十一日，貴集團的商譽及無形資產分別為400,000,000港元及1,781,000,000港元，與「於美國的通用航空飛機活塞發動機業務」及「於德國的通用航空飛機活塞發動機業務」現金產生單元（「現金產生單元」）有關。</p> <p>管理層聘請獨立專業估值師厘定減值評估的估值模型。</p> <p>釐定可收回金額，即公平值減去出售成本及使用價值的較高者，須管理層作出重大判斷及變量估計，如預期收益增長率、毛利率及折現率。</p> <p>相關披露載於綜合財務報表附註16及17。</p>	<p>We assessed the competence and objectivity of the independent professional valuer engaged by management.</p> <p>We reviewed management's assessment of the recoverable amount. Our audit procedures included examining and recalculating management's discounted cash flow projections for the determination of value-in-use and assessing key assumptions by comparison to the historical performance of the CGUs. We also performed sensitivity analyses on the assumptions used in the cash flow projections. Further, we involved our internal valuation specialists to assist us with our assessment of the methodology and the discount rates used to determine the recoverable amounts of the CGUs.</p> <p>We also assessed the related disclosures made in the consolidated financial statements.</p> <p>我們已評估管理層聘用的獨立專業估值師的能力及客觀性。</p> <p>我們已審閱管理層對可收回金額的評估。我們的審計程序包括檢查及重新計算管理層就釐定使用價值而作出的折現現金流量預測，並通過比較現金產生單元的歷史表現評估關鍵假設。我們亦對現金流量預測中使用的假設進行了敏感性分析。此外，我們已聘用內部估值專家協助我們評估用於釐定現金產生單元可收回金額的方法及折現率。</p> <p>我們亦已評估綜合財務報表所作的相關披露。</p>



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<i>Impairment provision in a joint venture</i> 於合營公司的減值撥備	
<p>As at 31 December 2018, the Group had interests in joint ventures amounting to HK\$39 million. As one of the joint ventures sustained losses, management performed an impairment assessment on the assets of that joint venture. The determination of the recoverable amounts of the assets of that joint venture is dependent on a range of estimates and assumptions.</p> <p>Relevant disclosures are included in note 18 to the consolidated financial statements.</p> <p>於二零一八年十二月三十一日，貴集團於合營公司之權益為39,000,000港元。由於一家合營公司持續虧損，管理層對該合營公司的資產進行減值評估。釐定該合營公司資產的可收回金額乃取決於多個估計及假設。</p> <p>相關披露載於綜合財務報表附註18。</p>	<p>We evaluated the application of the valuation methodology for estimating the recoverable amounts of the assets of that joint venture and key valuation parameters.</p> <p>We involved our internal valuation specialists to assist us to assess the bases and assumptions adopted in the valuation.</p> <p>我們評估估算該合營公司資產可收回金額的估值方法及主要估值參數的適用性。</p> <p>我們聘用內部估值專家協助我們評估於估值中所採用的基準及假設。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company 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 auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

年報所載的其他信息

貴公司董事需對其他信息負責。其他信息包括於年報內刊載的資料，但不包括綜合財務報表及我們的核數師報告。

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

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

董事就綜合財務報表承擔的責任

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



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們的報告依據百慕達公司法一九八一第90條僅為閣下（作為法人團體）編製，而並不可作其他用途。我們不會就本報告的內容向其他任何人士負上或承擔責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

- 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.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lai Ho Yin.

Ernst & Young

Certified Public Accountants

Hong Kong
15 March 2019

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

出具本獨立核數師報告的審計項目合夥人是黎浩賢。

安永會計師事務所

執業會計師

香港
二零一九年三月十五日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收益	5	1,341,223	-
Cost of sales	銷售成本		(1,070,262)	-
Gross profit	毛利		270,961	-
Other income and gain	其他收入及利潤	5	51,355	6,227
Selling and distribution expenses	銷售及營銷費用		(83,367)	-
Administrative expenses	行政管理費用		(351,248)	(37,054)
Other operating expense	其他經營開支	6	-	(764)
Finance costs	財務開支	7	(18,854)	-
Gain on disposal of convertible loans	出售可換股貸款之利潤	25	-	87,151
Share of profits and losses of:	分佔溢利及虧損：			
Joint ventures	合營公司		(2,941)	(19,043)
Associates	聯營公司		471	222
Gain on deemed disposal of an associate	被視為出售聯營公司之利潤	19	3,561	-
Loss on disposal of an associate	出售聯營公司之虧損	19	(909)	-
Impairment of available-for-sale investments (transfer from available-for-sale investment revaluation reserve)	可供出售的投資之減值 (從可供出售投資 重估儲備轉入)	20	-	(67,280)
Reversal of impairment losses/(impairment losses) on financial assets, net	財務資產之減值虧損撥回/ (減值虧損)淨額	6	2,519	(20,699)
Fair value loss on derivative financial instruments	衍生金融工具之公平值虧損	21	-	(11,337)
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益之股本投資之 公平值虧損		-	(6,857)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之 公平值虧損		(30,573)	-
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	來自持續經營業務之除稅前 虧損	6	(159,025)	(69,434)
Income tax credit	所得稅抵免	10	31,893	724
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之本年虧損		(127,132)	(68,710)
DISCONTINUED OPERATION	已終止經營業務			
Profit/(loss) for the year from a discontinued operation	來自已終止經營業務之 本年溢利/(虧損)	11	507,569	(267,833)
PROFIT/(LOSS) FOR THE YEAR	本年溢利/(虧損)		380,437	(336,543)
Attributable to:	下列人士應佔：			
Owners of the parent	母公司所有者		398,968	(288,481)
Non-controlling interests	非控股權益		(18,531)	(48,062)
			380,437	(336,543)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔 每股盈利/(虧損)	13		
Basic and diluted	基本及攤薄			
– For profit/(loss) for the year	– 本年溢利/(虧損)		HK4.47 cents 4.47港仙	(HK5.23 cents) (5.23港仙)
– For loss from continuing operations	– 來自持續經營業務之虧損		(HK1.43 cents) (1.43港仙)	(HK1.24 cents) (1.24港仙)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PROFIT/(LOSS) FOR THE YEAR	本年溢利/(虧損)		380,437	(336,543)
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至損益之其他全面收益：			
Available-for-sale investments:	可供出售的投資：			
Changes in fair value	公平值變動	20	-	(86,017)
Reclassification adjustment for loss included in the consolidated statement of profit or loss – Impairment loss	計入綜合損益表之虧損之重新分類調整 – 減值虧損	20	-	67,280
			-	(18,737)
Exchange differences:	匯兌差額：			
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額		(117,307)	97,554
Reclassification adjustment for a foreign operation disposed of during the year	本年出售之海外業務之重新分類調整	43	114,803	-
			(2,504)	97,554
Share of other comprehensive income of a joint venture	分佔合營公司之其他全面收益		-	2,905
NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	於其後期間可能重新分類至損益之其他全面收益淨額		(2,504)	81,722
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益之其他全面收益：			
Actuarial gains on defined benefit plans	定額福利計劃精算利潤	36	1,333	-
Income tax effect	所得稅影響		(338)	-
			995	-
Equity investments designated at fair value through other comprehensive income:	按公平值計入其他全面收益之股本投資：			
Changes in fair value	公平值變動		(137,499)	-
NET OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	於其後期間不會重新分類至損益之其他全面收益淨額		(136,504)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	本年其他全面收益(扣除稅項後)		(139,008)	81,722
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年全面收益總額		241,429	(254,821)
Attributable to:	下列人士應佔：			
Owners of the parent	母公司所有者		279,595	(240,767)
Non-controlling interests	非控股權益		(38,166)	(14,054)
			241,429	(254,821)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	14	物業、廠房和設備	335,243	22,444
Investment properties	15	投資物業	-	368,639
Goodwill	16	商譽	400,094	-
Other intangible assets	17	其他無形資產	1,781,157	-
Investments in joint ventures	18	合營公司之投資	39,174	42,464
Investments in associates	19	聯營公司之投資	12,446	14,385
Equity investments designated at fair value through other comprehensive income	20	按公平值計入其他全面收益之股本投資	54,031	-
Available-for-sale investments	20	可供出售的投資	-	110,380
Total non-current assets		非流動資產總值	2,622,145	558,312
CURRENT ASSETS		流動資產		
Properties under development and completed properties held for sale	22	發展中物業及持作出售之已完成物業	-	2,937,160
Inventories	23	存貨	473,753	-
Trade receivables	24	應收貿易賬款	102,711	76,977
Due from fellow subsidiaries	31	應收同系附屬公司	29,566	1,664
Due from an associate	19	應收聯營公司	575	10,441
Loans to an associate	19	向聯營公司提供的貸款	9,143	-
Prepayments, deposits and other receivables	25	預付款項、按金及其他應收賬款	84,795	5,095
Available-for-sale investments	20	可供出售的投資	-	82,348
Financial assets at fair value through profit or loss	26	按公平值計入損益之財務資產	-	80,761
Derivative financial instruments	21	衍生金融工具	-	1
Prepaid taxes	27	預付稅項	-	4,176
Cash and cash equivalents	28	現金及現金等值	1,191,575	627,140
Total current assets		流動資產總值	1,892,118	3,825,763

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CURRENT LIABILITIES	流動負債			
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	29	-	138,852
Due to intermediate holding companies	應付中間控股公司	30	28,815	16,681
Due to fellow subsidiaries	應付同系附屬公司	31	-	5,492
Loans from a fellow subsidiary	來自同系附屬公司的貸款	31	-	366,864
Trade payables	應付貿易賬款	32	90,152	122,511
Other payables and accruals	其他應付款項及應計費用	33	114,727	34,198
Provisions and other liabilities	撥備及其他負債	34	49,445	-
Customer deposits	客戶按金		-	217,981
Tax payable	應付稅項		137,389	78,403
Interest-bearing bank borrowings	計息銀行貸款	35	120,218	-
Total current liabilities	流動負債總值		540,746	980,982
NET CURRENT ASSETS	流動資產淨值		1,351,372	2,844,781
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		3,973,517	3,403,093
NON-CURRENT LIABILITIES	非流動負債			
Loans from an intermediate holding company	來自中間控股公司的貸款	30	-	503,550
Loans from a fellow subsidiary	來自同系附屬公司的貸款	31	-	556,213
Other payables and accruals	其他應付款項及應計費用	33	29,520	-
Provisions and other liabilities	撥備及其他負債	34	47,539	-
Interest-bearing bank borrowings	計息銀行貸款	35	1,031	-
Defined benefit obligations	定額福利責任	36	6,905	-
Deferred tax liabilities	遞延稅項負債	37	269,354	71,398
Total non-current liabilities	非流動負債總值		354,349	1,131,161
Net assets	資產淨值		3,619,168	2,271,932
EQUITY	權益			
Equity attributable to owners of the parent	母公司所有者應佔權益			
Issued capital	已發行股本	38	930,337	551,959
Reserves	儲備	40	2,688,831	1,180,546
			3,619,168	1,732,505
Non-controlling interests	非控股權益		-	539,427
Total equity	權益總值		3,619,168	2,271,932

Lai Weixuan
賴偉宣
Director
董事

Fu Fangxing
傅方興
Director
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account
		已發行股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	551,959	609,080
Loss for the year	本年虧損	-	-
Other comprehensive income for the year:	本年其他全面收益：		
Changes in fair value of available-for-sale investments, net of tax	可供出售的投資之公平值變動 (扣除稅項後)	-	-
Share of other comprehensive income of a joint venture	分佔合營公司之其他全面收益	-	-
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-
Total comprehensive income for the year	本年全面收益總額	-	-
Transfer to reserve fund	轉撥至儲備金	-	-
At 31 December 2017	於二零一七年十二月三十一日	551,959	609,080*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Attributable to owners of the parent
 母公司所有者應佔權益

Available- for-sale investment revaluation reserve 可供出售 投資重估儲備 HK\$'000 千港元	Reserve fund 儲備金 HK\$'000 千港元 (note 40) (附註40)	Exchange fluctuation reserve 匯兌波動 儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
25,386	18,505	(116,340)	884,682	1,973,272	553,481	2,526,753
-	-	-	(288,481)	(288,481)	(48,062)	(336,543)
(18,737)	-	-	-	(18,737)	-	(18,737)
-	-	2,905	-	2,905	-	2,905
-	-	63,546	-	63,546	34,008	97,554
(18,737)	-	66,451	(288,481)	(240,767)	(14,054)	(254,821)
-	5,150	-	(5,150)	-	-	-
6,649*	23,655*	(49,889)*	591,051*	1,732,505	539,427	2,271,932



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account	Available-for-sale investment revaluation reserve
		已發行股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元	可供出售 投資重估儲備 HK\$'000 千港元
At 31 December 2017	於二零一七年一月一日	551,959	609,080	6,649
Effect of adoption of HKFRS 9 (note 2.2(a))	採納香港財務報告準則 第9號的影響(附註2.2(a))	-	-	(6,649)
Effect of adoption of HKFRS 15 (note 2.2(b))	採納香港財務報告準則 第15號的影響(附註2.2(b))	-	-	-
At 1 January 2018 (restated)	於二零一八年一月一日(重列)	551,959	609,080	-
Profit for the year	本年溢利	-	-	-
Other comprehensive income for the year:	本年其他全面收益:			
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-	-
Actuarial gains on defined benefit plans, net of tax	定額福利計劃精算利潤 (扣除稅項後)	-	-	-
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之 股本投資之公平值變動	-	-	-
Total comprehensive income for the year	本年全面收益總額	-	-	-
Issue of shares (note 38)	發行股份(附註38)	378,378	1,248,649	-
Disposal of subsidiaries	出售附屬公司	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	930,337	1,857,729*	-*

* These reserve accounts comprise the consolidated reserves of HK\$2,688,831,000 (2017: HK\$1,180,546,000) in the consolidated statement of financial position.

* 該等儲備賬構成綜合財務狀況表中的綜合儲備2,688,831,000港元(二零一七年: 1,180,546,000港元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Attributable to owners of the parent
 母公司所有者應佔權益

Fair value reserve of equity investments designated at fair value through other comprehensive income 按公平值計入 其他全面收益之 股本投資之 公平值儲備 HK\$'000 千港元	Reserve fund 儲備金 HK\$'000 千港元 (note 40) (附註40)	Exchange fluctuation reserve 匯兌波動 儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
-	23,655	(49,889)	591,051	1,732,505	539,427	2,271,932
(628,135)	-	-	634,784	-	-	-
-	-	1,070	(21,029)	(19,959)	(18,364)	(38,323)
(628,135)	23,655	(48,819)	1,204,806	1,712,546	521,063	2,233,609
-	-	-	398,968	398,968	(18,531)	380,437
-	-	17,131	-	17,131	(19,635)	(2,504)
-	-	-	995	995	-	995
(137,499)	-	-	-	(137,499)	-	(137,499)
(137,499)	-	17,131	399,963	279,595	(38,166)	241,429
-	-	-	-	1,627,027	-	1,627,027
-	(15,865)	-	15,865	-	(482,897)	(482,897)
(765,634)*	7,790*	(31,688)*	1,620,634*	3,619,168	-	3,619,168



CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量			
Profit/(loss) before tax:	除稅前溢利/(虧損):			
From continuing operations	來自持續經營業務		(159,025)	(69,434)
From a discontinued operation	來自已終止經營業務	11	(58,396)	(251,913)
Adjustments for:	調整:			
Finance costs	財務開支		67,965	38,761
Share of profits and losses of joint ventures and associates	分佔合營公司及聯營公司之溢利及虧損		2,470	18,821
Bank interest income	銀行利息收入		(2,744)	(6,239)
Interest income on a convertible bond	可換股債券之利息收入	5	(186)	(1,036)
Interest income on loans to an associate	向聯營公司提供的貸款之利息收入	5	(787)	(586)
Interest income on a loan to a related company	向關聯公司提供的貸款之利息收入	5	-	(536)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之虧損/(利潤)	5, 6	(221)	764
Reversal of write-down of inventories to net realisable value	存貨減值至可變現淨值撥回	6	(2,335)	-
Depreciation	折舊	6	58,789	1,098
Amortisation of other intangible assets	其他無形資產之攤銷	6	75,807	-
Impairment of trade receivables, net	應收貿易賬款減值淨額	6	969	-
Impairment/(reversal of impairment) of other receivables, net	其他應收賬款之減值/(減值撥回)淨額	6	(3,488)	20,699
Fair value gains on investment properties	投資物業之公平值利潤	15	(1,744)	(33,103)
Gain on deemed disposal of an associate	被視為出售聯營公司之利潤	19	(3,561)	-
Loss on disposal of an associate	出售聯營公司之虧損	19	909	-
Impairment of available-for-sale investments	可供出售的投資之減值	20	-	67,280
Fair value loss on derivative financial instruments	衍生金融工具之公平值虧損	21	-	11,337
Write-down of properties under development and completed properties held for sale to net realisable value	發展中物業及持作出售之已完成物業減值至可變現淨值	22	-	296,848
Gain on disposal of convertible loans	出售可換股貸款之利潤	25	-	(87,151)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損		30,573	-
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益之股本投資之公平值虧損		-	6,857
			4,995	12,467

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Decrease/(increase) in properties under development and completed properties held for sale	發展中物業及持作出售之 已完成物業減少/(增加)	(41,081)	1,149,205
Decrease in inventories	存貨減少	106,882	-
Decrease/(increase) in trade receivables	應收貿易賬款減少/(增加)	(30,769)	17,165
Decrease in amounts due from fellow subsidiaries	應收同系附屬公司款項減少	458	9,950
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬 款減少/(增加)	(32,633)	32,441
Increase/(decrease) in trade payables	應付貿易賬款增加/(減少)	(35,490)	79,219
Increase in other payables and accruals	其他應付款項及應計費用增加	38,959	16,225
Decrease in provisions and other liabilities	撥備及其他負債減少	(20,172)	-
Decrease in customer deposits	客戶按金減少	-	(748,686)
Increase in defined benefit obligations	定額福利責任增加	1,232	-
Cash generated from/(used in) operations	營運產生/(使用)之現金	(7,619)	567,986
Overseas tax paid	已付海外稅項	(16,147)	(16,986)
Net cash flows from/(used in) operating activities	經營活動產生/(使用)之 現金流量淨額	(23,766)	551,000
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Purchases of items of property, plant and equipment	購入物業、廠房和設備項目	(66,973)	(28)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房和設備項目 所得款項	7,746	793
Additions to other intangible assets	添加其他無形資產	(54,862)	-
Proceeds from disposal of other intangible assets	出售其他無形資產所得款項	2,666	-
Receipt on maturity of convertible bond	可換股債券到期所收款項	51,775	-
Proceeds from disposal of convertible loans	出售可換股貸款所得款項	-	87,151
Acquisition of subsidiaries	收購附屬公司	(926,080)	-
Disposal of subsidiaries	出售附屬公司	2,157,548	-
Repayment of an amount due from an associate	應收聯營公司款項之償還	582	-
Bank interest received	已收銀行利息	2,744	6,214
Interest received on a convertible bond	已收可換股債券之利息	186	1,036
Interest received on loans to an associate	已收聯營公司貸款利息	804	774
Interest received on a loan to a related company	已收關聯公司貸款利息	-	1,079
Disposal of an associate	出售聯營公司	4,388	-
Purchase of an equity investment designated at fair value through other comprehensive income	購入按公平值計入其他全面 收益之股本投資	(389)	-
Net cash flows from investing activities	投資活動產生之現金流量淨額	1,180,135	97,019



CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
New bank loans	新銀行貸款	236,724	-
Repayment of bank loans	償還銀行貸款	(167,400)	(230,134)
Repayment of loans from a fellow subsidiary	償還來自同系附屬公司的貸款	-	(373,852)
Increase/(decrease) in amounts due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東款項增加/(減少)	(4,896)	45,946
Repayment of loans from a non-controlling shareholder of a subsidiary	償還來自附屬公司之非控股股東的貸款	(50,740)	-
Repayment of loans from an intermediate holding company	償還來自中間控股公司的貸款	(486,285)	-
Decrease in amounts due to intermediate holding companies	應付中間控股公司款項減少	(7,484)	-
Increase/(decrease) in amounts due to fellow subsidiaries	應付同系附屬公司款項增加/(減少)	(18,304)	4,726
Interest paid	已付利息	(67,851)	(88,593)
Net cash flows used in financing activities	融資活動使用之現金流量淨額	(566,236)	(641,907)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值增加淨額	590,133	6,112
Cash and cash equivalents at beginning of year	年初之現金及現金等值	627,140	605,925
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(25,698)	15,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值	1,191,575	627,140
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘之分析		
Cash and bank balances	現金及銀行結存	1,191,575	301,921
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日不足三個月之無抵押定期存款	-	325,219
		1,191,575	627,140

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

AVIC International Holding (HK) Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

During the year, the Group was mainly involved in:

- (i) the general aviation aircraft piston engine business; and
- (ii) the property development and investment business*.

* The Group disposed of the property development and investment business during the year.

In the opinion of the directors, the ultimate holding company of the Company is Aviation Industry Corporation of China, Ltd, which is incorporated in the People's Republic of China (the "PRC").

1. 公司及集團資料

AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司為一間於百慕達註冊成立之有限公司。本公司之註冊辦事處為Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda。

年內，本集團主要從事：

- (i) 通用航空飛機活塞發動機業務；及
- (ii) 物業發展及投資業務*。

* 本集團已於年內出售其物業發展及投資業務。

董事認為本公司最終控股公司為中國航空工業集團有限公司，該公司於中華人民共和國（「中國」）註冊成立。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CATIC Helicopter Development (Shenzhen) Limited ("CATIC Helicopter SZ")*# 中航技直升機技術服務 (深圳)有限公司 (「中航技直升機深圳」)*#	PRC/ Mainland China 中國/中國內地	HK\$42,000,000 42,000,000港元	-	100	Investment holding 投資控股
Billirich Investment Limited#	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Motto Investment Limited ("Motto")#	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$68,200,000 68,200,000美元	100	-	Investment holding 投資控股
Continental Motors Deutschland Limited#	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	-	100	Investment holding 投資控股
Continental Motors, Inc.	United States of America ("USA") 美利堅合眾國 (「美國」)	US\$10 10美元	-	100	Design, development and production of aircraft engines and spare parts and provision of repair and maintenance services for aircraft engines 設計、開發及生產飛機 發動機及備件以及提 供飛機發動機維修保 養服務

1. 公司及集團資料 (續)

有關附屬公司的資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Technify Motors GmbH	Germany 德國	EUR25,000 25,000歐元	-	100	Design, development and production of aircraft engines and spare parts 設計、開發及生產飛機 發動機及備件
CATIC General Aviation Holdings Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$2 2美元	100	-	Dormant 暫無營業
Wahman Investment Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Dormant 暫無營業
Kingspot Investment Limited [#]	British Virgin Islands/Hong Kong 英屬處女群島/ 香港	HK\$1 1港元	100	-	Investment holding 投資控股
Yipon Investment Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Dormant 暫無營業
CATIC Helicopter (H.K.) Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$2 2美元	100	-	Investment holding 投資控股

* CATIC Helicopter SZ is registered as a wholly-foreign-owned enterprise under PRC law.

[#] None of the statutory financial statements of these subsidiaries was audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司主要附屬公司之詳情如下：
(續)

* 中航技直升機深圳根據中國法例註冊為外商獨資企業。

[#] 所有此等附屬公司的法定財務報表均非由安永香港或安永全球網絡其他成員公司審核。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

During the year, the Group acquired Motto and its subsidiaries (“Motto Group”) from an intermediate holding company. Further details of the acquisition are included in note 42 to the financial statements.

During the year, the Group disposed of the entire issued share capital of Ease Triumph International Limited (“Ease Triumph”). Further details of the above disposal are included in note 43 to the financial statements.

The above tables list the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, equity investments, financial assets at fair value through profit or loss, and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

年內，本集團自中間控股公司收購 Motto 及其附屬公司（「Motto 集團」）。收購之進一步詳情載於財務報表附註 42。

年內，本集團出售拓業國際有限公司（「拓業」）的全部已發行股本。有關上述出售之進一步詳情載於財務報表附註 43。

上表列出董事會認為對本集團本年度業績有重大影響或佔本集團資產淨值之重大部份之本公司之附屬公司。董事認為倘列出其他附屬公司之資料，將使篇幅過於冗長。

2.1 編製基準

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）（其中包括全部香港財務報告準則、香港會計準則（「香港會計準則」）和詮釋）、香港普遍採用之會計原則以及香港公司條例的披露規定編製。本財務報表根據歷史成本法編製，惟投資物業、按公平值計入損益之股本投資及財務資產以及衍生金融工具除外（以公平值計量）。本財務報表以港元呈列，且所有價值均四捨五入至最接近之千位數（除非另有說明）。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (continued)**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準 (續)**綜合基準**

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度之財務報表。附屬公司乃本公司直接或間接控制之實體(包括結構性實體)。當本集團就參與被投資公司營運所得之可變動回報有風險承擔或享有權利,並能夠向被投資公司運用其權力以影響回報金額(即現存之權利以致本集團能夠指示被投資公司之相關活動),即代表本集團擁有控制權。

倘本公司直接或間接擁有被投資公司的投票權或類似權利少於大多數,則本集團於評估其是否擁有對被投資公司之權力時會考慮一切相關事實及情況,包括:

- (a) 與被投資公司其他投票持有人之合約安排;
- (b) 其他合約安排所產生之權利;及
- (c) 本集團之投票權及潛在投票權。

附屬公司財務報表的報告期間與本公司相同,並採用與本公司一致之會計政策編製。附屬公司業績乃自本集團取得控制權當日起計入綜合財務報表內,並一直計入直至該控制權終止當日止。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

即使會導致非控股權益產生虧絀結餘，損益及其他全面收益之各組成部份仍歸屬於本集團母公司所有者及非控股權益。與本集團成員公司間之交易相關之所有集團內公司間資產及負債、權益、收入、費用及現金流量均於綜合時悉數抵銷。

倘事實及情況反映上文所述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資公司。附屬公司之擁有權權益發生變動，但並未失去控制權時，按權益交易入賬。

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計換算差額；並確認(i)已收代價之公平值；(ii)任何獲保留投資之公平值；及(iii)任何因此而產生並計入損益之盈餘或虧絀。先前於其他全面收益中確認之本集團應佔成份，乃按倘本集團直接出售相關資產或負債所要求之相同基準，視乎情況重新分類至損益或留存溢利。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.2 會計政策及披露之變動

本集團已於本年度的財務報表中首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第2號的修訂	股份償付交易之分類及計量
香港財務報告準則第4號的修訂	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
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
香港財務報告準則第15號的修訂	澄清香港財務報告準則第15號客戶合約收益
香港會計準則第40號的修訂	投資物業轉移
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期的年度改進	香港財務報告準則第1號及香港會計準則第28號的修訂

除下文所詳述之香港財務報告準則第9號及香港財務報告準則第15號的修訂外，採納上述新訂及經修訂之準則對本財務報表並無重大財務影響。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position.

