

# LESSO 联塑

CHINA LESSO GROUP HOLDINGS LIMITED  
中國聯塑集團控股有限公司

Incorporated in the Cayman Islands with limited liability  
於開曼群島註冊成立的有限公司

Stock Code 股份代號 : 2128

Improve Urban Quality of Life  
為城市提高品質生活

2017 Annual 年  
Report 報



# CORPORATE PROFILE

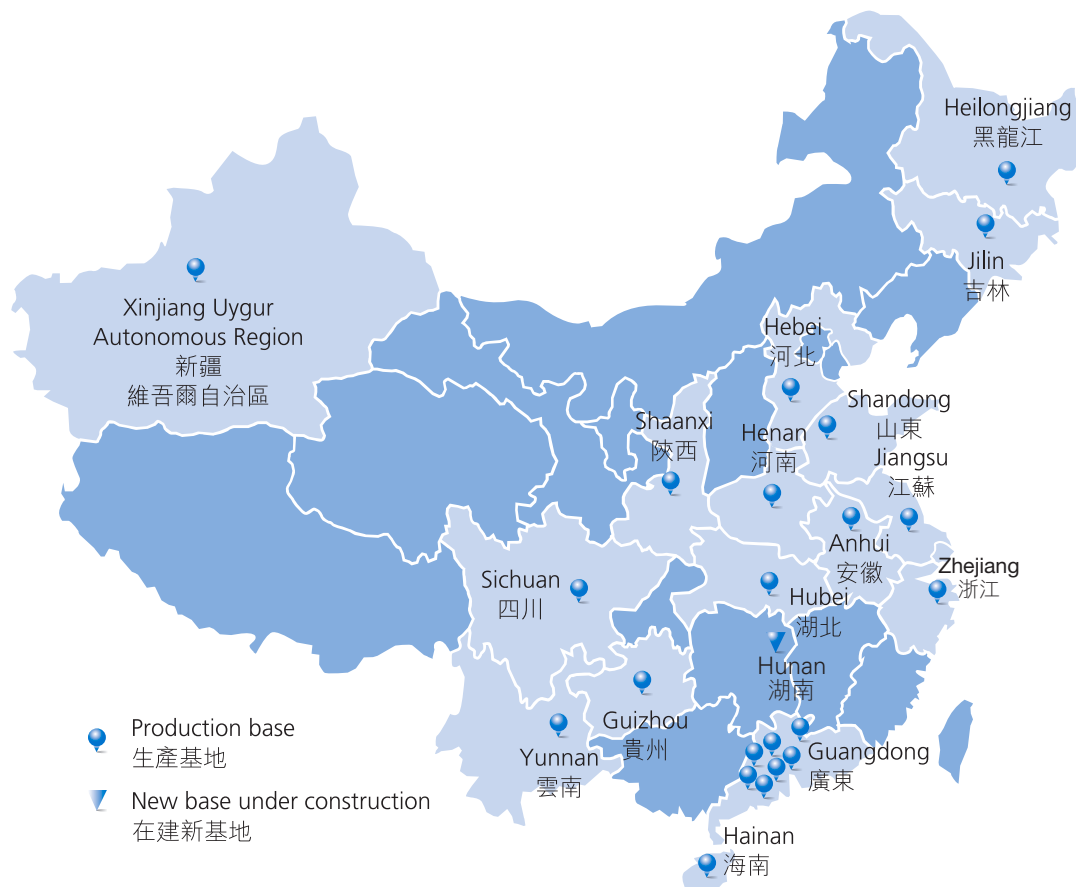
## 企業簡介

China Lesso Group Holdings Limited is a leading large-scale industrial group that manufactures building materials and interior decoration products in mainland China. It is listed on the main board of The Stock Exchange of Hong Kong Limited (stock name: China Lesso, stock code: 2128). China Lesso is one of the constituent stocks of the Hang Seng Composite Index – MidCap and has been covered by Hong Kong Stock Exchange's Stock Connect. The Group provides over 10,000 types of quality products, including plastic piping system, sanitary ware products, integrated kitchens, systems of doors and windows, decorative plates, fire-fighting equipment, and sanitary materials, etc. They are widely applied to such fields as interior decoration, water supply, drainage, power supply and telecommunications, gas transmission, agriculture, aquaculture, floor heating and fire services. The Group is positioned as one of the manufacturers who offer the most comprehensive range of building materials and interior decoration products in China.

The Group has 22 advanced production bases in 16 provinces, namely Guangdong, Guizhou, Sichuan, Hubei, Jiangsu, Anhui, Zhejiang, Henan, Hebei, Jilin, Shaanxi, Xinjiang, Hainan, Yunnan, Shandong and Hunan. The Group has established a nationwide sales network and has also developed long-term strategic partnerships with 2,155 independent and exclusive first-tier distributors to provide quality and comprehensive products as well as professional services for customers.

中國聯塑集團控股有限公司是中國內地領先的大型建材家居產業集團，於香港聯合交易所有限公司主板上市（股票簡稱：中國聯塑，股份代號：2128）。中國聯塑是恒生綜合指數成份股中型股之一，並被獲納入為港股通股份。本集團提供過萬種優質產品，涵蓋塑料管道系統、水暖衛浴產品、整體廚房、門窗系統、裝飾板材、消防器材及衛生材料等類別，並廣泛應用於家居裝修、給水、排水、電力供應及通訊、燃氣輸送、農用、水產養殖業、地暖和消防等領域，為中國建材家居領域產品體系最為齊全的生產商之一。

本集團於廣東、貴州、四川、湖北、江蘇、安徽、浙江、河南、河北、吉林、陝西、新疆、海南、雲南、山東及湖南等十六個省份擁有二十二個先進生產基地。本集團擁有覆蓋全國的分銷網絡，與2,155名的獨立獨家一級經銷商建立長期戰略合作關係，為全國客戶提供優質豐富的產品和專業的服務。



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# FINANCIAL HIGHLIGHTS

## 財務摘要

		2017	2016	Change 變動
<b>For the year ended 31 December (RMB'000)</b>	<b>截至12月31日止年度 (人民幣千元)</b>			
Revenue	收入	<b>20,360,000</b>	17,221,052	18.2%
Gross profit	毛利	<b>5,316,783</b>	4,581,778	16.0%
Finance costs	融資成本	<b>229,309</b>	107,061	114.2%
EBITDA	除息稅折攤前盈利	<b>3,830,717</b>	3,125,219	22.6%
Profit before tax	除稅前溢利	<b>2,954,586</b>	2,424,792	21.8%
Profit for the year	年內溢利	<b>2,265,807</b>	1,913,704	18.4%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	<b>2,293,055</b>	1,922,027	19.3%
<b>At 31 December (RMB'000)</b>	<b>於12月31日 (人民幣千元)</b>			
Total assets	資產總額	<b>27,973,625</b>	22,195,286	26.0%
Cash and bank deposits	現金及銀行存款	<b>4,452,370</b>	3,885,683	14.6%
Total debts <sup>(a)</sup>	債務總額 <sup>(a)</sup>	<b>8,319,375</b>	4,694,561	77.2%
Net debt <sup>(b)</sup>	債務淨額 <sup>(b)</sup>	<b>3,867,005</b>	808,878	378.1%
Total equity	權益總額	<b>13,783,491</b>	11,537,672	19.5%
<b>Share information (RMB)</b>	<b>股份資料 (人民幣)</b>			
Basic earnings per share <sup>(c)</sup>	每股基本盈利 <sup>(c)</sup>	<b>0.74</b>	0.62	19.4%
Diluted earnings per share <sup>(c)</sup>	每股攤薄盈利 <sup>(c)</sup>	<b>0.74</b>	0.62	19.4%
Proposed final dividend per share (HK cents)	擬派每股末期股息 (港仙)	<b>18</b>	15	20.0%
Equity attributable to owners of the Company per share	每股本公司擁有人應佔權益	<b>4.35</b>	3.62	20.1%
<b>Financial ratios</b>	<b>財務比率</b>			
Gearing Ratio (%)	資產負債率(%)	<b>37.6</b>	28.9	
Net debt to equity <sup>(d)</sup> (%)	債務淨額對權益比率 <sup>(d)</sup> (%)	<b>28.1</b>	7.0	
Interest cover <sup>(e)</sup> (times)	利息盈利比率 <sup>(e)</sup> (倍)	<b>16.71</b>	29.19	

Note:

- Represented total borrowings.
- Represented total debts less cash and bank deposits.
- Details of the calculations of the basic and diluted earnings per share of the Company are set out in note 11 to consolidated financial statements.
- Represented net debt divided by total equity.
- Represented EBITDA divided by finance costs.

附註：

- 指借款總額。
- 指債務總額減現金及銀行存款。
- 本公司每股基本及攤薄盈利之計算詳述於綜合財務報表附註11。
- 指債務淨額除以權益總額。
- 指除息稅折攤前盈利除以融資成本。

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務概要

		For the year ended 31 December 截至12月31日止年度				
		2017	2016	2015	2014	2013
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS	業績	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>REVENUE</b>	收入	<b>20,360,000</b>	17,221,052	15,264,401	14,822,772	13,070,547
<b>GROSS PROFIT</b>	毛利	<b>5,316,783</b>	4,581,778	3,937,571	3,800,734	3,265,568
<b>EXPENSES<sup>#</sup></b>	開支 <sup>#</sup>	<b>(2,700,377)</b>	(2,188,759)	(1,906,605)	(1,837,384)	(1,502,919)
<b>FINANCE COSTS</b>	融資成本	<b>(229,309)</b>	(107,061)	(87,323)	(233,071)	(151,003)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	<b>2,954,586</b>	2,424,792	2,064,671	1,846,793	1,767,511
Income tax expense	所得稅開支	<b>(688,779)</b>	(511,088)	(446,221)	(306,435)	(329,895)
<b>PROFIT FOR THE YEAR</b>	年內溢利	<b>2,265,807</b>	1,913,704	1,618,450	1,540,358	1,437,616
Profit attributable to:	以下應佔溢利：					
Owners of the Company	本公司擁有人	<b>2,293,055</b>	1,922,027	1,621,117	1,554,024	1,449,261
Non-controlling interests	非控制權益	<b>(27,248)</b>	(8,323)	(2,667)	(13,666)	(11,645)
		<b>2,265,807</b>	1,913,704	1,618,450	1,540,358	1,437,616

		At 31 December 於12月31日				
		2017	2016	2015	2014	2013
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
FINANCIAL POSITION	財務狀況	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>ASSETS</b>	資產					
Non-current assets	非流動資產	<b>15,825,153</b>	12,136,602	8,416,831	7,204,696	5,899,084
Current assets	流動資產	<b>12,148,472</b>	10,058,684	8,232,292	7,314,832	6,398,623
Total assets	資產總額	<b>27,973,625</b>	22,195,286	16,649,123	14,519,528	12,297,707
<b>LIABILITIES</b>	負債					
Non-current liabilities	非流動負債	<b>6,116,343</b>	935,722	2,406,123	2,159,959	1,743,944
Current liabilities	流動負債	<b>8,073,791</b>	9,721,892	4,377,548	3,809,846	3,297,820
Total liabilities	負債總額	<b>14,190,134</b>	10,657,614	6,783,671	5,969,805	5,041,764
<b>NET CURRENT ASSETS</b>	流動資產淨額	<b>4,074,681</b>	336,792	3,854,744	3,504,986	3,100,803
<b>EQUITY</b>	權益					
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>13,489,915</b>	11,231,509	9,770,885	8,545,459	7,239,738
Non-controlling interests	非控制權益	<b>293,576</b>	306,163	94,567	4,264	16,205
Total equity	權益總額	<b>13,783,491</b>	11,537,672	9,865,452	8,549,723	7,255,943

<sup>#</sup> Represented the sum of selling and distribution expenses, administrative expenses and other expenses.

<sup>#</sup> 指銷售及分銷開支、行政開支和其他開支的總和。

# CHAIRMAN'S STATEMENT

## 主席報告書

In 2017, China's gross domestic product growth rate accelerated to 6.9%, reversing a slowdown that persisted for the previous seven consecutive years. Signs of stabilising economic growth generated opportunities for development of all types of industries and markets. China started its 13th Five-year Plan in 2016. In 2017, Chinese government continued to introduce various policies in relation to energy and environmental protection in an active manner, and carried out multiple large-scale municipal projects and urban infrastructure construction projects, including the plan of "Sponge City", the "Action Plan for Prevention and Control of Water Pollution" and the "Underground Pipeline Utility Tunnel", in a bid to ensure a secure supply of water and to reduce water pollution. These projects stimulated economic growth and could sustain demand for plastic piping systems. Meanwhile, the Chinese government pressed on with the new mode of urbanisation and regional economic development, which also created a favorable operating environment for the pipe industry.

As a sizeable industrial group producing building materials and interior decoration products, China Lesso actively tapped the stable demand for pipes which resulted from the state's policies on infrastructure during the year. It continued to leverage its leading position in the industry, and to take advantage of its brand strength and economies of scale. During the year, the Group achieved steady and satisfactory increases in sales revenue, market expansion and key performance indicators. The Group's revenue increased by 18.2% to RMB20,360 million in 2017 from RMB17,221 million in 2016. Gross profit rose by 16.0% to RMB5,317 million, and profit attributable to owners of the Company grew by 19.3% to RMB2,293 million. The Board proposed a final dividend of HK18 cents per share for the year ended 31 December 2017.

During the year, the Group continued to reinforce its leading market position in southern China, and proactively strengthened its footholds in other regions, in a bid to drive overall sales. As the newly established production base in Hunan officially commenced operation in the second half of 2017, the Group's business development and penetration of the local markets were enhanced. Overall designed capacity and production efficiency of the Group were also improved as a result. In addition, the Group continued to strive to enhance the facilities at its existing production bases, raise the level of automation and upgrade production technologies and facilities, thereby improving the overall operational efficiency and competitiveness.

2017年，中國經濟扭轉七年來放緩的趨勢，國內生產總值增長率上升至6.9%，經濟增長的穩定性明顯增強，為不同行業及市場帶來發展機遇。緊接2016年「十三·五」規劃的開局之年，中國政府於2017年繼續銳意推出各種關於能源及環保等政策，開展多項大型市政工程及城市基礎建設項目以刺激經濟，持續給塑料管道系統帶來需求，當中包括穩步落實「海綿城市」計劃、「水污染防治行動計劃」及「地下綜合管廊」建設等，以確保供水安全及減少水污染。同時，中國政府積極推動新型城鎮化及區域經濟發展，此等政策亦為管道行業的創造良好的發展條件。

中國聯塑作為中國內地領先的大型建材家居產業集團，年內積極把握利好的國家政策對基礎設施和管道的穩定需求，持續發揮行業翹楚地位、品牌實力具經濟規模的優勢，本集團於年內在業務銷售、市場拓展及主要業績指標各方面均實現平穩和滿意增長。於2017年錄得人民幣203.60億元收入，較2016年人民幣172.21億元收入增加18.2%。毛利上升16.0%至人民幣53.17億元，本公司擁有人應佔溢利增加19.3%至人民幣22.93億元。董事會建議派付截至2017年12月31日止年度的末期股息每股18港仙。

年內，本集團一方面持續鞏固華南地區的領導市場地位，另一方面積極拓展其他地區的業務據點，以帶動整體業務銷售。隨著新建的湖南生產基地已於2017年下半年正式投產，不但加強本集團在該地區市場的發展，進一步提升市場滲透率，也提升本集團整體設計產能和生產效率。同時，本集團亦致力優化現有生產基地的設備，提高自動化水平及升級生產技術設備，從而提升整體營運效率和競爭力。

China's property market continued to fare well. The urbanisation and stable development of the property market spurred demand for building materials and interior decoration products. The Group grasped the opportunities on the market by providing customers with diverse products. It also continuously improved its product lines. The business of new product lines achieved synergy with the businesses of existing product lines, thus effectively boosting sales revenue.

The Chinese government has introduced and enhanced environmental policies in recent years and has encouraged the development of eco-friendly industries. To capitalise on such government initiatives, the Group actively expanded its environmental protection business during the year under review, and made a breakthrough in the business through acquisitions and cooperation with environmental protection service providers. The Group won contracts to supply to many diverse large-scale environmental protection projects. Such projects will enable the environmental business to achieve synergy with the Group's business of plastic piping systems in the long run. The Group aspires to become a one-stop environmental protection service provider and to enable people to live eco-friendly lives.

In response to China's "Belt and Road Initiative", the Group actively expanded "Lesso Home" business during the year. The Group is committed to assisting China's manufacturers of interior decoration products in product display, sales, storage, logistics and distribution, so that they can deliver building materials and interior decoration products directly to target customers and consumers across the world. This move has laid the groundwork for the Chinese manufactures' business development, brand building and overseas expansion. Presently, the Group has properties reserve in major cities in the US, Canada, Australia, Thailand and United Arab Emirates, thus laying a solid foundation for the expansion of Lesso Home business. In the future, we will strive to develop Lesso Home into the world's leading sales platform for interior decoration products. We also expect Lesso Home to become a new growth driver for the Group in the long term.

中國房地產市場持續向好，城鎮化政策和房地產市場穩步發展刺激建材家居產品需求，本集團把握市場機遇並積極為客戶提供多元化產品，不斷優化產品線，新產品線業務與現有產品線業務發揮協同效應，有效提高銷售收入。

為配合中國政府近年來持續推出並完善環境保護政策，鼓勵發展綠色產業，本集團於回顧年內積極拓展環保業務，通過收購及與環保服務供應商合作，業務取得突破，成功贏得多個大型環保項目，而多元化的大型項目更為本集團的塑料管道系統業務帶來長遠的商業協同效應。本集團致力成為中國一站式環保服務供應商，為居者打造綠色生活。

響應國家「一帶一路」政策，年內本集團積極開拓「領尚環球之家」業務。本集團致力協助中國家居製造商以展示、銷售、倉儲、物流及配送，把建材家居相關產品直達至全球目標客戶和消費者，為中國家居製造商提供沃土，助其發展業務，打造品牌，走出國門。目前，本集團已於美國、加拿大、澳大利亞、泰國、阿聯酋等國家之主要城市儲備物業，為拓展領尚環球之家業務奠定基礎。未來，我們將致力把領尚環球之家打造成全球領先的家居產品銷售平台，預期領尚環球之家將成為本集團長遠發展的另一增長點。

## CHAIRMAN'S STATEMENT

### 主席報告書

Although China's business environment was complicated and overshadowed by numerous uncertainties in 2017, the Group achieved revenue growth that met the capital market's expectations. The achievement was attributable to the Group's success in giving full play to its brand strength and wide distribution network, enriching product portfolio, expanding production capacity and initiating the new Lesso Home business. The Group adopted different strategic plans for its existing and new businesses, and successfully expanded the scope of its business in both domestic and overseas markets. It has also consolidated its brand image and enhanced its reputation, and set targets for growth in revenue and profitability for the long term.

We expect China's economy to maintain momentum of steady growth in 2018 despite the numerous uncertainties in the global market. In order to adapt to frequent changes in the market, the Group will fully grasp the opportunities arising from the Chinese government's initiatives that can benefit the industry, develop its business of building materials and interior decoration products as well as the business of environmental protection, seek to achieve synergies between such businesses and aim for sustainable growth. The Group will actively capitalise on Industry 4.0, and upgrade its existing production bases so as to make them automated and intelligent, thereby enhancing the Group's production capacity and efficiency. In addition, the Group will adopt blue ocean strategy by expanding the scope of applications of piping systems, so as to solidify its leading position.

On behalf of the Board, I would like to express my heartfelt gratitude to our management and all the staff members for their commitment and dedication to the Group. The Group will continue to fulfill its mission of "improving urban quality of life" by providing the market with innovative and high quality building materials and interior decoration products. We will capitalise on China's economic reform and rising consumption demand to drive the Group's business development for the long term. This will enable us to achieve better results and create greater value for customers, investors and Shareholders. China Lesso is determined to scale new heights in the future!

**Wong Luen Hei**

*Chairman*

Hong Kong, 19 March 2018

儘管2017年的經濟環境錯綜複雜及充滿不明朗因素，本集團仍能充分利用品牌實力及廣泛的經銷商網絡的優勢，積極豐富產品系列及擴充產能，並開啟領尚環球之家新業務，帶動收入增長，符合資本市場預期。本集團為現有及新業務採取不同戰略部署，成功拓展其於中國及海外市場的業務範疇，鞏固其品牌形象及知名度，為未來收入及盈利能力增長作長遠目標。

我們預期2018年中國經濟將繼續維持穩中向好的發展態勢，保持平穩增長；然而，全球市場不確定因素依然較多。為應對市場不斷變化，本集團將充分把握有利行業的政府措施所帶來的發展機遇，拓展建材家居產品及環保領域業務，實現業務協同效應及可持續增長。本集團將積極朝向工業4.0邁進，升級現有生產基地，務求實現生產基地自動化及智慧化，以擴大產能及提升生產效率。同時，本集團將開創藍海戰略，致力擴大管道系統的應用範疇，鞏固市場領導地位。

本人謹代表董事會衷心感謝本集團管理層及全體員工於過去一年對集團一直作出的努力和貢獻。本集團將繼續履行「為城市提高品質生活」的使命，向市場提供創新及優質的建材家居產品。我們將把握中國經濟改革及不斷增長的消費需求，推動本集團長期業務發展。我們將致力達到最佳的業績，為客戶、投資者及股東創造更大的價值，令中國聯塑於未來再創高峰！

主席

**黃聯禧**

香港，2018年3月19日



# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員履歷

### EXECUTIVE DIRECTORS

Mr. Wong Luen Hei, aged 55, is the founder of the Group, the chairman of the Company and was appointed as an executive director of the Company on 5 November 2009. He is also a director of various companies in the Group. He is primarily responsible for the Group's overall strategic planning and business management. Mr. Wong has approximately 21 years of experience in plastic pipe operations and management. He served as the chairman in Shunde Liansu Industrial from December 1996 to April 1999 and was awarded "Outstanding Private Entrepreneur of Shunde" by Shunde People's Government of Foshan in 2003. Mr. Wong has been a vice president of Foshan Shunde Longjiang General Chamber of Commerce since 2006. Mr. Wong is the spouse of Ms. Zuo Xiaoping and the brother-in-law of Mr. Zuo Manlun. Mr. Wong is the founder of a trust which holds the entire issued share capital of Xi Xi Development and New Fortune, the controlling shareholder of the Company.

Mr. Zuo Manlun, aged 45, is the chief executive of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies in the Group. He is primarily responsible for the management of the daily business operations of the Group. Mr. Zuo has approximately 18 years of experience in the plastic pipe industry. Mr. Zuo joined the Group in December 1999 and has held various positions in operation management since joining the Group. Mr. Zuo won several awards including "Outstanding Worker of the Plastic Industry in the PRC" by China Plastics Processing Industry Association in 2009. Mr. Zuo is the brother-in-law of Mr. Wong Luen Hei and the younger brother of Ms. Zuo Xiaoping.

Ms. Zuo Xiaoping, aged 51, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. She is also a director/supervisor of various companies in the Group. She is primarily responsible for procurement control and logistics management of the Group. Ms. Zuo has approximately 21 years of experience in the plastic pipe industry. Ms. Zuo served as a director of Shunde Liansu Industrial from December 1996. In 1999, upon establishing the Group together with Mr. Wong Luen Hei, she held various positions in procurement. Ms. Zuo is the spouse of Mr. Wong Luen Hei and the elder sister of Mr. Zuo Manlun.

### 執行董事

黃聯禧先生，55歲，為本集團創辦人兼本公司主席，於2009年11月5日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的整體戰略策劃及業務管理。黃先生於塑料管道經營及管理方面累積約21年經驗。彼於1996年12月至1999年4月擔任順德聯塑實業的主席，並於2003年獲佛山市順德區人民政府評為「順德優秀民營企業家」。黃先生自2006年起任佛山市順德區龍江總商會副會長。黃先生乃左笑萍女士的配偶及左滿倫先生的姐夫。黃先生為持有西溪發展及本公司控股股東新富星全部已發行股本之信託的創辦人。

左滿倫先生，45歲，為本集團行政總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。彼主要負責本集團日常業務經營管理。左先生於塑料管道行業累積約18年經驗。左先生於1999年12月加盟本集團，自此於經營管理方面曾擔任不同職位。左先生曾獲多個獎項，包括於2009年獲中國塑料加工工業協會評為「中國塑料行業先進工作者」。左先生乃黃聯禧先生的內弟及左笑萍女士的胞弟。

左笑萍女士，51歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／監事職務。彼主要負責本集團的採購監控及物流管理。左女士於塑料管道行業累積約21年經驗。左女士自1996年12月起擔任順德聯塑實業的董事。於1999年，彼與黃聯禧先生一同成立本集團，出任不同的採購職務。左女士乃黃聯禧先生的配偶及左滿倫先生的胞姐。

### EXECUTIVE DIRECTORS (Continued)

Mr. Lai Zhiqiang, aged 51, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. He is primarily responsible for the production and technical management of the Group. Mr. Lai has approximately 21 years of experience in the plastic pipe industry and served as a workshop manager of Shunde Liansu Industrial from December 1996 to November 1999. Mr. Lai joined the Group in December 1999 and has held various positions in production management since joining the Group.

Mr. Kong Zhaocong, aged 52, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies in the Group. Mr. Kong is primarily responsible for the China's sales of the Group and has approximately 24 years of experience in the plastic pipe industry. Mr. Kong joined the Group in December 1999 and has held various positions in production management and sales since joining the Group. Prior to joining the Group, Mr. Kong served as a factory manager at Foshan City Dongjian Plastic Materials Factory from March 1993 to January 1999 and served as a manager in the production department of Shunde Liansu Industrial from January 1999 to November 1999.

Mr. Chen Guonan, aged 50, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. He is primarily responsible for the management of the quality control of the Group. Mr. Chen has approximately 28 years of experience in the plastic pipe industry. Mr. Chen joined the Group in December 1999 and has held various positions in production management and engineering since joining the Group. Prior to joining the Group, Mr. Chen was a manufacturing engineer in the technology department at Guangdong Province Zhaoqing Gaojiang Plastic Products Co., Limited from July 1989 to July 1993. From July 1993 to September 1999, he was a deputy factory manager at Foshan City Dongjian Plastic Materials Factory. Mr. Chen served as a manager in the production department of Shunde Liansu Industrial from September 1999 to November 1999. Mr. Chen has been a deputy secretary general of Plastic Pipe Special Committee of China Plastics Processing Industry Association since 2005. Mr. Chen obtained a bachelor's degree in polymer chemical from South China University of Technology in July 1989.

### 執行董事(續)

賴志強先生，51歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責本集團的生產及技術管理。賴先生於塑料管道行業累積約21年經驗，並於1996年12月至1999年11月擔任順德聯塑實業的車間經理。賴先生於1999年12月加盟本集團，自此曾任生產管理方面的不同職務。

孔兆聰先生，52歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。孔先生主要負責本集團的國內銷售工作，於塑料管道行業擁有約24年經驗。孔先生於1999年12月加盟本集團，自此於生產管理及銷售方面曾擔任不同職務。於加盟本集團之前，孔先生於1993年3月至1999年1月擔任佛山市東建塑料廠的廠長，並於1999年1月至1999年11月擔任順德聯塑實業的生產部經理。

陳國南先生，50歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。彼主要負責管理本集團的質量控制工作。陳先生於塑料管道行業擁有約28年經驗。陳先生於1999年12月加盟本集團，自此於生產管理及工程方面曾擔任不同職務。於加盟本集團之前，陳先生於1989年7月至1993年7月為廣東省肇慶高江塑料製品有限公司的技術部製造工程師。於1993年7月至1999年9月，彼為佛山市東建塑料廠的副廠長。陳先生於1999年9月至1999年11月擔任順德聯塑實業的生產部經理。陳先生自2005年起擔任中國塑料加工工業協會塑料管道專業委員會副秘書長。陳先生於1989年7月取得華南理工大學頒授的高分子化學學士學位。

## EXECUTIVE DIRECTORS (Continued)

Dr. Lin Shaoquan, aged 42, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director of various companies in the Group. Dr. Lin is primarily responsible for the research and development and overseas sales of the Group. Dr. Lin has approximately 15 years of experience in the plastic pipe industry. Dr. Lin joined the Group in July 2002 and has held various positions in research and development and overseas sales since joining the Group. Over the years, Dr. Lin has won various awards including "National May First Labor Medal" by All China Federation of Trade Unions in 2006. Dr. Lin received a doctorate degree in polymer chemical and physics from Sun Yat-sen University in June 2002.

Mr. Huang Guirong, aged 42, is a vice president of the Group and was appointed as an executive director of the Company on 27 February 2010. He is also a director/general manager/supervisor of various companies in the Group. Mr. Huang is primarily responsible for the overall management of the factories and production facilities of the Group and has approximately 21 years of experience in the plastic pipe industry. Mr. Huang joined the Group in December 1999 and has held various positions in production management since joining the Group. Prior to joining the Group, Mr. Huang served as a deputy factory manager at Foshan City Dongjian Plastic Materials Factory from 1996 until 1999 and served as a deputy manager of the plastic production department of Shunde Liansu Industrial from June 1999 to November 1999. Mr. Huang completed a programme of marketing from Hubei University of Technology from September 2001 to July 2005.

Mr. Luo Jianfeng, aged 46, was appointed as an executive director of the Company on 2 April 2010. He is also a director/general manager/supervisor of various companies in the Group. Mr. Luo has approximately 25 years of experience in accounting and worked at Shunde City Accounting Firm from July 1993 to March 1996, Guangdong Dezheng Accounting Firm with Limited Liability from April 1996 to December 2001 and Guangdong Gongcheng Accounting Firm from January 2002 to December 2007. Mr. Luo worked for Foshan City Zhongzhengcheng Accounting Firm Co., Limited as a certified public accountant from January 2008 to April 2016. Mr. Luo is a member of The Chinese Institute of Certified Public Accountants. Mr. Luo had been an independent director of Bestsun Energy Co., Ltd (formerly known as Winowner Group Co., Ltd.) (stock code: 600681), which is listed on the Shanghai Stock Exchange, from June 2009 to June 2015. Mr. Luo obtained a bachelor's degree in economics from Guangdong University of Business Studies in June 1993.

## 執行董事(續)

林少全博士，42歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事職務。林博士主要負責本集團的研發及海外銷售工作。林博士於塑料管道行業擁有約15年經驗。林博士於2002年7月加盟本集團，自此於研發及海外銷售方面曾擔任不同職務。林博士多年來曾獲多個獎項，包括於2006年獲中華全國總工會頒授「全國五一勞動獎章」。林博士於2002年6月在中山大學取得高分子化學與物理博士學位。

黃貴榮先生，42歲，為本集團副總裁，並於2010年2月27日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。黃先生主要負責本集團工廠及生產設備的整體管理，並於塑料管道行業擁有約21年經驗。黃先生於1999年12月加盟本集團，自此於生產管理方面曾擔任不同職務。於加盟本集團之前，黃先生於1996年至1999年擔任佛山市東建塑料廠的副廠長，並於1999年6月至1999年11月擔任順德聯塑實業的塑料生產部副經理。黃先生於2001年9月至2005年7月在湖北工業大學完成市場營銷課程。

羅建峰先生，46歲，於2010年4月2日獲委任為本公司執行董事。彼亦於本集團內多間成員公司擔任董事／總經理／監事職務。羅先生於會計方面擁有約25年經驗，並於1993年7月至1996年3月任職於順德市會計師事務所、於1996年4月至2001年12月任職於廣東德正有限責任會計師事務所及於2002年1月至2007年12月任職於廣東誠會計師事務所。於2008年1月至2016年4月，羅先生在佛山市中正誠會計師事務所有限公司擔任註冊會計師。羅先生為中國註冊會計師協會會員。於2009年6月至2015年6月，羅先生曾於上海證券交易所上市的百川能源股份有限公司(前稱為萬鴻集團股份有限公司)(股份代號：600681)任獨立董事。羅先生於1993年6月取得廣東商學院的經濟學學士學位。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員履歷

#### NON-EXECUTIVE DIRECTOR

Mr. Lin Dewei, aged 57, was appointed as a non-executive director of the Company on 27 February 2010. Mr. Lin has approximately 23 years of experience in the legal field and worked as a part-time lawyer at various PRC law firms between 1995 and 2001. In 2001, Mr. Lin practised as a lawyer at Guangdong Everwin Law Office and became a partner at the firm in 2004. Since 2013, Mr. Lin has been practising as a lawyer at Guangdong Yogo Law Firm.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Tao Zhigang, aged 52, was appointed as an independent non-executive director of the Company on 1 September 2015. Dr. Tao is Professor of Economics and Strategy in the Faculty of Business and Economics and the director of the Institute for China and Global Development, the University of Hong Kong. Prior to joining the University of Hong Kong in 1998, he taught at Hong Kong University of Science and Technology from 1992 to 1998. Dr. Tao received his B.Sc. in management science from Fudan University in 1986, and PhD in economics from Princeton University in 1992. Dr. Tao is currently an independent non-executive director of Huadian Fuxin Energy Corporation Limited (stock code: 816), which is listed on the Stock Exchange. Dr. Tao is senior fellow at Tsinghua University's National Centre of Economic Research, senior fellow at Tsinghua University's Center for China in the World Economy, and special-term professor at Fudan University School of Management. He is also co-director of the Asia Competitiveness Program of Hong Kong Institute of Economics and Business Strategy.

Mr. Fung Pui Cheung, aged 69, was appointed as an independent non-executive director of the Company on 27 February 2010. Mr. Fung is currently practising as a sole proprietor in the name of P C Fung & Company, a certified public accountants firm. Mr. Fung is a Certified Public Accountant, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of The Institute of Chartered Accountants in England and Wales. Mr. Fung obtained a master degree in arts from Antioch University, US in March 1987. Mr. Fung is currently an independent non-executive director and a member of the audit committee of Vantage International (Holdings) Limited (stock code: 15), which is listed on the Stock Exchange. He is a member of the Hong Kong Inland Revenue Department's Users' Committee.

#### 非執行董事

林德緯先生，57歲，於2010年2月27日獲委任為本公司非執行董事。林先生於法律行業累積約23年經驗，並於1995年至2001年間在多間中國律師事務所任職兼職律師。林先生於2001年在廣東法制盛邦律師事務所任職律師，並於2004年成為該律師事務所的合夥人。自2013年起，林先生在廣東粵高律師事務所任職律師。

#### 獨立非執行董事

陶志剛博士，52歲，於2015年9月1日獲委任為本公司獨立非執行董事。陶博士為香港大學經濟及工商管理學院戰略管理及經濟學教授，以及中國與全球發展研究所所長。於1998年加入香港大學前，彼於1992年至1998年任教於香港科技大學。陶博士於1986年取得復旦大學管理科學學士學位，以及於1992年取得普林斯頓大學經濟學博士學位。陶博士現任在聯交所上市的華電福新能源股份有限公司(股份代號：816)獨立非執行董事。陶博士為清華大學中國經濟研究中心高級研究員、清華大學中國與世界經濟研究中心高級研究員，以及復旦大學管理學院特聘教授。彼亦為香港經濟及商業策略研究所亞太競爭力項目共同負責人。

馮培漳先生，69歲，於2010年2月27日獲委任為本公司獨立非執行董事。馮先生現時獨資經營馮培漳會計師事務所。馮先生為香港會計師公會執業會計師兼資深會員以及英格蘭及威爾士特許會計師協會會員。馮先生於1987年3月在美國安蒂奧克大學取得文學碩士學位。馮先生現任在聯交所上市的盈信控股有限公司(股份代號：15)獨立非執行董事兼審核委員會成員。彼亦為香港稅務局服務承諾關注委員會的成員。

## INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Wong Kwok Ho Jonathan, aged 44, was appointed as an independent non-executive director of the Company on 27 February 2010. Since 2002, Mr. Wong has been practising as a barrister of the High Court in Hong Kong specialising in both civil and criminal litigation. Mr. Wong is a member of The Chartered Institute of Arbitrators. Mr. Wong obtained a bachelor's degree in business administration from Hawaii Pacific University in August 1997 and a bachelor's degree in law from City University of Hong Kong in November 2001. Mr. Wong received a postgraduate certificate in laws from City University of Hong Kong in July 2002.

Mr. Cheung Man Yu, aged 43, was appointed as an independent non-executive director of the Company on 31 December 2012. Mr. Cheung obtained a bachelor's degree in arts with major in accountancy from The Hong Kong Polytechnic University and is a member of Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over 19 years of experience in financial management and financial services. Mr. Cheung is currently the chief financial officer and company secretary of Feiyu Technology International Company Ltd. (stock code: 1022), which is listed on the Stock Exchange. Mr. Cheung was employed at the audit department of Ernst & Young, an international accounting firm, from 2000 to 2004. Mr. Cheung was a vice president or director at the respective investment banking division of BNP Paribas Capital (Asia Pacific) Limited, UBS AG and J.P. Morgan securities (Asia Pacific) Limited from 2004 to 2011.

Ms. Lan Fang, aged 42, was appointed as an independent non-executive director of the Company on 1 January 2015. Ms. Lan has been the President of Guangdong Construction and Decoration Materials Association since March 2008 and the President of Guangdong Construction and Decoration Design Association since August 2014. Ms. Lan graduated from Guangdong University of Technology with a college diploma in June 1996 and then pursued further studies in the EMBA CEO training programme of Sun Yat-sen University and the business management CEO training programme of Tsinghua University. She worked as a chairman of the materials committee of Guangzhou Architecture & Decoration Association from February 1998 to October 2006. Ms. Lan has accumulated over 20 years of experience with respect to the administration of social organisation and in the industry of construction and decoration materials.

## 獨立非執行董事(續)

王國豪先生，44歲，於2010年2月27日獲委任為本公司獨立非執行董事。自2002年以來，王先生一直在香港高等法院擔任大律師，專責處理民事及刑事訴訟。王先生為英國特許仲裁員學會會員。王先生於1997年8月在夏威夷太平洋大學取得工商管理學士學位及於2001年11月在香港城市大學取得法律學士學位。王先生於2002年7月在香港城市大學取得法學專業證書。

張文宇先生，43歲，於2012年12月31日獲委任為本公司獨立非執行董事。張先生獲得香港理工大學文學學士學位，主修會計，並為香港會計師公會會員。張先生擁有逾19年財務管理及財務服務經驗。張先生現任聯交所上市的飛魚科技國際有限公司(股份代號：1022)首席財務官兼公司秘書。於2000年至2004年，張先生任職於國際會計師事務所安永會計師事務所審計部。於2004年至2011年，張先生曾先後於法國巴黎資本(亞太)有限公司、瑞士聯合銀行集團及摩根大通證券(亞太)有限公司的投資銀行部擔任副總裁或董事。

蘭芳女士，42歲，已於2015年1月1日獲委任為本公司獨立非執行董事。蘭女士從2008年3月至今為廣東省建築裝飾材料行業協會會長，2014年8月至今為廣東省建築裝飾設計協會會長。蘭女士1996年6月畢業於廣東工業大學，獲大專學歷，並先後就讀中山大學EMBA總裁班、清華大學企業管理總裁班。1998年2月至2006年10月在廣州市建築裝飾行業協會擔任材料專業委員會主任。蘭女士具有逾20年的社會組織管理和建築裝飾材料行業經驗。

### SENIOR MANAGEMENT

Mr. Liu Guanggen, aged 36, is a chief financial officer of the Group and is responsible for the Group's overall financial and accounting affairs. Mr. Liu joined the Group in November 2008. Prior to this, he worked as a finance manager in The Industrial and Commercial Bank of China, Shunde Branch from 2004 to 2006, and was a sub-branch manager of The Industrial and Commercial Bank of China, Foshan Shunde Haiqinwan Sub-Branch from 2007 to 2008. Mr. Liu completed a diploma in finance from Southwestern University of Finance and Economics in September 2005, a program in laws at Guangdong University of Business Studies from March 2007 to January 2010. As well as obtaining a master degree in engineering from Chongqing University upon the completion of courses for the master degree in software engineering (specialised in financial informatisation) in June 2014. He is an associate member of the Association of International Accountants.

Mr. Kwan Chi Wai Samuel, aged 40, is the company secretary of the Company. Mr. Kwan has more than 10 years of experience in accounting, auditing and finance. Mr. Kwan joined the Group in June 2010 as secretary on a full time basis. Prior to joining the Group, Mr. Kwan worked in CWCC Certified Public Accountants from March 2000 to November 2004, PricewaterhouseCoopers from November 2004 to October 2007 and Deloitte Touche Tohmatsu from November 2007 to September 2009. The latter two firms are amongst the biggest international accounting firms. Mr. Kwan graduated with a bachelor's degree in Commerce from Deakin University of Australia in September 2000 and obtained a master degree in business administration from University of South Australia in August 2012. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of the CPA Australia.

### 高級管理層

劉廣根先生，36歲，為本集團財務總監，負責本集團的整體財務及會計事宜。劉先生於2008年11月加盟本集團，之前曾於2004年至2006年任中國工商銀行順德支行財務經理，並於2007年至2008年任中國工商銀行佛山順德海琴灣支行的支行經理。劉先生於2005年9月獲西南財經大學金融學文憑，於2007年3月至2010年1月完成廣東商學院的法律課程，並於2014年6月完成重慶大學的軟件工程領域工程(金融信息化方向)碩士課程取得工程碩士學位。彼為國際會計師公會之會員。

關志偉先生，40歲，為本公司的公司秘書。關先生在會計、審計及財務方面擁有逾10年經驗。關先生在2010年6月加入本集團，全職出任秘書。在加入本集團前，關先生於2000年3月至2004年11月任職陳黃鍾蔡會計師事務所、於2004年11月至2007年10月任職羅兵咸永道會計師事務所，及於2007年11月至2009年9月任職德勤•關黃陳方會計師行。後兩家會計師行屬最大國際會計師行之列。關先生於2000年9月在澳洲迪肯大學畢業，取得商業學士學位及於2012年8月在南澳大學取得工商管理碩士學位。彼為香港會計師公會資深會員及澳洲會計師公會會員。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

China Lesso is always committed to maintaining high standards of corporate governance practices and business ethics of the Group. The Board believes in good corporate governance practices and business ethics which are essential for achieving sustainable development, establishing investors' confidence in the Company and safeguarding and enhancing the interests of the Shareholders.

In pursuit of good and high standards of corporate governance practices, the Board reviews the corporate governance practices of the Company from time to time so as to meet the expectations of the Shareholders for continual improvement, comply with increasingly stringent regulatory requirements and fulfill its commitment of pursuing excellent corporate governance. In the opinion of the directors, the Company complied with all the applicable code provisions of the Code during the year.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code governing securities transactions by directors of the Company. Having made specific enquiry to the directors, all of them confirmed that they have complied with the required standards as set out in the Model Code throughout the year. The Model Code is also applicable to other specific senior management of the Company. The directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations are disclosed in the Directors' Report on page 57.

### BOARD

#### THE COMPOSITION OF THE BOARD

The Board currently comprises 15 directors, including 9 executive directors, 1 non-executive director and 5 independent non-executive directors.

### 企業管治常規

中國聯塑一直致力保持本集團高水平的企業管治常規及商業道德。董事會相信，良好的企業管治常規及商業道德，是達致可持續發展、建立投資者對本公司的信心以及保障和提升股東權益的關鍵。

為追求良好而高水平的企業管治常規，董事會不時檢討本公司的企業管治常規，以達到股東對更臻完善的期望、遵守日趨嚴謹的監管規定，並且履行其對追求卓越企業管治的承諾。董事認為，年內本公司已遵守守則中的所有適用守則條文。

### 董事進行證券交易之標準守則

本公司已採納標準守則作為本公司董事進行證券交易之守則。經向董事特定查詢後，所有董事確認彼等於年內一直遵守標準守則所載之規定標準。標準守則亦適用於本公司其他特定之高級管理人員。董事及行政總裁於本公司及其相聯法團的股份、相關股份及債權證的權益及淡倉於第57頁的董事會報告中披露。

### 董事會

#### 董事會組成

董事會現時由十五名董事組成，包括九名執行董事，一名非執行董事，以及五名獨立非執行董事。

### BOARD (Continued)

#### THE COMPOSITION OF THE BOARD (Continued)

Pursuant to the articles of association of the Company (the "Articles"), any director appointed to fill a casual vacancy or as an addition to the existing directors shall hold office only until the next AGM of the Company and shall then be eligible for re-election at that meeting. In addition, at every AGM of the Company, not less than one-third of the directors for the time being shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. Apart from retirement by rotation pursuant to the Articles, each non-executive director has a term of within three years. Therefore, no director will remain in office for a term of more than three years. For details relating to any relationship among the members of the Board, including financial, business, family or other material/relevant relationship, please refer to the sections headed "Biographical Details of Directors and Senior Management" and "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" of the Directors' Report.

#### CHAIRMAN AND CHIEF EXECUTIVE

To segregate the management of the Board from the daily management and business operations of the Group effectively, the post of chairman and the chief executive are held by Mr. Wong Luen Hei and Mr. Zuo Manlun, respectively. One of the important duties of the chairman is to lead the Board to ensure the Board always acts in the best interests of the Group. The chairman shall ensure the effective operation of the Board and fully perform his/her duties and ensure all important issues are discussed at Board meetings in a timely manner. All directors will be consulted for any proposed items in the agenda. The chairman has delegated the drafting of the agenda of each Board meeting to the chief executive and the company secretary. With the assistance of the chief executive and the company secretary, the chairman aims to ensure all directors are adequately briefed on any issues being put forward at a Board meeting and receive sufficient and reliable information in a timely manner.

#### NON-EXECUTIVE DIRECTORS

The non-executive directors provide various expertise and experiences, and maintain balance of interest to safeguard the interests of the Group and the Shareholders. They participate in Board meetings and committee meetings and make independent judgements on issues related to the Group's strategies, performance, interest conflicts and management process so as to ensure the interests of all Shareholders are properly considered.

### 董事會(續)

#### 董事會組成(續)

根據本公司的組織章程細則(「章程細則」)，如任何董事獲委任以填補臨時空缺，或獲委任加入現任董事會為新董事，則任期僅至本公司下屆股東週年大會為止，其時，彼等即合資格於有關大會上重選。此外，於本公司每屆股東週年大會上，應有不少於當時董事人數三分之一的董事輪席告退，惟每名董事須至少每三年輪席告退一次。除根據章程細則輪席告退外，每名非執行董事的任期為三年內。因此，董事的任期一概不會超過三年。有關董事會成員之間的任何關係，包括財務、業務、家屬或其他重大／相關的關係的詳情，請參閱「董事及高級管理人員履歷」及董事會報告的「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」各節內。

#### 主席及行政總裁

為有效區分董事會管理與本集團之日常管理及業務營運，主席由黃聯禧先生擔任及行政總裁由左滿倫先生擔任。主席之其中一項重要職能乃領導董事會，以確保董事會一直以本集團之最佳利益行事。主席須確保董事會有效運作，完全履行其職責，並確保所有重大問題能及時於董事會會議討論。就任何載於議程之建議事項，全體董事均獲得諮詢。主席已將每次董事會會議議程起草之責任委託予行政總裁及公司秘書。在行政總裁及公司秘書之協助下，主席旨在確保全體董事已適當了解任何董事會會議上提呈之問題，並已及時收到充分及可靠之信息。

#### 非執行董事

非執行董事提供各項專業知識和經驗，並維持利益平衡，以維護本集團及股東之利益。彼等參與董事會會議及各委員會會議，對涉及本集團之策略、表現、利益衝突及管理過程之問題作出獨立判斷，以確保全體股東之利益獲得適當考慮。



## BOARD (Continued)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation made by each of the independent non-executive directors under Rule 3.13 of the Listing Rules regarding their independence. The Company regarded all independent non-executive directors are independent in accordance with Rule 3.13 of the Listing Rules.

### DUTIES OF THE BOARD

The Board shoulders the responsibility of providing effective, responsible and reliable leadership to the Group. The Board exercises its rights in management decision on the aspects of the Company's development strategy, management structure, investment and financing, planning, financial control and personnel in accordance with the requirements of the Code.

The Company appointed Ernst & Young as the Company's independent auditor to review the interim results for the six months ended 30 June 2017 and to audit the annual results for the year ended 31 December 2017. The directors of the Company acknowledge their responsibility for preparing the consolidated financial statements included in the annual report and the interim report. In preparing the consolidated financial statements for the year ended 31 December 2017, the directors have selected and applied appropriate accounting policies and have made prudent and reasonable judgements and estimates in accordance with Hong Kong Financial Reporting Standards.

The declaration of reporting responsibility issued by the external auditor of the Company on the Company's consolidated financial statements is set out in the Independent Auditor's Report on pages 72 to 81.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to review of the effectiveness of the Company's internal control system;
- (e) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (f) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

The Board has performed the above activities during 2017.

