



齐合环保

CHIHO

CHIHO ENVIRONMENTAL GROUP LIMITED

齊合環保集團有限公司

(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: 976

2017  
ANNUAL REPORT  
年報



Surpass • Transform • Excel  
超越 • 蝶變 • 昇華

## VISION

Making an impactful contribution to build a sustainable and environmentally friendly world.

## MISSION

To be a global market leader in resources recycling and environmental protection, earning a quality return to shareholders through the provision of quality products and services, by a group of motivated and diversified staff force.

## CULTURE

We are committed to building a long-term and win-win partnership with our customers including suppliers.

We provide a safe workplace and career development opportunities for our employees.

We are devoted to achieving a quality, stable and continuous return for our shareholders.

We meet our corporate social responsibility, making continuous contributions to social well-being and environmental protection.

## 願景

為可持續發展積極貢獻，共建環境友善的世界。

## 使命

我們高效多樣的團隊通過提供優質產品及服務，致力成為全球再生資源及環保行業的市場領導者，並為股東獲取理想回報。

## 文化

我們重視與客戶包括供應商建立長期合作關係並共同成長。

我們重視為員工提供安全的工作環境並創造職業增長空間。

我們重視為股東取得合理、穩定和持久的回報。

我們重視企業社會責任，為社區福祉及環境保護不斷作出貢獻。



## Contents 目錄

		<i>Page/頁次</i>
A Snapshot of CEG in 2017	二零一七年齊合環保業務速覽	2
Financial Highlights	財務摘要	8
Chairman's Statement	主席報告	10
Management Discussion and Analysis	管理層討論及分析	16
Profile of Directors and Senior Management	董事及高級管理人員履歷	36
Directors' Report	董事會報告	47
Corporate Governance Report	企業管治報告	73
Major Events of CEG in 2017	齊合環保二零一七年大事記	108
Independent Auditor's Report	獨立核數師報告	110
Consolidated Statement of Profit or Loss	綜合損益表	120
Consolidated Statement of Comprehensive Income	綜合全面收益表	121
Consolidated Balance Sheet	綜合資產負債表	122
Consolidated Statement of Changes in Equity	綜合權益變動表	124
Consolidated Statement of Cash Flows	綜合現金流量表	126
Notes to the Consolidated Financial Statements	綜合財務報表附註	128
5-Year Financial Summary	五年財務摘要	303
Corporate Information	公司資料	304

## A Snapshot of CEG in 2017

### 二零一七年齊合環保業務速覽

## ABOUT CEG 關於齊合環保



We are the only listed metal recycling corporation with major operation bases across three continents (Asia, Europe and North America) in the world. The Group is one of the largest metal recyclers globally.

我們是全球唯一一家主要營運基地遍佈亞、歐及北美三大洲的上市再生金屬企業。本集團是全球最大的金屬回收商之一。

## MAINLAND CHINA 中國內地



### Taizhou production site

台州生產基地

- ◆ Largest importer of copper based scrap metal in China  
中國最大的混合銅廢料進口商
- ◆ Largest global scrap motor buyer in 2017  
二零一七年全球最大的廢電機採購商
- ◆ > 2,000 skilled dismantling workers  
2,000多名技術熟練拆解工人

### Yantai production sites

煙台生產基地

- ◆ Metal recycling operation: mainly engaged in metal trading  
金屬回收業務：主要從事金屬貿易
- ◆ Waste-lubricant oil recycling operation: purification, distillation and addition of lubricant additives to produce lubricant base oil for lubricant oil production plants  
廢油回收業務：淨化、蒸餾和添加潤滑油添加劑，以為潤滑油生產廠生產潤滑油基礎油料



## HONG KONG 香港



- ◆ Group headquarters  
集團總部
- ◆ HK\$120 million had been invested in installing two automated processing lines in 2017  
於二零一七年投資1億2,000萬港元安裝兩條自動工序生產線
- ◆ One of the few operators in Hong Kong that recycles material within a closed-loop system  
香港為數不多能於一個閉環式供應鏈中回收並利用物料的運營商之一
- ◆ Largest privately owned and most diversified and comprehensive e-waste recycling centre in Hong Kong  
香港最具規模且最多元全面的私營電子廢物回收中心

## GERMANY 德國



- ◆ Operates 90 yards covering South-West, Central and Eastern Germany  
營運90個工場，覆蓋德國西南部、中部及東部
- ◆ Strongest region of operation in Europe  
歐洲最強的經營的地區
- ◆ Covering full scope of collection, sorting and processing with all types of equipment including the most advanced post-shredder material recovery technology  
涵蓋所有類型設備的收集、分類及處理全面功能，包括最先進的碎後物料回收技術

### Technical Equipment

#### 技術設備

Shredder: 4

粉碎機:

Shears: >15

剪切機:

Employees: >1,900

僱員:

**A Snapshot of CEG in 2017**  
二零一七年齊合環保業務速覽



**USA**  
美國

- ◆ 9 yards  
9個工場
- ◆ 100% subsidiary  
全資子公司
- ◆ Business model includes brokerage and yard business (including feeder yards)  
業務模式包括貿易及工場業務 (包括供料場)
- ◆ Supplier base with robust market position in selected areas  
供應商在選定地區的市場地位牢固

Technical Equipment 技術設備	
Shredder: 粉碎機:	3
Shears: 剪切機:	3
Employees: 僱員:	>300



**POLAND**  
波蘭

- ◆ Operates 7 yards covering central and south Poland, the most industrialized and scrap rich areas  
營運7個工場，覆蓋波蘭工業化程度最高，而廢棄物最多的中部及南部
- ◆ Operations covering full scope of collection, sorting and processing with all types of equipment  
營運範圍涵蓋所有類型設備的收集、分類及處理全面功能

Technical Equipment 技術設備	
Shears: 剪切機:	5
Employees: 僱員:	>140



## AUSTRIA 奧地利

- ⚙ Operates 15 yards  
營運15個工場
- ⚙ Market leader for ferrous scrap trading  
黑色廢金屬買賣的市場領軍者
- ⚙ Joint venture with steel mill Voestalpine Group  
與軋鋼廠奧鋼聯集團成立合營企業
- ⚙ Strong track record in project business (e.g. power plant dismantling) and strategic initiative for online trading platform  
項目業務(例如發電廠拆解)及線上貿易平台的戰略舉措均表現出眾

### Technical Equipment

#### 技術設備

Shredder:	2
粉碎機:	
Shears:	6
剪切機:	
Employees:	>300
僱員:	



## CZECH REPUBLIC 捷克

- ⚙ 100% subsidiary  
全資子公司
- ⚙ 61 yards mainly situated in northern Bohemia and Prague area  
營運主要位於波希米亞北部及布拉格地區的61個工場
- ⚙ A very strong market share in ferrous market (covering both old scrap and new scrap market)  
於黑色金屬市場(涵蓋舊廢料及新廢料市場)所佔市場份額獨佔鰲頭
- ⚙ Business model is comparable with Germany with a dense yard network including a large number of feeder yards and several processing yards  
與德國相媲美的業務模式,所持工場分佈密集,包括多個供料場及多個加工場

### Technical Equipment

#### 技術設備

Shredder:	2
粉碎機:	
Shears:	5
剪切機:	
Employees:	>300
僱員:	





**SLOVENIA**  
斯洛維尼亞

- ◆ 100% subsidiary  
全資子公司
- ◆ Operates 18 yards  
營運18個工場
- ◆ Strong non-ferrous operations  
有色金屬業務穩健
- ◆ Well equipped with yard network, transportation assets and processing capabilities to cover all suppliers (industry and old scrap)  
配備良好的工場網絡、運輸資產及加工能力以覆蓋全部供應商(工業及舊廢料)
- ◆ Footprint for paper and plastic recycling  
涉足紙張及塑膠回收

Technical Equipment

技術設備

Shredder: 1

粉碎機:

Shears: 3

剪切機:

Employees: >300

僱員:



**ROMANIA**  
羅馬尼亞

- ◆ 27 yards in operation  
營運27個工場
- ◆ Joint venture with two experienced local business partners  
與兩名經驗豐富的當地業務夥伴成立合營企業
- ◆ Covering the heavily populated and well industrialized areas in this country  
覆蓋該國人口稠密及高度工業化的地區
- ◆ Market attractive due to strong supply from industry as well as presence of old scrap  
工業及舊廢料的供應龐大，故深受市場歡迎
- ◆ Proximity to Turkey enables significant scrap exports  
鄰近土耳其，故可大量出口廢料
- ◆ High non-metals share of sales (including significant portion of wood, paper and plastics)  
非金屬(包括大部分木材、紙張及塑膠)的銷售額佔比高

Technical Equipment

技術設備

Shredder: 2

粉碎機:

Shears: 6

剪切機:

Employees: >600

僱員:



## DENMARK 丹麥



- ❖ 4 yards in operation  
營運4個工場
- ❖ 100% subsidiary  
全資子公司
- ❖ Business model with feeder and production yards  
設有供料場及生產工場的業務模式
- ❖ Medium potential in non-metals  
發展非金屬業務的潛力合適
- ❖ Efficient production  
高效生產

### Technical Equipment

#### 技術設備

Shears:	2
剪切機:	
Employees:	>35
僱員:	

## MEXICO 墨西哥



- ❖ Owns 14 yards  
擁有14個工場
- ❖ 50% joint venture with a local co-shareholder  
與一名當地共同股東成立擁有50%權益的合營企業
- ❖ Strong presence in northern part of Mexico, with strong industrial supplier base  
於墨西哥北部的市場佔有率強勁·搭配穩健的工業供應商
- ❖ Strong supply from industrial accounts made operations more robust than peers in North-America  
來自眾多工業客戶的供應令業務營運表現較北美洲一般同業更加強勁

### Technical Equipment

#### 技術設備

Shredder:	1
粉碎機:	
Shears:	2
剪切機:	
Employees:	>300
僱員:	

# Financial Highlights

## 財務摘要

For the year ended 31 December  
截至十二月三十一日止年度

		2017 二零一七年	2016 二零一六年	Increase/ (Decrease) 增加/(減少)
Operating results (HK\$M)	經營業績(百萬港元)			
Revenue	收益			
Greater China	大中華地區	<b>4,813.6</b>	3,211.4	49.9%
Non Greater China	非大中華地區	<b>13,677.4</b>	–	N/A不適用
Total	總計	<b>18,491.0</b>	3,211.4	475.8%
Gross profit	毛利	<b>2,329.0</b>	218.6	965.4%
Segment profit (loss)	分部溢利(虧損)			
Greater China	大中華地區	<b>295.9</b>	(243.5)	221.5%
Non-Greater China	非大中華地區	<b>457.8</b>	–	N/A不適用
Unallocated	未分配	<b>169.8</b>	(166.0)	202.3%
Profit (loss) before interest and tax (EBIT)	除利息及稅項前溢利(虧損)	<b>923.5</b>	(409.5)	325.5%
Finance costs, net	財務成本淨額	<b>(377.3)</b>	(34.1)	1,006.5%
Profit (loss) before income tax	除所得稅前溢利(虧損)	<b>546.2</b>	(443.6)	223.1%
Income tax (expense) credit	所得稅(開支)抵免	<b>(110.6)</b>	0.4	27,750.0%
Profit (loss) for the year	年內溢利(虧損)	<b>435.6</b>	(443.2)	198.3%
Financial position (HK\$M)	財務狀況(百萬港元)			
Cash generated from operations	經營業務產生的現金	<b>850.3</b>	91.9	825.2%
Cash and pledged bank deposits	現金及已抵押銀行存款	<b>1,071.4</b>	2,079.4	(48.5%)
Total assets	總資產	<b>12,093.7</b>	11,785.7	2.6%
Equity attributable to shareholders of the Company	本公司股東應佔權益	<b>5,073.1</b>	4,117.2	23.2%
Per share data (HK\$)	每股資料(港元)			
Earnings (loss) per share attributable to shareholders of the Company	本公司股東應佔每股盈利(虧損)	<b>0.26</b>	(0.27)	196.3%
Shareholders' funds per share	每股股東資金	<b>3.15</b>	2.55	23.5%

For the year ended 31 December  
截至十二月三十一日止年度

		2017 二零一七年	2016 二零一六年	Increase/ (Decrease) in basis points 基點增加/ (減少)
Key ratios (%)	主要財務比率(%)			
Gross profit margin	毛利率	12.6	6.8	5.8%
Net profit (loss) margin <sup>1</sup>	淨溢利(虧損)率 <sup>1</sup>	2.3	(13.7)	16.0%
EBIT/Revenue	除利息及稅項前 溢利/收益	5.0	(12.8)	17.8%
Return on shareholders' funds <sup>2</sup>	股東資金回報率 <sup>2</sup>	9.3	(10.2)	19.5%

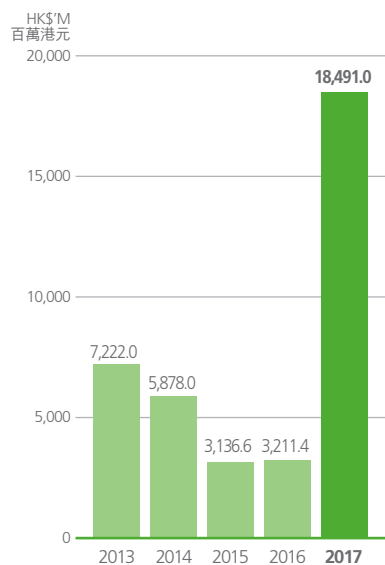
<sup>1</sup> Net profit margin is calculated as profit attributable to shareholders of the Company as a percentage of revenue

<sup>1</sup> 淨溢利率是根據本公司股東應佔溢利對收益的比率計算

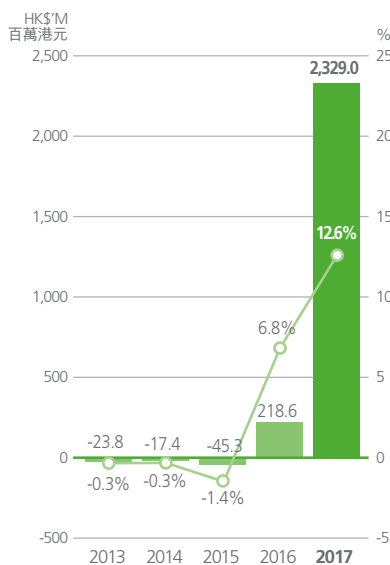
<sup>2</sup> Return on shareholders' fund is calculated based on the profit/(loss) attributable to shareholders of the Company as a percentage of average shareholders' funds

<sup>2</sup> 股東資金回報率是根據本公司股東應佔溢利/(虧損)對平均股東資金的比率計算

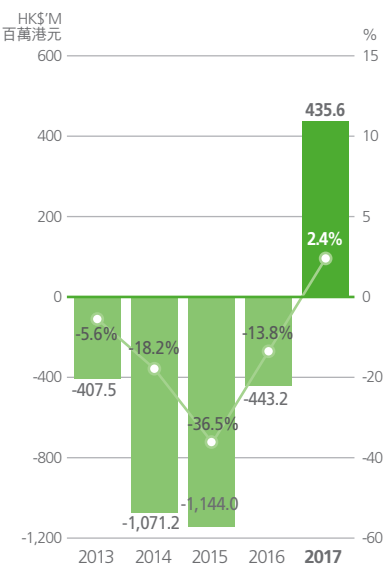
Group Revenue in Last 5 Years  
過往五年本集團收益



Group Gross Profit (Loss) and  
Gross Profit (Loss) Margin in  
Last 5 Years  
過往五年本集團毛利(虧損)及  
毛利(虧損)率



Profit (Loss) and Profit (Loss)  
Margin in Last 5 Years  
過往五年溢利(虧損)及  
溢利(虧損)率



# Chairman's Statement 主席報告

On behalf of the board (the "Board") of directors (the "Directors") of Chiho Environmental Group Limited (the "Company"), I present the audited consolidated financial results of the Company and its subsidiaries (the "Group", "we" or "our") for the year ended 31 December 2017.

The Board's aspiration on the Group, as indicated on the cover page of our annual report, is "Surpass, Transform and Excel". 2017 was undoubtedly a year that we surpassed our previous achievements, and at the same time transformed the Group into a truly multi-cultural, diversified, global group. With a strong foundation now, we will ultimately excel to help shape the sustainability development of the People's Republic of China ("PRC" or "China") and play a leading role in the global resources recycling industry.

The Group's revenue in 2017 surpassed the ten billion Hong Kong dollar mark, achieving record revenue of HK\$18.5 billion. It increased substantially by approximately 4.8 times when compared to last year, and the Group achieved a strong profit turnaround. The Group completed the acquisition of the entire share capital of Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group"), a world leading mixed metal recycling giant at the end of 2016, and presented consolidated financial statements from 2017 onwards. The outstanding turnaround efforts by the management, coincided with the gradual recovery of the commodity market, contributed to the Group's strong performance in 2017.

The Group implements a "Go Global" strategy and seeks to establish a sustainable business model through vertical integration. This is to ensure the Group's greater participation in the industry while reducing its dependence on any single market and maximizing the synergy between different regional segments. Currently, the Group is the only listed metal recycling corporation with major operation bases across three continents (Asia, Europe and, North and Central America) in the world. The Group is one of the largest metal recyclers globally. The objective of the Group is to become a global leader in the resources recycling and environmental protection industries.

本人謹代表齊合環保集團有限公司（「本公司」）董事（「董事」）會（「董事會」），提呈本公司及其子公司（「本集團」或「我們」）截至二零一七年十二月三十一日止年度的經審核綜合財務業績。

如年度報告的封頁所展示，董事會對本集團懷揣「超越、蝶變、昇華」的期望。二零一七年無疑是我們超越以往成就的一年，同時本集團亦蝶變為真正的多元文化、多樣性的全球集團。憑藉當前堅實的基礎，我們終將以昇華的姿態，協助塑造中華人民共和國（「中國」）的可持續發展，並在全球資源回收行業中發揮主導作用。

本集團於二零一七年的收益突破百億港元大關，創造185億港元收益新記錄，較去年大幅增加約4.8倍，本集團顯著實現扭虧為盈。本集團於二零一六年年末完成收購全球混合金屬回收商巨擘順爾茨控股有限公司（「順爾茨控股」，連同其子公司統稱為「順爾茨集團」）的全部股本，自二零一七年起合併財務報表。管理層竭力重振資本，加上大宗商品市場的逐步復甦，使本集團於二零一七年取得強勁表現。

本集團戰略是全球佈局，並建立垂直整合的可持續發展業務模式。這是為了確保本集團在行業的更大參與同時減少對單一市場的依賴，並尋求各地域分部之間協同效應的最大化。目前，本集團是全球唯一一家主要營運基地遍佈亞、歐及中北美三大洲的上市再生金屬企業。本集團是全球最大的金屬回收商之一。本集團的目標是成為全球資源回收及環保行業的領導者。



Established in 1872, the Scholz Group is based in Europe, with a business presence spanning Europe, North and Central America. It is one of the largest mixed metal recyclers in the world with advanced end-of-life vehicle ("ELV") processing capability. With over a century of history, Scholz Group has developed several advanced technologies to become one of the few companies capable of handling and recycling multiple types of materials. With the acquisition of Scholz Group, the Group has proudly become one of the top global players in the metal recycling industry.

During 2017, lots of efforts had been put into strengthening the leadership capability of the Group. I am confident that the new executive management team, with rich industrial and professional experience, will be able to bring the Group to a even higher level of performance.

## 2017 ANNUAL RESULTS

The operating revenue for the year ended 31 December 2017 amounted to HK\$18,491.0 million (2016: HK\$3,211.4 million), which increased substantially by approximately 4.8 times when compared to 2016.

The annual profit attributable to shareholders of the Company for the year ended 31 December 2017 was HK\$426.8 million, achieving a turnaround from the loss attributable to shareholders of the Company of HK\$439.9 million in 2016. The basic and diluted earnings per share for 2017 are HK\$0.26, representing a substantial increase of 2.0 times year-on-year (2016: loss per share HK\$0.27).

## REGIONAL PERFORMANCE

### Europe and America

The performance of our operations in Europe and America in 2017 was good and encouraging. The Group's optimisation measures on the financial situation of the Scholz Group including deleveraging, balance sheet restructuring and improving liquidity were effective and helped boost its processing volume. This coincided with the commodity price recovery since the end of 2016, contributing to the substantial improvement in its profit and earnings when compared to last year.

成立於一八七二年，順爾茨集團以歐洲為基地，業務覆蓋歐洲、北美洲及中美洲，是全球最大的混合金屬再生商之一，且擁有先進的報廢汽車（「報廢汽車」）處理能力。經過百餘年的錘煉，順爾茨集團已研發出多項先進技術，使其躋身少數可處理及循環再造多類物料的公司之列。繼收購順爾茨集團後，本集團自豪地躋身金屬再生行業全球領先運營商之列。

於二零一七年，本集團付出巨大努力強化領導能力。本人相信，新執行管理團隊憑藉其豐富行業和專業經驗，將能夠帶領本集團再創佳績。

## 二零一七年年業績

截至二零一七年十二月三十一日止年度，營業收益為184億9,100萬港元（二零一六年：32億1,140萬港元），相比二零一六年大幅增加約4.8倍。

截至二零一七年十二月三十一日止年度，本公司股東應佔年度溢利4億2,680萬港元，從二零一六年的本公司股東應佔虧損4億3,990萬港元扭虧為盈。二零一七年的每股基本及攤薄盈利為0.26港元，同比大幅增加2.0倍（二零一六年：每股虧損0.27港元）。

## 區域業績

### 歐洲及美洲

於二零一七年，本集團業務在歐洲及美洲表現出色、振奮人心。本集團對順爾茨集團的財政實施的優化措施包括去槓桿、資產負債表重組及改善流動性等均取得成果，有助提高了其處理量。加上大宗商品價格自二零一六年年底復甦，令其溢利及盈利相比去年均大幅改善。

## Chairman's Statement 主席報告

In 2017, Europe and America recorded a revenue of HK\$13,677.4 million and an segment profit of HK\$457.8 million.

The Group's European and American operations possess excellent business managers who have been supporting its operation. With accumulated rich professional knowledge and experience in the industry, these staff members are the Group's important assets. The Group will take further improvement measures to strengthen the region's management and organisational efficiency.

In addition, the synergy among different geographical segments are gradually shown, especially with Hong Kong as an important trading hub for the far east and access point to the Chinese markets.