2.2 會計政策及披露之變動(續)

- (a) 於二零一八年一月一日或之後開始的年度期間，香港財務報告準則第9號金融工具取代香港會計準則第39號金融工具：確認及計量，匯集金融工具會計的所有三個方面：分類及計量、減值及對沖會計。

本集團已對二零一八年一月一日之適用期初結餘確認過渡調整。因此，比較資料並無重列並繼續根據香港會計準則第39號匯報。

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 會計政策及披露之變動 (續)

(a) (continued)

Classification and measurement (continued)

A reconciliation between the changes in carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

(a) (續)

分類及計量 (續)

根據香港會計準則第39號的賬面值之改變與根據香港財務報告準則第9號匯報的二零一八年一月一日結餘之對賬如下：

		HKAS 39 measurement 香港會計準則第39號之計量		Re- classification 重新分類 HK\$'000 千港元	HKFRS 9 measurement 香港財務報告準則第9號之計量		
	Notes 附註	Category 類別	Amount 金額 HK\$'000 千港元		Amount 金額 HK\$'000 千港元	Category 類別	
Financial assets	財務資產						
Available-for-sale investments	可供出售投資	AFS ²	192,728	(192,728)	-	N/A 不適用	
To: Equity investments designated at fair value through other comprehensive income	轉往：按公平值計入其他全面收益之股本投資	(i)		(110,380)			
To: Financial assets at fair value through profit or loss	轉往：按公平值計入損益之財務資產	(ii)		(82,348)			
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資		N/A 不適用	-	191,141	FVOCI' (equity) (權益)	
From: Available-for-sale investments	轉自：可供出售的投資	(i)		110,380			
From: Equity investment at fair value through profit or loss	轉自：按公平值計入損益之股本投資	(i)		80,761			
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產		FVPL ³	-	82,349	FVPL (mandatory) (強制)	
From: Available-for-sale investments	轉自：可供出售的投資	(ii)		82,348			
From: Derivative financial instruments	轉自：衍生金融工具	(ii)		1			
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資		FVPL	80,761	(80,761)	-	N/A 不適用
To: Equity investments designated at fair value through other comprehensive income	轉往：按公平值計入其他全面收益之股本投資	(i)		(80,761)			
Derivative financial instruments	衍生金融工具		FVPL	1	(1)	-	N/A 不適用
To: Financial assets at fair value through other comprehensive income	轉往：按公平值計入其他全面收益之財務資產	(ii)		(1)			
			273,490	-	273,490		



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Classification and measurement (continued)

- ¹ FVOCI: Financial assets at fair value through other comprehensive income
- ² AFS: Available-for-sale investments
- ³ FVPL: Financial assets at fair value through profit or loss

Notes:

- (i) The Group has elected the option to irrevocably designate certain of its previous available-for-sale equity investments and equity investment at fair value through profit or loss as equity investments at fair value through other comprehensive income.
- (ii) The Group has classified its convertible bonds previously classified as available-for-sale investments and derivative financial instruments as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.

2.2 會計政策及披露之變動 (續)

(a) (續)

分類及計量 (續)

- ¹ FVOCI: 按公平值計入其他全面收益之財務資產
- ² AFS: 可供出售的投資
- ³ FVPL: 按公平值計入損益之財務資產

附註:

- (i) 本集團已選擇不可撤銷地將若干其先前之可供出售的投資及按公平值計入損益之股本投資指定為按公平值計入其他全面收益之股本投資。
- (ii) 本集團已將其先前分類為可供出售的投資及衍生金融工具的可換股債券分類成按公平值計入損益之財務資產，因為此等非股本投資不能通過香港財務報告準則第9號之合約現金流量特徵測試。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.2 會計政策及披露之變動 (續)

(a) (continued)

Impact on reserves and retained profits

The impact of transition to HKFRS 9 on reserves and retained profits is as follows:

(a) (續)

對儲備及留存溢利的影響

過渡至香港財務報告準則第9號對儲備及留存溢利的影響如下：

	Reserves and retained profits 儲備及留存溢利 <i>HK\$'000</i> 千港元
Fair value reserve under HKFRS 9 (available-for-sale investment revaluation reserve under HKAS 39)	
Balance as at 31 December 2017 under HKAS 39	6,649
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	(6,649)
Reversal of impairment losses under HKAS 39 for equity investments designated at fair value through other comprehensive income previously classified as available-for-sale investments	(628,135)
Balance as at 1 January 2018 under HKFRS 9	(628,135)
Retained profits	
Balance as at 31 December 2017 under HKAS 39	591,051
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	6,649
Reversal of impairment losses under HKAS 39 for equity investments designated at fair value through other comprehensive income previously classified as available-for-sale investments	628,135
Balance as at 1 January 2018 under HKFRS 9	1,225,835



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

2.2 會計政策及披露之變動(續)

- (b) 香港財務報告準則第15號及其修訂取代香港會計準則第11號*建築合約*、香港會計準則第18號*收益*及相關詮釋，且(除少數例外情況外)其應用於客戶合約產生之所有收益。香港財務報告準則第15號就客戶合約收益入賬確立全新五個步驟模式。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額進行確認。香港財務報告準則第15號的原則為就計量及確認收益提供更為結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該等披露載於財務報表附註5。由於應用香港財務報告準則第15號，本集團已於財務報表附註2.4對有關收益確認之會計政策作出了修改。

本集團已經以修訂後的追溯應用法採納香港財務報告準則第15號。根據此方法，該準則可應用於初始應用日期的所有合約或僅應用於此日尚未完成的合約。本集團已選擇將該準則應用於二零一八年一月一日尚未完成的合約。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

The cumulative effect of the initial application of HKFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of HKFRS 15:

2.2 會計政策及披露之變動 (續)

(b) (續)

首次應用香港財務報告準則第15號之累計影響乃確認為對於二零一八年一月一日留存溢利期初結餘之調整。因此，比較資料並無重列及繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋匯報。

下文載列於二零一八年一月一日因採納香港財務報告準則第15號而對各財務報表之單行項目造成影響之金額：

		Notes 附註	Increase/ (decrease) 增加/(減少) HK\$'000 千港元
Assets	資產		
Properties under development and completed properties held for sale	發展中物業及持作出售之 已完成物業	(i)	134,818
Trade receivables	應收貿易賬款	(i)	(76,977)
Due from fellow subsidiaries	應收同系附屬公司	(i)	(1,664)
Prepayments	預付款項	(iii)	4,971
Prepaid taxes	預付稅項	(i)	16,539
Total assets	資產總值		77,687
Liabilities	負債		
Other payables and accruals	其他應付款項及應計費用	(i)	(10,016)
Customer deposits	客戶按金	(i),(ii)	(217,981)
Contract liabilities	合約負債	(i),(ii)	339,654
Deferred tax liabilities	遞延稅項負債		4,353
Total liabilities	負債總值		116,010
Equity	權益		
Exchange fluctuation reserve	匯兌波動儲備	(i)	1,070
Retained profits	留存溢利	(i),(iii)	(21,029)
Non-controlling interests	非控股權益	(i)	(18,364)
			(38,323)



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

The adoption of HKFRS 15 has had no impact on profit or loss from continuing operations, other comprehensive income, the consolidated statement of financial position or on the Group's operating, investing and financing cash flows for the year ended 31 December 2018 because the property development and investment business has been disposed of.

The nature of the adjustments as at 1 January 2018 are described below:

(i) Revenue from sales of properties

Prior to the adoption of HKFRS 15, the Group accounted for revenue from sales of properties when significant risks and rewards of ownership have been transferred to the customers.

Under HKFRS 15, for properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress. The excess of cumulative revenue recognised in profit or loss over the cumulative billings to purchasers of properties is recognised as contract assets. The excess of cumulative billings to purchasers of properties over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

2.2 會計政策及披露之變動 (續)

(b) (續)

採納香港財務報告準則第15號對來自持續經營業務之溢利或虧損、其他全面收益、綜合財務狀況表或本集團截至二零一八年十二月三十一日止年度的經營、投資和融資現金流量並無影響，因為物業發展及投資業務已被出售。

於二零一八年一月一日作出之調整性質概述如下：

(i) 來自物業銷售之收益

採納香港財務報告準則第15號前，本集團於所有權的重大風險及回報轉移予客戶時將物業銷售收益入賬。

根據香港財務報告準則第15號，就本集團因合約原因不可作其他用途的物業，且倘本集團有強制執行權就累計至今已完成的履約部份向客戶收取付款，則本集團將按計量進度的輸入法隨達成履約責任的時間而確認收益。計入損益的累計確認收益超出向買方累計收取的款項的差額確認為合約資產。向買方累計收取的款項超過計入損益的累計確認收益的差額確認為合約負債。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

(i) **Revenue from sales of properties**
(continued)

If the control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

The impact of the adoption of HKFRS 15 on revenue from sales of properties was adjusted to the opening balance of retained profits at 1 January 2018.

2.2 會計政策及披露之變動 (續)

(b) (續)

(i) **來自物業銷售之收益**
(續)

倘資產之控制權經過一段時間轉移，收益將於整個合約期間按完成履約責任的進度進行確認。否則，收益於買方獲得資產控制權之時間點進行確認。

完成履約責任的進度乃基於本集團為完成履約責任所付出或投入計量，並參考截至報告期末產生的合約成本作為各合約的總估計成本的百分比。

對於在某時間點轉移物業控制權的物業發展及銷售合約，收益於買方獲得實物所有權或已完工物業的合法業權且本集團當前有權要求付款並很可能收回對價時確認。

採納香港財務報告準則第15號對於來自物業銷售之收益之影響已於二零一八年一月一日在留存溢利的期初餘額進行調整。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

(ii) Significant financing component for sales of properties

Prior to the adoption of HKFRS 15, the Group presented sales proceeds received from customers in connection with the Group's pre-sales of properties as customer deposits in the consolidated statement of financial position.

Upon adoption of HKFRS 15, the Group elected to apply the practical expedient and did not recognise the effects of a significant component with a customer if the time period is one year or less. In addition, reclassifications have been made from customer deposits to contract liabilities for the outstanding balance of sales proceeds from customers. The adoption of HKFRS 15 has had no significant impact on the opening retained profits as at 1 January 2018. Customer deposits of HK\$217,981,000 has been reclassified to contract liabilities as at 1 January 2018.

2.2 會計政策及披露之變動 (續)

(b) (續)

(ii) 物業銷售的重大融資組成部份

採納香港財務報告準則第15號前，本集團將就本集團物業預售從客戶收取的銷售所得款項於綜合財務狀況表的客戶按金項下呈列為預收款項。

於採納香港財務報告準則第15號後，本集團選擇使用簡便實務法且並不確認時間期限為一年或以下的重大客戶融資組成部份的影響。此外，已就尚未償還的客戶銷售所得款項結餘作出重新分類，將客戶按金重新分類至合約負債。採納香港財務報告準則第15號不會對二零一八年一月一日留存溢利之期初結餘造成重大影響。過往分類為客戶按金之217,981,000港元已於二零一八年一月一日重新分類至合約負債。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**(b)** (continued)**(iii) Sales commission**

Prior to the adoption of HKFRS 15, the Group expensed off the sales commission associated with obtaining an agreement for sale and purchase with the property buyer. Upon adoption of HKFRS 15, sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in prepayments. Capitalised sales commissions are charged to profit or loss when the revenue from the related property sale is recognised and are included as selling and distribution expenses at that time. The impact of the adoption of HKFRS 15 on sales commission was adjusted to the opening balance of retained profits at 1 January 2018.

2.2 會計政策及披露之變動 (續)**(b)** (續)**(iii) 銷售佣金**

於採納香港財務報告準則第15號前，本集團將有關與物業買家達成買賣協議的銷售佣金列為開支。於採納香港財務報告準則第15號後，為獲得合約直接產生的銷售佣金如果可收回，則資本化及入賬為預付款項。資本化銷售佣金於確認有關物業銷售的收益時於損益內扣除並計入該時間點的銷售及營銷費用。採納香港財務報告準則第15號對於銷售佣金之影響已於二零一八年一月一日在留存溢利的期初餘額進行調整。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於本財務報表內應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第3號的修訂	業務的定義 ²
香港財務報告準則第9號的修訂	具有負補償的提早還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂	投資者與其聯營公司或合營公司之間的資產出售或注資 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號的修訂	重大的定義 ²
香港會計準則第19號的修訂	計劃修訂、縮減或結清 ¹
香港會計準則第28號的修訂	於聯營公司及合營公司的長期權益 ¹
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性 ¹
二零一五年至二零一七年度週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂 ¹

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

- 1 於二零一九年一月一日或之後開始之年度期間生效
- 2 於二零二零年一月一日或之後開始之年度期間生效
- 3 於二零二一年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期惟可供採納

預期將適用於本集團之該等香港財務報告準則之進一步資料載列如下。

香港財務報告準則第3號的修訂對業務的定義作出澄清及提供額外指引。該修訂闡明交易倘一系列活動及資產要被視為一項業務，其需至少包括可對實質性產出能力共同作出重大貢獻的投入及實質性進程。毋須包括產出所需的所有投入及進程，業務也可以存在。該修訂移除原有對市場參與者是否有能力獲得業務並持續產出之能力之評估要求。相反，其重點在於所獲得的投入及獲得的實質性進程是否共同對產出能力作出集中大貢獻。該修訂縮小產出的定義，集中為向客戶提供的產品及服務、投資收入或日常業務的其他收入。此外，該修訂對評估所獲得的進程是否具有實質性提供指引，並引入可選的公平值集中測試以便簡單評估所獲得的一系列活動及資產是否一項業務。本集團預計自二零二零年一月一日起以未來適用法採納該修訂。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數利潤或虧損。當涉及資產的交易不構成一項業務時，由該交易產生的利潤或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將於生效後應用。香港會計師公會已於二零一六年一月撤銷香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂先前的強制性生效日期，而新強制性生效日期將於對聯營公司及合營公司之會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時已可供採納。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK (IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK (SIC)-Int 15 *Operating Leases – Incentives* and HK (SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會) – 詮釋第4號釐定安排是否包括租賃、香港(常務詮釋委員會) – 詮釋第15號經營租賃 – 優惠及香港(常務詮釋委員會) – 詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免 – 低價值資產租賃及短期租賃。於租賃起始日，承租人將確認作為租賃付款的負債(即租賃負債)及代表可於租賃期內使用相關資產的權利的資產(即使用權資產)。除非使用權資產符合香港會計準則第40號對投資物業的定義、或與應用重估模式之物業、廠房和設備類別相關，否則使用權資產其後按成本減累積折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更詳盡的披露。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. The Company is still assessing the financial impact of this new standard on the Group's consolidated financial statements upon its adoption.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

承租人可選擇以全面追溯應用或修訂後的訂追溯應用方式應用該準則。本集團將自二零一九年一月一日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡規定，將首次採納的累計影響確認為對於二零一九年一月一日留存溢利期初結餘的調整，而不會重列比較數字。此外，本集團計劃將新規定應用於先前應用香港會計準則第17號時識別為租賃的合約，並使用本集團於首次應用日期的增量借貸利率把剩餘租賃付款折現為現值計量租賃負債。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃使用該準則所允許的豁免，該等租賃合約之租期於截至首次應用該準則日期起12個月內屆滿。本公司現正評估採納該新訂準則後對本集團綜合財務報表的影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號的修訂提供重大的新定義。新定義規定，倘可合理預計遺漏、錯誤陳述或掩蓋資料會影響通用財務報表的主要使用者在以該等財務報表為依據作出的決策，則有關資料屬重大資料。該修訂澄清重大性將取決於資料的性質或程度。倘可合理預計錯誤陳述資料會影響主要使用者的決策，則錯誤陳述該資料屬重大。本集團預計自二零二零年一月一日起以未來適用法採納該修訂。預計該修訂將不會對本集團財務報表產生任何重大影響。

香港會計準則第28號的修訂澄清香港財務報告準則第9號的豁免範圍僅包括於聯營公司或合營公司的權益(可應用權益法)，並不包括實質上構成於聯營公司或合營公司淨投資一部分的長期權益(不應用權益法)。因此，實體應採用香港財務報告準則第9號(包括香港財務報告準則第9號的減值規定)而非香港會計準則第28號，把該等長期權益入賬。香港會計準則第28號可應用於淨投資，包括長期權益，惟僅在確認聯營公司或合營公司虧損或於聯營公司或合營公司的淨投資減值的情況下方可應用。本集團預期於二零一九年一月一日採納該等修訂，並將使用修訂的過渡性規定按二零一九年一月一日存在的事實及情況評估該等長期權益的業務模式。本集團亦打算於採納該等修訂後應用重述過往期間可比較資料的寬免。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港(國際財務報告詮釋委員會)一詮釋第23號針對當稅務處理涉及影響應用香港會計準則第12號之不確定性(常稱為「不確定稅務狀況」)時之所得稅(即期及遞延)之會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵費,亦尤其不包括與不確定稅務處理相關之利息及罰款之規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅務處理;(ii)實體對稅務機關審查稅務處理所作假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率;以及(iv)實體如何考慮事實及情況之變化。該詮釋應不採用事後確認地全面追溯應用、或於初始應用當日把應用的累積效應在期初權益調整以作追溯應用,兩者皆無須重列比較資料。本集團預期將於二零一九年一月一日起採納該詮釋。該詮釋預期不會對本集團的財務報表造成重大影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and the joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or the joint venture is included as part of the Group's investments in associates or the joint venture.

2.4 重大會計政策概要

聯營公司及合營公司之投資

聯營公司乃指本集團對其擁有長期權益及一般為不少於20%股本投票權並可對其施加重大影響力之實體。重大影響力為可參與被投資公司之財務及營運政策決定，而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排之共同控制權之各方均有權享有合營公司之資產淨值。共同控制權乃按合約協定下共享控制權之安排，其僅在相關活動決策必須獲共享控制權之各方一致同意方存在。

本集團於聯營公司及合營公司之投資乃根據權益會計法按本集團分佔之資產淨值減任何減值虧損後列於綜合財務狀況表。已就可能存在之不相似會計政策作出調整，以確保一致。本集團分佔聯營公司及合營公司收購後之業績及其他全面收益，分別載於綜合損益表及綜合其他全面收益表。此外，倘聯營公司或合營公司於其權益直接確認任何變動，則本集團在綜合權益變動表確認分佔其任何變動（倘適用）。本集團與其聯營公司或合營公司間之交易所產生之未變現利潤及虧損與本集團於聯營公司或合營公司之投資抵銷，惟未變現虧損證明被轉讓資產出現減值情況則除外。收購聯營公司或合營公司產生之商譽，乃包括在本集團於聯營公司或合營公司之投資之部份。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and a joint venture (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 重大會計政策概要

聯營公司及合營公司之投資(續)

倘聯營公司之投資成為合營公司之投資或相反，則保留之權益不會進行重新計量，該投資反而將繼續按權益法進行核算。在所有其他情況下，當不再對聯營公司擁有重大影響力或對合營公司擁有共同控制權時，本集團會按公平值計量並確認任何保留之投資。於本集團失去對聯營公司之重大影響力或對合營公司之共同控制權後，聯營公司或合營公司之賬面值與保留之投資之公平值及出售所得款項之差額乃於損益確認。

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期之公平值計量，該公平值為本集團所轉讓資產於收購日期之公平值、本集團向被收購方之前擁有人承擔之負債、及本集團為換取被收購方控制權而發行之股本權益之總和。於各業務合併中，本集團選擇以公平值或應佔被收購方可識別資產淨值之比例，計算於被收購方之非控股權益(即現有之擁有權權益，賦予持有人權利在進行清算時按適當比例分佔資產淨值)。非控股權益之所有其他組成部份均以公平值計量。收購成本於產生時支銷。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要(續)

業務合併及商譽(續)

本集團收購業務時會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之財務資產及負債，以作出合適分類及標示，其中包括從被收購方的主合約中把嵌入式衍生工具分離。

倘業務合併分階段進行，先前所持股本權益以其收購日期之公平值重新計量，並透過損益確認所產生之任何利潤或虧損。

收購方將予轉讓之任何或然代價將於收購日期按公平值確認。分類為資產或負債之或然代價乃按公平值計量，其公平值變動乃於損益確認。分類為權益之或然代價並不重新計量，而其後結算乃於權益中入賬。

商譽初始按成本值計量，即已轉讓代價、已確認非控股權益及本集團先前持有之被收購方股權之任何公平值的總額，所超逾與所收購可識別資產淨值及所承擔負債之差額。倘此代價及其他項目的總額低於所收購資產淨值之公平值，其差額將於重新評估後於損益中確認為議價收購收益。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

於初始確認後，商譽乃按成本值減任何累積減值虧損計量。商譽需每年進行減值測試，或在某些事項或情形之變動顯示賬面值可能發生減值時更頻繁地進行減值測試。本集團於十二月三十一日進行商譽年度減值測試。就減值測試而言，於業務合併收購之商譽自收購當日起分配至預期可從合併之協同效益得益之本集團之現金產生單元或現金產生單元組別，而不需理會本集團之其他資產或負債是否已分配至該些單元或單元組別。

減值乃根據與商譽相關之現金產生單元(現金產生單元組別)之估計可收回金額而釐定。如現金產生單元(現金產生單元組別)之可收回金額比賬面值低，則須確認減值虧損。就商譽確認之減值虧損不會於往後期間撥回。

如商譽被分配至現金產生單元(或現金產生單元組別)，而該單元之部份營運被出售，則計算出售之利潤或虧損時，應把與被出售之營運聯繫之商譽包括在該營運之賬面值內。在此情況下，被出售之商譽按被出售之營運及仍保留在現金產生單元之部份之相對價值計算。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重大會計政策概要(續)

公平值計量

於各報告期末，本集團按公平值計量其投資物業、衍生金融工具及股本投資。公平值為計量日期市場參與者在有序交易中出售資產所得到或轉讓負債所付出的作價。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

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

本集團使用適合其情況並有足夠數據之估值技術來計量公平值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要 (續)

公平值計量 (續)

所有其公平值載於財務報表計量或披露之資產及負債均按對其公平值計量整體而言屬重大之最低層輸入參數(見以下描述)分類至公平值等級制度:

- 第一級 – 根據相同資產或負債於活躍市場的報價(未調整)
- 第二級 – 根據對公平值計量而言屬重大的可觀察(直接或間接)最低層輸入參數的估值技術
- 第三級 – 根據對公平值計量而言屬重大的最低層不可觀察輸入參數的估值技術

就經常性於財務報表確認之資產及負債而言,本集團透過於各報告期末重新評估分類(按對其公平值計量整體而言屬重大的最低層輸入參數)以確定是否發生不同等級轉移。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 重大會計政策概要(續)

非財務資產之減值

每逢出現減值跡象，或於每年需就資產(存貨、財務資產及投資物業除外)進行減值測試時，便須估計該資產之可收回數額。資產之可收回數額以該資產或現金產生單元之使用價值及公平值減銷售成本兩者之較高者為準，並以個別資產釐定，惟倘該資產並不產生很大程度上獨立於其他資產或資產組別之現金流入則當別論，在此情況下，其可收回數額按該資產所屬之現金產生單元釐定。

減值虧損僅於資產賬面值超逾其可收回數額時確認。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值和資產特有風險評估的除稅前折現率折現至現值。減值虧損按該減值資產之功能所屬之開支分類計入產生期間的損益表中。

每個報告期末均須作出評估，以考慮是否有跡象顯示先前已確認之減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計可收回數額。該資產(商譽除外)之先前確認之減值虧損僅於釐定資產可收回數額之估計出現變動時回撥，惟回撥後之賬面值不得超越假設過往年度並無就該資產確認減值虧損之賬面值之數額(扣除任何折舊/攤銷)。減值虧損之回撥於產生期間計入損益表。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (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;

2.4 重大會計政策概要 (續)

關聯方

任何一方如屬以下情況，即被視為與本集團有關聯：

- (a) 該方為一名人士或其所屬家庭之親密成員，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

- (b) 該方為實體，且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一間實體（或另一間實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方之合營公司；
 - (iv) 一間實體為第三方實體之合營公司，而另一間實體為該第三方實體之聯營公司；

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (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) a 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 member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 重大會計政策概要 (續)

關聯方 (續)

(b) (續)

- (v) 該實體為本集團或與本集團有關聯之實體就僱員福利設立之離職後福利計劃；
- (vi) 該實體受(a)定義之人士控制或共同控制；
- (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理層成員服務。

物業、廠房和設備及折舊

物業、廠房和設備(在建工程除外)乃按原值減累積折舊及任何減值虧損入賬。物業、廠房和設備之項目之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	Over the shorter of lease terms and 3% to 3 $\frac{1}{3}$ %
Leasehold improvements	Over the lease terms
Furniture and fixtures	20% – 33%
Machinery and equipment	4% – 50%
Motor vehicles	20% – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要 (續)

物業、廠房和設備及折舊 (續)

物業、廠房和設備項目投入運作後所涉及之費用(如維修保養費用)一般會在支出期間在損益表中扣除。在符合確認準則的情況下,相關主要檢查的支出可按撥充資本計入作為重置之資產賬面值。倘物業、廠房和設備的重要部份需要不時重置,本集團將確認該部份為個別具有特定使用年期之資產並相應計提折舊。

物業、廠房和設備按各項目之估計可用年期以直線法計算折舊,以撇銷其成本或估值至其殘值。就此所採用之主要年率如下:

土地及樓宇	租期或3%至3 $\frac{1}{3}$ %之較短者
租賃裝修	租期
傢私及裝置	20% – 33%
機器及設備	4% – 50%
汽車	20% – 25%

倘物業、廠房和設備項目之組成部份有不同之可用年期,則該項目之成本按合理之基準分配至各組成部份,每個組成部份獨立計算折舊。殘值、可用年期及折舊方法至少於每個財政年度末進行檢討及調整(如適用)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

2.4 重大會計政策概要(續)

物業、廠房和設備及折舊(續)

物業、廠房和設備項目(包括初始確認之重要部件項目)將在被出售,或預計其使用或出售不再產生未來經濟利益時終止確認。出售或棄用所產生之任何利潤或虧損於資產終止確認當年在損益表中確認,其數額為出售有關資產所得款項淨額與賬面值之差額。

在建工程指在建的樓宇,按成本減任何減值虧損列賬且不作折舊。成本包括建設期內的直接建設成本及相關借入資金的資本化借款成本。當在建工程完成並可使用時,將被重新分類至適當物業、廠房及設備中合適之類別。

投資物業

投資物業為就賺取租金收入及/或資本增值而持有之土地及樓宇之權益(包括如符合投資物業之定義,以經營租約持有之物業之租賃權益),而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。該等物業初始以成本(包括交易成本)計算。於初始確認後,投資物業按於報告期末按反映市況之公平值列賬。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of total development cost, including capitalised borrowing cost, attributable to the unsold units. Net realisable value is determined on the basis of anticipated sales proceeds, or estimated by management based on the prevailing market conditions, less all estimated costs to completion and selling expenses, on an individual property basis.

2.4 重大會計政策概要 (續)

投資物業 (續)

投資物業公平值變動所產生之利潤或虧損，於其產生年度計入損益表內。

棄用或出售投資物業之任何利潤或虧損，於棄用或出售年度在損益表確認。

由投資物業轉為自用物業或存貨時，該物業其後會計之認定成本為改變用途當日之公平值。由存貨轉為投資物業時，該物業於當日的公平值與先前的賬面值之任何差額於損益表確認。

發展中物業及持作出售之已完成物業

發展中物業及持作出售之已完成物業乃按成本及可變現淨值之較低者列賬。成本乃藉分配未出售單位應佔之總發展成本(包括已撥作資本性借貸成本)而釐定。可變現淨值乃根據個別物業基準計算，按預計銷售所得款項，或按管理層就當時市況而作出之估計，減去直至完成時之所有估計成本及銷售費用。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks

Trademarks are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 30 years.

Product technology, licence and completed programs

The product technology, licence and completed programs are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 30 years.

Customer relationships

Customer relationships are stated at cost less any impairment losses and are amortised on the straight-line basis over their useful lives of 15 years.

Other intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their useful lives of 1 to 5 years.

2.4 重大會計政策概要(續)**無形資產(商譽除外)**

單獨購買之無形資產於初始確認時按成本計量。於業務合併時收購之無形資產之成本以收購日期之公平值計量。無形資產之可用年期可評估為有限或無限。年期有限之無形資產其後於可使用經濟年期內攤銷，並於該無形資產出現減值跡象時進行減值評估。可用年期有限之無形資產之攤銷期及攤銷方法須至少於每個財政年度末檢討一次。

商標

商標按照成本減任何減值虧損列賬，並根據其估計使用年期30年按照直線基準攤銷。

產品技術、牌照及已完成計劃

產品技術、牌照及已完成計劃按照成本減任何減值虧損列賬，並根據其估計使用年期10至30年按照直線基準攤銷。

客戶關係

客戶關係按照成本減任何減值虧損列賬，並根據其使用年期15年按照直線基準攤銷。

其他無形資產按照成本減任何減值虧損列賬，並根據其使用年期1至5年按照直線基準攤銷。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 10 to 30 years, commencing from the date when the products are put into commercial production.