## 董事會(續)

### 獨立非執行董事

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函。本公司根據上市規則第3.13條視全體獨立非執行董事為獨立人士。

### 董事會職責

董事會肩負向本集團提供有效及負責可靠的領導責任。董事會在本公司發展戰略、管理架構、投資及融資、計劃、財務監控、人事等方面依照守則的規定行使管理決策權。

本公司已經聘請安永會計師事務所為本公司獨立核數師，就截至2017年6月30日止六個月的中期業績進行審閱，及就截至2017年12月31日止年度的全年業績進行審核。本公司董事承認彼等有編製年報及中期報告所載綜合財務報表的責任。在編製截至2017年12月31日止年度綜合財務報表時，董事已根據香港財務報告準則揀選及運用合適的會計政策及作出審慎合理的判斷和估計。

本公司外聘核數師就本公司綜合財務報表作出的匯報責任聲明刊載於第72至81頁的獨立核數師報告內。

### 企業管治功能

董事會負責履行的企業管治職責包括：

- (a) 發展及檢討本公司企業管治政策及常規；
- (b) 檢討及監督董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監督本公司在遵守法律及監管規定方面的政策及常規；
- (d) 檢討本公司內部控制系統的成效；
- (e) 發展、檢討及監督適用於僱員及董事的操守準則及合規手冊(如有)；及
- (f) 檢討本公司遵守上市規則附錄十四(企業管治守則及企業管治報告)之情況。

董事會於2017年期間已執行上述活動。

**BOARD (Continued)****BOARD AND GENERAL MEETINGS**

For the year ended 31 December 2017, the Board convened eight meetings to review operating performance, funding requirement and recent market conditions. The Board also considered and approved the Group's overall strategy, audited annual results for the year ended 31 December 2016 and reviewed interim results for the six months ended 30 June 2017.

The chairman of the Board and the chairman of the audit committee, the nomination committee and the remuneration committee, attended the AGM of the Company held on 19 May 2017.

The table below sets out the attendance of all members of the Board at the meetings held in 2017:

**董事會(續)****董事會會議及股東大會**

截至2017年12月31日止年度，董事會召開八次會議，以審閱營運表現、資金需求及最近市況。董事會亦已考慮和批准本集團之整體策略、截至2016年12月31日止年度的經審核全年業績及截至2017年6月30日止六個月的經審閱中期業績。

董事會主席及審核委員會、提名委員會及薪酬委員會的主席均有出席本公司於2017年5月19日舉行的股東週年大會。

下表載列2017年董事會各成員的出席會議情況：

Directors	董事	AGM <sup>(b)</sup> 股東週年大會 <sup>(b)</sup>	Board 董事會	Meetings attended/eligible to attend <sup>(a)</sup> 出席次數/合資格出席的次數 <sup>(a)</sup>		
				Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<b>Executive directors</b>	<b>執行董事</b>					
Wong Luen Hei	黃聯禧	1/1	8/8	–	1/1	1/1
Zuo Manlun	左滿倫	1/1	8/8	–	1/1	1/1
Zuo Xiaoping	左笑萍	1/1	7/8	–	–	–
Lai Zhiqiang	賴志強	1/1	8/8	–	–	–
Kong Zhaocong	孔兆聰	1/1	8/8	–	–	–
Chen Guonan	陳國南	1/1	8/8	–	–	–
Lin Shaoquan	林少全	1/1	7/8	–	–	–
Huang Guirong	黃貴榮	1/1	8/8	–	–	–
Luo Jianfeng	羅建峰	1/1	8/8	–	–	–
<b>Non-executive director</b>	<b>非執行董事</b>					
Lin Dewei	林德緯	1/1	8/8	2/2	–	–
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Fung Pui Cheung	馮培漳	1/1	7/8	2/2	1/1	1/1
Wong Kwok Ho Jonathan	王國豪	1/1	8/8	2/2	1/1	1/1
Cheung Man Yu	張文宇	1/1	7/8	2/2	–	1/1
Lan Fang	蘭芳	1/1	7/8	–	1/1	–
Tao Zhigang	陶志剛	1/1	8/8	–	–	–

Note:

- (a) Directors may attend meetings in person, by phone or through other means of video conference in accordance with the Articles.  
 (b) There was no other general meeting held in 2017.

附註：

- (a) 根據章程細則規定，董事均可親身、透過電話或其他視像會議途徑出席大會。  
 (b) 於2017年內，概無其他股東大會舉行。

## BOARD (Continued)

### BOARD AND GENERAL MEETINGS (Continued)

The Company gives proper notices of Board meetings to the directors and the procedure of Board meetings is in compliance with the Articles and the relevant rules and regulations. The agenda and the relevant documents will be provided to all directors in a timely manner. The chairman will give a proper briefing to all directors on items to be put forward at a Board meeting. To ensure compliance with the procedure of Board meetings and all applicable rules and regulations, all directors may gain a full understanding of all relevant data in a timely manner and may receive advice and services from the company secretary. The minutes of Board meetings are kept by the company secretary and are available for inspection by the directors and the auditor of the Company.

### TRAINING AND SUPPORT FOR DIRECTORS

The directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities and obligations of a director of a Hong Kong listed company, the Company's constitutional documents and the Guides on Directors' Duties issued by the Hong Kong Companies Registry to each newly appointed director to ensure he/she to have sufficient awareness of good corporate governance practices.

The company secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the directors with written materials, as well as organises seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

In 2017, the Company invited The Hong Kong Institute of Directors to give a seminar on the topic of "Managing Enterprise Value Through Corporate Actions" to Board members.

## 董事會(續)

### 董事會會議及股東大會(續)

本公司向董事發出恰當的董事會會議通告，而董事會會議程序均遵守章程細則及相關規則及規例。議程及相關文件會按時向全體董事發出。主席會就董事會會議上提出的事項向全體董事作適當簡報。為確保符合董事會會議程序及所有適用規則及規例，所有董事均可及時全面地瞭解所有相關數據，並可獲公司秘書提供意見及服務。董事會會議記錄由公司秘書保存，可供董事及本公司核數師查閱。

### 董事培訓及支援

本公司鼓勵董事參與持續專業發展，發展並更新彼等之知識及技能。本公司向每名新委任的董事提供全面的就任資料文件，涵蓋香港上市公司董事之職責及義務概要、本公司之組織章程文件以及香港公司註冊處發出的董事責任指引，確保有關董事充分知悉最佳企業管治常規。

公司秘書不時向董事匯報上市規則、企業管治常規以及其他監管制度之最新變動及發展並提供相關書面資料，亦安排講座講解有關董事職務及職責之專業知識及監管規定的最新發展。

於2017年，本公司特別邀請香港董事學會為董事會成員舉辦研討會，主題為「企業行動如何釋放貴公司的企業價值」。

**BOARD (Continued)****TRAINING AND SUPPORT FOR DIRECTORS (Continued)**

Apart from the above training offered by the Company, based on the training records provided to the Company by the directors, the directors also participated in the following trainings during 2017:

**董事會(續)****董事培訓及支援(續)**

除了上述由本公司提供的培訓外，根據董事向本公司提供的培訓記錄，於2017年，董事亦有參與以下培訓：

Directors	董事	Type of trainings 培訓類型
<b>Executive directors</b>	<b>執行董事</b>	
Wong Luen Hei	黃聯禧	A, C
Zuo Manlun	左滿倫	A, C
Zuo Xiaoping	左笑萍	A, C
Lai Zhiqiang	賴志強	A, C
Kong Zhaocong	孔兆聰	A, C
Chen Guonan	陳國南	A, C
Lin Shaoquan	林少全	A, C
Huang Guirong	黃貴榮	A, C
Luo Jianfeng	羅建峰	A, C
<b>Non-executive director</b>	<b>非執行董事</b>	
Lin Dewei	林德緯	A, C
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Fung Pui Cheung	馮培漳	A, C
Wong Kwok Ho Jonathan	王國豪	A, C
Cheung Man Yu	張文宇	A, C
Lan Fang	蘭芳	A, B, C
Tao Zhigang	陶志剛	A, B, C

Note:

- A: attending seminars and/or conferences and/or forums
- B: delivering talks at seminars and/or conferences and/or forums
- C: reading information, newspapers, journals and materials relating to the responsibilities of directors, economy, fiscal, financial, investments and business of the Company

附註：

- A：出席研討會及／或會議及／或論壇
- B：於研討會及／或會議及／或論壇發言
- C：閱讀有關董事職責、經濟、金融、財經、投資及與本公司業務的資訊、報章、刊物及資料

## BOARD (Continued)

### COMPANY SECRETARY

The company secretary reports to the Board so as to ensure compliance with the procedures of the Board meeting and ensure the Board is fully briefed on all legislations, regulations and corporate governance development and has considered their opinions when making a decision. The company secretary is also directly responsible for the Group's compliance with its continuing obligations under the Listing Rules, Hong Kong Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, SFO and other applicable laws, rules and regulations.

During the year ended 31 December 2017, the company secretary has received no less than 15 hours of relevant professional training to refresh his knowledge and skills.

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the directors and officers of the Company. The directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

In accordance with the Articles, subject to the Cayman Island Companies Law (2013 Revision, as amended from time to time), every director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

## 董事會(續)

### 公司秘書

公司秘書乃向董事會匯報，以確保已遵從董事會會議程序，並確保董事會已就全部法例、規例和企業管治發展獲得全面簡報，且董事會作出決定時已考慮彼等之意見。公司秘書亦直接負責本集團遵守上市規則、香港公司收購、合併及股份回購守則、公司條例、證券及期貨條例以及其他適用法律、規則及規例下之持續責任。

於截至2017年12月31日止年度，公司秘書已接受不少於15小時的相關專業培訓，以更新其知識及技能。

### 董事及行政人員的彌償

根據一項董事及行政人員責任保險，董事及行政人員就其擔任本公司董事及行政人員履行職責時招致的任何法律責任，均可獲彌償。如證明董事及行政人員有任何欺詐、違反責任或違反信託的行為，彼等則不獲彌償。

根據章程細則，在開曼群島公司法(2013年修訂本，經不時之修訂)條文規限下，本公司每位董事、核數師或其他行政人員有權從本公司資產獲得彌償，以補償在任何法律程序抗辯中作為公司董事、核數師或行政人員所招致或蒙受的一切損失或債項，不管那是民事還是刑事法律程序，惟其須獲判勝訴或無罪。

## BOARD COMMITTEES

The Board has delegated various responsibilities to certain committees under its supervision, including the Company's audit committee ("Audit Committee"), remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") (collectively known as "Board Committees"). Board Committees can engage intermediaries to provide professional opinions and the reasonable expenses incurred as a result are borne by the Company.

### AUDIT COMMITTEE

The Audit Committee comprises four members, namely Mr. Fung Pui Cheung (chairman of the Audit Committee and independent non-executive director), Mr. Lin Dewei (non-executive director), Mr. Wong Kwok Ho Jonathan and Mr. Cheung Man Yu (both are independent non-executive directors). The major responsibility of the Audit Committee is to conduct independent and objective audit of the truth and accuracy of the Group's economic operation and financial activities, financial policies, financial procedures, risk management, internal control, external audit, internal audit, financial information reporting and financial data and assist the Board in discharging its relevant duties.

The Audit Committee shall convene at least two meetings each year. In 2017, the Audit Committee convened two meetings. The attendance record of the meetings is set out on a named basis on page 16.

The following is a summary of work performed by the Audit Committee during 2017:

- review of the annual report and the annual results announcement for the year ended 31 December 2016, with a recommendation to the Board for approval;
- review of Ernst & Young's confirmation of independence and its report for the Audit Committee for the year ended 31 December 2016, with a recommendation to the Board for the re-appointment of Ernst & Young at the 2017 AGM;
- review of continuing connected transactions;
- review of the Group internal audit reports;

## 董事委員會

董事會已將各種職責分派予董事會屬下若干委員會，包括本公司之審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）以及提名委員會（「提名委員會」）（統稱為「董事委員會」）。董事委員會可以聘請中介機構提供專業意見，所產生的合理費用由本公司承擔。

### 審核委員會

審核委員會由四名成員組成，即獨立非執行董事馮培漳先生（審核委員會主席）、非執行董事林德緯先生、獨立非執行董事王國豪先生及張文宇先生。審核委員會的主要職責是就本集團的經濟運行和財務活動、財務政策、財務程序、風險管理、內部控制、外部審計、內部審計、財務信息報告和財務數據的真實準確性進行獨立及客觀的審核，協助董事會履行其相關職責。

審核委員會須每年至少召開會議兩次。於2017年，審核委員會召開了兩次會議。該等會議之出席記錄（以列名形式）載列於第16頁。

以下為審核委員會於2017年內的工作概要：

- 審閱截至2016年12月31日止年度的年報及年度業績公告，並建議董事會通過；
- 審閱安永會計師事務所的獨立性確認文件及其致審核委員會截至2016年12月31日止年度的報告，並向董事會建議於2017年股東週年大會上重新委任安永會計師事務所；
- 審閱持續關連交易；
- 審閱本集團內部審計報告；

## BOARD COMMITTEES (Continued)

### AUDIT COMMITTEE (Continued)

- review of the interim report and the interim results announcement for the six months ended 30 June 2017, with a recommendation to the Board for approval;
- review and approval of Ernst & Young's report for the Audit Committee for the six months ended 30 June 2017;
- consideration and approval of audit and non-audit services;
- review of the corporate governance report for the year ended 31 December 2016 and the corporate governance disclosures for the six months ended 30 June 2017, with recommendations to the Board for approval;
- review of the corporate social responsibility report for the year ended 31 December 2016 with a recommendation to the Board for approval; and
- review of the annual report on effectiveness of risk management, internal control system and internal audit function under the Code, with a recommendation to the Board for approval.

Subsequent to the year end, the Audit Committee reviewed the annual report and annual results announcement for the year ended 31 December 2017 with a recommendation to the Board for approval.

### EXTERNAL AUDITORS

For the year ended 31 December 2017, the service fees paid or payable by the Group to the external auditors are set out as follows:

		RMB million 人民幣百萬元
Annual audit services	年度審計服務	7.13
Non-audit services	非審計服務	
– Interim results review	– 中期業績審閱	1.38
– Others <sup>#</sup>	– 其他 <sup>#</sup>	0.64
Total	總計	9.15

<sup>#</sup> "Others" were mainly for providing advice on matters in relation to taxation. The provision of these services by external auditors were cost effective and efficient due to their professional knowledge.

## 董事委員會(續)

### 審核委員會(續)

- 審閱截至2017年6月30日止六個月的中期報告及中期業績公告，並建議董事會通過；
- 審閱及通過安永會計師事務所致審核委員會截至2017年6月30日止六個月的報告；
- 考慮並通過審計及非審計服務；
- 審閱截至2016年12月31日止年度的企業管治報告及截至2017年6月30日止六個月的企業管治披露，並建議董事會通過；
- 審閱截至2016年12月31日止年度的企業社會責任報告，並建議董事會通過；及
- 根據守則審閱年度風險管理、內部控制系統及內部審核功能成效報告，並建議董事會通過。

於年度結束後，審核委員會審閱截至2017年12月31日止年度的年報及年度業績公告，並建議董事會通過。

### 外聘核數師

截至2017年12月31日止年度，本集團向外聘核數師已支付或應付之服務費用載列如下：

<sup>#</sup> 「其他」主要就有關稅務的事宜提供意見。基於外聘核數師的專業知識，由其提供該等服務具成本效益及效率。

## BOARD COMMITTEES (Continued)

### REMUNERATION COMMITTEE

The Remuneration Committee comprises five members, namely Mr. Fung Pui Cheung (chairman of the Remuneration Committee and independent non-executive director), Mr. Wong Luen Hei (executive director), Mr. Zuo Manlun (executive director), Mr. Wong Kwok Ho Jonathan and Mr. Cheung Man Yu (both of them are independent non-executive directors).

The Remuneration Committee is mainly responsible for studying and formulating the Company's remuneration policy and incentive mechanism and is responsible for formulating the standards for the appraisal of the Company's directors and senior management and conducting appraisals.

The Remuneration Committee have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, responsibility and job complexity are taken into account. The following factors are considered when determining the remuneration packages of directors and senior management:

- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

During the review process, no individual director is involved in decisions relating to his/her own remuneration.

## 董事委員會(續)

### 薪酬委員會

薪酬委員會由五名成員組成，即獨立非執行董事馮培漳先生(薪酬委員會主席)、執行董事黃聯禧先生、執行董事左滿倫先生、獨立非執行董事王國豪先生及張文宇先生。

薪酬委員會主要負責研究與制訂本公司的薪酬政策和激勵機制，以及負責制訂本公司董事與高級管理人員的考核標準並進行考核。

薪酬委員會的受委派職責為釐定全體執行董事及高級管理人員的具體薪酬待遇。釐定董事會成員的薪酬及袍金水平時，本公司會將市場水平及每位董事的工作量、職責及工作複雜程度等因素一併考慮。釐定董事及高級管理人員薪酬時乃考慮下列因素：

- 業務需要；
- 個人表現及對業績的貢獻；
- 公司業績與盈利；
- 留任因素與個人潛能；
- 有關市場上供求波動及競爭環境轉變等變動；及
- 整體經濟環境。

董事概不會在檢討過程中參與釐定其本身的酬金。



## BOARD COMMITTEES (Continued)

### REMUNERATION COMMITTEE (Continued)

The Remuneration Committee shall convene at least one meeting each year. In 2017, the Remuneration Committee convened one meeting, assessed the performance of the Company's directors and senior management, reviewed terms of their service contracts, and made recommendation of the remuneration packages for directors and senior management to the Board. The attendance record of the meeting is set out on a named basis on page 16.

Details of directors' remuneration and five highest paid employees are set out in note 8 to the consolidated financial statements. In addition, the remuneration of the two senior management fell within the band of less than RMB1 million.

### NOMINATION COMMITTEE

The Nomination Committee comprises five members, namely Mr. Wong Luen Hei (chairman of the Nomination Committee and executive director), Mr. Zuo Manlun (executive director), Mr. Fung Pui Cheung, Mr. Wong Kwok Ho Jonathan and Ms. Lan Fang (all of them are independent non-executive directors). The major duty of the Nomination Committee is to study and make recommendations on the candidates, selection criteria and procedure in respect of the Company's directors and senior management.

The Company follows a formal, fair and transparent procedure for the appointment of new directors to the Board. The Nomination Committee reviews the structure, size and composition of the Board, identifies suitable candidates if necessary and makes recommendations to the Board.

The Nomination Committee shall convene at least one meeting each year. In 2017, the Nomination Committee convened one meeting. The Nomination Committee reviewed the structure, size and composition of the Board, recommended the Board on the list of retiring directors for re-election at the AGM on 19 May 2017, and reviewed the independence of all independent non-executive directors. The attendance record of the meeting is set out on a named basis on page 16.

## 董事委員會(續)

### 薪酬委員會(續)

薪酬委員會須每年至少召開會議一次。於2017年，薪酬委員會召開了一次會議，評估本公司董事及高級管理人員的表現、審閱彼等服務合約年期，並向董事會就董事及高級管理人員的薪酬方案提出推薦建議。該等會議之出席記錄(以列名形式)載列於第16頁。

有關董事薪酬及五名最高薪酬僱員的詳情載於綜合財務報表附註8。此外，兩名高級管理人員之酬金範圍為少於人民幣100萬元。

### 提名委員會

提名委員會由五名成員組成，即執行董事黃聯禧先生(提名委員會主席)、執行董事左滿倫先生、獨立非執行董事馮培濶先生、王國豪先生及蘭芳女士。提名委員會的主要職責是就本公司董事及高級管理人員的建議人選、選擇標準及程序進行研究並提出推薦建議。

本公司遵循一套正式、公平及透明的程序委任新董事加入董事會。提名委員會審閱董事會的架構、規模及組成，物色適合的人選(如有需要)，並向董事會提出推薦建議。

提名委員會須每年至少召開會議一次。於2017年，提名委員會召開了一次會議。提名委員會檢討董事會的架構、規模及組成，就2017年5月19日之股東週年大會上膺選連任的退任董事名單向董事會提出推薦建議，並審閱全體獨立非執行董事的獨立性。該等會議之出席記錄(以列名形式)載列於第16頁。

### BOARD COMMITTEES (Continued)

#### BOARD DIVERSITY POLICY

The Board has adopted a Board diversity policy which sets out the approach to achieve diversity on the Board.

The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other qualities. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board. The Nomination Committee will review the Board diversity policy, as appropriate, to ensure its continued effectiveness from time to time.

As at the date of this report, the Board comprises 15 directors. Two of them are females. One third of the Board members are independent non-executive directors, thereby promoting critical review and control of the management process. The composition of the Board reflects the necessary balance of skills, professional experience and knowledge for effective leadership of the Company.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is solely responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the Group has established and maintained appropriate and effective risk management and internal control system. The Board is also responsible for monitoring the design, implementation and review on the risk management and internal control system as carried out by management, while management has the responsibility to provide confirmation on the effectiveness of such system. To this end, management continues to allocate resources for an risk management and internal control system compatible with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standards to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure in the operating system of the Group and in achieving business objectives by the Group.

### 董事委員會(續)

#### 董事會成員多元化政策

董事會採納董事會成員多元化政策，該政策載列達致董事會成員多元化的方法。

本公司知悉董事會層面日益多元化將為達成本公司策略目標及可持續發展提供支持。本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及其他資格，務求達致董事會成員多元化。本公司決定董事會最佳成員組合時，亦將不時考慮其本身業務模式及具體需要。提名委員會將(視適用情況而定)審閱董事會成員多元化政策，確保其不時持續有效。

於本報告日期，董事會包括十五名董事。其中兩名為女性。董事會成員其中三分之一為獨立非執行董事，藉以作出批判檢討及監控管理過程。董事會的組成反映本公司在達致有效領導所需的技能、專業經驗及知識方面取得必要平衡。

### 風險管理及內部控制

董事會全權負責評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部控制系統。董事會亦有責任監督管理層對風險管理及內部控制系統的設計、實施及監察，而管理層有責任向董事會提供有關系統是否有效的確認。為達到這個目的，管理層參照COSO(Committee of Sponsoring Organizations of the Treadway Commission)標準，持續分配資源予風險管理及內部控制系統，合理(但並非絕對)地保證不會出現嚴重的誤報或損失，並管理(但並非完全消除)本集團運營系統失誤及未能達到業務目標的風險。

## RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The Board, through the Audit Committee, has continuously monitored and annually reviewed the effectiveness of the Group's risk management and internal control system, and the Board is of the view that the existing risk management and internal control system is sufficient and effective. The review covered all material aspects with regard to control, including financial control, operational control and compliance control. The internal audit reports submitted to the Audit Committee by the Group also cover aspects of risk management and internal control. The Board is not aware of any significant areas of concern which may affect the Shareholders, and believes that the Group has fully complied with the code provisions on internal controls, including compliance with legal and regulatory requirements, as set forth in the Code. The Board, through the appraisal performed by the Audit Committee, reviewed the adequacy of resources, staff qualifications and experience, training programs received by the staff and budget of the Group's accounting, internal auditing and financial reporting function at the Board meeting. In light of the Group's nature of business and the recommendations on the Board's role in risk management, the Group has developed risk management system and policies, and established a risk management project team, which is responsible for the Group's risk management, to communicate and assess the Group's risk profile and material risks, and track the progress of mitigation plans and activities of material risks and report on detailed examinations of specific risks as required.

## 風險管理及內部控制(續)

董事會已透過審核委員會就本集團的風險管理及內部控制系統是否有效進行持續監督及年度檢討，且董事會認為現有的風險管理及內部控制系統足夠而有效。有關檢討涵蓋所有重要的控制方面，包括財務控制、運作控制及合規控制。本集團向審核委員會提交審閱的內部審計報告中亦涵蓋風險管理及內部控制部分。董事會並不察覺任何可能影響股東而須予關注的重要事項，並相信本集團的內部控制完全符合守則中各項有關內部控制的守則條文，包括符合法律和規例上的要求。董事會籍著審核委員會所作之評估，已於董事會會議上就本集團在會計、內部審計及財務彙報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠進行檢討。基於本集團的業務性質及董事會在風險管理上扮演的角色所提出的建議，本集團制訂了風險管理制度和政策，並已建立風險管理項目組，專責本集團的風險管理事務，就本集團的風險狀況和重大風險進行溝通及評估，跟蹤推行重大風險紓緩計劃及措施的進度，並按需要彙報特定風險的詳細檢查結果。

**RISK MANAGEMENT ORGANISATION SYSTEM**

**風險管理組織體系**

The Group has established a comprehensive organisation structure to manage the risks encountered by the Group. The risk management structure of China Lesso comprised of two key factors: risk management structure and risk management program.

本集團已建立一套完善的組織架構，對本集團所面對的風險進行管理。中國聯塑的風險管理架構包括兩個關鍵因素：風險管理架構和風險管理程式。



## RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

### (A) RISK MANAGEMENT STRUCTURE

#### REGULATORY ORGANISATION

##### **The Board is responsible for the effectiveness of the overall risk management**

- determine the overall objective, risk appetites and risk tolerance for corporate risk management, and approve risk management strategies, major risk mitigation solutions and risk management measures;
- comprehend and manage each major risk faced by the enterprise and its existing management situations, and make effective risks management decisions; approve the decision-making standards and mechanisms regarding major operating decisions, major risks, major events and major business processes;
- approve risk management report related to major decisions; and
- approve the annual comprehensive risk management report.

#### RISK MANAGEMENT ORGANISATION

##### **The Audit Committee, the highest risk management organisation in the Company which is accountable to the Board**

- review the establishment and planning of the comprehensive risk management system;
- review the proposal on the structure of the risk management organisations and their responsibilities;
- review the annual comprehensive risk management report and submit to the Board;
- review risk management strategies, major risk management solutions and risk management measures; and
- review the annual risk management work plan.

## 風險管理組織體系(續)

### (A) 風險管理架構

#### 監督機構

董事會，就全面風險管理工作的有效性負責

- 確定企業風險管理總體目標、風險偏好、風險容忍度，批准風險管理策略和重大風險紓緩方案以及風險管理措施；
- 瞭解和掌握企業面臨的各項重大風險及其風險管理現狀，做出有效控制風險的決策；批准重大經營決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制；
- 批准重大決策事項的風險管理報告；及
- 批准年度全面風險管理報告。

#### 風險管理機構

審核委員會，公司最高層級的風險管理機構，對董事會負責

- 審議全面風險管理體系的建設規劃；
- 審議風險管理組織機構設置及其職責方案；
- 審議並向董事會提交年度全面風險管理報告；
- 審議風險管理策略和重大風險管理解決方案以及風險管理措施；及
- 審議年度風險管理工作計劃。

## RISK MANAGEMENT ORGANISATION SYSTEM (Continued)

### (A) RISK MANAGEMENT STRUCTURE (Continued)

#### LEADING RISK MANAGEMENT ORGANISATION

##### Risk management project team, the leading risk management organisation

- responsible for the establishment and amendment of the Company's risk management policies and mechanisms;
- formulate and submit annual risk management work plan to the Board and the Audit Committee for their review;
- regularly collect first-hand information regarding risk management, carry out risk assessment and discuss major risks as faced by the Company; and
- assess the soundness, reasonability and the effectiveness in implementing the risk management system, and review the annual comprehensive risk management report, risk management strategies and day-to-day risk management solutions.

#### RISK IMPLEMENTATION ORGANISATION

##### Each functional department of the Company shall accept the coordination and monitoring carried out by the risk management project team

- implement the basic process in risk management;
- consider and propose decision-making standards or mechanisms regarding major operating decisions, major risks, major events and major business processes of the functional department;
- analyse and propose risk assessment report of the functional department;
- properly carry out risk management work of the functional department; and
- establish a comprehensive risk management process of the functional department.

## 風險管理組織體系(續)

### (A) 風險管理架構(續)

#### 風險管理主導機構

##### 風險管理項目組，風險管理主導機構

- 負責建立和修訂公司風險管理政策及機制；
- 擬定年度風險管理工作計劃，提交董事會及審核委員會審議；
- 定期收集風險管理第一手資訊，進行風險評估及討論公司面臨的重大風險；及
- 評估風險管理系統的健全性、合理性和執行的有效性，審議年度全面風險管理報告、風險管理方案和日常風險管理解決方案。

#### 風險執行機構

##### 公司各個職能部門，應接受風險管理項目組的協調及監督

- 執行風險管理基本流程；
- 研究提出本職能部門重大經營決策、重大風險、重大事件和重要業務流程的判斷標準或判斷機制；
- 研究提出本職能部門的風險評估報告；
- 做好本職能部門的風險管理工作；及
- 建立本職能部門的健全風險管理流程。

## **RISK MANAGEMENT ORGANISATION SYSTEM (Continued)**

### **(A) RISK MANAGEMENT STRUCTURE (Continued)**

#### **RISK SUPPORTING ORGANISATION**

##### **Internal control team**

- assist the Group's risk management work, and formulate internal control plan in accordance with the result of risk assessment;
- centrally organise or, together with related functional departments, design, amend or improve internal control documents in accordance with risk management solutions;
- assist the risk management project team to inspect, examine, evaluate and improve the implementation of risk management in each functional departments and operating units; and
- assist the timely rectification and improvements to existing deficiencies of each functional department based on the findings in the internal audit report.

##### **Internal audit department**

- assist the Group's risk management work, and formulate internal audit plan in accordance with the result of risk assessment;
- carry out measures including walk-through test and analytical review to evaluate the effectiveness in risk management; and
- after carrying out internal audit, deliver the auditing results to internal control team and risk management project team timely.

## **風險管理組織體系(續)**

### **(A) 風險管理架構(續)**

#### **風險支持機構**

##### **內控組**

- 協助本集團開展風險管理工作，根據風險評估結果擬定內控工作計劃；
- 統一組織或會同有關職能部門根據風險管理解決方案設計、修改或完善內控文檔；
- 協助風險管理項目組對各職能部門和業務單位風險管理工作實施情況進行檢查、檢驗、評價和改進；及
- 根據內部審計報告發現，協助各職能部門對存在的缺陷及時糾正和改進。

##### **內審部**

- 協助本集團開展風險管理工作，根據風險評估結果擬定內審工作計劃；
- 進行穿行測試、分析性覆核等方法評估風險管理的有效性；及
- 實施內部審計後，將審計結果及時傳遞至內控組和風險管理項目組。

**RISK MANAGEMENT ORGANISATION SYSTEM**  
(Continued)

**(B) RISK MANAGEMENT PROGRAM**

The Group has established a comprehensive risk management program which is led by the risk management project team and implemented with the assistance of the internal audit department and internal control team. The risk management program is as follows:

- (a) to collect first-hand information for risk management;
- (b) to analyse and assess risks;
- (c) to propose risk management strategies and form risk management solutions; and
- (d) to supervise the implementation of risk management works performed by each business units and verify the overall score.

**Key corporate risk management program**



**風險管理組織體系(續)**

**(B) 風險管理程式**

本集團已建立一套完善的風險管理程式，該程式由風險管理項目組牽頭，內審部和內控組協助執行。風險管理程式如下：

- (a) 風險管理第一手資訊收集；
- (b) 風險分析和評估；
- (c) 提出風險應對策略，並形成風險管理解決方案；及
- (d) 對各業務單位風險管理工作實施情況進行監督及核對總和評價。

**主要企業風險管理程式**



## SUPERVISION AND ENHANCEMENT OF RISK MANAGEMENT

The Group has set up basic procedures that cover the whole process of risk management, connecting the channels of communication of risk management information along the reporting lines and among various departments and business units to ensure the timely, accurate and complete communication of information and this has laid the foundation for the supervision and enhancement of risk management.

The senior management of the Group, focusing on material risks, material matters and material decisions, important management matters and the business flow, supervises the work relating to the first-hand information collection for risk management, risk assessment, risk management strategies, critical control activities and the implementation of risk management solutions. The risk management project team carries out an annual review and examination on the implementation of the works on risk management by different departments and business units and its effectiveness for the year, assesses risk management strategies and evaluates inter-departmental risk management solutions and business units' risk management solutions, proposes suggestions for adjustments and improvements and issues evaluation and recommendation reports which will be sent to the relevant senior management in a timely manner.

## MATERIAL RISKS THE GROUP MAY FACE

In 2017, during the course of business planning, we identified the material risks that the Group may face which include macro-economic risks, risks of inappropriate strategies for market competition, risks of the fluctuation of raw materials price, risks of adjustments of policies in relation to the environmental protection, economy and industry.

The potential risks of macro-economic risks arise from the effects of macro-economy's volatility and the pressure of inflation. The Group's corresponding measures on risk management include reviewing the management strategies and mechanism for macro-economic risks; reviewing the relevant mechanism on the collection of intelligence about the changes in the external macro-economic environment; clearly defining the macro-economic risk analysis session; analysing, reviewing, adjusting and improving the strategies for managing macro-economic risks in future.

## 風險管理的監督與改進

本集團已建立貫穿於整個風險管理基本流程，連接各上下級、各部門和業務單位的風險管理資訊溝通管道，確保資訊溝通的及時、準確和完整，為風險管理監督與改進奠定基礎。

本集團的高級管理層以重大風險、重大事件和重大決策、重要管理及業務流程為重點，對風險管理第一手資訊收集、風險評估、風險管理策略、關鍵控制活動及風險管理解決方案的實施情況進行監督。風險管理項目組每年組織對各部門和業務單位風險管理工作實施情況和有效性進行一次年度檢查和檢驗，對風險管理策略進行評估，對跨部門和業務單位的風險管理解決方案進行評價，提出調整或改進建議，出具評價和建議報告，及時報送相關高級管理層。

## 本集團可能面臨的重大風險

2017年，我們在業務規劃過程中識別本集團可能面臨的重大風險包括宏觀經濟風險、市場競爭策略不當風險、原材料價格波動風險、環保政策、經濟政策與行業政策調整風險。

宏觀經濟風險的潛在風險產生自宏觀經濟波動的影響及通貨膨脹的壓力。本集團風險應對措施包括檢討宏觀經濟風險的管理策略和管理機制；檢討收集外部宏觀經濟環境變化資訊相關機制；明確定義宏觀經濟風險分析環節；分析、檢討、調整和改善未來的宏觀經濟風險應對策略。

**MATERIAL RISKS THE GROUP MAY FACE (Continued)**

The potential risks of inappropriate strategies for market competition arise from the risks involved in the formulation of competition strategies and risks involved in the collection of clients' information. The Group's risk management measures include reviewing the management mechanism for market competition strategies; analysing the Company's position in market competition, reviewing the corresponding market competition strategies; and timely devising and reviewing the management strategies in response to the changes in the market competition environment and submitting report thereon to management; collecting the market competition information of new products and offering suggestions on competition strategies.

The potential risks of the fluctuation of raw materials price arise because the price of key raw materials purchased by the Company is easily affected by the shortfall of refining capabilities, changes in manufactures' power and labor cost structure, changes in the price of resins made from coal and petrochemicals. The Group's risk management measures include clearly stating the risk management strategies and mechanism for the fluctuation of raw materials price in the relevant systems; collecting information in relation to the fluctuation of raw materials price and releasing such information internally through an established channel; regularly reporting and analysing the fluctuation of raw materials price; clearly defining the analysis session for the increased risks of fluctuation of raw materials price; analysing, reviewing, adjusting and improving the management strategies for the risks of fluctuation of raw materials price.

The potential risks of adjustments of policies in relation to the environmental protection, economy and industry arise from the risks of adjustments of environmental policies; risks of adjustments of urbanisation policies; risks of adjustments of construction projects of significant water works including water saving and water supplies; risks of adjustments of real estate policies. The Group's risk management measures include reviewing the management strategies and mechanism for risks involved in the adjustments of policies in relation to the environmental protection, economy and industry; collecting information in relation to changes in environmental protection, economy and industry policies and releasing such information internally through an established channel; reviewing the mechanism for monitoring and collecting the information on laws and regulations that affect the industry.

**本集團可能面臨的重大風險(續)**

市場競爭策略不當風險的潛在風險產生自競爭策略制定風險及客戶資訊收集風險。本集團風險應對措施包括檢討市場競爭策略管理機制；分析公司的市場競爭地位，檢討相應的市場競爭策略；及時制定及檢討市場競爭環境變化的應對策略，彙報至管理層；收集新產品市場競爭資訊，提供競爭策略的建議。

原材料價格波動風險的潛在風險的產生原因為公司採購的主要原材料價格易受提煉能力短缺、製造商的電力及勞工成本變動、煤炭及石油化工製造的樹脂的價格變動影響。本集團風險應對措施包括在相關制度中明確原材料價格波動風險管理策略和機制；收集原材料價格波動資訊，以固定渠道進行內部發佈；例行通報和分析原材料價格波動情況；明確定義增加原材料價格波動風險分析環節；分析、檢討、調整和改善原材料價格波動風險應對策略。

環保政策、經濟政策與行業政策調整風險的潛在風險的產生原因為環境政策調整風險；城鎮化政策調整風險；節水供水重大水利工程建設項目調整風險；房地產政策調整風險。本集團風險應對措施包括檢討環保政策、經濟政策與行業政策調整風險的管理策略和管理機制；收集環保政策、經濟政策與行業政策變化資訊，以固定渠道進行內部發佈；檢討監管機制和收集影響行業的法律法規的資訊。

## MANAGEMENT OF INSIDE INFORMATION

The Group has formulated a set of program of continuing obligations on information management and disclosure to formally regulate the monitoring of inside information that arises during the course of its current business development and has established the practice of delivering such information to shareholders, the media and analysts. When the Group handles the relevant matters, it will comply with “Guidelines on Disclosure of Inside Information” issued by Securities and Futures Commission and the related provisions issued by regulatory organisations and the Group has clearly stated that the unauthorised use of confidential or inside information is prohibited. The Group has a system of answering enquiries about the Group’s matters by external parties, and has appointed and authorised the senior executives of the Group to act as the Company’s spokesperson in response to enquiries on a particular area.

## WHISTLEBLOWING POLICY

The Group has formulated a “whistleblowing policy” whereby employees can report any matters to the chairman or the Audit Committee secretly by sending electronic mails to the designated address or by phone. Such matters may include misconduct, irregular conduct or fraud regarding financial matters and accounting practices without fear of being accused. Any Shareholder or stakeholder can also report similar concerns in writing or verbally in confidence to the Audit Committee.

## THE SHAREHOLDERS’ RIGHTS

### CONVENING OF EXTRAORDINARY GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS AT SHAREHOLDERS’ MEETING

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision, as amended from time to time). However, pursuant to the Articles, the Shareholder(s) may request for the convening of extraordinary general meetings following the procedures below:

- Any two or more Shareholder(s) or any one Shareholder which is a recognised clearing house (or its nominee(s)) may request for the convening of extraordinary general meetings by written requisition deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office. The requisition shall specify the object of the meeting and be signed by the requisitioner(s), and such requisitioner(s) must hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at the general meeting of the Company.

## 內幕消息管理

本集團制訂了一套持續消息管理和披露責任程式，正式規範現行在業務發展時出現內幕消息的監察，及將有關資料向股東、傳媒及分析員傳達的實務。於處理有關事務時恪守證券及期貨事務監察委員會頒佈的「內幕消息披露指引」，及監管機構頒佈的相關條文，明確訂明嚴禁未經授權使用機密或內幕資料，以及就外界對本集團事務作出的查詢訂立及落實回應程式，並指定及授權本集團內高級行政人員擔任公司發言人，響應特定範疇的查詢。

## 舉報政策

本集團制訂「舉報政策」，據此，僱員可發送電子郵件至指定電郵地址或以電話方式秘密向主席或審核委員會舉報任何事項，包括財務事宜及會計實務方面之行為失當、不正當行為或欺詐，而無需擔心被指責。任何股東或權益持有人亦可秘密以書面或口頭方式向審核委員會舉報類似事宜。

## 股東之權利

### 召開股東特別大會及於股東大會上提出議案

根據開曼群島公司法(2013年修訂本，經不時之修訂)條文，股東不得在股東大會上提呈新決議案。然而，根據章程細則，股東可通過下列程序請求召開股東特別大會：

- 任何兩名或以上的股東，或任何一名身為認可結算所(或其代名人)的股東可提交書面請求書要求召開股東特別大會，請求書須遞交至本公司的香港主要辦事處，或倘本公司不再設立該主要辦事處，則遞交至註冊辦事處。請求書須註明會議目的，並由請求人簽署，而該一名或多名請求人於遞交請求書當日，須持有有權於本公司股東大會上投票之本公司足繳股本不少於十分之一。

## THE SHAREHOLDERS' RIGHTS (Continued)

### CONVENING OF EXTRAORDINARY GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETING (Continued)

- The Board shall proceed to convene the extraordinary general meeting within 21 days from the date of deposit of the requisition.
- If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which the meeting may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition. All reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.
- An extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice of the meeting shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered and in the case of special business, the general nature of that business.
- Detailed procedures for Shareholders to propose a person for election as a director are available on the Company's website.

### PROCEDURES FOR DIRECTING THE SHAREHOLDERS' ENQUIRIES TO THE BOARD

The Shareholders may put forward their enquiries about the Company to the Board at the Company's principal place of business in Hong Kong or by email or through the Company's investor relations whose contact details are provided in the "Corporate Information" section of this report. In addition, the Shareholders can contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar, if they have any enquiries about their shareholdings and entitlements to dividend.

## 股東之權利(續)

### 召開股東特別大會及於股東大會上提出議案(續)

- 請求書遞交日期起21天內，董事會應召開股東特別大會。
- 倘董事會於遞交請求書日期起21天內並無正式召開須於隨後21天內召開之會議，則該一名或多名請求人或當中任何代表其總投票權半數以上之人士可自行召開股東特別大會，會議須以最接近董事會召開該會議的相同方式舉行，惟因此而召開之任何會議不得於遞交請求書日期起計三個月屆滿後舉行。請求人因董事會未能召開會議而招致的所有合理開支將由本公司償付。
- 為通過特別決議案而召開之股東特別大會應發出不少於21日之書面通知，而召開任何其他股東特別大會應發出不少於14日之書面通知。會議通知須註明開會的時間、地點、議程和在會上審議的決議案的詳情，如將討論特別事項，則須註明該等事項的一般性質。
- 股東提名候選董事的程序詳情已於本公司網站刊載。

### 向董事會轉達股東查詢的程序

股東可向本公司的香港主要營業地點或透過電子郵件或透過本公司的投資者關係向董事會發出有關本公司的查詢，聯絡詳情載於本報告「公司資料」章節內。此外，股東如有任何有關其股份及股息之查詢，可以聯絡本公司的股份過戶登記分處—香港中央證券登記有限公司。

## RELATIONSHIP WITH INVESTORS AND THE SHAREHOLDERS

The Company endeavours to maintain a high level of transparency in communication with the Shareholders and investors in general. Communication between the Company and the Shareholders is conducted through various channels, including interim and annual reports, information published on the websites of the Stock Exchange and the Company and general meetings. The Company encourages the Shareholders to attend the Company's general meetings. The Group's financial and other information is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lesso.com](http://www.lesso.com)).

The Company's senior management endeavours to maintain an open dialogue channel with the investment sector to ensure they have a thorough understanding of the Company and its operations and strategies. The Company has emphasised the importance of the function of investor relations, engaged a dedicated independent third party to maintain investor relations and conduct investor/analyst meetings irregularly and led investors and analysts to visit its plants.

As regards investor relations, the Group will actively conduct activities related to investor relations in the future to strengthen its corporate responsibility so that global investors can have an adequate knowledge and understanding of the Company's operating strategy, financial performance and development prospects. The Company will actively develop and maintain close relationship with investors, analysts and media to achieve sound investor relations management.

The Company applies the principle of a quiet period in its investor relations communications. During a quiet period, the Company does not comment on market prospects or factors affecting business and performance, nor does the Company engage in discussion on events or trends related to the reporting period. The Company will not initiate any meeting or conference call with public in which these matters are discussed. A quiet period starts at 60 days or 30 days prior to the disclosure of annual results or interim results respectively, and lasts until the announcement of the annual results or the interim results.

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2017, there was no change to the memorandum of association of the Company and Articles. The latest memorandum of association of the Company and Articles is available on the websites of the Company and the Stock Exchange.

## 與投資者及股東的關係

本公司與股東及一般投資者溝通時致力維持高水平的透明度。本公司與股東溝通通過各種渠道展開，包括中期及年度報告、載於聯交所及本公司網站的資料，以及股東大會。本公司鼓勵股東出席本公司股東大會。有關本集團的財務及其他資料亦於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.lesso.com](http://www.lesso.com))內刊載。

本公司高級管理層竭力與投資界保持公開的對話渠道，以確保他們對本公司及其業務與戰略有透徹的瞭解。本公司一直強調投資者關係的重要性，聘請專門的獨立第三方維護投資者關係，並且不定時舉行投資者或分析師見面會，帶領投資者和分析師參觀廠房。

未來在投資者關係上，本公司將積極舉辦投資者關係的相關活動，強化企業責任，務求使全球投資者對本公司的經營戰略、財務表現及發展前景具備充分的認識及瞭解。本公司將積極發展及維護與投資者、分析師及媒體之間的緊密關係，做好投資者關係管理。

本公司於其投資者關係溝通上採取緘默期原則。緘默期期間，本公司不會就市場前景或影響業務及表現的因素發表意見，亦不會就與報告期相關的事項或趨勢進行討論。本公司將不會與公眾開展任何討論該等事宜的大會或電話會議。緘默期分別於年度業績或中期業績披露前60日或30日開始，至年度業績或中期業績公告為止。

## 組織章程文件

於截至2017年12月31日止年度，本公司組織章程大綱及章程細則概無任何變動。本公司最新組織章程大綱及章程細則可於本公司及聯交所網站查閱。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### CORPORATE OVERVIEW

China Lesso is a leading large-scale industrial group which produces building materials and interior decoration products in mainland China. The Group established 22 advanced production bases in 16 regions within China and foreign countries to support a nationwide sales network. The Group strives to refine its strategic planning and sales network, offering a comprehensive range of diverse industrial products and quality sales services.

The Group continued to reinforce its leading position in the Chinese market, especially in southern China, on the strength of its quality products, advanced technologies in research and development and a wide sales network. In recent years, the Group has been actively developing business in other local markets and overseas markets. In addition to the core business of pipe manufacturing, the Group kept pace with the trends in the market, and further expanded the business of building materials and interior decoration products, including systems of doors and windows, sanitary ware products and integrated kitchens, thereby providing all-in-one solution that includes cost-effective building materials, interior decoration products and services for its customers.

The brand name LESSO of China Lesso represents the key elements of the Group's corporate culture: "Link, Easiness, Safety, Sharing and Openness", and demonstrates its commitment to "Creating a Relaxing Life for Dwellers". Since it was established over 30 years ago, China Lesso has been consistently consolidating its strong brand position and reputation, and has received quality accreditations from many national and professional institutions, including "Award for Craftmanship in China's Interior Decoration Industry for 2017", "China's Top 100 Companies Award", "Award for Benchmark Company in Quality Manufacturing in Foshan", "Most Preferred Brand in China's Green Building for 2016", and "Top 10 Companies Award in China's Light Industry and Plastics Industry". The Group's leading brand position reflects its strong capabilities in product research and development as well as excellent product quality, which have laid a foundation for the Group's solid presence in mainland China and overseas markets, and gave the impetus to the further expansion of China Lesso's sales network.

### 概覽

中國聯塑為中國內地領先的大型建材家居產業集團。為配合覆蓋全國的銷售網絡，本集團建立二十二個先進的生產基地，分佈於中國十六個地區及海外國家。本集團致力完善戰略佈局及銷售網絡，並提供種類齊全、多元化的產品及全面優質的銷售服務。

憑藉優質產品、先進的研發技術及廣泛的銷售網絡，本集團繼續鞏固中國市場的領導地位，特別是華南地區。近年來，本集團積極拓展華南以外及海外市場的業務。除穩步提升核心塑料管道系統業務外，本集團緊貼市場的發展趨勢，進一步擴展包括門窗系統、水暖衛浴及整體廚房等建材家居產品之業務，為客戶提供一站式及高性價比的建材家居產品及服務。

中國聯塑的品牌LESSO寓意著「傳承、輕鬆、安全、分享、開放」的企業文化理念，致力「為居者構築輕鬆生活」。成立三十多年來，中國聯塑一直鞏固其優越的品牌地位及知名度，榮獲多個國家及專業機構的品質認證，包括「2017中國家居產業大國工匠獎」、「中國百強企業獎」、「佛山品質製造標杆企業」、「2016中國綠色建築首選品牌」、「中國輕工業塑料行業十強企業」等獎項。其領先的品牌地位足證本集團的產品研發實力及優秀的產品質量，為本集團建立中國大陸及海外市場的基礎，進一步拓展中國聯塑的銷售網絡。

## MARKET REVIEW

China's economic growth accelerated in 2017 on the back of the continued progress in the restructuring of the supply side. During the year under review, the Chinese government continued to press on with its policies on energy conservation and environmental protection, and carried out multiple large-scale municipal projects and urban infrastructure construction, which drove up the demand for pipes and pipe fittings consistently.

"The Program for Construction of the National Urban Municipal Infrastructure under the 13th Five-Year Plan" set targets for the development of the facilities for national water supply, heating supply, drainage and waterlogging prevention. Under the Program, China plans to add 93,000 km of new pipelines to the water supply network, 95,000 km of new pipelines to the drainage network, replace 23,000 km of old pipelines of the drainage network, add 41,000 km of new pipelines to the centralised heating network, build 137,000 km of new gas pipelines, and construct 112,400 km of urban rainwater pipelines during the period of "The 13th Five-Year Plan". These large-scale infrastructure projects will further promote the new mode of urbanisation and regional economic development, and will generate enormous demand for pipes, thus benefiting the industry.

The Chinese government steadily pressed on with the construction of "Underground Pipeline Utility Tunnel" and the plan for "Sponge City", creating more opportunities for the application of plastic pipes. As at April 2017, 738 km of pipelines have been constructed under the Underground Pipeline Utility Tunnel pilot scheme, with completed investments amounting to about RMB40 billion, and 443 cities in China have planned to construct Underground Pipeline Utility Tunnel for a total length of about 13,000 kilometers. Under the pilot scheme of Sponge City, underground pipeline utility tunnels were already built in an area of 420 square kilometers, with completed investments amounting to about RMB54.4 billion, and 370 cities in China have made special planning for construction of Sponge City.