### Greater China

In 2017, the revenue of the Greater China region increased by 49.9% to HK\$4,813.6 million when compared to last year, and a segment profit of HK\$295.9 million was recorded, making a turnaround from the segment loss of HK\$243.5 million in last year. The impressive results of the Greater China region were mainly attributable to the strong performance of our Taizhou processing plant through efficiency improvement, tighter cost control and a favorable rising price trend of non-ferrous metals throughout the year.

Strongly supported by the Hong Kong Environmental Protection Department, the Group has invested more than HK\$120 million in 2017 in its processing plant located in Yuen Long to install two automatic processing lines so as to comprehensively enhance the processing of WEEE (Waste Electrical and Electronic Equipment) and scrap cables. These facilities will become operational in 2018.

### Prospects

Recycling is not just about profiteering; it is for the benefit of the environment as well as of all the mankind and future generations. As the global population grows, the environmental footprints and demand for resources increase. More recycling will help reduce our dependency on natural resources from mining, thereby reducing impacts to the environment and reducing our reliance on fossil fuels and non-renewable resources.

於二零一七年，歐洲及美洲錄得之收益為136億7,740萬港元，分部溢利為4億5,780萬港元。

本集團的歐洲及美洲業務擁有出色的業務經理一直支撐著運營，這些在行業累積了豐富專業知識和經驗的員工，是本集團重要的資產。本集團將採取進一步的改進措施，加強地區的管理及組織效率。

此外，不同區域板塊之間的協同效應也逐漸體現，尤其是香港作為遠東地區的重要貿易樞紐，在對接中國市場方面尤為重要。

### 大中華

於二零一七年，大中華地區的收益較去年相比增加49.9%至48億1,360萬港元，並錄得分部溢利2億9,590萬港元，從去年的分部虧損2億4,350萬港元扭虧為盈。大中華地區亮麗的業績，主要歸因於台州處理廠通過提效和收緊成本控制及有色金屬全年行情上漲，帶來強勁表現。

獲香港環境保護署的大力支持，本集團位於元朗的處理廠二零一七年已投資超過1億2,000萬港元，安裝兩條自動處理線，全面提升處理電子廢物（廢棄電器及電子設備）及廢棄電纜的工序。相關設施將於二零一八年開始投產。

### 前景

再生資源行業不僅是為謀利，也是為了環境乃至全人類和我們的後裔謀福祉。隨著全球人口的增長，環境足跡及對資源的需求相應增長。更多的回收有助減少對開採天然資源的依賴，從而降低對環境的影響，減少對化石燃料和不可再生資源的依賴。

For China, resources recycling plays an important role in the development of its economy, security and society. As China is rapidly growing with relatively insufficient resources, the most effective way to support sustainable development is by enhancing the efficiency of natural resources recycling and utilisation.

For the sake of environmental protection, the Chinese government has introduced the Implementation Plan for Prohibiting the Entry of Foreign Garbage and Advancing the Reform of the Solid Waste Import Administration System as a more stringent system reform to further regulate the market. During the summer time of 2017, there was a large-scale inspection carried out by the Chinese government to address illegal and environmentally non-complying operations in China. Our Taizhou plant was one of the few that successfully passed the inspection outright. Looking forward, we expect that there will be fewer illegal and non-complying business activities in the market, giving more opportunities to large-scale players like our Group.

Starting in 2018, China imposed stricter import restrictions on category 7 scrap motors. Instead of granting an annual import quota for the year, the Chinese authorities have decided to determine the import quotas to be granted on a quarterly basis. While our Taizhou plant is still the company that has been granted with the largest share of the quotas (58%), reflecting the leading position of the Group, we have to adopt a cautious but proactive approach in dealing with this change. We will thus increase our capacity in downstream processing of aluminium ingots production, as well as expanding our trading activities through leveraging our strong and large suppliers' network globally. We also look at this import restriction to be an opportunity for our Group to leverage our off-shore processing capability in Hong Kong, Europe and America to supply cleaner and processed materials into China, as well as to plan domestic collection and processing business in China, backed by the Group's expertise and track record in Europe and America.

China will bound to become a market with an improved regulatory framework. We expect that there will soon be proper government policies that will favor the development of the end of life vehicles processing activities. The Group will leverage on its industry-leading expertise and technology to enter this area.

綜觀中國市場，再生資源在經濟建設、國防建設和社會發展中發揮著重要作用。目前中國經濟高速發展，但資源相對不足，因此提高自然資源再生利用的效率最有利於可持續發展。

基於保護環境的初衷，中國政府推出禁止洋垃圾入境推進固體廢物進口管理制度改革實施方案，藉由更嚴格的制度改革進一步規範市場。於二零一七年夏季，中國政府開展大規模檢驗，整治國內非法及環境不合規的運營商。我們的台州處理廠成為一次過完全通過檢驗的少數廠房之一。展望未來，我們預期市場的非非法及不合規經營活動將減少，為諸如本集團一類的大型企業創造機會。

自二零一八年起，中國對廢7類進口實施較嚴格限制。中國有關部門議定，決定按季度確定進口配額，而非授予年度進口配額。雖然我們的台州廠房仍獲授予最大比例配額(58%)，反映出本集團的領導地位，但我們必須採取謹慎而積極的態度應對這一變化。首先，我們會提高鋁錠生產這類的下游處理能力，其次亦會利用集團強大的全球供應商網絡，拓展我們的貿易活動。我們亦會將內地進口限制視為一個機遇，利用香港、歐洲及美洲的離岸加工能力，抓緊向中國供應更清潔和處理過的金屬材料的機遇。我們亦會利用集團於歐美地區的經驗及往績，計劃在中國開展國內收集及加工業務。

中國市場的監管框架將必會日益完善。我們預計政府近期將出台適當政策，利好報廢汽車處理業務的發展。本集團將利用其行業領先專長和技術，涉足相關領域。

## Chairman's Statement 主席報告

While China will be the future engine of our growth, the Group's operation in Europe and America is expected to continue to consolidate, improve, and contribute a substantial source of revenue and profit of the Group. Continuous efficiency improvement and cost management will improve the margin of the business, while equal focus will be put on cultivating cross learning opportunities across different countries. Capacity and asset utilisation rate are expected to increase as we work on top line volume and sales growth through strengthened key account management focus and providing excellent customer service.

Going forward, while we will continue to drive organic growth, equal attention will be put on looking for other merger and acquisition opportunities, not only in metal recycling but also in other related environmentally friendly operations, to enable the Group to realise its mission as a resource recycling leader.

As a multinational company, we attach great importance to the cultural integration among the Group's different regions. We aspire to become a multicultural global company with local wisdoms fully respected.

In July 2017, a dedicated public relations and investor relations department was set up so that the Group can communicate and reach out to the global investor community more effectively. During the year, the Group won several awards including "the Most Valuable Medium-and-Small-cap Stock Award" and "2017 China Financial Market Award – Best Investment Value Award". Going forward, we expect continuous improvement in public and investor relations so as to improve the brand image of the Company and its dialogue with the investor community.

In conclusion, in 2017, the Group had a successful year of turning around the business from loss-making to profit-making. We are delighted but not complacent with this. Our business is now back on the right track.

儘管中國將成為我們未來增長的引擎，但本集團在歐洲和美洲的業務預計將持續整合、改進及貢獻可觀的本集團收益和利潤來源。持續增效和成本管控將提高業務利潤率，同時也將注重培養不同國家的交叉學習機會。通過加強重點客戶管理和提供優質客戶服務，致力於提升業務量和銷售額增長，我們的產能和資產利用率預計將有所提升。

展望未來，堅持推動內在增長的同時，我們將同樣注重發掘其他併購機會，範圍覆蓋金屬再生及其他相關環保業務，促進本集團達成資源回收行業領導者的使命。

作為一家跨國企業，我們非常重視本集團不同區域板塊之間的文化融合。我們充分尊重地方智慧，立志塑造一家多元文化企業。

於二零一七年七月，本集團設立專職公共關係和投資者關係部門，從而能夠高效地與全球投資者社群溝通和聯繫。年內，本集團榮獲「最具價值中小市值股公司獎」及「二零一七年度中國融資大獎-最具投資價值獎」等獎項。展望未來，本公司預期將持續改善公共及投資者關係，以提升本公司的品牌形象及促進與投資者社群的交流。

總括而言，本集團在二零一七年報捷，業務扭虧為盈。我們感到欣慰但不會鬆懈。本集團的業務現已重新步入正軌。



Looking ahead to 2018, we will continue to implement stringent financial and risk management policies on our business and adopt prudent capital management for all investment activities, to enable the Group to achieve its growth strategy while continuously improving its cash flow. The Group is cautiously optimistic about the business prospects. We strongly believe that a progressive implementation of the Company's strategy is conducive to increasing shareholder value, and we look forward to sharing fruitful results with all shareholders in the future.

Last but not least, I would like to extend my gratitude to the loyalty, effort, professionalism and valuable contribution of the Board and all staff members of the Group around the world. I would also like to express my sincere thanks to our customers, suppliers and other business partners for their trust and faith in the Group.

**Qin Yongming**  
*Chairman*

Hong Kong  
28 March 2018

展望二零一八年，我們將繼續對業務實施嚴謹之財務及風險管理政策，以及對所有投資活動採取審慎之資本管理，使本集團既實現其增長策略，同時持續改善其現金流。本集團對業務前景維持審慎樂觀。我們深信，本公司戰略的穩步實施有利於增加股東價值，且我們期待與各位股東於未來分享更多豐碩成果。

最後，本人謹向董事會同仁及本集團全球所有員工之忠誠努力、專業精神與寶貴貢獻致以衷心謝意，亦向客戶、供應商及其他合作夥伴對本集團的信任和信心致以衷心的感謝！

**秦永明**  
*主席*

香港  
二零一八年三月二十八日

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Financial Overview

### 財務回顧

#### 財務概覽

		<b>2017</b> 二零一七年 HK\$M 百萬港元	<b>2016</b> 二零一六年 HK\$M 百萬港元	<b>Increase/ (Decrease)</b> 增加/(減少) Percentage 百分比
Revenue	收益	18,491.0	3,211.4	475.8%
Gross profit	毛利	2,329.0	218.6	965.4%
Gross profit ratio	毛利率	12.6%	6.8%	
Other income	其他收入	113.9	15.2	649.3%
Other income as a percentage of the Group's total revenue	其他收入佔本集團總收益的百分比	0.6%	0.5%	
Other gain/(loss), net	其他收益/(虧損)淨額	237.1	(335.1)	170.8%
Net other gain/(loss) as a percentage of the Group's total revenue	其他收益/(虧損)淨額佔本集團總收益的百分比	1.3%	10.4%	
Share of profit of an associate and joint ventures	應佔聯營公司及合營企業溢利	108.8	0.4	27,100.0%
Total operating expenses	經營費用總額 <sup>1</sup>	(1,865.3)	(308.6)	504.4%
Total operating expenses as a percentage of the Group's total revenue	經營費用總額佔本集團總收益的百分比	10.1%	9.6%	
Profit/(loss) before interest and tax (EBIT)	除利息及稅項前溢利/(虧損)	923.5	(409.5)	325.5%
Profit before interest and tax margin	除利息及稅項前溢利率	5.0%	(12.8%)	
Finance costs, net	財務成本淨額	(377.3)	(34.1)	1,006.5%
Net finance costs as a percentage of the Group's total revenue	財務成本淨額佔本集團總收益的百分比	2.0%	1.1%	
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	546.2	(443.6)	223.1%
Income tax (expense)/credit	所得稅(開支)/抵免	(110.6)	0.4	27,750%
Effective tax rate	實際稅率	20.2%	(0.1%)	
Profit/(loss) for the year	年內溢利/(虧損)	435.6	(443.2)	198.3%
Net profit margin	淨溢利率	2.4%	(13.8%)	
Profit/(loss) attributable to:	以下各方應佔溢利/(虧損):			
Shareholders of the Company	本公司股東	426.8	(439.9)	197.0%
Non-controlling interest	非控股權益	8.8	(3.3)	366.7%
		435.6	(443.2)	198.3%

<sup>1</sup> Included distribution and selling expenses, and administrative expenses

<sup>1</sup> 包括分銷及銷售開支和行政開支

## FINANCIAL REVIEW (continued)

### Revenue

The Group recognised a record-high revenue in the year ended 2017, which was mainly attributable to the financial performance of Scholz Group being fully accounted for in this year together with ferrous and non-ferrous metal prices recover gradually after it bottomed out in the fourth quarter of 2016. The Group's revenue was approximately HK\$18,491.0 million in 2017, representing a significant increase of approximately 4.8 times compared to approximately HK\$3,211.4 million in 2016.

## 財務回顧(續)

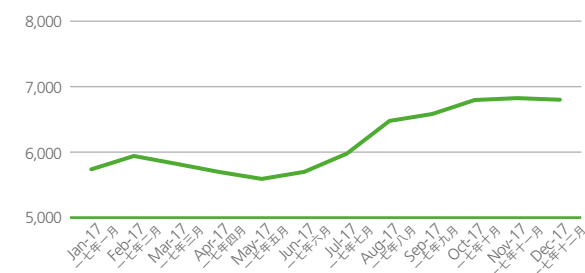
### 收益

本集團截至二零一七年止年度的收益錄得破紀錄新高，主要歸因於順爾茨集團的財務表現於本年度全面入賬，加上黑色和有色金屬價格在二零一六年第四季度觸底後逐漸恢復，本集團於二零一七年全年的收益約為184億9,100萬港元，較二零一六年全年約32億1,140萬港元大幅增加約4.8倍。

		2017 二零一七年		2016 二零一六年		Increase/ (Decrease) 增加/(減少)
		HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元
Greater China	大中華地區	4,813.6	26.0%	3,211.4	100%	1,602.2
Non Greater China	非大中華地區	13,677.4	74.0%	-	0%	N/A不適用
Total	總計	18,491.0	100.0%	3,211.4	100%	15,279.6

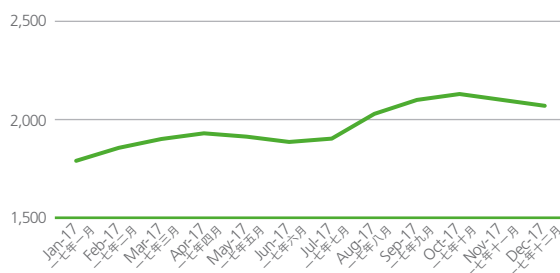
### LME Copper

LME銅  
US\$/ton  
美元/噸



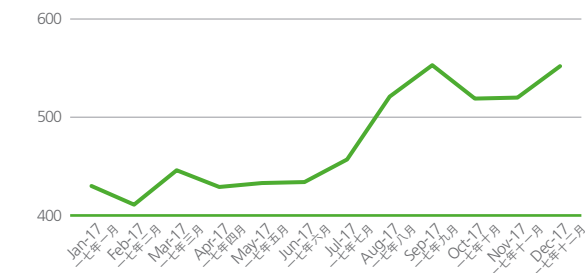
### LME Aluminum

LME鋁  
US\$/ton  
美元/噸



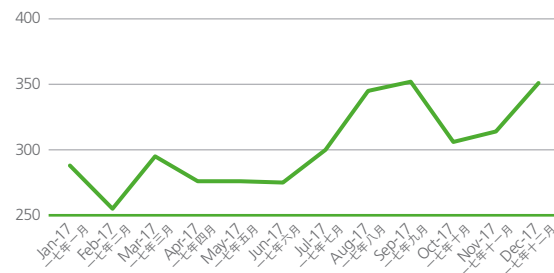
### LME Steel Rebar

LME螺紋鋼  
US\$/ton  
美元/噸



### LME Steel Scrap

LME廢鋼  
US\$/ton  
美元/噸



## FINANCIAL REVIEW (continued)

### Gross Profit/Margin

Gross profit for the financial year ended 2017 was HK\$2,329.0 million, an increase of HK\$2,110.4 million or approximately 9.7 times compared to the HK\$218.6 million recorded in the previous financial year. Gross profit margin for the year also increased from 6.8% to 12.6%. The increase in gross profit and gross profit margin was mainly attributable to:

- newly acquired Scholz Group contributed additional gross profit, with a higher gross profit margin
- synergistic effects between the European, US and Greater China operation
- Greater China region enhanced the production efficiency through skills transferring from European and US
- favorable price trends of ferrous and non-ferrous metals in this year

### Profit before interest and tax (EBIT)/Margin

EBIT for the year ended 2017 was HK\$923.5 million, a significant increase of HK\$1,333.0 million or 325.5% compared with the previous financial year. EBIT margin also increased from negative 12.8% to positive 5.0%. The increase in both EBIT and EBIT margin was mainly due to:

- the stable improvement in global economic environment with less commodity price volatility helped the metal recycling industry to recover gradually
- Improvement of operational performance in all regions
- Last year's legal and professional expenses mainly for acquisitions of Scholz Group and re-engineering of existing operations decreased significantly during the financial year 2017

## 財務回顧(續)

### 毛利/毛利率

截至二零一七年止財政年度的毛利為23億2,900萬港元，較上一財政年度的2億1,860萬港元增加21億1,040萬港元或約9.7倍。年內毛利率由6.8%上升至12.6%。毛利及毛利率的上升主要歸功於：

- 新收購的順爾茨集團貢獻額外毛利，同較高的毛利率
- 歐洲、美國及大中華地區業務之間的協同效應
- 通過歐洲及美國的技能轉移提高了大中華地區的生產效率
- 今年黑色金屬和有色金屬價格走勢良好

### 除利息及稅項前溢利/溢利率

截至二零一七年止年度的除利息及稅項前溢利為9億2,350萬港元，較上一財政年度大幅增加13億3,300萬港元或325.5%。除利息及稅項前溢利率亦由負12.8%增加至正5.0%。除利息及稅項前溢利及除利息及稅項前溢利率增加，主要因為：

- 全球經濟環境穩步改善，大宗商品價格波動較小，有助金屬再生行業逐步復甦
- 所有地區的營運表現有所改善
- 去年併購順爾茨集團及重組現有業務之法律及專業費用開支於二零一七財政年度大幅減少



## FINANCIAL REVIEW (continued)

### Profit before interest and tax (EBIT)/Margin (continued)

Total operating expenses were HK\$1,865.3 million, an increase of 504.4% over the last financial year. Total operating expenses as a percentage of the Group's total revenue also increased from 9.6% to 10.1%.

Distribution and selling expenses increased from HK\$15.1 million to HK\$562.3 million, an increase of 3,623.8% compared with the last financial year. It was mainly attributable to a different business model in Europe and America where local transport services were provided to customers. As a percentage of the Group's total revenue, distribution and selling expenses also increased from 0.5% to 3.0%.

Administrative expenses increased from HK\$293.5 million to HK\$1,303.0 million over the same period last year. The increase was mainly due to the consolidation of Scholz Group and the higher employee related costs compared with the last financial year. As a percentage of the Group's total revenue, however, administrative expenses decreased from 9.1% to 7.1%.

## 財務回顧(續)

### 除利息及稅項前溢利/溢利率(續)

經營費用總額較上一財政年度增加504.4%至18億6,530萬港元。經營費用總額佔本集團總收益的百分比亦由9.6%上升至10.1%。

分銷及銷售開支由1,510萬港元上升至5億6,230萬港元，較上個財政年度上升3,623.8%，主要由於歐洲和美洲的不同業務模式，當地是提供本地運輸服務給客戶。分銷及銷售開支佔本集團總收益的百分比由0.5%上升至3.0%。

行政開支由去年同期的2億9,350萬港元上升至13億300萬港元。這主要是由於合併順爾茨集團及員工相關成本較上一財政年度有所增加。但是，行政開支佔本集團總收益的百分比由9.1%減少至7.1%。

		2017 二零一七年		2016 二零一六年		Increase/ (Decrease) 增加/(減少)
		HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元	As a percentage of revenue 佔收益的百分比	HK\$M 百萬港元
Distribution and selling expenses	分銷及銷售開支	562.3	3.0%	15.1	0.5%	547.2
Administrative expenses	行政開支	1,303.0	7.1%	293.5	9.1%	1,009.5
Total	總計	1,865.3	10.1%	308.6	9.6%	1,556.7

### Profit Attributable to Shareholders and Earnings/(Loss) Per Share

Profit attributable to shareholders of the Company for the year ended 31 December 2017 was HK\$426.8 million, increased substantially by HK\$866.7 million or 197.0% as compared to the last financial year. Net profit margin also rose up from negative 13.7% to positive 2.3%.

### 股東應佔溢利及每股盈利/(虧損)

截至二零一七年十二月三十一日止年度，本公司股東應佔溢利為4億2,680萬港元，較上一財政年度大幅增加8億6,670萬港元或197.0%。淨溢利率亦由負13.7%上升至正2.3%。

## FINANCIAL REVIEW (continued)

### Profit Attributable to Shareholders and Earnings/(Loss) Per Share (continued)

Taxation charges increased from tax credit HK\$0.4 million in the last financial year to HK\$110.6 million in the financial year 2017. The effective tax rate increased from negative 0.1% to positive 20.2%.

Basic earnings per share for the year ended 31 December 2017 were HK\$0.26 as compared to basis loss per share of HK\$0.27 in the previous financial year.

### Liquidity and Financial Resources

Shareholders' funds as at 31 December 2017 were HK\$5,073.1 million, an increase of 23.2% from HK\$4,117.2 million in the last financial year. Shareholders' funds per share increased by 23.5% from HK\$2.55 to HK\$3.15.

The Group's financial resources remain stable and steady. As at 31 December 2017, the Group had cash and various bank balances and pledged bank deposits amounted of HK\$1,071.4 million, a decrease of 48.5% as compared to HK\$2,079.4 million as of 31 December 2016. It was mainly due to redemption of all outstanding convertible bonds matured in March 2017 and the needs in the working capital for expansion of business operation.

As a result, the current ratio decreased from 1.31 (as restated) as at 31 December 2016 to 1.12 as at 31 December 2017. Total external borrowings were approximately HK\$4,155.2 million (31 December 2016: HK\$5,017.9 million (as restated)). Such borrowings were mainly utilised for the purchase of mixed recycle metal and working capital, and denominated in Euro, U.S. Dollar and Renminbi. Approximately HK\$2,412.7 million (31 December 2016: approximately HK\$2,243.3 million) of borrowings are at fixed interest rates.