2.4 重大會計政策概要 (續)

無形資產(商譽除外) (續)

研發成本

所有研究成本於其產生時於損益扣除。

開發新產品項目中產生的開支僅當本集團可證明以下各項時方可予以資本化及遞延：完成無形資產以使其能夠使用或銷售在技術上具有可行性、擬完成該無形資產且能夠使用或出售、無形資產產生未來經濟利益的方式、有足夠的資源完成該等項目及有能力可靠計量開發階段的開支。不符合該等標準的產品開發開支於產生時計入損益。開發成本乃按成本減任何減值虧損列賬，並採用直線法於相關產品的商業壽命(自該等產品投入商業生產之日起計不超過10至30年)內予以攤銷。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. When the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 重大會計政策概要(續)

租賃

將資產擁有權(法定業權除外)之大部份回報與風險轉讓至本集團之租約列為融資租約處理。自融資租約開始時,租賃資產之成本按最低租賃付款額之現值予以資本化,並連同債務(不計利息)列賬,以反映購入及融資情況。按已資本化之融資租約持有之資產(包括融資租約下之預付土地租賃款)計入物業、廠房和設備內,並按資產之租賃期及估計可用年期之較短者計算折舊。該等租約之融資成本於損益表內扣除,以於租賃期計算固定費用。

凡資產擁有權之大部份回報及風險由出租人承擔之租約均列為經營租約。倘本集團為承租人,根據經營租約之應付租金(經扣除自出租人收取之任何優惠後),按直線法於租賃期內自損益表扣除。

經營租賃下之預付土地租賃款初始以成本列賬,其後在租賃期內以直線法確認。當租賃付款無法可靠地在土地和樓宇兩部份之間進行分配時,則整個租賃款作為物業、廠房和設備之融資租賃,包括在土地和樓宇之成本中。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2.4 重大會計政策概要 (續)

投資及其他財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)

初始確認及計量

財務資產於初始確認時分類為隨後按攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

財務資產於初始確認時的分類視乎財務資產合約現金流量的特徵及本集團管理彼等的業務模式。除並無重大融資組成部份或本集團已應用可行權益方式(不調整重大融資組成部份影響)的應收貿易賬款外,本集團初步按其公平值加(倘並非按公平值計入損益的財務資產)交易成本計量財務資產。並無重大融資組成部份或本集團已應用可行權益方式的應收貿易賬款按照下文「收益之確認(自二零一八年一月一日起適用)」所載政策按根據香港財務報告準則第15號釐定的交易價格計量。

為使財務資產按攤銷成本或按公平值計入其他全面收益分類及計量,其需產生僅為支付本金及未償還本金之利息「僅為支付本金及利息」的現金流量。

本集團管理財務資產的業務模式指其如何管理財務資產以產生現金流量。業務模式釐定現金流量是否來自收取合約現金流量、出售財務資產或兩者皆是。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Initial recognition and measurement (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 重大會計政策概要(續)

投資及其他財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

初始確認及計量(續)

財務資產之所有常規買賣均於交易日(即本集團承諾買賣資產當日)確認。常規買賣指必須按市場所在地法例或慣例一般指定之時間內交付資產之財務資產買賣。

其後計量

財務資產之其後計量取決於其分類如下:

按攤銷成本列賬的財務資產(債務工具)

倘以下兩個條件均獲達成,本集團按攤銷成本計量財務資產:

- 於旨在持有財務資產以收取合約現金流量的業務模式中持有的財務資產。
- 財務資產的合約條款於特定日期產生僅為支付本金及未償還本金之利息的現金流量。

按攤銷成本列賬的財務資產隨後使用實際利率法計量,並可予減值。當資產終止確認、修改或減值時,於損益表中確認利潤及虧損。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重大會計政策概要 (續)

投資及其他財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

按公平值計入其他全面收益之財務資產(股本投資)

初始確認後，倘股本投資符合香港會計準則第32號*金融工具：呈列*項下權益的定義，且並非持作買賣，本集團可選擇不可撤銷地分類其股本投資為按公平值計入其他全面收益的股本投資。分類按每項工具釐定。

該等財務資產的利潤及虧損不得重新計入損益表。股息於收取款項的權利獲確立，且與股息相關的經濟利益很可能會流入本集團，而股息金額可以可靠地計量時，於損益表中確認為其他收入，惟倘本集團於作為收回財務資產的部份成本的所得款項中獲益則除外，有關利潤列入其他全面收益。按公平值計入其他全面收益的股本投資毋需作減值評估。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

投資及其他財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作買賣的財務資產、於初始確認後指定為按公平值計入損益的財務資產、或強制要求按公平值計量的財務資產。倘財務資產的購入目的為於近期出售或重新購回，其分類為持作出售。衍生工具(包括獨立的嵌入式衍生工具)亦分類為持作買賣，除非其獲指定為實際對沖工具。不論其業務模式，有不僅為支付本金及利息的現金流量的財務資產按公平值計入損益來分類及計量。雖然債務工具分類為按攤銷成本列賬或按公平值計入其他全面收益需遵守上文所述條件，倘因此可消除或大幅減少會計錯配，債務工具可於初始確認時指定為按公平值計入損益。

按公平值計入損益之財務資產於財務狀況表按公平值入賬，而公平值的淨變動則於損益表中確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at fair value through profit or loss (continued)

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 重大會計政策概要 (續)

投資及其他財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

按公平值計入損益之財務資產(續)

該類別包括本集團並無不可撤銷地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。分類為按公平值計入損益的股本投資的股息於收取款項的權利獲確立，且與股息相關的經濟利益很可能會流入本集團，而股息金額可以可靠地計量時，於損益表中確認為其他收入。

當嵌入於混合合約(包含財務負債及非財務主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備與嵌入式衍生工具相同條款的獨立工具符合衍生工具的定義；且混合合約並非按公平值計入損益來計量，則該衍生工具與主體分開並作為獨立衍生工具列賬。嵌入式衍生工具按公平值計量，且其公平值變動計入損益表。僅當合約條款出現變動，大幅改變所規定之現金流量時；又或當財務資產重新從按公平值計入損益類別分類出來時，方會重新進行評估。

嵌入於包含財務資產主體的混合合約的衍生工具不得獨立列賬。財務資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purposes of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

2.4 重大會計政策概要(續)

投資及其他財務資產(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

初始確認及計量

於初始確認時，財務資產分類為按公平值計入損益之財務資產、貸款及應收款項，以及可供出售的財務投資(如適用)。初始確認財務資產時，乃按公平值加收購財務資產相關之交易成本列賬，惟按公平值計入損益之財務資產除外。

財務資產之所有一般買賣均於交易日(即本集團承諾買賣資產當日)確認。一般買賣指必須於市場所在地法例或規例一般指定之時間內交付資產之財務資產買賣。

其後計量

財務資產之其後計量取決於其分類如下：

按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作買賣的財務資產及於初始確認時指定為按公平值計入損益的財務資產。倘收購財務資產之目的是為在短期內出售，則該等資產分類為持作買賣。各項衍生工具(包括已分割之嵌入式衍生工具)亦分類為持作買賣，惟若彼等被指定為有效對沖工具(定義見香港會計準則第39號)則除外。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 重大會計政策概要 (續)

投資及其他財務資產(於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

按公平值計入損益之財務資產(續)

按公平值計入損益之財務資產按公平值列入財務狀況表，公平值變動淨額乃於損益表確認，該等公平值變動淨額不包括就該等財務資產所賺取之任何股息或利息，股息及利息根據下文「收益之確認(於二零一八年一月一日前適用)」所載政策確認。

於初始確認時指定為按公平值計入損益之財務資產，僅可於初始確認日指定，並須符合香港會計準則第39號之要求。

倘嵌入於主合約之衍生工具之經濟特質及風險與主合約中之經濟特質及風險無密切關係，且主合約並非持作買賣或指定為按公平值計入損益，則該等嵌入於主合約之衍生工具將視作獨立衍生工具並按公平值列賬。該等嵌入式衍生工具按公平值計量，公平值變動於損益表確認。只有當合約條款出現變動，而該變動將大幅改變所規定之現金流量，又或當財務資產重新從按公平值計入損益類別分類出來時，方會重新進行評估。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other operating expenses for loans and receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 重大會計政策概要(續)

投資及其他財務資產(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)(續)

貸款及應收款項

貸款及應收款項乃具有固定或可確定付款金額，但並無活躍市場報價之非衍生財務資產。於初始計量後，有關資產其後乃以攤銷成本(按實際利率法計算)減去任何減值撥備計量。計量攤銷成本時已考慮到獲得時的任何折現或溢價，並已包括實際利率組成部份之費用或成本。實際利率攤銷計入損益表之其他收入及利潤內。貸款及應收款項減值產生的虧損於損益表內之其他經營開支中確認。

可供出售的財務投資

可供出售的財務投資是指上市及非上市股本投資及債務證券中之非衍生財務資產。分類為可供出售的股本投資指既未分類為持作買賣亦未指定為按公平值計入損益的投資。該類別中之債務證券指有意無限期持有之債務證券，且該等債務證券可能會因應流動資金需求或應對市況變動而出售。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other operating expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

2.4 重大會計政策概要 (續)

投資及其他財務資產(於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

可供出售的財務投資(續)

在初始確認後，可供出售的財務投資其後按照公平值計量，未變現利潤或虧損於可供出售投資重估儲備中確認為其他全面收益，直至該投資終止確認，此時累積利潤或虧損於損益表確認，或直至該投資釐定為減值，此時累積利潤或虧損由可供出售投資重估儲備重新分類至損益表之其他經營開支。持有可供出售的財務投資期間產生之利息及股息應根據下文「收益之確認(於二零一八年一月一日前適用)」所載政策分別以利息收入及股息收入於損益表之其他收入項下確認。

當因為(a)合理之公平值估計範圍之變動對該投資而言是重大或(b)在上述範圍內之各種估計價之概率不能夠合理地評估和用於估計公平值，而導致不能可靠計算非上市股本投資之公平值時，該類投資以成本減任何減值虧損列賬。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 重大會計政策概要 (續)

投資及其他財務資產(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)(續)

可供出售的財務投資(續)

本集團會評估於近期出售其可供出售的財務資產之能力及意向是否仍屬適宜。在極少數情況下，本集團因市場不活躍而無法買賣該等財務資產，倘管理層有能力和意圖在可預見的期間或到期前持有該等資產，則本集團可選擇重新分類該等財務資產。

對於重新從可供出售類別分類出來之財務資產，採用重新分類當日之公平值賬面值為其新攤銷成本，有關該資產之前已於權益確認之任何利潤或虧損，於該投資之尚餘年期內採用實際利率在損益攤銷。新攤銷成本與到期金額之間之任何差額亦於資產之尚餘年期內採用實際利率攤銷。倘該資產其後釐定為減值，則記錄在權益之賬項將被重新分類至損益表。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 重大會計政策概要 (續)

終止確認財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

在下列情況下，財務資產(或(如適用)一項財務資產或一組相類似財務資產的一部份)基本終止確認(即自本集團綜合財務狀況表剔除):

- 收取該項資產所得現金流量之權利經已屆滿;或
- 本集團已轉讓自該項資產收取現金流量之權利，或須根據一項「轉付」安排，對第三方承擔全數支付(沒有嚴重延緩)已收取現金流量之責任;而且(a)本集團已轉讓該資產之絕大部份風險及回報;或(b)本集團並無轉讓或保留該資產之絕大部份風險及回報，但已轉讓該資產之控制權。

倘本集團轉讓其自該資產收取現金流量的權利或已訂立一項轉付安排，本集團會評估其是否保留擁有該項資產的風險及回報以及其保留程度。倘本集團並無轉讓或保留該資產的大部份風險及回報，亦並無轉讓該資產的控制權，則本集團在持續參與該資產的前提下繼續確認該已轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018) (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 重大會計政策概要(續)

終止確認財務資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)(續)

以經轉讓資產擔保方式的持續參與按該項資產的原賬面值及本集團或須償還的代價的最高金額之間的較低者計量。

財務資產之減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)

本集團就所有持有並非按公平值計入損益的債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃以根據合約已到期的合約現金流量與本集團預期所收的所有現金流量的差額為基準，並按原有實際利率的近似值折現。預期現金流量包括來自出售所持抵押品的現金流量或其他組成合約條款的信貸提升措施。

一般方法

預期信貸虧損分兩階段確認。就自初始確認以來並未大幅增加的信貸風險而言，預期信貸虧損就未來十二個月內可能發生的違約事件產生的信貸虧損(十二個月預期信貸虧損)作出撥備。就自初始確認以來大幅增加的信貸風險而言，不論違約事件於何時發生，均須在預期信貸虧損的剩餘年期(全期預期信貸虧損)作出撥備。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

2.4 重大會計政策概要 (續)

財務資產之減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

一般方法(續)

本集團在各報告日期評估相關金融工具的信貸風險自初始確認後是否已顯著增加。作出評估時，本集團把於報告日期金融工具發生違約之風險與於初始確認日期金融工具發生違約之風險進行比較，並考慮合理並有依據的且毋須付出不必要成本或資源即可獲得的資料，包括歷史及前瞻性資料。

本集團於合約付款逾期90天後視財務資產為違約。然而，於若干情況下，倘內部或外部資料顯示，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收回未償還合約款項，則本集團亦可認為財務資產為違約。財務資產於無合理預期可收回收約現金流量時撇銷。

按攤銷成本列賬的財務資產根據一般方法可予減值，並可分為以下階段以計量預期信貸虧損，惟應用簡化法的貿易應收貿易賬款及合約資產(詳見下文)除外。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(continued)

General approach (continued)

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 重大會計政策概要 (續)

財務資產之減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

一般方法(續)

- 第一階段 – 自初始確認後信貸風險無顯著增加且虧損撥備按等於十二個月預期信貸虧損之金額計量的金融工具
- 第二階段 – 自初始確認後信貸風險顯著增加但並非信貸減值財務資產且虧損撥備按等於全期預期信貸虧損之金額計量的金融工具
- 第三階段 – 於報告日期已信貸減值(但非已購買或原生已信貸減值)且虧損撥備按等於全期預期信貸虧損之金額計量的財務資產



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 重大會計政策概要 (續)

財務資產之減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

簡化法

就不含重大融資之組成部份的應收貿易賬款及合約資產，或當本集團應用可行權宜方法而未就重大融資組成部份的影響作出調整時，本集團應用簡化法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗設立撥備矩陣，並按債務人特定之前瞻性因素及經濟環境作出調整。

就含有重大融資組成部份的應收貿易賬款及合約資產以及應收租賃款項而言，本集團選擇上述政策作為其會計政策，於計算預期信貸虧損時採用簡化法。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 重大會計政策概要(續)

財務資產之減值(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

在每個報告期末，本集團評估是否存在客觀證據顯示一項財務資產或一組財務資產發生減值。倘於初始確認資產後發生的一項或多項事件對該項或該組財務資產能可靠估計之估計未來現金流量造成影響，則存在減值。減值跡象可包括一名或一群債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如拖欠數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的財務資產

就按攤銷成本列賬的財務資產而言，本集團首先單獨評估個別重大的財務資產或整體評估個別不重大的財務資產是否存在減值。倘本集團釐定經單獨評估的財務資產(無論重大與否)並無存在客觀減值證據，則會將該資產納入一組具有類似信貸風險特性的財務資產內，然後作整體減值評估。作單獨減值評估的資產在被確認或持續被確認存在減值虧損時，則不會被納入整體減值評估內。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in the statement of profit or loss.

2.4 重大會計政策概要 (續)

財務資產之減值(於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

按攤銷成本列賬的財務資產(續)

減值虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的日後信貸損失)的現值之間的差額計算。估計未來現金流量的現值按財務資產原有實際利率(即初始確認時的實際利率)折現得出。

資產的賬面值可透過使用備抵賬調低，虧損在損益表中確認。利息收入繼續按減少後之賬面值採用計量減值虧損時用以折現未來現金流量的利率計算。倘未來無實際可能收回，且所有抵押品已變現或轉讓至本集團，則貸款與應收款項連同任何相關之備抵應一併撇銷。

倘於後續期間，於確認減值後發生事件而導致估計減值虧損金額增加或減少，則先前確認的減值虧損可透過調整備抵賬予以增加或減少。倘撇銷數額其後收回，收回的數額則計入損益表內其他經營開支中。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 重大會計政策概要 (續)

財務資產之減值 (於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

可供出售的財務投資

就可供出售的財務投資而言，本集團於每個報告期末評估是否存在客觀證據顯示一項投資或一組投資發生減值。

倘可供出售的資產發生減值，其成本（扣除任何本金付款及攤銷）與其現行公平值兩者間的差異減去先前在損益表內確認之任何減值虧損的所得金額，將從其他全面收益中移除，並於損益表內確認。

就被分類為可供出售的股本投資而言，客觀證據包括該項投資的公平值大幅或長期跌至低於其成本值。「大幅」乃相對於投資的原成本而評估，而「長期」則相對於出現公平值低於其原成本的時間而評估。倘出現減值之證據，則累積虧損（按收購成本與現時公平值的差額減該項投資先前在損益表內確認的任何減值虧損計量）將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可透過損益表回撥，於減值後其公平值的增加乃直接於其他全面收益中確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

2.4 重大會計政策概要 (續)

財務資產之減值(於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

可供出售的財務投資(續)

釐定「重大」或「持久」需要判斷。在作出此項判斷時，本集團評估(包括其他因素)投資的公平值低於其成本的持續時間或數額。

就分類為可供出售的債務工具而言，減值評估乃按與按攤銷成本列賬的財務資產相同的標準進行。然而，所記錄之減值金額乃按攤銷成本與現時公平值之間的差額減該項投資先前於損益表中確認的任何減值虧損計量之累積虧損。未來利息收入繼續按該項資產減少後之賬面值採用計量減值虧損時用以折現未來現金流量的利率計算。利息收入記錄為其他收入的一部份。倘債務工具的公平值的後續增加能與其在損益表確認減值虧損後發生的事件客觀相連，則該債務工具的減值虧損可以通過損益表回撥。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include amounts due to fellow subsidiaries, an intermediate holding company and non-controlling shareholders of subsidiaries, loans from fellow subsidiaries and an intermediate holding company, trade payables, other payables and certain accruals and interest-bearing bank borrowings.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

財務負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

初始確認及計量

財務負債於初始確認時分類為按公平值計入損益的財務負債或(如適用)貸款及借貸以及應付款項。

所有財務負債初始按公平值確認,而倘為貸款及借貸以及應付款項,則扣減直接歸屬的交易成本確認。

本集團的財務負債包括應付同系附屬公司款項、應付中間控股公司款項、應付附屬公司之非控股股東款項、來自同系附屬公司的貸款、來自中間控股公司的貸款、應付貿易賬款、其他應付款項及若干應計費用以及計息銀行貸款。

貸款及借貸的其後計量

於初始確認後,計息貸款及借貸其後以實際利率法按攤銷成本計量,但如折現之影響甚微,則按成本列賬。利潤及虧損乃於負債終止確認時及按實際利率進行攤銷程序時於損益表中確認。

計算攤銷成本時須計及購入時的任何折讓或溢價,亦計入作為實際利率組成部份的費用或成本。實際利率攤銷乃計入損益表的財務開支內。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 重大會計政策概要 (續)

終止確認財務負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

當負債項下的責任獲解除或取消或屆滿時,則終止確認財務負債。

倘現有財務負債被來自同一借款人但條款極不相同的另一項負債所取代,或對現有負債的條款進行大幅修改,上述更替或修訂將會按終止確認原有負債並確認新負債處理,而有關賬面值的差額於損益表內確認。

金融工具的抵銷(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

倘目前有可執行法定權利抵銷已確認金額並擬按淨額基準結算,或同時變賣資產及償還負債時,財務資產及財務負債才會互相抵銷,並在財務狀況表內以淨額列示。

存貨

存貨乃按成本及可變現淨值兩者中之較低者入賬。成本按先進先出法釐定,且就在製品及製成品而言,包括直接物料、直接勞工及適當比例的經常費用。可變現淨值則根據估計售價減任何完成及出售估計所需成本計算。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

現金及現金等值

就綜合現金流量表而言，現金及現金等值指手頭現金及活期存款，以及可隨時轉換為已知現金額而價值變動風險不大且期限較短（一般自取得起計三個月內到期）之短期高流通性投資，減須於要求時償還並屬於本集團整體現金管理組成部份之銀行透支。

就綜合財務狀況表而言，現金及現金等值指手頭及銀行現金，包括定期存款，及無使用限制而性質與現金相若之資產。

撥備

當因過往事件而產生即期債務（法定或推定）並可能須於日後撥出資源以償還該債務時，倘能可靠估計有關債務金額，則須就此確認撥備。

倘折現影響重大，則按預期須於未來就該債務所作之開支於報告期末之現值來確認撥備。隨著時間過去而增加的折現現值於損益表內列為財務開支。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Product claim provision is made when there are present expected claims which challenge the safety of the products. The Group has general liability and other insurance policies to cover product claims. Initial recognition is based on historical experience. The initial estimate of product claim costs is revised annually based on the current year's development of present expected claims.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 重大會計政策概要 (續)

撥備 (續)

就銷售若干產品，於保養期內出現的缺陷提供一般維修，本集團計提保修撥備。本集團授予的該等保證型保修撥備，乃根據銷量以及過往維修及退貨水平之經驗來確認，並適當折現至其現值。

倘當前存在對產品安全性提出質疑的預期索賠，則計提產品索賠撥備。本集團已就該等產品索賠投購綜合責任險及其他保險。初始確認乃基於過往經驗。產品索賠成本的初始估計根據本年度當前預期索賠的發展情況每年進行修訂。

所得稅

所得稅包括當期及遞延稅項。與在損益以外確認之項目相關之所得稅，乃於損益以外(其他全面收益或直接於權益)確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或實質頒佈的稅率(及稅法)，經計及本集團經營所在國家的現行詮釋及慣例，按預期自稅務機關收回或向其繳付的金額計算。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項採用負債法，就於報告期末資產與負債之稅基及其用作財務報告之賬面值之間之所有臨時差額作出撥備。

所有應課稅臨時差額均確認為遞延稅項負債，惟以下情況例外：

- 在一項非業務合併之交易中初始確認商譽或資產或負債而產生之遞延稅項負債，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關應課稅臨時差額而言，倘能控制有關臨時差額之回撥時間，而且於可見將來可能不會回撥。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損予以確認，但僅限於可能取得應課稅溢利以供動用可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損之部份，惟以下情況例外：

- 與在一項非企業合併之交易中初始確認資產或負債而產生之可抵扣臨時差額相關之遞延稅項資產，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關可抵扣臨時差額而言，則僅限於可能臨時差額可於可見將來回撥，並有應課稅溢利以供動用臨時差額予以抵銷之部份，方會確認遞延稅項資產。

遞延稅項資產之賬面值於每個報告期末檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產時，則遞延稅項資產將相應減少。未確認之遞延稅項資產則於每個報告期末重新評估，倘可能有足夠應課稅溢利以抵銷全部或部份遞延稅項資產時，則予以確認。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions would be complied with. When the grant relates to an expense item, it is recognised as income on a systemic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債乃根據於報告期末已頒佈或實質頒佈之稅率(及稅法),按預期實現有關資產或清償有關負債期間之適用稅率釐定。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷,且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時,擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關,則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助金

若能合理肯定可以收取政府補助金及可達至所有附帶條件,則按補助金之公平值確認入賬。倘補助金與支出項目相關,則在補助金擬補償之成本被支銷期間有系統地確認為收入。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 重大會計政策概要 (續)

收益之確認 (於二零一八年一月一日前適用)

來自客戶合約之收益

來自客戶合約之收益乃在商品或服務的控制權轉移予客戶時確認，金額為反映本集團預期有權在交換該等商品或服務中獲取的代價金額。

倘合約中的代價包含可變金額，代價金額為本集團就向客戶轉讓貨品或服務而有權在交換中獲取的估計金額。可變代價在合約開始時估計並受約束，直至可變代價相關之不確定因素其後得到解決，而已確認的累計收益金額不大可能出現重大收益撥回為止。

倘合約含有融資組成部份，而該融資組成部份為客戶提供超過一年之商品或服務轉讓融資的重大利益時，收益按應收款項現值計量，並採用於合約開始時本集團與客戶訂立的獨立融資交易所反映的折現率折現。倘合約含有融資組成部份，而該融資組成部份為本集團提供超過一年之重大財務盈利時，根據合約確認的收益包括根據實際利率法計算的合約負債所產生的利息開支。就客戶付款與轉移承諾商品或服務之間的期限為一年或一年以下的合約而言，交易價格不會根據香港財務報告準則第15號的可行權宜方法就重大融資組成部份的影響進行調整。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

- (a) Sale of aircraft engines and spare parts
- Revenue from the sale of aircraft engines and spare parts is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the aircraft engines and spare parts.
- (b) Sale of properties
- Revenue from the sale of properties is recognised at a point in time, when the purchasers obtain the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.
- (c) Provision of repair and maintenance services for aircraft engines
- Revenue from the provision of repair and maintenance services for aircraft engines is recognised over time in the accounting period in which the services are rendered.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

2.4 重大會計政策概要 (續)

收益之確認 (於二零一八年一月一日前適用) (續)

來自客戶合約之收益 (續)

- (a) 銷售飛機發動機及備件
- 來自銷售飛機發動機及備件的收益於資產的控制權轉移至客戶(一般按飛機發動機及備件的交付)的某時間點確認。
- (b) 銷售物業
- 來自銷售物業的收益於買方獲得實物所有權或已完工物業的合法業權且本集團當前有權要求付款並很可能收回對價的某時間點確認。
- (c) 提供飛機發動機維修保養服務
- 來自提供飛機發動機維修保養服務的收益於提供服務的會計期間隨時間確認。

其他來源之收益

租金收入乃按租賃年期之時間比例確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of properties, when the significant risks and rewards of the properties are passed to the purchasers when (i) an irrevocable sale and purchase contract has been entered into by both buyer and seller; (ii) the seller has received or retained the right to receive all the consideration of the sale; (iii) the construction has been completed, and its quality has been inspected and accepted by the relevant government authorities; (iv) the ready-for-delivery conditions under the sale and purchase contract have been fulfilled; and (v) the notices of property delivery have been sent to the buyer or the buyer has inspected and accepted the quality of the property;

2.4 重大會計政策概要 (續)

收益之確認 (於二零一八年一月一日前適用) (續)

其他收入

利息收入按應計基準採用實際利率法確認，方式為應用把金融工具於其估計年期或較短期間 (倘適用) 內的估計未來所獲現金數額準確折現為該財務資產的賬面淨值之息率。

股息收入於股東收取款項的權利獲確立，且與股息相關的經濟利益很可能會流入本集團，而股息金額可以可靠地計量時確認。

收益之確認 (於二零一八年一月一日前適用)

當本集團可能獲得經濟利益並且能可靠衡量其數額時，會以下列準則確認收益：

- (a) 來自物業銷售之收益乃於物業之重大風險及收益轉移至買方時確認：即(i)買賣雙方簽訂了不可撤銷之買賣合約；(ii)賣方已收取所有銷售代價或保留收取所有銷售代價之權利；(iii)建築工程已竣工及其質量經相關政府部門驗收通過；(iv)已達到買賣合約之到期交付條件；及(v)已向買方發出物業交付通知書或買方已檢查及接受物業質量；

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition (applicable before 1 January 2018) (continued)**

- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.4 重大會計政策概要 (續)**收益之確認 (於二零一八年一月一日前適用) (續)**

- (b) 銷售貨品之收益乃於擁有權之重大風險及回報已轉移予買方時確認，前提是本集團須不再保留一般與擁有權相連之管理權，亦不再對該出售之貨品保留任何實際控制權；
- (c) 租金收入乃按租賃年期之時間比例確認；
- (d) 利息收入按應計基準採用實際利率法確認，方式為應用把金融工具於其估計年期或較短期間（倘適用）內的估計未來所獲現金數額準確折現為該財務資產的賬面淨值之息率；及
- (e) 股息收入於股東收取款項的權利獲確立時確認。

合約資產 (自二零一八年一月一日起適用)

合約資產乃就換取已向客戶轉讓商品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將商品或服務轉讓予客戶，則就已賺取的有條件代價確認合約資產。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract costs (applicable from 1 January 2018)

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

2.4 重大會計政策概要 (續)

合約負債(自二零一八年一月一日起適用)

合約負債為向客戶轉讓商品或服務的責任，而本集團已從客戶收取代價(或代價已到期)。倘客戶於本集團向客戶轉讓商品或服務前支付代價，合約負債於付款或款項到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

合約成本(自二零一八年一月一日起適用)

除撥作資本並以存貨、物業、廠房和設備以及無形資產列賬的成本外，因履行客戶合約產生的成本在符合以下全部標準後撥充資本以資產列賬：

- (a) 有關成本與實體可明確識別之合約或預期訂立之合約有直接關係。
- (b) 有關成本令實體將用於履行(或持續履行)日後履約責任之資源得以產生或有所增加。
- (c) 有關成本預期可收回。

已撥充資本的合約成本按資產相關收入確認模式一致之方式有系統地攤銷及從損益表中扣除。其他合約資產於產生時支銷。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Refund liabilities (applicable from 1 January 2018)

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 重大會計政策概要(續)

退款負債(自二零一八年一月一日起適用)

退款負債是退還已向客戶收取的部分或全部代價(或應收款項)的責任,並按本集團最終預期必須返還予客戶的金額計量。本集團於各報告期末更新其退款負債估計金額(及交易價格的相應變動)。

股份償付

本公司設有購股權計劃,旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。本集團僱員(包括董事)以股份償付形式收取酬金,並據此提供服務作為取得股本工具的代價(「股本結算交易」)。

於二零零二年十一月七日後授出之與僱員進行股本結算交易之成本乃參考授出當日之公平值計算。

股本結算交易之成本連同權益之相應增加額,於達致表現及/或服務條件之期間內於僱員福利開支確認。於各報告期末就股本結算交易確認之累計開支,直至歸屬日止,以反映歸屬期已屆滿部份之開支以及本集團對最終歸屬之股本工具數量之最佳估計。期間於損益表扣除或計入之款額指於期初及期末確認之累積費用之變動。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 重大會計政策概要 (續)

股份償付 (續)

釐定獎勵之授出日公平值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團股本工具數目之最佳估計之一部份。市場表現條件於授出日公平值內反映。附帶於獎勵中但並無相關聯服務要求之任何其他條件皆視為非歸屬條件。非歸屬條件乃於獎勵之公平值中反映並導致獎勵即時支銷，除非亦包含有服務及／或表現條件則另作別論。

對於因未能達至非市場表現及／或服務條件而最終未歸屬之獎勵，不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該交易均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

在股本結算報酬原有條款經已履行之情況下，倘若修訂報酬條款，則最少確認假設並無修訂有關條款時所產生的開支。此外，倘修訂導致股份償付之總公平值增加，或對僱員帶來其他利益，均會按修訂當日之計量確認開支。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of earnings per share.