## 市場概況

2017年中國經濟增長速度提升，隨著供給側結構性改革繼續深入推進，經濟增長的穩定性明顯增強。回顧年內，中國政府持續推動能源及環保政策，多項大型市政工程及城市基礎建設相繼推行，持續推動管道管件需求增長。

《全國城市市政基礎設施建設「十三·五」規劃》亦提出國家在供水、供熱、排水防澇等基礎設施的發展目標，計劃於「十三·五」期間新建供水管網9.3萬公里，新建污水管網9.5萬公里，改造老舊污水管網2.3萬公里，新建集中供熱管網4.1萬公里，新建燃氣管道13.7萬公里，建設城市雨水管道11.24萬公里。上述規模宏大的基礎設施工程，將進一步推動新型城鎮化及區域經濟發展，為管道行業帶來龐大的市場需求。

中國政府穩步落實「地下綜合管廊」建設與「海綿城市」計劃，為塑料管道的應用創造良好條件。截至2017年4月，全國地下綜合管廊試點項目已開工建設738公里，完成投資約人民幣400億元，已有443個城市提出地下綜合管廊建設專項規劃，涉及建設里程約1.3萬公里。海綿城市建設試點項目已建設面積420平方公里，完成投資約人民幣544億元，全國已有370個城市提出海綿城市建設專項規劃。

### MARKET REVIEW (Continued)

2017 was a milestone for the implementation of “Action Plan for Prevention and Control of Water Pollution” and was marked by achievement of some targets in certain stages of the plan as the progress was driven by the relevant policies and market demand. The newly-amended Law of the People’s Republic of China on Prevention and Control of Water Pollution clarified the responsibilities of governments at each administrative level regarding water environment and water quality, and also called for the fulfillment of these responsibilities. According to data from the Ministry of Environmental Protection, the “Action Plan for Prevention and Control of Water Pollution” will require a total investment of about RMB4.6 trillion, and the increased investment in pollutant treatment is estimated to be able to add about RMB1.9 trillion to the output value of the environmental protection industry.

According to the “Program for Developing National Marine Economy under the 13th Five-Year Plan”, China will adjust and optimise the traditional marine industries, promote comprehensive regional development of the marine industries primarily in the form of marine ranch construction, vigorously develop the seawater aquaculture in a healthy manner and support the deep-water, wind- and wave-resistant cage aquaculture, thereby driving sustainable development in the marine fishery industry. This will enlarge the plastic pipe market and present new opportunities for the applications of pipes.

The 5th Plenary Session of the 16th Central Committee announced the “Beautiful Rural Villages Programme” which was aimed at promoting the modernisation of agriculture and construction of a new type of rural villages. Under the programme, rural villages are to be built according to scientific planning so that they can develop sustainably, foster the development of both industries and a civilisation, enable an affluent lifestyle, and are thus good places for living and businesses. The Program entails the improvement of the ecology of the rural villages, environment protection and pollutant treatment. In the backward rural areas where environmental facilities and infrastructure are lacking, facilities for water supply, power supply, gas supply, drainage ditches, sewage collection network, sewage treatment facilities and other types of infrastructure will be built so that urban and rural areas can become more integrated with the urbanisation progressing in parallel with the development of a new type of rural villages.

### 市場概況(續)

在政策驅動和市場需求之下，2017年是「水污染防治行動計劃」落地實施及完成階段目標的關鍵一年。新修訂的《中華人民共和國水污染防治法》明確並督促了各級政府的水環境品質責任。根據環保部數據，完成「水污染防治行動計劃」全社會投資大概需要人民幣4.6萬億元，通過加大治污投資將帶動環保產業新增產值約人民幣1.9萬億元。

《全國海洋經濟發展“十三五”規劃》中提出，中國要調整優化海洋傳統產業，推進以海洋牧場建設為主要形式的區域性綜合開發，大力發展海水健康養殖，支持深水抗風浪網箱養殖，實現海洋漁業可持續發展，擴闊塑料管道的市場基礎，為管道應用帶來新機遇。

為推進農業現代化和新農村建設，「美麗鄉村」規劃於第十六屆五中全會提出，旨在建設規劃科學、生產發展、生活寬裕、鄉風文明，宜居、宜業的可持續發展鄉村，進一步加強農村生態建設、環境保護和綜合整治工作。其中包括於農村環境基礎設施建設滯後的地區，開展供水、供電、燃氣供應、排水溝、污水收集管網、污水處理等基礎設施的建設，推進城鄉一體化的城鎮化發展和新農村建設。



## MARKET REVIEW (Continued)

In addition, to alleviate the air pollution in Beijing, Tianjin, Hebei and other northern regions of China, the Chinese government is actively implementing its energy policy on conversion from coal to natural gas. The policy stimulated the demand for natural gas pipes. According to the "Action Plan for Prevention and Control of Air Pollution" published and distributed by the State Council, construction of the natural gas pipeline network will be accelerated to pave way for the elimination of conventional coal as a source of energy. According to the "Crucial Action Plan for Comprehensive Treatment of Air Pollution in Autumn and Winter for 2017-2018 in Beijing, Tianjin, Hebei and Nearby Areas", in the "2+26" cities along the passage for the air transmission between Beijing, Tianjin and Hebei, over 3 million households converted from coal to electricity or gas as at the end of October 2017, presenting a huge opportunity for business on the pipe market.

China's natural gas transmission industry has been developing rapidly. The construction of West-East Gas Pipeline Project, Sichuan-East Gas Pipeline Project and other projects of the same type have been in full swing under the state's energy policies. As at 11 December 2017, the annual one-time transmission of natural gas through the pipelines in China reached 100.218 billion cubic meters, of which 48% is domestically produced gas, and 40% is imported natural gas. The massive amount of transmission and the extension of the transmission distance gave rise to even higher requirements for the safe operation of pipes. As a result, the market needs pipeline management to be safer, more reliable, more efficient and sustainable. This adds impetus to the construction of smart pipeline networks and fueled the further development of the pipe industry.

The Chinese government continued with its regulation of the real estate industry, with the aim of containing housing price in first-tier and second-tier cities and reducing housing inventory in third-tier and fourth-tier cities. On the back of the further progress in the restructuring of the supply side and the advances in the new mode of urbanisation, the second-hand homes which have been completed for less than five years and the redecoration of other types of homes in core cities will present a new opportunity for the building materials and interior decoration industry.

## 市場概況(續)

此外，為改善京津冀等北方地區的空氣污染問題，中國政府大力推動「煤改氣」能源政策，推動以天然氣取代傳統燃煤，帶動天然氣管道需求上升。國務院印發的《大氣污染防治行動計畫》中提到，要加快天然氣管網建設，實行全面淘汰傳統燃煤。按《京津冀及周邊地區2017-2018年秋冬季大氣污染綜合治理攻堅行動方案》，到2017年10月底，京津冀大氣傳輸通道"2+26"城市完成以電代煤、以氣代煤300萬戶以上，為管道市場帶來重大機遇。

隨著西氣東輸、川氣東送等能源政策相繼進行建設工程，中國天然氣輸送行業得到快速發展，截至2017年12月11日，中國石油天然氣管道年度一次管輸量達到100.218億立方米，其中輸送國產天然氣約佔48%，進口管道天然氣約佔40%。龐大的輸送量以及輸送距離的延長都提高了對管道安全運行的要求，市場追求更加安全、可靠、高效、可持續性的管理運營，推進智慧管網的建設，促進管道產業的進一步發展。

中國各地政府對房地產行業繼續進行政策調控，於一二線城市控房價，三四線城市推進房地產去庫存政策。但隨著供給側結構性改革的深入，新型城鎮化的推進，核心城市的次新房和房產再裝修將為建材家居行業帶來新機遇。

**MARKET REVIEW (Continued)**

In the overseas market, China and the countries covered by its Belt and Road Initiative have further explored possibilities of cooperating in infrastructure construction, trade and other areas. On the other hand, the Chinese government is encouraging the mainland Chinese companies to step up investment in various industries, gradually making overseas businesses their new growth drivers. Many regions, including the countries covered by the Belt and Road Initiative, are still at the initial stage of urbanisation. This implies huge potential for infrastructure construction, hence massive demand for piping systems, building materials, hard ware and electrical equipment.

**RESULTS AND PERFORMANCE**

For the year ended 31 December 2017, China Lesso's revenue increased by 18.2% to RMB20,360 million (2016: RMB17,221 million), attributable to better macro-economic conditions, strong demand from infrastructure construction, strong brand influence and the Group's steadily rising market share. On the back of the Group's economies of scale, expanded production capacity and effective cost control, the gross profit rose by 16.0% to RMB5,317 million (2016: RMB4,582 million), with gross profit margin standing at a healthy level of 26.1% (2016: 26.6%).

The table below sets out the breakdown of revenue by business unit for 2017 and 2016:

		Revenue 收入		% of total revenue 佔總收入%		
		2017	2016	Change 變動	2017	2016
		RMB million 人民幣百萬元	RMB million 人民幣百萬元		2017	2016
Plastic piping systems	塑料管道系統	<b>18,110</b>	14,745	22.8%	<b>88.9%</b>	85.6%
Building Materials and Interior Decoration	建材 家居					
Products	產品	<b>1,356</b>	1,011	34.0%	<b>6.7%</b>	5.9%
Others <sup>#</sup>	其他 <sup>#</sup>	<b>894</b>	1,465	(39.0)%	<b>4.4%</b>	8.5%
Total	總計	<b>20,360</b>	17,221	18.2%	<b>100.0%</b>	100.0%

<sup>#</sup> "Others" include businesses of environmental engineering and other related services, financial services and others.

**市場概況(續)**

海外市場方面，中國與「一帶一路」沿線國家在基礎設施建設、貿易等方面合作實現了更深入的探討。另一方面，政府更有力地推進落實擴大產業投資，使得海外業務逐漸成為中國企業新的增長點。「一帶一路」沿線國家在內的很多地區仍處於城鎮化建設的起始階段，基礎設施建設空間與潛力巨大，將為管道系統以及建材、五金及電氣設備帶來大量需求。

**業績表現**

於截至2017年12月31日止年度，受惠於宏觀經濟和基礎建設需求持續旺盛，知名品牌效應和市場份額穩步提升，中國聯塑收入按年增加18.2%至人民幣203.60億元（2016年：人民幣172.21億元）。由於規模經濟效益、廠房產能提升和有效成本控制，本集團毛利增加16.0%至人民幣53.17億元（2016年：人民幣45.82億元），而毛利率維持於健康水平之26.1%（2016年：26.6%）。

下表載列2017年及2016年收入按業務劃分的詳情：

## RESULTS AND PERFORMANCE (Continued)

## 業績表現(續)

The number of the Group's independent and exclusive first-tier distributors nationwide increased to 2,155 (2016: 2,146). Southern China remained the Group's major revenue contributor, and revenue from southern China and those from other regions accounted for 56.6% and 43.4% respectively (2016: 59.9% and 40.1%) of the Group's total revenue.

本集團於全國各地的獨立獨家一級經銷商數目增至2,155名(2016年: 2,146名)。華南市場繼續為本集團的主要市場，來自華南地區及華南以外地區的收入佔本集團總收入分別為56.6%及43.4%(2016年: 59.9%及40.1%)。

The table below sets out the breakdown of revenue by region for 2017 and 2016:

下表載列2017年及2016年收入按地區劃分的詳情：

Region <sup>#</sup>	地區 <sup>#</sup>	Revenue 收入			% of total revenue 佔總收入%	
		2017 RMB million 人民幣百萬元	2016 RMB million 人民幣百萬元	Change 變動	2017	2016
Southern China	華南	11,521	10,308	11.8%	56.6%	59.9%
Southwestern China	西南	2,115	1,572	34.6%	10.4%	9.1%
Central China	華中	2,231	1,721	29.6%	10.9%	10.0%
Eastern China	華東	1,224	1,067	14.7%	6.0%	6.2%
Northern China	華北	1,341	1,074	24.8%	6.6%	6.2%
Northwestern China	西北	746	571	30.7%	3.7%	3.3%
Northeastern China	東北	460	372	23.6%	2.3%	2.2%
Outside China	中國境外	722	536	34.9%	3.5%	3.1%
Total	總計	20,360	17,221	18.2%	100.0%	100.0%

<sup>#</sup> Details of the scope of coverage of each region are set out in note 4 to consolidated financial statements.

<sup>#</sup> 各地區的覆蓋範圍詳情載於綜合財務報表附註4。

Over the years, the Group reduced the pressure which stemmed from rising raw materials and production costs by means of economies of scale, production automation and by increasing the utilisation rate of production facilities. Meanwhile, the Group actively enhanced operational efficiency, optimised product portfolio and expanded market coverage, which contributed to the sustainable development and profitability of the Group.

多年來，本集團通過規模經濟效益、推動生產自動化及提升生產設施使用率等措施，減少原材料和生產成本上漲所帶來的壓力。同時，本集團有賴積極提升營運效益、產品組合和市場覆蓋，令本集團持續發展和維持健康的盈利水平。

The Group's EBITDA increased by 22.6% to RMB3,831 million during the year under review (2016: RMB3,125 million), and the EBITDA ratio was 18.8% (2016: 18.1%). Profit before tax increased by 21.8% to RMB2,955 million (2016: RMB2,425 million). Profit attributable to owners of the Company increased by 19.3% to RMB2,293 million (2016: RMB1,922 million). Basic earnings per share increased by 19.4% to RMB0.74 (2016: RMB0.62). The effective tax rate stayed at 23.3% (2016: 21.1%).

回顧年內，本集團之除息稅折攤前盈利按年增加22.6%至人民幣38.31億元(2016年: 人民幣31.25億元)，而除息稅折攤前盈利率則為18.8%(2016年: 18.1%)。除稅前溢利按年增加21.8%至人民幣29.55億元(2016年: 人民幣24.25億元)。本公司擁有人應佔溢利增加19.3%至人民幣22.93億元(2016年: 人民幣19.22億元)。每股基本盈利按年增加19.4%至人民幣0.74元(2016年: 人民幣0.62元)。實際稅率則維持於23.3%之水平(2016年: 21.1%)。

**RESULTS AND PERFORMANCE (Continued)**

To express gratitude to the Shareholders for their support and to share with them the fruit of the Group's endeavours, the Board proposed payment of a final dividend of HK18 cents per share for the year ended 31 December 2017 (2016: HK15 cents per share).

**BUSINESS REVIEW****PLASTIC PIPING SYSTEMS**

The plastic piping systems business is the mainstay operation of the Group. The Chinese government continued to invest massively in municipal projects and infrastructure construction, and carried out many infrastructure projects to propel the economic growth, which stimulated the demand for plastic pipes and pipe fittings. The Group has actively capitalised on the various infrastructure and public projects initiated by the government, and boosted sales volume of plastic pipes and pipe fittings, which drove steady growth in the business.

The table below sets out the breakdown of revenue from plastic piping systems business by product application for 2017 and 2016:

		Revenue		Change	% of revenue	
		2017	2016		2017	2016
		RMB million	RMB million	變動	佔收入%	
		人民幣百萬元	人民幣百萬元			
Water Supply	供水	<b>6,887</b>	5,898	16.8%	<b>38.0%</b>	40.0%
Drainage	排水	<b>6,965</b>	5,612	24.1%	<b>38.5%</b>	38.0%
Power supply and telecommunications	電力供應及通訊	<b>3,257</b>	2,534	28.5%	<b>18.0%</b>	17.2%
Gas Transmission	燃氣輸送	<b>412</b>	189	118.7%	<b>2.3%</b>	1.3%
Others <sup>#</sup>	其他 <sup>#</sup>	<b>589</b>	512	15.0%	<b>3.2%</b>	3.5%
<b>Total</b>	<b>總計</b>	<b>18,110</b>	14,745	22.8%	<b>100.0%</b>	100.0%

<sup>#</sup> "Others" include agricultural applications, floor heating and fire services.

**業績表現(續)**

為回饋所有股東的支持和分享業績成果，董事會建議宣派截至2017年12月31日止年度之末期股息為每股18港仙(2016年：每股15港仙)。

**業務回顧****塑料管道系統**

塑料管道系統業務是本集團的主營業務。中國政府對國內市政工程及基礎建設持續投入大量資金，實施多項基建項目以促進經濟增長，因而提高對塑料管件及管道的需求量。由於本集團積極把握政府各項基建及民生項目，提高塑料管道及管件的產品銷量，令該業務保持穩健增長。

下表載列2017年及2016年塑料管道系統業務收入按產品應用劃分的詳情：

<sup>#</sup> 「其他」包括農用、地暖及消防。

During the year under review, the revenue from the plastic piping systems business increased by 22.8% to RMB18,110 million from last year's RMB14,745 million, and accounted for 88.9% of the Group's total revenue (2016: 85.6%).

於回顧年內，塑料管道系統業務的收入較去年內的人民幣147.45億元增加22.8%至人民幣181.10億元，佔本集團總收入的88.9% (2016年：85.6%)。

## BUSINESS REVIEW (Continued)

## 業務回顧(續)

### PLASTIC PIPING SYSTEMS (Continued)

### 塑料管道系統(續)

The table below sets out the breakdown of revenue from plastic piping systems by region for 2017 and 2016:

下表載列2017年及2016年塑料管道系統收入按地區劃分的詳情：

Region	地區	Revenue 收入		Change 變動	% of revenue 佔收入%	
		2017 RMB million 人民幣百萬元	2016 RMB million 人民幣百萬元		2017	2016
Southern China	華南	10,160	8,688	16.9%	56.1%	58.9%
Other than Southern China	華南以外 地區	7,672	5,805	32.2%	42.4%	39.4%
Outside China	中國境外	278	252	11.0%	1.5%	1.7%
Total	總計	18,110	14,745	22.8%	100.0%	100.0%

The Group continued to strive to enhance the facilities at its existing production bases by raising the level of automation and by upgrading production technologies and facilities. The Group put the new production base in Hunan into operation in the second half of 2017, thereby improving the Group's overall designed capacity and production efficiency.

本集團繼續致力優化現有生產基地的設備，提高自動化水平及升級生產技術設備，其中湖南新生產基地於2017年下半年正式投產，以提升本集團整體設計產能和生產效率。

During the year under review, sales volume of the plastic piping systems increased by 17.6%. In terms of product materials, sales volume of PVC products increased by 14.7% to 1,582,697 tonnes (2016: 1,379,844 tonnes), while that of non-PVC products increased by 29.9% to 422,143 tonnes (2016: 325,068 tonnes). Revenue from sales of PVC products increased by 23.4% to RMB11,840 million (2016: RMB9,595 million) while that of non-PVC products increased by 21.8% to RMB6,270 million (2016: RMB5,150 million).

回顧年內，塑料管道系統的銷量按年增加17.6%。產品物料方面，PVC產品的銷量按年增加14.7%至1,582,697噸（2016年：1,379,844噸），非PVC產品的銷量則按年增加29.9%至422,143噸（2016年：325,068噸）。銷售PVC產品及非PVC產品所得的收入分別增加23.4%至人民幣118.40億元（2016年：人民幣95.95億元）及21.8%至人民幣62.70億元（2016年：人民幣51.50億元）。

As the average costs of sales increased by 7.0% in 2017, the Group lifted the average selling price of its plastic piping systems by 4.5% to RMB9,033 per tonne (2016: RMB8,648 per tonne). The gross profit margin at this business reached 27.1% (2016: 28.9%). The Group strived to maintain its gross profit margin at a reasonable and stable level by effectively reducing the costs of raw materials and production through economies of scale, massive procurement from raw materials suppliers and other measures.

由於2017年平均銷售成本按年增加7.0%，本集團塑料管道系統的平均售價上調4.5%至每噸人民幣9,033元（2016年：每噸人民幣8,648元），該業務的毛利率為27.1%（2016年：28.9%）。本集團通過經濟規模效益、與原材料供應商進行大量採購等措施，有效降低原材料和生產成本，致力把毛利率維持於合理和穩健水平。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### BUSINESS REVIEW (Continued)

##### PLASTIC PIPING SYSTEMS (Continued)

The table below sets out the breakdown of average selling price, sales volume, and revenue from plastic piping systems business by product material for 2017 and 2016:

		Average selling price			Sales volume			Revenue		
		平均售價			銷量			收入		
		2017	2016	Change	2017	2016	Change	2017	2016	Change
		RMB	RMB		Tonne	Tonne		RMB million	RMB million	
		人民幣	人民幣	變動	噸	噸	變動	人民幣百萬元	人民幣百萬元	變動
PVC products	PVC產品	7,481	6,954	7.6%	1,582,697	1,379,844	14.7%	11,840	9,595	23.4%
Non-PVC products*	非PVC產品*	14,853	15,841	(6.2)%	422,143	325,068	29.9%	6,270	5,150	21.8%
Total	總計	9,033	8,648	4.5%	2,004,840	1,704,912	17.6%	18,110	14,745	22.8%

\* "Non-PVC" plastic pipes and pipe fittings mainly refer to those made of PE or PP-R.

#### 業務回顧(續)

##### 塑料管道系統(續)

下表載列2017年及2016年塑料管道系統業務按產品物料劃分的平均售價、銷量及收入分項詳情：

\* 「非PVC」塑料管道及管件主要是PE或PP-R制。

#### BUILDING MATERIALS AND INTERIOR DECORATION PRODUCTS

China's property market continued to fare well in 2017, and developers saw significant growth in both floor area sold and sales value. The Group has been actively developing the business of building materials and interior decoration products, which mainly provides property developers with various types of integrated building materials and interior decoration products, as well as the solution for their residential property projects, including sanitary ware products, integrated kitchens, systems of doors and windows, and decorative boards, etc. The building materials and interior decoration business has achieved synergy with the businesses of other product lines. Benefiting from China's urbanisation and the stable development of its property market, the business recorded a 34.0% growth in revenue to RMB1,356 million (2016: RMB1,011 million), which accounted for 6.7% of the Group's total revenue.

#### 建材家居產品

中國房地產市場於2017年持續向好，各開發商的銷售面積和銷售金額均錄得顯著增長。本集團於繼續積極拓展建材家居產品業務，為房地產開發商提供多種類及一體化的建材家居產品及解決方案，包括水暖衛浴產品、整體廚房、門窗系統及裝飾板材等多元化產品。建材家居業務與其他現有的產品綫發揮協同效應。受惠於中國城鎮化政策和房地產市場穩步發展，該業務收入增長34.0%至人民幣13.56億元（2016年：人民幣10.11億元），佔本集團總收入的6.7%。

## BUSINESS REVIEW (Continued)

### ENVIRONMENTAL PROTECTION

To capitalise on the Chinese government's environmental protection initiatives, the Group is actively expanding its environmental protection business. During the year under review, the Group made a breakthrough in the environmental protection business, and won contracts to supply its products to many large-scale projects, including those of municipal sewerage system, river treatment, soil restoration, underground pipeline utility tunnel, sponge city, installation of integrated water purifiers and other fields. The group strives to become a one-stop environmental protection service provider, and aims to generate synergy between the environmental protection business and the business of plastic piping systems.

### LESSO HOME

Following the Belt and Road Initiatives, the Group decided to launch a new business line, "Lesso Home". Lesso Home is a pioneer in promoting overseas the "One-Stop Specialised Market for Home Furnishing Products" concept, a new retail model. Lesso Home aims to build a multinational platform for Chinese home furnishings and building materials manufacturers to showcase their products and facilitate the distribution and retailing. Lesso Home will also provide ancillary services including marketing and branding.

The Group has 12 sites reserve in the United States, Canada, Australia, Thailand and United Arab Emirates. All of the sites are located within close proximity to major metropolitan areas. The Group aims to develop these sites into the largest one-stop showroom markets specialised for home furnishing products in its respective local market. Tenants will independently operate their own showrooms, and sell their products directly to local traders, retailers and consumers.

## 業務回顧(續)

### 環保產業

為配合中國政府推動的環境保護措施，本集團正積極拓展環保業務。回顧年內，本集團在環保業務取得突破，成功贏得多個大型項目，涉及市政污水、河涌治理、土壤修復、地下綜合管廊、海綿城市、一體化淨水設備等不同範疇。本集團致力成為一站式環保服務供應商，同時更為本集團的塑料管道系統業務帶來長遠的商業協同效應。

### 領尚環球之家

為配合國家「一帶一路」政策，本集團決定啟動新業務「領尚環球之家」，率先將「一站式專業家居展廳商城」新零售模式推廣至海外市場。領尚環球之家，旨在為中國家居及建材生產商建立跨國平台，以展示其產品、促進其分銷及零售，也將提供營銷及品牌推廣等配套服務。

本集團已於美國、加拿大、澳大利亞、泰國、阿聯酋等國家有12處物業儲備，該等物業均毗鄰主要大都會區。在各地，本集團將建成當地市場最具規模的一站式專業家居展廳商城。商城中各展廳由租戶獨立經營，直接銷售予當地分銷商、零售商、消費者。

### BUSINESS REVIEW (Continued)

#### CAPITAL EXPENDITURE

The Group's capital expenditure for 2017 was approximately RMB2.5 billion, which was partly used for improvement of automated facilities, expansion of the existing production bases, construction of a production base in Hunan and acquisition of properties in foreign countries.

The Group continued to further its progress in automatic production and smart production, and strived for fully mechanised production lines for pipe products, so as to improve overall production capacity, quality and efficiency. The launch of the new production base in Hunan increased the Group's annual designed capacity of plastic pipes and pipe fittings to 2.4 million tonnes at the end of 2017 from 2.2 million tonnes in 2016, enhancing the Group's abilities to respond to market demand.

During the year under review, the Group's capacity utilisation rate reached about 83.8%, up by 3.8 percentage points from 80.0% in 2016. This resulted from the Group's success in tapping the strong demand, robust sales, the automation of its factories and improvement in production efficiency.

#### STRATEGIES FOR THE FUTURE

China maintained momentum of steady economic growth. In 2018, the Chinese economy is poised to grow steadily even though it is overshadowed by uncertainties. The Group remains prudently optimistic about the prospect of its business and will actively capitalise on the government policies which can favor the kind of businesses that it is engaged in, and develop its business of building materials and interior decoration products as well as business of environmental protection. The Group will implement the following measures to achieve sustainable business development in the future.

### 業務回顧(續)

#### 資本開支

本集團2017年的資本開支為約人民幣25億元，其中部份用於改進自動化設備、現有生產基地的擴建工程及興建湖南生產基地，以及購置海外物業用途。

本集團繼續推動生產自動化和智能化，在管道產品生產中全面實現機械化，以提高整體產能、質量和效益。隨著湖南新生產基地投產後，本集團塑料管道及管件生產的年度設計產能由2016年的220萬噸擴至2017年年底的240萬噸，以應付市場需要。

回顧年內，受惠於市場需求和銷售持續旺盛，以及廠房自動化和生產效益改善，本集團的產能使用率約83.8%，較2016年的80.0%提升3.8個百分點。

#### 未來策略

中國經濟繼續維持穩中向好的發展態勢，展望2018年中國經濟將保持平穩增長，但不確定因素依然影響著中國，為國內經濟帶來下行壓力。本集團對業務前景保持審慎樂觀，未來會積極把握政府政策支持所帶來的發展機遇，拓展建材家居產品及環保領域業務，通過實施以下措施，為本集團未來業務的持續發展提供增長動力。



## STRATEGIES FOR THE FUTURE (Continued)

### CAPITALISE ON INDUSTRY 4.0 BY MAKING ITS PRODUCTION AUTOMATED AND INTELLIGENT

Over the years, the Group has strived to make its facilities more computerised and to increase the level of computerisation of its management. In the future, the Group will actively develop intelligent factories, press on with the full automation of production bases, and further improve the mechanical equipment and their auxiliary facilities in existing production bases so as to raise the level of automation, accelerate production, expand production capacity, increase production efficiency and meet market demand.

### IMPROVE PRODUCT QUALITY, ENHANCE PRODUCT RESEARCH AND DEVELOPMENT, AND STRENGTHEN BRAND

China's pipe and building materials industry is undergoing such profound changes as restructuring and upgrading. Therefore, the Group will vigorously enhance its competitiveness in research and development of products and technologies, accelerate the transformation and upgrading of its business, and develop market networks. The Group has a first-rate team for research and development, and will continue to step up innovation and increase its investment in research and development. It will focus on the research on the technologies in the pipe and building materials industry, so as to maintain a technological leadership in the industry and provide diverse, high-quality products.

### ACTIVELY DEVELOP THE ENVIRONMENTAL PROTECTION BUSINESS AND ACHIEVE SYNERGY

The Chinese government will continue to implement a series of environmental protection policies which present many opportunities for the environmental protection industry. The Group will actively grasp such opportunities by forming public-private partnerships, and fostering new growth drivers so as to achieve synergy between its environmental protection business and other businesses, and diversify its source of income.

## 未來策略(續)

### 邁進工業4.0 打造自動化和智能化生產

本集團自多年來致力提高設備智能化及信息化管理，未來將繼續積極發展智能化廠房，加緊為生產基地進行全面自動化，進一步完善現有生產基地的機械設備及配套，以提升自動化水準及加快生產過程，從而擴充產能及提升生產效率，以滿足市場需求。

### 提升產品質量 提升產品研發和品牌

中國管道和建材業正進行，結構調整，產業升級已成為行業發展變革方向。為此，本集團將努力提升產品與技術的研發競爭力，加快轉型升級，積極拓展市場網絡。本集團已建有頂尖的研發團隊，並將持續加大創新研發投入，專注於管道和建材產業的技術研究，確保技術的行業領先地位，致力於為大眾提供多元化、高質量的產品。

### 積極拓展環保業務 實現協同效應

中國政府未來將持續推行一系列環保政策，在國家政策的推動下，環保產業預計繼續迎來市場機遇與發展潛力。本集團將積極把握機會發展環保業務以及參與公私合營項目，努力培育新的業務增長點，以實現本集團業務協同效應及收入多元化。

### STRATEGIES FOR THE FUTURE (Continued)

#### LEAD THE MARKET AND ADOPT BLUE-OCEAN STRATEGY

China's steady progress in its plan for development has led to robust demand for piping systems in the field of infrastructure construction. As a result, the scope of the application of plastic piping systems has been widened, meaning more business opportunities for the pipe industry. As a market leader, the Group will strive to expand the scope of application of plastic pipes and pipe fittings, thereby maintaining its market leadership. Meanwhile, the Group will develop the "Lesso Home" business, thereby adding impetus to the Group's business. In 2018, the Group plans to open a Lesso Home in New York to serve target buyers and customers in North America.

### FINANCIAL POSITION

The Group continued to adopt prudent financial policies. Finance, fund utilisation and fund raising activities of the Group are subject to effective centralised management and supervision. The Group keeps reasonable gearing level and adequate liquidity.

As at 31 December 2017, the Group had total debts (i.e. total borrowings) of approximately RMB8,319 million, of which 62.7% was denominated in US dollar, 15.1% was denominated in HK dollar, 13.3% was denominated in Renminbi, 6.5% was denominated in Australian dollar and 2.4% was denominated in Canadian dollar. The Group's borrowings are subject to effective interest rates ranging from 1.6% to 6.0% per annum with maturity periods ranging from within one year to more than five years.

As at 31 December 2017, the Group's current assets and current liabilities were approximately RMB12,148 million and RMB8,074 million respectively. The Group's Current Ratio increased to 1.50 from 1.03 as at 31 December 2016, while the Quick Ratio increased to 1.10 from 0.75 as at 31 December 2016. The Group's total equity increased to approximately RMB13,783 million. The Group's Gearing Ratio stood at a healthy level of 37.6%.

With cash and bank deposits, including restricted cash, of approximately RMB4,452 million as well as unutilised banking facilities, the Board considers that the Group has sufficient working capital for its operation and future development.

The Group had no material exposure to foreign exchange fluctuation and no hedging had been arranged during the year.

### 未來策略(續)

#### 領先市場發展 開創藍海戰略

隨著中國發展規劃和基建需求持續旺盛，塑料管道系統應用得到進一步延伸，帶來市場發展機遇。作為市場的領導者，本集團將致力擴大塑料管道系統的應用範疇，藉此維持本集團市場領導地位。同時，本集團亦進一步發展「領尚環球之家」業務，為本集團未來業務增長帶來推動力。2018年本集團計劃於美國紐約開設一間領尚環球之家，以服務北美洲的目標買家及客戶。

### 財務狀況

本集團持續採取審慎的財務政策，其財務、資金運用和融資活動實行有效的中央管理及監察模式。本集團維持合理的資產負債水平及充足的流動資金。

於2017年12月31日，本集團的債務總額（即借款總額）為約人民幣83.19億元，其中62.7%以美元計值、15.1%以港元計值、13.3%以人民幣計值、6.5%以澳元計值，而餘下2.4%則以加元計值。本集團的借款之實際年利率介乎1.6%至6.0%，到期期間由一年內至多於五年不等。

於2017年12月31日，本集團的流動資產及流動負債分別為約人民幣121.48億元及人民幣80.74億元。本集團的流動比率及速動比率從2016年12月31日的1.03及0.75分別上升至1.50及1.10。本集團的權益總額增至約人民幣137.83億元。本集團的資產負債率仍處於37.6%的健康水平。

現金及銀行存款（包括受限制現金）為約人民幣44.52億元，再加上尚未使用之銀行融資額度，董事會認為本集團擁有足夠的營運資金用於經營及未來發展。

年內，本集團並無任何重大外匯波動風險，亦無作任何對沖安排。

## CHARGE ON ASSETS

As at 31 December 2017, certain of the Group's available-for-sale investments with an aggregate net carrying amount of approximately RMB34 million were pledged to a bank to secure the banking facility granted, but this banking facility has not been utilised.

The secured bank loans are secured by: i) the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary; ii) certain commercial bills received by the Group during its provision of factoring services; and iii) certain receivables from supply-chain financing services.

## SIGNIFICANT INVESTMENTS

### LONG-TERM FINANCIAL INVESTMENTS

As at 31 December 2017, the Group held long-term financial investments of approximately RMB1,582 million (31 December 2016: RMB823 million). The investment portfolio comprised of 95.3% listed equity securities (issued by PRC-based home improvement and furnishings shopping malls operating company and PRC-based environmental companies), 0.5% listed debt securities, 2.1% listed non-cumulative redeemable preference shares, 0.6% listed perpetual capital securities and 1.5% private equity and unlisted securities. Each of these investments has a carrying amount accounting to less than 5% of the Group's total assets as at 31 December 2017.

The portfolio movement in the current year is mainly attributable to the purchase of approximately RMB800 million listed equity securities of Red Star Macalline Group Corporation Ltd. (Stock code: 1528.hk) (the "Acquisition"). Details of the Acquisition can be found in the Company's announcement dated 22 March 2017. The Group recognised a net unrealised mark-to-market valuation gain of approximately RMB220 million for the current year, which had no impact on the profit or loss and cash flows of the Group. During the year, the Group's long-term financial investments were reduced due to the redemption of certain of these investments by their respective issuers and the Group's disposals, details of which are set out in notes 19 and 20 to consolidated financial statements.

Income from the portfolio amounted to approximately RMB23 million for 2017, of which approximately RMB39 million represented gain on early redemption of available-for-sale investments, approximately RMB32 million represented loss on fair value changes of derivative financial instrument, approximately RMB8 million represented interest income, approximately RMB4 million represented gain on disposal of available-for-sale investments and held-to-maturity investments, and the remainder represented dividend income.

## 資產抵押

於2017年12月31日，本集團總賬面淨值為約人民幣3,400萬元的若干可供出售投資已向銀行抵押作為獲授銀行融資的擔保，但該銀行融資並無動用。

有抵押銀行貸款乃以：i) 附屬公司的特許經營權及其一名股東的個人擔保；ii) 本集團於提供保理服務時收到的若干商業票據；及iii) 若干供應鏈融資服務應收款項作抵押。

## 重大投資

### 長期金融投資

於2017年12月31日，本集團持有長期金融投資約人民幣15.82億元(2016年12月31日：人民幣8.23億元)。投資組合包括95.3%的上市股本證券(由位於中國的家居裝飾及傢俱商場運營公司及位於中國的環保公司發行)、0.5%的上市債務證券、2.1%的上市非累計可贖回優先股、0.6%的上市永久資本證券及1.5%的私募股權及非上市證券。該等各項投資的賬面值均低於本集團於2017年12月31日總資產的5%。

本年度投資組合的變動主要來自購買約人民幣8億元的紅星美凱龍家居集團股份有限公司(股份代號：1528.hk)的上市股本證券(「收購事項」)。有關收購事項的詳情載於本公司日期為2017年3月22日的公告。本集團於年內確認約人民幣2.20億元的按市值估值的未實現溢利淨額，對本集團的損益及現金流沒有影響。年內，本集團的長期金融投資因其各發行人贖回若干投資及本集團的出售事項而有所減少，有關詳情載於綜合財務報表附註19及20。

於2017年，投資組合的收益為約人民幣2,300萬元。其中約人民幣3,900萬元為提早贖回可供出售投資所得利益、約人民幣3,200萬元為衍生金融工具公允價值變動虧損、約人民幣800萬元為利息收益、約人民幣400萬元為出售可供出售投資及持有至到期投資所得利益、餘下為股息收益。

### SIGNIFICANT INVESTMENTS (Continued)

#### LONG-TERM FINANCIAL INVESTMENTS (Continued)

The Group will study the market and information of the prospective investees cautiously before it makes its investment decisions. The Group will also monitor the performance of its investee closely and regularly after purchases and will adjust the investment strategy in a cautious manner to minimise the impact of market volatility on the Group as and when necessary.

#### INVESTMENT PROPERTIES

As at 31 December 2017, the Group's investment properties were approximately RMB4,000 million. Gains arising from changes in the fair values of investment properties were approximately RMB300 million during the Year.

Among these investment properties, the malls in Toronto, Canada are existing properties, the malls in Long Island, USA and in Auburn district of Sydney, Australia are under refurbishment and the land in Thailand are under development. Other properties are at the planning stage of development.

Save as disclosed above, the Group did not have any significant investments as at 31 December 2017.

### CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any significant contingent liabilities.

### HUMAN RESOURCES

As at 31 December 2017, the Group employed a total of approximately 10,600 employees including directors. Total staff costs were RMB876 million during the year. The Group ensures that the remuneration packages for employees are determined based on their work performance, professional experience and the prevailing industry practice. Discretionary year-end bonus may be paid to employees based on individual performance. Other benefits to employees include medical insurance, retirement scheme and training programmes.

### 重大投資(續)

#### 長期金融投資(續)

於作出投資決策前，本集團會審慎研究市場及潛在被投資方的資料。本集團會於購入後密切及定期監管被投資方的表現，並會審慎地調整投資策略，以期在必要時盡量減低市場波動對本集團的影響。

#### 投資物業

於2017年12月31日，本集團的投資物業約為人民幣40億元。年內的投資物業公允價值變動利益約為人民幣3億元。

投資物業裡，加拿大多倫多商場是現有物業、美國長島商場及澳洲悉尼奧本商場在進行翻新工程、泰國土地在發展中，其他物業尚處於規劃發展階段。

除上文所披露者外，於2017年12月31日，本集團並無任何重大投資。

### 或然負債

於2017年12月31日，本集團概無任何重大或然負債。

### 人力資源

於2017年12月31日，本集團共聘用約10,600名僱員，包括董事在內。年內的員工成本總額為人民幣8.76億元。本集團確保僱員薪酬乃根據其工作表現、專業經驗及現行行業慣例釐定，並可按照個人表現年底酌情向僱員發放花紅。其他僱員福利包括醫療保險、退休計劃及培訓課程。

## CORPORATE SOCIAL RESPONSIBILITY

### ENVIRONMENT

Environmental protection is always a top priority of China Lesso. The Group has applied the ideas of going green and environmental protection throughout its product design, R&D, production and practical operations, and has adopted a variety of eco-friendly measures to minimise impact on the environment. On top of that, the Group supports the development of environmental protection industry and be committed to water treatment and the construction of Sponge City. In addition, the Group establishes a complete environment management system, continues to improve criteria and measures concerning management of environmental protection and adopt more simplified operating processes and energy-efficient hardware to reduce consumption of energy and water resources, increase benefits from resource consumption, reduce wastes emissions and enhance recycling.

The Group complies with laws and regulations governing air pollution, noise emission, solid waste discharge, and other environmental protection issues in China. The environmental management and compliance department works together with the legal department to ensure the Group will keep abreast of the latest development on environment-related laws and regulations.

### COMMUNITY ENGAGEMENT

China Lesso takes an active part in community investment and public welfare and provides care for underprivileged groups in the society, aiming to apply its influence, bring positive changes to the communities where it operates, and maintain sound relations with the communities where it operates. Further, the Group actively supports the development of education in poverty-stricken areas and encourages its employees to serve the community as volunteers.

## 企業社會責任

### 環境

中國聯塑一直以來注重環境保護工作。本集團將綠色環保理念貫穿於產品的設計、研發以及生產中，並採取多項環保措施以降低對環境的影響。本集團亦支持發展環保產業，致力於水體整治與海綿城市建設。此外，本集團建立完善的環境管理體系，不斷改進環保管理規範及措施，推廣精簡的運作流程和節能硬件，以減少能源及水資源使用量、提升資源使用效益、降低廢棄物排放並提升循環利用率。

本集團遵循國家制定的包括在空氣污染、噪聲污染與固體廢棄物排放方面的環保法律法規。本集團的環境管理與合規部門和法律部門合作，確保本集團符合最新的環保方面法律法規的要求。

### 社區投入

中國聯塑積極參與社區投資和社會公益，關愛社會弱勢群體，注重在集團所在的社區發揮影響力，為社區帶來積極正面的影響，並與所在社區建立良好關係。此外，本集團亦積極支持貧困地區的教育事業發展，鼓勵員工加入到社區服務和志願者工作。

### CORPORATE SOCIAL RESPONSIBILITY (Continued)

#### EMPLOYEE

China Lesso recognises employees as one of its most important assets. In strict compliance with the applicable laws and regulations, the Group protects the legitimate rights and interests of its employees and fixes on its pay system based on the principles of legality, equity, fairness and encouragement so as to ensure an equal access to fair treatment and career opportunities. In addition, the Group has formulated its own health and safety policies, intensifies safety training for employees, carries out routine safety patrols and actively pushes forward with relevant management system building for the purpose of creating a safe working environment for its employees, achieving a work-life balance for its employees through diverse activities.

With great emphasis on career development of its employees, the Group is committed to creating diversified and comprehensive development channels for its employees by offering a series of training programs and regular lectures on safety and health through its own Lesso College.

#### CUSTOMER AND SUPPLIER

China Lesso has strived to maintain uninterrupted communications with its suppliers for win-win results based on the procurement principles of fairness, openness and impartiality. The Group has put in place a Supplier Management Code and conducts regular performance evaluation of its suppliers. In addition, the Group has formulated a management system, a reporting process and set up a management team against malpractices in an effort to oversee behaviors of all its employees and protect the interests and rights of the Company and its shareholders. In respect of customer services and management, the Group upholds the “market-oriented, customer-centred” principle and with strict control over product quality. The Group is committed to providing its customers with safe, reliable and quality products.

### 企業社會責任(續)

#### 員工

中國聯塑視員工為重要的資產。本集團嚴格遵守相關法律法規，依法保護員工權益，並以合法、合理、公平、激勵的原則制定薪酬管理制度，確保員工擁有公平的待遇和均等的工作機會。本集團亦為員工制定健康與安全政策，致力加強員工安全培訓，並對生產工作進行日常安全巡查，積極推進管理體系建設，為員工提供安全的工作環境，以及通過多元化的活動達到員工工作與生活的平衡。

此外，本集團重視員工發展，並設立聯塑學院為各類員工提供一系列的培訓課程和定期舉辦安全健康講座，致力於為員工提供多元化及全面的發展通道。

#### 客戶與供應商

中國聯塑重視與供應商保持持續溝通，建立協作共贏的關係，堅持公平公開公正的採購原則。本集團設有《供應商管理辦法》，並定期與供應商進行績效評估。本集團並制定反舞弊管理制度、設立舞弊舉報管理流程及成立反舞弊管理小組，負責規範所有員工的行為，致力維護本公司和股東權益。在客戶服務和管理方面，本集團始終堅持「以市場為導向、以客戶為中心」的服務為宗旨，嚴格把控產品質量，致力於為客戶提供安全可靠的優質產品。

# DIRECTORS' REPORT

## 董事會報告

Set out below are the report presented by the Board together with the Group's audited consolidated financial statements for the year ended 31 December 2017.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The activities of the principal subsidiaries, associates and joint ventures are set out in notes 45, 17 and 18 respectively to consolidated financial statements. Further discussion and analysis of these activities, including a discussion of the principal risks and uncertainties facing by the Group and an indication of likely future developments in the Group's business, the Group's environmental policies can be found in the "Chairman's Statement", "Corporate Governance Report" and "Management Discussion and Analysis". This discussion forms part of the Directors' Report.

### RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2017 and the Group's financial position at that date are set out in the consolidated financial statements on pages 82 to 190.

The Board recommended the payment of a final dividend of HK18 cents per share for the year ended 31 December 2017 (the "Proposed Final Dividend") to the Shareholders whose names appear on the register of members of the Company on Monday, 4 June 2018, subject to the Shareholders' approval at the forthcoming annual general meeting of the Company to be held on Friday, 25 May 2018 (the "2018 AGM"). It is expected that the Proposed Final Dividend will be paid on Wednesday, 13 June 2018.

### CLOSURE OF REGISTER OF MEMBERS

#### (A) FOR DETERMINING THE ENTITLEMENT TO ATTEND AND VOTE AT THE 2018 AGM

The register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2018 AGM, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 18 May 2018.

以下為董事會提呈的報告連同本集團截至2017年12月31日止年度的經審核綜合財務報表。

### 主要業務及業務回顧

本公司的主要業務為投資控股。其主要附屬公司、聯營公司及合營企業的業務詳情分別載於綜合財務報表附註45、17及18。有關此等業務之進一步討論及分析(包括有關本集團所面臨主要風險及不明朗因素之討論、本集團業務未來可能發展之指引以及本集團環境政策)可於「主席報告書」、「企業管治報告」及「管理層討論及分析」中查閱。此討論構成董事會報告之一部分。

### 業績及分配

本集團截至2017年12月31日止年度的溢利及本集團於該日的財務狀況載於第82至190頁的綜合財務報表內。

董事會建議向2018年6月4日(星期一)名列本公司股東名冊的股東派付截至2017年12月31日止年度的末期股息每股股份18港仙(「擬派末期股息」)，惟須待股東於本公司2018年5月25日(星期五)即將舉行的股東週年大會(「2018年股東週年大會」)批准方可作實。預期擬派末期股息將於2018年6月13日(星期三)支付。

### 暫停辦理股份過戶登記手續

#### (A) 確定出席2018年股東週年大會並於會上投票的資格

本公司股東名冊將於2018年5月21日(星期一)至2018年5月25日(星期五)(包括首尾兩天)暫停登記，這期間不會辦理本公司股份過戶登記手續。為取得出席2018年股東週年大會並於會上投票的資格，本公司股份的未登記持有人須確保不遲於2018年5月18日(星期五)下午4時30分向本公司股份過戶登記分處—香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室)—遞交所有股份過戶表格連同相關股票辦理登記。

## CLOSURE OF REGISTER OF MEMBERS (Continued)

### (B) FOR DETERMINING THE ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 31 May 2018 to Monday, 4 June 2018, both dates inclusive, during this period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 30 May 2018.

## CORPORATE GOVERNANCE AND PERMITTED INDEMNITY PROVISION

Principal corporate governance practices and permitted indemnity provision adopted by the Company are set out in the Corporate Governance Report on pages 13 to 35.

## FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the past five financial years, as extracted from audited consolidated financial statements and restated/reclassified as appropriate, is set out on page 3. The summary does not form part of the audited consolidated financial statements.

## PROPERTIES

Particulars of the Group's major properties and property interests are set out on pages 191 to 193.

## SHARE CAPITAL

The details of the changes in the Company's share capital during the year are set out in note 34 to consolidated financial statements.

## ACQUISITION OF SUBSIDIARIES

The details of acquisition of subsidiaries are set out in note 37 to consolidated financial statements.

## 暫停辦理股份過戶登記手續(續)

### (B) 確定收取擬派末期股息的資格

本公司股東名冊將於2018年5月31日(星期四)至2018年6月4日(星期一)(包括首尾兩天)暫停登記,這期間不會辦理本公司股份過戶登記手續。為取得收取擬派末期股息的資格,本公司股份的未登記持有人須確保不遲於2018年5月30日(星期三)下午4時30分向本公司股份過戶登記分處—香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室)—遞交所有股份過戶表格連同相關股票辦理登記。

## 企業管治及獲准許彌償條文

本公司採納的主要企業管治常規及獲准許彌償條文刊載於第13至35頁的企業管治報告內。

## 財務概要

本集團過去五個財政年度的業績、資產及負債的概要載於第3頁,乃摘錄自經審核綜合財務報表,並於適當情況下重列/重新分類。本概要並不構成經審核財務報表其中部分。

## 物業

本集團主要物業及物業權益的詳情載於第191至193頁。

## 股本

本公司於年內的股本變動詳情載於綜合財務報表附註34。

## 收購附屬公司

收購附屬公司詳情載於綜合財務報表附註37。



## DISTRIBUTABLE RESERVE

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB2,387 million (2016: RMB2,351 million). The amount of RMB1,906 million (2016: RMB1,906 million) represented the Company's share premium which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2017, the total turnover attributable to the Group's five largest customers was less than 4% of the Group's total turnover. The total purchase attributable to the Group's five largest suppliers was 41% of the Group's total purchases and the purchases from the largest supplier included therein amounted to 26%.