The gearing ratio of the Group as at 31 December 2017 was 34.36% (2016: 44.33% (as restated)) which is calculated based on the total borrowings divided by our total assets.

The Group is actively seeking to refinance existing borrowings to a lower financing cost with long-term loans.

## 財務回顧 (續)

### 股東應佔溢利及每股盈利/(虧損) (續)

稅項支出由上一財政年度的稅項抵免40萬港元增至二零一七財政年度的1億1,060萬港元。實際稅率由負0.1%增加至正20.2%。

截至二零一七年十二月三十一日止年度，每股基本盈利為0.26港元，而上一財政年度則為每股基本虧損0.27港元。

### 流動資金與財務資源

於二零一七年十二月三十一日，股東資金為50億7,310萬港元，較上一財政年度的41億1,720萬港元上升23.2%。每股股東資金由2.55港元上升23.5%至3.15港元。

本集團的財務資源保持穩健。於二零一七年十二月三十一日，本集團持有的現金及多項銀行結餘及已抵押銀行存款共由20億7,940萬港元減至10億7,140萬港元，較截至二零一六年十二月三十一日減少48.5%。此乃主要由於贖回所有二零一七年三月到期的可換股債券及業務經營擴張的營運資金需要。

因此，流動比率由二零一六年十二月三十一日的1.31（經重列）減少至二零一七年十二月三十一日的1.12。外部借款總額為約41億5,520萬港元（二零一六年十二月三十一日：50億1,790萬港元（經重列））。該等借款主要用於購買混合再生金屬和營運資金，並以歐元、美元及人民幣計值。借款約24億1,270萬港元（二零一六年十二月三十一日：約22億4,330萬港元）按固定利率計息。

本集團於二零一七年十二月三十一日的資產負債比率為34.36%（二零一六年：44.33%（經重列））（根據借款總額除以資產總值計算）。

本集團積極尋求將現有借款再融資為較低融資成本的長期貸款。

## FINANCIAL REVIEW (continued)

### Analysis of Cash Flow from Operations

The Group's cash generated from operations for the year ended 31 December 2017 was HK\$850.3 million, an increase of 8.3 times as compared to HK\$91.9 million in the previous financial year. The increase was mainly attributable to the financial performance of Scholz Group being fully accounted for in this year together with ferrous and non-ferrous prices recover gradually. In addition, a higher working capital investment compared with the previous financial year.

### Working Capital Change

Inventories as of 31 December 2017 were HK\$2,338.5 million, increased from HK\$1,773.5 million (as restated) as of 31 December 2016. The turnover days dropped from 132 days to 46 days. The higher stock level was largely due to ferrous and non-ferrous metal prices went up from 2016 to 2017 financial year end. The improvement in turnover days was mainly due to the effect from Europe and US operations having a shorter inventory cycle.

Provision for inventories of 31 December 2017 were HK\$5.4 million, as compared to utilisation of inventory provisions HK\$76.0 million as of 31 December 2016.

## 財務回顧(續)

### 經營業務產生的現金分析

截至二零一七年十二月三十一日止年度，本集團經營業務產生的現金為8億5,030萬港元，較上一財政年度的9,190萬港元增加8.3倍。是項增加主要因為順爾茨集團的財務表現於本年度全面入賬，加上黑色和有色金屬價格逐漸恢復。此外，營運資金投資較上一財政年度增加。

### 營運資金變化

存貨由二零一六年十二月三十一日的17億7,350萬港元（經重列）增加至二零一七年十二月三十一日的23億3,850萬港元。存貨周轉日數由132日下降至46日。存貨水平增加主要由於從二零一六年至二零一七年財政年度末，黑色及有色金屬價格上漲。存貨周轉日數的改善主要是由於歐洲及美國業務的存貨週期較短所致。

於二零一七年十二月三十一日的存貨撥備總額為540萬港元，而二零一六年十二月三十一日的動用存貨撥備總額則為7,600萬港元。

		2017 二零一七年	2016 二零一六年
As at 31 December	十二月三十一日		
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Inventories	存貨	2,338.5	1,773.5*
Average stocks as a percentage of Group revenue	平均存貨佔集團收益百分比	11.1%	33.6%#
Turnover days	周轉日數	46 days	132 days#

## FINANCIAL REVIEW (continued)

### Working Capital Change (continued)

Trade and other receivables as of 31 December 2017 were HK\$1,992.4 million, increased from HK\$1,751.1 million (as restated) as of 31 December 2016. Debtor turnover days also increased from 4 days to 27 days. The higher receivable balance as at 31 December 2017 was mainly due to expansion of business operation and increased in revenue in the fourth quarter of current financial year compared with the corresponding period of the previous financial year. The overdue balances greater than 90 days accounted for 2.7% of the gross trade debtors as of 31 December 2017. The Group adopts a tight management on credit exposure.

		2017 二零一七年	2016 二零一六年
As at 31 December	於十二月三十一日		
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Trade and other receivables	貿易及其他應收款項	1,992.4	1,751.1*
Average receivable as a percentage of Group revenue	平均應收款項佔本集團收益百分比	7.5%	1.2%#
Turnover days	周轉日數	27 days 日	4 days 日#

Trade and other payable as of 31 December 2017 were HK\$2,092.0 million, as compared to HK\$1,487.1 million (as restated) as of 31 December 2016. Creditor turnover days increased from 19 days to 24 days.

		2017 二零一七年	2016 二零一六年
As at 31 December	於十二月三十一日		
All figures are in HK\$M unless stated otherwise	除另有說明外，所有金額以百萬港元表示		
Trade and other payables	貿易及其他應付款項	2,092.0	1,487.1*
Turnover days	周轉日數	24 days 日	19 days 日#

# These financial ratio were normalised to exclude the impacts from the acquisition of Scholz Group in December 2016.

\* Comparative figures have been restated.

## 財務回顧(續)

### 營運資金變化(續)

貿易及其他應收款項由二零一六年十二月三十一日的17億5,110萬港元(經重列)增加至二零一七年十二月三十一日的19億9,240萬港元。應收賬款周轉日數由4日升至27日。二零一七年十二月三十一日的應收款項結餘增加，主要由於業務經營擴張和本財政年度第四季的收益較上一財政年度同期增加所致。於二零一七年十二月三十一日，過期逾90日的應收款項結餘佔應收賬款總額2.7%，本集團對信貸風險實行嚴格管理。

貿易及其他應付款項於二零一七年十二月三十一日為20億9,200萬港元，而二零一六年十二月三十一日則為14億8,710萬港元(經重列)。應收賬款周轉日數由19日升至24日。

# 該等財務比率已撇除二零一六年十二月本集團收購順爾茨集團之影響以取得正常數值。

\* 比較數字已被重列。

## FINANCIAL REVIEW (continued)

### Treasury Policies

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations. The Group principally uses forward foreign exchange contracts as appropriate to hedge the foreign exchange risks in the ordinary course of business. It is the Group's policy not to enter into derivative transactions for speculative purposes. Details of such forward foreign exchange contracts can be found under Note 25 to the consolidated financial statements.

### Capital Expenditure

For the year ended 31 December 2017, the Group invested HK\$429.3 million in the purchase of tangible assets including machinery and equipment, leasehold improvements, office equipment for the improvement of production efficiency (31 December 2016: HK\$127.2 million). All of these capital expenditures were financed from internal resources.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2017, the Group had pledged certain plants and buildings, land use rights, inventories, trade receivables and bank deposits with an aggregate carrying value of approximately HK\$4,344.6 million (31 December 2016: HK\$3,692.3 million (as restated)) to secure borrowings.

As at 31 December 2017, the Group had capital commitments in respect of acquisition of property, plant and equipment, and additions in construction in progress but which are not provided for in the consolidated financial statements and amounted to HK\$175.3 million (31 December 2016: HK\$129.9 million).

As at the date of this report, save as disclosed below, the Board is not aware of any material contingent liabilities.

The Group has contingent liabilities of approximately HK\$42.5 million (31 December 2016: HK\$27.5 million) which consist of non-financial guarantee in favour of investee entities.

## 財務回顧 (續)

### 財政政策

本集團的財務政策旨在紓緩本集團環球營運所造成的匯率波動影響。本集團在適當時候主要以外匯遠期合約作對沖本集團從環球業務的日常經營過程中所產生外匯風險。本集團的政策是不參與投機性的衍生金融交易。有關外匯遠期合約的詳情載於綜合財務報表附註25。

### 資本開支

截至二零一七年十二月三十一日止年度，本集團共投資4億2,930萬港元購置有形資產，包括機器及設備、租賃物業裝修、辦公室設備以提高生產效率（二零一六年十二月三十一日：1億2,720萬港元），所有資本開支均以內部資源提供資金。

### 資本承擔及或然負債

於二零一七年十二月三十一日，本集團抵押賬面總值約43億4,460萬港元的若干廠房及樓宇、土地使用權、存貨、貿易應收款項及銀行存款（二零一六年十二月三十一日：36億9,230萬港元（經重列）），以為借款作擔保。

於二零一七年十二月三十一日，我們就有關收購物業、廠房及設備及添置在建工程已訂約但未於綜合財務報表計提撥備的資本開支為1億7,530萬港元（二零一六年十二月三十一日：1億2,990萬港元）。

於本報告日期，除下文所披露者外，董事會概無知悉有任何重大或然負債。

本集團的或然負債包括被投資實體為受益人的非金融擔保約4,250萬港元（二零一六年十二月三十一日：2,750萬港元）。



### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

A writ of summons was issued by Delco Participation B.V. (“Delco”), as plaintiff, on 21 December 2015 in the High Court of Hong Kong (High Court Action No. 3040 of 2015, “HCA 3040/2015”), followed by an amended writ on 5 December 2016, against the Company and Mr. Fang Ankong (“Mr. Fang”) as defendants for a sum of HK\$57.8 million together with interest and costs. The claim relates to an alleged non-payment of a portion of the loans advanced by Delco Asia Company Limited (“Delco Asia”) to subsidiaries of the Company in accordance with the terms of a shareholders loan assignment dated 24 June 2010 between, amongst others, Delco Asia and the Company. The case is still in progress.

Each of Mr. Fang, a former director of the Company, and HWH Holdings Limited (“HWH”), undertook to the Company to indemnify and hold harmless on demand (on an after-tax basis) the Company against all losses arising out of, inter alia, HCA 3040/2015 in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015. Further, HWH has also agreed that a sum including the amount of HK\$57.8 million be held in escrow as security for any liability of the Company in respect of, inter alia, HCA 3040/2015. As such, the Board does not consider HCA 3040/2015 to be a claim of material importance.

### 資本承擔及或然負債 (續)

Delco Participation B.V. (「Delco」) 作為原告於二零一五年十二月二十一日有關本公司及方安空先生 (「方先生」) 作為被告索償 5,780 萬港元連同利息及成本向香港高等法院提交訴狀 (高院案例二零一五年第 3040 號, 「HCA 3040/2015」), 並於二零一六年十二月五日提交修訂傳票。該索償聲稱未根據 (其中包括) Delco Asia Company Limited (「Delco Asia」) 與本公司於二零一零年六月二十四日訂立的股東貸款轉讓條款支付 Delco Asia 向本公司子公司墊付貸款的部分款項有關。案件仍在進行中。

方先生 (本公司前任董事) 及 HWH Holdings Limited (「HWH」) 各自向本公司承諾, 根據方先生與 HWH 以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款, 彌償本公司因 (其中包括) HCA 3040/2015 產生的所有損失及使本公司免受損失 (按除稅後基準)。此外, HWH 亦同意, 把一筆總額為 5,780 萬港元的款項存放於託管賬戶以作為對本公司有關 (其中包括) HCA 3040/2015 的任何責任的擔保。因此, 董事會認為 HCA 3040/2015 並非重大申索。

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

A writ of summons was issued by Delco as plaintiff on 10 November 2016 in the High Court of Hong Kong (High Court Action No. 2939 of 2016, "HCA 2939/2016") against the Company as the 1st defendant, Chiho-Tiande (HK) Limited ("CTHK"), a wholly-owned subsidiary of the Company, as the 2nd defendant, HWH as the 3rd defendant, and Mr. Fang as the 4th defendant. So far as the Company and its subsidiaries are concerned, Delco claimed against the Company for damages for an alleged breach of a letter of undertaking dated 3 March 2015 in relation to a convertible bond issued by the Company and subscribed for by Delco on 1 March 2012. Delco further claimed against CTHK for a sum of US\$1.0 million, allegedly advanced by Delco Asia to CTHK on or around 16 April 2009. Delco further claims interests, costs and further or other relief. The Company and CTHK filed their defence on 24 March 2017 and the Plaintiff filed its reply to the Company and CTHK's defence on 20 June 2017. The case is still in progress.

Whilst the Board does not consider HCA 2939/2016 to be a claim of material importance for the reason set out above, details of HCA 2939/2016 are disclosed herein for the sake of completeness.

## 資本承擔及或然負債 (續)

Delco作為原告於二零一六年十一月十日以本公司作為第一被告；本公司的全資子公司齊合天地（香港）有限公司（「齊合天地香港」）作為第二被告；HWH作為第三被告；及方先生作為第四被告向香港高等法院提交訴狀（高院案例二零一六年第2939號，「HCA 2939/2016」）。據本公司及其子公司所知，Delco就指稱違反日期為二零一五年三月三日的承諾函的損害向本公司索償，內容關於二零一二年三月一日本公司發行及Delco認購可換股債券。Delco進一步向齊合天地香港索償100萬美元，其指稱由Delco Asia於二零零九年四月十六日或前後向齊合天地香港墊付該款項。Delco進一步索償利息、費用及更多或其他濟助。本公司及齊合天地香港於二零一七年三月二十四日提出抗辯，而原告於二零一七年六月二十日向本公司及齊合天地香港的抗辯提交答辯。案件仍在進行中。

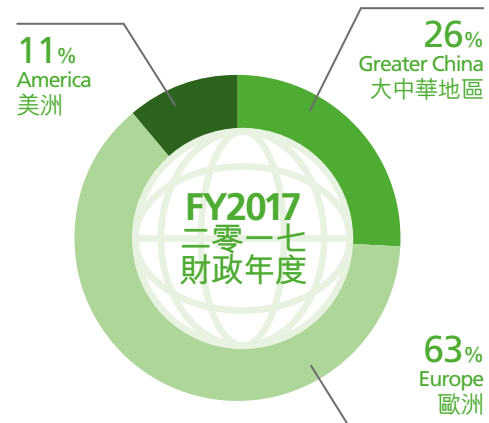
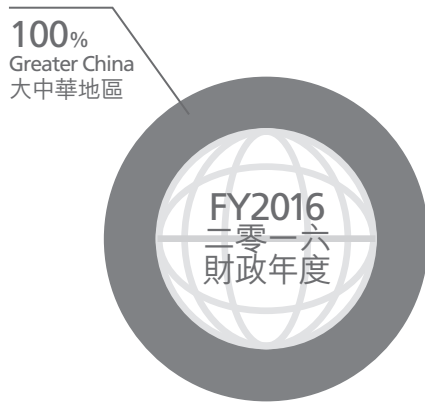
董事會因上文所載理由認為HCA 2939/2016並非重大申索，於文件中披露HCA 2939/2016的詳情僅為保持完整。

BUSINESS REVIEW

業務回顧

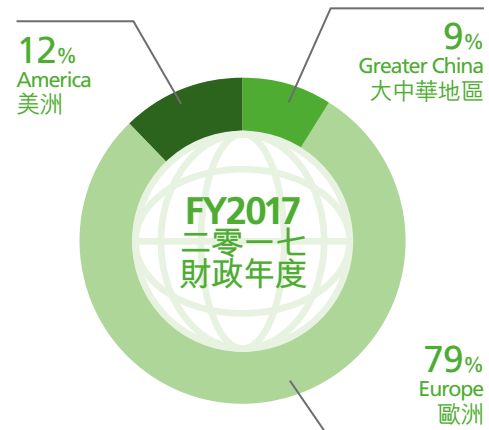
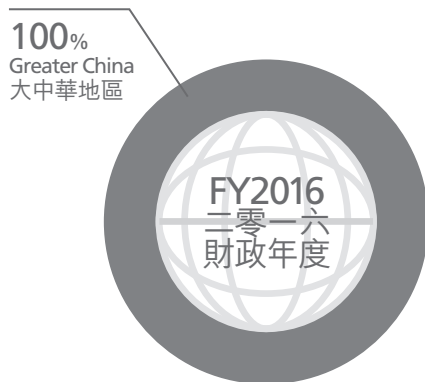
Revenue by Regions

按地區劃分的收益



Sales Quantity by Regions

按地區劃分的銷售量

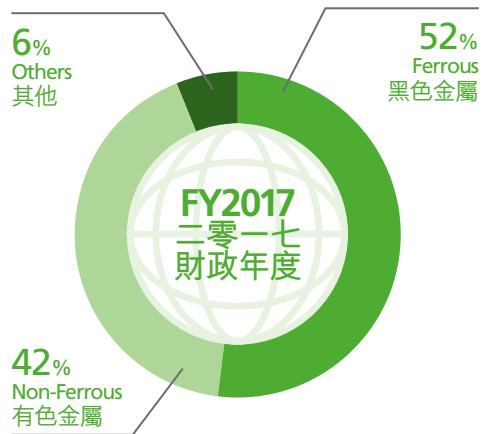
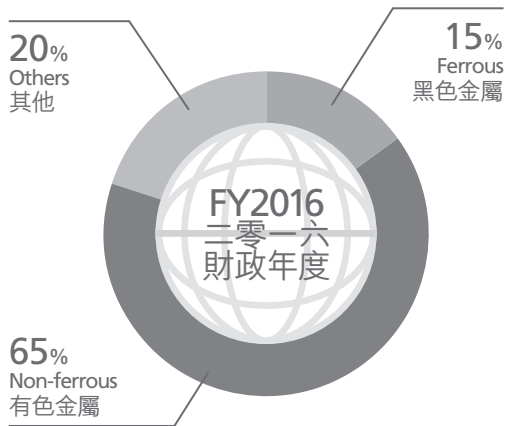


BUSINESS REVIEW (continued)

業務回顧(續)

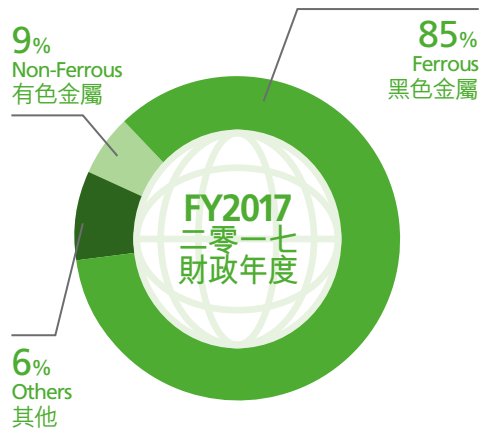
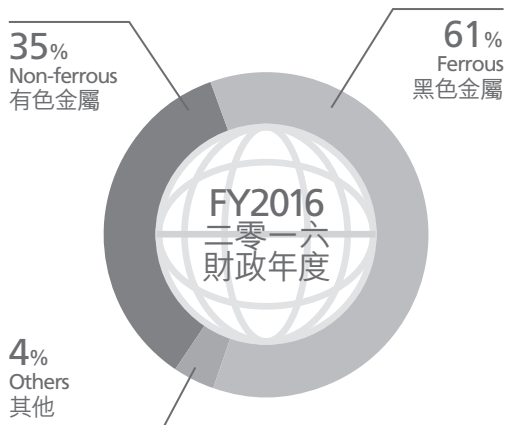
Revenue by Products

按產品劃分的收益



Sales Quantity by Products

按產品劃分的銷售量



## BUSINESS REVIEW (continued)

### The Group's performance

We successfully achieved an important milestone by acquiring the entire share capital of Scholz Holding in December 2016. The Scholz Group is one of the world's largest mixed metal recyclers with advanced ELV processing capability. It has developed several advanced technologies to become one of the few companies in the world capable of handling and recycling multiple types of materials. We act as a pioneer to consolidate the fragmented recycling industry while integrating our business operations worldwide.

The Group sold in aggregate over 5.1 million tonnes of recycled products in 2017. This represents a remarkable increase of more than 10 times when compared to 0.5 million tonnes being sold in 2016. During 2017, the Group continued its usual practices of consistently buying mixed metal scraps and selling its recycled products in accordance with its processing ability. Moreover, the Group made efforts to streamline and improve the inventory cycle so as to mitigate the short-term impact of price volatility on the overall performance of the Group.

### Operation Performance

The Group has extended the metal recycling business from its original operation base, Greater China, to Europe and America, becoming a truly global player ranking among top few in the world. Management has then reorganised the Group's business segment for the purpose of reporting and analysis, with specific commentaries made on its major operation base.

### Europe and America

Our European and American operations provide all steps in recycling mixed metal scraps and is equipped with the one-stop shop service for collecting, gathering, sorting and processing. We are among the processing and technology leaders in ferrous and non-ferrous metal recycling worldwide. We own many advanced processing technologies in scrap metal shredding and post-shredding.

Our scrap metal shredding services, including cleaning, sorting, shearing, shredding, and pressing, constitute a "One-Stop-Shop" process for all customers and cater to any metal supply needs. In post-shredding technologies, we are able to achieve approximately 97% recovery rate for ELV, ranking as a world leader (95% recycling rate is the existing recovery target under the European Union directive).