The cost of cash-settled transactions is measured initially at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The liability is measured at the end of each reporting period up to and including the settlement date, with changes in fair value recognised in the statement of profit or loss.

2.4 重大會計政策概要(續)

股份償付(續)

倘若取消股本結算報酬，則被視為於取消當日即已歸屬，並立即確認尚未就該報酬確認之任何開支，包括在本集團或僱員控制下之非歸屬條件並未達成之任何報酬。然而，倘以新報酬替代已取消報酬，並於授出當日被指定為替代報酬，則如上段所述，已取消及新報酬被視為對原始報酬之修訂。

尚未行使購股權(若有)之攤薄影響反映為計算每股盈利時之額外股份攤薄。

現金結算交易成本乃計及工具授出所依據之條款及條件初始按授出當日之公平值計量。公平值乃於直至歸屬日止期間列為開支，並確認相應負債。於各報告期末就現金結算交易確認直至歸屬日止之累計開支，乃反映歸屬期已屆滿部份之開支以及本集團對最終歸屬之獎勵數量之最佳估計。負債於每個報告期末至結算日期(包括該日)計量，而公平值變動則於損益表內確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

A subsidiary of the Group sponsors a defined benefit pension plan as well as a retiree medical and life insurance plan. Its defined benefit pension plan requires contributions to be made to a third party trustee managed fund. The cost of providing benefits under the defined benefit plan is determined actuarially. Actuarial gains and losses for the defined benefit plan are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

2.4 重大會計政策概要 (續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例，為所有合資格參與之僱員提供定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時計入損益表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休金計劃。該等附屬公司須按其薪金成本的若干百分比向該中央退休金計劃供款。有關供款於根據該中央退休金計劃之規則須支付時計入損益表。

本集團之一間附屬公司供款定額福利退休金計劃及退休人員醫療及人壽保險計劃。定額福利退休金計劃須向第三方受託人管理基金作出供款。根據定額福利計劃提供福利的成本以精算方式釐定。定額福利計劃的精算損益於其他全面收益確認，且不會於隨後期間重新分類至損益。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Pension schemes (continued)

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled.

The Group's accounting policy for defined benefit plans is to recognise actuarial gains and losses in the period in which they occur in full in other comprehensive income in accordance with HKAS 19 *Employee Benefits*.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要 (續)

其他僱員福利 (續)

退休金計劃 (續)

定額福利資產或負債包括定額福利責任之現值減過往服務成本，再減將用以清償該責任之計劃資產之公平值。

本集團對界定福利計劃的會計政策為根據香港會計準則第19號僱員福利於產生期間悉數確認精算損益。

借貸成本

收購、建造或生產合資格資產(即需頗長時間才可作擬定用途或銷售之資產)之直接歸屬的借貸成本撥充資本作為該等資產之部份成本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。在特定借貸撥作合資格資產之支出前暫時用作投資所賺獲之收入須自撥充資本之借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借用資金產生之利息及其他成本。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要 (續)

外幣

本財務報表乃以港元呈列，港元為本公司的功能貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。由本集團實體列賬之外幣交易初始按交易日期彼等各自的適用功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債按報告期末的適用功能貨幣匯率換算。結算或換算貨幣項目產生之匯兌差額於損益表確認。

按歷史成本並以外幣計量的非貨幣項目按最初交易日期適用的匯率換算。按公平值並以外幣計量的非貨幣項目按釐定公平值當日的適用匯率換算。換算按公平值計量的非貨幣項目產生之利潤或虧損按確認該項目之公平值變動產生之利潤或虧損處理（即其公平值利潤或虧損已於其他全面收益或損益表確認之項目，其換算差額亦分別於其他全面收益或損益表內確認）。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint venture and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 重大會計政策概要(續)

外幣(續)

在終止確認預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初始確認相關資產、費用或收入採用的匯率，初始交易日期為本集團初始確認預付代價產生的非貨幣性資產或非貨幣性負債當日。如有多次支付或收取預付款項，本集團會釐定每次支付或收取預付代價的交易日期。

若干海外附屬公司、合營公司及聯營公司之功能貨幣乃港元以外之貨幣。於報告期末，該等實體之資產及負債乃以報告期末之匯率換算成港元，而損益表則按年內加權平均匯率換算成港元。

所產生之匯兌差額乃於其他全面收益中確認，並於匯兌波動儲備中累積。於出售境外業務時，與該特定境外業務有關之其他全面收益部份乃於損益表內確認。

因收購海外業務而產生的任何商譽及對因該收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以結算匯率換算。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.4 重大會計政策概要 (續)

外幣 (續)

就綜合現金流量表而言，海外附屬公司之現金流量按有關之現金流量產生日期之匯率換算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之加權平均匯率換算為港元。

3. 重要會計估計

管理層擬備本集團的財務報表時，須作出估計及假設，而該等估計及假設對所呈報之收益、開支、資產及負債的金額及各自的相關披露事項以及或然負債之披露均會有影響。由於有關假設和估計存在不確定因素，因此可能導致未來需對受影響的資產或負債的賬面值作出重大調整。

估計的不確定因素

下文說明存在重大風險之未來主要假設及於報告期末存在的其他估計的不確定因素的主要來源，其存在將可能導致資產及負債的賬面值於下個財政年度作出重大調整。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was HK\$400,094,000 (2017: Nil). Further details are given in note 16 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 重要會計估計 (續)

估計的不確定因素 (續)

商譽減值

本集團最少每年釐定商譽是否有所減值。釐定時須估計獲分配商譽的現金產生單元的使用價值。估計使用價值時，本集團須估計現金產生單元所產生的預期未來現金流量，亦須選擇合適的折現率，以計算該等現金流量的現值。於二零一八年十二月三十一日的商譽賬面值為400,094,000港元(二零一七年：無)。進一步詳情見財務報表附註16。

應收貿易賬款的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。

撥備矩陣初始基於本集團的可觀察歷史違約率。本集團將按前瞻性資訊調整過往信貸虧損經驗來調節矩陣。例如，如果預測經濟狀況(如國內生產總值)將在未來一年內惡化，這可能導致製造業違約數量增加，歷史違約率將作出調整。在各報告日期，可觀察歷史違約率都會被更新，並分析前瞻性估計的變化。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 24 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2018 was HK\$111,882,000 (2017: HK\$26,656,000). Further details are included in note 37 to the financial statements.

3. 重要會計估計 (續)

估計的不確定因素 (續)

應收貿易賬款的預期信貸虧損撥備 (續)

對可觀察歷史違約率、預測的經濟狀況和預期信貸虧損之間關係的評估屬重大的估計。預期信貸虧損的金額易受環境和預測經濟狀況的變動影響。本集團的過往信貸虧損經驗和對經濟狀況的預測也未必可代表客戶的未來實際違約。有關本集團應收貿易賬款的預期信貸虧損的資料披露於財務報表附註24。

遞延稅項資產

確認遞延稅項資產只限於可能取得應課稅溢利以供動用虧損之未動用之稅項虧損之部份。管理層須作重大判斷，根據未來應課稅溢利可能之時間及水平以及未來稅務規劃策略，以釐定可確認之遞延稅項資產金額。於二零一八年十二月三十一日，已確認稅項虧損之遞延稅項資產之賬面值為111,882,000港元(二零一七年：26,656,000港元)。進一步詳情載於財務報表附註37。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. They are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計估計 (續)

估計的不確定因素 (續)

非財務資產(商譽除外)之減值

本集團會於每個報告期末評估全部非財務資產是否存在任何減值跡象，並於出現其賬面值可能不可收回之跡象時進行減值測試。當資產或現金產生單元之賬面值超逾其可收回金額(其公平值減銷售成本與其使用價值中之較高者)時，即出現減值。公平值減銷售成本乃根據同類資產以公平進行的交易方式從具法律約束力之銷售交易中可獲得的數據、或可觀察市價減出售資產之增量成本計算。當計算使用價值時，管理層必須估計來自資產或現金產生單元之預期未來現金流量，並選擇合適之折現率以計算該等現金流量之現值。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. During the year, the Group acquired the general aviation aircraft piston engine business and disposed of the property development and investment business. Accordingly, the comparative segment information related to the property development and investment business is classified as “profit/(loss) for the year from a discontinued operation” in the consolidated statement of profit or loss. As a result, the Group has only one reportable operating segment, the general aviation aircraft piston engine business, which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss for the year from continuing operations. The adjusted loss for the year from continuing operations is measured consistently with the Group’s loss for the year from continuing operations except that certain income and gain, gains or losses relating to investments in joint ventures and associates and financial instruments, the gain on disposal of convertible loans, as well as head office and corporate expenses and unallocated finance costs and income tax are excluded from such measurement.

4. 經營分部資料

為方便管理，本集團按產品及服務劃分其業務單元。年內，本集團收購了通用航空飛機活塞發動機業務，並出售了物業發展及投資業務。所以，有關物業發展及投資業務用作比較之分部資料已於綜合損益表重新分類為「來自已終止經營業務之本年溢利／（虧損）」。因此，本集團只有一個須呈報之經營分部—通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

管理層會分開監察本集團業務分部之業績，以決定如何分配資源及評估表現。分部表現乃根據來自持續經營業務之經調整本年虧損而計量之須呈報分部虧損來作出評估。來自持續經營業務之經調整本年虧損之計量方法與本集團來自持續經營業務之本年虧損一致，惟若干收入及利潤、與合營公司及聯營公司及金融工具之投資相關之利潤或虧損、出售可換股貸款之利潤、以及總辦事處及企業開支和未分配財務開支及所得稅則不包括於該計量中。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION
(continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable operating segment for the year ended 31 December.

4. 經營分部資料 (續)

以下為截至十二月三十一日止年度本集團來自持續經營業務之收益及業績按須呈報之經營分部作出之分析。

		General aviation aircraft piston engine business 通用航空飛機活塞發動機業務		Total 合計	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Segment revenue (note 5):	分部收益 (附註5):				
Sales to external customers	外部客戶銷售	1,341,223	-	1,341,223	-
Segment results	分部業績	(84,773)	-	(84,773)	-
<i>Reconciliation:</i>	<i>調節表:</i>				
Unallocated other income and gain	未分配其他收入及利潤			36,987	6,227
Corporate and other unallocated expenses	企業及其他未分配開支			(31,251)	(37,818)
Unallocated finance costs	未分配財務開支			(15,461)	-
Gain on disposal of convertible loans	出售可換股貸款之利潤			-	87,151
Share of profits and losses of:	分佔溢利及虧損:				
Joint ventures	合營公司			(2,615)	(19,043)
Associates	聯營公司			471	222
Gain on deemed disposal of an associate	被視為出售聯營公司之利潤			3,561	-
Loss on disposal of an associate	出售聯營公司之虧損			(909)	-
Impairment of an available-for-sale investment	可供出售之投資之減值			-	(67,280)
Reversal of impairment losses/ (impairment losses) on financial assets, net	財務資產之減值虧損撥回/ (減值虧損)淨額			3,488	(20,699)
Fair value loss on derivative financial instruments	衍生金融工具之公平值虧損			-	(11,337)
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益之股本投資之公平值虧損			-	(6,857)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損			(30,573)	-
Unallocated income tax credit/ (expense)	未分配所得稅抵免/ (開支)			(6,057)	724
Loss for the year from continuing operations	來自持續經營業務之本年虧損			(127,132)	(68,710)
Other segment information:	其他分部資料:				
Depreciation	折舊	57,962	-	57,962	-
Unallocated depreciation	未分配折舊			827	1,098
				58,789	1,098
Amortisation	攤銷	75,807	-	75,807	-
Capital expenditure*	資本開支*	121,761	-	121,761	-
Unallocated capital expenditure*	未分配資本開支*			74	28
				121,835	28



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Geographical information

(a) Revenue from external customers

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
USA	美國	1,065,749	-
Europe	歐洲	154,163	-
Others	其他	121,311	-
		1,341,223	-

The revenue information of continuing operations above is based on the location of the customers.

(b) Non-current assets

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA	美國	1,901,485	-
Europe	歐洲	593,877	-
Hong Kong	香港	21,673	22,424
Mainland China	中國內地	51,079	425,508
		2,568,114	447,932

The non-current asset information above is based on the locations of the assets and excludes financial assets.

4. 經營分部資料 (續)

* 資本開支包括添置物業、廠房和設備及其他無形資產。

地區資料

(a) 來自外部客戶收益

上述持續經營業務之收益資料乃按有關客戶之所在地劃分。

(b) 非流動資產

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Information about major customers

Revenue from each of the major customers, which individually amounted to 10% or more of the Group's revenue from continuing operations, is set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶A	402,855	-
Customer B	客戶B	220,334	-
Customer C	客戶C	159,254	-

5. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue, other income and gain from continuing operations is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Sale of goods transferred at a point in time	於某時間點轉移之貨品之銷售	1,234,677	-
Rendering of services transferred over time	隨時間轉移之服務之提供	106,546	-
		1,341,223	-

4. 經營分部資料 (續)

主要客戶之資料

來自各主要客戶之收益載列如下，彼等各佔本集團來自持續經營業務之收益之10%或以上：

5. 收益、其他收入及利潤

來自持續經營業務之收益、其他收入及利潤分析如下：



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAIN (continued)

Disaggregated revenue information

Geographical markets

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA	美國	1,065,749	—
Europe	歐洲	154,163	—
Others	其他	121,311	—
		1,341,223	—

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of aircraft engines and spare parts

The performance obligation is upon delivery of the products and payment is generally due within 30 days from delivery.

Provision of repair and maintenance services for aircraft engines

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from completion of the services and customer acceptance.

5. 收益、其他收入及利潤 (續)

收益資料分拆

地區市場

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA	美國	1,065,749	—
Europe	歐洲	154,163	—
Others	其他	121,311	—
		1,341,223	—

履約責任

本集團履約責任資料概述如下：

銷售飛機發動機及備件

履約責任於交付產品後完成，且付款通常應於交付起30天內予以支付。

提供飛機發動機維修保養服務

履約責任隨提供服務時間履行，且付款通常應在完成服務及客戶驗收後30天內予以支付。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAIN
 (continued)

5. 收益、其他收入及利潤(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Other income	其他收入		
Bank interest income	銀行利息收入	2,253	3,897
Interest income on a convertible bond	可換股債券之利息收入	186	1,036
Interest income on loans to an associate	向聯營公司提供的貸款之 利息收入	787	586
Interest income on a loan to a related company	向關聯公司提供的貸款之 利息收入	-	536
Compensation fee	補償費	9,680	-
Distributorship fee income	分銷費收入	713	-
Government grant*	政府補助金*	-	172
Foreign exchange differences, net	外匯兌換差額淨額	33,151	-
Others	其他	4,364	-
		51,134	6,227
Gain	利潤		
Gain on disposal of items of property, plant and equipment	出售物業、廠房和 設備項目之利潤	221	-
		51,355	6,227

* This represents subsidies from the municipal government in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

* 此項指中國內地市政府的補助。就該等補助並無未滿足的條件或制約。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

6. 除稅前虧損

本集團來自持續經營業務之除稅前虧損已扣除/(計入):

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Cost of inventories sold*	銷售存貨之成本*	978,304	-
Cost of services provided*	提供服務之成本*	94,293	-
Reversal of write-down of inventories to net realisable value*	存貨減值至可變現淨值之撥回*	(2,335)	-
Research and development costs:	研發成本:		
Current period expenditure	本年開支	45,090	-
Provisions and other liabilities:	撥備及其他負債:		
Additional provision, net (note 34)	額外撥備淨額(附註34)	30,402	-
Depreciation (note 14)	折舊(附註14)	58,789	1,098
Amortisation of other intangible assets (note 17)	其他無形資產攤銷(附註17)	75,807	-
Minimum lease payments under operating leases	經營租約之最低租金	6,138	129
Employee benefit expense (excluding directors' remuneration (note 8)):	僱員福利費用 (不包括董事酬金 (附註8)):		
Wages and salaries	工資及薪金	252,989	5,846
Pension scheme contributions**	退休金計劃供款**	13,980	123
Defined benefit scheme (note 36)	定額福利計劃(附註36)	3,806	-
		270,775	5,969
Other operating expense:	其他經營開支:		
Loss on disposal of items of property, plant and equipment	出售物業、廠房和 設備項目之虧損	-	764
Auditor's remuneration	核數師酬金	4,164	1,655
Foreign exchange differences, net	外匯兌換差額淨額	(33,151)	17
Impairment losses/(reversal of impairment losses) on financial assets, net:	財務資產減值虧損/ (減值虧損撥回)淨額:		
Impairment of trade receivables, net (note 24)	應收貿易賬款之減值淨額 (附註24)	969	-
Impairment/(reversal of impairment) of other receivables, net	其他應收賬款之減值/ (減值撥回)淨額	(3,488)	20,699
		(2,519)	20,699

* Included in "cost of sales" in the consolidated statement of profit or loss.

** At 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2017: Nil).

* 包括在綜合損益表中「銷售成本」內。

** 於二零一八年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休金計劃供款(二零一七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Interest on interest-bearing loans and borrowings	計息貸款及借款之利息	17,755	-
Increase in discounted amounts of provisions and other liabilities arising from the passage of time (note 34)	撥備及其他負債的折現後金額 隨時間過去而增加 (附註34)	114	-
Others	其他	985	-
		18,854	-

7. 財務開支

來自持續經營業務之財務開支分析如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁之酬金

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	1,120	1,063
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	-	-
Pension scheme contributions	退休金計劃供款	-	-
		-	-
		1,120	1,063



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent Non-executive Directors

The fees paid to Independent Non-executive Directors during the year were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Chu Yu Lin, David	朱幼麟	300	300
Li Ka Fai, David	李家暉	300	300
Li Zhaoxi	李兆熙	-	31
Zhang Ping	張平	220	132
		820	763

There were no other emoluments payable to the Independent Non-executive Directors during the year (2017: Nil).

8. 董事及行政總裁之酬金(續)

(a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Chu Yu Lin, David	300	300
Li Ka Fai, David	300	300
Li Zhaoxi	-	31
Zhang Ping	220	132
	820	763

於年內並無其他應付予獨立非執行董事的酬金(二零一七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Directors

8. 董事及行政總裁之酬金 (續)

(b) 執行董事及非執行董事

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	退休金計劃供款	酬金總額
2018		HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一八年		千港元	千港元	千港元	千港元
Executive Directors:	執行董事:				
Liu Hongde	劉洪德	36	-	-	36
Pan Linwu (resigned on 24 August 2018)	潘林武 (於二零一八年八月二十四日辭任)	24	-	-	24
Lai Weixuan*	賴偉宣*	36	-	-	36
Zhou Chunhua (resigned on 24 August 2018)	周春華 (於二零一八年八月二十四日辭任)	24	-	-	24
Fu Fangxing (appointed on 24 August 2018)	傅方興 (於二零一八年八月二十四日獲委任)	12	-	-	12
Xu Hongge* (resigned on 24 August 2018)	徐洪舸* (於二零一八年八月二十四日辭任)	24	-	-	24
Yu Xiaodong (appointed on 24 August 2018)	于曉東 (於二零一八年八月二十四日獲委任)	12	-	-	12
Zhang Zhibiao (appointed on 24 August 2018)	張志標 (於二零一八年八月二十四日獲委任)	12	-	-	12
		180	-	-	180
Non-executive Director:	非執行董事:				
Chow Wai Kam	周偉淦	120	-	-	120
		300	-	-	300

* Xu Hongge was also the chief executive of the Group before 24 August 2018. Since 24 August 2018, Lai Weixuan has also become the chief executive of the Group.

* 徐洪舸於二零一八年八月二十四日之前亦為本集團行政總裁。自二零一八年八月二十四日起，賴偉宣成為本集團行政總裁。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Directors (continued)

		Salaries, allowances and benefits in kind 薪金、津貼及 實物利益	Pension scheme contributions 退休金計劃 供款	Total remuneration
	Fees 袍金	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2017 二零一七年				
Executive Directors: 執行董事:				
Liu Hongde 劉洪德	36	-	-	36
Pan Linwu 潘林武	36	-	-	36
Lai Weixuan 賴偉宣	36	-	-	36
Zhou Chunhua 周春華	36	-	-	36
Xu Hongge 徐洪舸	36	-	-	36
	180	-	-	180
Non-executive Director: 非執行董事:				
Chow Wai Kam 周偉淦	120	-	-	120
	300	-	-	300

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

8. 董事及行政總裁之酬金 (續)

(b) 執行董事及非執行董事 (續)

年內概無任何董事放棄或同意放棄任何酬金之安排(二零一七年:無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees did not include executive directors (2017: Nil). Details of the remuneration for the year of the five (2017: five) highest paid employees who are not a director of the Company are as follows:

9. 五名最高薪僱員

五名最高薪僱員並不包括執行董事(二零一七年:無)。本年五名(二零一七年:五名)最高薪僱員(並非本公司董事)之酬金詳情如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	10,512	3,238
Pension scheme contributions	退休金計劃供款	-	87
Performance related bonuses	工作表現相關花紅	4,433	1,625
		14,945	4,950

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

酬金在下列範圍之最高薪非董事僱員數目:

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	-	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	-	3
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	3	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	1	-
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至 5,500,000港元	1	-
		5	5



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. In the prior year, no provision for Hong Kong profits tax was made as the Group did not generate any assessable profits arising in Hong Kong during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

10. 所得稅

年內，按源於香港之估計應課稅溢利以16.5%之稅率作香港利得稅撥備。去年，由於本集團並無任何源於香港之應課稅溢利，故並無於該年作出香港利得稅撥備。其他地區應課稅溢利之稅項開支按本集團經營所在國家／管轄區域當時之稅率計算。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Current – Hong Kong:	即期–香港：		
Charge for the year	本年開支	6,060	–
Overprovision in prior years	過往年度之過多撥備	–	(277)
Current – Elsewhere:	即期–其他地區：		
Charge/(credit) for the year	本年開支／(抵免)	10,931	(447)
Deferred (note 37)	遞延(附註37)	(48,884)	–
Total tax credit for the year from continuing operations	來自持續經營業務之 本年稅項抵免總額	(31,893)	(724)
Total tax charge for the year from the discontinued operation	來自已終止經營業務之 本年稅項開支總額	94,585	15,920
		62,692	15,196

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

10. INCOME TAX (continued)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax credit at the effective rate for the year is as follows:

10. 所得稅(續)

按本公司及其主要附屬公司所在國家／管轄區域之法定稅率計算適用於除稅前溢利／(虧損)的稅項開支／(抵免)與本年按實際稅率之稅項抵免之對賬如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Loss before tax from continuing operations	來自持續經營業務之除稅前虧損	(159,025)	(69,434)
Profit/(loss) before tax from a discontinued operation	來自已終止經營業務之除稅前溢利／(虧損)	602,154	(251,913)
		443,129	(321,347)
Tax at the statutory tax rates	按法定稅率計算之稅項	52,207	(70,317)
Profits and losses attributable to the joint ventures and associates	分佔合營公司及聯營公司之溢利及虧損	604	4,705
Effect of withholding tax on interest income from the USA	預扣稅對來自美國的利息收入的影響	8,021	-
Income not subject to tax	毋須繳稅收入	(23,536)	(1,867)
Expenses not deductible for tax	不得扣稅之開支	24,944	47,492
Land appreciation tax ("LAT") in Mainland China	中國內地之土地增值稅(「土地增值稅」)	3,002	45,617
Tax losses utilised from previous periods	動用過往期間稅項虧損	(2,550)	(21,788)
Tax losses not recognised	未確認稅項虧損	-	11,354
Tax charge at the Group's effective rate of 14.1% (2017: -4.7%)	按本集團實際稅率14.1%(二零一七年:-4.7%)計算之稅項開支	62,692	15,196
Tax credit from continuing operations	來自持續經營業務之稅項抵免	(31,893)	(724)
Tax charge from a discontinued operation	來自已終止經營業務之稅項開支	94,585	15,920



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

10. INCOME TAX (continued)

The share of tax charge attributable to associates of HK\$1,000 (2017: HK\$91,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

There was no tax charge attributable to joint ventures shared by the Group during the year (2017: Nil).

11. DISCONTINUED OPERATION

During the year, the Group disposed of the entire issued share capital of Ease Triumph and the outstanding shareholder's loans and interests owed by Ease Triumph to the Company, to Shengtong Holding Limited ("Shengtong"), as detailed in note 43 to the financial statements. Ease Triumph and its subsidiaries ("Ease Triumph Group") engaged in the property development and investment business. The disposal of the property development and investment business is part of a wider restructuring campaign being implemented by the state-owned Assets Supervision and Administration Commission of the State Council.