At no time during the year did the directors, their close associates or any Shareholder (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had any beneficial interests in these suppliers or customers referred to above.

## CHARITABLE DONATIONS

During the year, the Group's charitable donations were approximately RMB4.63 million (2016: RMB3.46 million).

## TAX RELIEF AND EXEMPTION

The directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

## PRE-EMPTIVE RIGHTS

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

## 可供分派儲備

於2017年12月31日，根據開曼群島法例第22章公司法(1961年第3部法律，經綜合及修訂)計算的本公司可供分派儲備為人民幣23.87億元(2016年：人民幣23.51億元)。為數人民幣19.06億元(2016年：人民幣19.06億元)的款項指本公司可予分派的股份溢價，惟於緊隨建議派發股息之日，本公司將能夠償還日常業務範圍內的到期債務。

## 主要客戶及供應商

截至2017年12月31日止年度，本集團五大客戶應佔的總營業額少於本集團總營業額的4%。本集團五大供應商應佔的總購貨額是本集團總購貨額的41%，其中，最大供應商的購貨額佔26%。

於本年度內任何時間，董事、其緊密聯繫人或據董事所知擁有本公司已發行股本逾5%的股東，概無於上述供應商或客戶中擁有任何實益權益。

## 慈善捐款

年內，本集團的慈善捐款約為人民幣463萬元(2016年：人民幣346萬元)。

## 稅務減免

董事並不知悉任何股東因持有本公司的證券而可享有任何稅務減免。

## 優先購買權

本公司的組織章程細則或開曼群島的法例並無有關本公司須按比例向現有股東發售新股份的優先購買權規定。

## DIRECTORS' REPORT

### 董事會報告

#### DIRECTORS

Directors in office during the year and up to the date of this report are as follows:

##### EXECUTIVE DIRECTORS

Mr. Wong Luen Hei (*Chairman*)  
Mr. Zuo Manlun (*Chief executive*)  
Ms. Zuo Xiaoping  
Mr. Lai Zhiqiang  
Mr. Kong Zhaocong  
Mr. Chen Guonan  
Dr. Lin Shaoquan  
Mr. Huang Guirong  
Mr. Luo Jianfeng

##### NON-EXECUTIVE DIRECTOR

Mr. Lin Dewei

##### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Pui Cheung  
Mr. Wong Kwok Ho Jonathan  
Mr. Cheung Man Yu  
Ms. Lan Fang  
Dr. Tao Zhigang

Pursuant to Article 16.18 of the articles of association of the Company, Mr. Luo Jianfeng, Mr. Lin Dewei, Mr. Cheung Man Yu, Ms. Lan Fang and Dr. Tao Zhigang are subject to retirement by rotation at the 2018 AGM and, being eligible, offer themselves for re-election.

Biographical details of directors are set out on pages 7 to 11.

#### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the 2018 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

#### 董事

於年內並截至本報告日期止在任的董事如下：

##### 執行董事

黃聯禧先生(主席)  
左滿倫先生(行政總裁)  
左笑萍女士  
賴志強先生  
孔兆聰先生  
陳國南先生  
林少全博士  
黃貴榮先生  
羅建峰先生

##### 非執行董事

林德緯先生

##### 獨立非執行董事

馮培漳先生  
王國豪先生  
張文宇先生  
蘭芳女士  
陶志剛博士

根據本公司的組織章程細則第16.18條，羅建峰先生、林德緯先生、張文宇先生、蘭芳女士及陶志剛博士須於2018年股東週年大會上輪席告退，惟合資格並願膺選連任。

董事履歷刊載於第7至11頁。

#### 董事服務合約

擬於2018年股東週年大會膺選連任的董事概無與本集團訂立不可於一年內由本集團終止而毋須支付賠償(法定賠償除外)的服務合約。

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

## 董事及行政總裁於股份、相關股份及債權證的權益及淡倉

As at 31 December 2017, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

於2017年12月31日，本公司董事及行政總裁於本公司或其任何相聯法團（證券及期貨條例第XV部內的定義）的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須於本公司存置的登記冊中記錄，或根據標準守則須通知本公司及聯交所的權益及淡倉如下：

Number and capacity of shares of the Company interested <sup>(a)</sup> 本公司權益股份數目及性質 <sup>(a)</sup>						Percentage of the issued share capital of the Company 佔本公司已發行股本的百分比
Name 姓名	Beneficial owner 實益擁有人	Interests of spouse 配偶權益	Other interests 其他權益	Total 總數		
Wong Luen Hei 黃聯禧	–	2,308,000 (L) <sup>(c)</sup>	2,118,485,000 (L) <sup>(b)(d)</sup>	2,120,793,000 (L)	68.36%	
Zuo Xiaoping 左笑萍	2,308,000 (L) <sup>(c)</sup>	2,118,485,000 (L) <sup>(d)</sup>	2,118,485,000 (L) <sup>(b)(d)</sup>	2,120,793,000 (L)	68.36%	
Zuo Manlun 左滿倫	3,842,000 (L)	–	–	3,842,000 (L)	0.12%	
Luo Jianfeng 羅建峰	1,927,000 (L)	–	–	1,927,000 (L)	0.06%	

Note:

- (a) The letter "L" denotes the person's long position in such securities.
- (b) These shares of the Company are held by New Fortune, which was wholly-owned by Xi Xi Development and ultimately owned by UBS Trustees (B.V.I.) Limited, as trustee of a discretionary trust (the "Trust"), the settlor of which is Mr. Wong Luen Hei ("Mr. Wong"). The discretionary beneficiaries of the Trust included Mr. Wong and his family members. Both Mr. Wong and Ms. Zuo Xiaoping are taken to be interested in the said shares of the Company held by the Trust under the SFO as directors of the Company.
- (c) Ms. Zuo Xiaoping is directly holding 2,308,000 shares of the Company. Mr. Wong is the spouse of Ms. Zuo Xiaoping, and therefore Mr. Wong is deemed to be interested in all the shares of the Company in which Ms. Zuo Xiaoping is interested by virtue of the SFO.
- (d) These shares related to the same block of shares in the Company as set out in note (b) above. Ms. Zuo Xiaoping is the spouse of Mr. Wong, and therefore Ms. Zuo Xiaoping is deemed to be interested in all the shares of the Company in which Mr. Wong is interested by virtue of the SFO.

附註：

- (a) 字母「L」指該人士於該等證券的好倉。
- (b) 該等本公司股份由新富星所持有。該公司由西溪發展全資擁有，並最終由UBS Trustees (B.V.I.) Limited作為一項全權信託（「該信託」，黃聯禧先生（「黃先生」）為其財產授予人）的信託人所擁有。該信託的全權信託受益人包括黃先生及其家族成員。根據證券及期貨條例，黃先生及左笑萍女士身為本公司董事被視為於該信託所持有的上述本公司股份中擁有權益。
- (c) 左笑萍女士直接持有本公司的2,308,000股股份。黃先生為左笑萍女士的配偶，因此根據證券及期貨條例，黃先生被視為於左笑萍女士擁有的所有本公司股份中擁有權益。
- (d) 該等股份實指上文附註(b)所述的同一批本公司股份權益。左笑萍女士為黃先生的配偶，因此根據證券及期貨條例，左笑萍女士被視為於黃先生擁有的所有本公司股份中擁有權益。

Save as disclosed above, as at 31 December 2017, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2017年12月31日，本公司董事或行政總裁概無於本公司或其任何相聯法團的任何股份、相關股份及債權證中擁有任何根據證券及期貨條例第352條須載於登記冊，或根據標準守則須通知本公司及聯交所的權益或淡倉。

## INTERESTS AND SHORT POSITIONS OF OTHER SHAREHOLDERS PURSUANT TO SFO

As at 31 December 2017, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	Capacity	Number of issued ordinary shares held <sup>(a)</sup>	Percentage of the issued share capital of the Company
股東名稱	身份	持有的已發行普通股數目 <sup>(a)</sup>	佔本公司已發行股本的百分比
UBS Trustees (B.V.I.) Limited	Trustee <sup>(b)</sup>	2,118,485,000 (L)	68.28%
UBS Trustees (B.V.I.) Limited	信託人 <sup>(b)</sup>		
Xi Xi Development	Interests of controlled corporation <sup>(b)</sup>	2,118,485,000 (L)	68.28%
西溪發展	受控法團權益 <sup>(b)</sup>		
New Fortune	Beneficial owner <sup>(b)</sup>	2,118,485,000 (L)	68.28%
新福星	實益擁有人 <sup>(b)</sup>		

Note:

- (a) The letter "L" denotes the person's long position in such securities.
- (b) These shares relate to the same block of shares in the Company as those set out in note (b) in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

Save as disclosed above, as at 31 December 2017, the directors of the Company were not aware of any person or corporation (other than the directors and chief executive of the Company) who had any interests or short positions in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the Shareholders on 14 May 2010 (the "Adoption Date") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations and the summary of terms of such Share Option Scheme are disclosed in the Company's prospectus dated 9 June 2010. No share options have been granted, under the Share Option Scheme since its adoption.

## 根據證券及期貨條例其他股東的權益及淡倉

於2017年12月31日，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條須予存置的登記冊中記錄的權益或淡倉的人士(本公司董事及行政總裁除外)如下：

Name of Shareholders	Capacity	Number of issued ordinary shares held <sup>(a)</sup>	Percentage of the issued share capital of the Company
股東名稱	身份	持有的已發行普通股數目 <sup>(a)</sup>	佔本公司已發行股本的百分比
UBS Trustees (B.V.I.) Limited	Trustee <sup>(b)</sup>	2,118,485,000 (L)	68.28%
UBS Trustees (B.V.I.) Limited	信託人 <sup>(b)</sup>		
Xi Xi Development	Interests of controlled corporation <sup>(b)</sup>	2,118,485,000 (L)	68.28%
西溪發展	受控法團權益 <sup>(b)</sup>		
New Fortune	Beneficial owner <sup>(b)</sup>	2,118,485,000 (L)	68.28%
新福星	實益擁有人 <sup>(b)</sup>		

附註：

- (a) 字母「L」指該人士於該等證券的好倉。
- (b) 該等股份實指上文「董事及行政總裁於股份、相關股份及債權證的權益及淡倉」一節附註(b)所述的同一批本公司股份權益。

除上文所披露者外，於2017年12月31日，本公司董事概不知悉任何人士或法團(本公司董事及行政總裁除外)於本公司任何股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊記錄的任何權益或淡倉。

## 購股權計劃

股東於2010年5月14日(「採納日期」)決議有條件批准一項購股權計劃(「購股權計劃」)，旨在激勵及獎勵為本集團成功營運作出貢獻的合資格參與者，而該項購股權計劃的條款摘要於本公司日期為2010年6月9日的招股章程內披露。本公司自採納購股權計劃以來，並無根據該計劃授出購股權。

## SHARE OPTION SCHEME (Continued)

Eligible participants of the Share Option Scheme (“Eligible Persons”) include (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (c) above.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 300,000,000 Shares, representing 9.67% of the issued Shares as at 31 December 2017. The maximum number of Shares issued and to be issued upon the exercise of the options granted to any on Eligible Persons (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time. There is no minimum period for which an option must be held before it can be exercised. The subscription price in respect of the any particular option shall be price as the Board may in its discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (a) the nominal value of a Share; (b) the closing price of a Share as stated in the Stock Exchange’s daily quotations sheet on the offer date; and (c) the average closing price of a Share as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the offer date.

## 購股權計劃(續)

購股權計劃的合資格參與人(「合資格人士」)包括 (a)本集團任何成員公司的任何執行董事、經理，或擔當行政、管理、監督或類似職位的其他僱員、任何全職或兼職僱員，或暫時派往本集團任何成員公司全職工作或兼職工作的僱員；(b)本集團任何成員公司的董事或候任董事(包括獨立非執行董事)；(c)本集團任何成員公司的直接或間接股東；(d)本集團任何成員公司的貨品或服務供應商；(e)本集團任何成員公司的客戶、顧問、業務或合營夥伴、特許經營商、承包商、代理或代表；(f)向本集團任何成員公司提供設計、研究、開發或其他支援或任何諮詢、顧問、專業或其他服務的人士或實體；及(g)上述(a)至(c)段所述任何人士的聯繫人。

根據購股權計劃及本集團任何其他計劃授出的所有購股權獲行使而可予發行的股份總數，合共不得超出300,000,000股股份，佔於2017年12月31日已發行股份的9.67%。在任何十二月內，行使授予任何合資格人士之購股權(包括已行使及尚未行使的購股權)時已發行及將予發行之最高股份數目，不得超出本公司不時已發行股本之1%。概無規定購股權於可行使前須持有的最短期限。任何特定購股權的認購價須由董事會在授出相關購股權時酌情釐定，惟認購價不得低於以下各項的最高者：(a)股份面值；(b)股份於要約日期在聯交所每日報價表所示的收市價；及(c)緊接要約日期前五個營業日股份於聯交所每日報價表所示的平均收市價。

## SHARE OPTION SCHEME (Continued)

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. An offer of the grant of a share option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the date of the Board approving the grant of the share options (the "Offer Date") provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date. Such remittance shall in no circumstances be refundable.

## DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under paragraph headed "Connected Transactions", no transaction, arrangement or contract of significance to which the Company, its holding company and any of its subsidiaries was a party and in which a director of the Company or an entity connected with him had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKINGS FROM CONTROLLING SHAREHOLDER

None of the directors or substantial shareholder of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group. New Fortune (the "Controlling Shareholder", being a company holding approximately 68.28% of the issued share capital of the Company, and is ultimately held by the trust the founder of which is Mr. Wong Luen Hei, and the beneficiaries of which include Mr. Wong Luen Hei and his family) has entered into a deed of non-competition in favour of the Group with Mr. Wong Luen Hei dated 14 May 2010 (the "Deed of Non-Competition").

## 購股權計劃(續)

購股權計劃的有效期自採納日期起計為期10年。提呈授出的購股權可由董事會批准授出購股權之日(「提呈日期」)起計28日期間內供有關合資格人士接納，但在購股權計劃的有效期屆滿後，則不可接納授出的購股權。當本公司於相關合資格人士必須接納提呈購股權當日(即提呈日期後不多於28日)或之前收到由承授人正式簽署構成接納提呈購股權的提呈函件複本連同支付本公司的價款1港元作為授出代價後，則購股權將被視為已授出及獲合資格人士接納及已生效。上述價款在任何情況下均不獲退還。

## 董事於重大合約的權益

除「關連交易」一段所披露者外，本公司、其控股公司或其任何附屬公司概無參與訂立任何由本公司董事或由其有關聯的實體直接或間接擁有重大權益且於年終或於年內任何時間仍然有效的交易、安排或重大合約。

## 遵守及執行控股股東的不競爭承諾

概無本公司董事或主要股東或任何彼等各自的聯繫人從事任何與本集團業務競爭或可能競爭的業務。新富星(「控股股東」，為持有本公司已發行股本約68.28%的公司，其由信託最終持有，而該信託的創辦人為黃聯禧先生，受益人包括黃聯禧先生及其家族)及黃聯禧先生已於2010年5月14日訂立以本集團為受益人的不競爭契據(「不競爭契據」)。

## COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETE UNDERTAKINGS FROM CONTROLLING SHAREHOLDER (Continued)

The directors are of the view that the Group's measures adopted by the Company in respect of the enforceability of the Deed of Non-Competition are adequate to safeguard the effectiveness of the non-competition undertakings. The independent non-executive directors have reviewed the compliance of the Deed of Non-Competition. Based on the confirmation from the Controlling Shareholder, the independent non-executive directors are of the view that the Deed of Non-Competition has been complied with and has been effectively enforced.

## TRANSACTIONS DURING THE REPORTING PERIOD

### LEASE AGREEMENTS

On 7 July 2017, Guangdong Lesso Home Corporate Planning Co., Ltd.\* (the "Lessee"), an indirect non-wholly owned subsidiary of the Company, as lessee entered into the Block B lease agreement with Foshan International Furniture Expo Mall Ltd.\* (the "Lessor"), pursuant to which the Lessor agreed to lease Floors 1-9, Block B, Furniture Expo Mall, No. 189 Foshan Middle Avenue, Chancheng District, Foshan City, Guangdong Province, the PRC ("Block B") to the Lessee for a term commencing from 7 July 2017 and ending on 31 December 2027.

On 7 July 2017, the Lessee as sub-lessee entered into the Block C lease agreement with Guangdong Yuanhai Property Management Services Ltd.\* (the "Block C Sub-lessor") and the Lessor, pursuant to which the Block C Sub-lessor agreed to sublease Floors 1-9, Block C, Furniture Expo Mall, No. 189 Foshan Middle Avenue, Chancheng District, Foshan City, Guangdong Province, the PRC ("Block C") to the Lessee for a term commencing from 7 July 2017 and ending on 31 December 2027.

## 遵守及執行控股股東的不競爭承諾(續)

董事認為本公司所採納本集團有關執行不競爭契據的措施已足夠保障不競爭承諾的效力。獨立非執行董事已審閱不競爭契據的遵守情況。根據控股股東的確認函，獨立非執行董事認為不競爭契據已獲遵守及有效執行。

## 報告期內의 交易

### 租賃協議

於2017年7月7日，本公司間接非全資附屬公司廣東領尚環球之家企業策劃有限公司(作為「承租人」)與佛山(國際)家居博覽城有限公司(「出租人」)簽訂B棟租賃協議，據此，出租人同意向承租人出租中國廣東省佛山市禪城區佛山大道中189號家博城B棟一至九層(「B棟」)，租期自2017年7月7日起至2027年12月31日止。

於2017年7月7日，承租人(作為分租人)與廣東源海物業經營服務有限公司(「C棟分出租人」)及出租人簽訂中國廣東省佛山市禪城區佛山大道中189號家博城C棟一至九層(「C棟」)租賃協議，據此，C棟分出租人同意分租C棟予承租人，租期自2017年7月7日起至2027年12月31日止。

**TRANSACTIONS DURING THE REPORTING PERIOD  
(Continued)**

**LEASE AGREEMENTS (Continued)**

Under the Block B and Block C lease agreements:

- (i) during the renovation period from 7 July 2017 and ending on 31 December 2017, rent shall be calculated on the basis of RMB10 and RMB5 per sq.m. per month respectively, multiplied by the gross floor area of 166,587 sq.m. (but deducting therefrom the gross floor area of the 9th floor until its delivery) for the Block B and 129,138.26 sq.m. for the Block C;
- (ii) the initial term from 1 January 2018 and ending on 31 December 2022, rent shall be calculated on the basis of RMB50 and RMB25 per sq.m. per month respectively, multiplied by the gross floor area of the Block B and Block C (the "Basic Rent") respectively; and
- (iii) the second term from 1 January 2023 and ending on 31 December 2027, both Block B and Block C rents shall comprise of: (a) the Basic Rent; and (b) the additional rent, which means an amount per sq.m. per month (inclusive of tax) not exceeding 60% of the amount calculated pursuant to the formula listed on the Company's announcement dated 7 July 2017, the Block B or Block C additional rent for the second term shall not exceed RMB100 per sq.m. per month.

Details of this discloseable transaction can be found in the Company's announcement dated 7 July 2017.

**DISCLOSURE PURSUANT TO RULES 13.18 AND  
13.21 OF THE LISTING RULES**

- (A) On 3 March 2014, the Company as borrower entered into a facility agreement (the "Facility Agreement I") in relation to a syndicated term loan facility in the amount of US\$135 million at an interest rate of LIBOR plus 2.00% per annum with, among others, Taipei Fubon Commercial Bank Co., Ltd. and CTBC Bank Co., Ltd. as mandated lead arrangers, and a syndicate of nine lenders, for the purpose of refinancing the Group's then existing financial indebtedness. The loan made thereunder is repayable 36 months after the same has been made.

**報告期內之交易(續)**

**租賃協議(續)**

根據B棟及C棟租賃協議：

- (i) 於2017年7月7日起至2017年12月31日止的裝修期間，租金將每月分別按每平方米人民幣10元及人民幣5元，乘以B棟的總建築面積166,587平方米(於交付時將扣除第九樓的總建築面積)及C棟的總建築面積129,138.26平方米計算；
- (ii) 於2018年1月1日起至2022年12月31日止的初始租期期間，租金將每月分別按每平方米人民幣50元及人民幣25元，乘以B棟及C棟的總建築面積(「基本租金」)計算；及
- (iii) 自2023年1月1日起至2027年12月31日止第二租期，B棟及C棟租金將包括：(a)基本租金；及(b)額外租金，即每月每平方米(含稅)不超過根據本公司日期為2017年7月7日之公告所列方程式計算之金額，第二租期之B棟或C棟之額外租金將不超過每月每平方人民幣100元。

有關本須予披露交易詳情，請參閱本公司日期為2017年7月7日之公告。

**根據上市規則第13.18條及第13.21條作出的披露**

- (A) 於2014年3月3日，本公司(作為借款人)與(其中包括)台北富邦商業銀行股份有限公司及中國信託商業銀行股份有限公司(作為受託牽頭安排人)以及九個銀團貸款人訂立一項有關1.35億美元，年利率為倫敦銀行同業拆息加2.00%的銀團定期貸款融資之融資協議(「融資協議I」)，目的乃為本集團當時現有財務負債再融資。根據該協議項下作出之貸款須於貸款作出後36個月償還。



## DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)

On 26 June 2014, the Company as borrower entered into a facility agreement (the “Facility Agreement II”) in relation to a syndicated term loan facility in the amount of US\$155 million at an interest rate of LIBOR plus 2.20% per annum with a syndicate of three lenders, independent licensed banks in Hong Kong, for general corporate requirements (including the refinancing of the Group’s then existing financial indebtedness). The loan made thereunder is repayable 42 months after the same has been made.

Pursuant to the Facility Agreement I and Facility Agreement II (collectively the “Facility Agreements”), save for additional requirement that Mr. Wong Luen Hei and his family (collectively, the “Wong Family”) shall remain to have effective management control over the Company set out in the Facility Agreement I, the Facility Agreements require that the Wong Family shall collectively maintain, directly or indirectly, at least 55% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 55% of the voting rights, free from any security. Otherwise, a lender shall not be obliged to fund the loans made under the Facility Agreements, and the total commitments under the Facility Agreements may be liable to be cancelled and the outstanding loans with interest and all other amounts accrued under the Facility Agreements or other related financial documents may be due and payable to the lenders immediately. The Facility Agreements were settled on 20 January 2017.

(B) On 11 August 2016, the Company as guarantor and its wholly-owned subsidiary as borrower entered into a facility agreement (the “Facility Agreement III”) in relation to syndicated term loan facilities in the amount of US\$600 million at an interest rate of LIBOR plus 1.85% per annum with syndicate lenders, independent financial institutions, for general corporate requirements (including the refinancing of the Group’s then existing financial indebtedness). The loan made thereunder is repayable 42 months after the same has been made.

## 根據上市規則第13.18條及第13.21條作出的披露(續)

於2014年6月26日，本公司(作為借款人)與三個銀團貸款人(香港獨立持牌銀行)訂立一項有關1.55億美元，年利率為倫敦銀行同業拆息加2.20%的銀團定期貸款融資之融資協議(「融資協議II」)，作為一般企業用途(包括本集團當時現有財務負債再融資)。根據該協議項下作出之貸款須於貸款作出後42個月償還。

根據融資協議I及融資協議II(統稱「該等融資協議」)，除融資協議I所載之額外規定，即黃聯禧先生及其家族(統稱「黃氏家族」)須繼續對本公司之管理行使有效的控制權外，該等融資協議規定黃氏家族須共同直接或間接擁有(且並無抵押)本公司已發行股本最少55%實益股權(佔最少55%的表決權)。否則，貸款人毋須支付根據該等融資協議作出的貸款，而該等融資協議項下的總承擔可予撤銷，且該等融資協議或其他相關財務文件項下的未償還貸款連同利息及所有其他應計款項，可即時到期並須向貸款人償還。該等融資協議已於2017年1月20日結算。

(B) 於2016年8月11日，本公司(作為擔保人)及其全資附屬公司(作為借款人)與銀團貸款人(獨立金融機構)訂立一項6億美元，年利率為倫敦銀行同業拆息加1.85%的銀團定期貸款融資之融資協議(「融資協議III」)，作為一般企業用途(包括本集團當時現有財務負債再融資)。根據該協議項下作出之貸款須於貸款作出後42個月償還。

**DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)**

Pursuant to the Facility Agreement III, Mr. Wong Luen Hei and his family (collectively, the "Wong Family") shall collectively maintain, directly or indirectly, at least 51% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 51% of the voting rights, free from any security. Otherwise, a lender shall not be obliged to fund the loan made under the Facility Agreement III, and the total commitments under the Facility Agreement III may be liable to be cancelled and the outstanding loan with interest and all other amounts accrued under the Facility Agreement III or other related financial documents may be due and payable to the lenders immediately.

- (C) On 15 August 2017, the Company as guarantor (the "Guarantor") and its wholly-owned subsidiary as borrower (the "Borrower") entered into a facility agreement (the "Facility Agreement IV") in relation to syndicated term loan facilities in the amount of HK\$800 million at an interest rate of HIBOR plus 1.55% per annum with syndicate lenders (the "Facility"), for general corporate requirements (including the refinancing of the Group's then existing financial indebtedness). The loan made thereunder is repayable 36 months after the same has been made.

On 22 September 2017, the Guarantor and the Borrower entered into a syndication and amendment agreement in relation to the Facility Agreement IV (the "Amendment Agreement"). Pursuant to the Amendment Agreement, the number of syndicate lenders have increased and the total commitment under the Facility has increased to HK\$1,350 million. Save for the aforesaid amendment and supplement, all other major terms of the Facility Agreement remain in full force and effect (including the Specific Covenants).

**根據上市規則第13.18條及第13.21條作出的披露(續)**

根據融資協議III，黃聯禧先生及其家族(統稱「黃氏家族」)須共同直接或間接擁有(且並無抵押)本公司已發行股本最少51%實益股權(佔最少51%的表決權)。否則，貸款人毋須支付根據融資協議III作出的貸款，而融資協議III項下的總承擔可予撤銷，且融資協議III或其他相關財務文件項下的未償還貸款連同利息及所有其他應計款項，可即時到期並須向貸款人償還。

- (C) 於2017年8月15日，本公司(作為擔保人(「擔保人」))及其全資附屬公司(作為借款人(「借款人」))與銀團貸款人訂立一項8億港元，年利率為香港銀行同業拆息加1.55%的銀團定期貸款融資(「該融資」)之融資協議(「融資協議IV」)，作為一般企業用途(包括本集團當時現有財務負債再融資)。根據該協議項下作出之貸款須於貸款作出後36個月償還。

於2017年9月22日，擔保人及借款人就融資協議IV訂立銀團及修訂協議(「修訂協議」)。根據修訂協議，銀團貸款人數目已增加，而該融資項下之總承擔增至13.5億港元。除上述修訂及補充外，該融資協議之所有其他主要條款均維持十足效力及有效(包括特定契諾)。

## DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES (Continued)

Pursuant to the Facility Agreement IV, Mr. Wong Luen Hei and his family (collectively, the “Wong Family”) shall collectively maintain, directly or indirectly, at least 51% of beneficial shareholding interest in the issued share capital of the Company, carrying at least 51% of the voting rights, free from any security. Otherwise, a lender shall not be obliged to fund the loan made under the Facility Agreement IV, and the total commitments under the Facility Agreement IV may be liable to be cancelled and the outstanding loan with interest and all other amounts accrued under the Facility Agreement IV or other related financial documents may be due and payable to the lenders immediately (the “Specific Covenants”).

## CONNECTED TRANSACTIONS

For the year ended 31 December 2017, certain of the related party transactions as disclosed in note 41 to consolidated financial statements also constitute connected transactions or continuing connected transactions within the meaning of the Listing Rules and satisfied relevant disclosure requirements thereof. Details of the non-exempt connected transactions or continuing connected transactions are summarised below:

### (A) RENTAL AND UTILITIES EXPENSES

Background: On 30 December 2014, Guangdong Liansu Technology (the “Lessee”) entered into a lease agreement (the “Lease”) with Guangdong Liansu Machinery (the “Lessor”) whereby the Lessor leased its certain plants erected on Lot G03-2-1, Daba Industrial Estate of Longjiang Community Residents’ Committee, Longjiang Town, Shunde District, Foshan City, the PRC (the “Property”) to the Group for use as production facilities.

Under the Lease, the Lessee shall bear all the third party costs, including electricity and water charges. Since the related utilities costs are charged by the relevant government authorities on the Lessor, the Lessee will reimburse the Lessor for the same amount of utilities costs paid by the Lessor (the “Utilities Arrangement”). For further details, please refer to the announcement made by the Company on 30 December 2014.

## 根據上市規則第13.18條及第13.21條作出的披露(續)

根據融資協議IV，黃聯禧先生及其家族(統稱「黃氏家族」)須共同直接或間接擁有(且並無抵押)本公司已發行股本最少51%實益股權(佔最少51%的表決權)。否則，貸款人毋須支付根據融資協議IV作出的貸款，而融資協議IV項下的總承擔可予撤銷，且融資協議IV或其他相關財務文件項下的未償還貸款連同利息及所有其他應計款項，可即時到期並須向貸款人償還(「特定契約」)。

## 關連交易

截至2017年12月31日止年度，綜合財務報表附註41披露的若干關聯人士交易亦構成符合上市規則定義的關連交易或持續關連交易，並符合相關的披露要求。不獲豁免關連交易或持續關連交易詳情概述如下：

### (A) 租金及公用事業開支

背景：於2014年12月30日，廣東聯塑科技(「承租人」)與廣東聯塑機器(「出租人」)訂立租賃協議(「租約」)，據此，出租人出租其位於中國佛山市順德區龍江鎮龍江社區居民委員會大壩工業園G03-2-1號地塊上的部分廠房(「物業」)，作生產基地用途。

根據租約，承租人須承擔所有第三方的費用，包括水電費。由於有關公用事業成本由相關政府機關向出租人收取，故承租人將會向出租人補償相等於出租人所支付的公用事業成本的金額(「公用事業安排」)。有關進一步詳情，請參閱本公司於2014年12月30日所作出的公告。

**CONNECTED TRANSACTIONS (Continued)**

**(A) RENTAL AND UTILITIES EXPENSES (Continued)**

The land use right of the Property owned by Guangdong Liansu Machinery was later transferred to Foshan Star Excel. Accordingly, Guangdong Lesso Technology, Guangdong Liansu Machinery and Foshan Star Excel entered into an agreement in relation to transfer of rights under the Lease on 5 June 2017 pursuant to which Guangdong Liansu Machinery agreed to transfer all its the rights and obligations under the Lease to Foshan Star Excel and Foshan Star Excel agreed to assume all of the rights and obligations in substitution for Guangdong Liansu Machinery. No other terms of the Lease has been amended. For further details, please refer to the announcements made by the Company on 5 June 2017 and 7 June 2017.

Particulars of the agreements are disclosed below as required under the Listing Rules:

Nature of transactions: Rental expenses paid to the Lessor.

Reimbursement of utilities costs charged by the relevant government authorities on the Lessor from the Lessee.

Terms: The Lease is for 36 months commencing on 1 January 2015 and expiring on 31 December 2017. The related rents payable by the Lessee to the Lessor was RMB368,419 per month.

The reimbursable amount of utilities costs was equal to the amount charged by the relevant government authorities on the Lessor.

**關連交易(續)**

**(A) 租金及公用事業開支(續)**

廣東聯塑機器所擁有物業之土地使用權其後已由佛山星俊承接。因此廣東聯塑科技、廣東聯塑機器及佛山星俊於2017年6月5日訂立一份協議，內容有關轉讓租賃項下之權力，據此，廣東聯塑機器同意轉讓其於租賃協議項下之所有權利及責任予佛山星俊，而佛山星俊同意代替廣東聯塑機器承擔所有權力及責任。租賃之其他條款概無修訂。有關進一步詳情，請參閱本公司於2017年6月5日及2017年6月7日所作出的公告。

協議的細節已根據上市規則規定披露如下：

交易性質： 向出租人支付的租金開支。

由承租人補償相關政府機關向出租人收取的公用事業成本。

條款： 租約自2015年1月1日起至2017年12月31日止為期36個月。承租人須向出租人支付的有關租金為每月人民幣368,419元。

公用事業成本的補償金額須相等於相關政府機關向出租人收取的金額。

## CONNECTED TRANSACTIONS (Continued)

### (A) RENTAL AND UTILITIES EXPENSES (Continued)

Annual Cap under the Lease:	RMB4.4 million
Annual Cap under Utilities Arrangement:	RMB18 million (for the year ended 31 December 2017)
Total consideration paid for the year:	RMB3.9 million (Lease) RMB1.0 million (Utilities Arrangement)

### (B) PURCHASE OF MANUFACTURING EQUIPMENT

Background: On 30 December 2014, the Company entered into a master equipment purchase agreement (the "Framework Agreement") with Guangdong Liansu Machinery for 3 years commencing from 1 January 2015 and ending on 31 December 2017. For details, please refer to the announcement made by the Company on 30 December 2014.

Particulars of the Framework Agreement are disclosed below as required under the Listing Rules:

Nature of transactions:	Purchase of manufacturing equipment from Guangdong Liansu Machinery.
Terms:	The purchase price to be agreed between the parties which shall not exceed any quotation obtainable by the Group from independent third parties.
Annual Cap:	RMB140 million (for the year ended 31 December 2017)
Total consideration paid for the year:	RMB123 million

## 關連交易(續)

### (A) 租金及公用事業開支(續)

租約項下	年度上限：人民幣440萬元
公用事業 安排項下	年度上限：人民幣1,800萬元(截至2017年 12月31日止年度)
本年度支付 總代價：	人民幣390萬元(租約) 人民幣100萬元(公用事業安排)

### (B) 購買製造設備

背景：於2014年12月30日，本公司與廣東聯塑機器訂立總設備採購協議(「框架協議」)，自2015年1月1日起至2017年12月31日止為期三年。有關詳情，請參閱本公司於2014年12月30日所作的公告。

框架協議的細節已根據上市規則規定披露如下：

交易性質：	向廣東聯塑機器購買製造設備。
條款：	訂約方將協定的購買價不得超過本集團自獨立第三方可獲得的任何報價。
年度上限：	人民幣1.4億元(截至2017年12月 31日止年度)
本年度支付 總代價：	人民幣1.23億元

**CONNECTED TRANSACTIONS (Continued)**

**(C) PURCHASE OF ELECTRONIC ACCESSORIES**

**Background:** On 30 December 2014, the Company entered into the original design manufacturing (the "ODM") co-operation agreement with Guangdong Liansu Electric in relation to the ODM production co-operation as regards manufacturing of electronic accessories by Guangdong Liansu Electric for the Group for 3 years commencing from 1 January 2015 and ending on 31 December 2017. For details, please refer to the announcement made by the Company on 30 December 2014.

Particulars of the agreement are disclosed below as required under the Listing Rules:

**Nature of transactions:** Purchase of electronic accessories from Guangdong Liansu Electric.

**Terms:** The purchase price to be agreed between the parties which shall not exceed any quotation obtainable by the Group from independent third parties.

**Annual Cap:** RMB40 million (for the year ended 31 December 2017)

**Total consideration paid for the year:** RMB28,000

**關連交易(續)**

**(C) 購買電子配件**

**背景：** 於2014年12月30日，本公司與廣東聯塑電氣訂立原始設計製造(「ODM」)合作協議，內容有關由廣東聯塑電氣為本集團製造電子配件之ODM生產合作，自2015年1月1日起至2017年12月31日止為期三年。有關詳情，請參閱本公司於2014年12月30日所作的公告。

協議的細節已根據上市規則規定披露如下：

**交易性質：** 向廣東聯塑電氣購買電子配件。

**條款：** 訂約方將協定的購買價不得超過本集團自獨立第三方可獲得的任何報價。

**年度上限：** 人民幣4,000萬元(截至2017年12月31日止年度)

**本年度支付總代價：** 人民幣28,000元

## CONNECTED TRANSACTIONS (Continued)

### (D) DISPOSAL OF SUBSIDIARIES

On 7 July 2017, Guangdong Lesso Mall, an indirect wholly-owned subsidiary of the Company, entered into the agreement with Lesso Hardware and Foshan Star Excel (the latter being indirectly wholly-owned by Mr. Wong Luen Hei (the chairman of the Company, an executive Director and the controlling Shareholder)), pursuant to which Guangdong Lesso Mall has agreed to sell and Foshan Star Excel has agreed to acquire (i) the Sale Interest, representing 75% equity interest of Lesso Hardware; and (ii) the Sale Loan, at the aggregate consideration of approximately RMB56 million, out of which the consideration for the Sale Interest equaled to RMB25 million and the consideration for the Sale Loan (as of the calculation date on 30 June 2017) was approximately RMB31 million which was further subject to adjustment. The consideration of the Sale Loan was ultimately adjusted to approximately RMB30 million. Lesso Hardware ceased to be a subsidiary of the Company at the end of reporting period. The disposal of Lesso Hardware is a connected transaction and the principle terms of this disposal have been set out in detail in the Company's announcement dated 7 July 2017.

### (E) CONNECTED TRANSACTIONS NOT YET EFFECTIVE

#### Purchase of Machinery

Background: On 29 December 2017, the Company entered into a framework machinery purchase agreement (the "Framework Agreement") with Guangdong Liansu Machinery for 3 years commencing from 1 January 2018 and ending on 31 December 2020. For details, please refer to the announcement made by the Company on 29 December 2017.

Particulars of the Framework Agreement are disclosed below as required under the Listing Rules:

## 關連交易(續)

### (D) 附屬公司之出售

於2017年7月7日，廣東聯塑五金(本公司之間接全資附屬公司)與領尚五金及佛山星俊(後者由本公司主席、執行董事及控股股東黃聯禧先生間接全資擁有)訂立該協議，據此，廣東聯塑五金同意出售且佛山星俊同意收購(i)待售權益，即領尚五金之75%股權；及(ii)待售貸款，總代價為約人民幣5,600萬元，其中，待售權益之代價相等於人民幣2,500萬元，而待售貸款之代價(於2017年6月30日計算日期)為約人民幣3,100萬元，該代價有待進一步調整。待售貸款之代價已最終調整為約人民幣3,000萬元。於報告期末，領尚五金不再為本公司之附屬公司。領尚五金之出售為一項關連交易，而該出售事項的主要條款詳情已載於本公司日期為2017年7月7日的公告。

### (E) 尚未生效的關連交易

#### 購買機器

背景：於2017年12月29日，本公司與廣東聯塑機器訂立框架機器採購協議(「框架協議」)，自2018年1月1日起至2020年12月31日止為期三年。有關詳情，請參閱本公司於2017年12月29日所作的公告。

框架協議的細節已根據上市規則規定披露如下：

**CONNECTED TRANSACTIONS (Continued)**

**(E) CONNECTED TRANSACTIONS NOT YET EFFECTIVE (Continued)**

**Purchase of Machinery (Continued)**

Nature of transactions: Purchase of machinery from Guangdong Liansu Machinery.

Terms: The purchase price to be agreed between the parties which shall not exceed the prevailing market price.

Annual Cap: RMB145 million (for the year ending 31 December 2018); RMB150 million (for the year ending 31 December 2019); and RMB150 million (for the year ending 31 December 2020)

The Company has followed the pricing policies and guidelines when determining the price and terms of the connected transactions during the year. The Company confirms that it has complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.

The independent non-executive directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed all continuing connected transactions and have confirmed that all continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms; and (iii) in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was 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. The Company's auditor issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. The Company provided a copy of the said letter to the Stock Exchange.

**關連交易(續)**

**(E) 尚未生效的關連交易(續)**

**購買機器(續)**

交易性質：向廣東聯塑機器購買機器。

條款：訂約方將協定的購買價不得超過當前市價。

年度上限：人民幣1.45億元(截至2018年12月31日止年度)；人民幣1.5億元(截至2019年12月31日止年度)；及人民幣1.5億元(截至2020年12月31日止年度)

年內，本公司於釐定關連交易的價格及條款時已遵從定價政策及指引。本公司確認其已遵守根據上市規則第14A條的披露規定。

獨立非執行董事已就上市規則第14A.55條審閱所有持續關連交易，並確認本集團的所有持續關連交易(i)是於一般及日常業務過程；(ii)按正常商業條款；及(iii)根據規管該等交易的協議條款訂立，屬公平合理且符合股東的整體利益。

本公司的核數師獲聘遵照香港會計師公會發出的香港核證聘用準則3000(經修訂)*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匯報。本公司的核數師已根據上市規則第14A.56條發出載有本集團上述披露的持續關連交易的核證結果及結論的無保留意見函件。本公司已將該函件副本呈交聯交所。



## RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in note 41 to consolidated financial statements.

## PUBLIC FLOAT

Based on the publicly available information obtained by the Company and to the best knowledge of the directors, as at the date of this report, the Company has maintained sufficient public float required under in the Listing Rules.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2017, the Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

## AUDITOR

A resolution will be submitted to the 2018 AGM to re-appoint Ernst & Young as auditor of the Company.

By order of the Board

**Zuo Manlun**  
*Chief Executive and Director*

Hong Kong, 19 March 2018

## 關聯人士交易

關聯人士交易的詳情載於綜合財務報表附註41。

## 公眾持股量

根據本公司以公開途徑取得的資料及據董事所深知，於本報告日期，本公司一直維持上市規則所訂明的充足公眾持股量。

## 購買、出售或贖回上市證券

於截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

## 核數師

本公司將於2018年股東週年大會上提呈決議案，以續聘安永會計師事務所為本公司的核數師。

承董事會命

行政總裁兼董事  
**左滿倫**

香港，2018年3月19日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**To the shareholders of China Lesso Group Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of China Lesso Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 82 to 190, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other 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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

**致中國聯塑集團控股有限公司股東**  
(於開曼群島註冊成立的有限責任公司)

### 意見

我們已審核列載於第82至190頁的中國聯塑集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2017年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，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」)真實而中肯地反映了貴集團於2017年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

### 意見的基準

我們已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「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，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

## 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.

## 關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在對綜合財務報表整體進行審核並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審核中是如何應對的描述也以此為背景。

我們已經履行了本報告核數師就審核綜合財務報表承擔的責任部分闡述的責任，包括與這些關鍵審核事項相關的責任。相應地，我們的審核工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審核程序。我們執行審核程序的結果，包括應對下述關鍵審核事項所執行的程序，為綜合財務報表整體發表審核意見提供了基礎。

## KEY AUDIT MATTERS (Continued)

## 關鍵審核事項(續)

<b>Key audit matter</b> <b>關鍵審核事項</b>	<b>How our audit addressed the key audit matter</b> <b>如何應對關鍵審核事項</b>
<p><i>Provision for impairment of trade and bills receivables</i> 貿易應收款項及票據的減值撥備</p> <p>At 31 December 2017, the Group had trade and bills receivables of RMB2,024,608,000, net of provision for impairment of RMB145,061,000, which accounted for 7.2% of the total assets. 於2017年12月31日，貴集團貿易應收款項及票據賬面值為人民幣2,024,608,000元，該賬面值為扣除減值撥備人民幣145,061,000元之後之餘額，佔總資產賬面價值的7.2%。</p> <p>The determination as to whether trade and bills receivables are impaired involves significant management judgement. Specific factors which management would consider include the age of the debts, existence of disputes, past collection history and any other available information concerning the creditworthiness of the counterparty. Management uses such information to determine whether any objective evidence of impairment exists individually for trade and bills receivables that are individually significant, and individually or collectively for trade and bills receivables that are not individually significant.</p> <p>釐定貿易應收款項及票據是否減值涉及重大管理層判斷，具體判斷因素包括債務的賬齡、是否存在糾紛、過往還款情況及其他關於客戶信用情況等可獲取之信息。管理層使用上述信息以決定單項重大的貿易應收款項及票據減值是否存在客觀憑證，及單獨或共同評估非單項重大的貿易應收款項及票據減值是否存在客觀憑證。</p> <p>Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 26. 於綜合財務報表內的相關披露載於附註2.4、3及26。</p>	<p>Our audit procedures included among others: 我們的審核程序包括(但不限於)：</p> <p>(i) Tested controls over the Group's receivables collection processes; 測試貴集團對應收款項收款程序的控制；</p> <p>(ii) Evaluated the Group's assessment of the provision for impairment at the end of each reporting period by reviewing recent transactions with those customers and historical collection records; 審閱客戶最近的交易及過往還款記錄以評估各報告期末貴集團的減值撥備評估；</p> <p>(iii) Discussed with management on the significant estimation and subjectivity involved in determining the impairment provision and obtained evidence to support the recoverability of the long overdue receivables; 與管理層討論有關決定減值撥備的重大會計估計及主觀性，並獲得逾期應收款項可回收性的支持憑證；</p> <p>(iv) Obtained direct external confirmations for a sample of trade and bills receivable balances; and 對貿易應收款項及票據餘額抽樣獲取直接外部詢證函；及</p> <p>(v) Examined post year end cash receipts for a sample of year-end trade and bills receivable balances. 抽樣檢查年末貿易應收款項及票據餘額於年末後的還款情況。</p>

## KEY AUDIT MATTERS (Continued)

## 關鍵審核事項(續)

<b>Key audit matter</b> <b>關鍵審核事項</b>	<b>How our audit addressed the key audit matter</b> <b>如何應對關鍵審核事項</b>
<p data-bbox="164 541 611 569"><i>Provision for impairment of inventories</i></p> <p data-bbox="164 573 316 601">存貨減值撥備</p> <p data-bbox="164 631 900 890">At 31 December 2017, the Group had manufacturing and trading inventories of RMB3,099,969,000, net of provision for impairment of RMB204,080,000, which represented 11.1% of the total assets. The provision for impairment mainly related to certain obsolete and slow-moving inventories. We focused on this area because these inventories are material to the Group and the provision for impairment of inventories involves a high level of management's judgement and estimate.</p> <p data-bbox="164 894 900 1058">於2017年12月31日，貴集團製造及貿易存貨賬面值為人民幣3,099,969,000元，該賬面值為扣除減值撥備人民幣204,080,000元之後之餘額，佔總資產賬面值的11.1%。該減值撥備主要關於若干過時及滯銷存貨項目。我們重點關注該科目是由於該等存貨對於貴集團重大且存貨減值撥備涉及高度管理層判斷和估計。</p> <p data-bbox="164 1097 900 1157">Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 24.</p> <p data-bbox="164 1162 734 1190">於綜合財務報表內的相關披露載於附註2.4、3及24。</p>	<p data-bbox="924 631 1471 1256">We evaluated, amongst others, the analyses and assessments made by management with respect to obsolete and slow-moving inventories, including market values and expected selling prices of the related inventories and the Group's future plan of usage or sale. We assessed the reliability of the underlying data used by management in calculating the manufacturing and trading inventory provisions such as the inventory ageing reports, by re-performing the ageing calculation generated by the system. We also tested the accuracy of the management's calculation by assessing the calculation criteria and recalculating the provision. In addition, we evaluated, based on a sample of those inventories, the analyses performed by management regarding the net realisable values of those inventories.</p> <p data-bbox="924 1261 1471 1556">我們考慮(其中包括)管理層就過時及滯銷存貨作出的分析和評估，包括相關存貨的市值和預期售價以及貴集團的未來用途或銷售計畫。我們評估管理層於計算製造及貿易的存貨撥備時所用相關數據(如存貨賬齡報告)的可靠性，方式為重新執行由系統所得的賬齡計算。我們亦透過評估計算標準和重新計算撥備，測試管理層計算的準確性。此外，我們根據抽樣結果，評估管理層對該等存貨可變現淨值所進行的分析。</p>

## KEY AUDIT MATTERS (Continued)

## 關鍵審核事項(續)

<b>Key audit matter</b> <b>關鍵審核事項</b>	<b>How our audit addressed the key audit matter</b> <b>如何應對關鍵審核事項</b>
<i>Valuation of investment properties</i> 投資物業估值	
<p>At 31 December 2017, the Group had investment properties of RMB4,038,900,000, which represented 14.4% of the total assets and were measured at fair value. The valuation of the investment properties is important to our audit as it represents a significant judgement area and is material to the total assets of the Group. Management employed independent qualified valuers to assess the fair value. The valuation of the investment properties is highly dependent on a range of estimates made by the management.</p> <p>於2017年12月31日，貴集團投資物業賬面值為人民幣4,038,900,000元，佔總資產賬面值的14.4%並按公允價值計量。由於投資物業估值涉及重大判斷事項且為貴集團總資產的重要組成部分，該估值對我們審核影響重大。管理層聘用獨立及合資格的估值師評估公允價值。投資物業估值高度依賴於管理層作出的估計範圍。</p> <p>Related disclosures in the consolidated financial statements are included in notes 2.4, 3 and 14.</p> <p>於綜合財務報表內的相關披露載於附註2.4、3及14。</p>	<p>We considered the objectivity, independence and expertise of the professional valuers. We also compared property-related data used as inputs for the valuations with underlying documentation. In addition, we involved our internal specialists to assist us in analysing the valuations and reviewing the underlying assumptions, such as the use of comparable lands under the sales comparison approach. We further focused on the adequacy and appropriateness of the disclosures relating to the valuations of these investment properties.</p> <p>我們考慮專業估值師的客觀性、獨立性和專業性。我們亦比較相關物業估值參數與相關文件。此外，我們聘用內部專家協助我們分析相關估值和審查相關假設，如使用銷售比較法進行可資比較土地估值的適當性。我們進一步關注與該等投資物業估值相關的披露的充分性和適當性。</p>

## 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.

## 年報所載的其他資料

貴公司董事需對其他資料負責。其他資料包括於年度報告內刊載的資料，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資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所瞭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，如果我們認為其他資料存在重大錯誤陳述，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須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈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編製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。

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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, 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.