## 業務回顧 (續)

### 本集團的表現

我們於二零一六年十二月完成收購順爾茨控股的全部股本，實現一重要的里程碑。順爾茨集團是全球最大的混合金屬再生商之一，且擁有先進的報廢汽車處理能力，並已研發出多項先進技術，使其躋身全球少數可處理及循環再造多類物料的公司之列。我們扮演行業先鋒角色以整合尚屬分散的循環再造業，同時整合我們在全球的業務運營。

本集團於二零一七年合共售出超過510萬噸再生產品，與二零一六年售出的50萬噸相比，大幅增加超過10倍。於二零一七年，本集團秉承一貫做法，根據自身的處理能力，持續買入混合廢金屬並出售其再生產品。此外，本集團致力精簡及改善存貨週期，以減低價格波動對本集團整體表現的短期影響。

### 營運表現

本集團已將金屬再生業務從其原始營運基地（大中華地區）擴展至歐洲及美洲，躋身全球大型運營商之列。因此，管理層亦就呈報及分析重新組織本集團的業務分部，並對其重要營運基地提出具體評論。

### 歐洲及美洲

我們的歐美業務主要從事提供再生混合廢金屬的所有工序，配備集收集、集中、分類及處理於一體的一站式服務。我們是全球黑色及有色金屬再生的處理及技術領導者之一，我們擁有多項先進的廢金屬破碎和後破碎加工技術。

我們的廢金屬破碎服務（包括清潔、分類、剪切、破碎和壓制）為所有客戶提供「一站式服務」和滿足任何金屬供應需求。在後破碎技術方面，我們已達到報廢汽車約97%的回收率，位居全球之冠（95%的回收率是歐盟指令的現有回收目標）。



## BUSINESS REVIEW (continued)

### Europe and America (continued)

Our supplier base is well diversified. The largest supplier of ferrous and non-ferrous materials only represents 3% and 4% respectively of our total purchase quantities, and our top 5 suppliers of ferrous and non-ferrous products in aggregate only covered 9% of our total purchase. Our key suppliers comprise top tier automotive manufacturers in Germany, the largest railway company in Germany, the largest automobile component manufacturer in North America and the world's second largest automotive component manufacturer.

Our customer base is also very diversified, with no single customer occupying a material share of our sales. The largest customer of ferrous and non-ferrous products only weights 5% and 7% respectively of total sales quantities, and top 5 customers of ferrous and non-ferrous products in aggregate only covered 18% and 26% of total sales respectively. Our key customers are the leaders in the metal industry including: the world's largest steelmaker, European top rail manufacturer, a key manufacturer of flat-rolled steel and stainless steel in Europe, largest steelmaker in Europe, and second and third largest steelmakers in the USA.

Other than metal recycling, we also provide excellent customer services through value-added services such as total waste management services for some industrial customers, non-recycling services such as collection, sorting and bailing of paper and plastics, logistics service and so on.

Globally, we have approximately 500 employees specifically committed to trading, sale and purchase of metal scraps. We will continue to strive for top line sales/volume growth through more organised key account management and expansion of new customers/suppliers in Asia and South America.

In 2017, we sold around 4.7 million tonnes of recycled ferrous and non-ferrous products through its business activities in Europe, North and Central America (whereas for 2016, around 4.4 million tonnes). We have a global network of about 250 collecting and processing yards with a major focus in Germany, Poland, Austria, Slovenia, Czech Republic, Denmark and Romania, as well as America including Mexico.

## 業務回顧 (續)

### 歐洲及美洲 (續)

我們的供應商基礎非常多元化。最大的黑色和有色金屬材料供應商僅分別佔我們採購總量的3%和4%，我們的前五名黑色和有色金屬產品供應商合共僅佔我們總採購量的9%。我們的主要供應商包括德國頂級汽車製造商、德國最大鐵路公司、北美最大汽車零部件製造商和全球第二大汽車零部件製造商。

我們的客戶群也很多元化，沒有單一個客戶在我們的銷售中佔有重要份額。黑色金屬和有色金屬產品的最大客戶僅分別佔銷售總量的5%和7%，前五名黑色和有色金屬產品的客戶僅分別佔銷售總額的18%和26%。我們的主要客戶是金屬行業的領導者，包括全球最大的鋼鐵生產商、歐洲頂級鐵路製造商、歐洲平板鋼和不銹鋼的製造商、歐洲最大的鋼鐵生產商和美國的第二和第三大鋼鐵生產商。

除了金屬再生業務之外，我們亦透過增值服務提供各類優質客戶服務，如向若干工業客戶提供全面廢物管理服務、非再生服務（如收集、分類及壓縮紙張及塑膠）以及物流服務等。

在全球，我們約有500名員工專門致力於金屬廢料的交易、銷售和採購。我們將通過更有條理的重點客戶管理，以及增加亞洲和南美的新客戶與供應商，不斷致力於提升銷售額和業務量增長。

於二零一七年，我們透過在歐洲、北美及中美洲的業務活動售出約470萬噸再生黑色及有色金屬產品（二零一六年：約440萬噸）。我們擁有大約250個收集及處理場的國際網絡，重點地區為德國、波蘭、奧地利、斯洛維尼亞、捷克共和國、丹麥及羅馬尼亞及包括墨西哥在內的美洲。

## BUSINESS REVIEW (continued) Europe and America (continued)

In 2017, our European and American operations recorded a revenue of HK\$13,677.4 million, or approximately 74.0% of the total revenue of the Group in 2017. Both their processing tonnage and average selling price of their metal scrap products increased as a result of the gradual recovery of commodity pricing, the strong demand from electric arc furnaces, blast furnace and steelmakers in various regions for steel scrap from Europe and USA, and the increased purchase of steel scrap in USA by metal traders.

### Europe Region

In 2017, the European market showed a recovery from 2016 with a stable steel scrap demand and improving prices where the price level bounced back to that in the first quarter 2015. Demand from electric arc furnaces, blast furnaces and steel mills, especially in Europe and Turkey, supported the improvement with higher demands for steel scrap from USA and Europe.

As a result in 2017, sales tonnage and revenue in Europe increased by approximately 2.5% to 4.1 million tonnes and 33.5% to HK\$11,626.4 million respectively as compared to the previous year. The operational restructuring with strict margin control brought higher cost efficiency. Together with the positive impact from market price improvement in the ferrous scrap, it resulted in an increase of gross profit by approximately 11.1% in 2017.

## 業務回顧 (續)

### 歐洲及美洲 (續)

於二零一七年，我們的歐美業務錄得136億7,740萬港元的收益，對本集團在二零一七年的總收益貢獻約74.0%；歸因於大宗商品價格逐漸復甦、各地電弧爐廠、高爐及鋼鐵生產商對歐美的廢鋼需求殷切以及金屬貿易商在美國增加採購廢鋼等因素，既增加了其處理噸數，亦令其廢金屬產品的平均售價增加。

### 歐洲地區

於二零一七年，歐洲市場與二零一六年相比呈現復甦走勢，廢鋼需求穩定，價格上漲導致價格回升至二零一五年第一季度水平。尤其來自歐洲和土耳其的電弧爐、高爐及鋼廠的需求促進了對美國和歐洲的廢鋼需求提高。

因此於二零一七年，歐洲的銷售噸位及收益較去年分別上升約2.5%達410萬噸及33.5%至116億2,640萬港元。業務重組和嚴格的利潤率控制帶來了更高的成本效率，而黑色廢金屬市場價格改善亦產生積極影響，這使本公司毛利在二零一七年增加了約11.1%。

## BUSINESS REVIEW (continued)

### America Region

There are 9 and 14 processing yards in USA and Mexico respectively.

The American region had a remarkable turnaround in business in 2017 with the revenue of metal scrap increased by approximately 30.4% to HK\$2,051.0 million despite the sales tonnage remained flat at 0.65 million tonnes. The gross profit also increased by 5.2% to HK\$291.2 million in 2017.

Significant improvement in performance was mainly driven by:

- more favorable market conditions in 2017 compared to 2016
- positive effect of liquidity provided by the Group in December 2016
- improved yard management efficiency under the new unified operation structure
- successful revitalisation after consolidating control over the business

### Greater China

In Greater China, including outsourced workers, we have a workforce of about 2,700 staff. Our major production facilities are situated in Yuen Long (Hong Kong), Taizhou (Zhejiang) and Yantai (Shandong).

Unlike Europe and America where the major products are ferrous products, the Greater China region, led by Taizhou, mainly focuses on non-ferrous metal. Like the ferrous metal price development, non-ferrous metal pricing, especially that of copper, has been rising in 2017. This, together with operational efficiency improvement and stringent cost control, resulted in significant turnaround of profitability from a loss of HK\$243.5 million in 2016 to a profit of HK\$295.9 million in 2017.

## 業務回顧(續)

### 美洲地區

我們在美國和墨西哥分別有9個和14個加工場。

美國區域的業務在二零一七年出現明顯轉機，雖然金屬廢料的銷售噸位保持平穩在約65萬噸，但收益卻增加約30.4%至20億5,100萬港元，而毛利亦於二零一七年增加5.2%至2億9,120萬港元。

業績顯著改善的主因是：

- 二零一七年的市場情況較二零一六年有所改善
- 本集團於二零一六年十二月提供流動資金的正面影響
- 在新的統一運營結構下提升場地管理效率
- 鞏固對業務的控制權後成功復甦

### 大中華

在大中華地區，包括外包工人在內，我們聘用了大約2,700名員工。主要生產設施位於香港元朗、浙江台州及山東煙台。

黑色金屬在歐美為主要產品，然而以台州為首的大中華地區則以有色金屬為主。有色金屬（尤其是銅）的價格走勢與黑色金屬如出一轍，均於二零一七年持續上揚。此上漲趨勢連同營運效率提升及嚴謹的成本控管使得盈利能力明顯好轉，於二零一七年錄得溢利2億9,590萬港元，由二零一六年的虧損2億4,350萬港元扭虧為盈。

## BUSINESS REVIEW (continued)

### Greater China (continued)

With increasing awareness of the importance of environmental protection and sustainability, the Chinese government is becoming more stringent in combating illegal and non-complying operations, as well as in scrap importation. More regulated framework will definitely be established. This development will provide more opportunities to large-scale and environmentally complying companies like the Group. We will also focus on establishing a domestic collection network for metal recycling.

### Taizhou Production Site

According to the statistics from Ministry of Environmental Protection on approved import of mixed scrap metals and the actual import volume, the production site in Taizhou is the largest importer of copper based scrap metal in China and the largest global scrap motor buyer in 2017. After the purchase of scrap metal, mainly from around the world, we split, separate and disassemble mixed metal scrap, and produce various recycled metal products such as scrap copper, scrap steel, scrap aluminium and scrap pig iron; we also manufacture high-quality aluminium-alloy ingots from recycled metals which are widely used in the manufacturing of automobiles, electronics, and other industries.

Taizhou production site possesses a unique set of standardised operating procedures to handle various types of wastes. It has more than 2,000 skilled dismantling workers and owns customised dismantling equipment, metal processing and smelting equipment (producing aluminium ingots, copper granules), which can enable more than 90% recovery rate of raw material from recycling. Taizhou production site can adjust its production processes to adapt the versatile changes in market situation and to fulfil the particular needs of different customers. In 2017, Taizhou processed 359,000 tonnes of scrap motors.

Looking ahead, Taizhou will diversify its activity to include more downstream aluminium ingots production, continue to work on environmental policy compliance and to increase efficiency in processing and price management of material purchase.

## 業務回顧 (續)

### 大中華 (續)

由於重視環保及可持續發展的意識日益普及，中國政府已採取更嚴格的措施，打擊非法及不合規的運營商，並嚴加控管廢金屬進口，政府制定更多的監管框架將屬必然趨勢。此項發展將為本集團等大型環境合規公司創造更多機會，而我們亦將全力打造金屬再生的國內收集網絡。

### 台州生產基地

按環保部批准的混合廢金屬進口量以及混合廢金屬的實際進口量計算，於二零一七年，台州生產基地是中國最大的廢銅進口商和全球最大的廢電機採購商。在購買主要來自世界各地的廢金屬後，我們拆分和拆解混合金屬廢料，並生產各種再生金屬產品如廢銅、廢鋼、廢鋁和舊生鐵。我們還使用回收金屬製造高品質的鋁錠，廣泛應用於汽車及電子等行業的製造。

對不同種類的廢料，台州生產基地各自形成一套獨特的標準作業程式體系。我們2,000多名技術熟練的拆解工人以及定制化的拆解設備和金屬加工熔煉設備（生產鋁錠、銅米），能夠將原材料回收率提高到90%以上。台州生產基地亦能夠根據市場需求的變化調整生產流程，以滿足不同客戶的特定需求。於二零一七年，台州共處理359,000噸廢電機。

展望未來，台州將多元發展業務活動，以至包括更多的下游鋁錠生產、持續致力於環境政策合規，同時提升處理及材料採購價格管理的效率。

## BUSINESS REVIEW (continued)

### Yuen Long Production Site

In Hong Kong, about HK\$120 million had been invested in installing two automated processing lines in 2017. Yuen Long will be positioned as a centre of excellence in waste electrical and electronic equipment (WEEE) processing. With the automated lines up and running in 2018, capacity will be increased. We also offer value-added services for corporate confidential data destruction and corporate and household electronic waste recycling solutions.

In 2017, the Yuen Long operation obtained the License to Dispose of Chemical Waste and the Permit for Export of Waste Printed Circuit Boards from Hong Kong Environmental Protection Department. We are one of the few licensed recyclers in Hong Kong to dispose of and export chemical waste with the all-rounded capabilities to process printed circuit board in Hong Kong. Yuen Long site is one of the few operators in Hong Kong recycle material within a closed-loop system, compared to the conventional linear recycling chain concept of other local WEEE recyclers in Hong Kong. It is currently the largest privately owned and most diversified and comprehensive e-waste recycling centre in Hong Kong.

### Yantai Production Sites

There are two production sites in Yantai, the metal recycling operation and the waste-lubricant oil recycling operation.

In 2017, the metal recycling operation mainly engaged in metal trading. It will be used as a base to support the China domestic collection network establishment.

The waste-lubricant oil recycling operation had a good development in 2017. The operation purchases or collects waste-lubricant oil from vehicle repair shops, producers of such waste lubricant oil (such as machining factories) and waste-lubricant oil collectors in the Shandong Province. After purification, distillation and addition of lubricant additives, the finished products (lubricant base oil) are sold to lubricant oil production plants mainly situated in Shandong and Liaoning provinces. It received the Permit for Operation of Dangerous Wastes in the second half of 2017, and is ramping up production in 2018. It is expected that the operation will further diversify our business portfolio and will contribute positively to the earnings of the Group.

## 業務回顧 (續)

### 元朗生產基地

在香港，我們於二零一七年投資約1億2,000萬港元，安裝兩條自動處理線，將元朗定位成卓越的廢棄電器及電子設備（電子廢物）處理中心。於二零一八年，產能將因自動化啟動及運作而有所增加。我們還為企業機密數據銷毀以及企業和家庭電子垃圾回收解決方案提供增值服務。

二零一七年，元朗的業務經營已取得香港環境保護署頒發的化學廢物處理許可證及廢棄印刷電路板出口許可證。我們是香港處置和出口化學廢物的少數持牌回收商之一，具備在香港全方位處理印刷電路板的能力。較之香港其他本地電子廢物回收商的傳統線性回收鏈概念，元朗生產基地是香港為數不多、能於一個閉環式供應鏈中回收物料的運營商。它目前是香港最大、最多元化的綜合民營電子廢物回收中心。

### 煙台生產基地

煙台有兩個生產基地，從事金屬回收業務以及廢油回收業務。

二零一七年，金屬回收業務主要從事金屬貿易，並將作為支持在中國打造國內收集網絡的基地。

廢油回收業務在二零一七年的發展穩健，該業務從山東省的汽車維修店、有關廢油生產商（如機械廠）和廢油收集商處購買或收集廢油。經過淨化、蒸餾和添加潤滑油添加劑後，成品（潤滑油基礎油）出售給主要位於山東和遼寧省的潤滑油生產廠。煙台生產基地在二零一七年下半年取得《危險廢物經營許可證》，並將在二零一八年增加產量。該營運預期將使我們的業務組合更為多元化，並對本集團的盈利作出正面貢獻。



#### RISK MANAGEMENT

The Group in its ordinary course of business is exposed to market risks such as commodities price risk, foreign currencies risk, interest rate risk, credit risk and liquidity risk. The Group's risk management strategy aims to minimise the adverse effects of these risks on its financial performance.

On 7 March 2018, the Board adopted a commodity price risk hedging policy which the Board believes is more suitable for the current operating conditions of the Group. Details of the commodity price risk hedging policy is available on the Company's website, [www.chihogroup.com](http://www.chihogroup.com).

As part of its foreign currency hedging strategy, the Board will closely monitor the Group's foreign currency borrowings in the view of the volatile exchange rate for EURO and Renminbi to U.S. Dollar and other currencies and consider various measures to minimise the foreign currency risk, such as foreign currency forward contracts.

With the relatively low interest rates in 2017, the Group has entered into insignificant amount of interest rate hedging contracts or any other interest rate related derivative financial instruments. The Group continues to monitor its related interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

As for credit risk, the Group continues to follow the trade practices of cash on collection for sales of most of its recycled products in order to minimise the carrying amounts of the financial assets in the Group's financial statements. In addition, the Group will continue to monitor closely its trade debtors to minimise potential impairment losses.

With regard to the liquidity risk, the Group will continue to maintain a balance between the continuity of funding and flexibility through the use of bank borrowings.

#### 風險管理

在日常業務過程中，本集團面對的市場風險包括商品價格風險、外匯風險、利率風險、信貸風險及流動資金風險等。我們的風險管理策略旨在減低該等風險對本集團財務表現的不利影響。

於二零一八年三月七日，董事會採納商品價格風險對沖政策，董事會認為其較適合本集團的現行營運狀況。有關商品價格風險對沖政策的詳情可於本公司網站[www.chihogroup.com](http://www.chihogroup.com)查閱。

鑒於歐元及人民幣兌美元及其他貨幣匯率波動，董事會將密切監察本集團的外幣借款，並考慮多個舉措以減少外匯風險，例如外匯遠期合約，此乃本集團外幣對沖策略的一部分。

由於二零一七年利率相對較低，本集團已訂立金額不重大的利率對沖合約或任何其他利率相關衍生金融工具。本集團會繼續密切監察其所面對的相關利率風險，並於有需要時考慮對沖重大利率風險。

在信貸風險方面，本集團會繼續跟進大部分再生產品的銷售交易一直奉行款到付貨的貿易慣例，旨在減低本集團財務報表中的金融資產賬面值。此外，本集團將繼續密切監察應收賬情況，以減低潛在減值虧損。

至於流動資金風險，本集團將繼續透過利用銀行借款，在持續獲取資金與保持靈活程度之間維持平衡。

## EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2017, the Group had a workforce of 4,401 employees. In addition, we engaged approximately 2,003 separation and selection workers through local recognised contractors. We have not experienced any strikes, work stoppages or significant labor disputes which have affected our operations in the past. We have not experienced any significant difficulties in recruiting and retaining qualified staff. We continue to maintain good relationships with our employees.

The Group's total staff costs for the year was approximately HK\$1,135.3 million. The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market standard, individual performance and their respective contribution to the Group.

The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

## INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Group considers that investor relations are important to a listed company. The Board believes that maintaining a good relationship with investors and keeping them up-to-date on the latest corporate communications and business development in a timely fashion would enhance transparency and strengthen corporate governance of the Group. With the support of the Board, Mr. Chong, Ming John, the head of public relations and investor relations of the Group has been assigned to take responsibility for all matters relating to investor relations of the Group.

Going forward, the Company will continue to make effort to keep our investors abreast of the corporate and business developments, and to introduce the Group's strengths and strategies in order to gain support and recognition from them and also the market in general.

## 僱員及薪酬政策

於二零一七年十二月三十一日，本集團共有4,401名僱員。此外，我們透過當地認可承包商僱用約2,003名拆解及選料工人。我們過去並無經歷任何影響經營的罷工、停工或重大勞資糾紛。我們在招聘及挽留合資格僱員方面亦無遇到重大困難。我們與僱員一直維持良好的關係。

本集團的年內員工成本總額為約11億3,530萬港元。員工薪酬組合包括基本薪金、強制性公積金、保險及其他合適福利。本集團僱員的薪酬乃參考市場標準、個人表現及其各自對本集團貢獻而定。

董事酬金由本公司薪酬委員會推薦建議及須經董事會批准。其他酬金（包括酌情花紅）由董事會參考董事的職務、能力、名聲及表現釐定。

## 投資者關係及與股東的溝通

本集團認為，投資者關係對上市公司十分重要。董事會相信，與投資者建立良好的關係，並適時為投資者更新企業傳訊及業務發展，將能提高本集團的透明度及加強企業管治。在董事會的支持下，本集團公共關係及投資者關係主管莊明先生已獲委派專責處理本集團的所有投資者關係相關事宜。

展望將來，本公司將繼續努力，讓我們的投資者了解企業及業務發展情況，並向投資者講解本集團的實力及策略，藉以贏取投資者及整體市場的支持及認同。

## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

#### EXECUTIVE DIRECTORS 執行董事

**Mr. Tu Jianhua (“Mr. Tu”)**, aged 54, is an executive Director of the Company. He was appointed as an executive Director on 29 April 2015. Mr. Tu is a member of the executive committee and the strategy and investment committee of the Company and he is also the director of certain subsidiaries of the Group. Mr. Tu was appointed as the chief executive officer of the Company during the period from 16 February 2016 to 31 March 2016. He has been the chairman of USUM Investment Group Limited since April 2014. He has been the director of Loncin Group Co., Ltd. (隆鑫集團有限公司) since January 1996 and the director of Loncin Holdings Co., Ltd (隆鑫控股有限公司) since January 2003. USUM Investment Group Limited, Loncin Group Co., Ltd. (隆鑫集團有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) are controlling shareholders of the Company.

He served as the chairman of the board of Loncin Holdings Co., Ltd. (隆鑫控股有限公司) in the period from January 2003 to July 2010 and from February 2013 to December 2013, the executive director of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1996 to January 1997, and the chairman of the board of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1997 to December 2013. He served as the general manager of Chongqing Loncin Gasoline Engine Company (SinoAmerican Joint Venture) (中美合資重慶隆鑫汽油機公司), a company that used to be controlled by Mr. Tu during its existence, from 1995 to 1996, and served as the chairman of Chongqing Loncin Transportation and Machinery Factory (重慶隆鑫交通機械廠), a company that used to be controlled by Mr. Tu during its existence, from 1993 to 1995. He served as the chairman of Chongqing City Jiulongpo District Loncin Metal Factory (重慶市九龍坡區隆鑫金屬廠), a company that used to be controlled by Mr. Tu during its existence, from 1991 to 1993 and the factory director of Chongqing Cinhua Metals Factory (重慶鑫華金屬製品廠), from 1983 to 1990.