10. 所得稅(續)

分佔聯營公司之稅項開支1,000港元(二零一七年:91,000港元)已計入綜合損益表之「分佔聯營公司之溢利及虧損」內。

年內,本集團並無分佔合營公司之稅項開支(二零一七年:無)。

11. 已終止經營業務

年內,本集團出售拓業全部已發行股本以及拓業所欠本公司之未償還股東貸款及利息予盛通控股有限公司(「盛通」),詳情載於財務報表附註43。拓業及其附屬公司(「拓業集團」)從事物業發展及投資業務。物業發展及投資業務之出售乃屬於國務院國有資產監督管理委員會正進行之廣泛重組活動之一部份。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

11. DISCONTINUED OPERATION (continued)

The results of Ease Triumph Group included in the Group's consolidated statement of profit or loss as a discontinued operation are presented below:

11. 已終止經營業務(續)

包括在本集團綜合損益表中，作為已終止經營業務之拓業集團之業績呈列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	41,095	1,520,710
Cost of sales	銷售成本	(19,358)	(1,706,522)
Gross profit/(loss)	毛利/(損)	21,737	(185,812)
Other income and gains	其他收入及利潤	2,285	35,454
Selling and distribution expenses	銷售及營銷費用	(2,333)	(26,130)
Administrative expenses	行政管理費用	(30,962)	(36,664)
Other operating expense	其他經營開支	(12)	-
Finance costs	財務開支	(49,111)	(38,761)
Loss before tax from the discontinued operation	來自已終止經營業務之 除稅前虧損	(58,396)	(251,913)
Income tax expense	所得稅開支	(2,585)	(15,920)
Loss after tax from the discontinued operation	來自已終止經營業務之 除稅後虧損	(60,981)	(267,833)
Pre-tax gain on disposal of subsidiaries (note 43)	出售附屬公司之 稅前利潤(附註43)	660,550	-
Tax expense	稅項開支	(92,000)	-
After-tax gain on disposal of subsidiaries	出售附屬公司之稅後利潤	568,550	-
Profit/(loss) for the year from the discontinued operation	來自已終止經營業務之本年 溢利/(虧損)	507,569	(267,833)
Attributable to:	下列人士應佔：		
Owners of the parent	母公司所有者	526,100	(219,771)
Non-controlling interests	非控股權益	(18,531)	(48,062)
		507,569	(267,833)
Earnings/(loss) per share:	每股盈利/(虧損)：		
Basic and diluted, from the discontinued operation	基本及攤薄， 來自已終止經營業務	HK5.90 cents 5.90港仙	(HK3.99 cents) (3.99港仙)



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

11. DISCONTINUED OPERATION (continued)

The calculation of basic and diluted earnings/(loss) per share from the discontinued operation is based on:

11. 已終止經營業務(續)

來自已終止經營業務之每股基本及攤薄盈利/(虧損)的計算乃根據:

		2018 二零一八年	2017 二零一七年 (Restated) (重列)
Profit/(loss) attributable to ordinary equity holders of the parent from the discontinued operation	母公司普通權益持有人應佔來自已終止經營業務之溢利/(虧損)	HK\$526,100,000	(HK\$219,771,000)
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數	8,919,813,140	5,519,591,000

The net cash flows incurred by Ease Triumph Group are as follows:

拓業集團產生的現金流量淨額如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營活動	(167,922)	570,159
Investing activities	投資活動	491	2,341
Financing activities	融資活動	(5,595)	(639,374)
Net cash outflows	現金流出淨額	(173,026)	(66,874)

12. DIVIDEND

12. 股息

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Special – HK1 cent (2017: Nil) per ordinary share	特別股息—每股普通股1港仙 (二零一七年:無)	93,034	—

The special dividend declared subsequent to the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期後宣派之特別股息並未於報告期末確認為負債。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,919,813,140 (2017: 5,519,591,000) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2018 and 2017 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

The calculation of basic and diluted earnings/(loss) per share is based on:

13. 母公司普通權益持有人應佔每股盈利／(虧損)

每股基本盈利／(虧損)金額乃根據母公司普通權益持有人應佔本年溢利／(虧損)及年內已發行普通股之加權平均數8,919,813,140股(二零一七年: 5,519,591,000股)計算。

本集團於截至二零一八年及二零一七年十二月三十一日止年度並無任何有潛在攤薄影響之已發行普通股，因此並無對該等年度呈報之每股基本盈利／(虧損)金額作出有關攤薄之調整。

每股基本及攤薄盈利／(虧損)的計算乃根據：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Profit/(loss) attributable to ordinary equity holders of the parent:	母公司普通權益持有人應佔溢利／(虧損)：		
From continuing operations	來自持續經營業務	(127,132)	(68,710)
From a discontinued operation	來自已終止經營業務	526,100	(219,771)
		398,968	(288,481)

		Number of shares 股份數目	
		2018 二零一八年	2017 二零一七年
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數	8,919,813,140	5,519,591,000



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房和設備

		Land and buildings	Leasehold improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Construction in progress	Total
		土地及樓宇	租賃裝修	傢私及裝置	機器及設備	汽車	在建工程	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
31 December 2018	二零一八年 十二月三十一日							
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:							
Cost	成本	30,350	-	3,304	-	2,571	-	36,225
Accumulated depreciation	累積折舊	(8,014)	-	(3,196)	-	(2,571)	-	(13,781)
Net carrying amount	賬面淨值	22,336	-	108	-	-	-	22,444
At 1 January 2018, net of accumulated depreciation	於二零一八年 一月一日， 扣除累積折舊	22,336	-	108	-	-	-	22,444
Additions	添置	47	372	74	8,153	-	58,327	66,973
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)	49,600	33,689	-	212,240	-	24,916	320,445
Transfer	轉撥	-	-	-	2,410	-	(2,410)	-
Disposals	出售	(5,859)	-	-	(1,666)	-	-	(7,525)
Depreciation provided during the year (note 6)	年內折舊撥備 (附註6)	(1,842)	(3,650)	(70)	(53,227)	-	-	(58,789)
Exchange realignment	匯兌調整	(3,195)	-	(1)	(4,560)	-	(549)	(8,305)
At 31 December 2018, net of accumulated depreciation	於二零一八年 十二月三十一日， 扣除累積折舊	61,087	30,411	111	163,350	-	80,284	335,243
At 31 December 2018:	於二零一八年 十二月三十一日:							
Cost	成本	70,557	34,061	3,357	210,536	1,618	80,284	400,413
Accumulated depreciation	累積折舊	(9,470)	(3,650)	(3,246)	(47,186)	(1,618)	-	(65,170)
Net carrying amount	賬面淨值	61,087	30,411	111	163,350	-	80,284	335,243

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT
 (continued)

14. 物業、廠房和設備 (續)

		Land and buildings 土地及樓宇 HK\$'000 千港元	Furniture and fixtures 傢私及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2017	二零一七年 十二月三十一日				
At 1 January 2017:	於二零一七年一月一日:				
Cost	成本	30,350	4,958	4,214	39,522
Accumulated depreciation	累積折舊	(7,257)	(4,101)	(3,189)	(14,547)
Net carrying amount	賬面淨值	23,093	857	1,025	24,975
At 1 January 2017, net of accumulated depreciation	於二零一七年一月一日， 扣除累積折舊	23,093	857	1,025	24,975
Additions	添置	-	28	-	28
Disposals	出售	-	(609)	(948)	(1,557)
Depreciation provided during the year (note 6)	年內折舊撥備 (附註6)	(757)	(207)	(134)	(1,098)
Exchange realignment	匯兌調整	-	39	57	96
At 31 December 2017, net of accumulated depreciation	於二零一七年 十二月三十一日， 扣除累積折舊	22,336	108	-	22,444
At 31 December 2017:	於二零一七年 十二月三十一日:				
Cost	成本	30,350	3,304	2,571	36,225
Accumulated depreciation	累積折舊	(8,014)	(3,196)	(2,571)	(13,781)
Net carrying amount	賬面淨值	22,336	108	-	22,444



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

15. INVESTMENT PROPERTIES

15. 投資物業

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	368,639	315,866
Net gain from a fair value adjustment	公平值調整的利潤淨額	1,744	33,103
Exchange realignment	匯兌調整	(12,669)	19,670
Disposal of subsidiaries (note 43)	出售附屬公司(附註43)	(357,714)	-
Carrying amount at 31 December	於十二月三十一日之賬面值	-	368,639

The Group's investment properties consisted of commercial properties in Mainland China. The Group's investment properties were revalued based on valuations performed by Jones Lang LaSalle Corporate Appraisal & Advisory Limited, independent professionally qualified valuers. Each year, the Group's chief financial officer decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's chief financial officer has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

In the prior year, the investment properties were leased to third parties under operating leases, further summary details of which are included in note 45(a) to the financial statements.

本集團的投資物業包括中國內地的商用物業。本集團的投資物業根據由仲量聯行企業評估及諮詢有限公司(獨立專業合資格估值師)進行的估值重估。每年,本集團之財務總監決定委任外部估值師負責對本集團投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團之財務總監每年兩次會在就中期及年度財務申報目的進行估值時與估值師就估值假設及估值結果進行商討。

去年,投資物業以經營租賃出租予第三方,進一步詳情載於財務報表附註45(a)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties as at 31 December 2017:

15. 投資物業(續)

公平值等級制度

下表列示本集團的投資物業於二零一七年十二月三十一日的公平值計量等級：

Fair value measurement as at 31 December 2017 using
於二零一七年十二月三十一日
使用以下各項進行公平值計量

	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
Recurring fair value measurement for:	經常性公平值計量：			
Commercial properties	商用物業			
	-	-	368,639	368,639

During the year, the Group's investment properties were disposed of as a result of the disposal of Ease Triumph Group.

年內，本集團的投資物業因出售拓業集團而出售。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

15. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties as at 31 December 2017:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range or weighted average 範圍或者加權平均數 2017 二零一七年
Commercial properties 商用物業	Term and reversion method 年期及復歸法	Term yield 年期收益率	5.5%
		Reversionary yield 復歸收益率	6%
		Market rent (per sq.m. and per month) 市場租金(每平方米及每月)	HK\$104 104港元

The term and reversion method measured the fair value of the property by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which were then capitalised into the value at appropriate rates.

A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties. A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties.

15. 投資物業(續)

公平值等級制度(續)

以下為於二零一七年十二月三十一日投資物業估值所用的估值方法及主要輸入數據之概要：

年期及復歸法經考慮來自現有租約的租金收入，並計及租約的可復歸潛在收入作出適當的考慮來計量物業的公平值，然後按適當利率將價值撥充資本。

年期收益率及復歸收益率單獨大幅上升(下降)將導致投資物業公平值大幅減少(增加)。市值年租金單獨大幅上升(下降)將導致投資物業公平值大幅增加(減少)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

16. GOODWILL

16. 商譽

		HK\$'000 千港元
At 1 January 2017, 31 December 2017 and 1 January 2018:	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日：	
Cost	成本	-
Acquisition of subsidiaries (note 42)	收購附屬公司(附註42)	401,207
Exchange realignment	匯兌調整	(1,113)
Cost and net carrying amount at 31 December 2018	於二零一八年十二月三十一日之 成本及賬面淨值	400,094
At 31 December 2018:	於二零一八年十二月三十一日：	
Cost	成本	400,094

Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to the following cash-generating units ("CGU") for impairment testing:

- General aviation aircraft piston engine business in the USA CGU ("USA CGU"); and
- General aviation aircraft piston engine business in the Germany CGU ("Germany CGU")

商譽之減值測試

透過業務合併取得之商譽已分配予下列現金產生單元(「現金產生單元」)以進行減值測試：

- 通用航空飛機活塞發動機業務於美國的現金產生單元(「美國現金產生單元」)；及
- 通用航空飛機活塞發動機業務於德國的現金產生單元(「德國現金產生單元」)



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

16. GOODWILL (continued)

Impairment testing of goodwill (continued)

The carrying amount of goodwill allocated to each of the CGUs is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USA CGU	美國現金產生單元	385,770	-
Germany CGU	德國現金產生單元	14,324	-
		400,094	-

The recoverable amounts of both cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The discount rates applied to the cash flow projections and the growth rates used to extrapolate the cash flows beyond the five-year periods are as follows:

		2018 二零一八年 %	2017 二零一七年 %
USA CGU	美國現金產生單元		
Discount rate	折現率	13.6%	N/A
Growth rate	增長率	2.5%	N/A
Germany CGU	德國現金產生單元		
Discount rate	折現率	17.7%	N/A
Growth rate	增長率	2.5%	N/A

16. 商譽(續)

商譽之減值測試(續)

分配予各現金產生單元的商譽賬面值如下:

兩個現金產生單元的可收回金額乃根據採用現金流量預測來計算之使用價值而釐定，該現金流量預測以管理層批准的五年期財務預算為基礎。現金流量預測所應用的折現率及用於推斷超過五年期間現金流量的增長率如下:

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

16. GOODWILL (continued)

Impairment testing of goodwill (continued)

Assumptions were used in the value-in-use calculation of the CGUs for 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

16. 商譽(續)

商譽之減值測試(續)

二零一八年十二月三十一日的現金產生單元的使用價值計算中使用了假設。下文描述管理層進行商譽減值測試時所作的現金流量預測所依據的每個關鍵假設：

預算毛利率—預算毛利率的數值乃根據預算年度之前一年所實現的平均毛利率計算，並因應預期效能改善及預期市場發展而增加。

折現率—所採用之折現率乃未扣除稅項，並反映有關個別單元之特定風險。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Development programs in progress	Trademarks	Product technology, licence and completed programs	Customer relationships	Others	Total other intangible assets
		進行中 發展計劃	商標	產品技術、 牌照及 已完成的 計劃	客戶關係	其他	其他無形 資產合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
31 December 2018	二零一八年十二月三十一日						
Cost at 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日之成本	-	-	-	-	-	-
Acquisition of subsidiaries (note 42)	收購附屬公司(附註42)	185,140	265,747	826,147	558,001	7,370	1,842,405
Additions	添置	54,428	-	39	-	395	54,862
Transfers	轉撥	(16,887)	-	16,887	-	-	-
Amortisation provided during the year (note 6)	年內攤銷撥備(附註6)	-	(8,732)	(29,022)	(34,580)	(3,473)	(75,807)
Disposals	出售	(2,666)	-	-	-	-	(2,666)
Exchange realignment	匯兌調整	(5,642)	(2,136)	(20,504)	(9,355)	-	(37,637)
At 31 December 2018	於二零一八年十二月三十一日	214,373	254,879	793,547	514,066	4,292	1,781,157
At 31 December 2018:	於二零一八年十二月三十一日:						
Cost	成本	214,373	263,080	821,526	548,502	7,765	1,855,246
Accumulated amortisation	累積攤銷	-	(8,201)	(27,979)	(34,436)	(3,473)	(74,089)
Net carrying amount	賬面淨值	214,373	254,879	793,547	514,066	4,292	1,781,157

18. INVESTMENTS IN JOINT VENTURES

18. 合營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Share of net assets	分佔淨資產	39,174	42,464

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

18. INVESTMENTS IN JOINT VENTURES

(continued)

The investments in joint ventures include the Group's right to enjoy certain economic benefits derived from a 69.4% equity interest in CATIC Siwei Co., Ltd. ("CATIC Siwei") held by third parties through trust arrangements. CATIC Siwei is registered as a co-operative joint venture under PRC law and is holding an investment in China which operates in the aero-technology business and in investment holding.

In the opinion of the directors, notwithstanding that the Group has the right to enjoy certain economic benefits from the 69.4% equity interest in CATIC Siwei, none of the shareholders of CATIC Siwei has unilateral control over the economic activity of CATIC Siwei pursuant to the provisions in the articles and association of CATIC Siwei. Since the Group does not have any power to control the financial and operating activities of CATIC Siwei, the directors consider that it is appropriate to account for the investment as an investment in a joint venture using the equity method of accounting as at 31 December 2018 and 2017.

CATIC Siwei was not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The following table illustrates the summarised financial information of CATIC Siwei, which is considered as a material joint venture of the Group, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

18. 合營公司之投資 (續)

合營公司之投資包括本集團有權享有由第三方透過信託安排持有之四維遙感有限公司(「四維遙感」)69.4%股本權益之若干經濟利益。四維遙感根據中國法例註冊為合資企業，並於中國持有營運航空技術業務和投資控股之投資。

董事認為，雖然本集團擁有四維遙感69.4%股本權益之若干經濟收益權，但根據四維遙感的公司章程規定，概無四維遙感股東對四維遙感之經濟活動擁有單方面控制權。由於本集團無權控制四維遙感之財務及經營活動，董事認為適宜把該權益以權益會計法處理，並於二零一八年及二零一七年十二月三十一日計入合營公司之投資。

四維遙感非由安永香港或安永全球網絡其他成員公司審核。

下表列出四維遙感(被視為本集團之重要附屬公司)之財務資料概要，已就會計政策之任何差異作出調整，並與綜合財務報表內之賬面值進行對賬：



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

18. INVESTMENTS IN JOINT VENTURES (continued)

18. 合營公司之投資 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值	627	2,462
Other current assets	其他流動資產	19,192	29,129
Current assets	流動資產	19,819	31,591
Non-current assets	非流動資產	75,402	78,084
Current liabilities	流動負債	(36,251)	(44,776)
Non-current liabilities	非流動負債	(923)	(956)
Net assets	資產淨值	58,047	63,943
Less: Net assets attributable to non-controlling interests	減：非控股權益 應佔資產淨值	(2,661)	(2,756)
		55,386	61,187
Reconciliation to the Group's interest in the joint venture:	與本集團於合營公司 權益之對賬：		
Proportion of the Group's ownership	本集團擁有權之比例	69.4%	69.4%
Group's share of net assets of the joint venture	本集團分佔合營公司之 資產淨值	38,438	42,464
Goodwill on acquisition	收購所產生之商譽	7,745	7,745
Provision for impairment	減值撥備	(7,745)	(7,745)
Carrying amount of the investment	投資之賬面值	38,438	42,464
Revenue	收益	499	1,305
Interest income	利息收入	1,991	2,972
Other expenses	其他開支	(1,200)	(22,196)
Interest expenses	利息開支	-	-
Tax	稅項	-	-
Loss for the year	本年虧損	(3,768)	(30,158)
Other comprehensive income	其他全面收益	(2,128)	4,185
Total comprehensive income for the year	本年全面收益總額	(5,896)	(25,973)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

18. INVESTMENTS IN JOINT VENTURES (continued)

CATIC Siwei has placed a deposit for the acquisition of a property located at PRC, which was included in "non-current assets". The directors of the Company performed impairment assessment of the deposit on 31 December 2018 based on the valuation performed by LCH (Asia-Pacific) Surveyors Limited, independent professionally qualified valuers, on the underlying property to determine that there is no impairment indicator.

The fair value measurement of the underlying building is categorised as Level 3. Below is a summary of the valuation techniques used and the key inputs to the valuation of underlying property:

Valuation technique	Significant unobservable input	Weighted average
估值技術	重大不可觀察輸入數據	加權平均數
Direct capitalisation approach	Estimated rental value (per square meter)	RMB14,300 (2017: RMB10,500)
直接資本化法	估計租金價值(每平方米)	14,300元人民幣 (二零一七年: 10,500元人民幣)
	Yield rate	4.2%
	收益率	(2017: 5.5%) (二零一七年: 5.5%)

The following table illustrative the financial information of the Group's joint venture that is not individually material:

下表說明並非個別重大之本集團合營企業之財務資料:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Share of the joint venture's loss for the year	分佔合營公司之本年虧損	(326)	-
Share of the joint venture's other comprehensive income	分佔合營公司之其他全面收益	-	-
Share of the joint venture's total comprehensive income	分佔合營公司之全面收益總額	(326)	-
Carrying amount of the Group's investment in the joint venture	本集團於合營公司之投資之賬面值	736	-

18. 合營公司之投資(續)

四維遙感已就收購位於中國的物業存入按金，該物業已包括在「非流動資產」內。本公司董事於二零一八年十二月三十一日根據獨立專業合資格估值師利駿行測量師有限公司就相關物業進行的估值對按金進行減值評估，以確定並無減值指標。

相關樓宇的公平值計量乃分類為第3級。以下為所用估值技術之概要以及相關物業估值的主要輸入數據：



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

19. INVESTMENTS IN ASSOCIATES

19. 聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Share of net assets	分佔資產淨值	12,272	14,211
Goodwill on acquisition	收購所產生之商譽	7,500	7,500
		19,772	21,711
Less: Provision for impairment	減：減值撥備	(7,326)	(7,326)
		12,446	14,385
Due from an associate included in the Group's current assets	應收計入本集團流動資產之 應收聯營公司款項	575	10,441
Loans to an associate included in the Group's current assets	計入本集團流動資產之 向聯營公司提供的貸款	9,143	-

The amount due from an associate is unsecured and is repayable on demand.

應收聯營公司款項乃無抵押且須按要求償還。

The loans to an associate are unsecured, bear interest at 6% per annum and are repayable within one year.

向聯營公司提供的貸款為無抵押、按年利率6%計息，且須於一年內償還。

During the year ended 31 December 2017, the Group's equity interest in 星聯商務航空有限公司 ("星聯航空") was diluted and the Group no longer had any significant influence over it. Accordingly, the investment in 星聯航空 was reclassified to an available-for-sale investment and the fully-impaired loans to 星聯航空 were reclassified to other receivables.

於截至二零一七年十二月三十一日止年度，本集團於星聯商務航空有限公司(「星聯航空」)之股本權益已被攤薄且本集團不再於該公司擁有重大影響力。因此，本集團於星聯航空之投資重新分類至可供出售的投資，而已全數減值之向星聯航空提供的貸款則重新分類至其他應收賬款。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

19. INVESTMENTS IN ASSOCIATES (continued)

Particulars of the material associate are as follows:

Name 名稱	Particulars of issued shares held 所持有已發行 股份詳情	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權 權益百分比		Principal activity 主要業務
			2018 二零一八年	2017 二零一七年	
北京華信泰科技 股份有限公司 ("北京華信泰")*	Registered capital of RMB1 each 每股1元人民幣的 註冊資本	PRC/Mainland China 中國/中國內地	31.75	35.61	Research and development of engineering technology and electronics communication technology 工程技術及電子通信技術的研 究及開發

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

* 並非由安永香港或安永全球網絡其他成員公司審核

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

上表列出董事認為主要影響本年度業績或構成本集團資產淨值主要部份之本集團聯營公司。董事認為倘詳列其他聯營公司資料將過份冗長。

During the year, the Group's equity interest in 北京華信泰 was diluted subsequent to the capital injection by new investors to 北京華信泰. A gain on deemed disposal of an associate of HK\$3,561,000 was recognised in the consolidated statement of profit or loss for the year.

年內，新投資者向北京華信泰注資後，本集團於北京華信泰之股本權益已被攤薄，且被視為出售聯營公司之利潤3,561,000港元已於本年的綜合損益表中確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

19. INVESTMENTS IN ASSOCIATES (continued)

During the year, the Group disposed of its entire 40% equity interests in an associate, 北京伊格萊特航空技術發展有限公司(“北京伊格萊特”) to China National Aero-Technology Import & Export Corporation (“CATIC”) for a cash consideration of RMB3,839,000 (equivalent to HK\$4,388,000). A loss on disposal of HK\$909,000 was recognised in the consolidated statement of profit or loss. Since CATIC is 50% owned by Aviation Industry Corporation of China, Ltd and 50% owned by AVIC International Holding Corporation, the disposal constitutes a connected transaction of the Company under the Listing Rules.

The following table illustrates the aggregate financial information of the Group’s associates that are not individually material:

19. 聯營公司之投資(續)

年內，本集團將其於北京伊格萊特航空技術發展有限公司(「北京伊格萊特」)的全部40%股權出售予中航技進出口有限責任公司(「中航技」)，現金代價為3,839,000元人民幣(相等於4,388,000港元)。出售虧損909,000港元已於綜合損益表確認。由於中航技乃由中國航空工業集團有限公司擁有50%，及由中國航空技術國際控股有限公司擁有50%，根據上市規則，出售事項構成本公司之關連交易。

下表列示本集團個別非重大聯營公司之合計財務資料：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Share of the associates' profit for the year	分佔聯營公司之本年溢利	471	222
Share of the associates' total comprehensive income	分佔聯營公司之全面收益總額	471	222
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司之投資之賬面值總額	12,446	14,385

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

20. EQUITY INVESTMENTS DESIGNATED
 AT FAIR VALUE THROUGH OTHER
 COMPREHENSIVE INCOME/AVAILABLE-
 FOR-SALE INVESTMENTS

20. 按公平值計入其他全面收益之股
 本投資／可供出售的投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income	按公平值計入其他 全面收益之股本投資		
Listed equity investments, at fair value:	上市股本投資，按公平值：		
Peace Map Holding Limited ("PMH")	天下圖控股有限公司 (「天下圖控股」)	-	-
AVIC Joy Holding (HK) Limited ("AVIC Joy")	幸福控股(香港)有限公司 (「幸福控股」)	53,642	-
		53,642	-
Unlisted equity investment, at fair value:	非上市股本投資，按公平值：		
Ampaire, Inc.	Ampaire, Inc.	389	-
		54,031	-

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

由於本集團認為該等投資屬策略性質，所以已不可撤銷地把上述股本投資指定為按公平值計入其他全面收益。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS (continued)

During the year, the trading in PMH's shares has been suspended and PMH's convertible bonds were in default. Management has assessed that the fair values of PMH's shares and convertible bonds are zero based on available published financial information of PMH.

20. 按公平值計入其他全面收益之股本投資／可供出售的投資(續)

年內，天下圖控股之股份暫停買賣，而天下圖控股的可換股債券已違約。管理層已根據可用之已刊發的天下圖控股的財務資料評估天下圖控股股份及可換股債券的公平值為零。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Available-for-sale investments	可供出售的投資		
Current:	流動：		
Unlisted investments, at fair value:	非上市投資，按公平值：		
Bond component of PMH's convertible bonds	天下圖控股可換股債券的債券組成部分	-	42,400
Bond component of AVIC Joy's convertible bond	幸福控股可換股債券的債券組成部分	-	39,948
		-	82,348
Non-current:	非流動：		
Listed equity investment, at fair value	上市股本投資，按公平值	-	110,380

During the year ended 31 December 2017, a net fair value loss of HK\$86,017,000, in aggregate, in respect of the Group's available-for-sale investments, was recognised as other comprehensive income, of which fair value loss of HK\$67,280,000 was reclassified from other comprehensive income to the consolidated statement of profit or loss on impairment for the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度，有關本集團可供出售的投資之公平值虧損總額86,017,000港元已確認於其他全面收益，其中公平值虧損67,280,000港元於減值時從其他全面收益重新分類至截至二零一七年十二月三十一日止年度的綜合損益表。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

21. DERIVATIVE FINANCIAL INSTRUMENTS

21. 衍生金融工具

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Conversion option of PMH's convertible bonds	天下圖控股可換股債券的換股權	-	-
Conversion option of AVIC Joy's convertible bond	幸福控股可換股債券的換股權	-	1
		-	1

The Group's derivative financial instruments as at 31 December 2017 were managed and their performance was evaluated on a fair value basis. Any fair value gain or loss was recognised in the consolidated statement of profit or loss.

During the year ended 31 December 2017, the fair values of the derivative financial instruments were estimated using valuation techniques based on assumptions that are supported by observable market prices or rates. The valuations required the directors to make estimates, including expected cash flows and volatility of the underlying securities. The directors believed that the estimated fair values resulting from the valuation technique, which were recorded in the consolidated statement of financial position, and the related changes in fair value, which were recorded in the consolidated statement of profit or loss, were reasonable, and that they were the most appropriate values at 31 December 2017.

During the year ended 31 December 2017, an aggregate fair value loss of HK\$11,337,000 in respect of the Group's derivative financial instruments was recognised in the consolidated statement of profit or loss for the year ended 31 December 2017.