### 董事就綜合財務報表須承擔的責任(續)

在編製綜合財務報表時，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。

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

### 核數師就審核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。我們僅對全體成員作出報告，除此以外，本報告並無其他用途。除此之外本報告不作其他用途，我們概不就本報告的內容對任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審核準則進行的審核，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滙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。



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

(Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.

## 核數師就審核綜合財務報表承擔的責任 (續)

在根據香港審核準則進行審核的過程中，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，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，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。
- 瞭解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評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。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。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，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

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

**(Continued)**

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

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

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

**核數師就審核綜合財務報表承擔的責任  
(續)**

- 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資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核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。

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

**(Continued)**

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 Lau Kin Yu.

**Ernst & Young**  
Certified Public Accountants  
22/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

19 March 2018

## **核數師就審核綜合財務報表承擔的責任**

**(續)**

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核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是劉建汝。

**安永會計師事務所**  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓

2018年3月19日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

Year ended 31 December 2017  
截至2017年12月31日止年度

		Note	2017	2016
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>REVENUE</b>	收入	5	<b>20,360,000</b>	17,221,052
Cost of sales	銷售成本		<b>(15,043,217)</b>	(12,639,274)
Gross profit	毛利		<b>5,316,783</b>	4,581,778
Other revenue, income and gains	其他收入、收益及利益	5	<b>568,650</b>	138,021
Selling and distribution expenses	銷售及分銷開支		<b>(1,029,222)</b>	(821,557)
Administrative expenses	行政開支		<b>(938,241)</b>	(758,583)
Other expenses	其他開支		<b>(732,914)</b>	(608,619)
Finance costs	融資成本	6	<b>(229,309)</b>	(107,061)
Share of results of associates	分佔聯營公司業績	17	<b>(1,404)</b>	-
Share of results of joint ventures	分佔合營企業業績	18	<b>243</b>	813
<b>PROFIT BEFORE TAX</b>	除稅前溢利	7	<b>2,954,586</b>	2,424,792
Income tax expense	所得稅開支	9	<b>(688,779)</b>	(511,088)
<b>PROFIT FOR THE YEAR</b>	年內溢利		<b>2,265,807</b>	1,913,704
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>	其他全面收益/(開支)			
Items that may be reclassified subsequently to profit or loss:	其後可能重新歸類至損益的項目：			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公允價值變動		<b>219,589</b>	24,236
Reclassification adjustments for gains included in consolidated statement of profit or loss	重新歸類調整 綜合損益表內之利益			
- gain on disposal	- 出售利益		<b>(1,050)</b>	-
- gain on early redemption	- 提早贖回所得利益		<b>(39,071)</b>	-
			<b>179,468</b>	24,236
Exchange differences on translation of foreign operations	折算外幣報表產生的匯兌差額		<b>197,143</b>	(113,554)
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>	年內其他全面收益/(開支)		<b>376,611</b>	(89,318)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	年內全面收益總額		<b>2,642,418</b>	1,824,386

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Profit attributable to:	以下應佔溢利：		
Owners of the Company	本公司擁有人	<b>2,293,055</b>	1,922,027
Non-controlling interests	非控制權益	<b>(27,248)</b>	(8,323)
		<b>2,265,807</b>	1,913,704
Total comprehensive income attributable to:	以下應佔全面收益總額：		
Owners of the Company	本公司擁有人	<b>2,666,410</b>	1,827,904
Non-controlling interests	非控制權益	<b>(23,992)</b>	(3,518)
		<b>2,642,418</b>	1,824,386
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	本公司擁有人應佔每股盈利		
Basic and diluted	基本及攤薄	11 <b>RMB0.74</b> 人民幣0.74元	RMB0.62 人民幣0.62元

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2017  
於2017年12月31日

		Note	2017	2016
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	12	7,156,134	6,621,953
Prepaid land lease payments	預付土地租賃款	13	1,266,216	1,249,367
Investment properties	投資物業	14	4,038,900	2,469,488
Deposits paid for the purchase of land, property, plant and equipment	購買土地、物業、廠房及設備所支付的按金		1,024,497	549,919
Goodwill	商譽	15	85,309	76,554
Other intangible assets	其他無形資產	15	172,332	183,615
Interests in associates	於聯營公司的權益	17	41,324	–
Interests in joint ventures	於合營企業的權益	18	9,024	7,988
Available-for-sale investments	可供出售投資	19	1,582,208	730,814
Held-to-maturity investments	持有至到期投資	20	–	59,655
Loan receivables	應收借款	21	228,710	63,191
Other non-current assets	其他非流動資產	22	150,591	37,623
Derivative financial instruments	衍生金融工具	23	–	32,566
Deferred tax assets	遞延稅項資產	32	69,908	53,869
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>15,825,153</b>	12,136,602
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	24	3,227,742	2,747,065
Amounts due from customers for contract work	應收客戶的合約工程款項	25	269,239	163,279
Loan receivables	應收借款	21	561,206	325,764
Trade and bills receivables	貿易應收款項及票據	26	2,024,608	1,517,248
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	27	1,613,307	1,419,645
Cash and bank deposits	現金及銀行存款	28	4,452,370	3,885,683
<b>Total current assets</b>	<b>流動資產總額</b>		<b>12,148,472</b>	10,058,684
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Amounts due to customers for contract work	應付客戶的合約工程款項	25	101,555	40,049
Trade and bills payables	貿易應付款項及票據	29	3,021,085	3,603,162
Other payables and accruals	其他應付款項及應計費用	30	1,892,922	1,731,570
Tax payable	應付稅項		180,973	94,957
Borrowings	借款	31	2,877,256	4,252,154
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>8,073,791</b>	9,721,892
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>4,074,681</b>	336,792
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總額減流動負債</b>		<b>19,899,834</b>	12,473,394

		Note	2017	2016
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Borrowings	借款	31	<b>5,442,119</b>	442,407
Other long-term payables	其他長期應付款項		<b>92,572</b>	106,439
Deferred tax liabilities	遞延稅項負債	32	<b>444,640</b>	272,568
Deferred income	遞延收益	33	<b>137,012</b>	114,308
Total non-current liabilities	非流動負債總額		<b>6,116,343</b>	935,722
Net assets	資產淨額		<b>13,783,491</b>	11,537,672
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	34	<b>135,344</b>	135,344
Reserves	儲備	35	<b>13,354,571</b>	11,096,165
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>13,489,915</b>	11,231,509
Non-controlling interests	非控制權益		<b>293,576</b>	306,163
Total equity	權益總額		<b>13,783,491</b>	11,537,672

**Wong Luen Hei**

黃聯禧

Director

董事

**Luo Jianfeng**

羅建峰

Director

董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 December 2017  
截至2017年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Statutory reserve <sup>(a)</sup>	Capital reserve <sup>(b)</sup>	Merger reserve	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Exchange fluctuation reserve 匯兌波動儲備	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	法定儲備 <sup>(a)</sup>	資本儲備 <sup>(b)</sup>	合併儲備	投資重估儲備	匯兌波動儲備	保留溢利	總計	非控制權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	135,686	1,922,887	1,156,712	5,250	5,515	1,999	(30,726)	6,573,562	9,770,885	94,567	9,865,452
Profit for the year	年內溢利	-	-	-	-	-	-	-	1,922,027	1,922,027	(8,323)	1,913,704
Other comprehensive expense for the year	年內其他全面開支	-	-	-	-	-	24,236	(118,359)	-	(94,123)	4,805	(89,318)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	24,236	(118,359)	1,922,027	1,827,904	(3,518)	1,824,386
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	107,528	107,528
Non-controlling interests arising from business combinations	業務合併產生的非控制權益	-	-	-	-	-	-	-	-	-	107,586	107,586
Shares repurchased	回購股份	(342)	(17,269)	-	-	-	-	-	(10,441)	(28,052)	-	(28,052)
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	(339,228)	(339,228)	-	(339,228)
Appropriation to statutory reserve	轉撥至法定儲備	-	-	233,139	-	-	-	-	(233,139)	-	-	-
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	135,344	1,905,618 <sup>#</sup>	1,389,851 <sup>#</sup>	5,250 <sup>#</sup>	5,515 <sup>#</sup>	26,235 <sup>#</sup>	(149,085) <sup>#</sup>	7,912,781 <sup>#</sup>	11,231,509	306,163	11,537,672
Profit for the year	年內溢利	-	-	-	-	-	-	-	2,293,055	2,293,055	(27,248)	2,265,807
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	179,468	193,887	-	373,355	3,256	376,611
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	179,468	193,887	2,293,055	2,666,410	(23,992)	2,642,418
Acquisition of non-controlling interests	收購非控制權益	-	-	-	3,284	-	-	-	-	3,284	(5,984)	(2,700)
Capital contributions from non-controlling interests	非控制權益出資	-	-	-	-	-	-	-	-	-	39,073	39,073
Non-controlling interests arising from business combination (note 37)	業務合併產生的非控制權益(附註37)	-	-	-	-	-	-	-	-	-	1,389	1,389
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	(23,073)	(23,073)
Dividends recognised as distributions to owners (note 10)	確認為向擁有人分派的股息(附註10)	-	-	-	-	-	-	-	(411,288)	(411,288)	-	(411,288)
Appropriation to statutory reserve	轉撥至法定儲備	-	-	288,213	-	-	-	-	(288,213)	-	-	-
At 31 December 2017	於2017年12月31日	<b>135,344</b>	<b>1,905,618<sup>#</sup></b>	<b>1,678,064<sup>#</sup></b>	<b>8,534<sup>#</sup></b>	<b>5,515<sup>#</sup></b>	<b>205,703<sup>#</sup></b>	<b>44,802<sup>#</sup></b>	<b>9,506,335<sup>#</sup></b>	<b>13,489,915</b>	<b>293,576</b>	<b>13,783,491</b>

# These reserve accounts comprise the reserves of RMB13,354,571,000 (2016: RMB11,096,165,000) in the consolidated statement of financial position.

# 該等儲備賬構成綜合財務狀況表中儲備人民幣13,354,571,000元(2016年:人民幣11,096,165,000元)。



Note:

- (a) In accordance with the Company Law of PRC, each of the Company's subsidiaries registered in PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in PRC to the statutory reserve until the balance of the reserve fund reaches 50% of its registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided that the remaining balance of the statutory reserve is not less than 25% of the registered capital.
- (b) Capital reserve mainly represented the difference between the consideration and the book value of the share of the net assets acquired in respect of the acquisition of non-controlling interests.

附註：

- (a) 根據中國公司法，本公司於中國註冊的各間附屬公司須劃撥根據中國公認會計原則釐定的年度法定除稅後溢利（經扣除任何過往年度虧損後）的10%至法定儲備，直至儲備金結餘達到其註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增資，惟法定儲備的餘下結餘不得少於註冊資本的25%。
- (b) 資本儲備主要指有關收購非控制權益的代價與應佔所收購淨資產賬面值之間的差額。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 December 2017  
截至2017年12月31日止年度

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before tax:	除稅前溢利：	<b>2,954,586</b>	2,424,792
Adjustments for:	就以下各項作出調整：		
Interest income	利息收益	<b>(90,785)</b>	(61,591)
Government grants released	已撥入的政府補助	<b>(3,982)</b>	(1,905)
Gain on fair value changes of investment properties	投資物業公允價值變動 盈利	<b>(327,313)</b>	(31,885)
Gain on disposal of available-for-sale investments	出售可供出售 投資所得利益	<b>(1,050)</b>	-
Gain on disposal of held-to-maturity investments	出售持有至到期 投資所得利益	<b>(3,315)</b>	-
Gain on early redemption of available-for-sale investments	提早贖回可供出售 投資所得利益	<b>(39,071)</b>	-
Gain on early redemption of held-to-maturity investments	提早贖回持有至到期 投資所得利益	-	(206)
Investment income	投資收益	<b>(2,694)</b>	(5,781)
Gain on disposal of subsidiaries	出售附屬公司利益	<b>(2,141)</b>	-
Interest expenses	利息開支	<b>229,309</b>	107,061
Depreciation and amortisation	折舊及攤銷	<b>646,822</b>	593,366
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值 淨額	<b>61,843</b>	50,445
Loss on disposal of items of other intangible assets and property, plant and equipment	出售其他無形資產和物業、廠房 及設備項目的虧損	<b>15,144</b>	7,309
Changes in fair value of derivative financial instruments	衍生金融工具公允價值 變動	<b>31,575</b>	(1,942)
Impairment of property, plant and equipment	物業、廠房及設備減值	-	15,467
Impairment of trade receivables, net	貿易應收款項減值淨額	<b>25,268</b>	30,227
Share of results of associates	分佔聯營公司業績	<b>1,404</b>	-
Share of results of joint ventures	分佔合營企業業績	<b>(243)</b>	(813)
		<b>3,495,357</b>	3,124,544
Increase in other non-current assets	其他非流動資產增加	<b>(112,968)</b>	(6,718)
Increase in inventories	存貨增加	<b>(597,026)</b>	(584,597)
Increase in amounts due from customers for contract work	應收客戶的合約工程款項 增加	<b>(105,960)</b>	(99,394)
Increase in loan receivables	應收借款增加	<b>(400,961)</b>	(305,955)
Increase in trade and bills receivables	貿易應收款項及票據增加	<b>(585,273)</b>	(69,434)
Increase in prepayments, deposits and other receivables	預付款、按金及其他應收 款項增加	<b>(162,834)</b>	(595,385)
Increase in amounts due to customers for contract work	應付客戶的合約工程款項 增加	<b>61,506</b>	14,661
(Decrease)/increase in trade and bills payables	貿易應付款項及票據(減少)/增加	<b>(546,494)</b>	1,847,009
Increase in other payables and accruals	其他應付款項及應計費用增加	<b>205,350</b>	8,573
Increase in other long-term payables	其他長期應付款項增加	<b>12,164</b>	10,000
Increase in deferred income	遞延收益增加	<b>26,686</b>	21,981
Cash generated from operations	經營產生的現金	<b>1,289,547</b>	3,365,285
Bank interest received	已收銀行利息	<b>82,378</b>	55,391
Corporate income tax paid	已付企業所得稅	<b>(444,885)</b>	(456,408)
Net cash flows from operating activities	經營活動所得現金流量淨額	<b>927,040</b>	2,964,268

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(1,472,510)	(1,066,984)
Proceeds from disposal of items of other intangible assets and property, plant and equipment		15,169	8,767
Additions to prepaid land lease payments		(26,218)	(115,112)
Additions to investment properties		(1,452,169)	(1,810,124)
Additions to other intangible assets		(5,692)	(2,658)
Acquisitions of subsidiaries	37	(10,103)	(183,745)
Proceeds from disposal of subsidiaries		23,346	-
Additions to associates		(42,728)	-
Additions to joint ventures		(6,787)	-
Purchases of available-for-sale investments		(854,550)	(649,197)
Proceeds from disposal of available-for-sale investments		30,225	-
Proceeds from early redemption of available-for-sale investments		28,073	-
Purchases of held-to-maturity investments		(6,802)	-
Proceeds from disposal of held-to-maturity investments		34,550	-
Proceeds from early redemption of held-to-maturity investments		-	6,970
Purchases of derivative financial instruments		-	(29,211)
Investment income received		2,694	5,781
Interest received from available-for-sale investment		3,291	-
Interest received from held-to-maturity investments		3,294	6,286
Contingent consideration paid for the acquisition of subsidiaries		(32,000)	-
Proceeds from assignment of rights of receivables		29,937	-
Decrease (increase) in restricted cash		40,614	(177,192)
Net cash flows used in investing activities		(3,698,366)	(4,006,419)
<b>FINANCING ACTIVITIES</b>			
New bank borrowings raised		9,777,894	2,802,008
Repayment of bank and other loans		(5,790,147)	(1,565,154)
Loans from non-controlling interests		-	12,000
Repayment of loans from non-controlling interests		-	(61,617)
Payment for repurchase of shares, including expenses		-	(28,052)
Capital contributions from non-controlling interests		39,073	107,528
Acquisition of non-controlling interests		(2,700)	-
Interest paid		(211,453)	(97,434)
Dividends paid		(411,288)	(339,228)
Net cash flows from financing activities		3,401,379	830,051
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>630,053</b>	<b>(212,100)</b>
Cash and cash equivalents at beginning of the year		3,070,458	3,255,511
Effect of foreign exchange rate changes, net		(22,752)	27,047
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>3,677,759</b>	<b>3,070,458</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Time deposits with original maturity of three months or less when acquired	28	102,539	238,570
Cash and bank balances	28	3,575,220	2,831,888
		<b>3,677,759</b>	<b>3,070,458</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The addresses of its registered office and principal places of business are disclosed in the section headed “Corporate Information” of this report.

The Company is an investment holding company. Particulars of the Company’s principal subsidiaries, associates and joint ventures are set out in notes 45, 17 and 18 to the consolidated financial statements, respectively.

#### 2.1 BASIS OF PREPARATION

These consolidated 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, 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, certain available-for-sale investments and derivative financial instruments which have been measured at fair value. These consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

#### BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

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).

### 1. 公司及集團資料

本公司為一間於開曼群島註冊成立的有限公司。其註冊辦事處及主要營業地點載於本報告「公司資料」部分。

本公司為一間投資控股公司。本公司主要附屬公司、聯營公司及合營企業的詳情分別載於綜合財務報表附註45、17及18。

#### 2.1 編製基準

本綜合財務報表已根據由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」）（包括全部香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例披露規定編製。本綜合財務報表按歷史成本法編製，惟按公允價值計量的投資物業、若干可供出售投資及衍生金融工具除外。本綜合財務報表乃以人民幣呈列，除另有指明外，所有價值均調整至最接近的千元數。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至2017年12月31日止年度的財務報表。

附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團承受或享有參與投資對象業務所得的可變回報，且能透過對投資對象的權力（即賦予本集團現有有能力主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

## 2.1 BASIS OF PREPARATION (Continued)

### BASIS OF CONSOLIDATION (Continued)

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:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) 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.

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

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

## 2.1 編製基準(續)

### 綜合基準(續)

倘本公司直接或間接擁有少於投資對象大多數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時，會考慮一切相關事實及情況，包括：

- (i) 與投資對象其他投票持有人的合約安排；
- (ii) 其他合約安排所產生的權利；及
- (iii) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就與本公司相同的報告期間採用一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起綜合入賬，並繼續綜合入賬直至該控制權終止當日為止。

損益及其他全面收益的各部分歸屬於本公司擁有人及非控制權益。即使導致非控制權益出現虧絀結餘，附屬公司的全面收益總額仍歸屬於本公司擁有人及非控制權益。

如有需要，附屬公司的財務報表會作出調整，以使其會計政策與本集團的會計政策一致。所有與本集團成員公司之間的交易有關的集團內公司間資產及負債、權益、收益、開支及現金流量已在綜合賬目時悉數對銷。

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's consolidated financial statements.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014–2016 Cycle	Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12

None of the above amendments to HKFRSs has had a significant financial effect on these consolidated financial statements. Disclosure has been made in note 44 to the financial statements upon the adoption of amendments to HKAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

## 2.2 會計政策及披露事項變動

本集團於本年度的綜合財務報表內首次應用下列經修訂準則。

香港會計準則 第7號修訂本	披露主動性
香港會計準則 第12號修訂本	就未實現虧損確認遞延稅項資產
2014年至2016年週期的香港財務報告準則年度改善所載之香港財務報告準則第12號修訂本	披露於其他實體之權益：釐清香港財務報告準則第12號範圍

上述香港財務報告準則之修訂本概未對本綜合財務報表產生任何重大財務影響。香港會計準則第7號規定實體須提供讓財務報表使用者評估因融資活動所產生的負債之變動(包括因現金流量及非現金變動而產生之變動)作披露。本集團已於採納香港會計準則第7號後於財務報表附註44內作出相關披露。

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early applied the following new and revised standards, that have been issued but are not yet effective, in these consolidated financial statements:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 15	Clarifications to HKFRS 15 <sup>1</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28 <sup>1</sup>
Annual Improvements 2015–2017 Cycle	Amendments to a number of HKFRSs <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2018  
<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019  
<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021  
<sup>4</sup> Mandatory effective date not yet determined

## 2.3 已頒佈但尚未生效的香港財務報告準則

本集團在本綜合財務報表中尚未提早應用下列已頒佈但尚未生效的新訂及經修訂準則。

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	來自客戶合約的收入 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理不確定性 <sup>2</sup>
香港財務報告準則第15號修訂本	釐清香港財務報告準則第15號 <sup>1</sup>
香港財務報告準則第2號修訂本	以股份為基準付款的交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號修訂本	香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約一併應用 <sup>1</sup>
香港財務報告準則第9號修訂本	具有負補償之預付款項特性 <sup>2</sup>
香港會計準則第28號修訂本	於聯營公司及合營公司之長期權益 <sup>2</sup>
香港會計準則第40號修訂本	轉讓投資物業 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營公司之間的資產出售或投入 <sup>4</sup>
年度改善2014年至2016年週期	香港財務報告準則第1號及香港會計準則第28號修訂本 <sup>1</sup>
年度改善2015年至2017年週期	多項香港財務報告準則的修訂本 <sup>2</sup>

- <sup>1</sup> 適用於2018年1月1日或以後開始的年度期間  
<sup>2</sup> 適用於2019年1月1日或以後開始的年度期間  
<sup>3</sup> 適用於2021年1月1日或以後開始的年度期間  
<sup>4</sup> 尚未釐定強制生效日期

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

Other than as further explained below, the directors do not anticipate that the application of the new and revised HKFRSs above will have a material effect on the Group's consolidated financial statements and the disclosure.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

#### (A) CLASSIFICATION AND MEASUREMENT

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available-for-sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

### 2.3 已頒佈但尚未生效的香港財務報告準則(續)

除下文進一步闡釋外，董事並不預期應用上述新訂及經修訂香港財務報告準則對本集團之綜合財務報表及披露有重大影響。

於2014年9月，香港會計師公會頒佈香港財務報告準則第9號最終版本，匯集金融工具項目所有階段取替香港會計準則第39號及所有香港財務報告準則第9號的前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自2018年1月1日起採納香港財務報告準則第9號。本集團不會重列比較資料，任何過渡性調整會確認於2018年1月1日的權益年初結餘。於2017年內，本集團已詳細評估採納香港財務報告準則第9號的影響。涉及分類及計量以及減值規定的預期影響概述如下：

#### (A) 分類及計量

本集團預期採納香港財務報告準則第9號不會對其金融資產的分類及計量造成重大影響。本集團預期繼續按公允價值計量現時按公允價值持有的所有金融資產。現時持作可供出售的股權投資將按公允價值計入其他全面收益計量，此乃由於該等投資將於可見未來繼續持有，且本集團將選擇於其他全面收益內呈列公允價值變動。該等投資於被終止確認時，列賬於其他全面收益內的股權投資收益及虧損不得重新計入損益。



## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

### (B) IMPAIRMENT

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. Upon the initial adoption of the standard, no material impact is expected on the provision for impairment of its trade and other receivables.

## 2.3 已頒佈但尚未生效的香港財務報告 準則(續)

### (B) 減值

香港財務報告準則第9號規定按攤銷成本或公允價值計入其他全面收益的債務工具、租賃應收款項、貸款承諾及並非根據香港財務報告準則第9號按公允價值計入損益之財務擔保合約的減值，須基於十二個月或整個存續期間的預期信貸虧損模型入賬。本集團將應用簡化方法，估算所有貿易應收款項餘下存續期內的所有現金短缺的現值，把整個存續期的預期損失入賬。此外，本集團將應用一般方法，並記錄根據未來十二個月內其他應收款項可能違約事件所估計的十二個月預期信貸虧損。於初步採納該標準後，預期不會對其貿易應收款項及其他應收款項的減值撥備產生重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (Continued)

HKFRS 15, issued in July 2014, 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 standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard.

The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of HKFRS 15 will not be material. During 2017, the Group has performed a detailed assessment on the impact of the adoption of HKFRS 15.

The Group's principal activities consist of manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services. Based on the assessment performed, the adoption of HKFRS 15 will have no significant financial impact on the Group, but volume of disclosures required in the Group's financial statements will increase.

### 2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第15號於2014年7月頒佈，建立一個新五步驟模型以確認來自客戶合約的收入。根據香港財務報告準則第15號，收入按反映實體預期可有權換取向客戶轉讓貨品或服務的代價確認。香港財務報告準則第15號的原則為計量及確認收入提供更有系統的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆總收入，關於履行責任、各期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。該準則將取代香港財務報告準則項下所有現時收入確認的規定。初始採納該準則需採取全面追溯應用或經修訂追溯應用方式。於2016年6月，香港會計師公會頒佈對香港財務報告準則第15號修訂本，解釋採納該準則時於識別履約責任實施問題，主事人與代理人及知識產權許可的應用指引，以及過渡期。該等修訂本亦擬協助確保實體於應用香港財務報告準則第15號時能更加一致及降低應用有關準則的成本及複雜性。

本集團計劃採納香港財務報告準則第15號之過渡性條文，並對2018年1月1日之保留溢利年初結餘作出調整以確認初始採納的累計影響。此外，本集團計劃僅對於2018年1月1日前尚未完成的合約應用該等新規定。本集團預期將於2018年1月1日採納香港財務報告準則第15號後作出的過渡性調整並不重大。於2017年內，本集團已詳細評估採納香港財務報告準則第15號的影響。

本集團主要業務包括製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務、金融服務和物業租賃及其他相關服務。經評估，採納香港財務報告準則第15號對本集團並無重大財務影響，但於本集團的財務報表所需要披露的量將會增加。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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 unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures 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.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, 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 ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

### INTEREST IN JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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.

## 2.4 主要會計政策概要

### 於聯營公司及合營企業的投資

聯營公司為本集團擁有一般不少於20%股本投票權的長期權益的實體，並可對其發揮重大影響力。重大影響力指參與投資對象的財政及經營決策之權力，而非控制或共同控制該等決策之權力。

合營企業為一項合營安排，據此，擁有安排之共同控制權的人士均有權享有合營企業的淨資產。共同控制乃以合約協定分佔一項安排之控制權，其僅在相關活動決策必須獲分佔控制權的人士一致同意時方存在。

本集團於聯營公司及合營企業的投資乃按權益會計法核算，按本集團應佔淨資產扣除任何減值虧損於綜合財務狀況表中呈列。

本集團應佔聯營公司及合營企業收購後業績和其他全面收益分別計入損益及其他全面收益內。此外，倘直接於聯營公司或合營企業的權益確認變動，則本集團會於綜合權益變動表確認其應佔的任何變動(如適用)。本集團與其聯營公司或合營企業進行交易而出現的未實現利益及虧損會按本集團於聯營公司或合營企業的權益互相抵銷，但如果未實現虧損證明所轉讓資產發生減值則除外。收購聯營公司或合營企業產生的商譽計入本集團於聯營公司或合營企業的投資的一部分。

### 於合營業務之權益

合營業務為共同安排，據此，擁有該安排共同控制權的各方有權享有與該安排有關的資產及就負債承擔責任。共同控制乃以合約協定分佔一項安排之控制權，其僅在相關活動決策必須獲分佔控制權的人士一致同意時方存在。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### INTEREST IN JOINT OPERATION (Continued)

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

### 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 either 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 主要會計政策概要(續)

### 於合營業務之權益(續)

本集團就其於合營業務之權益確認：

- 其資產，包括分佔任何共同持有之資產；
- 其負債，包括分佔任何共同產生之負債；
- 出售其於合營業務應佔產出之所得收入；
- 出售合營業務產出之應佔收入；及
- 其開支，包括分佔任何共同產生之開支。

本集團於合營業務之權益之有關資產、負債、收入及開支乃根據適用於相關資產、負債、收入及開支之香港財務報告準則入賬。

### 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的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方之前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有權益並賦予其持有人有權於清盤時按比例分佔實體的淨資產的非控制權益。非控制權益的一切其他成分乃按公允價值計量。收購相關成本於產生時列為開支。

## 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 that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. 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 主要會計政策概要(續)

### 業務合併及商譽(續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適當的分類及標示，其中包括分離被收購方主合約中的嵌入式衍生工具。

倘業務合併分階段進行，以往持有的股本權益會以收購日期的公允價值重新計量，任何因此帶來的利益或虧損於損益中確認。

將由收購方轉讓的任何或然代價於收購日期按公允價值確認。分類為資產或負債(屬金融工具)且屬香港會計準則第39號範疇內的或然代價按公允價值計量，公允價值的變動於損益確認或確認為其他全面收益的變動。倘或然代價並非屬香港會計準則第39號範疇內，則按合適的香港財務報告準則計量。分類為權益的或然代價不會重新計量，其後結算於權益列賬。

商譽初始按成本計量，即已轉讓代價、已確認非控制權益金額及本集團先前持有被收購方股本權益的任何公允價值之總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公允價值，則再評估後的差額於損益確認為議價收購所得利益。

## 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 will perform 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 主要會計政策概要(續)

### 業務合併及商譽(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，若有事件發生或情況改變顯示賬面值可能減值，則會更頻密地進行測試。本集團將於12月31日進行商譽的年度減值測試。為進行減值測試，無論本集團其他資產或負債是否已分配至現金產生單位或現金產生單位組別，因業務合併而購入的商譽自收購日期起分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別。

減值乃通過評估與商譽有關的現金產生單位(現金產生單位組別)的可收回金額釐定。當現金產生單位(現金產生單位組別)的可收回金額低於賬面值時，則確認減值虧損。已確認商譽減值虧損不得於其後期間撥回。

倘商譽已分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售，則與所出售業務相關的商譽會在釐定出售的利益或虧損時計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FAIR VALUE MEASUREMENT

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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

## 2.4 主要會計政策概要(續)

### 公允價值之計量

公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃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。資產或負債的公允價值乃基於市場參與者於資產或負債定價所用的假設計量(即假設市場參與者會以最佳經濟利益行事)。

非金融資產的公允價值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者以產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使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。

所有於本綜合財務報表計量或披露公允價值的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入數據按以下公允價值層級分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入數據可直接或間接觀察得出
- 第三級 – 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入數據不可觀察得出

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FAIR VALUE MEASUREMENT (Continued)

For assets and liabilities that are recognised in the consolidated 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.

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract asset, deferred tax assets and financial assets), 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 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 profit or loss in the period in which it arises.

## 2.4 主要會計政策概要(續)

### 公允價值之計量(續)

就按經常性基準於本綜合財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)確定是否發生不同層級轉移。

### 非金融資產減值

倘資產存在減值跡象或須進行年度減值測試(存貨、工程合約資產、遞延稅項資產及金融資產除外)，則會就該項資產的可收回金額作出估計。資產的可收回金額為資產或現金產生單位的可使用價值與其公允價值減出售成本兩者中之較高者，並就個別資產而釐定，除非該項資產並不產生在頗大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額以該項資產所屬的現金產生單位釐定。

資產的賬面值超逾其可收回金額時則確認減值虧損。於評估可使用價值時，估計未來現金流量將以除稅前貼現率折讓至現值，該貼現率反映現時市場對貨幣時間值及該項資產的特定風險的評估。減值虧損將於其產生期間於損益內與減值資產的功能一致的開支類別中扣除。

於各報告期末會評估是否有跡象顯示於過往確認的減值虧損可能不再存在或可能已減少。倘存在有關跡象，則會就有關可收回金額作出估計。僅於用以釐定資產的可收回金額的估計出現變動時，過往確認為商譽以外的資產的減值虧損方可撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有之賬面值(扣除任何折舊／攤銷)。該減值虧損的撥回於其產生期間計入損益內。



## 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 of 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;
  - (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.

## 2.4 主要會計政策概要(續)

### 關聯人士

於下列情況下，有關人士將被視為本集團的關聯人士：

- (a) 某個別人士或其親密家庭成員，而該名人士
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團具重大影響；或
  - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 有關人士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；
  - (ii) 一間實體為另一實體的聯營公司或合營企業(或屬另一實體的母公司、附屬公司或同系附屬公司之旗下)；
  - (iii) 該實體及本集團均為同一第三方的合營企業；
  - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
  - (vi) 該實體由(a)項所述人士控制或共同控制；
  - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員；及
  - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to 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:

Freehold land	Not depreciated
Land and buildings	2.3% to 5%
Plant and machinery	9% to 19%
Furniture, fixtures and office equipment	9.5% to 32.3%
Motor vehicles	9.5% to 32.3%
Leasehold improvements	Over the shorter of the lease terms and 20%

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 主要會計政策概要(續)

### 物業、廠房及設備之折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接成本。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)，一般於其產生期間自損益內扣除。倘能夠符合確認標準，重大檢查的開支會於資產賬面值中資本化作為替換。倘物業、廠房及設備的主要部分須定期替換，本集團會確認該等部分為有特定使用年期的個別資產及相應計提折舊。

折舊以直線法計算，按每項物業、廠房及設備項目的估計使用年期撇銷其成本至其剩餘價值。為此目的而主要使用的每年折舊率如下：

永久業權土地	並無折舊
土地及樓宇	2.3%至5%
廠房及機器	9%至19%
家具、裝置及辦公室設備	9.5%至32.3%
汽車	9.5%至32.3%
租賃物業裝修	按租期與20%兩者中的較短者

倘物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本須在各部件之間合理分配，而各部分須單獨計算折舊。剩餘價值、可使用年期和折舊方法至少於各財政年度末檢討一次，並在適當情況下作出調整。

## 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 profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and other assets under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost represents 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. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property. 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.

Gains or losses arising from changes in the fair values of investment properties are included in 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 profit or loss in the year of the retirement or disposal.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備之折舊(續)

初始確認的物業、廠房及設備項目包括任何重要部分於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的期間在損益內確認的任何出售或報廢利益或虧損，為有關資產銷售所得款項淨額與其賬面值的差額。

在建工程指建築工程尚在進行中的樓宇及其他資產，並按成本減去任何減值虧損入賬，但不會折舊。成本指建築期間產生的直接建築成本及有關借貸資金的資本化借貸成本。在建工程於工程完成後並備用時，將重新歸入物業、廠房及設備的適當類別。

### 投資物業

投資物業乃持作賺取租金收入及／或作資本增值之土地及樓宇權益(包括可能符合投資物業定義之物業於經營租賃下之租賃權益)，而非用於生產或供應貨品或服務；或非用作行政用途；或非作日常業務中之銷售。當中包括持作目前未決定未來用途之土地及興建中或已發展作未來作投資物業之物業。該等物業初步按成本值(包括交易成本)計量。於初始確認後，投資物業以反映於報告期末市況之公允價值入賬。

投資物業公允價值變動利益或虧損於產生之年度計入損益。

投資物業報廢或出售時產生的任何利益或虧損於報廢或出售的年度於損益中確認。

## 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 as 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.

#### Computer software

Computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

#### 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.

Deferred development costs are stated at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

#### Patents and proprietary technologies

Purchased patents and proprietary technologies acquired are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives.

## 2.4 主要會計政策概要(續)

### 無形資產(商譽除外)

個別收購的無形資產於初始確認時按成本計量。於業務合併中收購無形資產的成本乃為收購當日的公允價值。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟壽命內攤銷，並於有跡象顯示無形資產可能出現減值時作減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度末檢討一次。

#### 電腦軟件

電腦軟件以成本減任何減值虧損列賬，並以直線法按其估計可使用年期5年攤銷。

#### 研發成本

全部研究成本於產生時於損益內扣除。

開發新產品項目所產生的開支僅於本集團能夠證明形成無形資產以致其將可供使用或出售的技術可行性、其形成資產的意欲及使用或出售資產的能力、該資產將如何產生未來經濟利益、完成項目的資源可得性，以及可靠計量於開發期間的開支的能力時方會被資本化及遞延。不符合該等標準的產品開發開支於產生時列賬為支出。

遞延開發成本按照與個別收購的無形資產相同的基準，按成本減累計攤銷及累計減值虧損(如有)列賬。

#### 專利及專有技術

已收購之專利及專有技術以成本減任何減值虧損列賬，並以直線法按其估計可使用年期攤銷。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### INTANGIBLE ASSETS (OTHER THAN GOODWILL) (Continued)

#### Brand name and operating concession rights

Brand name and operating concession rights with indefinite useful lives acquired are stated at cost less any impairment losses and are not amortised. The useful life of such an asset should be reviewed at the end of each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate.

The Group is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount (a) annually, and (b) whenever there is an indication that the intangible asset may be impaired.

### LEASES

#### Finance 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 profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the consolidated statement of financial position as loan receivables. Any unguaranteed residual value is also recognised at the inception of the lease. The difference between the sum of the minimum lease payment receivables, initial direct costs, the unguaranteed residual value and their present value is recognised as unearned finance income. Unearned finance income is recognised over the period of the lease using the effective interest rate method.

## 2.4 主要會計政策概要(續)

### 無形資產(商譽除外)(續)

#### 商號及特許經營權

收購的無限可使用年期的商號及特許經營權按成本減任何減值虧損列賬，且將不予攤銷。該資產的可使用年期須於各報告期末審閱，以釐定事件及情況能否繼續支持該資產的無限可使用年期評估。倘不繼續支持，則可使用年期評估由無限更改為有限乃按會計估計變動列賬。

(a)每年及(b)不論是否出現無形資產可能減值的跡象，本集團須對無限可使用年期的無形資產進行減值測試，方法為比較其可收回金額與賬面值。

### 租賃

#### 融資租賃

凡將資產擁有權(法定業權除外)的大部分回報與風險轉讓至本集團的租賃均列為融資租賃。於融資租賃生效時，租賃資產之成本乃按最低租金現值撥充資本，並連同債務(不包括利息部分)一併入賬，以反映購買及融資狀況。根據資本化融資租賃持有的資產(包括融資租賃之預付土地租賃款)乃計入物業、廠房及設備，並按租期與資產的估計可用年期兩者中的較短者計算折舊。該等租賃的融資成本乃在損益內扣除，以於租期內作出定期定額扣減。

透過融資性質的租購合約收購的資產乃列為融資租賃，並於其估計可用年期內折舊。

倘本集團為融資租賃的出租人，則與應收最低租金款項及初始直接成本等值的款項乃於綜合財務狀況表內列作應收借款。於租賃生效時亦會確認未擔保剩餘價值。應收最低租金款項、初始直接成本及未擔保剩餘價值與其現值之間的差額乃確認為未實現融資收益。未實現融資收益乃於租賃期內使用實際利率法確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### LEASES (Continued)

#### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to 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.

### FINANCIAL INSTRUMENTS

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

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

#### Effective interest method

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

Interest income or expense is recognised on an effective interest method.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 經營租賃

資產擁有權的絕大部分回報與風險仍歸於出租人的租賃列作經營租賃。倘本集團為出租人，則本集團根據經營租賃所出租的資產計入非流動資產，而經營租賃的應收租金則按照租期以直線法計入損益內。倘本集團為承租人，則經營租賃的應付租金按照租期以直線法在損益內扣除。

經營租賃下的預付土地租賃款初始按成本入賬，而隨後於租期內按直線法確認。

### 金融工具

當一集團實體成為工具合約條款之一方時，金融資產及金融負債予以確認。

金融資產及金融負債按公允價值作初始計量。收購或發行金融資產及金融負債(以公允價值計入損益之金融資產及金融負債除外)之直接應佔交易成本於初始確認時計入或扣自各金融資產或金融負債(如適用)之公允價值。收購以公允價值計入損益之金融資產或金融負債之直接應佔交易成本即時於損益中確認。金融資產及金融負債之其後計量視乎其分類而定。

#### 實際利率法

實際利率法乃一種計算債務工具或金融負債之攤銷成本及在相關期間內分配利息收益或開支的方法。實際利率乃按債務工具或金融負債之預計年期或(倘適用)較短期間，準確貼現估計未來現金收入或付款(包括構成實際利率不可或缺部分之一切已付或已收利率差價費用、交易成本及其他溢價或折讓)至初始確認時之賬面淨值之利率。

利息收益或開支乃按實際利率法確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### *Financial assets at fair value through profit or loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading or designated as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產

金融資產歸類為以下具體類別，以公允價值計入損益之金融資產、持有至到期投資、貸款及應收款項及可供出售金融資產。於初始確認時，視乎金融資產之性質及其目的而分類。所有以日常買賣之金融資產，均按交易日基準進行確認及終止確認。日常買賣乃指須於市場規定或慣例一般所訂的時間內交付資產之金融資產買賣。

#### *以公允價值計入損益之金融資產*

金融資產於初始確認時持作買賣或指定為以公允價值計入損益則分類為以公允價值計入損益之金融資產。

倘符合下列條件，則金融資產分類為持作買賣：

- 該金融資產主要以短期賣出為目的而購買；
- 該金融負債於初始確認時為本集團一併管理的可識別金融工具組合的一部份，最近有實際短期獲利模式；或
- 並非指定為有效的對沖工具的衍生工具。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial assets (Continued)

##### *Financial assets at fair value through profit or loss (Continued)*

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment losses.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產(續)

##### *以公允價值計入損益之金融資產(續)*

持作買賣之金融資產以外之金融資產倘符合下列條件，則於初始確認時可被指定為以公允價值計入損益：

- 該指定消除或主要減低以其他方式計量或確認而出現之不一致計量或確認；
- 金融資產構成按本集團列明之風險管理或投資策略管理的一組金融資產或金融負債或者兩者同時具有，並以公允價值為基準評估其表現，及按該基準提供有關組別的內部資訊；或
- 構成含有一項或多項嵌入式衍生工具之合約的一部份，及香港會計準則第39號准許全部合併合約指定為以公允價值計入損益。

以公允價值計入損益之金融資產以公允價值列賬，而重新計量所產生之任何利益或虧損則於損益確認。

##### *持有至到期投資*

當本集團有意並有能力將具有固定或可確定付款及固定到期日的非衍生金融資產持有至到期時，該等非衍生金融資產為持有至到期投資。

於初始確認後，持有至到期投資以實際利率法按攤銷成本減任何減值虧損計量。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial assets (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. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as available-for-sale or are not classified as (a) financial assets at fair value through profit or loss, (b) held-to-maturity investments or (c) loans and receivables.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of available-for-sale investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the available-for-sale investment revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產(續)

##### *貸款及應收款項*

貸款及應收款項為有固定或可確定付款額，但在活躍市場中並無報價之非衍生金融資產。貸款及應收款項以實際利率法按攤銷成本減任何減值虧損計量。

利息收益使用實際利率法確認，惟短期應收款項除外，因其確認之利息並不重大。

##### *可供出售金融資產*

可供出售金融資產為指定為可供出售或未獲分類為(a)按公允價值計入損益之金融資產；(b)持有至到期投資；或(c)貸款及應收款項之非衍生金融資產。

本集團所持有之被分類為可供出售金融資產及於活躍市場上交易之權益及債務證券於各報告期末按公允價值計量。可供出售貨幣金融資產採用實際利率法計算之利息收益及可供出售股權投資之股息導致的賬面值之變動均於損益中確認。可供出售金融資產賬面值之其他變動乃於其他全面收益中確認，並累計於可供出售投資重估儲備項下。當投資被出售或被釐定出現減值時，先前累計於可供出售投資重估儲備中之累計收益或虧損乃重新分類至損益。

可供出售股權投資之股息在本集團收取股息的權利確立時於損益中確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial assets (Continued)

##### Available-for-sale financial assets (Continued)

The fair value of available-for-sale monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary assets. Other foreign exchange gains and losses are recognised in other comprehensive income.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

#### Impairment of financial assets

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.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產(續)

##### 可供出售金融資產(續)

以外幣計值之可供出售貨幣金融資產之公允價值於報告期末以該外幣釐定並以現行匯率換算。於損益內確認之外匯盈虧按貨幣資產之攤銷成本釐定。其他外匯盈虧於其他全面收益內確認。

於活躍市場並無市場報價而且難以可靠計算公允價值之可供出售股權投資，及與該等缺乏報價股權投資掛鉤並須以交付此等股權投資作結算之衍生工具，於各報告期末以成本扣除任何已識別減值虧損列賬。

#### 金融資產減值

本集團於各報告期末評估有否客觀迹象顯示一項或一組金融資產出現減值。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金融資產的估計未來現金流量造成影響，而該影響能夠可靠地估計，則該項或該組金融資產出現減值。減值跡象可能包括一名債務人或一組債務人正在經歷重大財務困難、拖欠利息或本金、可能破產或進行其他財務重組，以及有明顯數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或與違約相關的經濟狀況。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Impairment of financial assets (Continued)

##### *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.

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.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued 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 profit or loss.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產(續)

##### 按攤銷成本列賬的金融資產

有關按攤銷成本列賬的金融資產，本集團首先獨立評估單項重大的金融資產有否減值跡象，或共同評估非單項重大的金融資產有否客觀減值跡象。倘本集團釐定個別已評估金融資產為並無客觀減值跡象，則有關資產不論是否重大，會計入一組有相似信貸風險特徵的金融資產，共同作減值評估。對於個別作減值評估的資產，倘其確認或持續確認減值虧損，則不會計入共同減值評估。

任何已識別的減值虧損按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)的現值之差額計量。估計未來現金流量的現值會按金融資產的原實際利率折讓。

資產賬面值會透過撥備賬扣減，虧損金額於損益內確認。為計算減值虧損，利息收益會繼續以減少的賬面值及用以折讓未來現金流量的利率累計。如貸款及應收款項預期不大可能收回，而所有抵押品已變現或已轉讓予本集團，則會撇銷該貸款及應收款項連同相關撥備。

倘在其後期間，估計減值虧損因減值確認後發生的事件而增加或減少，過往確認的減值虧損會因調整撥備賬而增減。倘撇銷的款項可收回，則收回的款項會計入損益內。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Impairment of financial assets (Continued)

##### *Financial assets carried at cost*

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

##### *Available-for-sale financial assets*

For available-for-sale financial assets, 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.

If an available-for-sale financial 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 profit or loss, is removed from other comprehensive income and recognised in 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 profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產(續)

##### *按成本計值之金融資產*

就按成本計值之金融資產，減值虧損之金額按資產賬面值與其類似之金融資產按現行市場回報率折讓之估計未來現金流量現值差額計量。有關減值虧損將不會於往後期間撥回。

##### *可供出售金融資產*

對於可供出售金融資產而言，本集團於各報告期末評估是否有客觀證據顯示一項金融資產或一組金融資產出現減值。

倘一項可供出售金融資產出現減值，其成本值(扣除任何本金付款及攤銷)與其現時公允價值之差額減先於損益內確認之任何減值虧損之金額，會從其他全面收益中剔除，並於損益內確認。

倘屬分類為可供出售股權投資，則客觀證據包括一項投資之公允價值大幅度或長期降至低於其成本值。「大幅度」是相對於初始投資成本作評估，而「長期」則是評估公允價值低於初始成本之期間。倘出現減值證據，累計虧損(按收購成本與當前公允價值之差額減該項投資先於損益內確認之任何減值虧損計量)將從其他全面收益中剔除，並於損益內確認。分類為可供出售之股權工具之減值虧損不可透過損益撥回，而其減值後增加的公允價值會直接於其他全面收益中確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Impairment of financial assets (Continued)

##### *Available-for-sale financial assets (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 profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Impairment losses on debt instruments are reversed through 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 profit or loss.