Mr. Tu graduated from the Economic Management (經濟管理專業) of the Open College in Chongqing City Municipal Party School (重慶市委黨校函授學院) in December 1998. Mr. Tu previously acted as the deputy to the 11th, 12th National People’s Congress, the deputy to the 2nd, 3rd and 4th Chongqing Municipal People’s Congress and the member of the Finance Committee. He currently serves as a Member of the National Committee of the 13th Chinese People’s Political Consultative Conference, a Standing Committee Member of the Executive Committee of the 12th All China Federation of Industry & Commerce (全國工商聯), the president of Chongqing City Industry and Commerce Federation (重慶市工商聯), the President of Chongqing City General Chamber of Commerce (重慶市總商會), the vice president of Chongqing City Charity Federation (重慶市慈善總會) and the vice president of Chongqing City Private Entrepreneurs Confederation (重慶市民營企業家聯合會).

Mr. Tu is a non-executive director of Hanhua Financial Holding Co., Ltd.\* (瀚華金控股份有限公司), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 3903), and a director of Loncin Motor Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603766).

The annual salary of Mr. Tu is HK\$2,300,000, He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Tu are determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company’s remuneration policy and is subject to annual review by the Board and the remuneration committee of the Company.



## Profile of Directors and Senior Management 董事及高級管理人員履歷

涂建華先生（「涂先生」），54歲，本公司執行董事。彼於二零一五年四月二十九日獲委任為執行董事。涂先生為本公司執行委員會及戰略與投資委員會成員，彼亦為本集團若干子公司之董事。涂先生於二零一六年二月十六日至二零一六年三月三十一日期間獲委任為本公司行政總裁。彼自二零一四年四月起擔任渝商投資集團股份有限公司董事長。彼自一九九六年一月至今任隆鑫集團有限公司董事，自二零零三年一月至今任隆鑫控股有限公司董事。渝商投資集團股份有限公司、隆鑫集團有限公司及隆鑫控股有限公司為本公司控股股東。

彼於二零零三年一月至二零一零年七月期間及自二零一三年二月至二零一三年十二月期間擔任隆鑫控股有限公司董事長，於一九九六年一月至一九九七年一月期間任隆鑫集團有限公司執行董事，於一九九七年一月至二零一三年十二月期間擔任隆鑫集團有限公司董事長。彼於一九九五年至一九九六年擔任中美合資重慶隆鑫汽油機公司（存在時由涂先生控制的公司）總經理，於一九九三年至一九九五年擔任重慶隆鑫交通機械廠（存在時由涂先生控制的公司）董事長，於一九九一年至一九九三年擔任重慶市九龍坡區隆鑫金屬廠（存在時由涂先生控制的公司）董事長，以及於一九八三年至一九九零年擔任重慶鑫華金屬製品廠廠長。

涂先生於一九九八年十二月畢業於重慶市委黨校函授學院經濟管理專業。涂先生曾擔任第十一屆、第十二屆全國人民代表大會代表，第二屆、第三屆及第四屆重慶市人民代表大會代表及財經委委員。彼目前擔任第十三屆全國政協委員、第十二屆全國工商聯執行委員會常務委員、重慶市工商聯主席、重慶市總商會會長、重慶市慈善總會副會長及重慶市民營企業家聯合會副會長。

涂先生為瀚華金控股份有限公司非執行董事（該公司股份於香港聯合交易所有限公司（「聯交所」）主板上市（股份代號：3903）），以及隆鑫通用動力股份有限公司董事（該公司股份於上海證券交易所上市（股份代號：603766））。

涂先生的年薪為2,300,000港元，彼亦享有酌情花紅。涂先生之年薪及酌情花紅乃經參考彼於本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定，並受董事會及本公司薪酬委員會每年檢討。



## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

**Mr. Qin Yongming ("Mr. Qin")**, aged 54, is the chairman, chief executive officer and an executive Director of the Company. He joined the Group on 1 June 2016 as executive vice president, and was appointed as an executive director on 30 June 2016. He was re-designated to chief executive officer of the Company on 24 October 2016, to the chairman of the Board of the Company on 17 July 2017, and was appointed as the chief executive officer of the Company on 11 October 2017. Mr. Qin serves as the chairman of the executive committee, the nomination committee, the strategy and investment committee and the pricing committee of the Company. He is also the director of certain subsidiaries of the Group. Mr. Qin was appointed as the president of USUM Investment Group Co., Ltd. on 22 January 2018. From 2004 to 2016, Mr. Qin worked with LafargeHolcim group and his last position with LafargeHolcim group was the purchasing director of the China region, with a particular focus on raw materials and cementitious materials. Mr. Qin served as the head of the purchasing department of Tianjin Henkel Detergent Co. Ltd. from 1996 to 1999 and the finance director of Tianjin Philips Sy Catering and Entertainment Co., Ltd. from 1994 to 1996. Mr. Qin has extensive experience in corporate operation management, process and budget control, strategic materials procurement and supplier management. Mr. Qin holds a bachelor degree of Finance and Accounting from Renmin University of China and a Master of Business Administration from the University of Southampton.

The annual salary of Mr. Qin is HK\$4,415,244. He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Qin are determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company's remuneration policy and is subject to annual review by the Board and the remuneration committee of the Company.

秦永明先生（「秦先生」），54歲，本公司主席、行政總裁兼執行董事。彼於二零一六年六月一日加入本集團並擔任常務副總裁，於二零一六年六月三十日獲委任為執行董事。彼於二零一六年十月二十四日調任本公司行政總裁，於二零一七年七月十七日調任本公司董事會主席，並於二零一七年十月十一日獲委任為本公司行政總裁。秦先生為本公司執行委員會主席、提名委員會主席、戰略與投資委員會主席及定價委員會主席。彼亦為本集團若干子公司之董事。秦先生於二零一八年一月二十二日獲委任為渝商投資集團股份有限公司總裁。二零零四年至二零一六年，秦先生任職於拉法基豪瑞集團，彼於該集團之最後職位為中國區原材料及膠凝材料採購總監。秦先生於一九九六年至一九九九年擔任天津漢高洗滌劑有限公司採購部部長，一九九四年至一九九六年擔任天津大施餐飲娛樂有限公司首席財務官。秦先生在企業營運管理、流程與預算控制、戰略物資採購和供貨商管理等方面有豐富的經驗。秦先生畢業於中國人民大學財務會計專業本科並擁有南安普頓大學工商管理碩士學位。

秦先生的年薪為4,415,244港元，彼亦享有酌情花紅。秦先生之年薪及酌情花紅乃經參考彼於本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定，並受董事會及本公司薪酬委員會每年檢討。



## Profile of Directors and Senior Management 董事及高級管理人員履歷

**Mr. Wong Wun Lam (“Mr. Wong”)**, aged 53, is the chief financial officer and an executive Director of the Company. He joined the Group on 10 August 2017 as chief financial officer, and was appointed as an executive director on 11 October 2017. Mr. Wong serves as a member of each of the executive committee, the strategy and investment committee and the pricing committee of the Company. He is also the director of certain subsidiaries of the Group. Mr. Wong obtained a Bachelor of Commerce degree from the University of Calgary and received a degree of Executive Master of Business Administration from Kellogg School of Management at the Northwestern University. He is also a Chartered Accountant of Canada. Prior to joining the Company, Mr. Wong had more than 28 years of extensive experience in the field of financial management. He was the Chief Financial Officer of Cargo Services Group and before that, Mr. Wong worked in Royal Philips Electronics, Jarden Corporation and CLP Power and held senior positions in financial and business management.

Mr. Wong is not entitled any salary for the appointment as executive Director of the Company but he is entitled an annual salary of HK\$2,600,000 for his role as chief financial officer. He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Wong are determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company’s remuneration policy and is subject to annual review by the Board and the remuneration committee of the Company.

**黃煥霖先生（「黃先生」）**，53歲，本公司首席財政官兼執行董事。彼於二零一七年八月十日加入本集團並擔任首席財政官，於二零一七年十月十一日獲委任為執行董事。黃先生為本公司執行委員會、戰略與投資委員會及定價委員會成員。彼亦為本集團若干子公司之董事。黃先生取得卡爾加里大學商業學士學位及美國西北大學凱洛格商學院高層管理人員工商管理碩士學位。彼亦為加拿大特許會計師。於加入本公司前，黃先生於財務管理方面擁有逾二十八年豐富經驗。彼曾擔任嘉宏物流集團首席財務官，並在此之前，黃先生曾於皇家飛利浦電子公司、Jarden Corporation 及中華電力擔任財務及業務管理方面高級職務。

黃先生就獲委任為本公司執行董事並不享有任何薪金但彼擔任首席財務官享有之年薪為 2,600,000 港元，彼亦享有酌情花紅。黃先生之年薪及酌情花紅乃經參考彼於本公司之職務及責任、其資歷、經驗、當前市況及本公司之薪酬政策而釐定，並受董事會及本公司薪酬委員會每年檢討。

## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

**Dr. Loke Yu alias Loke Hoi Lam ("Dr. Loke")**, aged 68, is an independent non-executive Director. He was appointed as an independent non-executive director on 23 June 2010. Dr. Loke serves as the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Dr. Loke has over 42 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; The Hong Kong Institute of Directors; The Hong Kong Institute of Chartered Secretaries and The Hong Kong Independent Non-Executive Director Association. He currently serves as an independent non-executive director of the following companies whose shares are listed on the Hong Kong Stock Exchange: V1 Group Limited (Stock Code: 82), Matrix Holdings Limited (Stock Code: 1005), China Beidahuang Industry Group Holdings Limited (Stock Code: 39), China Fire Safety Enterprise Group Limited (Stock Code: 445), Winfair Investment Company Limited (Stock Code: 287), SCUD Group Limited (Stock Code: 1399), Zhong An Real Estate Limited (Stock Code: 672), Tianjin Development Holdings Limited (Stock Code: 882), China Household Holdings Limited (Stock Code: 692), Tianhe Chemicals Group Limited (Stock Code: 1619), Lamtex Holdings Limited (Stock Code: 1041), Forebase International Holdings Limited (Stock Code: 2310), Hang Sang (Siu Po) International Holding Company Limited (Stock Code: 3626), Hong Kong Resources Holdings Company Limited (Stock Code: 2882) and Zhenro Properties Group Limited (Stock Code: 6158).

Dr. Loke is entitled to a director's fee of HK\$250,000 per annum, which is determined with reference to his duties and responsibilities in the Company and the market rate for his position as independent non-executive Director and is subject to annual review by the Board and the remuneration committee of the Company.

陸海林博士（「陸博士」），68歲，獨立非執行董事。彼於二零一零年六月二十三日獲委任為獨立非執行董事。陸博士為本公司審核委員會主席、薪酬委員會及提名委員會成員。陸博士於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾四十二年經驗，持有馬來西亞科技大學工商管理碩士學位和南澳大學工商管理博士學位。彼為英格蘭與威爾斯特許會計師學會、香港會計師公會、香港董事學會、香港特許秘書公會及香港獨立非執行董事協會之資深會員。彼現為股份於香港聯交所上市之下列多家公司之獨立非執行董事：第一視頻集團有限公司（股份代號：82）、美力時集團有限公司（股份代號：1005）、中國北大荒產業集團控股有限公司（股份代號：39）、中國消防企業集團有限公司（股份代號：445）、永發置業有限公司（股份代號：287）、飛毛腿集團有限公司（股份代號：1399）、眾安房產有限公司（股份代號：672）、天津發展控股有限公司（股份代號：882）、中國家居控股有限公司（股份代號：692）、天合化工集團有限公司（股份代號：1619）、林達控股有限公司（股份代號：1041）、申基國際控股有限公司（股份代號：2310）、Hang Sang (Siu Po) International Holding Company Limited（股份代號：3626）、香港資源控股有限公司（股份代號：2882）及正榮地產集團有限公司（股份代號：6158）。

陸博士有權收取董事袍金每年250,000港元，此乃根據彼於本公司承擔的職責及責任以及其獨立非執行董事職務的市場薪酬釐定，並受董事會及本公司薪酬委員會每年檢討。



## Profile of Directors and Senior Management 董事及高級管理人員履歷

**Mr. Zhu Dajian (“Prof. Zhu”),** aged 64, is an independent non-executive Director. He joined the Group on 17 December 2014. Prof. Zhu is a member of the audit committee, the nomination committee and the remuneration committee of the Company. He is a distinguished professor of the School of Economics & Management at Tongji University in Shanghai (上海同濟大學), a director of the Institute of Governance for Sustainable Development (可持續發展與管理研究所), the head of the Department of Public Management and Policy (公共管理系), and the vice chairman of the Tongji University Academic Committee (同濟大學學術委員會), at Tongji University in Shanghai, the People’s Republic of China. He was awarded the special allowance by the China’s State Council in 2000. He was also a senior research scholar at Harvard University in 2005 and a senior visiting fellow at Melbourne University in Australia from 1994 to 1995. Moreover, he is appointed as a member of The State Foundation for Social Sciences, a member of the Social Science Commission under the Chinese Education Ministry, a member of the Experts Commission on Sustainable Development & Resource and Environment (可持續發展及資源及環境之專家委員會) under the Chinese Construction Ministry, and a special policy advisor (決策諮詢特聘專家) for the Shanghai Municipal Government. He is also a member of the International Expert Committee of Enel Foundation in Italy, the Ellen MacArthur Foundation in the United Kingdom and Firmenich in Switzerland, respectively. Prof. Zhu was appointed as an independent non-executive director of China Taiping Insurance Holdings Company Limited on 21 August 2014, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 966).

Prof. Zhu is entitled to a director’s fee of HK\$250,000 per annum, which is determined with reference to his duties and responsibilities in the Company and the market rate for his position as independent non-executive Director and is subject to annual review by the Board and the remuneration committee of the Company.

諸大建先生(「諸教授」)，64歲，獨立非執行董事。彼於二零一四年十二月十七日加入本集團。諸教授為本公司審核委員會、提名委員會及薪酬委員會成員。彼為中華人民共和國上海同濟大學經濟及管理學院特聘教授、可持續發展與管理研究所所長、公共管理系主任及同濟大學學術委員會副主任。彼於二零零零年享受中國國務院特殊津貼。於二零零五年，彼於哈佛大學出任高級研究學者，及於一九九四年至一九九五年，彼於澳洲墨爾本大學出任高級訪問學者。此外，彼亦委任為國家哲學社會科學規劃專家、中國教育部社會科學委員會成員、中國建設部可持續發展及資源及環境之專家委員會成員以及上海市政府之決策諮詢特聘專家。彼亦分別為意大利Enel Foundation、英國Ellen MacArthur Foundation及瑞士Firmenich之國際專家委員會成員。諸教授於二零一四年八月二十一日獲委任為中國太平保險控股有限公司的獨立非執行董事，該公司於香港聯合交易所有限公司主板上市(股份代號：966)。

諸教授有權收取董事袍金每年250,000港元，此乃根據彼於本公司承擔的職責及責任以及其獨立非執行董事職務的市場薪酬釐定，並受董事會及本公司薪酬委員會每年檢討。

## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

**Ms. Qian Liping (“Ms. Qian”)**, aged 40, is an independent non-executive Director. She joined the Group on 24 October 2016. Ms. Qian is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Ms. Qian is currently a professor at the School of Economics and Business Administration in Chongqing University and a managing director of Marketing Committee, Chinese Research Council of Modern Management. She was also a visiting scholar of the Chinese University of Hong Kong from 2010 to 2011. Ms. Qian has been appointed as an external review expert of several journals including “Management World”, “Journal of Marketing Science” and “Nankai Business Review”, and was awarded “2015 Annual Excellent Review Expert” by “Journal of Marketing Science”. She has more than 16 years of research experience in B2B Marketing and Marketing Channel Management and has intimate knowledge of the marketing environment and management mechanism in mainland China. Ms. Qian holds a doctoral degree in Management from School of Management of Xi’an Jiaotong University.

Ms. Qian is entitled to a director’s fee of HK\$250,000 per annum, which is determined with reference to her duties and responsibilities in the Company and the market rate for her position as independent non-executive Director and is subject to annual review by the Board and the remuneration committee of the Company.

錢麗萍女士（「錢女士」），40歲，獨立非執行董事。彼於二零一六年十月二十四日加入本集團。錢女士為本公司審核委員會、薪酬委員會及提名委員會成員。錢女士現為重慶大學經濟與工商管理學院教授及中國管理現代化研究會營銷專業委員會常務理事。彼自二零一零年至二零一一年間亦為香港中文大學訪問學者。錢女士被《管理世界》、《營銷科學學報》及《南開管理評論》等多家期刊聘為外審專家，並榮獲二零一五年度《營銷科學學報》優秀評審專家稱號。彼於研究B2B市場營銷及營銷渠道管理方面有著超過十六年的經驗，且十分熟悉中國大陸的營銷環境及管理機制。錢女士持有西安交通大學管理學院管理學博士學位。

錢女士有權收取董事袍金每年250,000港元，此乃根據彼於本公司承擔的職責及責任以及其獨立非執行董事職務的市場薪酬釐定，並受董事會及本公司薪酬委員會每年檢討。



## Profile of Directors and Senior Management 董事及高級管理人員履歷

**Mr. Zhu Hongchao (“Mr. Zhu”)**, aged 58, is an independent non-executive Director. Mr. Zhu is the chairman of the remuneration committee of the Company and a member of the audit committee and the nomination committee of the Company.

Mr. Zhu is one of the founding partners of Shanghai United Law Firm and a senior lawyer. He possesses a Juris Master degree obtained from Fudan University and has rich litigation and non-litigation experience in terms of Contract Law, Law of Torts, Company Law and other legal fields. Mr. Zhu has served as a permanent legal adviser or specially invited adviser of a large number of state-owned enterprises, Global 500 enterprises and governmental departments for a long time. As one of the first batch of lawyers with the qualification to practice securities law, he has participated in the reorganisation and listing of over 40 large Chinese enterprises.

Mr. Zhu is currently the director and senior partner of Shanghai United Law Firm. He also serves as an arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and Shanghai Arbitration Commission, a mediator of Shanghai Commercial Mediation Center, and a part-time professor of Shanghai University Law School and East China University of Political Science and Law.

He once served as the third, fourth, fifth and sixth deputy president of All China Lawyers Association, the sixth president of Shanghai Bar Association and the seventh chief supervisor of Shanghai Bar Association.

He is an independent director of the following companies: Shanghai First Pharmaceutical Co., Ltd.\* (上海第一醫藥股份有限公司) (Stock Code: 600833 (SHA)); Wonders Information Co., Ltd. (Stock Code: 300168 (SHE)); Caitong Fund Management Co., Ltd.; Jupai Holdings Limited (Stock Code: JP (NYSE)); and E-House (China) Holdings Limited (Stock Code: EJ (NYSE)). He once served as an independent director of the following companies: Sinochem International Corporation (Stock Code: 600500 (SHA)); E-House Holdings Co., Ltd.\* (易居控股股份有限公司), Shanghai Guangdian Electric Group Co., Ltd. (Stock Code: 601616 (SHA)); and Tengda Construction Group Co., Ltd. (Stock Code: 600512 (SHA)). He now is also an external director of Bright Food (Group) Co., Ltd.

朱洪超先生（「朱先生」），58歲，獨立非執行董事。朱先生為本公司薪酬委員會主席與審核委員會及提名委員會成員。

朱先生為上海市聯合律師事務所創始合夥人之一、高級律師。彼擁有復旦大學法學碩士學位，並在合同法、民事侵權法、公司法等法律領域具有豐富的訴訟和非訟經驗，長期以來擔任相當數量大型國企、世界五百強企業以及政府部門的常年法律顧問或特邀顧問。彼為中國首批證券從業律師，已經參與了多達四十多家的中國大型企業的重組和上市工作。

朱先生現為上海市聯合律師事務所主任，高級合夥人。彼亦現任中國國際經濟貿易仲裁委員會仲裁員、上海國際經濟貿易仲裁委員會（上海國際仲裁中心）仲裁員、上海仲裁委員會仲裁員、上海經貿商事調解中心調解員與上海大學法學院及華東政法大學兼職教授。

彼曾任中華全國律師協會第三、四、五、六屆副會長、上海市律師協會第六屆會長，上海市律師協會第七屆監事長。

彼現為以下各公司之獨立董事：上海第一醫藥股份有限公司（股份代號：600833 (SHA)）；萬達信息股份有限公司（股份代號：300168 (SHE)）；財通基金管理有限公司；鉅派投資有限公司（股份代號：JP (NYSE)）；易居（中國）企業集團股份有限公司（股份代號：EJ (NYSE)）。彼曾於以下各公司擔任獨立董事：中化國際（控股）股份有限公司（股份代號：600500 (SHA)）、易居控股股份有限公司、上海廣電電氣（集團）股份有限公司（股份代號：601616 (SHA)）、騰達建設集團股份有限公司（股份代號：600512 (SHA)）。彼亦現為光明食品（集團）有限公司外部董事。

## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

#### SENIOR MANAGEMENT 高級管理人員

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**Mr. William Thomas Bird (“Tom”)**, is the chief operating officer of the Company. He also serves as a member of the pricing committee of the company. He joined the Group on 20 November 2017. He is a ferrous board member of the Bureau of International Recycling (the “BIR”), and was also elected as the interim president of the Ferrous Board of the BIR in October 2017. In May 2016, he was elected as treasurer of BIR. He was also the former president of European Ferrous Recovery and Recycling Federation.

Prior to joining the Company, Tom has more than 30 years of extensive experience in the field of metal recycling. From 2016 to 2017, he was the chief executive officer of Liberty Metal Recycling. From 2010 to 2016, Tom was the managing director of Van Dalen UK Limited and Mettalis Recycling Limited. He worked with Sims Metal Management UK Limited as a managing director from 1995 to 2009. From 1991 to 1995, he was the general manager in Allied Bird Fragmentation and from 1986 to 1991, he worked with Bird Group of Companies as a Manager. Tom has extensive experience in the operating and trading of international ferrous scrap sector and global business management.

Tom obtained a Bachelor’s Degree (Hons) in Business Administration in Plymouth University. He also completed the Senior Executive Finance Programme in Templeton College Oxford University.