本集團於二零一七年十二月三十一日的衍生金融工具乃按公平值基準管理，其表現亦按公平值基準評價。任何公平值利潤或虧損均於綜合損益表內確認。

於截至二零一七年十二月三十一日止年度，衍生金融工具之公平值乃以估值技術來估量，該估值技術採納之假設皆有可觀察市場價格或息率作為支持。估值須董事作出估計，包括預期現金流量及相關證券的波動性。董事相信，綜合財務狀況表記錄之按估值技術所估量之公平值以及綜合損益表內記錄之公平值相關變動乃屬合理，於二零一七年十二月三十一日，其價值最為恰當。

於截至二零一七年十二月三十一日止年度，本集團衍生金融工具之公平值虧損總額為11,337,000港元，並於截至二零一七年十二月三十一日止年度之綜合損益表內確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

22. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

The analysis of the costs of the Group's properties under development and completed properties held for sale situated in the PRC is as follows:

22. 發展中物業及持作出售之已完成物業

本集團位於中國之發展中物業及持作出售之已完成物業之成本分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Properties under development	預期收回之發展中物業：		
expected to be recovered:			
After one year	一年以後	-	1,817,160
		-	1,817,160
Completed properties held for sale	持作出售之已完成物業	-	1,120,000
		-	2,937,160

During the year ended 31 December 2017, the properties under development and completed properties held for sale had been written down to net realisable value based on valuations performed by an independent professionally qualified valuer, and a loss of HK\$296,848,000 was recognised in the cost of sales in the discontinued operation for the year ended 31 December 2017.

於截至二零一七年十二月三十一日止年度，發展中物業及持作出售之已完成物業已根據獨立專業合資格估值師進行之估值減值至可變現淨值，而虧損296,848,000港元已於截至二零一七年十二月三十一日止年度之已終止經營業務的銷售成本確認。

23. INVENTORIES

23. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	312,139	-
Work in progress	在製品	121,543	-
Finished goods	製成品	40,071	-
		473,753	-

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

24. TRADE RECEIVABLES

24. 應收貿易賬款

		2018 二零一八年 <i>HK\$'000</i> 千港元	2017 二零一七年 <i>HK\$'000</i> 千港元
Trade receivables	應收貿易賬款	109,283	76,977
Impairment	減值	(6,572)	-
		102,711	76,977

The Group has different credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate. Trade receivables from the sale of properties in respect of the property development and investment business are payable pursuant to the terms of sale and purchase agreements. The Group's trading terms with its customers in the general aviation aircraft piston engine business are mainly on credit, where partial advanced payment is required for certain customers. The credit period is generally 30 days. Each customer has a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As at 31 December 2018, the Group had certain concentrations of credit risk as 37% of the Group's trade receivables were due from one of the Group's key customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團不同類別業務之信貸政策不同，乃取決於市場要求及附屬公司所經營之業務。物業發展及投資業務之物業銷售之應收貿易賬款乃根據買賣合約條款償付。本集團與通用航空飛機活塞發動機業務之客戶之信貸條款主要為賒賬，就若干客戶而言須預付部份款項。信貸期一般為30日。每位客戶均有最大信貸限額。

本集團務求對未清還之應收賬款維持嚴格監管。管理高層定期檢討逾期結餘。於二零一八年十二月三十一日，本集團存在若干信貸集中風險，原因是本集團的應收貿易賬款之37%為應收本集團一名主要客戶之款項。本集團並無就其應收貿易賬款之結餘持有任何抵押品或其他信貸保證。應收貿易賬款並不計息。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

24. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	一個月內	76,745	-
1 to 2 months	一至兩個月	12,241	-
2 to 3 months	二至三個月	3,927	-
Over 3 months	超過三個月	9,798	76,977
		102,711	76,977

The movements in the loss allowance for impairment of the trade receivables are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Acquisition of subsidiaries	收購附屬公司	5,603	-
Impairment losses, net (note 6)	減值虧損淨額(附註6)	969	-
At 31 December	於十二月三十一日	6,572	-

24. 應收貿易賬款(續)

於報告期末，應收貿易賬款按發票日期及扣除虧損撥備之賬齡分析如下：

應收貿易賬款之減值虧損撥備變動如下：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

24. TRADE RECEIVABLES (continued)

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

		Past due 逾期			Total 合計	
		Less than 1 month 少於一個月	1 to 3 months 一至三個月	Over 3 months 三個月以上		
Expected credit loss rate	預期信貸虧損率	0.49%	3.70%	14.27%	42.95%	6.01%
Gross carrying amount (HK\$'000)	賬面值總值(千港元)	82,026	11,431	3,650	12,176	109,283
Expected credit losses (HK\$'000)	預期信貸虧損(千港元)	398	423	521	5,230	6,572

24. 應收貿易賬款(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下之減值

於各報告日期使用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映了概率加權結果，貨幣時間價值以及於報告日期可獲得的關於過去事件、當前狀況及未來經濟狀況預測的合理及可支持資料。一般而言，貿易應收賬款如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

下表載列使用撥備矩陣分析的有關本集團貿易應收賬款的信貸風險的資料：

於二零一八年十二月三十一日



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

24. TRADE RECEIVABLES (continued)

Impairment under HKAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	22,206
1 to 3 months past due	逾期一至三個月	54,771
		76,977

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

24. 應收貿易賬款(續)

截至二零一七年十二月三十一日止年度香港會計準則第39號項下之減值

根據香港會計準則第39號，於二零一七年十二月三十一日，並未個別或整體被視為減值的應收貿易賬款之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	22,206
1 to 3 months past due	逾期一至三個月	54,771
		76,977

未逾期亦未減值的應收賬款與涉及眾多多元化客戶，該類客戶並無最近違約歷史。

已逾期但未減值的應收賬款涉及眾多與本集團擁有良好過往記錄之獨立客戶。根據過往經驗，本公司董事認為，由於信貸質素並無重大變動且餘額仍被視為可全數收回，故無需根據香港會計準則第39號就該等結餘作出減值撥備。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

25. 預付款項、按金及其他應收賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayments	預付款項	48,235	4,275
Deposits and other receivables	按金及其他應收賬款	83,421	52,895
Impairment allowance	減值撥備	(46,861)	(52,075)
		84,795	5,095

Deposits and other receivables mainly represent rental deposits, deposits with suppliers and loan receivables. An impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for where there are no comparable companies as at 31 December 2018 was 100% on the gross other receivables of HK\$46,861,000 (2017: HK\$52,075,000) before impairment allowance.

Deposits and other receivables that were not impaired relate to receivables for which there is no recent history of default.

During the year ended 31 December 2017, the Group disposed of fully-impaired convertible loans to an independent third party at a consideration of HK\$87,151,000. As a result, a gain on disposal of convertible loans of HK\$87,151,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2017.

按金及其他應收賬款主要為租賃按金，供應商按金及應收貸款。於各報告日期，本集團採用虧損率法並參考本集團的過往虧損記錄進行減值分析。本集團調整虧損率以反映當前狀況及對未來經濟狀況的預測（倘適用）。於二零一八年十二月三十一日，無可資比較公司情況下採用虧損率100%作減值撥備之其他應收賬款總額（扣除減值撥備前）為46,861,000港元（二零一七年：52,075,000港元）。

尚未減值之按金及其他應收賬款涉及無最近違約歷史的應收賬款。

於截至二零一七年十二月三十一日止年度，本集團以代價87,151,000港元向一名獨立第三方出售已全數減值的可換股貸款。因此，出售可換股貸款之利潤87,151,000港元已於截至二零一七年十二月三十一日止年度之綜合損益表確認。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

26. 按公平值計入損益之財務資產

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed equity investment, at fair value 上市股本投資，按公平值	-	80,761
Other unlisted investments, at fair value 其他非上市投資，按公平值	-	-
	-	80,761

The above unlisted investments at 31 December 2018 were PMH's convertible bonds. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

During the year, PMH's convertible bonds were in default. Management has assessed that the fair values of PMH's convertible bonds are zero based on available published financial information of PMH.

27. PREPAID TAXES

Balance represented taxes and surcharges prepaid for the sales deposits received from pre-sales of properties in the PRC.

上述於二零一八年十二月三十一日的非上市投資為天下圖控股的可換股債券。其被強制歸類為按公平值計入損益之金融財務資產，因為其合約現金流量並不僅限於支付本金及利息。

年內，天下圖控股的可換股債券已違約。管理層已根據可用之已刊發的天下圖控股的財務資料評估天下圖控股股份及可換股債券的公平值為零。

27. 預付稅項

結餘指就預售中國物業所收到的銷售按金而預付的稅項及附加費。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

28. CASH AND CASH EQUIVALENTS

28. 現金及現金等值

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Time deposits	定期存款	-	301,921
Cash and bank balances	現金及銀行結存	1,191,575	325,219
Cash and cash equivalents	現金及現金等值	1,191,575	627,140

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$707,355,000 (2017: HK\$301,810,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

29. DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The amounts due to non-controlling shareholders of subsidiaries as at 31 December 2017 were unsecured, non-interest-bearing and had no fixed terms of repayment.

於報告期末，本集團以人民幣（「人民幣」）計值之現金及銀行結存及定期存款為707,355,000港元（二零一七年：301,810,000港元）。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權開展外幣兌換業務之銀行將人民幣兌換為其他貨幣。

銀行存款按每日銀行存款利率計算的浮動利率計息。視乎本集團的即時現金需求，存作介乎一日至一年等不同期間的短期定期存款，並按有關短期定期存款利率計息。銀行結存及定期存款均存放於無近期拖欠歷史且信譽昭著之銀行。

29. 應付附屬公司之非控股股東

於二零一七年十二月三十一日，應付附屬公司之非控股股東款項乃無抵押、不計息及無固定償還期限。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

30. BALANCES WITH INTERMEDIATE HOLDING COMPANIES

The loans from an intermediate holding company as at 31 December 2017 were unsecured, interest-bearing at 6% per annum and were not repayable within one year.

The amount due to intermediate holding companies are unsecured, non-interest-bearing and repayable on demand.

31. BALANCES WITH FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, non-interest-bearing and repayable within one year.

The amounts due to fellow subsidiaries as at 31 December 2017 were unsecured, non-interest-bearing and repayable on demand.

The loans from a fellow subsidiary as at 31 December 2017 were unsecured and interest-bearing at 6% per annum.

The loans from a fellow subsidiary which were not repayable within one year as at 31 December 2017 were included in the Group's non-current liabilities. The loans from a fellow subsidiary which were repayable within one year as at 31 December 2017 were included in the Group's current liabilities.

30. 與中間控股公司之結餘

於二零一七年十二月三十一日，來自中間控股公司的貸款乃無抵押、按年利率6厘計息及毋須於一年內償還。

應付中間控股公司款項乃無抵押、不計息及須按要求償還。

31. 與同系附屬公司之結餘

應收同系附屬公司款項乃無抵押、不計息及須於一年內償還。

於二零一七年十二月三十一日，應付同系附屬公司款項乃無抵押、不計息及須按要求償還。

於二零一七年十二月三十一日，來自同系附屬公司的貸款乃無抵押及按年利率6厘計息。

於二零一七年十二月三十一日，毋須於一年內償還之來自同系附屬公司的貸款計入本集團非流動負債。於二零一七年十二月三十一日，須於一年內償還之來自同系附屬公司的貸款計入本集團流動負債。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

32. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	一個月內	65,839	85,604
1 to 2 months	一至兩個月	19,182	-
2 to 3 months	二至三個月	3,844	-
Over 3 months	超過三個月	1,287	36,907
		90,152	122,511

The trade payables are non-interest-bearing and are normally settled on 60-to-90-day terms.

該等應付貿易賬款乃不計息及一般按60至90日期限清還。

33. OTHER PAYABLES AND ACCRUALS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contract liabilities	合約負債	37,425	-
Other payables	其他應付款項	1,435	10,832
Accruals	應計費用	105,387	23,366
		144,247	34,198
Portion classified as current liabilities	分類為流動負債的部份	(114,727)	(34,198)
Non-current portion	非流動部份	29,520	-

33. 其他應付款項及應計費用

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contract liabilities	(a)	37,425	-
Other payables	(b)	1,435	10,832
Accruals		105,387	23,366
		144,247	34,198
Portion classified as current liabilities		(114,727)	(34,198)
Non-current portion		29,520	-



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

33. OTHER PAYABLES AND ACCRUALS

(continued)

Notes:

- (a) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
<i>Short-term advances received from customers</i>	來自客戶的短期預付款		
Sale of properties	銷售物業	-	339,654
Sale of aircraft engines and spare parts	銷售飛機發動機及備件	37,425	-
Total contract liabilities	合約負債合計	37,425	339,654

Contract liabilities include short-term advances received to deliver properties, aircraft engines and spare parts. The decrease in contract liabilities in 2018 was mainly due to the decrease in short-term advances received from customers in relation to the sale of properties as a result of the disposal of Ease Triumph Group.

- (b) Other payables are non-interest-bearing and have an average term of three months.

33. 其他應付款項及應計費用 (續)

附註：

- (a) 於二零一八年十二月三十一日及二零一八年一月一日的合約負債詳情如下：

合約負債包括交付物業、飛機發動機及備件的短期預付款。於二零一八年合約負債減少主要由於出售拓業集團而導致從客戶收到的與出售物業有關的短期預付款減少所致。

- (b) 其他應付款項乃不計息及平均期限為三個月。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

34. PROVISIONS AND OTHER LIABILITIES

34. 撥備及其他負債

		Warranty provision	Product claim provision	Other liabilities	Total
		保修撥備	產品索賠 撥備	其他負債	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年 十二月三十一日及 二零一八年一月一日	-	-	-	-
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)	24,633	59,675	36,127	120,435
Provided/(reversed) (note 6)	撥備/(撥回) (附註6)	29,405	(10,890)	11,887	30,402
Utilised during the year	年內已動用	(24,226)	(20,327)	(6,021)	(50,574)
Increase in discounted amounts arising from the passage of time (note 7)	隨時間過去而產生的 折現後金額增加 (附註7)	-	-	114	114
Exchange realignment	匯兌調整	(540)	-	(2,853)	(3,393)
At 31 December 2018	於二零一八年 十二月三十一日	29,272	28,458	39,254	96,984
Portion classified as current liabilities	分類為流動負債的部份	(24,924)	(10,463)	(14,058)	(49,445)
Non-current portion	非流動部份	4,348	17,995	25,196	47,539



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

34. PROVISIONS AND OTHER LIABILITIES

(continued)

The Group provides warranties ranging from one to three years to its customers on certain of its engines. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is received on an ongoing basis and revised where appropriate.

The Group is currently involved in legal proceedings related to product liability claims. An estimate for the probable costs has been made for these claims as product claim provision. This estimate has been developed in consultation with the Group's insurers, legal counsels, historical experience and is based upon an analysis of potential results. In the opinion of the directors, these proceedings will not have a material adverse effect on the Group's consolidated financial statements. The product claim provision is made for any present expected product liability claims as a result of the assessment at the end of the reporting period. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

34. 撥備及其他負債 (續)

本集團就其部分發動機向其客戶提供一至三年的保養期。保修撥備金額根據銷量及過往的維修及退貨水平之經驗估算。本集團持續檢討該估算基準，並於適當時對其進行修訂。

本集團目前涉及與產品責任索賠有關的法律訴訟。作為產品索賠撥備，本集團已對該等索賠的可能成本作出估計。該項估計乃本集團在與本集團的保險公司及法律顧問協商後，根據過往經驗，並基於對潛在結果的分析作出。董事認為，該等訴訟程序不會對本集團的綜合財務報表造成重大不利影響。產品索賠撥備乃針對報告期末評估的任何當前預期產品責任索賠而作出。本集團持續檢討該評估基準，並於適當時對其進行修訂。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

35. INTEREST-BEARING BANK BORROWINGS

35. 計息銀行貸款

		2018 二零一八年			2017 二零一七年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	HK\$'000 千港元
Current:	流動:						
Bank loans – unsecured	銀行貸款—無抵押	LIBOR+1.75% 倫敦銀行同業 拆息+1.75%	2019	54,250	-	-	-
Bank loans – unsecured	銀行貸款—無抵押	LIBOR+1% 倫敦銀行同業 拆息+1%	2019	53,568	-	-	-
Bank loans – unsecured	銀行貸款—無抵押	LIBOR+2% 倫敦銀行同業 拆息+2%	2019	12,400	-	-	-
				120,218			-
Non-current:	非流動:						
Bank loans – unsecured	銀行貸款—無抵押	LIBOR+2% 倫敦銀行同業 拆息+2%	2020	1,031	-	-	-
				121,249			-

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Analysed into:	分析為:		
Bank loans and overdrafts repayable:	須於以下時間償還的 銀行貸款及透支:		
Within one year or on demand	一年內或按要求	120,218	-
In the second year	於第二年	1,031	-
		121,249	-

All bank borrowings are denominated in United States dollars.

所有銀行借貸均以美元結算。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

36. DEFINED BENEFIT OBLIGATIONS

Continental Motors United Auto Workers Pension Plan (“UAW Pension Plan”)

The Group has a defined benefit pension plan. It is a pension plan for the United States employees which require contributions to be made to a separately administered fund. This benefit pension plan is funded. Under the plan, the employees are entitled to monthly retirement benefits or early or postponed retirement benefits when they have early or postponed retirements subject to other conditions.

Continental Motors Postretirement Life & Health Plan (“Life & Health Plan”)

The Group provides certain additional post-employment medical and life benefits to employees in the United States. These benefits are unfunded. Under the plan, the employees are entitled to receive post-employment medical benefits.

The actuarial valuations of the present value of the defined benefit obligations were carried out as at the end of each of the reporting period by Newport Group, Inc., a qualified actuary, using the projected unit credit actuarial valuation method.

The principal assumptions used at the end of the reporting period are as follows:

36. 定額福利責任

大陸發動機聯合汽車工人退休金計劃 (「UAW退休金計劃」)

本集團擁有定額福利退休金計劃。該計劃為針對美國僱員的退休金計劃，須向獨立管理賬戶作出供款。該福利退休金計劃已設立基金。根據計劃，僱員有權按月收取退休福利，或倘彼等提早或推遲退休，有權按月收取提前或推遲退休福利，惟須達成其他條件。

大陸發動機退休後人壽健康計劃 (「人壽健康計劃」)

本集團向美國僱員提供若干額外退休後醫療及人壽福利。該等福利未設基金。根據計劃，僱員有權收取退休後醫療福利。

定額福利責任現值的精算估值乃由 Newport Group, Inc. (合資格精算師) 於各報告期末使用預計單位信貸精算估值法進行。

於各報告期末使用的主要假設載列如下：

		2018 二零一八年 %	2017 二零一七年 %
Discount rate	折現率		
UAW Pension Plan	UAW退休金計劃	4.25%	N/A 不適用
Life & Health Plan	人壽健康計劃	3.88%	N/A 不適用

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

36. DEFINED BENEFIT OBLIGATIONS (continued)

A quantitative sensitivity analysis for significant assumptions at the end of the reporting period is shown below:

		Increase in rate 比率上升 %	Decrease in defined benefit obligations 定額福利 責任減少 HK\$'000 千港元	Decrease in rate 比率下降 %	Increase in defined benefit obligations 定額福利 責任增加 HK\$'000 千港元
As at 31 December 2018	於二零一八年 十二月三十一日				
Discount rate	折現率	1	(4,590)	(1)	5,789

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised as administrative expenses in the Group's profit or loss in respect of the plans are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current service cost	即期服務成本	3,615	-
Net interest expense	利息開支淨額	191	-
Net benefit expenses (note 6)	福利開支淨額(附註6)	3,806	-

36. 定額福利責任 (續)

於報告期末有關重大假設的定量敏感度分析列示如下：

上述敏感度分析乃根據於報告期末主要假設發生之合理變動對定額福利責任之影響作推斷而釐定。敏感度分析乃基於在所有其他假設不變的情況下就一項重大假設的改變而進行。敏感度分析未必代表定額福利責任的實際改變，因該等假設的改變通常不會單獨發生。

就有關計劃於本集團損益內確認為行政管理費用的總開出如下：



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

36. DEFINED BENEFIT OBLIGATIONS (continued)

The movements of the defined benefit obligations and the fair value of plan assets are as follows:

36. 定額福利責任 (續)

定額福利責任及計劃資產的公平值變動如下：

		Defined benefit obligations		Fair value of plan assets		Total	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January	於一月一日	-	-	-	-	-	-
Pension cost charged to profit or loss	扣除損益的退休金成本						
Current service cost	即期服務成本	3,615	-	-	-	3,615	-
Net interest expense/(income)	利息開支/(收入)淨額	1,258	-	(1,067)	-	191	-
Sub-total included in profit or loss	計入損益的小計	4,873	-	(1,067)	-	3,806	-
Remeasurement losses/(gains) recognised in other comprehensive income	於其他全面收益內確認的重新計量虧損/(利潤)						
Returns on plan assets (excluding amounts included in net interest expense)	計劃資產回報 (不包括計入利息開支淨額的金額)	433	-	2,355	-	2,788	-
Actuarial changes arising from changes in demographic assumptions	人口假設變動產生的精算變動	(351)	-	-	-	(351)	-
Actuarial changes arising from changes in financial assumptions	財務假設變動產生的精算變動	(3,770)	-	-	-	(3,770)	-
Sub-total included in other comprehensive income	計入其他全面收益的小計	(3,688)	-	2,355	-	(1,333)	-
Others	其他						
Contribution by employer	僱主供款	-	-	(2,574)	-	(2,574)	-
Benefits paid	已付福利	(690)	-	690	-	-	-
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)	35,822	-	(28,816)	-	7,006	-
At 31 December	於十二月三十一日	36,317	-	(29,412)	-	6,905	-

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

36. DEFINED BENEFIT OBLIGATIONS (continued)

The major categories of the fair value of plan assets of UAW Pension Plan are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity instruments	股本工具	9,452	-
Debt instruments	債務工具	13,147	-
Others	其他	6,813	-
		29,412	-

The Group expects to contribute HK\$3,410,000 to the pension plans for the year ending 31 December 2019.

Since Life & Health Plan is unfunded, there are no plan assets for the disclosure for the Life & Health Plan for the year.

The average duration of UAW Pension Plan as at 31 December 2018 is 15 years. The average duration of Life & Health Plan as at 31 December 2018 is 8 years.

36. 定額福利責任 (續)

UAW退休金計劃的計劃資產的公平值之主要類別如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity instruments	股本工具	9,452	-
Debt instruments	債務工具	13,147	-
Others	其他	6,813	-
		29,412	-

本集團預計於截至二零一九年十二月三十一日止年度向該些退休金計劃供款3,410,000港元。

由於人壽健康計劃未設基金，故年內並無有關人壽健康計劃的計劃資產披露。

於二零一八年十二月三十一日，UAW退休金計劃的平均期限為15年。於二零一八年十二月三十一日，人壽健康計劃的平均期限為8年。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

37. DEFERRED TAX

The movements in the Group's deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

		Revaluation of investment properties	Fair value adjustments arising from acquisition of subsidiaries	Accelerated tax depreciation	Total
		投資 物業之重估	收購附屬 公司產生的 公平值調整	加速 稅項折舊	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-	171,759	-	171,759
Deferred tax charged/(credited) to profit or loss during the year	年內扣除/(計入)損益之遞延稅項	318	(75,393)	-	(75,075)
Exchange realignment	匯兌調整	422	8,840	-	9,262
At 31 December 2017	於二零一七年十二月三十一日	740	105,206	-	105,946
Effect of adoption of HKFRS 15	採納香港財務報告準則第15號之影響	-	4,353	-	4,353
At 1 January 2018 (restated)	於二零一八年一月一日 (重列)	740	109,559	-	110,299
Deferred tax charged/(credited) to profit or loss during the year	年內扣除/(計入)損益之遞延稅項				
- from continuing operations (note 10)	- 來自持續經營業務 (附註10)	-	(41,208)	2,294	(38,914)
- from a discontinuing operation	- 來自已終止經營業務	436	(873)	-	(437)
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)	-	426,792	54,607	481,399
Disposal of subsidiaries (note 43)	出售附屬公司 (附註43)	(768)	(104,132)	-	(104,900)
Exchange realignment	匯兌調整	(408)	(8,362)	-	(8,770)
Gross deferred tax liabilities at 31 December 2018	於二零一八年十二月三十一日之遞延稅項負債總額	-	381,776	56,901	438,677

37. 遞延稅項

本集團遞延稅項負債及資產於年內之變動如下：

遞延稅項負債

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

37. DEFERRED TAX (continued)

The movements in the Group's deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax assets

		Revaluation of investment properties	Provision for LAT	Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅 溢利之虧損	Provisions and other liabilities 撥備及 其他負債	Others 其他	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	7,958	5,850	38,056	-	-	51,864
Deferred tax credited/(charged) to profit or loss during the year	年內計入/(扣除) 損益之遞延稅項	(7,958)	1,647	(13,259)	-	-	(19,570)
Exchange realignment	匯兌調整	-	395	1,859	-	-	2,254
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	-	7,892	26,656	-	-	34,548
Deferred tax credited/(charged) to profit or loss during the year	年內計入/(扣除) 損益之遞延稅項						
- from continuing operations (note 10)	一來自持續經營業務 (附註10)	-	-	11,414	(1,395)	(49)	9,970
- from a discontinued operation	一來自已終止 經營業務	-	-	(20)	-	-	(20)
Deferred tax credited/(charged) to other comprehensive income during the year	年內計入/(扣除) 其他全面收益之 遞延稅項						
- from continuing operations	一來自持續經營業務	-	-	-	-	(338)	(338)
Acquisition of subsidiaries (note 42)	收購附屬公司 (附註42)	-	-	97,625	49,290	9,944	156,859
Disposal of subsidiaries (note 43)	出售附屬公司 (附註43)	-	(7,621)	(25,723)	-	-	(33,344)
Exchange realignment	匯兌調整	-	(271)	1,930	-	(11)	1,648
Gross deferred tax assets at 31 December 2018	於二零一八年 十二月三十一日之 遞延稅項資產總額	-	-	111,882	47,895	9,546	169,323

37. 遞延稅項 (續)

本集團遞延稅項負債及資產於年內之變動如下: (續)

遞延稅項資產



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

37. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

37. 遞延稅項 (續)

為方便列示，若干遞延稅項資產及負債已於綜合財務狀況表中抵扣。以下為本集團之遞延稅項結餘就財務報告用途所作分析：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	(269,354)	(71,398)

At 31 December 2018, the Group also had tax losses arising in Mainland China of HK\$13,141,000 (2017: HK\$96,615,000) that would expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

於二零一八年十二月三十一日，本集團在中國內地產生之稅項虧損13,141,000港元（二零一七年：96,615,000港元）可於一至五年內用作抵銷未來應課稅溢利。由於該等虧損來自長時期出現虧損之公司，而且並不認為可能有應課稅溢利以供動用稅項虧損，故此並無確認遞延稅項資產。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

37. DEFERRED 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 enterprises 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 rates range from 5% to 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, joint venture and associates established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, joint venture and associates will distribute such earnings in the foreseeable future. As at 31 December 2018, the aggregate amount of temporary differences of approximately HK\$32,731,000 (2017: HK\$178,300,000) was associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

37. 遞延稅項 (續)

根據中國企業所得稅法，在中國內地成立之外資企業向外國投資者宣派之股息須徵收10%預扣稅。該規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後之收益。倘中國內地與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%至10%。本集團因而須為在中國內地成立之附屬公司就自二零零八年一月一日起產生之收益所分派之股息承擔預扣稅。

於二零一八年十二月三十一日，並無就本集團在中國內地成立之附屬公司、合營公司及聯營公司之未匯出收益所應付之預扣稅確認遞延稅項。董事認為，該等附屬公司、合營公司及聯營公司不大會在可見將來分派該等收益。於二零一八年十二月三十一日，尚未就於中國內地之附屬公司之投資確認之遞延稅項負債之臨時差額合共約為32,731,000港元(二零一七年：178,300,000港元)。

本公司向股東派發之股息對所得稅概無影響。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

38. SHARE CAPITAL

Shares

38. 股本

股份

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised:	法定：		
10,000,000 ordinary shares of HK\$0.10 each	10,000,000,000股每股 面值0.10港元之普通股	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
9,303,374,783 (2017: 5,519,591,000) ordinary shares of HK\$0.10 each	9,303,374,783股 (二零一七年： 5,519,591,000股) 每股面值0.10港元 之普通股	930,337	551,959

A summary of movements in the Company's share capital is as follows:

本公司已發行股本變動如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年一月一日	5,519,591,000	551,959	609,080	1,161,039
Issue of shares (Note)	發行股份(附註)	3,783,783,783	378,378	1,248,649	1,627,027
At 31 December 2018	於二零一八年十二月三十一日	9,303,374,783	930,337	1,857,729	2,788,066

Note:

On 7 February 2018, 3,783,783,783 new shares of the Company have been issued as fully paid to AVIC International (HK) Group Limited ("AVIC International (HK) Group"), an intermediate holding company, as part of the consideration for the acquisition as detailed in note 42 to the financial statements. The fair value of these shares was HK\$1,627,027,000 which was measured based on the listed share price of HK\$0.43 on that date. Accordingly, the issued share capital and share premium account of the Company increased by HK\$378,378,000 and HK\$1,248,649,000, respectively.