#### Financial liabilities and equity instruments

##### *Classification as debt or equity*

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

##### *Equity instruments*

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

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融資產減值(續)

##### *可供出售金融資產(續)*

釐定「大幅度」或「長期」時需要作出判斷。在作出此項判斷時，本集團評估(其中包括)某項投資的公允價值低於其成本值的持續時間或數額等因素。

就分類為可供出售之債務工具而言，其減值評估按攤銷成本入賬之金融資產相同原則進行。然而，就減值入賬之金額乃計量為攤銷成本與現時公允價值之差額減該項投資先於損益內確認之任何減值虧損之累計虧損。未來利息收益按資產經扣減後之賬面值持續累計，並採用就計量減值虧損時用以折現未來現金流量之利率累計。倘債務工具之公允價值其後之增加可客觀地與於損益內確認減值虧損後發生之事件相關，債務工具之減值虧損則透過損益撥回。

#### 金融負債及股本工具

##### *分類為債務或股本*

集團實體發行之債務及股本工具根據合約安排之具體內容及金融負債與股本工具之定義分類為金融負債或股本。

##### *股本工具*

股本工具是證明任何在扣除所有負債後實體資產剩餘權益之合約。集團實體發行之股本工具乃按已收所得款項扣除直接發行成本確認。

回購本公司自身股本工具時直接於權益中確認及扣除。於損益內並無就購買、出售、發行或註銷本公司的股本工具確認任何損益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as financial liabilities at fair value through profit or loss when the financial liabilities are either held for trading or they are designated as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

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

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融負債

金融負債乃分類為以公允價值計入損益之金融負債或其他金融負債。

#### *以公允價值計入損益之金融負債*

金融負債於初始確認時為持作買賣或指定為以公允價值計入損益則分類為以公允價值計入損益之金融負債。

倘出現下列情況，金融負債則分類為持作買賣：

- 該金融負債主要以短期購回為目的而產生；
- 該金融負債於初始確認時為本集團一併管理的可識別金融工具組合的一部份，最近有實際短期獲利模式；或
- 並非指定為有效的對沖工具的衍生工具。

持作買賣之金融負債以外之金融負債倘符合下列條件，則於初始確認時可被指定為以公允價值計入損益：

- 該指定消除或主要減低以其他方式計量或確認而出現之不一致計量或確認；
- 金融負債構成按本集團列明之風險管理或投資策略管理的一組金融資產或金融負債或者兩者同時具有，並以公允價值為基準評估其表現，及按該基準提供有關組別的內部資訊；或
- 構成含有一項或多項嵌入式衍生工具之合約的一部份，及香港會計準則第39號准許全部合併合約指定為以公允價值計入損益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Financial liabilities (Continued)

*Financial liabilities at fair value through profit or loss (Continued)*

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

#### *Other financial liabilities*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

#### *Embedded derivatives*

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 金融負債(續)

*以公允價值計入損益之金融負債(續)*

以公允價值計入損益之金融負債以公允價值列賬，而重新計量所產生之任何利益或虧損則於損益確認。

#### *其他金融負債*

其他金融負債其後以實際利率法按攤銷成本計量。

#### 衍生金融工具

衍生工具於衍生工具合約訂立當日按公允價值初始確認，其後於報告期末按其公允價值重新計量。所得利益或虧損即時確認於損益，除非該衍生工具指定為有效對沖工具，於此情況下，則視乎對沖關係之性質決定於損益確認之時間。

#### *嵌入式衍生工具*

非衍生工具主合約中之嵌入式衍生工具在符合衍生工具定義時被視為獨立衍生工具，其風險及特性與主合約所載者並無緊密關聯，而主合約並不按公允價值計入損益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 終止確認

只有當收取資產現金流量之合約權利屆滿時，或將其金融資產及該等資產擁有權之絕大部分風險及回報轉移予另一實體時，本集團方會終止確認金融資產。倘本集團並未轉移亦無保留擁有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團繼續按持續參與之幅度將資產確認入賬並確認相關負債。倘本集團仍保留已轉移金融資產擁有權之絕大部分風險及回報，本集團將繼續確認該金融資產以及確認已收所得款項之有抵押借貸。

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及於其他全面收益確認並於權益累計之盈虧總數間之差額會於損益確認。

除全面終止確認外，於終止確認金融資產時，本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及不再確認之部分之間，按照該兩者於轉讓日期之相對公允價值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其已於其他全面收益確認獲分配之任何累計利益或虧損總和之間差額，乃於損益內確認。已於其他全面收益確認之累計利益或虧損乃按繼續確認部分及不再確認部分之相對公允價值在該兩者間作出分配。

當且僅當本集團的金融負債之責任獲解除、取消或期滿時，本集團會終止確認。被終止確認之金融負債的賬面值與已付及應付代價間之差額於損益確認。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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.

#### Manufacturing and trading

Cost is determined on the weighted average 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.

#### Property development

Cost comprises land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

### CASH AND CASH EQUIVALENTS

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 cash management.

## 2.4 主要會計政策概要(續)

### 金融工具(續)

#### 抵銷金融工具

倘若現時存在法律上可強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償還負債，則金融資產及金融負債可互相抵銷，並將淨額於綜合財務狀況表內呈報。

#### 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。

#### 製造和貿易

成本乃以加權平均法釐定，而就在產品及產成品而言，成本包括直接原料、直接勞工及適當比例的固定開支。可變現淨值則按預計售價減完成及出售時所產生的任何估計成本釐定。

#### 物業發展

成本包括土地成本、建設成本、借貸成本、專業費用及該等物業於開發期間直接產生的其他成本。

### 現金及現金等價物

現金及現金等價物包括現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極低及一般自購入後三個月內到期的短期高流動性投資，但須扣減應要求即時償還及構成現金管理不可分割一部分的銀行透支。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 profit or loss.

### 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.

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, joint ventures and associates, 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 主要會計政策概要(續)

### 撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘折現的影響重大，則就撥備確認的金額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額會計入損益內的融資成本。

### 所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認的項目有關的所得稅會在並非損益賬的其他全面收益內或直接在權益內確認。

即期稅項資產及負債按預期獲稅務機構退回或向稅務機構支付的款項計量。計量的基準為報告期末已實行或已實際執行的稅率(及稅法)，亦考慮本集團經營所在國家現行的詮釋及慣例。

遞延稅項乃採用負債法就報告期末資產及負債的稅基與其用作財務呈報的賬面值之間的所有暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認商譽或資產或負債時產生的遞延稅項負債；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可以控制，且該等暫時差額於可見將來可能不會被撥回。

## 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, joint ventures and associates, 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.

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.

## 2.4 主要會計政策概要(續)

### 所得稅(續)

延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和任何未動用稅項虧損的結轉而確認。倘日後很可能有應課稅溢利可供抵銷可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損的結轉，則會確認遞延稅項資產，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中，初始確認資產或負債時產生與可扣除暫時差額有關的遞延稅項資產；及
- 就與於附屬公司、合營企業及聯營公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回且應課稅溢利將可用以抵銷暫時差額的情況下，方予確認。

遞延稅項資產的賬面值於各報告期末作出檢討，並在不再有足夠應課稅溢利以供對銷全部或部分遞延稅項資產時予以扣減。未確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率計量，並以報告期末已實行或已實際執行的稅率(及稅法)為基準。

即期稅項資產與即期稅項負債僅可在以下情況對銷：本集團依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；而且遞延稅項資產與遞延稅項負債是關於同一稅務機關所徵收的所得稅，不論是對同一應課稅實體或不同應課稅實體徵收的所得稅，也不論應課稅實體計劃於各段未來期間(期間預期將結清或收回大額的遞延稅項負債或資產)以淨額基準結算即期稅項負債及資產或同時實現資產及結清負債。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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 will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

### REVENUE RECOGNITION

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) revenue 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;
- (b) contract revenue from the renovation and installation work on the percentage of completion basis, as further explained in the accounting policy "Construction contracts" below;
- (c) income from financial service includes handling fee income from factoring services and supply-chain financing services, finance lease income and related interest income:
  - (i) handling fee income from factoring services and supply-chain financing services, when the relevant services have been rendered;
  - (ii) finance lease income, over the period of lease, as further explained in the accounting policy "Leases" above;
  - (iii) interest income, on an accrual basis using the effective interest method as explained in note (f).

## 2.4 主要會計政策概要(續)

### 政府補助

政府補助於可合理確定將可收取補助並且符合所有附帶條件時，按公允價值確認入賬。該項補助如與開支項目有關，則於該項補助擬補貼的成本開銷期間有系統地確認為收益。該項補助如與資產有關，則按公允價值計入遞延收益賬項，再於有關資產的預計可使用年內按等額每年分期計入損益內。

### 收入確認

收入會於本集團可能獲得有關經濟利益且收入能可靠地計量時，按以下基準確認：

- (a) 銷售貨品的收入於擁有權的絕大部分風險及回報轉移至買方時，而本集團不再保留與所售貨品擁有權相關的管理權及實際控制權時確認；
- (b) 來自裝修及安裝工程合約的收入按完成百分比基準確認，詳情於下文會計政策「工程合約」內闡釋；
- (c) 來自金融服務的收益包括保理服務、供應鏈融資服務所得之手續費收益、融資租賃收益及相關利息收益：
  - (i) 來自有關保理服務及供應鏈融資服務所得之手續費收益，於提供相關服務時確認；
  - (ii) 融資租賃收益於租賃期內確認，詳情於上文會計政策「租賃」內闡釋；
  - (iii) 利息收益以應計基準用實際利率法入賬，詳情於附註(f)內闡釋。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### REVENUE RECOGNITION (Continued)

- (d) income from environmental engineering and related services includes environmental construction work, sewage treatment and related services:
  - (i) contract revenue from environmental construction on the percentage of completion basis, as further explained in the accounting policy "Construction contracts" below;
  - (ii) income from sewage, hazardous wastes treatment and related environmental protection services, when the relevant services have been rendered.
- (e) rental income, on a time proportion basis over the lease terms;
- (f) 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
- (g) dividend income, when the shareholders' right to receive payment has been established.

### CONSTRUCTION CONTRACTS

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

When the outcome of a construction contract can be estimated reliably, contract revenue from a fixed price construction contract is recognised using the percentage of completion method, measured by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total cost of the relevant contract, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

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

## 2.4 主要會計政策概要(續)

### 收入確認(續)

- (d) 來自環境工程及相關服務收益包括環境工程建設、污水處理及相關服務的收益：
  - (i) 環境工程建設合約收入按完成百分比基準確認，詳情於下文會計政策「工程合約」內闡釋；
  - (ii) 污水、危險廢品處理及相關環保服務收益會於相關服務提供時確認。
- (e) 租金收益按租期的時間比例入賬；
- (f) 利息收益以應計基準用實際利率法入賬，所採用利率於金融工具的估計可用年期(或較短期間(如適用))將估計未來現金收入準確折現至金融資產的賬面淨值；及
- (g) 股息收益於股東有權收取款項時入賬。

### 工程合約

合約收入包括協定合約金額及來自修訂合約、申索及獎金之適當金額。已產生合約成本包括直接物料、分包成本、直接勞工以及變動及固定工程間接成本的應佔部分。

倘工程合約的結果能可靠地計量，來自固定價格工程合約的合約收入使用完成百分比方式確認，乃經參考工程迄今已產生合約成本對有關合約估計總成本的比例後計量，惟此並不代表工程完成階段時除外。合約工程的變更、申索及獎金只會在金額能夠可靠地計量及認為可能收取該等金額的情況下方會入賬。

倘工程合約的結果不能可靠地計量，合約收入僅以可能收回的已產生合約成本部分確認。合約成本於產生期間確認為開支。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### CONSTRUCTION CONTRACTS (Continued)

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

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as amounts due from customers for contract work. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as amounts due to customers for contract work.

### EMPLOYEE BENEFITS

#### Pension schemes

In accordance with the relevant laws and regulations, the Group's employees participate in various defined contribution plans and state-management retirement benefit plans in the countries in which the Group operates. Payments to these plans, where the Group's obligations under them are equivalent to a defined contribution plan, are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Share option scheme

The fair value of the employee services received in exchange for the grant of options is recognised as an expense and credited to share option reserve under equity. For grant of share options, the total amount to be expensed over the vesting period is determined by reference to the fair value of the options at the date on which they are granted by using a binomial model, excluding the impact of any service condition and non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become vested.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. It recognises the impact of the revision of original estimates, if any, in the Group's profit or loss and makes a corresponding adjustment to equity over the remaining vesting period. When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (at nominal value) and share premium.

## 2.4 主要會計政策概要(續)

### 工程合約(續)

當總合約成本很可能超出總合約收入時，則預期虧損將立即確認為開支。

倘迄今已產生的合約成本加已確認溢利減已確認虧損超過進度款項，有關盈餘將視為應收客戶的合約工程款項。倘進度款項超過迄今已產生合約成本加已確認溢利減已確認虧損，有關盈餘將視為應付客戶的合約工程款項。

### 僱員福利

#### 退休金計劃

本集團根據相關法律及法規為本集團經營所在國家的僱員參加各種界定供款計劃及國家管理退休福利計劃。本集團於該等計劃下所承擔之責任與界定供款計劃相等，且給予該等計劃的供款於僱員提供有權獲得供款的服務時確認為開支。

#### 購股權計劃

授出購股權以換取僱員服務的公允價值確認為開支及貸入權益項下一項購股權儲備中。就授出購股權而言，於歸屬期將予列支的總額是經參考購股權於其授出當日的公允價值採用二項模式釐定，但並無考慮任何服務條件及非市場歸屬情況的影響。非市場歸屬情況包括在有關預期將予歸屬的購股權數目的假設內。

於報告期末時，本集團修訂其對預期最終歸屬的購股權數目的估計。原有估計作出修訂(如有)的影響於本集團損益並於餘下歸屬期內對權益作出相應調整。所得款項(已扣除任何直接歸屬交易成本)於購股權獲行使時貸入股本(按面值)及股份溢價。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

### DIVIDENDS

Dividends are recognised as a liability and deducted from equity when they are declared and approved by the Company's shareholders in general meetings. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are deducted from equity when they are declared and approved, and no longer at the discretion of the Company.

### FOREIGN CURRENCIES

The Company's functional currency is HK dollar while the Company's presentation currency for the consolidated financial statements is Renminbi. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## 2.4 主要會計政策概要(續)

### 借貸成本

因收購、建築或生產合資格資產(即需要長時間準備作擬定用途或銷售的資產)而直接產生之借貸成本資本化作該等資產成本的一部分。當該等資產大致上可作擬定用途或銷售時，則停止將借貸成本資本化。特定借款有待用於合資格資產開支期間臨時投資所賺取的投資收入，從合資格撥充資本的借貸成本中扣除。所有其他借貸成本於其產生期間內列作開支。借貸成本包括一間實體在借入資金時所產生的利息及其他成本。

### 股息

宣派的股息經本公司股東於股東大會上批准後確認為負債，並且從權益中扣除。擬派末期股息將在財務報表附註中披露。

宣派的中期股息自批准，並且本公司不能隨意更改時從權益中扣除。

### 外幣

本公司的功能貨幣為港元，而其綜合財務報表的呈列貨幣為人民幣。於編製集團個別實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易，按交易當日適用的匯率確認。於各報告期末，以外幣列值之貨幣項目按當日適用的匯率重新換算。以外幣按公允價值計量之非貨幣項目，按釐定公允價值當日之匯率重新換算。以外幣按歷史成本計算之非貨幣項目不會重新換算。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FOREIGN CURRENCIES (Continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Renminbi using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

On disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## 2.4 主要會計政策概要(續)

### 外幣(續)

貨幣項目之匯兌差額乃於產生期間內於損益確認，惟以下各項例外：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；
- 對沖若干外幣風險交易之匯兌差額；及
- 應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，其為海外業務投資淨額之一部份，並初始於其他全面收益確認及於償還貨幣項目時由權益重新分類至損益。

就呈報綜合財務報表而言，本集團海外業務之資產及負債，按各報告期末適用匯率換算為人民幣。收支項目按期內平均匯率換算。所產生匯兌差額(如有)乃於其他全面收益確認，並累計列入權益之匯兌波動儲備項下(按適當情況撥入非控制權益)。

於出售海外業務時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益。

通過收購海外業務而獲得之可識別資產及承擔之負債之商譽及公允價值調整，均被視為該海外業務之資產及負債，並按各報告期末之適用匯率換算。產生之匯兌差額於其他全面收益確認。



### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, 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.

#### JUDGEMENT

##### Deferred tax liabilities

Deferred income tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of the subsidiaries in the PRC to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

If these undistributed earnings of the subsidiaries in the PRC are considered to be repatriated and distributed by way of dividends, the deferred income tax charge and deferred income tax liability would have increased by the same amount of approximately RMB275,791,000 (2016: RMB263,925,000).

#### 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.

### 3. 主要會計判斷及估計

編製本集團的綜合財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收入、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。此等假設及估計的不明朗因素可引致日後需對受影響的資產或負債的賬面值作出重大調整。

#### 判斷

##### 遞延稅項負債

遞延所得稅負債並無就以股息形式匯出及分派的中國附屬公司若干溢利的應付所得稅及預提所得稅計提，原因是董事認為撥回相關暫時差額的時間可被控制以及有關暫時差額將不會於可見將來撥回。

倘該等中國附屬公司的未分派盈利被視為以股息形式匯出及分派，則遞延所得稅開支及遞延所得稅負債將以相同金額約人民幣275,791,000元（2016年：人民幣263,925,000元）增加。

#### 估計不明朗因素

有關於報告期末估計不明朗因素的未來及其他主要來源的主要假設，存在會導致下一個財政年度內資產及負債賬面值出現重大調整的重大風險，於下文有所載述。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### ESTIMATION UNCERTAINTY (Continued)

##### Impairment of goodwill, brand name and operating concession rights

The Group determines whether goodwill, brand name and operating concession rights with indefinite useful lives are 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, brand name and operating concession rights are allocated. Estimating the value in use requires the Group to make an estimation 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. At the end of the reporting period, the carrying amounts of goodwill, brand name and operating concession rights were RMB85,309,000 (2016: RMB76,554,000), RMB110,520,000 (2016: RMB110,520,000) and RMB24,550,000 (2016: RMB24,550,000), respectively. Further details are disclosed in note 16 to the consolidated financial statements.

##### Impairment of trade and other receivables

The Group's provision policy for doubtful debts is based on the ongoing evaluation of the collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the Group's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. At the end of the reporting period, an accumulated impairment loss of RMB145,061,000 (2016: RMB121,030,000) has been recognised for trade receivables.

### 3. 主要會計判斷及估計(續)

#### 估計不明朗因素(續)

##### 商譽、商號及特許經營權減值

本集團至少每年釐定商譽、具無限可使用年期之商號及特許經營權是否減值。此乃需要估計已分配商譽、商號及特許經營權的現金產生單位的可使用價值。在估計可使用價值時，本集團須估計該現金產生單位預期未來的現金流量，選擇合適的貼現率以計算該等現金流量的現值。於報告期末，商譽、商號及特許經營權的賬面值分別為人民幣85,309,000元(2016年：人民幣76,554,000元)、人民幣110,520,000元(2016年：人民幣110,520,000元)及人民幣24,550,000元(2016年：人民幣24,550,000元)。有關詳情已披露於綜合財務報表附註16。

##### 貿易應收款項及其他應收款項減值

本集團有關呆賬的撥備政策乃基於對未償還應收款項可收回的程度及賬齡分析的持續評估以及管理層的判斷。在評估有關應收款項最終能否變現時，須作出大量判斷，包括各客戶的信用情況及過往還款記錄。如本集團客戶的財務狀況轉壞，導致其支付能力降低，則可能需要作更多減值撥備。於報告期末，人民幣145,061,000元(2016年：人民幣121,030,000元)已確認為貿易應收款項之累計減值虧損。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### ESTIMATION UNCERTAINTY (Continued)

##### Provision for obsolete and slow-moving inventories

The Group reviews the aging analysis of its inventories at the end of each reporting period, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for use/sale. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. At the end of the reporting period, an accumulated provision for obsolescence of RMB204,080,000 (2016: RMB142,237,000) has been recognised for inventories.

##### Fair value of investment properties

The best evidence of fair value is current prices in an active market for properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from a variety of sources, including (i) independent valuations; (ii) current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; (iv) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Details of the judgement and assumptions involved in determining the fair value of the Group's investment properties have been disclosed in note 14 to the consolidated financial statements.

### 3. 主要會計判斷及估計(續)

#### 估計不明朗因素(續)

##### 過時及滯銷存貨撥備

本集團於各報告期末檢討其存貨的賬齡分析，並對確認為不宜使用／出售的過時及滯銷存貨項目作出撥備。管理層主要根據最新的發票售價及現時市況估計該等存貨的可變現淨值。於報告期末，人民幣204,080,000元(2016年：人民幣142,237,000元)已確認為存貨之累計過時撥備。

##### 投資物業公允價值

公允價值之最佳憑證為相同地點及狀況之物業當時於活躍市場之價格，並受類似租約及其他合約規限。在欠缺該等資料之情況下，管理層根據合理公允價值估計範圍釐定有關數額。在作出有關估算時，管理層會考慮不同來源之資料，包括：(i)獨立估值；(ii)性質、狀況或地點不同(或受不同租約或其他合約規限)之物業當時於活躍市場之價格，並加以調整以反映有關差異；(iii)類似物業於較不活躍市場之近期價格(或會作出調整，以反映自按交易之日以來經濟狀況之任何轉變對價格之影響)；(iv)根據對未來現金流量之可靠估計而預測之貼現現金流量，輔以任何現有租約與其他合約之條款及(如可能)外在憑證(如地點及狀況相同之類似物業之當時市場租金)，並採用反映當時市場對現金流量金額及時間之不確定性評估之貼現率計算。

釐定本集團投資物業公允價值時所涉及的判斷及假設之詳情已披露於綜合財務報表附註14。

**4. OPERATING SEGMENT INFORMATION**

The Group is principally engaged in the manufacture and sale of building materials and interior decoration products; the provision of renovation and installation works, environmental engineering and other related services, financial services and property rental and other related services. For management purposes, the Group's businesses are organised by geographical areas based on the location of the customers and assets are attributable to the geographical unit based on the location of the assets. The Group has eight reportable operating segments as follows:

- (i) Southern China, including Guangdong Province, Guangxi Zhuang Autonomous Region, Hunan Province, Fujian Province and Hainan Province;
- (ii) Southwestern China, including Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province and Xizang (Tibet) Autonomous Region;
- (iii) Central China, including Hubei Province, Jiangxi Province and Henan Province;
- (iv) Eastern China, including Shanghai Municipality, Jiangsu Province, Zhejiang Province and Anhui Province;
- (v) Northern China, including Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province, Inner Mongolia Autonomous Region and Shanxi Province;
- (vi) Northwestern China, including Shaanxi Province, Ningxia Hui Autonomous Region, Qinghai Province, Gansu Province and Xinjiang Uygur Autonomous Region;
- (vii) Northeastern China, including Liaoning Province, Jilin Province and Heilongjiang Province; and
- (viii) Outside China.

**4. 經營分部資料**

本集團主要從事製造及銷售建材家居產品、提供裝修及安裝工程、環境工程及其他相關服務、金融服務和物業租賃及他相關服務。就管理目的而言，本集團的業務根據客戶的所在地組成地理分區，且資產按其所在地分配予地域單位。本集團擁有以下八個需匯報經營分部：

- (i) 華南，包括廣東省、廣西壯族自治區、湖南省、福建省及海南省；
- (ii) 西南地區，包括重慶市、四川省、貴州省、雲南省及西藏自治區；
- (iii) 華中，包括湖北省、江西省及河南省；
- (iv) 華東，包括上海市、江蘇省、浙江省及安徽省；
- (v) 華北，包括北京市、天津市、河北省、山東省、內蒙古自治區及山西省；
- (vi) 西北地區，包括陝西省、寧夏回族自治區、青海省、甘肅省及新疆維吾爾族自治區；
- (vii) 東北地區，包括遼寧省、吉林省及黑龍江省；及
- (viii) 中國境外。

#### 4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, changes in fair value of investment properties, changes in fair value of derivative financial instruments, gain on disposal of available-for-sale investments, gain on disposal of held-to-maturity investments, gain on early redemption of available-for-sale investments, gain on early redemption of held-to-maturity investments, investment income, gain on disposal of subsidiaries, exchange differences, finance costs, share of results of associates and joint ventures and other unallocated income and expenses are excluded from such measurement.

Segment assets exclude interests in associates, interests in joint ventures, available-for-sale investments, held-to-maturity investments, derivative financial instruments, deferred tax assets, cash and bank deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's revenue from external customers is derived from its operations in mainland China, special administrative regions of PRC and foreign countries.

During the years ended 31 December 2017 and 2016, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

#### 4. 經營分部資料(續)

為制定資源分配決策及表現評估，管理層分別監控其經營分部的業績。分部表現乃按需匯報分部之溢利進行評估，需匯報分部之溢利即經調整除稅前溢利。經調整除稅前溢利乃按本集團除稅前溢利一貫計量，惟利息收益、投資物業公允價值變動、衍生金融工具公允價值變動、出售可供出售投資所得利益、出售持有至到期投資所得利益、提早贖回持有至到期投資所得利益、投資收益、出售附屬公司利益、匯兌差異、融資成本、分佔聯營公司及合營企業業績及其他未分配收益及開支並不包括在該等計量內。

鑑於於聯營公司的權益、於合營企業的權益、可供出售投資、持有至到期投資、衍生金融工具、遞延稅項資產、現金及銀行存款以及其他未分配總部及公司資產乃按集團基準管理，故分部資產並不包括以上資產。

分部間收入於綜合賬目時抵銷。分部間銷售及轉讓以在當時市價基礎上向第三方作出的銷售價格為參照進行交易。

本集團來自外部客戶的收入乃源於其在中國內地、中國特別行政區及外國的業務。

截至2017年及2016年12月31日止年度，概無來自與單一外部客戶交易的收入佔本集團總收入的10%或以上。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. OPERATING SEGMENT INFORMATION  
(Continued)

4. 經營分部資料(續)

OPERATING SEGMENT INFORMATION FOR THE YEAR  
ENDED 31 DECEMBER 2017

截至2017年12月31日止年度的經營分部  
資料

		Southern China 華南 RMB'000 人民幣千元	Southwestern China 西南地區 RMB'000 人民幣千元	Central China 華中 RMB'000 人民幣千元	Eastern China 華東 RMB'000 人民幣千元	Northern China 華北 RMB'000 人民幣千元	Northwestern China 西北地區 RMB'000 人民幣千元	Northeastern China 東北地區 RMB'000 人民幣千元	Outside China 中國境外 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
<b>Segment revenue:</b>	<b>分部收入:</b>										
Sale of goods	銷售貨品	11,104,426	2,104,769	2,209,365	1,216,465	1,335,757	738,822	459,715	691,447	-	19,860,766
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	206,688	-	-	-	4,979	-	-	-	-	211,667
Income from environmental engineering and other related services	環境工程及其他相關服務收益	142,614	10,465	16,531	7,047	-	7,258	147	-	-	184,062
Financial service income	金融服務收益	41,219	294	5,010	172	-	27	-	-	-	46,722
Property rental and other related services	物業租賃及其他相關服務	25,692	-	-	-	-	-	-	31,091	-	56,783
Revenue from external customers	外部客戶收入	11,520,639	2,115,528	2,230,906	1,223,684	1,340,736	746,107	459,862	722,538	-	20,360,000
Intersegment revenue	分部間收入	3,294,044	401,203	458,408	251,179	277,039	131,722	85,656	769,045	(5,668,296)	-
<b>Total</b>	<b>合計</b>	<b>14,814,683</b>	<b>2,516,731</b>	<b>2,689,314</b>	<b>1,474,863</b>	<b>1,617,775</b>	<b>877,829</b>	<b>545,518</b>	<b>1,491,583</b>	<b>(5,668,296)</b>	<b>20,360,000</b>
<b>Segment results</b>	<b>分部業績</b>	<b>3,824,375</b>	<b>650,157</b>	<b>730,184</b>	<b>253,243</b>	<b>397,662</b>	<b>186,325</b>	<b>126,660</b>	<b>156,614</b>	<b>(1,008,437)</b>	<b>5,316,783</b>
Reconciliations:	對賬:										
Interest income	利息收益										90,785
Gain on fair value changes of investment properties	投資物業公允價值變動利益										327,313
Loss on fair value changes of derivative financial instruments	衍生金融工具公允價值變動虧損										(31,575)
Gain on disposal of available-for-sale investments	出售可供出售投資所得利益										1,050
Gain on disposal of held-to-maturity investments	出售持有至到期投資所得利益										3,315
Gain on early redemption of available-for-sale investments	提早贖回可供出售投資所得利益										39,071
Investment income	投資收益										2,694
Gain on disposal of subsidiaries	出售附屬公司利益										2,141
Exchange gain	匯兌利益										23,483
Finance costs	融資成本										(229,309)
Share of results of associates	分佔聯營公司業績										(1,404)
Share of results of joint ventures	分佔合營企業業績										243
Unallocated income and expenses	未分配收益及開支										(2,590,004)
Profit before tax	除稅前溢利										2,954,586
<b>Segment assets</b>	<b>分部資產</b>	<b>11,826,279</b>	<b>1,308,387</b>	<b>1,292,621</b>	<b>1,003,422</b>	<b>752,991</b>	<b>597,638</b>	<b>427,762</b>	<b>4,609,691</b>	<b>-</b>	<b>21,818,791</b>
Reconciliations:	對賬:										
Interests in associates	於聯營公司的權益										41,324
Interests in joint ventures	於合營企業的權益										9,024
Available-for-sale investments	可供出售投資										1,582,208
Deferred tax assets	遞延稅項資產										69,908
Cash and bank deposits	現金及銀行存款										4,452,370
<b>Total assets</b>	<b>資產總額</b>										<b>27,973,625</b>
<b>Other segment information:</b>	<b>其他分部資料:</b>										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	57,066	(132)	(575)	2,191	185	4	(46)	3,150	-	61,843
Depreciation and amortisation	折舊及攤銷	365,901	62,936	62,202	46,395	40,186	34,230	19,092	15,880	-	646,822
Impairment of trade receivables, net	貿易應收款項減值淨額	12,128	-	(5,551)	148	509	(923)	7,286	11,671	-	25,268
Capital expenditure <sup>#</sup>	資本開支 <sup>#</sup>	762,280	140,004	66,433	118,244	34,182	24,969	13,077	1,373,463	(15,487)	2,517,165

<sup>#</sup> Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, investment properties and other intangible assets.

<sup>#</sup> 資本開支包括添置物業、廠房及設備、預付土地租賃款、投資物業及其他無形資產。

#### 4. OPERATING SEGMENT INFORMATION (Continued)

#### 4. 經營分部資料(續)

#### OPERATING SEGMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2016

截至2016年12月31日止年度的經營分部資料

		Southern China 華南 RMB'000 人民幣千元	Southwestern China 西南地區 RMB'000 人民幣千元	Central China 華中 RMB'000 人民幣千元	Eastern China 華東 RMB'000 人民幣千元	Northern China 華北 RMB'000 人民幣千元	Northwestern China 西北地區 RMB'000 人民幣千元	Northeastern China 東北地區 RMB'000 人民幣千元	Outside China 中國境外 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
<b>Segment revenue:</b>	<b>分部收入:</b>										
Sale of goods	銷售貨品	10,082,151	1,561,330	1,712,343	1,064,953	1,052,288	562,002	371,154	535,436	-	16,941,657
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	118,180	-	881	-	-	-	382	-	-	119,443
Income from environmental engineering and other related services	環境工程及其他相關服務收益	81,161	10,779	7,941	1,728	21,991	8,922	532	-	-	133,054
Financial service income	金融服務收益	26,898	-	-	-	-	-	-	-	-	26,898
Revenue from external customers	外部客戶收入	10,308,390	1,572,109	1,721,165	1,066,681	1,074,279	570,924	372,068	535,436	-	17,221,052
Intersegment revenue	分部間收入	2,397,464	360,909	441,075	133,941	167,401	109,249	94,902	591,967	(4,296,908)	-
<b>Total</b>	<b>合計</b>	<b>12,705,854</b>	<b>1,933,018</b>	<b>2,162,240</b>	<b>1,200,622</b>	<b>1,241,680</b>	<b>680,173</b>	<b>466,970</b>	<b>1,127,403</b>	<b>(4,296,908)</b>	<b>17,221,052</b>
<b>Segment results</b>	<b>分部業績</b>	<b>3,349,344</b>	<b>534,107</b>	<b>626,430</b>	<b>239,738</b>	<b>325,786</b>	<b>143,524</b>	<b>99,788</b>	<b>86,290</b>	<b>(823,229)</b>	<b>4,581,778</b>
Reconciliations:	對賬:										
Interest income	利息收益										61,591
Gain on fair value changes of investment properties	投資物業公允價值變動利益										31,885
Gain on fair value changes of derivative financial instruments	衍生金融工具公允價值變動利益										1,942
Gain on early redemption of held-to-maturity investments	提早贖回持有至到期投資所得利益										206
Investment income	投資收益										5,781
Exchange loss	匯兌虧損										(17,614)
Finance costs	融資成本										(107,061)
Share of result of a joint venture	分佔一間合營企業業績										813
Unallocated income and expenses	未分配收益及開支										(2,134,529)
Profit before tax	除稅前溢利										2,424,792
<b>Segment assets</b>	<b>分部資產</b>	<b>9,850,734</b>	<b>1,140,737</b>	<b>1,048,774</b>	<b>867,512</b>	<b>726,365</b>	<b>581,190</b>	<b>420,668</b>	<b>2,788,731</b>	<b>-</b>	<b>17,424,711</b>
Reconciliations:	對賬:										
Interest in a joint venture	於一間合營企業的權益										7,988
Available-for-sale investments	可供出售投資										730,814
Held-to-maturity investments	持有至到期投資										59,655
Derivative financial instruments	衍生金融工具										32,566
Deferred tax assets	遞延稅項資產										53,869
Cash and bank deposits	現金及銀行存款										3,885,683
<b>Total assets</b>	<b>資產總額</b>										<b>22,195,286</b>
<b>Other segment information:</b>	<b>其他分部資料:</b>										
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額	21,693	365	431	4,361	78	(121)	10,730	12,908	-	50,445
Depreciation and amortisation	折舊及攤銷	321,449	57,461	64,224	40,383	36,858	37,202	22,249	13,540	-	593,366
Impairment of trade receivables, net	貿易應收款項減值淨額	30,087	-	274	-	1,086	-	(1,675)	455	-	30,227
Impairment of property, plant and equipment	物業、廠房及設備減值	-	-	-	15,467	-	-	-	-	-	15,467
Capital expenditure <sup>#</sup>	資本開支 <sup>#</sup>	1,658,042	121,701	42,506	76,731	45,807	23,588	24,642	1,597,381	(20,900)	3,569,498

<sup>#</sup> Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, investment properties and other intangible assets.

<sup>#</sup> 資本開支包括添置物業、廠房及設備、預付土地租賃款、投資物業及其他無形資產。

## 5. REVENUE, OTHER REVENUE, INCOME AND GAINS

## 5. 收入、其他收入、收益及利益

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Sale of goods	銷售貨品	<b>19,860,766</b>	16,941,657
Contract revenue from renovation and installation works	裝修及安裝工程合約收入	<b>211,667</b>	119,443
Income from environmental engineering and other related services	環境工程及其他相關服務收益	<b>184,062</b>	133,054
Financial services income	金融服務收益	<b>46,722</b>	26,898
Property rental and other related services	物業租賃及其他相關服務	<b>56,783</b>	-
		<b>20,360,000</b>	17,221,052
<b>Other revenue, income and gains</b>	<b>其他收入、收益及利益</b>		
Bank interest income	銀行利息收益	<b>82,378</b>	55,391
Interest income from available-for-sale investments	可供出售投資的利息收益	<b>6,822</b>	-
Interest income from held-to-maturity investments	持有至到期投資的利息收益	<b>1,585</b>	6,200
Total interest income	利息收益總額	<b>90,785</b>	61,591
Government grants and subsidies	政府補助及補貼	<b>30,173</b>	16,118
Gain on fair value changes of investment properties	投資物業公允價值變動利益	<b>327,313</b>	31,885
Gain on fair value changes of derivative financial instruments	衍生金融工具公允價值變動利益	-	1,942
Gain on disposal of available-for-sale investments	出售可供出售投資所得利益	<b>1,050</b>	-
Gain on disposal of held-to-maturity investments	出售持有至到期投資所得利益	<b>3,315</b>	-
Gain on early redemption of available-for-sale investments	提早贖回可供出售投資所得利益	<b>39,071</b>	-
Gain on early redemption of held-to-maturity investments	提早贖回持有至到期投資所得利益	-	206
Investment income	投資利益	<b>2,694</b>	5,781
Gain on disposal of subsidiaries	出售附屬公司利益	<b>2,141</b>	-
Exchange gain	匯兌利益	<b>23,483</b>	-
Others	其他	<b>48,625</b>	20,498
		<b>568,650</b>	138,021

Government grants and subsidies mainly represent funding received from government authorities to support certain of the Group's research and development activities. There are no unfulfilled conditions or contingencies related to these grants and subsidies.

政府補助及補貼主要指政府機構授予以供支持本集團若干研發活動的資金，並無任何與該等補助及補貼有關的未達成條件或或有情況。



## 6. FINANCE COSTS

## 6. 融資成本

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Interest expenses on bank and other loans	銀行及其他貸款的利息開支	231,920	108,781
Less: Interest capitalised	減：資本化利息	(2,611)	(1,720)
		<b>229,309</b>	107,061

## 7. PROFIT BEFORE TAX

## 7. 除稅前溢利

The Group's profit before tax is arrived at after charging/(crediting):

本集團的除稅前溢利乃經扣除／(計入)下列各項後達致：

		Note	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
		附註		
Cost of inventories sold	已售存貨成本		14,653,632	12,413,090
Direct cost of renovation and installation works	裝修及安裝工程直接成本		190,030	105,569
Direct cost of environmental engineering and other related services	環境工程及其他相關服務直接成本		108,249	70,170
Direct cost of financial services	金融服務直接成本		2,351	-
Direct cost of property rental and other related services	物業租賃及其他相關服務直接成本		27,112	-
Write-down of inventories to net realisable value, net	撇減存貨至可變現淨值淨額		61,843	50,445
Depreciation	折舊	12	603,560	553,375
Amortisation of prepaid land lease payments	預付土地租賃款攤銷	13	26,867	25,227
Amortisation of other intangible assets	其他無形資產攤銷	15	16,395	14,764
Total depreciation and amortisation	折舊及攤銷總額		<b>646,822</b>	593,366
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃的最低租金		58,861	40,794
Auditor's remuneration	核數師薪酬		7,131	5,665
Employee benefit expense (including directors' remuneration (note 8)):	僱員福利開支(包括董事薪酬(附註8)):			
Wages and salaries	工資及薪金		740,048	574,465
Pension scheme contributions	退休金計劃供款		74,611	59,449
Staff welfare and other expenses	員工福利及其他開支		61,445	53,973
			<b>876,104</b>	687,887
Research and development costs	研發成本		641,354	514,024
Loss on disposal of items of other intangible assets and property, plant and equipment	出售其他無形資產和物業、廠房及設備項目的虧損		15,144	7,309
Impairment of property, plant and equipment	物業、廠房及設備減值	12	-	15,467
Changes in fair value of investment properties	投資物業公允價值變動	14	(327,313)	(31,885)
Changes in fair value of derivative financial instruments	衍生金融工具公允價值變動		31,575	(1,942)
Gain on disposal of subsidiaries	出售附屬公司利益		(2,141)	-
Impairment of trade receivables, net	貿易應收款項減值淨額	26	25,268	30,227
Net rental income	租金收益淨額		(1,407)	(1,170)
Foreign exchange differences, net	匯兌差異淨額		(23,483)	17,614

**8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES****(A) DIRECTORS' REMUNERATION**

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	<b>3,095</b>	3,089
Other emoluments:	其他薪酬		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	<b>5,004</b>	4,756
Performance related bonuses	表現掛鉤花紅	<b>4,990</b>	5,040
Pension scheme contributions	退休金計劃供款	<b>323</b>	313
		<b>10,317</b>	10,109
		<b>13,412</b>	13,198

**8. 董事薪酬及五名最高薪酬僱員****(A) 董事薪酬**

根據適用上市規則及香港公司條例披露之年內董事薪酬載列如下：

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (A) DIRECTORS' REMUNERATION (Continued)

The remuneration of each of the directors is set out below:

## 8. 董事薪酬及五名最高薪酬僱員(續)

### (A) 董事薪酬(續)

各董事的薪酬載列如下：

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	表現掛鉤花紅	退休金計劃供款	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2017</b>						
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Wong Luen Hei	黃聯禧先生	-	624	576	16	1,216
Mr. Zuo Manlun	左滿倫先生	-	614	586	38	1,238
Ms. Zuo Xiaoping	左笑萍女士	-	624	576	16	1,216
Mr. Lai Zhiqiang	賴志強先生	-	600	600	41	1,241
Mr. Kong Zhaocong	孔兆聰先生	-	600	600	41	1,241
Mr. Chen Guonan	陳國南先生	624	-	576	27	1,227
Dr. Lin Shaoquan	林少全博士	-	1,306	300	17	1,623
Mr. Huang Guirong	黃貴榮先生	-	600	600	111	1,311
Mr. Luo Jianfeng	羅建峰先生	624	-	576	16	1,216
		1,248	4,968	4,990	323	11,529
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Mr. Lin Dewei	林德緯先生	437	36	-	-	473
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Mr. Fung Pui Cheung	馮培漳先生	282	-	-	-	282
Mr. Wong Kwok Ho, Jonathan	王國豪先生	282	-	-	-	282
Mr. Cheung Man Yu	張文宇先生	282	-	-	-	282
Ms. Lan Fang	蘭芳女士	282	-	-	-	282
Dr. Tao Zhigang	陶志剛博士	282	-	-	-	282
		1,410	-	-	-	1,410
		3,095	5,004	4,990	323	13,412

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

## 8. 董事薪酬及五名最高薪酬僱員(續)

## (A) DIRECTORS' REMUNERATION (Continued)

## (A) 董事薪酬(續)

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼及 實物福利	表現掛鉤 花紅	退休金計劃 供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016						
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Wong Luen Hei	黃聯禧先生	–	616	584	15	1,215
Mr. Zuo Manlun	左滿倫先生	–	596	604	32	1,232
Ms. Zuo Xiaoping	左笑萍女士	–	616	584	15	1,215
Mr. Lai Zhiqiang	賴志強先生	–	600	600	41	1,241
Mr. Kong Zhaocong	孔兆聰先生	–	600	600	41	1,241
Mr. Chen Guonan	陳國南先生	616	–	584	26	1,226
Dr. Lin Shaoquan	林少全博士	–	1,128	300	17	1,445
Mr. Huang Guirong	黃貴榮先生	–	600	600	111	1,311
Mr. Luo Jianfeng	羅建峰先生	616	–	584	15	1,215
		1,232	4,756	5,040	313	11,341
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Mr. Lin Dewei	林德緯先生	467	–	–	–	467
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Mr. Fung Pui Cheung	馮培濶先生	278	–	–	–	278
Mr. Wong Kwok Ho, Jonathan	王國豪先生	278	–	–	–	278
Mr. Cheung Man Yu	張文宇先生	278	–	–	–	278
Ms. Lan Fang	蘭芳女士	278	–	–	–	278
Dr. Tao Zhigang	陶志剛博士	278	–	–	–	278
		1,390	–	–	–	1,390
		3,089	4,756	5,040	313	13,198

## 8. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

### (A) DIRECTORS' REMUNERATION (Continued)

No director waived or agreed to waive any emolument and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There were no other emoluments paid or payable to the independent non-executive directors during the year (2016: Nil).

### (B) FIVE HIGHEST PAID EMPLOYEES

The Group's five highest paid employees during the year were all directors. Details of the remuneration of these directors during the year are set out in note 8(A) above.

## 9. INCOME TAX EXPENSE

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Current tax	即期稅項		
PRC	中國	559,945	471,713
Other jurisdictions	其他司法權區	5	421
		<b>559,950</b>	472,134
Overprovision in prior years	過往年度過度撥備		
PRC	中國	<b>(27,709)</b>	(26,641)
Deferred tax	遞延稅項	<b>156,538</b>	65,595
Total tax charge for the year	年內稅項總額	<b>688,779</b>	511,088

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### HONG KONG PROFITS TAX

The statutory rate of Hong Kong profits tax was 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group had no assessable profits arising in Hong Kong during the year (2016: Nil).

## 8. 董事薪酬及五名最高薪酬僱員(續)

### (A) 董事薪酬(續)

概無董事放棄或同意放棄任何酬金，而本集團亦無為鼓勵加盟本集團或在加盟本集團時或作為離職補償而向董事支付任何酬金。

年內概無已付或應付予獨立非執行董事的任何其他酬金(2016年：無)。

### (B) 五名最高薪酬僱員

年內，本集團五名最高薪酬僱員均為董事。於年內該等董事的酬金詳情載於上文附註8(A)。

## 9. 所得稅開支

本集團須就本集團成員公司於身處及經營所在的司法權區所產生或所錄得溢利按實體基準繳納所得稅。

### 香港利得稅

香港利得稅乃根據在香港產生的估計應課稅溢利，以法定稅率16.5%(2016年：16.5%)計算。鑒於本集團於本年內並無在香港產生任何應課稅溢利，故並無於本年度就香港利得稅撥備(2016年：無)。

**9. INCOME TAX EXPENSE (Continued)****PRC CORPORATE INCOME TAX**

The Group's income tax provision in respect of its operations in mainland China has been calculated at the applicable tax rates on the taxable profits for both years, based on the existing legislation, interpretations and practices in respect thereof.

Certain of the Group's PRC subsidiaries are qualified as High and New Technology Enterprises and are entitled to a preferential corporate income tax rate of 15% during both years.

**INCOME TAX FOR OTHER JURISDICTIONS**

The Group's tax provision in respect of other jurisdictions has been calculated at the applicable tax rates in accordance with the prevailing practices of the jurisdictions in which the Group operates.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	<b>2,954,586</b>	2,424,792
Tax at the PRC corporate income tax rate of 25%	按中國企業所得稅率25%計算的稅項	<b>738,647</b>	606,198
Effect of tax concessions for certain subsidiaries	若干附屬公司稅項優惠的影響	<b>(260,497)</b>	(232,631)
Share of results of associates	分佔聯營公司業績	<b>351</b>	-
Share of results of joint ventures	分佔合營企業業績	<b>(61)</b>	(203)
Income not subject to tax	毋須課稅收益	<b>(1,654)</b>	(2,179)
Expenses not deductible for tax	不可扣稅開支	<b>3,906</b>	11,623
Tax losses utilised from prior years	所動用的過往年度稅項虧損	<b>(6,468)</b>	(6,930)
Tax losses not recognised	未確認稅項虧損	<b>109,641</b>	61,168
Adjustments in respect of current tax of prior years	就過往年度年度報稅作出調整	<b>(27,709)</b>	(26,641)
Effect of withholding tax at 5% on the distributable profits of the Company's subsidiaries in the PRC	對本公司中國附屬公司可分派溢利按5%徵收預提所得稅的影響	<b>132,623</b>	100,683
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	<b>688,779</b>	511,088

**9. 所得稅開支(續)****中國企業所得稅**

本集團已根據兩個年度的應課稅溢利，以相關的現有法律、詮釋及慣例為基準，按適用稅率計算中國內地業務的所得稅撥備。

本集團若干中國附屬公司於兩個年度合乎高新技術企業資格，並享受15%的優惠企業所得稅率。

**其他司法權區之所得稅項**

本集團就其他司法權區之稅項撥備已根據本集團經營業務所在之司法權區現行慣例的適用稅率計算。

採用本公司大部分附屬公司所在司法權區法定稅率計算的適用於除稅前溢利的稅項開支與按實際稅率計算的稅項開支的對賬如下：

## 10. DIVIDENDS

		2017		2016	
		HK\$	HK\$'000	HK\$	HK\$'000
		港元	千港元	港元	千港元
		per share		per share	
		每股		每股	
2016 final dividend paid (2016: 2015 final dividend paid)	已付2016年末期股息 (2016年：已付2015 年末期股息)	0.15	465,363	0.13	403,314
Equivalent to	等值於	<b>RMB411,288,000</b> 人民幣411,288,000元		RMB339,228,000 人民幣339,228,000元	

Subsequent to the end of the reporting period, final dividend of HK18 cents in respect of the year ended 31 December 2017 (2016: final dividend of HK15 cents in respect of the year ended 31 December 2016) per ordinary share has been proposed by the directors and is subject to approval by the Shareholders at the forthcoming annual general meeting.

於報告期末後，董事建議就截至2017年12月31日止年度派付末期股息每股普通股18港仙(2016年：截至2016年12月31日止年度的末期股息每股普通股15港仙)，惟須待股東於應屆股東週年大會上批准後，方會派付。

## 11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of the basic and the diluted earnings per share are based on:

## 11. 本公司擁有人應佔每股盈利

根據以下各項計算每股基本及攤薄盈利：

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to owners of the Company used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時 用到的本公司擁有人 應佔溢利	<b>2,293,055</b>	1,922,027

**11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)****11. 本公司擁有人應佔每股盈利(續)**

		Number of Shares 股份數目	
		2017	2016
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares of the Company in issue used in the basic and diluted earnings per share calculation	計算每股基本及攤薄盈利時用到的本公司已發行普通股加權平均數	<b>3,102,418,400</b>	3,104,256,632

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 December 2017 includes 3,102,418,400 ordinary shares in issue as at 31 December 2016 (2016: 3,110,255,400 ordinary shares in issue as at 31 December 2015). The calculation for the year ended 31 December 2016 has excluded 5,998,768 shares derived from the weighted average number of ordinary shares of 7,837,000 ordinary shares which were repurchased during that year.

The Group has no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016 respectively.