**William Thomas Bird先生 (「Tom」)**，本公司首席營運官。彼亦為本公司定價委員會成員。彼於二零一七年十一月二十日加入本集團。彼為國際回收利用工業局（「國際回收利用工業局」）的有色金屬委員會成員，並於二零一七年十月獲選為國際回收利用工業局有色金屬委員會代主席。於二零一六年五月，彼獲選為國際回收利用工業局的司庫。彼亦為European Ferrous Recovery and Recycling Federation的前會長。

彼加入本公司之前，Tom在金屬回收領域擁有超過三十年豐富經驗。自二零一六年至二零一七年，彼為Liberty Metal Recycling的行政總裁。自二零一零年至二零一六年，Tom為Van Dalen UK Limited及Mettalis Recycling Limited的董事總經理。彼於一九九五年至二零零九年於Sims Metal Management UK Limited擔任董事總經理。自一九九一年至一九九五年，彼出任Allied Bird Fragmentation的總經理，而自一九八六年至一九九一年，彼於Bird Group of Companies擔任經理一職。Tom在國際有色金屬廢料行業的營運及貿易以及全球商業管理上均擁有豐富經驗。

Tom於普利茅斯大學取得工商管理（榮譽）學士學位。彼亦於牛津大學格林坦普頓學院完成高級行政財務課程。

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## Profile of Directors and Senior Management 董事及高級管理人員履歷

**Mr. Goh Kian Guan ("Mr. Goh")**, vice president, chief investment officer of the Company and general manager of the investment & development department of the Company. Mr. Goh also serves as a member of the strategy and investment committee of the Company and he is a director of certain subsidiaries of the Group. He joined the Group since 1 January 2016. Before joining the Group, Mr. Goh was the managing director for investments at USUM Investment Group Limited. Prior to USUM Investment Group Limited, Mr. Goh was the head of international merger & acquisition at an investment firm in Shanghai. Before that, Mr. Goh served in Standard Chartered Corporate Advisory and BNP Paribas Investment Banking Energy & Commodities team. Prior to his post at investment banking, Mr. Goh was with the strategic investment team for Singapore Telecom working on merger & acquisition. Mr. Goh has many years of experiences with both buy-side and sell-side, covering energy, commodities, transportation, telecom-media-technology (TMT) and high end manufacturing. Prior to that, Mr. Goh served 6 years as an engineer, working on various projects, including oil fields, refineries, petrochemical plants, pharmaceutical plants, power plants, oil rigs, real estates and advance equipment manufacturing, covering technical, commercial and financial management.

Mr. Goh graduated with a Master of Finance degree from the Royal Melbourne Institute of Technology of Australia, and a Bachelor of Engineering in Civil from the Nanyang Technological University of Singapore.

吳健源先生（「吳先生」），本公司副總裁、首席投資官兼投資發展部總經理。吳先生亦為本公司戰略與投資委員會成員，以及本集團若干子公司之董事。彼於二零一六年一月一日加入本集團。吳先生此前就職於渝商投資集團股份有限公司，擔任投資管理部董事總經理。在加入渝商投資集團股份有限公司之前，吳先生就職於上海一家投資公司，任國際併購部負責人。在此之前，吳先生就職於渣打銀行企業諮詢部和法國巴黎銀行投行部能源及大宗商品團隊。吳先生在加入投行前任職於新加坡電信有限公司戰略投資部，從事併購工作。吳先生在買方和賣方都擁有多年的經驗，涉及能源、大宗商品、運輸業、電信／媒體／科技和高端製造。在此之前，吳先生還擁有六年的工程師經歷，參與過多項工業項目，涉及油田、煉化廠、製藥廠、發電廠、海上鑽井平台、房地產、高端設備製造的技術、商務、財務管理。

吳先生擁有澳洲皇家墨爾本理工大學金融碩士學位和新加坡南洋理工大學土木工程學士學位。

## Profile of Directors and Senior Management

### 董事及高級管理人員履歷

**Mr. Koon Wai Hung (“Mr. Koon”)**, the company secretary and deputy chief financial officer of the Company. He joined the Group on 20 February 2016. He also serves as a director of certain subsidiaries of the Group.

Mr. Koon has on record over 24 years’ experience in accounting, financial management and auditing. Prior to joining the Company, he was the senior manager of Deloitte Touche Tohmatsu. Mr. Koon was responsible in audit of Hong Kong listed companies that engaged in manufacturing and real estate. He also was the manager of PricewaterhouseCoopers and the staff accountant of Ernst & Young. Mr. Koon also was the finance manager of a Hong Kong Listed company.

Mr. Koon holds a Bachelor of Commerce degree, majoring in Accounting and a Bachelor of Information Technology degree, majoring in Business Information and MRP System, both from Bond University in Australia. He is an associate of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

官偉雄先生（「官先生」），本公司的公司秘書及副首席財務官。彼於二零一六年二月二十日加入本集團。彼亦為本集團若干子公司之董事。

官先生於會計、財務管理及審計方面擁有超過二十四年豐富的經驗。於加入本公司前，彼曾於德勤•關黃陳方會計師行任職高級經理。官先生主要為從事製造及房地產業的香港上市公司進行審計工作。彼亦曾於羅兵咸永道會計師事務所任職經理及安永會計師事務所任職審計員。官先生亦曾於一家香港上市公司擔任財務經理。

官先生持有商業學士學位，主修會計及資訊科技學士學位，主修商業資訊及物料需求計劃系統，學位均由澳洲的邦德大學頒發。彼為澳洲會計師公會及香港會計師公會會員。

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\* For identification purpose only

The Directors of the Company have the pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2017 (the "Reporting Period").

## PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 42 to the consolidated financial statement.

An analysis of the Group's performance by operating segments for the year ended 31 December 2017 is set out in Note 5 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income of the Group on pages 120 to 121 of this Annual Report.

## FINAL DIVIDEND

The Board of Directors did not recommend the payment of final dividend for the year ended 31 December 2017 (2016: nil).

## BUSINESS REVIEW

The review of the business of the Group for the year ended 31 December 2017 is set out in sections headed "Chairman's Statement", "Management Discussion and Analysis" from pages 10 to 15 and pages 16 to 35 respectively of this Annual Report which also form part of this Directors' Report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has implemented a number of resources conservation initiatives in its operations and workplaces. It is our strategy to gradually embed sustainability into our daily management, thus, we will continue to improve environmental sustainability measures in all our facilities. In 2017, we complied with all relevant environmental regulations in Hong Kong and the PRC that have a significant impact on the Group's business. There were no significant fines and no non-monetary sanctions for non-compliance with environmental laws and regulations during the year. Details of the above information will be set out in our environmental, social and governance report which is scheduled to be published within three months after the issuance of this annual report.

本公司董事欣然提呈截至二零一七年十二月三十一日止年度（「報告期間」）彼等的報告及本集團的經審核綜合財務報表。

## 主要業務及地區之營運分析

本公司為一間投資控股公司。主要子公司的主要業務載於綜合財務報表附註42。

以經營分部分分析本集團截至二零一七年十二月三十一日止年度的表現載於綜合財務報表附註5。

## 業績及溢利分配

本公司截至二零一七年十二月三十一日止年度業績載於本年報第120至121頁的本集團綜合損益表及綜合全面收益表。

## 末期股息

董事會不建議派發截至二零一七年十二月三十一日止年度末期股息（二零一六年：無）。

## 業務回顧

有關本集團截至二零一七年十二月三十一日止年度的業務回顧分別載於本年報（亦構成本董事會報告之一部分）第10至15頁及第16至35頁「主席報告」及「管理層討論及分析」內。

## 環境政策及績效

本集團已在營運及工作場所實施多項資源節約項目。我們的策略是逐步在日常管理中注入可持續發展元素。據此，我們將繼續提升在所有設施內的環境可持續發展措施。於二零一七年，我們已遵守香港和中國所有與環境有關並且對本集團業務重大影響的法規。年內，並無因違反環境法律及法規而招致的大額罰款及非金錢性質的制裁。上述資料的詳情將載於我們的環境、社會及管治報告，該報告預定於本年報刊發後三個月內刊發。



## COMPLIANCE WITH LAWS AND REGULATIONS

During the year, the Group was not aware of any noncompliance with laws and regulations that would have a significant impact on the Group in relation to issues such as environmental protection, employment and labour practices, operating practices and the community.

## RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Maintaining and consolidating its relationship with customers is crucial to increasing the profits of the Company. When carrying out business with customers, the Group has adopted various methods to collect and report their needs and expectations and taken corresponding measures for improvement. The results of such measures were reviewed and feedbacks were provided to the customers. The main duties include conducting customer satisfaction survey by sending out questionnaires to have their feedbacks, opinions, suggestions, complaints or praises to ensure the service quality and to make improvement.

The Group's raw materials are required to be purchased in both overseas and domestic markets. Maintaining a good relationship with our scrap metal suppliers is one of the most important task in scrap metal procurement. In addition, the Group continues to secure a group of quality scrap suppliers by conducting regular evaluations, so as to lay a solid foundation for the recycling and dismantling production of the Group.

The Group has committed to providing equal employment opportunities without regard to sex, age or national origin, and are in accordance with anti-discrimination laws. We endeavor to ensure employees are treated equally within our welfare system and are provided with effective channels to freely express and communicate their opinions.

Our Group is committed to maintaining the highest standard of ethical and responsible conduct when doing business. A group-level Whistle-blowing Policy is in place to deter corruption or any possible violation of law or company policy and to promote standards of good corporate practices.

## 遵守法律及法規

於本年度，本集團並不知悉因違反任何法例及規例而對本集團有關環保、僱傭及勞工規範、經營規範及社區等議題構成重大影響。

## 與客戶、供應商及僱員的關係

維持及鞏固與客戶的關係，對增加本公司溢利相當重要。於本集團與客戶進行業務往來時，已採納多種辦法以收集及報告彼等之需要及期望，並已採取相應措施加以改善。已就有關措施的結果作出檢討，並向客戶作出反饋。主要工作包括進行客戶滿意度調查，透過發出問卷以徵集反饋、意見、提議、投訴或讚譽，以確保服務質素並加以改良。

本集團原材料須從海外及本地市場購買。與廢金屬供應商維持良好關係是廢金屬採購的重要一環。此外，本集團藉進行定期評估，以獲得一群優質廢金屬供應商，進而令本集團的再生及回收拆解生產打下穩固的基礎。

本集團致力在僱傭上提供平等就業機會、不論其性別、年齡或國籍，並根據反歧視法例施行。我們竭力確保僱員在福利制度下獲公平對待，且設立有效途徑，彼等可自由發表意見。

本集團在經營業務時，致力維持最高標準的道德操守及負責任的行為。我們已在集團層面設立告密政策，防止貪污或任何可能違反法例或公司政策的事宜，以及提倡良好的企業管治標準。

## CHANGE IN SHARE CAPITAL IN THE YEAR

Details of the change in share capital issued in the year ended of 31 December 2017 are set out in note 27 in the consolidated financial statements.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There were no contract of significance with any member of the Group as the contracting party and in which any of the controlling shareholders or any of its subsidiaries possessed direct or indirect substantial interests, and which was still valid on 31 December 2017 or any time during such year and related to the business of the Group.

## DISCLOSURE UNDER RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")

On 19 December 2016, the Company as issuer entered into a subscriptions agreement ("Subscriptions Agreement") with an independent third party institution (the "Subscriber") pursuant to which the Company agrees to issue and the Subscriber agrees to subscribe for certain notes ("Notes") in the principal amount of US\$200,000,000 due 2018.

Pursuant to the Subscriptions Agreement, Mr. Tu and USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司("USUMHK") shall also provide a personal guarantee and a corporate guarantee, respectively, in favour of the Subscriber to secure, among others, the due and punctual observance and performance by the Company under the Subscriptions Agreement and other documents.

## 年內股本變動

截至二零一七年十二月三十一日止年度股本變動之詳情載於綜合財務報表附註27。

## 控權股東於合約之權益

本集團任何成員公司並無訂立任何與控股股東或其子公司於當中直接或間接擁有重大權益，且於二零一七年十二月三十一日或於年內任何時間仍屬有效及與本集團業務有關的重大合約。

## 根據聯交所證券上市規則(「上市規則」)第13.21條之披露

於二零一六年十二月十九日，本公司(作為發行人)與一名獨立第三方機構(「認購人」)訂立一份認購協議(「認購協議」)，據此，本公司同意發行且認購人同意認購於二零一八年到期之本金額為200,000,000美元之若干票據(「票據」)。

根據認購協議，涂先生及渝商投資集團(香港)有限公司(「渝商香港」)亦須以認購人為受益人分別提供個人擔保及公司擔保，以確保(其中包括)本公司切實及準時遵守及履行認購協議及其他文件。

DISCLOSURE UNDER RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")  
(continued)

Pursuant to the terms of the Notes, it will be an event of default if, among others, (i) USUMHK ceases to beneficially own (directly or indirectly) at all times a shareholding in the Company representing the single largest shareholding in the Company, or (ii) USUMHK ceases at all times to be controlled by Mr. Tu and Mr. Tu ceases to be the single largest shareholder of USUMHK. For the purposes of this clause, "control" of each person means (whether by way of ownership of shares, proxy, contract, agency or otherwise): (a) having the power to cast, or control the casting of 40% of the votes that might be cast at a general meeting of such person; or (b) having the power to appoint a majority of the board of directors or remove any director of such person; or (c) having the power or ability to influence the management and financial policies of such person. If any event of default occurs, the Subscriber may require the Notes to be repaid immediately. As at the date of this report, USUMHK owns 62.85% of the total issued share capital of the Company and Mr. Tu indirectly owns 42.10% of the total issued share capital of USUMHK.

根據聯交所證券上市規則（「上市規則」）第13.21條之披露（續）

根據票據之條款，倘（其中包括）(i)渝商香港終止（直接或間接）實益擁有本公司股權，即本公司之單一最大股權，或(ii)渝商香港終止由涂先生控制，而涂先生不再為渝商香港之單一最大股東，即構成違約事項。就該條款而言，個人「控制」指（不論以股份擁有權、委任代表、合約、代理或其他方式）：(a)該人士有權於股東大會上行使或控制40%的投票權；或(b)該人士有權委任或罷免大部分董事；或(c)該人士有權或有能力影響管理及財務政策。倘出現任何違約事項，則認購人可即時要求償還票據。於本報告日期，渝商香港擁有本公司全部已發行股本62.85%，而涂先生間接擁有渝商香港全部已發行股本42.10%。

## DIRECTORS

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

### Executive Directors

Mr. Qin Yongming

*(Chairman, appointed on 17 July 2017)*

*(Chief Executive Officer, appointed on 11 October 2017)*

Mr. Tu Jianhua

*(resigned as Chairman on 17 July 2017)*

Mr. Wong Wun Lam

*(appointed on 11 October 2017)*

Mr. Zhu Patrick Xiangdong

*(appointed on 7 April 2017 and  
resigned on 11 October 2017)*

Mr. Liu Huaiyu

*(resigned on 7 April 2017)*

### Independent Non-Executive Directors

Dr. Loke Yu

Mr. Zhu Dajian

Ms. Qian Liping

\* Mr. Zhu Hongchao was appointed as an independent non-executive Director of the Company on 18 April 2018. Mr. Zhu Hongchao shall hold office until the forthcoming annual general meeting of the Company and then being eligible, offer himself for re-election.

Following the appointment of Mr. Zhu Hongchao, in accordance with the articles of association of the Company:

- (i) Mr. Tu Jianhua shall retire from office and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company under articles 84(1) & (2); and
- (ii) Mr. Wong Wun Lam and Mr. Zhu Hongchao who were appointed under article 83(3) shall hold office until the forthcoming annual general meeting of the Company and then being eligible, offer himself for re-election as well.
- (iii) Mr. Zhu Dajian shall retire from office and he has informed the Board that he would not offer himself for re-election and accordingly will retire as Director upon the conclusion of the forthcoming annual general meeting of the Company.

## 董事

年內及截至本報告日期任職之董事包括：

### 執行董事

秦永明先生

*(主席，於二零一七年七月十七日獲委任)*

*(行政總裁，於二零一七年十月十一日*

*獲委任)*

涂建華先生

*(於二零一七年七月十七日辭任主席)*

黃煥霖先生

*(於二零一七年十月十一日獲委任)*

朱向東先生

*(於二零一七年四月七日獲委任及  
於二零一七年十月十一日辭任)*

劉懷宇先生

*(於二零一七年四月七日辭任)*

### 獨立非執行董事

陸海林博士

諸大建先生

錢麗萍女士

\* 朱洪超先生於二零一八年四月十八日獲委任為本公司獨立非執行董事。朱洪超先生須任職至本公司應屆股東週年大會，並符合資格膺選連任。

於朱洪超先生獲委任後，根據本公司組織章程細則：

- (i) 根據細則第84(1)及(2)條，涂建華先生須告退，惟彼合資格並願意於本公司應屆股東週年大會上膺選連任；及
- (ii) 黃煥霖先生及朱洪超先生乃根據細則第83(3)條獲委任，彼等須任職至本公司應屆股東週年大會，並符合資格膺選連任。
- (iii) 諸大建先生須告退，且彼已知會董事會將不會膺選連任，故將於本公司應屆股東週年大會結束時退任董事。

DIRECTORS' SERVICE CONTRACTS

董事服務合約

		Start 開始	Expire 到期	Duration of contract 合約年期
Executive Director 執行董事	Qin Yongming 秦永明	17 July 2017 二零一七年 七月十七日	NA (open contract) 不適用 (待定條款合約)	NA (open contract) 不適用 (待定條款合約)
	Tu Jianhua 涂建華	29 April 2015 二零一五年 四月二十九日	28 April 2018 二零一八年 四月二十八日	3 years 三年
	Wong Wun Lam 黃煥霖	11 October 2017 二零一七年十月十一日	10 October 2020 二零二零年十月十日	3 years 三年
Independent Non- Executive Directors 獨立非執行董事	Loke Yu 陸海林	24 June 2016 二零一六年 六月二十四日	23 June 2019 二零一九年 六月二十三日	3 years 三年
	Zhu Dajian 諸大建	17 December 2017 二零一七年 十二月十七日	16 December 2020 二零二零年 十二月十六日	3 years 三年
	Qian Liping 錢麗萍	24 October 2016 二零一六年 十月二十四日	23 October 2019 二零一九年 十月二十三日	3 years 三年

None of the Directors proposed for re-election at the forthcoming annual general meeting has any services contract with the Company and/or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

擬於應屆股東週年大會上膺選連任的董事概無與本公司及／或其任何子公司訂有不可於一年內不付補償（法定補償除外）而終止的任何服務合約。

\* Mr. Zhu Dajian will retire upon the conclusion of the forthcoming annual general meeting of the Company. Mr. Zhu Hongchao was appointed on 18 April 2018. The duration of Mr. Zhu Hongchao's service contract is 3 years, which commenced on 18 April 2018 and will expire on 17 April 2021.

\* 諸大建先生將於本公司應屆股東週年大會結束時退任。朱洪超先生已於二零一八年四月十八日獲委任。朱洪超先生的服務合約為期三年，自二零一八年四月十八日開始，並將於二零二一年四月十七日屆滿。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 36 to 46.

## CHANGES OF INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules after the publication of the Interim Report 2017 of the Company are set out below:

### Experience including other directorships

- (a) Mr. Tu Jianhua, an executive Director of the Company, was appointed as the President of Chongqing City Industry and Commerce Federation (重慶市工商聯) and the President of Chongqing City General Chamber Commerce (重慶市總商會) with effect from 7 July 2017.

Mr. Tu Jianhua was appointed as a member of the National Committee of the 13th Chinese People's Political Consultative Conference with effect from 24 January 2018.

- (b) Mr. Qin Yongming, an executive Director of the Company, was appointed as CEO of the Company and the Chairman of the pricing committee of the Company with effect from 11 October 2017.

Mr. Qin Yongming was appointed as the president of USUM Investment Group Co., Ltd. with effect from 22 January 2018.

- (c) Dr. Loke Yu alias Loke Hoi Lam, an independent non-executive Director of the Company, was appointed as an independent non-executive director of Zhenro Properties Group Limited (Stock Code: 6158) with effect from 15 December 2017.

Dr. Loke Yu resigned as the company secretary of Minth Group Limited (Stock Code: 425) with effect from 8 February 2018.

## 董事及高級管理人員履歷詳情

董事及高級管理人員的簡歷詳情載於第36至46頁。

## 有關董事資料的變動

根據上市規則第13.51B(1)條，本公司二零一七年年中期報告刊登後，董事根據上市規則第13.51(2)條第(a)至(e)段及第(g)段須予披露的資料變動載列如下：

### 經驗（包括其他董事職務）

- (a) 涂建華先生，本公司執行董事，獲委任為重慶市工商聯主席及重慶市總商會會長，自二零一七年七月七日起生效。

涂建華先生獲委任為第十三屆全國政協委員，自二零一八年一月二十四日起生效。

- (b) 秦永明先生，本公司執行董事，獲委任為本公司行政總裁及本公司定價委員會主席，自二零一七年十月十一日起生效。

秦永明先生獲委任為渝商投資集團股份有限公司總裁，自二零一八年一月二十二日起生效。

- (c) 陸海林博士，本公司獨立非執行董事，獲委任為正榮地產集團有限公司（股份代號：6158）之獨立非執行董事，自二零一七年十二月十五日起生效。

陸海林博士已辭任在敏實集團有限公司（股份代號：425）之公司秘書一職，自二零一八年二月八日起生效。

### DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business (including those to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party) in which a director of the Company or an entity connected with a director had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provide that every Director shall be indemnified out of the assets and profits of the Company against liabilities (to the extent permitted by the Companies Ordinance (Cap 622)) incurred by him as such Director in the execution of his duties or otherwise in relation thereto, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any such director.

The Company has taken out insurance against the liabilities and costs associated with defending any proceeding which may be brought against the Directors of the Company.

### 董事於交易、安排或合約及控股股東的重要合約之重大權益

於年末或年內任何時間，概無訂立本公司董事或與董事有關連之實體於當中直接或間接擁有重大權益的有關本集團業務之重大交易、安排及合約（包括本公司子公司、同系子公司或其母公司為訂約方的有關本集團業務之重大交易、安排及合約）。

### 獲准許的彌償條文

本公司組織章程細則規定，每位董事有權就因執行其董事職務或相關的其他事宜而可能發生與此相關之一切的債務（按公司條例（第622章）容許的最大程度），將獲本公司從其資產及溢利中賠償，惟本彌償保證不延伸至任何與該董事欺詐或不忠誠有關之事宜。

本公司就可能對本公司董事提起的任何法律訴訟相關的負債及成本投保。

## EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" on pages 61 to 62 in this Annual Report, no equity-linked agreements were entered into during the year or which subsisted at the end of the year.

## DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" on pages 61 to 62 of this Annual Report, during the year, none of the Company, its parent company, or any of its subsidiaries or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

## BORROWINGS

Details of the borrowings, including the maturity profile, currency and interest rate structure of the Group are set out in note 29 to the consolidated financial statements.

## 股權掛鈎協議

除本年報第61至62頁「購股權計劃」一節披露者外，於本年度概無訂立股權掛鈎協議或於年底仍然生效。

## 董事購買股份或債券之權利

除本年報第61至62頁「購股權計劃」一節所披露者外，於本年度，概無本公司、其母公司或其任何子公司或同系子公司訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

## 物業、廠房及設備

有關本集團物業、廠房及設備於年內的變動詳情載於綜合財務報表附註14。

## 借款

有關本集團借款（包括到期情況、貨幣及利率結構）的詳情載於綜合財務報表附註29。

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

During the year ended 31 December 2017, the Company purchased a total of 14,586,000 ordinary shares of the Company on the Stock Exchange ("Share Repurchase"), all of which have been cancelled. Details of the purchases are set out as follows:

Month/Year	年／月	Number of shares purchased 購回股份數目	Highest price paid per share 已付每股股份最高價	Lowest price paid per share 已付每股股份最低價	Aggregate price paid 已付總價
April 2017	二零一七年四月	10,526,000	5.27	3.91	49,553,000
May 2017	二零一七年五月	4,050,000	4.80	3.34	15,975,000
June 2017	二零一七年六月	10,000	3.74	3.68	37,000
		<u>14,586,000</u>			<u>65,565,000</u>

The Board believes that the Share Repurchase reflects the confidence of the Board and the management team in the long-term strategy and growth prospects of the Company and considers that the Share Repurchase is in the best interest of the Company and the Shareholders as a whole.

Saved as disclosed above, there were no other purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2017.

## 購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司於聯交所購回本公司合共14,586,000股普通股（「股份購回」），該等股份已悉數註銷。購回詳情載列如下：

董事會相信股份購回能反映董事會及管理團隊對本公司長期戰略及增長前景的信心，並認為股份購回符合本公司及股東之整體最佳利益。

除上文所披露者外，本公司或其任何子公司均無於截至二零一七年十二月三十一日止年度購買、出售或贖回任何本公司上市證券。

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated under, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

## TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

## RESERVES

Details of the movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity. As at 31 December 2017, the distributable reserves of the Company amounted to approximately HK\$4,511.3 million.

## DONATIONS

The Group did not make any donations during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

In 2017, the Group's largest supplier accounted for 8.66% (2016: 10.85%) of the total purchases. The five largest suppliers comprised 31.80% (2016: 38.41%) of the total purchases.

Aggregate sales attributable to the Group's five largest customers were less than 30% of total revenue in 2017 and 2016.

None of the Directors of the Company or any of their respective associates or any shareholder of the Company (which, to the knowledge of the Directors, owns more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest suppliers or five largest customers during the year.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or subsisted during the year.

## 優先購買權

本公司組織章程細則或開曼群島（即本公司註冊成立所在司法權區）法律並無有關優先購買權的任何條文，規限本公司須向其現有股東按持股比例發售新股。

## 稅項減免

本公司概不知悉有任何因股東持有本公司股份而向彼等提供之稅項減免。

## 儲備

年內本集團儲備變動詳情載於綜合權益變動表。於二零一七年十二月三十一日，本公司的可分派儲備約為45億1,130萬港元。

## 捐贈

本集團於年內並無作出任何捐贈。

## 主要客戶及供應商

於二零一七年，本集團的最大供應商佔總採購額8.66%（二零一六年：10.85%）。五大供應商佔總採購額31.80%（二零一六年：38.41%）。

於二零一七年及二零一六年，本集團的五大客戶銷售總額佔總收益少於30%。

本公司董事或彼等各自之任何聯繫人或本公司任何股東（就董事所知擁有本公司超過5%股本）年內概無於本集團五大供應商或五大客戶擁有任何實益權益。

## 管理合約

除僱用合約外，年內概無訂立或存續有關本公司業務整體或任何重要部分的管理及行政合約。



## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

As disclosed in the announcement of the Company dated 11 January 2017, a number of connected transactions have been entered into and will continue to be carried out between the Company, members of the Group and Loncin International Limited ("Loncin International") (the "Continuing Connected Transactions") according to the sales framework agreement (the "Sales Framework Agreement") entered into between the Company and Loncin International on 11 January 2017. Pursuant to the Sales Framework Agreement, Loncin International shall purchase and the Company shall supply, or shall procure relevant member(s) of the Group to supply, certain products to Loncin International for a term commencing from 11 January 2017 and ending on 31 December 2019.

The annual caps in respect of the transactions contemplated under the Sales Framework Agreement for each of the financial years ended/ending 31 December 2017, 2018 and 2019 are US\$150.0 million, US\$250.0 million and US\$350.0 million respectively. The total amount of the transaction for the year ended 31 December 2017 was US\$76.0 million.

Mr. Tu, a Director and controlling shareholder of the Company, holds 98% equity interests in Loncin Group Limited, which in turn holds 98% equity interests in Loncin Holdings. Loncin International is wholly-owned by Loncin Holdings. Therefore, Loncin International is a connected person of the Company under the Listing Rules by virtue of being an associate of Mr. Tu.

Accordingly, the Sales Framework Agreement constitute a continuing connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On 17 February 2017, an extraordinary general meeting of the Company was convened and the Sales Framework Agreement was duly approved.

## 關連交易及持續關連交易

誠如本公司日期為二零一七年一月十一日的公告所披露，根據本公司與隆鑫國際有限公司（「隆鑫國際」）於二零一七年一月十一日訂立的銷售框架協議（「銷售框架協議」），本公司、本集團成員公司與隆鑫國際已訂立且將繼續落實若干關連交易（「持續關連交易」）。根據銷售框架協議，隆鑫國際將購買而本公司將供應或促使本集團相關成員公司向隆鑫國際供應若干該等產品，期限為自二零一七年一月十一日起至二零一九年十二月三十一日止。

截至二零一七年、二零一八年及二零一九年十二月三十一日止財政年度各年，有關銷售框架協議項下擬進行之交易之年度上限分別為1億5,000萬美元、2億5,000萬美元及3億5,000萬美元。截至二零一七年十二月三十一日止年度之交易總額為7,600萬美元。

本公司董事及控股股東涂先生持有隆鑫集團有限公司98%股權，而隆鑫集團有限公司持有隆鑫控股98%股權。隆鑫國際由隆鑫控股全資擁有。因此，隆鑫國際由於為涂先生之聯繫人而根據上市規則為本公司之關連人士。

因此，銷售框架協議構成本公司持續關連交易，且須遵守上市規則第14A章項下申報、公告及獨立股東批准之規定。於二零一七年二月十七日，本公司已召開股東特別大會，而銷售框架協議獲正式批准。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

The Continuing Connected Transactions have been reviewed by the independent non-executive Directors. The independent non-executive Directors have confirmed that the Continuing Connected Transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as the case may be) independent third parties;
- (c) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (d) within the respective cap amounts as disclosed in the previous announcements in which the relevant Continuing Connected Transactions were disclosed.

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 "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 auditor has issued an unqualified letter containing its findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Apart from the aforesaid Continuing Connected Transactions, no other related-party transactions disclosed in Note 37 to the consolidated financial statements entered into by the Group during the year ended 31 December 2017 constitute connected transactions or continuing connected transactions under the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

## 關連交易及持續關連交易（續）

持續關連交易已由獨立非執行董事審閱。獨立非執行董事確認，持續關連交易乃基於下列各項訂立：

- (a) 於本集團一般及日常業務過程中訂立；
- (b) 按一般商業條款或不遜於本集團向或獲獨立第三方提供（視情況而定）之條款訂立；
- (c) 根據監管此類交易之相關協議按公平合理且符合股東整體利益之條款進行；及
- (d) 不超逾於過往有關持續關連交易公告中披露之有關上限。

本公司已委聘核數師根據香港會計師公會頒佈的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」，及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。根據上市規則第14A.56條，核數師已就本集團披露之持續關連交易，發出無保留意見並載有其發現及結論的函件。本公司已將該核數師函件副本送呈聯交所。

除上述持續關連交易外，概無於綜合財務報表附註37披露的本集團於截至二零一七年十二月三十一日止年度訂立的其他關聯方交易構成上市規則項下的關連交易或持續關連交易。本公司確認其已遵守上市規則第14A章項下之披露規定。

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2017, none of the Directors (except Mr. Tu Jianhua, details as set out below) has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

Name of Director 董事姓名	Name of entity which businesses are considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成競爭或可能構成競爭的業務實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成競爭或可能構成競爭的實體從事的業務的描述	Nature of interest of the Director in the entity 董事於實體的權益性質
Mr. Tu Jianhua 涂建華先生	Chongqing USUM Recycling Resources Development Co., Ltd. ("Chongqing USUM") 重慶渝商再生資源開發有限公司(「重慶渝商」)	According to the business scope as registered with the State Administration For Industry & Commerce of the PRC, this entity may engage in, inter alia, recycling, processing, marketing and sale of recycling resources, scrap metal related businesses. 根據於中國國家工商行政管理局登記的經營範圍，此實體可從事(其中包括)再生資源、廢舊金屬回收、加工及銷售之相關業務。	Substantial Shareholder 主要股東

Although the scope of business of Chongqing USUM allows it to engage in businesses that are considered likely to compete with the business of the Group, Mr. Tu Jianhua reported to the Board that Chongqing USUM is currently only engaged in the disintegration of automobile and trading of steel scrap in the PRC, which are not the same as nor compete with the businesses of the Group. Further, Chongqing USUM has no intention to engage in businesses that compete with or are likely to compete with the Group's businesses.

The Board and management team of the Company and the above entity do not overlap with each other and are independent of each other. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of Chongqing USUM in which Mr. Tu Jianhua has declared interests.

## 董事於競爭業務中的權益

於截至二零一七年十二月三十一日止年度，根據上市規則，概無董事(涂建華先生除外，詳情載列如下)於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益：

儘管重慶渝商的業務範圍容許其從事被視為可能與本集團構成競爭的業務，涂建華先生向董事會報告，重慶渝商現時在中國僅從事汽車解體及廢鋼貿易業務，與本集團的業務不同，亦不構成競爭。再者，重慶渝商無意從事與本集團業務構成競爭或可能構成競爭的業務。

本公司董事會及管理團隊與上述實體並不重疊且互相獨立於對方。因此，本集團有能力獨立於涂建華先生已宣佈於其中擁有利益之重慶渝商之業務公正地經營其業務。

## SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted by the Company on 23 June 2010 (the "Post-IPO Share Option Scheme"). The Post-IPO Share Option Scheme was approved by written resolutions of the shareholders of the Company and as approved by the listing committee of the Stock Exchange is valid and effective for a period of 10 years commencing on 23 June 2010. It is a share incentive scheme established to recognise and acknowledge the contributions that the eligible participants have or may have made to the Group. Pursuant to the Post-IPO Share Option Scheme, the Board may, as its discretion, offer to grant an option to any director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

When the Post-IPO Share Option Scheme was adopted on 23 June 2010, the original scheme mandate limit in respect of which share options could be granted under the Post-IPO Share Option Scheme was 100,000,000 Shares and it was refreshed during the 2013 extraordinary general meeting of the Company.

Pursuant to the terms of the Post-IPO Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme and all other share option schemes of the Company shall not exceed 161,973,829 Shares, being 10% of the Shares in issue as at 17 February 2017, being the date of the 2017 extraordinary general meeting ("2017 EGM"), when the scheme mandate limit was last refreshed.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant, any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

## 購股權計劃

本公司於二零一零年六月二十三日採納首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）。首次公開發售後購股權計劃經本公司股東書面決議案批准以及經聯交所上市委員會批准，有效期為二零一零年六月二十三日起計十年。該購股權計劃是一項股份獎勵計劃，旨在肯定及認可合資格參與人士曾經或可能對本集團作出的貢獻。根據首次公開發售後購股權計劃，董事會可酌情向本集團任何成員公司的任何董事、僱員、顧問、專家顧問、批發商、承包商、供應商、客戶、代理、業務夥伴、合營企業合作夥伴、創辦人、服務供應商授出購股權。

首次公開發售後購股權計劃於二零一零年六月二十三日獲採納，原有的計劃授權限額（根據首次公開發售後購股權計劃授出的購股權所涉及者）為100,000,000股股份，並於二零一三年的本公司股東特別大會上更新。

根據首次公開發售後購股權計劃的條款及遵守上市規則第17章的條文，於行使首次公開發售後購股權計劃及本公司所有其他購股權計劃下授出的所有購股權時可予發行的最高股份數目不得超過161,973,829股，即於二零一七年二月十七日（即二零一七年股東特別大會（「二零一七年股東特別大會」）日期，計劃授權限額獲更新之最後日期）已發行股份的10%。

截至授出日期止十二個月內因行使有關合資格參與人士根據首次公開發售後購股權計劃所獲授購股權而發行及可發行的股份總數不得超過授出日期已發行股份的1%，額外授出超過該1%上限的購股權須經股東於股東大會批准。

## SHARE OPTION SCHEME (continued)

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading dates immediately preceding the date of grant; or (iii) the nominal value of a Share.

A share option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined and notified by the Board to the participant at the time of making an offer for the grant of share option.

The total number of securities available for issue under the Post-IPO Share Option Scheme under the refreshed Scheme mandate limit, and all other share option schemes of the Company must not exceed 161,973,829 shares, representing 10.09% of the total number of Shares of the Company as at the date of this report.

No share option has been granted, exercised, cancelled or lapsed from the date of the scheme limit last refreshed to 31 December 2017 under the Share Option Scheme.

Save as disclosed above, no share options have been granted under the Post-IPO Share Option Scheme since the refreshment of the Scheme Mandate Limit on 17 February 2017. An offer of the grant of a share option shall be accepted by the eligible participants within a period of 28 days from the date of offer of grant of share option. The consideration paid by each grantee for the acceptance and grant of each share option is HK\$1.00, which has to be paid within 28 days.

There were no options outstanding as at 31 December 2017 and no share options were granted, exercised, cancelled or lapsed during the Reporting Period.

## 購股權計劃 (續)

根據首次公開發售後購股權計劃所授出的任何個別購股權的相關股份認購價，不得少於下列三者之最高者：(i)在授出日期股份於聯交所每日報價表所報收市價；(ii)股份在緊接授出日期前五個交易日於聯交所每日報價表所報收市價的平均價；或(iii)股份面值。

購股權可根據首次公開發售後購股權計劃的條款，於董事會於提出建議時決定並通知參與人士的一段期間隨時行使。

根據已更新計劃授權上限，因應首次公開發售後購股權及本公司所有其他購股權計劃可供發行的證券總數不得超出161,973,829股，相當於本公司於本報告日期股份總數10.09%。

自計劃限額上次獲更新日期起至二零一七年十二月三十一日，概無購股權計劃下之授出、行使、註銷購股權或購股權失效。

除上文披露外，自二零一七年二月十七日更新計劃授權限額起，概無根據首次公開發售後購股權計劃授出任何購股權。授出購股權之要約可由合資格參與人士於自授出購股權要約日期起28日內接受。各承授人每次接納及授出購股權時所付代價為1.00港元並須於28日內繳付。

於二零一七年十二月三十一日，概無尚未行使購股權，於報告期間內亦無授出、行使、註銷購股權或購股權失效。



## REDEMPTION OF CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 17 January 2012, 1 March 2012, 5 March 2012 and 18 March 2012, respectively and the circulars dated 8 February 2012 and 11 April 2015, respectively in relation to the issue and the extension of maturity date by the Company of five-year 4% coupon convertible bonds due 2017 in the aggregate initial principal amount of HK\$815,800,000 ("Convertible Bonds").

The Convertible Bonds matured on 1 March 2017 and the Company redeemed all outstanding Convertible Bonds on the same day. The aggregate amount paid by the Company for the redemption of all of the remaining outstanding Convertible Bonds in the initial principal amount of HK\$815,800,000 is approximately HK\$115,000,000. All the certificates of the Convertible Bonds have been cancelled immediately upon the redemption.

## 贖回可換股債券及到期日延期

謹此提述本公司日期分別為二零一二年一月十七日、二零一二年三月一日、二零一二年三月五日及二零一二年三月十八日之公告及日期為二零一二年二月八日及二零一五年四月十一日之通函，內容有關本公司發行於二零一七年到期五年4%票息之初始本金總額為815,800,000港元之可換股債券（「可換股債券」）及延期有關到期日。

可換股債券於二零一七年三月一日到期及本公司於同日贖回所有尚未行使可換股債券。本公司就贖回初始本金總額為815,800,000港元的所有餘下尚未行使可換股債券所支付的總金額約為115,000,000港元。所有可換股債券證書於贖回後均已立即被註銷。

## DISCLOSURE OF INTERESTS

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company and Its Associated Corporations

As at 31 December 2017, the interests or short positions of the Directors and chief executives 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 the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

#### Long positions in Shares:

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的股份總數	Approximate percentage of shareholding in the Company (Note 1) 佔本公司股權 概約百分比(附註1)
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註 2)	62.85%

## 權益披露

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券或本公司的任何特定承擔中的權益及淡倉

於二零一七年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有本公司須根據證券及期貨條例第352條須予存置的登記冊中所記錄或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉如下：

#### 股份的好倉：

## DISCLOSURE OF INTERESTS (continued)

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company and Its Associated Corporations (continued)

Notes:

- (1) As at 31 December 2017, the total number of issued Shares of the Company was 1,605,152,291 Shares.
- (2) The 1,008,885,181 Shares were held by USUM Investment Group Hong Kong Limited ("USUMHK"), a company in which Mr. Tu Jianhua ("Mr. Tu") was indirectly interested. USUMHK is directly wholly owned by USUM Investment Group Limited ("USUM Group"), a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings Co., Ltd. ("Loncin Holdings"), with an equity interest in USUM Group of approximately 42.1%. The remaining equity interests in USUM Group are held by 22 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group Co., Ltd. ("Loncin Group") and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 31 December 2017. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## 權益披露 (續)

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券或本公司的任何特定承擔中的權益及淡倉 (續)

附註：

- (1) 於二零一七年十二月三十一日，本公司已發行股份的總數為1,605,152,291股股份。
- (2) 1,008,885,181股股份乃由渝商投資集團(香港)有限公司(「渝商香港」)持有，渝商香港為一間涂建華先生(「涂先生」)間接擁有權益的公司。渝商香港由渝商投資集團股份有限公司(「渝商集團」)直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股有限公司(「隆鑫控股」)，其於渝商集團的股本權益為約42.1%。渝商集團的餘下權益由22名個人及30間公司(均為獨立於隆鑫控股及涂先生的第三方)持有。該等個人及公司分別持有渝商集團0.29%至10%之股權。隆鑫控股分別由隆鑫集團有限公司(「隆鑫集團」)擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士(均為涂先生的姊妹)分別擁有1%。截至二零一七年十二月三十一日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。

除上文所披露外，於二零一七年十二月三十一日，本公司董事及主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第XV部第7及8分部須予知會本公司及聯交所(包括根據證券及期貨條例有關條文規定，彼等被當作或視作擁有之權益或淡倉)；或本公司根據證券及期貨條例第352條所存置之登記冊中所記錄；或根據標準守則須予知會本公司及聯交所之任何權益或淡倉。

## DISCLOSURE OF INTERESTS (continued)

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2017, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

#### Long positions in Shares:

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的 股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司	Beneficial owner 實益股東	1,008,885,181 (Note 2) (附註2)	62.85%
USUM Investment Group Limited 渝商投資集團股份有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.85%
Loncin Holdings Co., Ltd. 隆鑫控股有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.85%
Loncin Group Co., Ltd. 隆鑫集團有限公司	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.85%
Mr. Tu Jianhua 涂建華先生	Interest in controlled corporations 於受控制法團之權益	1,008,885,181 (Note 2) (附註2)	62.85%

## 權益披露(續)

主要股東於本公司的股份及相關股份的權益及淡倉

於二零一七年十二月三十一日，除本公司董事及主要行政人員外，以下人士於本公司股份及相關股份中擁有須根據證券及期貨條例第336條須予存置之登記冊中所記錄的權益及淡倉如下：

股份的好倉：

DISCLOSURE OF INTERESTS (continued)

Substantial Shareholders' Interests and Short Positions  
in Shares and Underlying Shares of the Company  
(continued)

權益披露 (續)

主要股東於本公司的股份及相關股份的權益  
及淡倉 (續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的 股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Tai Security Holding Limited Tai Security Holding Limited	Beneficial owner 實益股東	98,773,990 (Note 3) (附註3)	6.15%
Good Union Hong Kong Investment Limited 星滙香港投資有限公司	Beneficial owner 實益股東	44,700,000 (Note 4) (附註4)	2.78%
Mr. Zhang Mingjie 張明杰先生	Interest in controlled corporations 於受控制法團之權益	143,473,990 (Notes 3 and 4) (附註3及4)	8.94%
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Person having a security interest in shares 擁有股份抵押權益之人士	92,158,000	5.74%
China Construction Bank Corporation 中國建設銀行股份有限公司	Person having a security interest in shares 擁有股份抵押權益之人士	92,158,000	5.74%
Pengda Value Fund SPC (acting for and on behalf of DTC SP) Pengda Value Fund SPC (代DTC SP行事)	Beneficial owner 實益股東	97,250,000 (Note 5) (附註5)	6.06%



DISCLOSURE OF INTERESTS (continued)

Substantial Shareholders' Interests and Short Positions  
in Shares and Underlying Shares of the Company  
(continued)

權益披露 (續)

主要股東於本公司的股份及相關股份的權益  
及淡倉 (續)

Name of Shareholder 股東名稱	Capacity/Nature of Interest 身份／權益性質	Total number of Shares interested 持有權益的 股份總數	Approximate percentage of Shareholding in the Company (Note 1) 佔本公司股權 概約百分比 (附註1)
Cinda Asset Management (Cayman) Limited	Interest in controlled corporations	97,250,000 (Note 5)	6.06%
Cinda Asset Management (Cayman) Limited	於受控制法團之權益	(附註5)	
Cinda (BVI) Limited	Interest in controlled corporations	97,250,000	6.06%
Cinda (BVI) Limited	於受控制法團之權益		
Cinda International Holdings Limited	Interest in controlled corporations	97,250,000 (Note 5)	6.06%
信達國際控股有限公司	於受控制法團之權益	(附註5)	
Sinoday Limited	Interest in controlled corporations	97,250,000 (Note 5)	6.06%
Sinoday Limited	於受控制法團之權益	(附註5)	
China Cinda (HK) Holdings Company Limited	Interest in controlled corporations	97,250,000 (Note 5)	6.06%
中國信達(香港)控股有限公司	於受控制法團之權益	(附註5)	
China Cinda Asset Management Co., Ltd.*	Interest in controlled corporations	97,250,000 (Note 5)	6.06%
中國信達資產管理股份有限公司	於受控制法團之權益	(附註5)	

\* For identification purpose only

## DISCLOSURE OF INTERESTS (continued)

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Notes:

- (1) As at 31 December 2017, the total number of issued Shares of the Company was 1,605,152,291 Shares.
- (2) The 1,008,885,181 Shares were held by USUMHK, a company in which Mr. Tu was indirectly interested in. USUMHK is directly wholly owned by USUM Group, a limited liability company incorporated in the PRC. The single largest shareholder of USUM Group is Loncin Holdings, with an equity interest in USUM Group of 42.1%. The remaining equity interests in USUM Group are held by 22 individuals and 30 companies, all of whom are independent third parties of Loncin Holdings and Mr. Tu, and they each hold between 0.29% to 10% equity interests in USUM Group. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu. Loncin Group is 98% owned by Mr. Tu; 1% owned by Ms. Tu Jianmin and 1% owned by Ms. Tu Jianrong, both being sisters of Mr. Tu. USUMHK held 1,008,885,181 Shares as at 31 December 2017. Therefore, Mr. Tu was deemed to be interested in the Shares held by USUMHK pursuant to the SFO.
- (3) The 98,773,990 Shares were held by Tai Security Holding Limited ("Tai Security") as beneficial owner and Tai Security was wholly-owned by Mr. Zhang Mingjie ("Mr. Zhang") as at 31 December 2017. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Tai Security pursuant to the SFO.
- (4) The 44,700,000 Shares were held by Good Union Hong Kong Investment Limited ("Good Union") as beneficial owner and Good Union was wholly-owned by Mr. Zhang as at 31 December 2017. Therefore, Mr. Zhang was deemed to be interested in the same number of Shares as held by Good Union pursuant to the SFO.
- (5) The 97,250,000 Shares were held by Pengda Value Fund SPC (acting for and on behalf of DTC SP) ("Pengda") as beneficial owner and Pengda was wholly-owned by Cinda Asset Management (Cayman) Limited ("Cinda Asset Management"). Cinda Asset Management was wholly-owned by Cinda (BVI) Limited which was in turn wholly-owned by Cinda International Holdings Limited ("Cinda International"). Cinda International was held as to 63% by Sinoday Limited which was wholly-owned by China Cinda (HK) Holdings Company Limited, which was in turn wholly-owned by China Cinda Asset Management Co., Ltd. Therefore, China Cinda Asset Management Co., Ltd, Cinda International and Cinda Asset Management were deemed to be interested in the same number of Shares as held by Pengda pursuant to the SFO.