附註：

於二零一八年二月七日，3,783,783,783股本本公司新股份已繳足發行予中間控股公司中航國際(香港)集團有限公司(「中航國際(香港)集團」)，作為財務報表附註42所詳述之收購事項之部份代價。該些股份之公平值為1,627,027,000港元，乃按當天上市股價每股0.43港元計算。因此，本公司已發行股本及股份溢價賬分別增加378,378,000港元及1,248,649,000港元。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

39. SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. Since the adoption of the Scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2018.

Major terms of the Scheme include:

1. The purpose of the Scheme is to provide incentives to the participants.
2. The participants of the Scheme are any individual being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof whether employed in Hong Kong or any part of the world.

39. 購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃（「該計劃」），目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。自採納該計劃以來，於二零一八年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

該計劃之主要條款包括：

1. 該計劃旨在向參與者提供激勵。
2. 該計劃之參與者為本公司或其任何附屬公司在香港或世界各地僱用之僱員、高級職員或顧問等個別人士，包括任何執行或非執行董事。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

39. SHARE OPTION SCHEME (continued)

Major terms of the Scheme include: (continued)

3. The total number of shares of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not in aggregate represent more than 10% of the total number of the Shares in issue as at the date of adoption of the Scheme. The Company may refresh this 10% limit at any time subject to prior approval given by its shareholders at a general meeting. The overall 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 Scheme, together with all outstanding options granted and yet to be exercised under any other share option schemes of any member of the Group, must not exceed 30% of the total number of the Shares in issue from time to time. No options may be granted under the Scheme and any other share option schemes of any member of the Group if such grant will result in the said 30% limit being exceeded. As at the date of this annual report, the total number of securities available for issue under the Scheme is 461,959,100 Shares, representing approximately 4.97% of the total number of the Shares in issue as at the date of this annual report.

39. 購股權計劃 (續)

該計劃之主要條款包括：(續)

3. 因行使根據該計劃授出之所有購股權，連同根據本集團任何成員公司的任何其他購股權計劃授出之所有購股權而可能發行之本公司股份(「股份」)總數，不得超過於該計劃採納當日已發行股份總數之10%。本公司可隨時更新該10%上限，惟須於股東大會上獲股東事先批准。因行使根據該計劃授出而尚未行使之所有尚未行使購股權，連同行使根據本集團任何成員公司的任何其他購股權計劃授出而尚未行使之所有尚未行使購股權而可能發行之股份總數，不得超過不時已發行股份總數之30%。倘根據該計劃及本集團任何成員公司的任何其他購股權計劃授出購股權將致令超出上述30%之上限，則不予授出購股權。於本年報日期，根據該計劃可供發行之證券總數為461,959,100股，相當於本年報日期已發行股份總數之約4.97%。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

39. SHARE OPTION SCHEME (continued)

Major terms of the Scheme include: (continued)

4. The total number of Shares issued and to be issued upon exercise of the options (whether exercised, cancelled or outstanding) granted or to be granted under the Scheme and any other share option schemes of the Company to each eligible participant under the Scheme in any 12-month period shall not exceed 1% of the total number of the Shares in issue as at the proposed grant date.
5. An option may be exercised in accordance with the terms of the Scheme at any time during a period of 10 years commencing on the date which the Board may determine at its discretion but such date shall not be earlier than three months after the date of the grant of such option is made.
6. An option granted shall remain open for acceptance by eligible participants for a period of 28 days from the date of the grant of such option together with a non-refundable payment of HK\$1.00.

39. 購股權計劃 (續)

該計劃之主要條款包括：(續)

4. 於任何十二個月期間因行使根據該計劃及本公司任何其他購股權計劃已向或將向該計劃項下各合資格參與者授出之購股權(不論已行使、已註銷或尚未行使)而發行及將予發行之股份總數，不得超過建議授出日期已發行股份總數之1%。
5. 購股權可根據該計劃之條款於自董事會可酌情釐定的日期(惟相關日期不得早於相關購股權授出日期後三個月)起計十年期間內隨時行使。
6. 授出的購股權於授出日期後28日期間內維持可供合資格參與者接納，並須支付不可退回款項1.00港元。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

39. SHARE OPTION SCHEME (continued)

Major terms of the Scheme include: (continued)

7. The exercise price of an option shall be the highest of:
 - (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
 - (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and
 - (c) the nominal value of the Shares.
8. The Scheme shall be valid and effective for a period of 10 years commencing on 28 May 2014 and thereafter for as long as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

Share options did not confer rights on the holders to dividends or to vote at shareholders' meetings.

At the end of the reporting period and at the date of approval of these financial statements, there were no share options outstanding (2017: Nil).

39. 購股權計劃 (續)

該計劃之主要條款包括：(續)

7. 購股權之行使價須為下列之最高者：
 - (a) 於購股權授出日期(須為營業日)聯交所每日報價表所列之收市價；
 - (b) 於緊接購股權授出(須獲接納)日期前五個營業日於聯交所每日報價表所列之股份平均收市價；及
 - (c) 股份面值。
8. 該計劃由二零一四年五月二十八日起計十年期間有效及具效力，而於上述十年期屆滿前已授出及接納之尚未行使購股權仍可行使。

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

於報告期末及本財務報表獲批准當日，並無尚未行使之購股權(二零一七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

40. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 86 to 89 of this annual report.

Pursuant to the articles of association of certain subsidiaries operating as foreign-owned enterprises in Mainland China and the relevant PRC Company Law, the subsidiaries shall make an allocation from their profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiaries. Part of the statutory surplus reserve may be capitalised as the subsidiaries' registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital of the subsidiaries. The statutory reserve will be reclassified to retained profits upon the disposal of the subsidiaries.

40. 儲備

本集團本年度及過往年度之儲備額及儲備變動載於本年報第86頁至第89頁之綜合權益變動表內。

根據若干於中國內地以外資企業方式經營之附屬公司之公司章程及相關中國公司法例，該等附屬公司須將其除稅後溢利之10%撥至法定公積金，直至有關儲備達至該等附屬公司註冊資本之50%。部份法定公積金可撥充為該等附屬公司之註冊資本，惟規定資本化後之餘下結餘不少於該等附屬公司註冊資本之25%。法定儲備於該等附屬公司被出售時將重新分類至留存溢利。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

41. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that had material non-controlling interests as at 31 December 2017 are set out below:

41. 有重大非控股權益之非全資附屬公司

於二零一七年十二月三十一日有重大非控股權益之本集團附屬公司詳情披露如下：

		2017 二零一七年
Percentage of equity interest held by non-controlling interests of 大連航華置業有限公司 ("大連航華")	大連航華置業有限公司 (「大連航華」) 非控股權益 持有的股本權益百分比	47.92%
		2017 二零一七年 HK\$'000 千港元
Loss for the year allocated to non-controlling interests of 大連航華	分配予大連航華非控股權益之 本年虧損	(46,527)
Dividend paid to non-controlling interests of 大連航華	已付大連航華非控股權益之股息	-
Accumulated balances of non-controlling interests of 大連航華 at the reporting date	於報告日期的大連航華 非控股權益累積結餘	536,193

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

41. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

大連航華

		2017 二零一七年 HK\$'000 千港元
Revenue	收益	1,520,710
Cost of sales and total expenses	銷售成本及總開支	(1,617,803)
Loss for the year	本年虧損	(97,093)
Total comprehensive income for the year	本年全面收益總額	(26,450)
Current assets	流動資產	2,205,247
Non-current assets	非流動資產	403,187
Current liabilities	流動負債	(827,341)
Non-current liabilities	非流動負債	(662,159)
Net cash flows from operating activities	經營活動產生之現金流量淨額	563,886
Net cash flows from investing activities	投資活動產生之現金流量淨額	-
Net cash flows used in financing activities	融資活動使用之現金流量淨額	(630,849)
Net decrease in cash and cash equivalents	現金及現金等值減少淨額	(66,963)

41. 有重大非控股權益之非全資附屬公司(續)

下表說明上述附屬公司的財務資料概要。所披露的金額並未扣除任何公司間的抵銷：

大連航華



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

42. BUSINESS COMBINATION

On 7 February 2018, the Group completed the acquisition of the entire issued share capital of Motto and the shareholder's loan notes (the "Acquisition") from AVIC International (HK) Group at an aggregate nominal consideration of HK\$2,400,000,000, of which HK\$1,400,000,000 was satisfied by way of allotment and issue of 3,783,783,783 shares of the Company, HK\$200,000,000 was satisfied by cash at the acquisition date and the remaining HK\$800,000,000 was to be satisfied by cash upon earlier of the following events: (i) the Company having received the proceeds from the disposal of its property development and investment business, resulting in the Company having net cash balance of more than HK\$800,000,000; and (ii) the Company having net cash balance of more than HK\$800,000,000. The payment of HK\$800,000,000 was finally made at the end of 2018. Further details of the Acquisition were included in the circular of the Company dated 29 December 2017.

42. 業務合併

於二零一八年二月七日，本集團完成從中航國際(香港)集團收購Motto之全部已發行股本及股東貸款票據(「收購事項」)，總名義代價為2,400,000,000港元，其中1,400,000,000港元以3,783,783,783股本公司股份配發及發行方式償付，200,000,000港元於收購當日以現金償付，餘下800,000,000港元則於發生以下事項時(以較早者為準)以現金償付：(i)本公司獲得出售其物業發展及投資業務之所得款項，以致本公司具有淨現金結餘超過800,000,000港元；及(ii)本公司具有淨現金結餘超過800,000,000港元。800,000,000港元最終於二零一八年末支付。收購事項的進一步詳情已載於本公司日期為二零一七年十二月二十九日之通函內。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

42. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities of Motto Group as at the date of acquisition were as follows:

42. 業務合併(續)

Motto集團於收購當日的可識別資產及負債之公平值如下：

		Fair value recognised on acquisition 收購時所確認 的公平值 HK\$'000 千港元
Property, plant and equipment (note 14)	物業、廠房和設備(附註14)	320,445
Other intangible assets (note 17)	其他無形資產(附註17)	1,842,405
Investment in a joint venture	合營公司之投資	1,062
Inventories	存貨	571,852
Trade and other receivables	應收貿易賬款及其他應收賬款	121,303
Due from fellow subsidiaries	應收同系附屬公司	30,024
Prepayments	預收款項	41,896
Cash and cash equivalents	現金及現金等值	73,920
Trade payables, other payables and accruals	應付貿易賬款、其他應付款項及 應計費用	(191,534)
Interest-bearing loans and borrowings	計息貸款及借款	(51,925)
Contract liabilities	合約負債	(35,704)
Provisions and other liabilities (note 34)	撥備及其他負債(附註34)	(120,435)
Due to an intermediate holding company	應付中間控股公司	(28,087)
Due to fellow subsidiaries	應付同系附屬公司	(14,198)
Loan from an intermediate holding company	來自中間控股公司的貸款	(1,845,561)
Tax payable	應付稅項	(3,658)
Defined benefit obligations (note 36)	定額福利責任(附註36)	(7,006)
Deferred tax liabilities (note 37)	遞延稅項負債(附註37)	(324,540)
Total identifiable net assets at fair value	按公平值計值的可識別資產淨值合計	380,259
Shareholder's loan notes acquired	收購之股東貸款票據	1,845,561
Goodwill on acquisition (note 16)	收購之商譽(附註16)	401,207
Total consideration	總代價	2,627,027
Satisfied by:	支付方式：	
Cash consideration	現金代價	1,000,000
Fair value of consideration shares	代價股份之公平值	1,627,027
		2,627,027



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

42. BUSINESS COMBINATION (continued)

The fair value of the trade and other receivables as at the date of acquisition amounted to HK\$121,303,000. The gross contractual amount of trade and other receivables was HK\$126,906,000, of which trade and other receivables of HK\$5,603,000 are expected to be uncollectible.

The Group incurred transaction costs for the Acquisition of HK\$21,742,000 and HK\$6,952,000, respectively, for the years ended 31 December 2017 and 2018. These transaction costs have been expensed and included in administrative expenses in the consolidated statement of profit or loss for the years ended 31 December 2017 and 2018, respectively.

None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the Acquisition is as follows:

42. 業務合併(續)

應收貿易賬款及其他應收賬款於收購當日之公平值為121,303,000港元。應收貿易賬款及其他應收賬款的總合約金額為126,906,000港元，其中5,603,000港元的應收貿易賬款及其他應收賬款預期不可收回。

本集團就收購事項於截至二零一七年及二零一八年十二月三十一日止年度產生的交易成本分別為21,742,000港元及6,952,000港元。該等交易成本經已被作為費用處理，並已分別於截至二零一七年及二零一八年十二月三十一日止年度於綜合損益表內列作行政管理費用。

預期已確認商譽就所得稅而言不可扣減。

就收購事項作出的現金流分析如下：

		HK\$'000 千港元
Cash consideration paid	支付之現金代價	(1,000,000)
Cash and cash equivalents acquired	所取得的現金及現金等值	73,920
Net outflow of cash and cash equivalents included in cash flows from investing activities for the year ended 31 December 2018	於截至二零一八年十二月三十一日止年度列入投資活動之現金流量之現金及現金等值流出淨額	(926,080)
Transaction costs of the Acquisition included in cash flows from operating activities for the years ended 31 December 2017 and 2018	於截至二零一七年及二零一八年十二月三十一日止年度列入經營活動之現金流量之收購事項交易成本	(28,694)
		(954,774)

Since the Acquisition, Motto Group contributed HK\$1,341,223,000 to the Group's revenue and HK\$84,773,000 to the consolidated loss for the year ended 31 December 2018.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the loss for the year from continuing operations of the Group would have been HK\$1,483,590,000 and HK\$137,223,000, respectively.

收購事項後，Motto集團為本集團於截至二零一八年十二月三十一日止年度帶來收益1,341,223,000港元及綜合虧損84,773,000港元。

倘合併於本年開始時進行，則來自本集團持續經營業務之本年收益及來自本集團持續經營業務之虧損將分別應為1,483,590,000港元及137,223,000港元。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

43. DISPOSAL OF SUBSIDIARIES

43. 出售附屬公司

		2018 二零一八年 HK\$'000 千港元
Net assets disposed of:	出售之資產淨值：	
Investment properties (note 15)	投資物業(附註15)	357,714
Properties under development and completed properties held for sale	發展中物業及持作出售之已完成物業	2,972,892
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	55,550
Prepaid taxes	預付稅項	25,157
Cash and cash equivalents	現金及現金等值	7,504
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	(127,621)
Due to an intermediate holding company	應付中間控股公司	(7,708)
Loan from the immediate holding company – shareholder's loans	來自直接控股公司的貸款 – 股東貸款	(1,312,458)
Due to the immediate holding company – accrued interests	應付直接控股公司 – 應計利息	(90,569)
Due to fellow subsidiaries	應付同系附屬公司	(1,147)
Loans from a non-controlling shareholder of a subsidiary	來自附屬公司之非控股股東的貸款	(830,219)
Trade payables	應付貿易賬款	(94,401)
Other payables and accruals	其他應付款項及應計費用	(19,613)
Contract liabilities	合約負債	(349,991)
Tax payable	應付稅項	(43,965)
Deferred tax liabilities (note 37)	遞延稅項負債(附註37)	(71,556)
Non-controlling interests	非控股權益	(482,897)
		(13,328)
Outstanding shareholder's loans and interests disposed of	所出售之未償還股東貸款及利息	1,403,027
Exchange fluctuation reserve	匯兌波動儲備	114,803
		1,504,502
Gain on disposal of subsidiaries (note 11)	出售附屬公司之利潤(附註11)	660,550
		2,165,052
Satisfied by:	支付方式：	
Cash (Note)	現金(附註)	2,165,052



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

43. DISPOSAL OF SUBSIDIARIES (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

43. 出售附屬公司(續)

有關出售附屬公司的現金及現金等值流入淨額分析如下：

		2018 二零一八年 HK\$'000 千港元
Cash consideration (Note)	現金代價(附註)	2,165,052
Cash and bank balances disposed of	所出售之現金及銀行結存	(7,504)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司的現金及 現金等值流入淨額	2,157,548

Note: The amount included cash consideration for the disposal of entire issued share capital of Ease Triumph of HK\$762,025,000, and for the outstanding shareholder's loans and interests on the shareholder's loans of HK\$1,403,027,000.

附註：此金額包括出售拓業全部已發行股本的現金代價762,025,000港元，以及未償還股東貸款及股東貸款利息的現金代價1,403,027,000港元。

The purchaser, Shengtong, is an indirect wholly-owned subsidiary of Hengda Real Estate Group Company Limited, which currently holds 80% of the issued share capital of Hangfa Investment Limited and therefore is a substantial shareholder of 大連航華, a 52.08%-owned subsidiary of Ease Triumph. The disposal constitutes a connected transaction at subsidiary level of the Company under the Listing Rules.

買方盛通為恒大地產集團有限公司的間接全資附屬公司，現時持有航發投資管理有限公司80%的已發行股本，因此其為大連航華(為拓業擁有52.08%權益的附屬公司)的主要股東。根據上市規則，出售構成本公司附屬公司層面的關連交易。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

2018

44. 綜合現金流量表附註

融資活動所產生的負債變動

二零一八年

		Interest-bearing bank borrowings	Loans from an intermediate holding company	Loans from a fellow subsidiary/	Due to non-controlling shareholders of subsidiaries	Due to intermediate holding companies	Due to fellow subsidiaries
		計息銀行貸款	來自中間控股公司的貸款	來自同系附屬公司/附屬公司之非控股股東的貸款	應付附屬公司之非控股股東	應付中間控股公司	應付同系附屬公司
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	-	503,550	923,077	138,852	16,681	5,492
Changes from financing cash flows	融資現金流量變動	69,324	(486,285)	(50,740)	(4,896)	(7,484)	(18,304)
Foreign exchange movement	外匯變動	-	(17,265)	(42,118)	(6,335)	(761)	(239)
Interest expense	利息支出	3,279	15,461	-	42,163	6,948	-
Interest paid	已付利息	(3,279)	(15,461)	-	(42,163)	(6,948)	-
Acquisition of subsidiaries	收購附屬公司	51,925	-	-	-	28,087	14,198
Disposal of subsidiaries	出售附屬公司	-	-	(830,219)	(127,621)	(7,708)	(1,147)
At 31 December 2018	於二零一八年十二月三十一日	121,249	-	-	-	28,815	-



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Changes in liabilities arising from financing activities (continued)

2017

44. 綜合現金流量表附註(續)

融資活動所產生的負債變動(續)

二零一七年

		Interest-bearing bank borrowings	Loans from an intermediate holding company 來自中間控股公司的貸款	Loans from a fellow subsidiary 來自同系附屬公司的貸款	Due to non-controlling shareholders of subsidiaries 應付附屬公司之非控股股東	Due to intermediate holding companies 應付中間控股公司	Due to fellow subsidiaries 應付同系附屬公司
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	230,134	475,419	1,234,637	88,444	-	1,643
Changes from financing cash flows	融資現金流量變動	(230,134)	-	(373,852)	45,946	-	4,726
Foreign exchange movement	外匯變動	-	28,131	62,292	4,462	-	49
Interest expense	利息支出	-	-	-	-	16,681	-
Interest paid	已付利息	-	-	-	-	-	(926)
At 31 December 2017	於二零一七年十二月三十一日	-	503,550	923,077	138,852	16,681	5,492

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

45. OPERATING LEASE ARRANGEMENTS

(a) As lessor

As at 31 December 2017, the Group leased its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 10 years. The terms of the leases generally also required the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

45. 經營租約安排

(a) 作為出租人

於二零一七年十二月三十一日，本集團根據經營租約安排出租其投資物業（財務報表附註15），議定租期為一至十年。租約條款一般亦要求租戶繳交保證金及規定根據現行市況定期調整租金。

於二零一七年十二月三十一日，根據與租戶訂立之不可撤銷經營租約，本集團持有之未來租約最低應收租金總額載列如下：

		2017 二零一七年 HK\$'000 千港元
Within one year	一年內	23,974
In the second to fifth years, inclusive	第二至第五年（包括首尾兩年）	30,953
After five years	五年後	3,817
		58,744



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

45. OPERATING LEASE ARRANGEMENTS

(continued)

(b) As lessee

The Group leases certain of its offices, factories and cars under operating lease arrangements. Leases for offices, factories and cars are negotiated for terms ranging from one to sixty-eight years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	5,402	-
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	16,066	-
After five years	五年後	47,554	-
		69,022	-

46. COMMITMENTS

In addition to the operating lease commitments detailed in note 45(b) above, the Group had the following commitments at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但尚未撥備:		
Plant and machinery	廠房及機器	158,015	-
Property development expenditure	物業開發支出	-	371,009

45. 經營租約安排 (續)

(b) 作為承租人

本集團根據經營租約安排租賃若干其辦公室、廠房及車輛。辦公室、廠房及車輛租約的議定期限介乎一年至六十八年。

於二零一八年十二月三十一日，根據不可撤銷經營租約，本集團持有之未來租約最低付款總額載列如下：

46. 承擔

除上文附註45(b)所詳述的經營租約承擔外，本集團於報告期末有以下承擔：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

47. CONTINGENT LIABILITIES

At 31 December 2017, contingent liabilities not provided for in the financial statements were as follows:

47. 或然負債

於二零一七年十二月三十一日，並未於財務報表作出撥備之或然負債如下：

	2017 二零一七年 HK\$'000 千港元
Guarantees given to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers	104,012

就本集團物業之買家獲授之房屋貸款而向銀行提供之擔保，擔保期由買家獲貸款之日起至買家獲發物業房屋證為止

The fair value of the guarantees was not significant and the directors considered that in case of default in payments by the purchasers, the net realisable value of the related properties would be sufficient to cover the repayment of the outstanding loan principals together with the accrued interest and penalties, and therefore, no provision for the guarantees was made in the financial statements for the year ended 31 December 2017.

該擔保之公平值並不重大，而且董事認為，萬一買家拖欠付款，相關物業之可變現淨值將足夠以抵銷償還尚欠之貸款本金以及應計利息和罰款，因此並未於截至二零一七年十二月三十一日止年度之財務報表就該擔保作任何撥備。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

48. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions described elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

48. 關聯方交易

- (a) 除財務報表另有所述之交易外，本集團於年內曾進行以下關聯方交易：

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Interest income on a loan to a related company	向關聯公司提供的貸款之利息收入	(i)	-	536
Interest income on loans to an associate	向聯營公司提供的貸款之利息收入	(ii)	787	586
Interest expense on loans from a non-controlling shareholder of a subsidiary	來自附屬公司之非控股股東的貸款之利息支出	(iii)	(42,163)	-
Interest expenses on loans from an intermediate holding company	來自中間控股公司的貸款之利息支出	(iv)	(22,409)	(38,598)
Fellow subsidiaries:	同系附屬公司：			
Sales	銷售	(v)	160,836	-
Purchases	採購	(v)	(147)	-
Interest expense on loans from a fellow subsidiary	來自同系附屬公司的貸款之利息支出	(vi)	-	(101,293)
Management fee	管理費	(vii)	-	(5,443)
Agency fee	代理費	(vii)	-	(115)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

48. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

Notes:

- (i) In the prior year, the interest income was charged on the loan to a related company at an interest rate of 6.15% per annum.
- (ii) Details of the loans to an associate are set out in note 19 to the financial statements.
- (iii) The interest expense is charged on the loans from a non-controlling shareholder of a subsidiary at an interest rate of 6% (2017: Nil) per annum.
- (iv) Details of the loans from an intermediate holding company are set out in note 30 to the financial statements.
- (v) The sales to and purchases from fellow subsidiaries are determined between the Group and the fellow subsidiaries.
- (vi) Details of the loans from a fellow subsidiary as at 31 December 2017 are set out in note 31 to the financial statements.
- (vii) In the prior year, the management fee and agency fee paid to fellow subsidiaries were determined between the Group and the fellow subsidiaries.

48. 關聯方交易 (續)

(a) (續)

附註:

- (i) 去年,按年利率6.15厘就向關聯公司提供的貸款計算利息收入。
- (ii) 向聯營公司提供的貸款之詳情載於財務報表附註19。
- (iii) 按年利率6厘(二零一七年:無)就來自附屬公司之非控股股東的貸款計算利息支出。
- (iv) 來自中間控股公司的貸款之詳情載於財務報表附註30。
- (v) 向同系附屬公司的銷售及來自同系附屬公司的採購乃由本集團與同系附屬公司釐定。
- (vi) 於二零一七年十二月三十一日,來自同系附屬公司的貸款詳情載於財務報表附註31。
- (vii) 去年,給同系附屬公司的管理費及代理費乃由本集團與同系附屬公司釐定。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

48. RELATED PARTY TRANSACTIONS

(continued)

- (b) Other transactions with related parties:
- (i) During the year, the Group disposed of its entire 40% equity interests in an associate, 北京伊格萊特 to CATIC for a cash consideration of RMB3,839,000 (equivalent to HK\$4,388,000). Further details are included in note 19 to the financial statements.
- (ii) During the year, the Group completed the Acquisition from AVIC International (HK) Group, an intermediate holding company, at an aggregate nominal consideration of HK\$2,400,000,000. Further details are included in note 42 to the financial statements.
- (c) Outstanding balances with related parties:
- (i) Details of the Group's balances with an associate are disclosed in note 19 to the financial statements.
- (ii) Details of the Group's balances with non-controlling shareholders of subsidiaries are disclosed in note 29 to the financial statements.

48. 關聯方交易 (續)

- (b) 與關聯方的其他交易：
- (i) 年內，本集團向中航技出售其於聯營公司北京伊格萊特的40%股權，現金代價3,839,000元人民幣（相當於4,388,000港元）。進一步詳情載於財務報表附註19。
- (ii) 年內，本集團自中間控股公司中航國際(香港)集團完成收購事項，名義總代價為2,400,000,000港元。進一步詳情載於財務報表附註42。
- (c) 與關聯方之未清償結餘：
- (i) 本集團於聯營公司的結餘之詳情於財務報表附註19披露。
- (ii) 本集團與附屬公司之非控股股東之結餘之詳情於財務報表附註29披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

48. RELATED PARTY TRANSACTIONS

(continued)

(c) Outstanding balances with related parties:
(continued)

(iii) Details of the Group's balances with intermediate holding companies are disclosed in note 30 to the financial statements.

(iv) Details of the Group's balances with fellow subsidiaries are disclosed in note 31 to the financial statements.

(d) Compensation of key management personnel of the Group:

48. 關聯方交易 (續)

(c) 與關聯方之未清償結餘：(續)

(iii) 本集團與中間控股公司之結餘之詳情於財務報表附註30披露。

(iv) 本集團與同系附屬公司之結餘之詳情於財務報表附註31披露。

(d) 本集團關鍵管理人員之報酬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,067	2,470
Post-employment benefits	僱用後福利	24	36
Total compensation paid to key management personnel	支付關鍵管理人員之報酬總額	2,091	2,506

Further details of directors' emoluments are included in note 8 to the financial statements.