用以計算截至2017年12月31日止年度的每股基本盈利的股份加權平均數，包括於2016年12月31日已發行的3,102,418,400股普通股（2016年：於2015年12月31日已發行的3,110,255,400股普通股）。截至2016年12月31日止年度的該計算亦扣除5,998,768股股份，源自該年內回購的7,837,000股普通股的加權平均數。

分別於截至2017年及2016年12月31日止年度，本集團並無已發行的潛在攤薄普通股。



## 12. PROPERTY, PLANT AND EQUIPMENT

## 12. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Furniture, fixtures and office equipment 家具、裝置及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>							
At 1 January 2016	於2016年1月1日	2,991,514	3,147,179	159,938	144,667	4,005	1,421,742	7,869,045
Additions	添置	27,200	191,575	27,808	23,472	13,703	817,147	1,100,905
Interest capitalised	資本化利息	-	-	-	-	-	1,720	1,720
Acquisitions of subsidiaries	收購附屬公司	68,767	57,843	1,756	5,844	-	7,837	142,047
Transfers	調撥	463,180	124,896	2,601	-	32,976	(623,653)	-
Disposals	出售	(223)	(73,694)	(3,113)	(3,141)	(709)	(29,708)	(110,588)
Exchange realignment	匯兌調整	1,152	2,847	534	260	402	514	5,709
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	3,551,590	3,450,646	189,524	171,102	50,377	1,595,599	9,008,838
Additions	添置	49,229	327,369	59,362	28,250	23,588	681,609	1,169,407
Interest capitalised	資本化利息	-	-	-	-	-	2,611	2,611
Acquisitions of subsidiaries (note 37)	收購附屬公司(附註37)	-	985	115	54	-	-	1,154
Transfers	調撥	635,987	238,164	805	344	9,986	(885,286)	-
Disposals	出售	(9,114)	(71,359)	(3,600)	(6,424)	(60)	(770)	(91,327)
Disposal of subsidiaries	出售附屬公司	-	(102)	-	(1,292)	(206)	-	(1,600)
Exchange realignment	匯兌調整	(1,164)	(1,452)	(1,935)	(543)	(204)	-	(5,298)
At 31 December 2017	於2017年12月31日	<b>4,226,528</b>	<b>3,944,251</b>	<b>244,271</b>	<b>191,491</b>	<b>83,481</b>	<b>1,393,763</b>	<b>10,083,785</b>
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及減值：</b>							
At 1 January 2016	於2016年1月1日	(496,308)	(1,180,046)	(86,101)	(93,111)	(1,667)	-	(1,857,233)
Provided for the year	本年度計提	(165,675)	(322,650)	(29,487)	(20,111)	(15,452)	-	(553,375)
Disposals	出售	17	36,309	2,356	2,403	49	-	41,134
Impairment	減值	-	-	-	-	-	(15,467)	(15,467)
Exchange realignment	匯兌調整	(262)	(586)	(395)	(548)	(153)	-	(1,944)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	(662,228)	(1,466,973)	(113,627)	(111,367)	(17,223)	(15,467)	(2,386,885)
Provided for the year	本年度計提	(182,800)	(347,766)	(35,196)	(21,703)	(16,095)	-	(603,560)
Disposals	出售	377	52,762	3,083	5,067	-	-	61,289
Disposal of subsidiaries	出售附屬公司	-	-	2	82	-	-	84
Exchange realignment	匯兌調整	329	323	103	538	128	-	1,421
At 31 December 2017	於2017年12月31日	<b>(844,322)</b>	<b>(1,761,654)</b>	<b>(145,635)</b>	<b>(127,383)</b>	<b>(33,190)</b>	<b>(15,467)</b>	<b>(2,927,651)</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>							
At 31 December 2017	於2017年12月31日	<b>3,382,206</b>	<b>2,182,597</b>	<b>98,636</b>	<b>64,108</b>	<b>50,291</b>	<b>1,378,296</b>	<b>7,156,134</b>
At 31 December 2016	於2016年12月31日	2,889,362	1,983,673	75,897	59,735	33,154	1,580,132	6,621,953

Included in the Group's property, plant and equipment is a freehold land which had a net carrying amount of RMB719,000 (2016: RMB763,000). The freehold land is situated outside Hong Kong.

計入本集團的物業、廠房及設備之永久業權土地之賬面淨值為人民幣719,000元(2016年：人民幣763,000元)。該永久業權土地位於香港境外。

## 13. PREPAID LAND LEASE PAYMENTS

## 13. 預付土地租賃款

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
At 1 January	於1月1日	<b>1,275,459</b>	1,181,770
Additions	添置	<b>47,627</b>	96,265
Acquisitions of subsidiaries	收購附屬公司	–	19,584
Provided for the year	本年度計提	<b>(26,867)</b>	(25,227)
Exchange realignment	匯兌調整	<b>(2,850)</b>	3,067
At 31 December	於12月31日	<b>1,293,369</b>	1,275,459
Analysed for reporting purpose as:	就報告目的分析為：		
Non-current assets	非流動資產	<b>1,266,216</b>	1,249,367
Current assets included in prepayments, deposits and other receivables	計入流動資產的預付款、按金及其他應收款項	<b>27,153</b>	26,092
		<b>1,293,369</b>	1,275,459

## 14. INVESTMENT PROPERTIES

## 14. 投資物業

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
At 1 January	於1月1日	<b>2,469,488</b>	318,431
Additions	添置	<b>1,290,874</b>	2,045,883
Changes in fair value	公允價值變動	<b>327,313</b>	31,885
Exchange realignment	匯兌調整	<b>(48,775)</b>	73,289
At 31 December	於12月31日	<b>4,038,900</b>	2,469,488

Further summary details of the Group's investment properties are set out in the section headed "Summary of Investment Properties" of this report.

本集團投資物業概要的進一步詳情載於本報告「投資物業概要」一節。

## VALUATION PROCESSES

At the end of the reporting period, the Group's investment properties were stated at fair value and were revalued by independent professionally qualified valuers detailed below:

American Appraisal (Thailand) Ltd.:	For properties in Thailand
Sydney Metropolitan Valuations:	For properties in Australia
Metropolitan Valuation Services Inc. & CBRE Inc.:	For properties in United States
Colliers International Realty Advisors Inc.:	For properties in Canada
廣東京信房地產土地評估有限公司:	For properties in PRC

## 估值程序

於報告期末，本集團的投資物業按公允價值呈列，並由獨立、專業及合資格的估值師重新估值，詳細內容如下：

American Appraisal (Thailand) Ltd.:	就泰國物業而言
Sydney Metropolitan Valuations:	就澳洲物業而言
Metropolitan Valuation Services Inc. & CBRE Inc.:	就美國物業而言
Colliers International Realty Advisors Inc.:	就加拿大物業而言
廣東京信房地產土地評估有限公司:	就中國物業而言

The valuations performed by the valuers for financial reporting purposes were reviewed by management. Management also discussed the valuation processes and results with the valuers. The fair value gains on revaluation are included in "other revenue, income and gains" in profit or loss.

管理層負責審閱估值師就財務呈報目的所作估值。管理層亦會與估值師討論估值程序及結果。有關重新估值之公允價值利益乃計入損益內的「其他收入、收益及利益」。

## 14. INVESTMENT PROPERTIES (Continued)

### VALUATION PROCESSES (Continued)

Management reviewed the valuation results by verifying all major inputs and assumptions and assessing the reasonableness of such valuations.

### VALUATION TECHNIQUES AND FAIR VALUE HIERARCHY

The following table shows the valuation techniques used by the valuers in the determination of fair values. There were no significant changes to the valuation techniques during the year.

	Fair value 公允價值		Valuation techniques 估值方法	Unobservable inputs 不可觀察輸入值
	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元		
Vacant lands and buildings under refurbishment 空置土地及裝修中物業	<b>2,740,844</b>	1,965,880	Direct/sales comparison approach 直接／銷售比較法	Premium (discount) in quality of land 與土地質量相關之溢價(折讓)
Vacant lands 空置土地	<b>422,683</b>	503,608	Residual method 剩餘法	Gross development value and estimated construction cost 總發展價值及估計建築成本
Buildings under refurbishment 裝修中物業	<b>875,373</b>	–	Income capitalisation approach 收益資本化法	Capitalisation rate and market rent 資本化比率及市場租金
	<b>4,038,900</b>	2,469,488		

At the end of the reporting period, the Group's investment properties were within Level 3 of the fair value hierarchy as their valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers into or out of Level 3 during the year (2016: Nil).

## 14. 投資物業(續)

### 估值程序(續)

管理層已透過驗證所有主要輸入數據及假設的方式審閱該估值結果，並評估該等估值之合理性。

### 估值方法及公允價值架構

下表列示估值師釐定公允價值時所用的估值方法。年內估值方法概無發生任何重大變動。

於報告期末，經參考若干重大不可觀察輸入值後，本集團之投資物業釐定為公允價值架構中第三級。年內概無從第三級轉入或轉出(2016年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15. GOODWILL AND OTHER INTANGIBLE ASSETS

15. 商譽及其他無形資產

(A) GOODWILL

(A) 商譽

		Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
At 1 January	於1月1日		<b>76,554</b>	–
Acquisitions of subsidiaries	收購附屬公司	37	<b>8,755</b>	76,554
At 31 December	於12月31日		<b>85,309</b>	76,554

(B) OTHER INTANGIBLE ASSETS

(B) 其他無形資產

		Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許 經營權 RMB'000 人民幣千元	Patent and proprietary technologies 專利及 專有技術 RMB'000 人民幣千元	Computer software and others 電腦軟件及 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>					
At 1 January 2016	於2016年1月1日	–	–	1,746	62,387	64,133
Additions	添置	–	–	537	2,121	2,658
Acquisitions of subsidiaries	收購附屬公司	110,520	24,550	25,193	173	160,436
Disposals	出售	–	–	–	(621)	(621)
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	110,520	24,550	27,476	64,060	226,606
Additions	添置	–	–	–	5,492	5,492
Disposals	出售	–	–	–	(918)	(918)
Disposal of subsidiaries	出售附屬公司	–	–	–	(33)	(33)
Exchange realignment	匯兌調整	–	–	–	(74)	(74)
At 31 December 2017	於2017年12月31日	<b>110,520</b>	<b>24,550</b>	<b>27,476</b>	<b>68,527</b>	<b>231,073</b>
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>					
At 1 January 2016	於2016年1月1日	–	–	(886)	(27,457)	(28,343)
Provided for the year	本年度計提	–	–	(2,178)	(12,586)	(14,764)
Disposals	出售	–	–	–	116	116
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	–	–	(3,064)	(39,927)	(42,991)
Provided for the year	本年度計提	–	–	(3,367)	(13,028)	(16,395)
Disposals	出售	–	–	–	643	643
Disposal of subsidiaries	出售附屬公司	–	–	–	1	1
Exchange realignment	匯兌調整	–	–	–	1	1
At 31 December 2017	於2017年12月31日	–	–	<b>(6,431)</b>	<b>(52,310)</b>	<b>(58,741)</b>
<b>Net carrying amount:</b>	<b>賬面淨值：</b>					
At 31 December 2017	於2017年12月31日	<b>110,520</b>	<b>24,550</b>	<b>21,045</b>	<b>16,217</b>	<b>172,332</b>
At 31 December 2016	於2016年12月31日	110,520	24,550	24,412	24,133	183,615

## 16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purpose of impairment testing, goodwill, brand name and operating concession rights with indefinite useful lives set out in note 15 have been allocated to four individual cash generating units (“CGUs”), comprising one subsidiary in the provision of environmental engineering services, one subsidiary in the provision of sewage treatment services, one subsidiary in the provision of hazardous waste treatment services and one subsidiary in the provision of product quality inspection and measuring instruments’ calibration services. The carrying amounts of goodwill, brand name and operating concession rights at the end of the reporting period allocated to these units are as follows:

## 16. 商譽及其他具無限可使用年期之無形資產減值測試

就減值測試而言，附註15所載之商譽、具無限可使用年期之商號及特許經營權已分配至四個個別的現金產生單位（「現金產生單位」），該等單位包括一間提供環境工程服務之附屬公司、一間提供污水處理服務之附屬公司、一間提供危險廢品處理服務之附屬公司和一間提供產品質素檢驗和測量儀器校準服務之附屬公司，而於報告期末分配至該等單位之商譽、商號及特許經營權的賬面值如下：

		Goodwill	Brand name	Operating concession rights
		商譽	商號	特許經營權
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>2017</b>				
Guangzhou EP Environmental Engineering Ltd. and its subsidiary* (“GZEP”)	廣州市環境保護工程設計院有限公司及其附屬公司（「GZEP」）	29,100	110,520	23,230
Foshan Shunde Huifengyuan Environmental Management Co., Ltd.* (“Huifengyuan”)	佛山市順德區匯豐源環保工程管理有限公司（「匯豐源」）	7,457	—	1,320
Hainan Baolai Industrial & Trading Co., Ltd.* and its subsidiary (“Baolai”)	海南寶來工貿有限公司及其附屬公司（「寶來」）	39,997	—	—
Jianghuai Inspection Corporation Services Co., Ltd* (“Jianghuai Inspection”)	安徽省江淮質量技術檢測服務有限公司（「江淮檢測」）	8,755	—	—
		<b>85,309</b>	<b>110,520</b>	<b>24,550</b>

## 16. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

## 16. 商譽及其他具無限可使用年期之無形資產減值測試(續)

2016		Goodwill 商譽 RMB'000 人民幣千元	Brand name 商號 RMB'000 人民幣千元	Operating concession rights 特許經營權 RMB'000 人民幣千元
Guangzhou EP Environmental Engineering Ltd. and its subsidiary* ("GZEP")	廣州市環境保護工程設計院有限公司及其附屬公司(「GZEP」)	29,100	110,520	23,230
Foshan Shunde Huifengyuan Environmental Management Co., Ltd.* ("Huifengyuan")	佛山市順德區匯豐源環保工程管理有限公司(「匯豐源」)	7,457	–	1,320
Hainan Baolai Industrial & Trading Co., Ltd.* and its subsidiary ("Baolai")	海南寶來工貿有限公司及其附屬公司(「寶來」)	39,997	–	–
		76,554	110,520	24,550

Management regarded brand name and operating concession rights acquired through business combinations having indefinite useful lives because they are expected to generate net cash inflows indefinitely.

At the end of the reporting period, management determines that there are no impairments of any of its CGUs containing goodwill, brand name and operating concession rights with indefinite useful lives.

The recoverable amounts of GZEP, Huifengyuan, Baolai and Jianghuai Inspection have been determined based on value in use calculation using cash flow projections which based on financial budgets approved by the management covering a five-year period. The pre-tax discount rates applied to the cash flow projections are 18.5%, 19.0%, 15.9% and 21.2%, respectively. The cash flows beyond the five years period are extrapolated using 2.0% growth rate. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the units' past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of GZEP, Huifengyuan, Baolai and Jianghuai Inspection to exceed their recoverable amounts respectively.

管理層認為透過業務合併產生之商號及特許經營權具有無限可使用年期，此乃由於其預期可產生無限的現金流入淨額。

於報告期末，管理層確定任何擁有商譽、具無限可使用年期的商號及特許經營權的現金產生單位概無減值。

GZEP、匯豐源、寶來及江淮檢測的可收回金額乃根據現金流量預測以可使用價值方式計算。該現金流量預測是以管理層批准的五年期財務預算為基礎。現金流量預測所採用的除稅前貼現率分別為18.5%、19.0%、15.9%及21.2%。五年期後的現金流量均採用2.0%增長率推算。計算可使用價值的其他主要假設與包括預算銷售額及毛利率的現金流入／流出的估計有關。有關估計乃基於個別單位的過往表現及管理層對個別市場發展的預算而作出。管理層認為，任何該等假設可能出現的任何合理變動不會導致GZEP、匯豐源、寶來及江淮檢測各自的賬面值超出其各自的可收回金額。

## 17. INTERESTS IN ASSOCIATES

## 17. 於聯營公司的權益

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Share of net assets	分佔資產淨額	41,324	-

Particulars of the associates are as follows:

聯營公司的詳情如下：

Name 名稱	Registered capital 註冊成本	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of 所佔百分比			Principal activity 主要業務
			Ownership interest 所有權權益	Voting power 投票權	Profit sharing 應佔溢利	
Shanghai Banxin IoT Tech Co., Ltd** 上海邦芯物聯網科技有限公司*	RMB12,027,000 人民幣12,027,000元	PRC 中國	14	20	57	Provision of IoT solution services 提供物聯網解決方案服務
Guangdong Zlgi Information Technology Co., Ltd**(note) 廣東智靚管家信息科技有限公司*(附註)	RMB11,236,000 人民幣11,236,000元	PRC 中國	8	11	8	Provision of household decoration and design services 提供家居裝飾及設計服務
Artaic, LLC# Artaic, LLC#	USD2,500,000 2,500,000美元	USA 美國	17	20	15	Manufacture and sale of mosaic tile 製造及銷售馬賽克瓷磚

\* These associates were newly set up/acquired during the year.

# 該等聯營公司於本年新成立/收購。

Note: It is considered that the Group has significant influence over this company because the Group has a director in the board of this company.

附註：本集團於該公司董事會擁有一名董事，故本集團認為本集團對該公司擁有重大影響力。

The following table illustrates the information of the Group's interests in associates:

下表呈列本集團於聯營公司權益的資料：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Share of associates:	分佔聯營公司：		
Loss from continuing operations	持續經營業務虧損	(1,404)	-
Other comprehensive income	其他全面收益	-	-
Total comprehensive expense	全面開支總額	(1,404)	-

## 18. INTERESTS IN JOINT VENTURES

## 18. 於合營企業的權益

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Share of net assets	分佔資產淨額	9,024	7,988

Particulars of the joint ventures are as follows:

合營企業的詳情如下：

Name 名稱	Registered capital 註冊成本	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Percentage of 所佔百分比			Principal activity 主要業務
			Ownership interest 所有權權益	Voting power 投票權	Profit sharing 應佔溢利	
Guangdong Lesso EPCO Residential Equipment Design Services Co., Ltd.*	RMB10,000,000	PRC	50	50	50	Provision of household decoration design work and maintenance services
廣東聯塑艾博科住宅設備設計服務有限公司	人民幣10,000,000元	中國	50	50	50	提供家居裝飾設計及維修服務
Lesso Home Syn Tai Hung Sdn. Bhd.*	Malaysian Ringgit 1,000,000	Malaysia	51	50	51	Sale of building materials and household products
領尚環球之家信大行私人有限公司*	1,000,000 馬來西亞林吉特	馬來西亞	51	50	51	銷售建材及家居產品

\* The joint venture was newly set up during the year.

# 該合營企業於本年新成立。

The following table illustrates the information of the Group's interests in joint ventures:

下表呈列本集團於合營企業權益的資料：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Share of joint ventures:	分佔合營企業：		
Profit from continuing operations	持續經營業務溢利	243	813
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	全面收益總額	243	813



## 19. AVAILABLE-FOR-SALE INVESTMENTS

## 19. 可供出售投資

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Listed investments:	上市投資：		
Debt securities listed in Hong Kong	(i)	7,935	-
Equity securities listed in PRC		412,318	515,777
Equity securities listed in Hong Kong		1,095,840	-
Non-cumulative redeemable preference shares listed in Hong Kong		33,635	44,991
Perpetual capital securities listed in Hong Kong		8,403	30,597
		<b>1,558,131</b>	591,365
Unlisted investments:	非上市投資：		
Equity securities	(ii)	24,077	15,625
Convertible notes	(iii)	-	123,824
		<b>24,077</b>	139,449
		<b>1,582,208</b>	730,814

### Note:

- (i) The debt securities carry fixed interest at rates ranging from 6.35% to 7.00% per annum, payable semi-annually in arrears and will mature from January 2020 to March 2020.
- (ii) The unlisted equity securities are issued by private entities established in PRC. They are measured at cost less any impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.
- (iii) The convertible notes are issued by a private company incorporated in US with an interest rate of not less than 5.00% per annum and will mature in three years from the date of the issuance.

The convertible notes are separated into two components: the debt element and the conversion option element. The Group has classified the debt element and the conversion option element as available-for-sale investments and derivative financial instruments, respectively. Details of the conversion option element were included in note 23 to the consolidated financial statements.

On 22 December 2017, all outstanding convertible notes were early redeemed by the issuer at a cash consideration of RMB149,876,000. The redemption has resulted in a net gain of RMB6,196,000 which was recognised in profit or loss for the year.

- (iv) At the end of the reporting period, certain of the Group's available-for-sale investments with an aggregate carrying amount of RMB33,635,000 (2016: RMB36,489,000) were pledged to a bank to secure the banking facility granted. The Group has not utilised this banking facility as at 31 December 2017 (2016: Nil).

### 附註：

- (i) 債務證券的利息按固定年利率6.35%至7.00%計算，每半年支付及將於2020年1月至2020年3月到期。
- (ii) 非上市股本證券是由於中國成立的私營實體所發行。由於合理的公允價值估計範圍太大，董事認為其公允價值無法可靠計量，該等投資乃於報告期末按成本減任何減值虧損計量。
- (iii) 可換股票據是由一間於美國成立的私營公司所發行。其年利率不低於5.00%，並將於發行日期起計三年到期。

可換股票據分為兩個組成部分：債務部分及可轉換權部分。本集團分別將債務部分及可轉換權部分歸類為可供出售投資及衍生金融工具。可轉換權部分之詳情已包含於綜合財務報表附註23。

於2017年12月22日，所有尚未行使之可換股票據均由發行人以現金代價人民幣149,876,000元提早贖回。該等贖回帶來人民幣6,196,000元的淨收益，已於年內損益中確認。

- (iv) 於報告期末，本集團總賬面值為人民幣33,635,000元（2016年：人民幣36,489,000元）的若干可供出售投資已向銀行抵押作為獲授銀行融資的擔保。於2017年12月31日，本集團概無動用該銀行融資（2016年：無）。

## 20. HELD-TO-MATURITY INVESTMENTS

## 20. 持有至到期投資

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Debt securities, at amortised cost:	按攤銷成本列賬的債務證券：		
Listed in Hong Kong	香港上市	-	59,655

The Group reclassified debt securities with amortised cost of RMB33,650,000 from held-to-maturity investments to available-for-sale investments during the year as certain debt securities were disposed by the Group before their maturity dates.

由於本集團把若干債務證券於其到期日前出售，本集團於年內將人民幣33,650,000元按攤銷成本列賬的債務證券從持有至到期投資重新歸類至可供出售投資。

## 21. LOAN RECEIVABLES

## 21. 應收借款

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>Non-current</b>	<b>非流動</b>		
Finance lease receivables	融資租賃服務應收款項	228,710	63,191
<b>Current</b>	<b>流動</b>		
Finance lease receivables	融資租賃服務應收款項	109,677	31,886
Factoring receivables	保理服務應收款項	321,929	173,640
Receivables from supply-chain financing services	供應鏈融資服務應收款項	129,600	120,238
		<b>561,206</b>	325,764
		<b>789,916</b>	388,955

## 21. LOAN RECEIVABLES (Continued)

### (A) FINANCE LEASE RECEIVABLES

		Minimum lease receivables		Present value of minimum lease receivables	
		最低租賃服務應收款項		最低租賃服務應收款項現值	
		2017	2016	2017	2016
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Not more than 1 year	不多於1年	<b>117,912</b>	36,457	<b>109,677</b>	31,886
Over 1 year but within 5 years	1年以上5年以內	<b>272,151</b>	66,819	<b>228,710</b>	63,191
		<b>390,063</b>	103,276	<b>338,387</b>	95,077
Less: Unearned finance income	減：未實現融資收益	<b>(51,676)</b>	(8,199)		
Present value of minimum lease receivables	最低租賃服務應收款項現值	<b>338,387</b>	95,077		

The Group's finance lease receivables are denominated in Renminbi. The effective interest rates of the receivables range from 5.89% to 12.70% (2016: 5.89%) per annum. There are no unguaranteed residual value of assets leased under finance leases and no contingent rent arrangement that need to be recognised in both years.

本集團的融資租賃服務應收款項以人民幣計值。該應收款項的實際年利率介乎5.89%至12.70%（2016年：5.89%）。於兩個年度內，概無任何融資租賃資產的未擔保剩餘價值，亦無任何須予確認或然租賃安排。

## 21. 應收借款(續)

### (A) 融資租賃服務應收款項

**21. LOAN RECEIVABLES (Continued)****(A) FINANCE LEASE RECEIVABLES (Continued)**

The following is a credit quality analysis of these finance lease receivables:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Neither past due nor impaired	未逾期亦未減值	<b>338,387</b>	95,077

The receivables are secured by assets leased under finance leases and cash deposits (where applicable).

Cash deposits from finance lease customers are collected upfront based on certain percentage of the entire value of the lease contracts. When the lease contract expires and all related liabilities and obligations are fulfilled by the customer, the cash deposit will be returned in full. The balance of the cash deposit can also be used to settle any outstanding lease receivables for the corresponding lease contract. The collected cash deposit of RMB22,164,000 (2016: RMB10,000,000) has been included in "other long-term payables" in the consolidated statement of financial position.

**21. 應收借款(續)****(A) 融資租賃服務應收款項(續)**

以下為融資租賃服務應收款項的信貨質素分析：

該應收款項以融資租賃資產及現金按金(如適用)作為抵押。

融資租賃客戶現金按金乃基於租賃合約全部價值的若干百分比預先收取。於該等租賃合約屆滿以及客戶履行所有相關責任及義務後，該現金按金將會全部退還。現金按金結餘亦可用於結算相應租賃合約的任何尚未收取的租賃服務應收款項。於綜合財務狀況表內的「其他長期應付款項」有人民幣22,164,000元(2016年：人民幣10,000,000元)的已收取現金按金。

## 21. LOAN RECEIVABLES (Continued)

### (B) FACTORING RECEIVABLES

The Group's factoring receivables arise from the provision of factoring services to companies located in PRC. The credit period granted to each customer is generally within 365 days.

Factoring receivables are secured by receivables and/or commercial bills originally owned by the customers. These receivables carry interest at rates ranging from 4.50% to 6.00% (2016: 4.50% to 6.00%) per annum.

The maturity profile of the factoring receivables at the end of the reporting period is as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	44,700	37,640
Over 3 months to 6 months	3個月以上至6個月	125,000	36,000
Over 6 months to 12 months	6個月以上至12個月	152,229	100,000
		<b>321,929</b>	173,640

At the end of the reporting period, none of the Group's factoring receivables was either past due or impaired (2016: Nil).

## 21. 應收借款(續)

### (B) 保理服務應收款項

本集團的保理服務應收款項來自向中國公司提供保理服務。授予各客戶的信用期限一般為365天內。

保理服務應收款項以原來由客戶擁有的應收款項及／或商業匯票抵押。該等應收款項按介乎4.50%至6.00%的年利率(2016年：4.50%至6.00%)計息。

於報告期末，保理服務應收款項之到期情況如下：

於報告期末，本集團的保理服務應收款項概無逾期或減值(2016年：無)。

**21. LOAN RECEIVABLES (Continued)****(C) RECEIVABLES FROM SUPPLY-CHAIN FINANCING SERVICES**

The Group's receivables from supply-chain financing services arise from the provision of supply-chain financing services to companies located in PRC. The credit period for each customer is generally within 30 to 180 days.

These receivables carry interest at rates ranging from 5.40% to 7.20% per annum (2016: 5.40% to 7.20%).

Certain receivables from supply-chain financing services, amounting to RMB50,000,000 (2016: RMB49,938,000) are secured by certain interests of companies and personal guarantees.

The maturity profile of the receivables from supply-chain financing services at the end of the reporting period is as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
With a residual maturity of:	尚餘期限：		
Not more than 3 months	不多於3個月	<b>95,600</b>	83,238
Over 3 months to 6 months	3個月以上至6個月	<b>34,000</b>	37,000
		<b>129,600</b>	120,238

At the end of the reporting period, none of the Group's receivables from supply-chain financing services was either past due or impaired (2016: Nil).

The directors believe that no provision for impairment is necessary for loan receivables (2016: Nil) as there has not been any significant change in the credit quality of these customers and these balances are still considered fully recoverable.

**21. 應收借款(續)****(C) 供應鏈融資服務應收款項**

本集團的供應鏈融資服務應收款項來自向中國公司提供供應鏈融資服務。授予各客戶的信用期限一般介乎30至180天內。

該等應收款項按介乎5.40%至7.20%的年利率(2016年：5.40%至7.20%)計息。

若干供應鏈融資服務應收款項合共人民幣50,000,000元(2016年：人民幣49,938,000元)，以若干公司的權益及個人擔保作抵押。

於報告期末，供應鏈融資服務應收款項之到期情況如下：

於報告期末，本集團的供應鏈融資服務的應收款項概無逾期或減值(2016年：無)。

董事認為，由於彼等客戶的信貸質素並無顯著變化，且該等結餘仍視為可悉數收回，因此無須就該應收借款作出減值撥備(2016年：無)。

## 22. OTHER NON-CURRENT ASSETS

## 22. 其他非流動資產

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other long-term receivables	其他長期應收款項	52,591	37,623
Long-term rental prepayments	長期租金預付款項	98,000	-
		<b>150,591</b>	<b>37,623</b>

## 23. DERIVATIVE FINANCIAL INSTRUMENTS

## 23. 衍生金融工具

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Non-current assets:</b>	<b>非流動資產：</b>		
Conversion option	可轉換權	-	32,566

The Group's derivative financial instruments are managed and the performances are evaluated on fair value basis. Any changes in fair value is recognised in profit or loss.

The fair value of the conversion option has been estimated using valuation technique with unobservable inputs. Management has reviewed the valuation result by verifying all major inputs and assumptions as well as assessing the reasonableness of such valuation.

Details of the conversion option were included in note 19(iii) to the consolidated financial statements.

The conversion option lapsed upon the early redemption of the convertible notes by the issuer during the year. A loss on fair value change of RMB31,575,000 (2016: gain on fair value change of RMB1,942,000) was recognised in profit or loss for the year.

本集團之衍生金融工具及其表現乃按公允價值為基準管理及評估。任何公允價值變動均於損益內確認。

可轉換權的公允價值已採用估值方法及不可觀察的輸入數據估計。管理層已透過驗證所有主要輸入數據及假設方式審閱該估值結果，並評估該估值之合理性。

可轉換權的詳細內容已包含於綜合財務報表附註19(iii)。

由於發行商於年內提早贖回可換股票據導致可轉換權失效。人民幣31,575,000元(2016年：公允價值變動利益人民幣1,942,000元)之公允價值變動虧損確認於年內損益。

## 24. INVENTORIES

## 24. 存貨

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Manufacturing and trading	製造及貿易	3,099,969	2,747,065
Property development	物業發展	127,773	-
		<b>3,227,742</b>	2,747,065

## (A) MANUFACTURING AND TRADING

## (A) 製造及貿易

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Raw materials	原材料	1,445,320	1,170,591
Work in progress	在產品	297,190	355,142
Finished goods	產成品	1,357,459	1,221,332
		<b>3,099,969</b>	2,747,065

## (B) PROPERTY DEVELOPMENT

## (B) 物業發展

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Property under development	發展中物業	127,773	-

The property under development is expected to be completed and available for sale in more than twelve months after the end of the reporting period.

該發展中物業預計於報告期後多於十二個月完成並可供出售。



## 25. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

## 25. 應收／付客戶的合約工程款項

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Contracts in progress at the end of the reporting period</b>	於報告期末之在建合約		
Contract costs incurred plus recognised profits less recognised losses to date	迄今已產生合約成本加已確認溢利減已確認虧損	<b>1,292,781</b>	744,649
Less: Progress billings	減：進度計費	<b>(1,125,097)</b>	(621,419)
		<b>167,684</b>	123,230
Analysed for reporting purposes as:	就報告目的分析為：		
Amounts due from customers for contract work	應收客戶的合約工程款項	<b>269,239</b>	163,279
Amounts due to customers for contract work	應付客戶的合約工程款項	<b>(101,555)</b>	(40,049)
		<b>167,684</b>	123,230

## 26. TRADE AND BILLS RECEIVABLES

## 26. 貿易應收款項及票據

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	<b>1,981,994</b>	1,254,357
Bills receivable	應收票據	<b>187,675</b>	383,921
Less: Provision for impairment	減：減值撥備	<b>(145,061)</b>	(121,030)
		<b>2,024,608</b>	1,517,248

**26. TRADE AND BILLS RECEIVABLES (Continued)**

The Group's major customers are independent distributors, civil contractors, property developers, utility companies and municipalities in mainland China. Depending on the market condition, marketing tactics and relationships with the customers, the Group's trading terms with its independent distributors may change from settlement on an advance receipt basis to giving a credit period of generally one month or more, if appropriate. The Group does not have a standardised and universal credit period granted to the non-distributor customers. The credit period of an individual non-distributor customer is considered on a case-by-case basis and is set out in the sales contracts, as appropriate. Sales to small, new, or short-term customers are normally expected to be settled on an advance receipt basis or shortly after the goods delivery. No credit term period is set by the Group for small, new and short-term customers.

Trade and bills receivables are unsecured and interest-free.

An aging analysis of the Group's trade and bills receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Not more than 3 months	不多於3個月	<b>1,063,621</b>	786,926
Over 3 months to 6 months	3個月以上至6個月	<b>438,828</b>	309,326
Over 6 months to 12 months	6個月以上至12個月	<b>248,608</b>	153,734
Over 1 year to 2 years	1年以上至2年	<b>173,230</b>	218,297
Over 2 years to 3 years	2年以上至3年	<b>90,318</b>	42,585
Over 3 years	3年以上	<b>10,003</b>	6,380
		<b>2,024,608</b>	1,517,248

**26. 貿易應收款項及票據(續)**

本集團的主要客戶為中國內地的獨立分銷商、土木工程承建商、房地產開發商、公用事業公司及市政部門。本集團視乎市況、市場策略及與客戶的關係，可將其與獨立分銷商的貿易條款由按預付方式結算更改為授予一般一個月或多個月的信用期限(如適當)。本集團並無統一向非分銷商客戶授予標準的信用期限。個別非分銷商客戶的信用期限視乎個別情況而定，並在銷售合約中列明(如適當)。對小規模、新或短期客戶的銷售一般預期以預付方式或於交貨後短期內結算。本集團並無為小規模、新或短期客戶設立信用期限。

貿易應收款項及票據均為無抵押及免息。

於報告期末，本集團的貿易應收款項及票據按發票日期並扣除撥備後的賬齡分析如下：

## 26. TRADE AND BILLS RECEIVABLES (Continued)

The movements in the provision for impairment of the Group's trade receivables are as follows:

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	121,030	81,077
Impairment losses recognised	已確認減值虧損	25,268	30,227
Acquisitions of subsidiaries	收購附屬公司	-	10,805
Amounts written off as uncollectible	撇銷為不可收回的金額	(1,237)	(1,079)
At 31 December	於12月31日	145,061	121,030

The above provision of RMB145,061,000 (2016: RMB121,030,000) is for individually impaired trade receivables with their aggregate carrying amount before provision of RMB226,233,000 (2016: RMB185,596,000). The individually impaired trade receivables relate to customers that are in default or delinquency in payments.

The aging analysis of the Group's trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Neither past due nor impaired	未逾期亦未減值	1,340,594	929,097
Past due but not impaired:	已逾期但尚未減值：		
Not more than 3 months	不多於3個月	226,904	149,266
Over 3 months to 6 months	3個月以上至6個月	89,021	96,488
Over 6 months to 12 months	6個月以上至12個月	143,032	172,369
Over 1 year to 2 years	1年以上至2年	84,746	79,448
Over 2 years to 3 years	2年以上至3年	52,994	23,405
Over 3 years	3年以上	6,145	2,609
		1,943,436	1,452,682

## 26. 貿易應收款項及票據(續)

本集團貿易應收款項的減值撥備的變動如下：

上述撥備人民幣145,061,000元(2016年：人民幣121,030,000元)就撥備之前賬面總值為人民幣226,233,000元(2016年：人民幣185,596,000元)的個別減值貿易應收款項作出。個別減值貿易應收款項與違約或拖欠付款的客戶有關。

本集團個別及共同計算均不視為已減值貿易應收款項及票據的賬齡分析如下：

**26. TRADE AND BILLS RECEIVABLES (Continued)**

Receivables that are neither past due nor impaired relate to a large number of diversified customers for whom there is no recent history of default.

Receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors believe that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

**27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

			<b>2017</b>	2016
		Note	<b>RMB'000</b>	RMB'000
		附註	人民幣千元	人民幣千元
Prepayments	預付款		<b>1,020,050</b>	1,023,150
Current portion of prepaid land lease payments	預付土地租賃款的流動部分	13	<b>27,153</b>	26,092
Value-added tax recoverable	待抵扣增值稅		<b>259,512</b>	186,063
Corporate income tax recoverable	待抵扣企業所得稅		<b>182</b>	2,026
Deposits	按金		<b>78,380</b>	96,718
Receivable from early redemption of convertible notes	來自提早贖回可換股票據應收款項		<b>145,508</b>	-
Other receivables	其他應收款項		<b>82,522</b>	85,596
			<b>1,613,307</b>	1,419,645

The financial assets included in the above balances are unsecured, interest-free and receivable on demand.

**26. 貿易應收款項及票據(續)**

未逾期亦未減值的應收款項與眾多不同客戶有關，這些客戶近期概無拖欠記錄。

已逾期但無減值的應收款項與若干獨立客戶有關，彼等與本集團的交易記錄良好。根據過往經驗，董事認為，由於彼等客戶信貸質素並無顯著變化，且結餘仍視為可悉數收回，因此無須就該等結餘作出減值撥備。

**27. 預付款、按金及其他應收款項**

上述結餘包括的金融資產乃無抵押、免息及按要求收款。

## 28. CASH AND BANK DEPOSITS

## 28. 現金及銀行存款

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash:	受限制現金：		
Guarantee deposits for banking facilities	作為銀行融資的擔保按金	774,611	815,225
Cash and cash equivalents:	現金及現金等價物：		
Time deposits with original maturity of three months or less when acquired	定期存款(原有期限為三個月或以下)	102,539	238,570
Cash and bank balances	現金及銀行結餘	3,575,220	2,831,888
		<b>3,677,759</b>	3,070,458
Cash and bank deposits	現金及銀行存款	<b>4,452,370</b>	3,885,683

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and twelve months and earn interest at the respective short-term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

存放於銀行的現金按每日銀行存款利率的浮動利率賺取利息。短期定期存款的期限介乎1天至12個月不等並按各短期定期存款利率賺取利息。銀行結餘及受限制現金存放於近期無違約記錄且信譽良好的銀行。

## 29. TRADE AND BILLS PAYABLES

## 29. 貿易應付款項及票據

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	918,375	784,645
Bills payable	應付票據	2,102,710	2,818,517
		<b>3,021,085</b>	3,603,162

The trade payables are interest-free and are normally settled on terms of 30 to 90 days.

貿易應付款項乃免息，結算期限通常為30日至90日。

**29. TRADE AND BILLS PAYABLES (Continued)**

An aging analysis of the Group's trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Not more than 3 months	不多於3個月	<b>1,914,118</b>	828,384
Over 3 months to 6 months	3個月以上至6個月	<b>357,082</b>	230,293
Over 6 months to 12 months	6個月以上至12個月	<b>702,632</b>	2,495,188
Over 1 year to 2 years	1年以上至2年	<b>20,587</b>	6,614
Over 2 years to 3 years	2年以上至3年	<b>5,465</b>	14,962
Over 3 years	3年以上	<b>21,201</b>	27,721
		<b>3,021,085</b>	3,603,162

**29. 貿易應付款項及票據(續)**

於報告期末，本集團的貿易應付款項及票據按發票日期的賬齡分析如下：

**30. OTHER PAYABLES AND ACCRUALS**

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Advances from customers	客戶墊款	<b>1,120,169</b>	1,108,297
Accruals	應計費用	<b>63,933</b>	43,541
Salaries and welfare payables	應付工資及福利	<b>125,988</b>	96,759
Other payables	其他應付款項	<b>582,832</b>	482,973
		<b>1,892,922</b>	1,731,570

**30. 其他應付款項及應計費用**

The financial liabilities included in the above balances are interest-free and repayable on demand.

上述結餘包括的金融負債乃免息及按要求還款。

### 31. BORROWINGS

### 31. 借款

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>		
Unsecured bank loans	無抵押銀行貸款	<b>2,698,795</b>	2,109,925
Current portion of long-term unsecured bank loans	長期無抵押銀行貸款的流動部分	<b>70,624</b>	131,479
Current portion of long-term unsecured syndicated loans	長期無抵押銀團貸款的流動部分	–	2,010,750
Secured bank loans	有抵押銀行貸款	<b>105,500</b>	–
Secured other loans	有抵押其他貸款	<b>2,337</b>	–
		<b>2,877,256</b>	4,252,154
<b>Non-current</b>	<b>非流動</b>		
Unsecured bank loans	無抵押銀行貸款	<b>422,168</b>	422,907
Unsecured syndicated loans	無抵押銀團貸款	<b>4,988,151</b>	–
Secured bank loans	有抵押銀行貸款	<b>19,800</b>	7,500
Loans from non-controlling interests	非控制權益貸款	<b>12,000</b>	12,000
		<b>5,442,119</b>	442,407
		<b>8,319,375</b>	4,694,561
Analysed into borrowings repayable:	須償還借款：		
Within one year or on demand	一年內或按要求時	<b>2,877,256</b>	4,252,154
In the second year	第二年內	<b>338,236</b>	422,907
In the third to fifth years, inclusive	第三年至第五年內 (包括首尾兩年)	<b>5,092,722</b>	14,476
More than five years	多於五年	<b>11,161</b>	5,024
		<b>8,319,375</b>	4,694,561

Note:

- (a) The effective interest rates of the Group's borrowings range from 1.60% to 6.00% (2016: 1.06% to 4.90%) per annum.
- (b) The secured bank loans are secured by: (i) the concession rights of a subsidiary and personal guarantee provided by a shareholder of that subsidiary; (ii) certain commercial bills received by the Group during its provision of factoring services; and (iii) certain receivables from supply-chain financing service.
- (c) The loans from non-controlling interests are unsecured, interest-free and will mature in September 2019 (2016: unsecured, interest-free and will mature in September 2019).
- (d) At the end of the reporting period, the Group's borrowings are denominated in US dollar, HK dollar, Renminbi, Australian dollar and Canadian dollar are equivalent to RMB5,213,421,000 (2016: RMB3,478,442,000), RMB1,254,263,000 (2016: RMB876,620,000), RMB1,108,835,000 (2016: RMB339,499,000), RMB537,423,000 (2016: Nil) and RMB205,433,000 (2016: Nil), respectively.

附註：

- (a) 本集團借款之實際年利率介乎1.60%至6.00%不等(2016年：1.06%至4.90%)。
- (b) 有抵押銀行貸款乃以：(i)附屬公司的特許經營權及其一名股東的個人擔保；(ii)本集團於提供保理服務時收到的若干商業票據；及(iii)若干供應鏈融資服務應收款項作抵押。
- (c) 非控制權益之貸款為無抵押、免息及將於2019年9月到期(2016年：無抵押、免息及將於2019年9月到期)。
- (d) 於報告期末，本集團以美元、港元、人民幣、澳元及加元計值的借款分別等值於人民幣5,213,421,000元(2016年：人民幣3,478,442,000元)、人民幣1,254,263,000元(2016年：人民幣876,620,000元)、人民幣1,108,835,000元(2016年：人民幣339,499,000元)、人民幣537,423,000元(2016年：無)及人民幣205,433,000元(2016年：無)。

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. DEFERRED TAX

The major deferred tax assets/(liabilities) recognised and their movements during the current and prior years are as follows:

### 32. 遞延稅項

以下為於本年度及上一年度已確認的主要遞延稅項資產／(負債)及其變動：

		Fair value adjustments arising from investment properties	Provision for impairment of assets	Accelerated tax depreciation	Fair value adjustments arising from acquisitions of subsidiaries	Withholding tax on distributable profits of subsidiaries in the PRC	Deferred income	Total
		投資物業所產生的公允價值調整	資產的減值撥備	加速稅項折舊	收購附屬公司所產生的公允價值調整	中國附屬公司可分派溢利的預提所得稅	遞延收益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	-	27,858	425	(2,635)	(134,018)	1,441	(106,929)
Acquisition of subsidiaries	收購附屬公司	-	-	-	(46,175)	-	-	(46,175)
Credited/(charged) to profit or loss for the year	計入/(扣自)年度損益	(8,540)	19,352	48	241	(81,441) <sup>#</sup>	4,745	(65,595)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	(8,540)	47,210	473	(48,569)	(215,459)	6,186	(218,699)
Credited/(charged) to profit or loss for the year	計入/(扣自)年度損益	(73,656)	14,701	(162)	241	(99,162) <sup>#</sup>	1,500	(156,538)
Exchange realignment	匯兌調整	505	-	-	-	-	-	505
At 31 December 2017	於2017年12月31日	<b>(81,691)</b>	<b>61,911</b>	<b>311</b>	<b>(48,328)</b>	<b>(314,621)</b>	<b>7,686</b>	<b>(374,732)</b>

<sup>#</sup> The amount represented the deferred tax provision of RMB132,623,000 (2016: RMB100,683,000) on the distributable profits of the Company's subsidiaries in the PRC after offsetting the realised deferred tax liabilities of RMB33,461,000 (2016: RMB19,242,000) arising from dividends declared by these subsidiaries to their foreign investors during the year.

<sup>#</sup> 該金額為本公司就中國附屬公司可分派溢利作出的遞延稅項撥備人民幣132,623,000元(2016年：人民幣100,683,000元)並經抵銷該等附屬公司於年內向海外投資者宣派股息而產生的已實現遞延稅項負債人民幣33,461,000元(2016年：人民幣19,242,000元)。



## 32. DEFERRED TAX (Continued)

## 32. 遞延稅項(續)

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Gross deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項資產總額	69,908	53,869
Gross deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項負債總額	(444,640)	(272,568)
		<b>(374,732)</b>	(218,699)

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 jurisdictions of the foreign investors. The applicable rate for the Group is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of their earnings generated from 1 January 2008.

At the end of the reporting period, the Group has not recognised deferred tax liabilities of RMB275,791,000 (2016: RMB263,925,000) in respect of temporary differences relating to the undistributed profits of subsidiaries, amounting to RMB5,515,812,000 (2016: RMB5,278,506,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

根據中國企業所得稅法，在中國內地成立的外資企業向外國投資者宣派的股息須繳納10%的預提所得稅。該規定自2008年1月1日起生效，適用於自2007年12月31日起獲得的盈利。倘中國內地與該外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率繳納預提所得稅。本集團的適用稅率為5%。因此，就該等於中國內地成立的附屬公司就2008年1月1日起所得盈利而分派的股息而言，本集團須繳納預提所得稅。

於報告期末，由於本公司控制該等附屬公司的股息政策，且該等溢利於可見將來分派的可能性不大，故本集團並無確認該等附屬公司未分派溢利暫時差異為人民幣5,515,812,000元（2016年：人民幣5,278,506,000元）的遞延稅項負債為（須於分派該等保留溢利時支付）人民幣275,791,000元（2016年：人民幣263,925,000元）。

### 33. DEFERRED INCOME

Deferred income represents government grants received by the Group as financial subsidies for the construction of new factory premises in Changchun, Daqing, Hubei and Hunan and rental income received in advance from certain of the Group's employees for leasing the staff quarters.

The government grants are released to profit or loss over the expected useful lives of the relevant premises by equal annual instalments, while rental income received in advance is recognised on the straight-line basis over the respective lease terms.

### 34. SHARE CAPITAL

Shares	股份	2017	2016
<b>Authorised:</b>	法定：		
20,000,000,000 (2016: 20,000,000,000) ordinary shares of HK\$0.05 each	20,000,000,000 (2016年：20,000,000,000) 股每股面值0.05港元的普通股	<b>HK\$1,000,000,000</b> <b>1,000,000,000港元</b>	HK\$1,000,000,000 1,000,000,000港元
<b>Issued and fully paid:</b>	已發行及繳足：		
3,102,418,400 (2016: 3,102,418,400) ordinary shares of HK\$0.05 each	3,102,418,400 (2016年：3,102,418,400) 股每股面值0.05港元的普通股	<b>HK\$155,120,920</b> <b>155,120,920港元</b>	HK\$155,120,920 155,120,920港元
Equivalent to	等值於	<b>RMB135,344,000</b> <b>人民幣135,344,000元</b>	RMB135,344,000 人民幣135,344,000元

The following changes in the Company's issued share capital took place during both years:

### 33. 遞延收益

遞延收益指本集團收取的政府補助，作為其在長春、大慶、湖北及湖南興建新工廠物業的財政補貼，以及自本集團向若干僱員預先收取的租賃員工宿舍租金收入。

政府補助於有關房產預期可使用年限內按年以等額撥入損益內確認，而預先收取的租金收入則按各自的租期以直線法確認。

### 34. 股本

於兩個年度內，本公司已發行股本變動如下：

		Number of ordinary shares of HK\$0.05 each 每股面值 0.05港元的 普通股數目	Nominal value of ordinary shares 普通股面值	
			HK\$'000 千港元	RMB'000 人民幣千元
<b>Issued and fully paid:</b>	已發行及繳足：			
At 1 January 2016	於2016年1月1日	3,110,255,400	155,512	135,686
Shares repurchased	回購股份	(7,837,000)	(391)	(342)
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、 2017年1月1日及 2017年12月31日	<b>3,102,418,400</b>	<b>155,121</b>	<b>135,344</b>

### 34. SHARE CAPITAL (Continued)

Note:

During the year of 2016, the Company bought back and cancelled a total of 7,837,000 ordinary shares of the Company on the Stock Exchange at a total consideration (including expenses) of HK\$32,917,000 (approximately RMB28,052,000).

### 35. 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.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in PRC has been transferred to reserve funds which are restricted for use.

### 36. SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 14 May 2010 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

No share options have been granted under the Share Option Scheme since its adoption.

### 34. 股本(續)

附註：

於二零一六年度，本公司在聯交所回購及註銷合共7,837,000股本公司普通股股份，總代價(包括開支)為32,917,000港元(約人民幣28,052,000元)。

### 35. 儲備

本集團本年度及過往年度的儲備金額及其變動已於綜合權益變動表內呈列。

根據適用於中外合營企業的相關法律及法規，本集團在中國成立的附屬公司的部分溢利已轉撥至用途受限制的儲備基金。

### 36. 購股權計劃

於2010年5月14日，為激勵及獎勵對本集團的成功經營作出貢獻的合資格參與人，本公司採納一項購股權計劃(「購股權計劃」)。

本公司自採納購股權計劃以來，並無根據該計劃授出購股權。

**37. BUSINESS COMBINATION**

During the year, the Group entered into a sale and purchase agreement to acquire 51% equity interest in Jianghuai Inspection at a cash consideration of RMB10,200,000.

Jianghuai Inspection is principally engaged in product quality inspection and calibration of measuring instruments. The acquisition allow the Group to further diversify its businesses.

The fair values of the identifiable assets and liabilities of Jianghuai Inspection at the date of acquisition assumed by the Group are as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,154
Inventories	存貨	22
Trade and bills receivables	貿易應收款項及票據	2,008
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	483
Cash and bank deposits	現金及銀行存款	97
Other payables and accruals	其他應付款項及應計費用	(930)
<b>Total identifiable net assets at fair value</b>	<b>可識別資產淨值總額(按公允價值)</b>	<b>2,834</b>
Non-controlling interests	非控制權益	(1,389)
Goodwill arising on acquisition	收購產生的商譽	8,755
<b>Total consideration satisfied by cash</b>	<b>以現金方式支付的代價總額</b>	<b>10,200</b>

Acquisition-related costs incurred in relation to the above acquisition is insignificant and have been excluded from the cost of acquisition and have been recognised directly as expenses for the year and are included in "other expenses" in profit or loss.

The fair values of the trade and bills receivables and other receivables at the date of acquisition amounted to RMB2,008,000 and RMB392,000 respectively, which approximate to the gross contractual amounts of the corresponding balances acquired by the Group. At the date of acquisition, management considered that the contractual cash flows not expected to be collected were insignificant.

None of the goodwill recognised is expected to be deductible for income tax purposes.

**37. 業務合併**

年內，本集團訂立買賣協議，以人民幣10,200,000元的現金代價收購江淮檢測51%的股本權益。

江淮檢測主要從事產品質素檢驗及測量儀器校準。此項收購令本集團進一步拓展其業務。

於收購日，江淮檢測的可識別資產及負債之公允價值如下：

就上述收購產生的收購相關成本並不重大及已被剔除出收購成本之外，且已於年內直接確認為開支並列於損益的「其他開支」內。

於收購日，貿易應收款項及票據和其他應收款項的公允價值分別為人民幣2,008,000元及人民幣392,000元，與本集團收購該等相應結餘的合約金額總值相若。於收購日，管理層認為預期無法收回的合約現金流量並不重大。

就計繳所得稅而言，所有已確認之商譽皆不可扣稅。

### 37. BUSINESS COMBINATION (Continued)

An analysis of the cash flows in respect of the acquisition is as follows:

		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	10,200
Less: Cash and cash equivalents acquired	減：已收購現金及現金等價物	(97)
Net outflow of cash and cash equivalents included in investing activities	投資活動包括的現金及現金等價物流出金額	10,103

The operating result of the above subsidiary had no significant impact on the Group's consolidated revenue or profit for the year ended 31 December 2017.

### 38. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities (2016: Nil).

### 39. OPERATING LEASE ARRANGEMENTS

#### (A) AS LESSOR

The Group leases certain office premises under operating lease arrangements, with leases negotiated for terms ranging from one to thirteen years.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Not more than 1 year	不多於1年	31,491	6,751
Over 1 year to 5 years	1年以上至5年	57,839	2,101
Over 5 years	5年以上	50,344	-
		139,674	8,852

### 37. 業務合併(續)

有關該收購的現金流量分析如下：

上述附屬公司之經營業績對本集團截至二零一七年十二月三十一日止年度之綜合收益或溢利並無重大影響。

### 38. 或然負債

於報告期末，本集團並無任何重大或然負債(2016年：無)。

### 39. 經營租賃安排

#### (A) 作為出租人

本集團根據經營租賃安排出租若干辦公室，租期商定為一至十三年不等。

於報告期末，根據與租戶訂立的不可撤銷經營租約，本集團到期應收的未來最低租金總額如下：

**39. OPERATING LEASE ARRANGEMENTS (Continued)** **39. 經營租賃安排(續)****(B) AS LESSEE**

The Group leases certain of its office premises, production plants, warehouses and equipment under operating lease arrangements. Leases are negotiated for terms ranging from one to sixteen years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Not more than 1 year	不多於1年	<b>183,362</b>	35,073
Over 1 year to 5 years	1年以上至5年	<b>754,465</b>	92,501
Over 5 years	5年以上	<b>583,922</b>	24,239
		<b>1,521,749</b>	151,813

**(B) 作為承租人**

本集團根據經營租賃安排，租用若干辦公室、生產廠房、倉庫及設備。租期商定為一至十六年不等。

於報告期末，根據不可撤銷經營租約，本集團到期應付的未來最低租金總額如下：

**40. COMMITMENTS**

The Group had the following capital commitments at the end of the reporting period:

**40. 承擔**

於報告期末，本集團擁有以下資本承擔：

		<b>2017</b>	2016
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Contracted, but not provided for:	已訂約但尚未撥備：		
Land, property, plant and equipment and investment properties	土地、物業、廠房及設備和投資物業	<b>636,381</b>	875,036
Investment in a joint venture	於一間合營企業的投資	<b>23,520</b>	-
		<b>659,901</b>	875,036

## 41. RELATED PARTY TRANSACTIONS AND BALANCES

## 41. 關聯人士交易及結餘

### (A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

### (A) 年內本集團與關聯人士之重大交易

	Note	2017	2016
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Connected transactions</b>	<b>關連交易</b>		
Transactions with companies under the common control of a director:	於多間共同受一位董事控制的公司的交易：		
Sale of goods	銷售貨品 (i)#	2,626	380
Financial service income	金融服務收益 (ii)	–	2,374
Consumption of utilities	耗用公用事業 (iii)	1,033	1,673
Rental expenses	租金開支 (iv)	3,907	4,129
Purchase of materials	採購材料 (v)#	5,195	5,675
Purchase of machinery and/or equipment	採購機械及／或設備 (vi)	122,993	96,357
Purchase of electronic accessories	採購電子配件 (vi)	28	13
Licensing trademarks	授予商標 (vii)#	404	407
Acquisition of Guangdong Lesso Lighting Co., Ltd* (“GD Lighting”)	收購廣東聯塑創新光源電器有限公司（「創新光源」） (viii)#	–	5,000
Disposal of Lesso Hardware	出售領尚五金 (ix)	25,000	–
Assignment of rights of receivables	轉讓應收款項權利 (x)	29,937	–
Agency services from companies under the control of a director	於受一位董事控制的多間公司所提供的代理服務 (xi)#	4,468	3,247
Rental expenses paid to directors	向董事支付的租金開支 (xii)#	1,613	1,592
<b>Non-connected transactions</b>	<b>非關連交易</b>		
Advisory services from a company under the significant influence of directors	於董事具重大影響力的一間公司所提供的諮詢服務 (xi)	1,859	7,358
Design and maintenance services from a joint venture	合營企業提供的設計及維修服務 (xiii)	3,600	3,600

**41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)****(A) THE GROUP'S MATERIAL TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR (Continued)**

Note:

- (i) Sale of goods to related companies were made with reference to the prices and conditions offered by the Group to third-party customers.
  - (ii) Provision of financial service was made in accordance with the respective contractual terms offered by the Group to third-party customers.
  - (iii) Utilities were provided by related companies at cost.
  - (iv) Rental expenses were based on mutually agreed terms.
  - (v) Purchase of materials from related companies were made based on mutually agreed terms.
  - (vi) Purchase of machinery, equipment and electronic accessories from related companies were made with reference to the prices and conditions offered by the related companies to their third-party customers.
  - (vii) Licensing trademarks to related companies were conducted based on mutually agreed terms.
  - (viii) The consideration was agreed after arm's length negotiations with reference to the fair value of net assets of GD Lighting of approximately RMB5,000,000 as at 31 August 2016.
  - (ix) The consideration was agreed after arm's length negotiations with reference to the fair value of net assets of Lesso Hardware of approximately RMB25,000,000 as at 7 July 2017.
  - (x) The consideration was equivalent to the amount due from Lesso Hardware of the Group as at 7 July 2017.
  - (xi) Agency services and advisory services were provided by related companies based on mutually agreed terms.
  - (xii) Properties including office premises, cafeteria, workshops, warehouses and yacht were leased to the Group based on mutually agreed terms.
  - (xiii) Services were provided by a joint venture based on mutually agreed terms.
- # These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempted from complying with the disclosure requirements under the Listing Rules.

**41. 關聯人士交易及結餘(續)****(A) 年內本集團與關聯人士之重大交易(續)**

附註：

- (i) 向關聯公司銷售貨品乃以本集團向第三方客戶開出的價格及條件為參照進行。
  - (ii) 提供金融服務乃根據本集團向第三方客戶提供之相關合約條款釐定。
  - (iii) 公用事業乃按成本由關聯公司提供。
  - (iv) 租金開支乃按雙方協定的條款計算。
  - (v) 材料乃按雙方協定的條款向關聯公司購買。
  - (vi) 機械、設備及電子配件乃經參考關聯公司向第三方客戶開出的價格及條件後向關聯公司購買。
  - (vii) 授予關聯公司的商標乃按雙方協定的條款進行。
  - (viii) 代價乃參照創新光源於2016年8月31日之淨資產公允價值約人民幣5,000,000元，經公平磋商後協定。
  - (ix) 代價乃參照領尚五金於2017年7月7日之淨資產公允價值約人民幣25,000,000元，經公平磋商後協定。
  - (x) 代價乃相等於2017年7月7日本集團應收領尚五金款項。
  - (xi) 關聯公司乃按雙方協定的條款提供代理服務及諮詢服務。
  - (xii) 物業包括辦公室、食堂、車間、倉庫及遊艇，乃按雙方協定的條款租予本集團。
  - (xiii) 合營企業乃按雙方協定的條款提供服務。
- # 該等關聯人士交易亦構成上市規則第14A章所界定的關連交易或持續關連交易，惟豁免遵守上市規則之披露規定。



## 41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

## 41. 關聯人士交易及結餘(續)

### (B) BALANCES WITH RELATED PARTIES

### (B) 與關聯人士之結餘

	Note	2017	2016
	附註	RMB'000	RMB'000
		人民幣千元	人民幣千元
Balances with companies under the common control of a director arising from:	於多間共同受一位董事控制的公司的結餘來自：		
Deposits paid for the purchases of machinery and/or equipment	購買機械及／或設備所支付的按金 (i)	92,660	72,744
Purchase of machinery and/or equipment	採購機械及／或設備 (ii)	31,454	22,191

Note:

- (i) The balances are included in the Group's deposits paid for the purchase of land, property, plant and equipment.
- (ii) The balances are included in the Group's other payables and accruals.

附註：

- (i) 結餘計入本集團購買土地、物業、廠房及設備所支付的按金。
- (ii) 結餘計入本集團的其他應付款項及應計費用。

### (C) COMMITMENTS WITH RELATED PARTIES

Certain of the Group's subsidiaries have entered into lease agreements with a director and a company under the common control of a director to lease properties for operations, and sale and purchase agreements with a company under the common control of a director to purchase machinery and/or equipment for production. The operating lease commitments of RMB13,263,000 (2016: RMB4,528,000) with lease terms of three years and the capital commitments of RMB23,727,000 (2016: RMB40,072,000) have been included in notes 39(B) and 40 to the consolidated financial statements.

### (C) 與關聯人士的承諾事項

本集團若干附屬公司為租賃物業作經營用途與一名董事及一間共同受一位董事控制的公司訂立租賃協議，並為購買機械及／或設備作生產用途與一間共同受一位董事控制的公司訂立買賣協議。人民幣13,263,000元(2016年：人民幣4,528,000元)的經營租賃承擔租期為三年，其與人民幣23,727,000元(2016年：人民幣40,072,000元)的資本承擔分別包含於綜合財務報表附註39(B)及40。

**41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)****(D) COMPENSATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL**

The remuneration of the Company's directors and the senior management was as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	14,102	13,870
Post-employment benefits	退休後福利	399	385
		<b>14,501</b>	14,255

**41. 關聯人士交易及結餘(續)****(D) 本集團主要管理人員薪酬**

本公司董事及高級管理層的薪酬如下：

**42. FINANCIAL INSTRUMENTS****(A) CATEGORIES OF FINANCIAL INSTRUMENTS**

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

		Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>			
<i>Investments</i>	<i>投資</i>			
Available-for-sale investments	可供出售投資	19	1,582,208	730,814
Held-to-maturity investments	持有至到期投資	20	-	59,655
Derivative financial instruments	衍生金融工具	23	-	32,566
			<b>1,582,208</b>	823,035
<i>Loans and receivables</i>	<i>貸款及應收款項</i>			
Loan receivables	應收借款	21	789,916	388,955
Other long-term receivables	其他長期應收款項	22	52,591	37,623
Trade and bills receivables	貿易應收款項及票據	26	2,024,608	1,517,248
Other receivables	其他應收款項		228,030	85,596
Cash and bank deposits	現金及銀行存款	28	4,452,370	3,885,683
			<b>7,547,515</b>	5,915,105
			<b>9,129,723</b>	6,738,140

**42. 金融工具****(A) 金融工具類別**

於報告期末，各類金融工具的賬面值如下：

## 42. FINANCIAL INSTRUMENTS (Continued)

## 42. 金融工具(續)

### (A) CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)

### (A) 金融工具類別(續)

	Note 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>Financial liabilities</b>			
<i>Financial liabilities at amortised cost</i>			
Trade and bills payables	29	<b>3,021,085</b>	3,603,162
Financial liabilities included in other payables and accruals		<b>646,765</b>	482,973
Borrowings	31	<b>8,319,375</b>	4,694,561
Other long-term payables		<b>92,572</b>	106,439
		<b>12,079,797</b>	8,887,135

### (B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE

### (B) 按公允價值計量的金融工具的公允價值

		2017 Fair value hierarchy 公允價值架構			Total 總計
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	RMB'000 人民幣千元
Available-for-sale investments	可供出售投資				
Listed investments	上市投資	<b>1,508,158</b>	<b>49,973</b>	-	<b>1,558,131</b>

## 42. FINANCIAL INSTRUMENTS (Continued)

## 42. 金融工具(續)

## (B) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE (Continued)

## (B) 按公允價值計量的金融工具的公允價值(續)

		2016			
		Fair value hierarchy			
		公允價值架構			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Available-for-sale investments	可供出售投資				
Listed investments	上市投資	515,777	75,588	-	591,365
Unlisted investments	非上市投資	-	-	123,824	123,824
Derivative financial instruments	衍生金融工具	-	-	32,566	32,566
		515,777	75,588	156,390	747,755

During the year, there was no transfer from level 1 to level 2 (2016: RMB43,238,000) and there were no transfers into or out of Level 3 for the financial instruments of the fair value measurements (2016: Nil).

年內，就金融工具公允價值計量而言，第一級與第二級之間並無任何轉撥(2016年：人民幣43,238,000元)，且並無轉入或轉出第三級(2016年：無)。

The movements in fair value measurements within Level 3 during the year are as follows:

年內第三級內的公允價值計量變動如下：

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	156,390	-
Additions	添置	-	146,158
Unrealised (loss)/gain recognised in profit or loss	於損益內確認的未實現(虧損)/收益	(31,575)	1,942
Unrealised gain recognised in other comprehensive income	於其他全面收益內確認的未實現利益	29,819	7,846
Early redemption	提早贖回	(149,876)	-
Exchange realignment	匯兌調整	(4,758)	444
At 31 December	於12月31日	-	156,390
Total gain reclassified from other comprehensive income upon early redemption	因提早贖回而於其他全面收益重新歸類的總收益	(37,665)	-
Total gain included in profit or loss upon early redemption	因提早贖回而於損益內確認的總收益	37,771	-

## 42. FINANCIAL INSTRUMENTS (Continued)

### (C) FAIR VALUE OF THE FINANCIAL INSTRUMENTS THAT ARE NOT MEASURED AT FAIR VALUE

Except as disclosed in the following table, the carrying amounts of the Group's financial instruments recognised in the consolidated financial statements approximate their fair values:

		2017		2016	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公允價值	賬面值	公允價值
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Financial asset</b>	<b>金融資產</b>				
Held-to-maturity investments	持有至到期投資	-	-	59,655	64,880

The fair values were based on the quoted market price provided by a leading global financial market data provider.

公允價值乃根據全球領先財經市場資料供應商提供的市場報價釐定。

## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise borrowings 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 and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

## 42. 金融工具(續)

### (C) 並非按公允價值計量之金融工具之公允價值

除下表所披露者外，本集團在綜合財務報表確認之金融工具之賬面值與其公允價值相若：

## 43. 金融風險管理目標及政策

本集團的主要金融工具包括借款以及現金及短期存款。該等金融工具的主要用途乃為本集團的營運籌集資金。本集團亦有其他由業務直接產生的不同金融資產及負債，例如貿易應收款項及其他應收款項和貿易應付款項及其他應付款項。

本集團金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。由於本集團所承擔的該等風險維持於最低水平，本集團並無使用任何衍生工具及其他工具以作對沖之用。本集團並無持有或發行衍生金融工具以作買賣之用。董事會已審閱並同意該等風險管理的政策，茲概述如下。

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****INTEREST RATE RISK**

In respect of the floating interest rate instruments, the Group is subject to the cash flow interest rate risk, while for the fixed interest rate instruments, the Group is subject to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax by assuming the floating rate borrowings outstanding at the end of the reporting period were outstanding for the whole year.

**43. 金融風險管理目標及政策(續)****利率風險**

浮動利率工具將導致本集團面臨現金流量利率風險，而固定利率工具將導致本集團面臨公允價值利率風險。

下表顯示假設於報告期末尚未償還的浮動利率借款於全年仍未償還，且所有其他變數保持不變，本集團除稅前溢利對合理可能的利率變動之敏感度。

		<b>Increase/ (decrease) in basis points 基準點 增加/(減少)</b>	<b>Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元</b>
Year ended 31 December 2017	截至2017年12月31日止年度	<b>50</b>	<b>(37,377)</b>
Year ended 31 December 2017	截至2017年12月31日止年度	<b>(50)</b>	<b>37,377</b>
Year ended 31 December 2016	截至2016年12月31日止年度	50	(22,913)
Year ended 31 December 2016	截至2016年12月31日止年度	(50)	22,913

#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### FOREIGN CURRENCY RISK

The Group's main businesses are located in mainland China and most of the transactions are conducted in Renminbi. Most of the Group's assets and liabilities are denominated in Renminbi, except for certain cash and bank deposits, trade and bills receivables and borrowings denominated in HK dollar and US dollar. The Group has not hedged its foreign exchange rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Renminbi against the relevant currencies, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and loans).

#### 43. 金融風險管理目標及政策(續)

##### 外幣風險

本集團的主要業務均位於中國內地，而大部分交易均以人民幣進行。本集團大部分資產及負債以人民幣計值，惟若干現金及銀行存款、貿易應收款項及票據和借款以港元及美元計值。本集團並無為其匯率風險進行對沖。

下表顯示於報告期末，在所有其他變數保持不變的情況下，本集團除稅前溢利對人民幣兌其他有關貨幣匯率的合理可能變動(由於貨幣性資產及貸款的公允價值變動所致)之敏感度。

		Increase/ (decrease) in HK\$/US\$ rate 港元/美元匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
2017			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	8,375
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(8,375)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(28,377)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	28,377
2016			
If the RMB weakens against the US\$	倘人民幣兌美元貶值	5	15,567
If the RMB strengthens against the US\$	倘人民幣兌美元升值	(5)	(15,567)
If the RMB weakens against the HK\$	倘人民幣兌港元貶值	5	(1,529)
If the RMB strengthens against the HK\$	倘人民幣兌港元升值	(5)	1,529

**43. 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.

The credit risk of the Group's other financial assets, which comprise cash and bank deposits and other receivables, arises from potential 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.

In relation to the Group's financial services business, the Group has a credit team which is responsible for the evaluation of customers' credit ratings, financial background and repayment abilities. The Group only provides credit to customers with creditworthiness and collateral is normally required. The risk of default in payment by these customers is considered not significant.

**43. 金融風險管理目標及政策(續)**

**信貸風險**

本集團僅與獲公認及信譽可靠的第三方進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須先通過信貸核實程序。此外，本集團持續監察應收結餘的情況及本集團的壞賬風險並不重大。

本集團的其他金融資產(包括現金及銀行存款及其他應收款項)的信貸風險源自交易對方的潛在違約，最大風險程度等於該等工具的賬面值。

由於本集團僅與獲公認及信譽可靠的第三方進行交易，故不需要抵押品。

有關本集團的金融服務業務，本集團擁有信貸團隊負責評估客戶之信貸評級、財務背景及償還能力。本集團僅向信譽良好的客戶提供信貸及一般須提供抵押品。該等客戶的付款拖欠風險並不重大。



#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### LIQUIDITY RISK

The Group aims to maintain sufficient cash and cash equivalents and available funding through various sources of finances to meet its commitments.

The maturity profile of the Group's financial liabilities at the end of each of the reporting periods, based on the contractual undiscounted payments, is as follows:

#### 43. 金融風險管理目標及政策(續)

##### 流動資金風險

本集團致力維持充裕的現金及現金等價物，並透過不同渠道為其承擔獲得資金。

以已訂約未折讓付款為基準，本集團於各報告期末的金融負債到期情況如下：

		2017			Total 總計 RMB'000 人民幣千元
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	More than 2 years 2年以上 RMB'000 人民幣千元	
Trade and bills payables	貿易應付款項及票據	3,021,085	–	–	3,021,085
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的 金融負債	646,765	–	–	646,765
Borrowings	借款	3,057,639	485,020	5,138,454	8,681,113
Other long-term payables	其他長期應付款項	–	67,800	24,772	92,572
		6,725,489	552,820	5,163,226	12,441,535

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****43. 金融風險管理目標及政策(續)****LIQUIDITY RISK (Continued)****流動資金風險(續)**

		2016			Total 總計 RMB'000 人民幣千元	
		Within 1 year 1年內 RMB'000 人民幣千元	1 to 2 years 1至2年 RMB'000 人民幣千元	More than 2 years 2年以上 RMB'000 人民幣千元		
Trade and bills payables	貿易應付款項及票據	3,603,162	–	–		3,603,162
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的 金融負債	482,973	–	–		482,973
Borrowings	借款	4,315,968	84,891	374,677	4,775,536	
Other long-term payables	其他長期應付款項	–	88,000	18,439	106,439	
		8,402,103	172,891	393,116	8,968,110	

**CAPITAL MANAGEMENT**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as going concern and to maintain reasonable capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to optimise the debt and equity balance, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or new debts or the redemption of existing debts. No changes were made in the objectives, policies or processes for managing capital during the year.

**資本管理**

本集團資本管理的主要目標為保障本集團繼續以持續基準經營的能力，以及維持合理的資本比率支持其業務，以及將股東的價值提升至最高。

本集團根據經濟狀況變動管理其資本架構及作出調整。為優化債務及權益結餘，本集團可調整支付予股東的股息、向股東退回資本、發行新股或新債或贖回現有債務。年內，管理資本的目標、政策或過程並無變動。

#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### CAPITAL MANAGEMENT (Continued)

The Group monitors capital using a net debt to equity ratio, which is net debt divided by capital. Net debt includes borrowings less cash and bank deposits. Capital represents the total equity.

The Group's strategy is to maintain the net debt to equity ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The net debt to equity ratios, at the end of the reporting period are as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Borrowings	借款	8,319,375	4,694,561
Less: Cash and bank deposits	減：現金及銀行存款	(4,452,370)	(3,885,683)
Net debt	債務淨額	3,867,005	808,878
Total equity	權益總額	13,783,491	11,537,672
Net debt to equity ratio	債務淨額對權益比率	28%	7%

#### 43. 金融風險管理目標及政策(續)

##### 資本管理(續)

本集團以債務淨額對權益比率監控資本，該比率為債務淨額除以資本。債務淨額包括借款減現金及銀行存款。資本乃指權益總額。

本集團的策略為維持債務淨額對權益比率在健康水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量需求及支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃及融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的債務淨額對權益比率如下：

**44. RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

**44. 融資活動產生之負債對賬**

下表詳述本集團融資活動所產生負債的變動(包括現金及非現金變動)。融資活動所產生負債的現金流量已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

		Non-cash changes 非現金變動					
		1 January 2017 於2017年 1月1日 RMB'000 人民幣千元	Cash flow 現金流量 RMB'000 人民幣千元	Amortisation of financing fee 財務費用 攤銷 RMB'000 人民幣千元	Foreign exchange movement 外匯變動 RMB'000 人民幣千元	Other changes 其他變動 RMB'000 人民幣千元	31 December 2017 於2017年 12月31日 RMB'000 人民幣千元
Borrowings	借貸	4,694,561	3,987,747	20,467	(383,400)	-	8,319,375
Interest payable	應付利息	2,780	(211,453)	-	-	214,822	6,149
Dividends payable	應付股息	-	(411,288)	-	-	411,288	-
Total liabilities from financing activities	融資活動的 負債總額	4,697,341	3,365,006	20,467	(383,400)	626,110	8,325,524

## 45. PARTICULARS OF PRINCIPAL SUBSIDIARIES

## 45. 主要附屬公司的詳情

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

本公司之主要附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary share/ registered share capital 已發行普通股股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益比率		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Starcorp Investment Holdings Ltd. 星展投資控股有限公司	BVI 英屬維爾京群島	US\$1 1美元	100%	–	Investment holding 投資控股
Great China International Holdings Ltd. 華拓國際控股有限公司	BVI 英屬維爾京群島	US\$1 1美元	100%	–	Investment holding 投資控股
China Liansu Investment Limited 中國聯塑投資有限公司	BVI 英屬維爾京群島	US\$1 1美元	100%	–	Investment holding 投資控股
Liansu Group Company Limited 聯塑集團有限公司	Hong Kong 香港	HK\$13,000,000 13,000,000港元	–	100%	Investment holding and sale of building materials and interior decoration products 投資控股及銷售建材 及家居產品
Guangdong Liansu Technology Industrial Co., Ltd.* <sup>(a)</sup> 廣東聯塑科技實業有限公司* <sup>(a)</sup>	PRC 中國	HK\$2,800,000,000 2,800,000,000港元	–	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Heshan Lesso Industrial Development Co., Ltd.* <sup>(b)</sup> 鶴山聯塑實業發展有限公司* <sup>(b)</sup>	PRC 中國	HK\$269,930,000 269,930,000港元	–	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件
Lesso Technology Development (Wuhan) Co., Ltd.* <sup>(b)</sup> 聯塑科技發展(武漢)有限公司* <sup>(b)</sup>	PRC 中國	HK\$111,000,000 111,000,000港元	–	100%	Manufacture and sale of plastic pipes and pipe fittings 製造及銷售塑料管道及管件

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES  
(Continued)

## 45. 主要附屬公司的詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary share/ registered share capital 已發行普通股股本/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益比率		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lesso Technology Development (Guiyang) Co., Ltd.* <sup>(b)</sup>	PRC	HK\$115,000,000	–	100%	Manufacture and sale of plastic pipes and pipe fittings
聯塑科技發展(貴陽)有限公司* <sup>(b)</sup>	中國	115,000,000港元	–	100%	製造及銷售塑料管道及管件
Nanjing Lesso Technology Industrial Co., Ltd.* <sup>(b)</sup>	PRC	US\$26,750,000	–	100%	Manufacture and sale of plastic pipes and pipe fittings
南京聯塑科技實業有限公司* <sup>(b)</sup>	中國	26,750,000美元	–	100%	製造及銷售塑料管道及管件
Lesso Municipal Pipe (Hebei) Co., Ltd.* <sup>(b)</sup>	PRC	US\$32,790,000	–	100%	Manufacture and sale of plastic pipes and pipe fittings
聯塑市政管道(河北)有限公司* <sup>(b)</sup>	中國	32,790,000美元	–	100%	製造及銷售塑料管道及管件
Henan Lesso Industrial Co., Ltd.* <sup>(c)</sup>	PRC	RMB200,000,000	–	100%	Manufacture and sale of plastic pipes and pipe fittings
河南聯塑實業有限公司* <sup>(c)</sup>	中國	人民幣200,000,000元	–	100%	製造及銷售塑料管道及管件

(a) Registered as a wholly-foreign-owned enterprise under the laws of PRC.

(b) Registered as equity joint ventures under the laws of PRC.

(c) Registered as a limited liability company under the laws of PRC.

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

(a) 根據中國法律註冊為一間外商獨資企業。

(b) 根據中國法律註冊為合資企業。

(c) 根據中國法律註冊為一間有限公司。

董事認為，上表所載列的本公司附屬公司對本年度的業績具重大影響力或構成本集團資產淨值的重大部分。董事認為倘詳列其他附屬公司的資料，將會使有關資料過於冗長。

## 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

## 46. 公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period as follows:

於報告期末，有關本公司財務狀況表的資料如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	7,819,079	5,016,480
Available-for-sale investments	可供出售投資	87,551	75,588
Total non-current assets	非流動資產總額	7,906,630	5,092,068
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Other receivables	其他應收款項	468,298	-
Cash and bank deposits	現金及銀行存款	98,908	147,714
Total current assets	流動資產總額	567,206	147,714
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計費用	2,676	2,501
Amounts due to subsidiaries	應付附屬公司款項	5,323,579	-
Borrowings	借款	708,374	2,674,984
Total current liabilities	流動負債總額	6,034,629	2,677,485
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>	<b>(5,467,423)</b>	<b>(2,529,771)</b>
Net assets	資產淨額	2,439,207	2,562,297
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	135,344	135,344
Reserves (note)	儲備(附註)	2,303,863	2,426,953
Total equity	權益總額	2,439,207	2,562,297

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

### 46. 公司財務狀況表(續)

附註：

本公司之儲備概要如下：

		Share premium	Available-for-sale investment valuation reserve	Exchange fluctuation reserve	Retained profits	Total
		股份溢價	可供出售投資估值儲備	匯兌波動儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	1,922,887	1,999	(79,768)	467,563	2,312,681
Total comprehensive income for the year	年內全面收益總額	-	613	155,768	324,829	481,210
Shares repurchased	回購股份	(17,269)	-	-	(10,441)	(27,710)
Dividends recognised as distributions to owners	確認為向擁有人分派股息	-	-	-	(339,228)	(339,228)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	1,905,618	2,612	76,000	442,723	2,426,953
Total comprehensive income for the year	年內全面收益總額	-	(17,595)	(158,947)	464,740	288,198
Dividends recognised as distributions to owners	確認為向擁有人分派股息	-	-	-	(411,288)	(411,288)
At 31 December 2017	於2017年12月31日	<b>1,905,618</b>	<b>(14,983)</b>	<b>(82,947)</b>	<b>496,175</b>	<b>2,303,863</b>

### 47. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 19 March 2018.

### 47. 批准綜合財務報表

董事會於2018年3月19日批准及授權該等綜合財務報表發佈。



# SUMMARY OF INVESTMENT PROPERTIES

## 投資物業概要

As at 31 December 2017  
於2017年12月31日

Details of the Group's investment properties at the end of the reporting period are as follows: 於報告期末，本集團投資物業之詳情如下：

Location 地點		Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 Sq. ft. 平方呎	Lease term 租用期	Group's interest 本集團之權益	Stage of completion 完成階段
119-120, 202, 204, 1413-1421, 1423 Tambol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Province	Thailand	CX	3,469,303	Freehold	75%	Under development
119-120, 202, 204, 1413-1421, 1423 Tambol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Province	泰國	CX	3,469,303	永久業權	75%	發展中
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	United States	AL	3,347,290	Freehold	100%	Planning stage
SWC of Highway 380 & FM 26, South side of Highway 380 West of FM 26, Frisco, Texas	美國	AL	3,347,290	永久業權	100%	籌劃階段
12071 Bellegrave Avenue, Jurupa Valley, California	United States	CL	4,755,880	Freehold	100%	Planning stage
12071 Bellegrave Avenue, Jurupa Valley, California	美國	CL	4,755,880	永久業權	100%	籌劃階段
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York, USA	United States	CB	723,302 <sup>#</sup>	Freehold	100%	Under refurbishment
1300 and 1504 Old Country Road, Westbury, Nassau County, Long Island, New York, USA	美國	CB	723,302 <sup>#</sup>	永久業權	100%	翻新工程進行中

## SUMMARY OF INVESTMENT PROPERTIES

### 投資物業概要

As at 31 December 2017  
於2017年12月31日

Location 地點		Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 Sq. ft. 平方呎	Lease term 租用期	Group's interest 本集團之權益	Stage of completion 完成階段
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	Canada	IL	1,994,351	Freehold	100%	Planning stage
Part of lots 23 & 24, Markham, Concession 3, Part 1 on Plan 65R-30576	加拿大	IL	1,994,351	永久業權	100%	籌劃階段
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	Canada	CL	1,750,241	Freehold	100%	Planning stage
5789, 5933, 5945, 5811, 5951 Steeles Avenue East, Toronto, Ontario	加拿大	CL	1,750,241	永久業權	100%	籌劃階段
5631 - 5671 Steeles Avenue East, Toronto, Ontario, Canada	Canada	CB	139,300 <sup>#</sup>	Freehold	100%	Existing
5631 - 5671 Steeles Avenue East, Toronto, Ontario, Canada	加拿大	CB	139,300 <sup>#</sup>	永久業權	100%	現有
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	Australia	IL	2,320,699	Freehold	100%	Planning stage
Lots 50, 51 & 52 in Deposited Plan 1144623, Lots 6-10 in Deposited Plan 801210, Lots 163, 168-182 & 216 DP8716, Lots 4, 5 & 6 in Deposited Plan 226294, Lots 2 in Deposited Plan 516449, Lots 218 & 219 in Deposited Plan 457024, Lot 2151 in Deposited Plan 135859, Lot 1 in Deposited Plan 119616 and Lot 7 in Deposited Plan 803359, Augusta Street, Huntingwood East, New South Wales	澳洲	IL	2,320,699	永久業權	100%	籌劃階段

Location 地點	Type 類別	Site area/ gross floor area 地盤面積/ 總樓面面積 Sq. ft. 平方呎	Lease term 租用期	Group's interest 本集團之權益	Stage of completion 完成階段	
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales, Australia	Australia	IB	298,191 <sup>#</sup>	Freehold	100%	Under refurbishment
79-99 St Hilliers Road, Auburn, Cumberland, Sydney, New South Wales, Australia	澳洲	IB	298,191 <sup>#</sup>	永久業權	100%	翻新工程進行中
West of Foshan-Kaiping highway, North of Longgao Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	1,392,982	Leasehold	100%	Planning stage
廣東省佛山市順德區龍江鎮 佛開高速以西、龍高路以北	中國	CL	1,392,982	租賃業權	100%	籌劃階段
South of Longzhou West Road, East of Dengdong Road, Longjiang town, Shunde District, Foshan City, Guangdong	China	CL	221,825	Leasehold	100%	Planning stage
廣東省佛山市順德區龍江鎮 龍洲西路南側與登東路東側交叉口	中國	CL	221,825	租賃業權	100%	籌劃階段
Note:	AL	Agricultural land	農業用地			
附註：	CL	Commercial land	商業用地			
	CX	Complex land	綜合用地			
	IL	Industrial land	工業用地			
	CB	Commercial building	商業樓宇			
	IB	Industrial building	工業樓宇			
	#	Represents gross floor area	指該物業總樓面面積			

# GLOSSARY

## 詞彙

“Board” 「董事會」	指	the board of directors of the Company 本公司董事會
“BVI” 「英屬維爾京群島」	指	the British Virgin Islands 英屬維爾京群島
“China” or “PRC” 「中國」	指	the People’s Republic of China, for the purpose of this report, excluding Hong Kong, Macau and Taiwan 中華人民共和國，就本報告而言，並不包括香港、澳門及臺灣
“Code” 「守則」	指	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄14所載的企業管治守則
“Company” or “China Lesso” 「本公司」或「中國聯塑」	指	China Lesso Group Holdings Limited 中國聯塑集團控股有限公司
“Current Ratio” 「流動比率」	指	the ratio of current assets to current liabilities 流動資產除以流動負債的比率
“EBITDA” 「除息稅折攤前盈利」	指	earnings before interest, taxes, depreciation and amortisation 扣除利息、稅項、折舊及攤銷前盈利
“Foshan Star Excel” 「佛山星俊」	指	Foshan Star Excel Property Development Co., Ltd.*, a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules 佛山市星俊置業發展有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士(定義見上市規則)
“Gearing Ratio” 「資產負債率」	指	the total debts divided by the sum of total debts and total equity 按債務總額除以債務總額加上權益總額的總和
“Group” 「本集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“Guangdong Lesso Mall” 「廣東聯塑五金」	指	Guangdong Lesso Mall Co., Ltd.*, an indirect wholly-owned subsidiary of the Company 廣東聯塑五金電氣建材商城有限公司，本公司之間接全資附屬公司
“Guangdong Liansu Electric” 「廣東聯塑電氣」	指	Guangdong Liansu Electric Co., Ltd.*, a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules 廣東聯塑電氣有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士(定義見上市規則)

<p>“Guangdong Liansu Machinery” 「廣東聯塑機器」</p>	<p>指</p>	<p>Guangdong Liansu Machinery Manufacturing Co., Ltd.*, a company indirectly wholly-owned by Mr. Wong Luen Hei and a connected person of the Company as defined under the Listing Rules 廣東聯塑機器製造有限公司，黃聯禧先生間接全資擁有的公司，並為本公司的關連人士(定義見上市規則)</p>
<p>“Guangdong Liansu Technology” 「廣東聯塑科技」</p>	<p>指</p>	<p>Guangdong Liansu Technology Industrial Co., Ltd.*, an indirectly wholly-owned subsidiary of the Company 廣東聯塑科技實業有限公司，為本公司的間接全資附屬公司</p>
<p>“HK\$” 「港元」</p>	<p>指</p>	<p>Hong Kong dollar, the lawful currency of Hong Kong 香港之法定貨幣－港元</p>
<p>“Hong Kong” or “HK” 「香港」</p>	<p>指</p>	<p>Hong Kong Special Administrative Region of the PRC 中國香港特別行政區</p>
<p>“IoT” 「物聯網」</p>	<p>指</p>	<p>Internet of things 物聯網</p>
<p>“Lesso Hardware” 「領尚五金」</p>	<p>指</p>	<p>Guangdong Lesso Hardware &amp; Building Materials Co., Ltd.*, an indirect non-wholly owned subsidiary of the Company 廣東領尚五金建材有限公司，本公司之間接非全資附屬公司</p>
<p>“Listing Rules” 「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則</p>
<p>“Macau” 「澳門」</p>	<p>指</p>	<p>Macau Special Administrative Region of the PRC 中國澳門特別行政區</p>
<p>“Model Code” 「標準守則」</p>	<p>指</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載的上市公司董事進行證券交易的標準守則</p>
<p>“New Fortune” 「新富星」</p>	<p>指</p>	<p>New Fortune Star Limited, a company incorporated in the BVI New Fortune Star Limited，一間於英屬維爾京群島註冊成立之公司</p>
<p>“PE” 「PE」</p>	<p>指</p>	<p>polyethylene 聚乙烯</p>
<p>“PP-R” 「PP-R」</p>	<p>指</p>	<p>polypropylene random 無規共聚聚丙烯</p>
<p>“PVC” 「PVC」</p>	<p>指</p>	<p>polyvinyl chloride 聚氯乙烯</p>
<p>“Quick Ratio” 「速動比率」</p>	<p>指</p>	<p>the ratio of current assets less inventories to current liabilities 流動資產減存貨再除以流動負債的比率</p>
<p>“RMB” 「人民幣」</p>	<p>指</p>	<p>Renminbi, the lawful currency of the PRC 中國之法定貨幣－人民幣</p>

## GLOSSARY

### 詞彙

“SFO” 「證券及期貨條例」	指	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	指	share(s) of a nominal value of HK\$0.05 each in the capital of the Company 本公司股本中每股面值0.05港元的股份
“Shareholder(s)” 「股東」	指	holder(s) of the Share(s) of the Company 本公司股份持有人
“Shunde Liansu Industrial” 「順德聯塑實業」	指	Foshan Shunde Liansu Industrial Co., Ltd.* 佛山市順德區聯塑實業有限公司
“sq.m.” 「平方米」	指	square metres 平方米
“sq.ft.” 「平方呎」	指	square feet 平方英尺
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Taiwan” 「臺灣」	指	the Republic of China 中華民國
“tonne(s)” 「噸」	指	a unit measuring weight, equal to 1,000 kilograms 量度重量的單位，相等於1,000公斤
“US” 「美國」	指	the United States of America 美利堅合眾國
“US\$” 「美元」	指	US dollar, the lawful currency of US 美國之法定貨幣－美元
“Xi Xi Development” 「西溪發展」	指	Xi Xi Development Limited, a company incorporated in the BVI 西溪發展有限公司，一間於英屬維爾京群島註冊成立之公司
“%” 「%」	指	per cent. 百分比

\* The English or Chinese translations in this report, where indicated, denote for identification purposes only.

\* 本報告的英文或中文翻譯(如註明)僅供識別。

# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Mr. Wong Luen Hei (*Chairman*)  
Mr. Zuo Manlun (*Chief executive*)  
Ms. Zuo Xiaoping  
Mr. Lai Zhiqiang  
Mr. Kong Zhaocong  
Mr. Chen Guonan  
Dr. Lin Shaoquan  
Mr. Huang Guirong  
Mr. Luo Jianfeng

#### NON-EXECUTIVE DIRECTOR

Mr. Lin Dewei

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Pui Cheung  
Mr. Wong Kwok Ho Jonathan  
Mr. Cheung Man Yu  
Ms. Lan Fang  
Dr. Tao Zhigang

#### AUDIT COMMITTEE

Mr. Fung Pui Cheung (*Chairman*)  
Mr. Wong Kwok Ho Jonathan  
Mr. Lin Dewei  
Mr. Cheung Man Yu

#### REMUNERATION COMMITTEE

Mr. Fung Pui Cheung (*Chairman*)  
Mr. Wong Luen Hei  
Mr. Zuo Manlun  
Mr. Wong Kwok Ho Jonathan  
Mr. Cheung Man Yu

#### NOMINATION COMMITTEE

Mr. Wong Luen Hei (*Chairman*)  
Mr. Zuo Manlun  
Mr. Fung Pui Cheung  
Mr. Wong Kwok Ho Jonathan  
Ms. Lan Fang

### 董事會

#### 執行董事

黃聯禧先生(*主席*)  
左滿倫先生(*行政總裁*)  
左笑萍女士  
賴志強先生  
孔兆聰先生  
陳國南先生  
林少全博士  
黃貴榮先生  
羅建峰先生

#### 非執行董事

林德緯先生

#### 獨立非執行董事

馮培漳先生  
王國豪先生  
張文宇先生  
蘭芳女士  
陶志剛博士

#### 審核委員會

馮培漳先生(*主席*)  
王國豪先生  
林德緯先生  
張文宇先生

#### 薪酬委員會

馮培漳先生(*主席*)  
黃聯禧先生  
左滿倫先生  
王國豪先生  
張文宇先生

#### 提名委員會

黃聯禧先生(*主席*)  
左滿倫先生  
馮培漳先生  
王國豪先生  
蘭芳女士

## CORPORATE INFORMATION

### 公司資料

#### COMPANY SECRETARY

Mr. Kwan Chi Wai Samuel

#### AUTHORISED REPRESENTATIVES

Mr. Zuo Manlun

Mr. Kwan Chi Wai Samuel

#### REGISTERED OFFICE

PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

#### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Liansu Industrial Estate  
Longjiang Town  
Shunde District  
Foshan City  
Guangdong Province 528318  
China

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3, 12th Floor, Tower 2  
South Seas Centre  
75 Mody Road  
Tsim Sha Tsui East  
Kowloon, Hong Kong

#### LISTING INFORMATION

Listing:

The Stock Exchange of Hong Kong Limited

Stock code:

2128

#### SHARE INFORMATION

Board lot size:

1,000 shares

Share issued as at 31 December 2017:

3,102,418,400 shares

Market capitalisation as at 31 December 2017:

HK\$15,698 million

#### 公司秘書

關志偉先生

#### 法定代表

左滿倫先生

關志偉先生

#### 註冊辦事處

PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

#### 中國總部及主要營業地點

中國  
廣東省(郵編:528318)  
佛山市  
順德區  
龍江鎮  
聯塑工業村

#### 香港主要營業地點

香港九龍  
尖沙咀東部  
麼地道75號  
南洋中心  
第二座12樓3室

#### 上市資料

上市地點:

香港聯合交易所有限公司

股份代號:

2128

#### 股份資料

每手買賣單位:

1,000股

於2017年12月31日已發行股份數目:

3,102,418,400股

於2017年12月31日市值:

156.98億港元



## DIVIDEND

Final dividend per share for the year ended 31 December 2017:  
HK18 cents per ordinary share

## FINANCIAL CALENDAR

Annual results announcement:  
19 March 2018

## CLOSURE OF THE REGISTER OF MEMBERS:

- for determining the entitlement to attend and vote at annual general meeting from 21 to 25 May 2018 (both dates inclusive)
- for determining the entitlement to proposed final dividend from 31 May to 4 June 2018 (both dates inclusive)

2018 annual general meeting:  
25 May 2018

Payment of 2017 proposed final dividend\*:  
on or around 13 June 2018

## PRINCIPAL SHARE REGISTRAR

MaplesFS Limited  
PO Box 1093  
Queensgate House  
Grand Cayman, KY1-1102  
Cayman Islands

## BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

## 股息

截至2017年12月31日止年度每股末期股息：  
每股普通股18港仙

## 財務日誌

年度業績公告：  
2018年3月19日

## 暫停辦理股份過戶登記手續：

- 確定出席股東週年大會並於會上投票的資格由2018年5月21至25日(包括首尾兩天)
- 確定收取擬派末期股息的資格由2018年5月31至6月4日(包括首尾兩天)

2018年股東週年大會：  
2018年5月25日

派付2017年擬派末期股息\*：  
2018年6月13日或相近日子

## 股份過戶登記總處

MaplesFS Limited  
PO Box 1093  
Queensgate House  
Grand Cayman, KY1-1102  
Cayman Islands

## 股份過戶登記分處

香港中央證券登記有限公司  
香港  
灣仔皇后大道東183號  
合和中心  
17樓1712–1716室

\* Subject to approval by the Shareholders at the 2018 annual general meeting to be held on 25 May 2018.

\* 惟須待股東於2018年5月25日舉行的2018年股東週年大會上批准後，方可作實。

## CORPORATE INFORMATION

### 公司資料

#### INVESTOR RELATIONS

iPR Ogilvy & Mather  
23rd Floor, The Centre  
99 Queen's Road, Central, Hong Kong  
Tel: (852) 2136 6185  
Fax: (852) 3170 6606  
Email: ir@lesso.com

#### AUDITOR

Ernst & Young  
Certified Public Accountants, Hong Kong

#### SOLICITOR

K&L Gates

#### PRINCIPAL BANKERS

Agricultural Bank of China Limited  
Bank of China (Hong Kong) Limited  
China Merchants Bank Co., Ltd.  
CTBC Bank Co., Ltd., Hong Kong Branch  
Foshan Shunde Rural Commercial Bank Company Limited  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Industrial and Commercial Bank of China Limited  
Sumitomo Mitsui Banking Corporation  
Taipei Fubon Commercial Bank Co., Ltd., Hong Kong Branch  
The Hongkong and Shanghai Banking Corporation Limited

#### WEBSITE

<http://www.lesso.com>

#### 投資者關係

iPR奧美公關  
香港皇后大道中99號  
中環中心23樓  
電話：(852) 2136 6185  
傳真：(852) 3170 6606  
電郵：ir@lesso.com

#### 核數師

安永會計師事務所  
香港執業會計師

#### 律師

高蓋茨律師事務所

#### 主要往來銀行

中國農業銀行股份有限公司  
中國銀行(香港)有限公司  
招商銀行股份有限公司  
中國信託商業銀行股份有限公司香港分行  
佛山順德農村商業銀行股份有限公司  
恒生銀行有限公司  
中國工商銀行(亞洲)有限公司  
中國工商銀行股份有限公司  
三井住友銀行  
台北富邦商業銀行股份有限公司香港分行  
香港上海滙豐銀行有限公司

#### 網址

<http://www.lesso.com>

### Forward-looking statements

This report contains forward-looking statements. These forward-looking statements include, without limitation, statements related to revenue and earnings. The words “believe”, “intend”, “expect”, “anticipate”, “forecast”, “estimate”, “predict”, “is confident”, “has confidence” and similar expressions are also intended to represent forward-looking statements. These forward-looking statements are not historical facts. Rather, the forward-looking statements are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of China Lesso about the businesses, industries and markets in which China Lesso operates.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company’s control and are difficult to predict. Consequently, actual results could differ materially from those expressed, implied or forecasted in the forward-looking statements.

Reliance should not be placed on these forward-looking statements, which reflect only the views of the directors and management of China Lesso as at the date of this report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after publication of this report.

### 前瞻聲明

本報告載有前瞻聲明。此等前瞻聲明包括但不限於有關收入及盈利的聲明，而「相信」、「計劃」、「預計」、「預期」、「預測」、「估計」、「推測」、「深信」、「抱有信心」及類似詞彙亦擬表示前瞻聲明。前瞻聲明是以中國聯塑董事及管理層根據業務、行業及中國聯塑所經營的市場而具備或作出的目前信念、假設、期望、估計及預測為基準，而並非歷史事實。

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# 本報告的中英文如有任何歧義，概以英文本為準。

# LESSO 联塑



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