有關董事酬金之進一步詳情載於財務報表附註8。

Certain of the related party transactions in respect of items (a)(v), (a)(vii) and (b) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

有關以上(a)(v)、(a)(vii)及(b)項之若干關聯方交易亦構成上市規則第14A章所定義之關連交易或持續關連交易。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

49. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

49. 金融工具分類

於報告期末，各類別之金融工具賬面值如下：

二零一八年

財務資產

		Financial assets at amortised cost 按攤銷成本列賬的財務資產 HK\$'000 千港元	Financial assets at fair value through other comprehensive income – equity investments 按公平值計入其他全面收益之財務資產 – 股本投資 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	-	54,031	54,031
Trade receivables	應收貿易賬款	102,711	-	102,711
Due from fellow subsidiaries	應收同系附屬公司	29,566	-	29,566
Due from an associate	應收聯營公司	575	-	575
Loans to an associate	向聯營公司提供的貸款	9,143	-	9,143
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產	36,560	-	36,560
Cash and cash equivalents	現金及現金等值	1,191,575	-	1,191,575
		1,370,130	54,031	1,424,161

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

49. FINANCIAL INSTRUMENTS BY CATEGORY
(continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: *(continued)*

2018 *(continued)*

Financial liabilities

49. 金融工具分類 (續)

於報告期末，各類別之金融工具賬面值如下：(續)

二零一八年 (續)

財務負債

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元
Due to intermediate holding companies	應付中間控股公司	28,815
Trade payables	應付貿易賬款	90,152
Other payables and accruals	其他應付款項及應計費用	106,822
Interest-bearing bank borrowings	計息銀行貸款	121,249
		347,038



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

49. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2017

Financial assets

49. 金融工具分類 (續)

於報告期末，各類別之金融工具賬面值如下：(續)

二零一七年

財務資產

		Financial assets at fair value through profit or loss – held for trading 按公平值 計入損益之 財務資產 — 持作買賣 HK\$'000 千港元	Loans and receivables 貸款及 應收賬款 HK\$'000 千港元	Available- for-sale financial assets 可供出售的 財務資產 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Available-for-sale investments	可供出售的投資	–	–	192,728	192,728
Derivative financial instruments	衍生金融工具	1	–	–	1
Trade receivables	應收貿易賬款	–	76,977	–	76,977
Due from fellow subsidiaries	應收同系附屬公司	–	1,664	–	1,664
Due from an associate	應收聯營公司	–	10,441	–	10,441
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收賬款的 財務資產	–	820	–	820
Financial assets at fair value through profit or loss	按公平值計入損益之財務 資產	80,761	–	–	80,761
Cash and cash equivalents	現金及現金等值	–	627,140	–	627,140
		80,762	717,042	192,728	990,532

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

49. FINANCIAL INSTRUMENTS BY CATEGORY
 (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2017 (continued)

Financial liabilities

49. 金融工具分類 (續)

於報告期末，各類別之金融工具賬面值如下：(續)

二零一七年 (續)

財務負債

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	138,852
Due to an intermediate holding company	應付中間控股公司	16,681
Due to fellow subsidiaries	應付同系附屬公司	5,492
Loans from a fellow subsidiary	來自同系附屬公司的貸款	923,077
Trade payables	應付貿易賬款	122,511
Other payables and accruals	其他應付款項及應計費用	34,198
Loans from an intermediate holding company	來自中間控股公司的貸款	503,550
		1,744,361



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

50. 金融工具之公平值及公平值等級制度

本集團金融工具之賬面值及公平值(其賬面值與公平值合理相若者除外)載列如下:

		Carrying amounts		Fair values	
		賬面值		公平值	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets	財務資產				
Equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資	54,031	-	54,031	-
Available-for-sale investments	可供出售的投資	-	192,728	-	192,728
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	-	80,761	-	80,761
Derivative financial instruments	衍生金融工具	-	1	-	1
		54,031	273,490	54,031	273,490
Financial liabilities	財務負債				
Loans from an intermediate holding company	來自中間控股公司的貸款	-	503,550	-	502,961
Loans from a fellow subsidiary (non-current portion)	來自同系附屬公司的貸款(非流動部份)	-	556,213	-	555,274
Interest-bearing bank borrowings (non-current portion)	計息銀行貸款(非流動部份)	1,031	-	1,031	-
		1,031	1,059,763	1,031	1,058,235

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of trade receivables, balances with fellow subsidiaries (current portion), an intermediate holding company (current portion), non-controlling shareholders of subsidiaries and associates, financial assets included in prepayments, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals and interest-bearing bank borrowings (current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer and then reported to the chief executive officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

50. 金融工具之公平值及公平值等級制度(續)

管理層評估後認為，應收貿易賬款、與同系附屬公司(流動部份)、中間控股公司(流動部份)、附屬公司之非控股股東及聯營公司之結餘、計入預付款項、按金及其他應收賬款的財務資產、現金及現金等值、應付貿易賬款、其他應付款項及應計費用、以及計息銀行貸款(流動部份)之公平值與其各自之賬面值相若，主要是由於該等工具於短期內到期。

由財務總監領導之本集團之財務部門負責釐定金融工具公平值計量之政策及程序。於每個報告日期，財務部門分析金融工具的價值變動並釐定估值中適用的主要參數。估值由財務總監審核及批准，繼而報告予行政總裁。估值過程及結果每年兩次於中期及年度財務申報時與審核委員會進行討論。

財務資產及負債之公平值計入自願(而非強迫或清盤出售)交易雙方於當前交易中可互換工具之金額內。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The following methods and assumptions were used to estimate the fair values:

The fair values of loans from an intermediate holding company, loans from a fellow subsidiary (non-current portion) and interest-bearing bank borrowings (non-current portion) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for loans from an intermediate holding company and loans from a fellow subsidiary as at 31 December 2018 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices, except for PMH's shares, which have been estimated based on PMH's available published financial information. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invested in an unlisted equity investment as at 31 December 2018 (2017: Nil). The Group has estimated the fair value of this unlisted equity investment with reference to the issued prices of recent transactions.

50. 金融工具之公平值及公平值等級制度(續)

於估計公平值時，會使用下列方式及假設：

來自中間控股公司的貸款、來自同系附屬公司的貸款(非流動部份)及計息銀行貸款(非流動部份)的公平值乃按具有類似條款、信貸風險及剩餘年期之工具現行之利率折現預期未來現金流量計算。於二零一八年十二月三十一日，本集團本身來自中間控股公司的貸款及來自同系附屬公司的貸款的不履約風險被評估為不重大。

上市股本投資之公平值乃以所報市價作為基礎，惟天下圖控股之股份除外，其乃根據天下圖控股可用之已刊發財務資料。董事認為，綜合財務狀況表記錄之按估值技術所估量之公平值以及其他全面收益內記錄之公平值相關變動乃屬合理，於報告期末，其價值最為恰當。

於二零一八年十二月三十一日，本集團投資於非上市股本投資(二零一七年：無)。本集團參考近期交易的發行價估計該非上市股本投資的公平值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2018 and 2017:

50. 金融工具之公平值及公平值等級制度(續)

以下為於二零一八年及二零一七年十二月三十一日金融工具估值之重大不可觀察輸入數據連同定量敏感度之分析概要:

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 公平值對輸入數據之敏感度
31 December 2018 二零一八年十二月三十一日				
Unlisted equity investment	Market approach	Issued prices of recent transactions	HK\$40	1% increase/(decrease) in issued prices of recent transactions would result in increase/(decrease) in fair value by HK\$4,000
非上市股本投資	市場法	近期交易的發行價	40港元	近期交易的發行價增加/(減少)1%將導致公平值增加/(減少)4,000港元
31 December 2017 二零一七年十二月三十一日				
Unlisted available-for-sale debt investments	Discounted cash flow	Default risks	23% to 65%	1% increase/(decrease) in default rate would result in decrease/(increase) in fair value by HK\$518,000
非上市可供出售的債務投資	貼現現金流量	違約風險	23%至65%	違約風險增加/(減少)1%將導致公平值減少/(增加)518,000港元



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

50. 金融工具之公平值及公平值等級制度(續)

公平值等級制度

下表列示本集團金融工具之公平值計量等級：

以公平值計量之資產：

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2018	於二零一八年 十二月三十一日				
Equity investments designated at fair value through other comprehensive income	按公平值計入 其他全面收益之 股本投資	53,642	-	389	54,031
As at 31 December 2017	於二零一七年 十二月三十一日				
Available-for-sale investments:	可供出售的投資：				
Equity investments	股本投資	110,380	-	-	110,380
Debt investments	債務投資	-	-	82,348	82,348
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產	80,761	-	-	80,761
Derivative financial instruments	衍生金融工具	-	1	-	1
		191,141	1	82,348	273,490

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2017: Except for the fair value measurement of available-for-sale debt investments that was transferred from Level 2 to Level 3 as a result of significant unobservable input adopted in the valuation model, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets).

The movements in fair value measurements within Level 3 during the year are as follows:

50. 金融工具之公平值及公平值等級制度 (續)

公平值等級制度 (續)

年內，並無財務資產的公平值計量在第一級及第二級之間轉移，亦無轉入或轉出第三級(二零一七年：除因估值模式採用重大不可觀察輸入數據而導致可供出售的債務投資的公平值計量由第二級轉入第三級外，並無財務資產的公平值計量在第一級及第二級之間轉移，亦無轉入或轉出第三級)。

年內，第三級公平值計量的變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income/available-for-sale investments – unlisted:	按公平值計入其他全面收益之股本投資／可供出售的投資 – 非上市：		
At 1 January	於一月一日	82,348	–
Transfer from Level 2	從第二級轉入	–	129,164
Addition	增加	389	–
Redemption	贖回	(51,775)	–
Total losses recognised in profit or loss	已於損益確認的虧損總額	(30,573)	–
Total losses recognised in other comprehensive income	已於其他全面收益確認的虧損總額	–	(46,816)
At 31 December	於十二月三十一日	389	82,348

The Group did not have any financial liabilities measured at fair values as at 31 December 2018 and 2017.

於二零一八年及二零一七年十二月三十一日，本集團並無任何按公平值計量的財務負債。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

50. 金融工具之公平值及公平值等級制度(續)

公平值等級制度(續)

有披露公平值之負債：

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2018	於二零一八年 十二月三十一日				
Interest-bearing bank borrowings (non-current portion)	計息銀行貸款 (非流動部份)	-	1,031	-	1,031
As at 31 December 2017	於二零一七年 十二月三十一日				
Loans from an intermediate holding company	來自中間接控股公司的 貸款	-	502,961	-	502,961
Loans from a fellow subsidiary (non-current portion)	來自同系附屬公司的 貸款 (非流動部份)	-	555,274	-	555,274
		-	1,058,235	-	1,058,235

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

As most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's exposure to foreign currency risk is minimal.

Interest rate risk

The Group's exposure to interest rate risk relates principally to the Group's interest-bearing loans and borrowings from financial institutions as disclosed in note 35 to the financial statements. The Group mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly.

51. 財務風險管理目標及政策

本集團的主要金融工具包括銀行貸款及現金及短期存款。此等金融工具的主要用途是為本集團的營運提供財源。本集團亦有各樣的其他財務資產及負債，例如應收貿易賬款及應付貿易賬款，乃直接由營運而產生。

本集團的金融工具所產生的主要風險是外匯風險、利率風險、信貸風險、流動性風險及股價風險。董事會已審議並批准管理此等風險的政策，概述如下。

外匯風險

由於本集團的大部份業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的外匯風險極微。

利率風險

本集團主要承受本集團於財務報表附註35所披露來自金融機構的計息貸款及借款相關之利率風險。本集團通過密切監察利率變動及定期審閱其銀行信貸融資來緩解風險。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings at the end of the reporting period. The analysis is prepared assuming that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

51. 財務風險管理目標及政策(續)

利率風險(續)

以下敏感度分析乃按照於報告期末浮息銀行貸款的利率風險而釐定。編製有關分析時乃假設於報告期末未償還的負債金額於整個年度並未償還。內部向關鍵管理人員匯報利率風險會採納增加或減少100基點為基準，此亦代表管理層所評估之利率的合理可能變動。

		Increase/ (decrease) in basis points	Decrease/ (increase) in loss before tax from continuing operations 來自持續 經營業務之 除稅前虧損 減少/(增加)	Increase/ (decrease) in equity*
		基點增加 /(減少)	HK\$'000 千港元	權益增加 /(減少)* HK\$'000 千港元
As at 31 December 2018	於二零一八年 十二月三十一日			
LIBOR	倫敦銀行同業拆息	100	(1,212)	-
LIBOR	倫敦銀行同業拆息	(100)	1,212	-

* Excluding retained profits

The sensitivity analysis on bank deposits is not presented as the directors of the Company consider that the Group's exposure to interest rate fluctuations on bank deposits is insignificant.

* 不包括留存溢利

有關銀行存款的敏感度分析並未呈報，因本公司董事認為本集團承受的銀行存款的利率波動甚微。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018.

51. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與經認可的及信譽良好的第三方進行交易。本集團的政策是所有有意進行信貸交易的客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項的結餘，因此壞賬的風險並不重大。

於二零一八年十二月三十一日的最高風險及年末的階段

下表列示於二零一八年十二月三十一日，以本集團信貸政策為依據的信貸質素及承受的最高信貸風險，主要基於逾期資料，惟毋須繁雜成本或精力即可獲得的其他資料除外，以及年末的階段分類。

		12-month ECLs		Lifetime ECLs		
		十二個月 預期信貸 虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一階段	第二階段	第三階段	簡化法	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade receivables*	應收貿易賬款*	-	-	-	102,711	102,711
Due from fellow subsidiaries**	應收同系附屬公司**	29,566	-	-	-	29,566
Due from an associate**	應收聯營公司**	575	-	-	-	575
Loans to an associate**	向聯營公司提供的貸款**	9,143	-	-	-	9,143
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產					
- Normal**	- 正常**	36,560	-	-	-	36,560
- Doubtful**	- 可疑**	-	-	46,861	-	46,861
Cash and cash equivalents	現金及現金等值					
- Not yet past due	- 尚未逾期	1,191,575	-	-	-	1,191,575
		1,267,419	-	46,861	102,711	1,416,991



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging as at 31 December 2018 (continued)

- * For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the financial statements.
- ** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale investments, derivative financial instruments, deposits and other receivables, and loans to associates, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 24 to the financial statements.

51. 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零一八年十二月三十一日的最高風險及年末的階段 (續)

- * 就本集團使用簡化法計算減值的應收貿易賬款而言，以撥備矩陣為依據的資料於財務報表附註24披露。
- ** 計入預付款項、其他應收賬款及其他資產之財務資產的信貸質素於彼等既未逾期且無資料表明財務資產的信貸風險明顯增加時被視為「正常」。否則，財務資產的信貸質素被視為「可疑」。

於二零一七年十二月三十一日的最高風險

本集團其他財務資產(包括現金及現金等值、可供出售的投資、衍生金融工具、按金及其他應收賬款、以及向聯營公司提供的貸款)的信貸風險，乃由交易對方違約而產生，有關風險以該等工具的賬面值為限。

由於本集團僅與經認可的及信譽良好的第三方進行交易，因此並無收取抵押品的需要。集中信貸風險透過客戶／交易對方管理，按地區及行業分類。由於本集團應收貿易賬款的客戶基礎分佈於不同產業及行業，故集團無內部集中信貸風險。

有關本集團面臨來自應收貿易賬款的信貸風險的更多量化數據乃於財務報表附註24披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from a fellow subsidiary and an intermediate holding company. The Group's policy is to minimise borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

51. 財務風險管理目標及政策 (續)

流動性風險

本集團利用經常性流動規劃工具監控資金短缺風險。該工具衡量金融工具及財務資產(如應收貿易賬款)的到期日期及規劃營運產生的現金流量。

本集團的目標乃是透過利用銀行貸款及來自同系附屬公司及中間控股公司的貸款,以保持融資的持續性和靈活性的平衡。本集團的政策是將借貸減至最低。

於報告期末,本集團基於已訂約但未貼現付款之財務負債到期情況如下:

		2018 二零一八年				
		On demand	Less than 3 months	3 to less than 12 months	1-5 years	Total
		於要求時	少於三個月	三個月 及少於 十二個月	一至五年	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Due to intermediate holding companies	應付中間控股公司	28,815	-	-	-	28,815
Trade payables	應付貿易賬款	-	90,152	-	-	90,152
Other payables and accruals	其他應付款項及應計費用	-	77,302	-	29,520	106,822
Interest-bearing bank borrowings	計息銀行貸款	-	2,079	121,358	1,036	124,473
		28,815	169,533	121,358	30,556	350,262



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:
 (continued)

		2017 二零一七年				
		On demand	Less than 3 months	3 to less than 12 months	1-5 years	Total
		於要求時	少於三個月	十二個月	一至五年	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	138,852	-	-	-	138,852
Due to an intermediate holding company	應付中間控股公司	16,681	-	-	-	16,681
Due to fellow subsidiaries	應付同系附屬公司	1,002	4,490	-	-	5,492
Loans from a fellow subsidiary	來自同系附屬公司的貸款	-	-	409,775	664,495	1,074,270
Trade payables	應付貿易賬款	-	122,511	-	-	122,511
Other payables and accruals	其他應付款項及應計費用	-	34,198	-	-	34,198
Loans from an intermediate holding company	來自中間控股公司的貸款	-	7,553	22,660	558,186	588,399
Guarantee given to banks (note 47)	向銀行提供之擔保(附註47)	104,012	-	-	-	104,012
		260,547	168,752	432,435	1,222,681	2,084,415

51. 財務風險管理目標及政策(續)

流動性風險(續)

於報告期末，本集團基於已訂約但未貼現付款之財務負債到期情況如下：
 (續)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk

Equity price risk is the risk that the fair values of financial instruments decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 26) and equity investments designated at fair value through other comprehensive income (note 20) and available-for-sale investments (note 20). The Group's listed equity investments are listed on the Stock Exchange and are valued at the quoted market price at the end of the reporting period.

The market equity index for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year was as follows:

51. 財務風險管理目標及政策 (續)

股價風險

股價風險即因股票指數水平及個別證券價值變動而使金融工具公平值降低的風險。本集團承受包括在按公平值計入損益之財務資產(附註26)及按公平值計入其他全面收益之股本投資(附註20)及可供出售的投資(附註20)之個別股本投資所產生之股價風險。本集團上市股本投資乃於聯交所上市，並按報告期末所報市價估值。

年內最接近報告期末交易日收市時下列證券交易所市場股價指數及其於年內之最高及最低點數如下：

		31 December 2018 二零一八年 十二月三十一日	High/low 2018 高/低 二零一八年	31 December 2017 二零一七年 十二月三十一日	High/low 2017 高/低 二零一七年
Hong Kong – Hang Seng Index	香港 – 恒生指數	25,846	25,916/25,683	29,919	30,200/21,884



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

The following table demonstrates the sensitivity to every 1% change in the fair values of equity investments and the conversion option of the convertible bonds, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, regarding the equity investments designated at fair value through other comprehensive income/available-for-sale investments, the impact is deemed to be on the fair value reserve and the available-for-sale investment revaluation reserve.

51. 財務風險管理目標及政策(續)

股價風險(續)

下表呈列，在所有其他可變因素維持不變且不計稅項影響的條件下，基於報告期末股本投資及可換股債券之換股權之賬面值，其公平值每改變1%的敏感度。就本分析的目的而言，對於按公平值計入其他全面收益之股本投資／可供出售的投資，影響被視為對公平值儲備及可供出售投資重估儲備的影響。

		Carrying amount of equity investments/ conversion option	Decrease/ (increase) in loss before tax from continuing operations 來自持續 經營業務之 除稅前虧損 減少／(增加)	Increase/ (decrease) in equity*
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	二零一八年			
Investment listed in Hong Kong	於香港上市之投資			
– Equity investments designated at fair value through other comprehensive income	– 按公平值計入 其他全面收益之 股本投資	53,642	–	536/(536)
Unlisted investments at fair value	按公平值列賬的 非上市投資			
– Equity investments designated at fair value through other comprehensive income	– 按公平值計入 其他全面收益之 股本投資	389	–	4/(4)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

		Carrying amount of equity investments/ conversion option	Decrease/ (increase) in loss before tax from continuing operations	Increase/ (decrease) in equity*
		股本投資/ 換股權之賬面值	來自持續經營業務之除稅前虧損減少/(增加)	權益增加/(減少)*
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2017	二零一七年			
Investment listed in Hong Kong	於香港上市之投資			
– Available-for-sale investment	– 可供出售的投資	110,380	–	1,104/(1,104)
– Financial assets at fair value through profit or loss	– 按公平值計入損益之財務資產	80,761	808/(808)	–
Conversion option of PMH's convertible bonds	天下圖控股之可換股債券之換股權	–	–	–
Conversion option of AVIC Joy's convertible bond	幸福控股之可換股債券之換股權	1	–	–

* Excluding retained profits

* 不包括留存溢利

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

資本管理

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，爭取最大的股東價值。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using a gearing ratio, which is the interest-bearing debts divided by equity attributable to owners of the parent plus the interest-bearing debts. Interest-bearing debts include loans from an intermediate holding company, loans from a fellow subsidiary and interest-bearing bank borrowings.

51. 財務風險管理目標及政策 (續)

資本管理 (續)

本集團根據經濟情況的變動及相關資產的風險特徵，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息、向股東退回資本或發行新股。本集團不會受制於任何外部施加之資本需求。截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度內，資本管理之目標、政策或程序並無改變。

本集團以資本負債率（計息債務除以母公司所有者應佔權益加計息債務）監控資本的情況。計息債務包括來自中間控股公司的貸款、來自同系附屬公司的貸款及計息銀行貸款。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The gearing ratios as at the end of the reporting periods were as follows:

51. 財務風險管理目標及政策 (續)

資本管理 (續)

報告期末之資本負債率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loans from an intermediate holding company	來自中間控股公司的貸款	-	503,550
Loans from a fellow subsidiary	來自同系附屬公司的貸款	-	923,077
Interest-bearing bank borrowings	計息銀行貸款	121,249	-
Interest-bearing debts	計息債務	121,249	1,426,627
Equity attributable to owners of the parent	母公司所有者應佔權益	3,619,168	1,732,505
Equity attributable to owners of the parent plus the interest-bearing debts	母公司所有者應佔權益加計息債務	3,740,417	3,159,132
Gearing ratio	資本負債率	3%	45%

52. COMPARATIVE AMOUNTS

The comparative consolidated statement of profit or loss has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (note 11).

52. 比較數字

比較綜合損益表已重列，猶如於本年內已終止經營業務已於比較期間開始時終止經營(附註11)。



NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

53. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

53. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房和設備	21,673	22,424
Investments in subsidiaries	附屬公司之投資	2,297,320	863,978
Total non-current assets	非流動資產總值	2,318,993	886,402
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	2,976	370
Cash and cash equivalents	現金及現金等值	943,397	319,818
Total current assets	流動資產總值	946,373	320,188
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,415	6,227
Tax payable	應付稅項	98,060	-
Total current liabilities	流動負債總值	101,475	6,227
NET CURRENT ASSETS	流動資產淨值	844,898	313,961
Net assets	資產淨值	3,163,891	1,200,363
EQUITY	權益		
Issued capital	已發行股本	930,337	551,959
Reserves (Note)	儲備(附註)	2,233,554	648,404
Total equity	權益總值	3,163,891	1,200,363

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2018 二零一八年十二月三十一日

53. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	609,080	5,243	928,851	1,543,174
Total comprehensive income for the year	本年全面收益總額	-	-	(894,770)	(894,770)
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	609,080	5,243	34,081	648,404
Total comprehensive income for the year	本年全面收益總額	-	-	336,501	336,501
Issue of shares	發行股份	1,248,649	-	-	1,248,649
At 31 December 2018	於二零一八年十二月三十一日	1,857,729	5,243	370,582	2,233,554

The contributed surplus of the Company represents the excess of the consolidated net asset value of Far East Aluminium (B.V.I.) Limited on 20 November 1991, when its entire issued share capital was acquired by the Company pursuant to a group reorganisation, over the nominal amount of the Company's shares issued in consideration for such acquisition, net of accumulated losses of the Company set off in the prior years. Under the Companies Act of 1981 of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

The Company's share premium account of HK\$1,857,729,000 (2017: HK\$609,080,000) as at 31 December 2018 may be distributed in the form of fully paid bonus shares.

54. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15 March 2019.

53. 本公司財務狀況表(續)

附註:

本公司儲備概述如下:

本公司之繳入盈餘為本公司根據集團重組安排於一九九一年十一月二十日購入Far East Aluminium (B.V.I.) Limited全部已發行股本時，Far East Aluminium (B.V.I.) Limited之綜合資產淨值超過本公司作為收購代價而發行之股份面值之金額，並已扣除於過往年度抵銷之本公司累積虧損。根據百慕達公司法一九八一，本公司之繳入盈餘在若干情況下可供分派予各股東。

本公司於二零一八年十二月三十一日之股份溢價賬1,857,729,000港元(二零一七年: 609,080,000港元)可以繳足紅股方式分派。

54. 財務報表之批准

財務報表已於二零一九年三月十五日經董事會批准及授權刊發。



FIVE YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. This summary is not part of the audited financial statements.

本集團過去五個財政年度的業績及資產、負債和非控股權益概述如下，乃摘錄自己刊發經審核財務報表，並已作適當重列／重新分類。此等概要並非經審核財務報表的部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)	2016 二零一六年 HK\$'000 千港元 (Restated) (重列)	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)	2014 二零一四年 HK\$'000 千港元 (Restated) (重列)
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	1,341,223	-	-	7,644	17,443
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	(159,025)	(69,434)	(688,853)	91,710	(119,197)
Income tax credit/(expense)	所得稅抵免／(開支)	31,893	724	(382)	(29,259)	(569)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之 本年溢利／(虧損)	(127,132)	(68,710)	(689,235)	62,451	(119,766)
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	來自已終止經營業務之 本年溢利／(虧損)	507,569	(267,833)	(19,696)	21,009	125,713
PROFIT/(LOSS) FOR THE YEAR	本年溢利／(虧損)	380,437	(336,543)	(708,931)	83,460	5,947
Attributable to:	下列人士應佔：					
Owners of the parent	母公司所有者	398,968	(288,481)	(685,842)	41,820	27,266
Non-controlling interests	非控股權益	(18,531)	(48,062)	(23,089)	41,640	(21,319)
		380,437	(336,543)	(708,931)	83,460	5,947
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及 非控股權益					
Total assets	資產總值	4,514,263	4,384,075	5,703,073	6,417,546	8,680,613
Total liabilities	負債總值	(895,095)	(2,112,143)	(3,176,320)	(3,085,888)	(5,318,852)
Non-controlling interests	非控股權益	-	(539,427)	(553,481)	(594,124)	(578,390)
		3,619,168	1,732,505	1,973,272	2,737,534	2,783,371

CORPORATE INFORMATION

公司資料

DIRECTORS

Liu Hongde (*Chairman*)
Lai Weixuan (*Chief Executive Officer*)
Fu Fangxing
Yu Xiaodong
Zhang Zhibiao
Chow Wai Kam *
Chu Yu Lin, David**
Li Ka Fai, David**
Zhang Ping**

* *Non-executive Director*

** *Independent Non-executive Directors*

AUDIT COMMITTEE

Chu Yu Lin, David (*Chairman*)
Li Ka Fai, David
Zhang Ping

REMUNERATION COMMITTEE

Chu Yu Lin, David (*Chairman*)
Liu Hongde
Li Ka Fai, David

NOMINATION COMMITTEE

Zhang Ping (*Chairman*)
Lai Weixuan
Chu Yu Lin, David

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Ernst & Young

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda

董事

劉洪德 (*主席*)
賴偉宣 (*行政總裁*)
傅方興
于曉東
張志標
周偉淦*
朱幼麟**
李家暉**
張平**

* *非執行董事*

** *獨立非執行董事*

審核委員會

朱幼麟 (*主席*)
李家暉
張平

薪酬委員會

朱幼麟 (*主席*)
劉洪德
李家暉

提名委員會

張平 (*主席*)
賴偉宣
朱幼麟

主要銀行

香港上海匯豐銀行有限公司

核數師

安永會計師事務所

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda



CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 15th Floor, United Centre
95 Queensway, Hong Kong

SHARE REGISTRARS

Principal registrars

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69 Pitts Bay Road
Pembroke HM 08
Bermuda

Hong Kong registrars

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232

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232



AVIC International Holding (HK) Limited
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