## 權益披露 (續)

### 主要股東於本公司的股份及相關股份的權益及淡倉 (續)

附註：

- (1) 於二零一七年十二月三十一日，本公司已發行股份的總數為1,605,152,291股股份。
- (2) 1,008,885,181股股份乃由渝商香港持有，渝商香港為一間由涂先生間接擁有權益的公司。渝商香港由渝商集團直接全資擁有，渝商集團為一間於中國註冊成立之公司。渝商集團的最大單一股東為隆鑫控股，其於渝商集團的股本權益為42.1%。渝商集團的餘下權益由22名個人及30間公司（均為獨立於隆鑫控股及涂先生的第三方）持有。該等個人及公司分別持有渝商集團0.29%至10%之股權。隆鑫控股分別由隆鑫集團擁有98%及涂先生擁有2%。隆鑫集團由涂先生擁有98%；由涂建敏女士及涂建容女士（均為涂先生的姊妹）分別擁有1%。截至二零一七年十二月三十一日，渝商香港持有1,008,885,181股股份。因此，根據證券及期貨條例，涂先生被視為於渝商香港持有的股份中擁有權益。
- (3) 98,773,990股股份由Tai Security Holding Limited（「Tai Security」）作為實益擁有人持有，而於二零一七年十二月三十一日，Tai Security由張明杰先生（「張先生」）全資擁有。因此，根據證券及期貨條例，張先生被視為與Tai Security持有的相同數目股份中擁有權益。
- (4) 44,700,000股股份由星滙香港投資有限公司（「星滙」）作為實益擁有人持有，而於二零一七年十二月三十一日，星滙由張先生全資擁有。故此，根據證券及期貨條例，張先生被視為於星滙持有的相同數目之股份中擁有權益。
- (5) 97,250,000股股份由Pengda Value Fund SPC（代DTC SP行事）（「Pengda」）作為實益擁有人持有，而Pengda由Cinda Asset Management (Cayman) Limited（「Cinda Asset Management」）全資擁有。Cinda Asset Management由Cinda (BVI) Limited全資擁有，而Cinda (BVI) Limited由信達國際控股有限公司（「信達國際」）全資擁有，而信達國際由Sinoday Limited擁有63%，而Sinoday Limited由中國信達（香港）控股有限公司全資擁有，而中國信達（香港）控股有限公司由中國信達資產管理股份有限公司全資擁有。因此，根據證券及期貨條例，中國信達資產管理股份有限公司，信達國際及Cinda Asset Management被視為與Pengda持有的相同數目股份中擁有權益。

## DISCLOSURE OF INTERESTS (continued)

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (continued)

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the senior management of the Group based on their performance, experience, and prevailing industry practices so as to retain competent employees.

The emolument of the Directors is decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of the scheme are set out in page 61 to 62 of this Annual Report.

## SENIOR MANAGEMENT REMUNERATION BY BAND

The remuneration of the Company's senior management by band for the year ended 31 December 2017 are set out below:

### Remuneration Band:

HK\$0 to HK\$1,000,000

HK\$1,000,001 to HK\$1,500,000

HK\$1,500,001 to HK\$2,000,000

HK\$4,000,001 to HK\$4,500,000

### 薪酬組別:

0 港元至 1,000,000 港元

1,000,001 港元至 1,500,000 港元

1,500,001 港元至 2,000,000 港元

4,000,001 港元至 4,500,000 港元

Number of individuals  
人數

1

–

1

1

## 權益披露 (續)

主要股東於本公司的股份及相關股份的權益及淡倉 (續)

除上文所披露外，於二零一七年十二月三十一日，本公司並不知悉任何人士（本公司董事及主要行政人員除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文規定予以披露或本公司根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉。

## 薪酬政策

本集團的高級管理層根據本集團僱員的表現、經驗及現有行業慣例設立薪酬政策以挽留有能力僱員。

薪酬委員會經考慮本公司的經營業績、個人表現及比較市場數據釐定董事的薪酬。

本公司已採納購股權計劃作為激勵董事及合資格僱員，計劃詳情載於本年報第61至62頁。


## 高級管理人員之薪酬組別

於二零一七年十二月三十一日年度本公司高級管理人員之薪酬等級載列如下：

## CHANGE OF COMPANY NAME, LOGO, STOCK SHORT NAME AND WEBSITE

Pursuant to a special resolution passed at the annual general meeting of the Company held on 24 May 2017, a Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 25 May 2017 and a Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 12 June 2017 confirming its registration of the new name of the Company "Chiho Environmental Group Limited 齊合環保集團有限公司" under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Accordingly, the English name of the Company had been changed from "Chiho-Tiande Group Limited" to "Chiho Environmental Group Limited" and its dual foreign name in Chinese from "齊合天地集團有限公司" to "齊合環保集團有限公司".

A new Company logo has been adopted to " " on 21 June 2017 to reflect the Company's new name. With effect from 9:00 a.m. on 23 June 2017, the stock short name for trading in the Shares on the Stock Exchange has been changed from "CHIHO-TIANDE" to "CHIHO ENV" in English and from "齊合天地" to "齊合環保" in Chinese. The stock code of the Company remains unchanged as "976".

The website of the Company has also changed from [www.chiho-tiande.com](http://www.chiho-tiande.com) to [www.chihogroup.com](http://www.chihogroup.com) with effect from 23 June 2017.

## CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this Annual Report.


## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained sufficient public float under the Listing Rules throughout the financial year ended 31 December 2017 and as at the date of this report.

## 更改公司名稱、標誌、股份簡稱及網站

根據本公司在二零一七年五月二十四日舉行的股東週年大會上通過的特別決議案，開曼群島公司註冊處處長於二零一七年五月二十五日發出更改名稱註冊證書及香港公司註冊處處長於二零一七年六月十二日發出註冊非香港公司變更名稱註冊證明書，以確認本公司之新名稱「齊合環保集團有限公司」已根據香港法例第622章公司條例第16部註冊。

因此，本公司英文名稱已由「Chiho-Tiande Group Limited」更改為「Chiho Environmental Group Limited」及其雙重外文中文名稱已由「齊合天地集團有限公司」更改為「齊合環保集團有限公司」。

本公司已於二零一七年六月二十一日採納新標誌，以反映本公司之新名稱。自二零一七年六月二十三日上午九時正起，於聯交所買賣的股份之股份簡稱已由「CHIHO-TIANDE」更改為「CHIHO ENV」（英文）及「齊合天地」更改為「齊合環保」（中文）。本公司之股份代號「976」則維持不變。

本公司網址亦自二零一七年六月二十三日起由[www.chiho-tiande.com](http://www.chiho-tiande.com)更改為[www.chihogroup.com](http://www.chihogroup.com)。

## 企業管治

本公司採用的主要企業管治常規載於本年報企業管治報告。

## 充足公眾持股量

根據本公司所擁有之公開可得資料並就董事於本年報刊發前的最後實際可行日期所知悉，截至二零一七年十二月三十一日止整個財政年度及於本報告日期，本公司已維持上市規則項下的足夠公眾持股量。

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 303 of the annual report.

## AUDITORS

The Company's consolidated financial statements for the year ended 31 December 2015 were audited by Deloitte Touche Tohmatsu ("Deloitte"). The Company's consolidated financial statements for the year ended 31 December 2016 were audited by PricewaterhouseCoopers, who fill the casual vacancy following the resignation of Deloitte with effect from 16 January 2017. PricewaterhouseCoopers was re-appointed as the auditor of the Company at the annual general meeting of the Company held on 24 May 2017. The Company's financial statements for the year ended 31 December 2017 were audited by PricewaterhouseCoopers. Save for the above, there were no other changes in the Company's auditor in the past three years.

For and on behalf of the Board

**Chiho Environmental Group Limited**  
**Qin Yongming**  
*Chairman*

Hong Kong, 28 March 2018

## 五年財務摘要

本集團過往五個財政年度之業績及資產與負債摘要載於年報第303頁。

## 核數師

本公司截止二零一五年十二月三十一日止年度的綜合財務報表由德勤•關黃陳方會計師行(「德勤」)審核。本公司截至二零一六年十二月三十一日止年度的綜合財務報表由羅兵咸永道會計師事務所審核，羅兵咸永道會計師事務所填補德勤辭任的臨時空缺，並於二零一七年一月十六日生效。於二零一七年五月二十四日舉行之本公司股東週年大會，羅兵咸永道會計師事務所已獲續聘為本公司核數師。本公司截止二零一七年十二月三十一日止年度的綜合財務報表亦由羅兵咸永道會計師事務所審核。除上述者外，於過去三年本公司核數師概無其他變動。

代表董事會

**齊合環保集團有限公司**  
**秦永明**  
*主席*

香港，二零一八年三月二十八日



## INTRODUCTION

The Company recognises the importance of maintaining a high standard of corporate governance. The Company believes that an effective corporate governance practice is fundamental to enhancing shareholder value and safeguarding the interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate government practices appropriate to the conduct and growth of the Group's business. The code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") have been adopted to shape the Company's corporate governance structure. This corporate governance report describes how the principles of the CG Code have been applied during the year ended 31 December 2017 under different aspects.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability and is committed to achieving a high standard of corporate governance. Throughout the year ended 31 December 2017, the Company has complied with all the applicable code provisions of the CG code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules with exceptions as explained below:

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qin Yongming currently holds the offices of chairman ("Chairman") and chief executive officer ("CEO") of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. Accordingly, the Directors consider that the deviation from provision A.2.1 of the Code is appropriate in such circumstance.

The Company will, from time to time, review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and CEO, are necessary.

## 緒言

本公司深諳維持高水平企業管治之重要性。本公司相信有效之企業管治常規乃提升股東價值與保障股東及其他利益相關者權益之基本要素。董事會制定適當政策及實施適合本集團業務開展及增長之企業管治常規。上市規則附錄十四所載企業管治守則（「企業管治守則」）之守則條文已獲採納作為本公司之企業管治架構。本企業管治報告闡述截至二零一七年十二月三十一日止年度該等企業管治守則之原則如何在各不同方面已獲應用。

## 遵守企業管治守則

本公司深知企業透明度及問責制之重要性，並致力於實現高標準企業管治。截至二零一七年十二月三十一日止年度全年，本公司已遵守上市規則附錄十四所載《企業管治守則》及《企業管治報告》的所有適用的守則條文，惟以下所述偏離除外：

根據企業管治守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。秦永明先生現時擔任本公司主席（「主席」）及行政總裁（「行政總裁」）職務。董事會認為，由一人同時擔任主席及行政總裁，可為本公司提供強大而貫徹的領導，並有效地規劃及執行業務決定及策略。因此，董事認為在此情況下偏離守則第A.2.1條屬恰當。

本公司將不時審閱本集團企業管治架構之效率及考慮是否需要作出任何修改，包括區分主席及行政總裁之職務。

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the year ended 31 December 2017.

## BOARD OF DIRECTORS

### Composition of the Board

As at the latest practicable date prior to the issue of this annual report, the Board comprises three executive Directors (including the Chairman of the Board) and three independent non-executive Directors, whose biographical details are set out in the "Profile of Directors and Senior Management" section on page 36 to 46 of this Annual Report, namely:

## 董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經本公司作出特定查詢後，所有董事已確認，於截至二零一七年十二月三十一日止年度內均一直遵守標準守則之規定。

## 董事會

### 董事會的組成

於本年報刊發前的最後實際可行日期，董事會成員由三名執行董事（包括董事會主席）及三名獨立非執行董事組成。彼等之履歷詳情載於本年報第36至46頁「董事及高級管理人員履歷」一節內。成員包括：

Name of Director 董事姓名		Date of first appointment to the Board 首次獲委任加入董事會之日期	Date of last re-election as Director 上一次獲重選為董事之日期
<b>Executive Director</b>	<b>執行董事</b>		
Qin Yongming (Chairman of the Board)	秦永明 (董事會主席)	30 June 2016 二零一六年六月三十日	24 May 2017 二零一七年五月二十四日
Tu Jianhua	涂建華	29 April 2015 二零一五年四月二十九日	15 May 2015 二零一五年五月十五日
Wong Wun Lam	黃煥霖	11 October 2017 二零一七年十月十一日	N/A 不適用
<b>Independent Non-Executive Director</b>	<b>獨立非執行董事</b>		
Loke Yu	陸海林	23 June 2010 二零一零年六月二十三日	24 May 2017 二零一七年五月二十四日
Zhu Dajian	諸大建	17 December 2014 二零一四年十二月十七日	15 June 2016 二零一六年六月十五日
Qian Liping	錢麗萍	24 October 2016 二零一六年十月二十四日	24 May 2017 二零一七年五月二十四日

\* Mr. Zhu Hongchao was appointed as an independent non-executive Director on 18 April 2018.

\* 朱洪超先生已於二零一八年四月十八日獲委任為獨立非執行董事。

## BOARD OF DIRECTORS (continued)

### Composition of the Board (continued)

None of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

### Roles and responsibilities of the Board

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly to discuss the overall strategies as well as operational and financial performances of the Group. Certain matters are reserved for decisions by the Board, including matters relating to: (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial Shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, interim results and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of policies and strategies decided by the Board to the executive Directors and management of the Company.

The Board is also responsible for performing the corporate governance duties including risk management, internal controls, those under D.3.1 of the Corporate Governance Code and relevant compliance issues relating to the business operation of the Group.

The Board reviews and monitors the training and continuous professional developments of directors and senior managers; develops, reviews and monitors the code of conduct and compliance manual applicable to employees and directors.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. All Directors bring a variety of experience and expertise to the Company.

## 董事會 (續)

### 董事會的組成 (續)

概無董事與任何其他董事及行政總裁具有任何個人關係 (包括財務、業務、家庭或其他重大或相關關係)。

### 董事會之角色及職責

董事會共同負責監督本集團業務及事務之管理工作。董事會定期會面，討論本集團整體策略以及營運與財務表現。董事會決定的若干事項包括有關(i)制定本集團整體策略及方向；(ii)本公司主要股東或董事之任何重大利益衝突；(iii)批准本集團年度業績、年度預算、中期業績及其他重大營運與財務交易；(iv)更改本公司之股本結構；及(v)就董事會作出重大委任之事項。董事會已授權本公司執行董事及管理層負責管理本集團之日常管理、行政及營運，並實施及執行董事會決定之政策及策略。

董事會亦將負責執行企業管治職責，包括企業管治守則第D.3.1條之風險管理、內部監控及關乎本集團業務營運的有關合規事宜。

董事會審閱及監督董事及高級經理的培訓情況及持續專業發展，完善、檢討及密切注意適用於僱員及董事的行為守則及合規手冊。

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專門技術。全體董事均能為本公司帶來不同的經驗及專門技術。

## BOARD OF DIRECTORS (continued)

### Board meetings and Board practices

All Directors have been given sufficient time and support to understand the affairs of the Group and they have full and timely access to all relevant information regarding the Group's affairs and have unrestricted access to the advice and services of the Company Secretary ("the Company Secretary"). The Directors may seek independent professional advice at the Company's expenses in carrying out their duties and responsibilities.

During the year ended 31 December 2017, 28 Board meetings and 2 general meetings of the Company were held. The meetings are structured to allow open discussion. At the board meetings, the Directors participated in discussing the strategies, operational and financial performance, corporate governance policy and internal control of the Group.

Set out below is the attendance of the Directors at the Board and general meetings held during the year:

## 董事會 (續)

### 董事會會議及董事會常規

全體董事已付出足夠時間及支持，理解本集團事務，彼等擁有及時接觸有關本集團事務之所有相關資料之一切權力，能夠獲得公司秘書（「公司秘書」）之建議及服務而不受任何限制。董事在履行職責及職務時可尋求獨立專業意見，費用由本公司承擔。

於截至二零一七年十二月三十一日止年度曾分別舉行28次董事會會議及2次本公司股東大會。該等會議以坦誠討論形式進行。於董事會會議上，董事均會參與討論本集團之策略、營運及財務表現、企業管治政策以及內部控制。

董事出席於本年度舉行之董事會會議及股東大會的情況列載如下：

Name of Director 董事姓名		No. of meeting attend/ Eligible to attend 曾出席/合資格出席會議次數	
		Regular Board Meeting 董事會會議	General Meeting 股東大會
<b>Executive Director</b>	<b>執行董事</b>		
Qin Yongming	秦永明	28/28	2/2
Tu Jianhua	涂建華	28/28	2/2
Wong Wun Lam (appointed on 11 October 2017)	黃煥霖 (於二零一七年十月十一日獲委任)	0/0	0/0
Zhu Patrick Xiangdong (appointed on 7 April 2017 and resigned on 11 October 2017)	朱向東 (於二零一七年四月七日獲委任及 於二零一七年十月十一日辭任)	23/24	1/1
Liu Huaiyu (resigned on 7 April 2017)	劉懷宇 (於二零一七年四月七日辭任)	1/4	1/1
<b>Independent Non-Executive Director</b>	<b>獨立非執行董事</b>		
Loke Yu	陸海林	28/28	2/2
Zhu Dajian	諸大建	26/28	2/2
Qian Liping	錢麗萍	28/28	2/2
Zhu Hongchao (appointed on 18 April 2018)	朱洪超 (於二零一八年四月十八日獲委任)	0/0	0/0

## BOARD OF DIRECTORS (continued)

### Board meetings and Board practices (continued)

The Company Secretary or the staff of the company secretarial department of the Company prepared and kept detailed minutes of each Board meeting and, within a reasonable time after each meeting, the draft minutes were circulated to all Directors for comment and the final and approved version of the minutes were sent to all Directors for their records. The same practices and procedures as used in the Board meetings had also been adopted and followed for the Board committees meetings. All the minutes of the meetings recorded sufficient details of the matters considered and decision reached are available for inspection by the Directors at anytime.

Notices of Board meetings were given to the Directors at least 14 days prior to the date of the relevant meeting. Briefing papers were prepared for all substantive agenda items and were circulated to the Directors at least 3 days before each Board meeting. The company secretary is responsible for providing accurate, timely and clear information to the Directors prior to the Board meetings so as to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meeting.

If any of the Directors has a potential conflict of interest in a matter being considered in the Board meeting, such Director(s) shall abstain from voting in relation to that particular matter. Independent non-executive Directors with no conflict of interest in such matters would be present at the Board meetings to deal with such conflict of interest issues.

### Access to sufficient information of the Group

The management is committed to providing the Board with appropriate and sufficient explanation and information of the Group's affairs through financial reports, business and operational reports and budget statements, in a timely manner, to enable them to make informed decisions.

The Directors are also provided with access to the Group's management and Company Secretary at all times to obtain relevant information for carrying out their duties as Directors of the Company.

## 董事會 (續)

### 董事會會議及董事會常規 (續)

本公司之公司秘書或公司秘書部員工負責編製及備存每次董事會會議之詳細會議記錄，並於每次會議後之合理時間內向全體董事傳閱會議記錄初稿，以供董事提供意見，而會議記錄最終獲批准之版本會發給全體董事作記錄。董事委員會會議亦已採用及沿用董事會會議採用之相同常規及程序。所有會議記錄載有所考慮事項及所達致決定的充分詳情，並可供董事於任何時間查閱。

於相關會議日期前最少十四天須向董事發出董事會會議的通知。並於每次董事會會議前至少三天向董事傳閱就所有主要議程項目編製之簡介文件。為確保董事能夠就會議上討論的事項作出知情決定，公司秘書須於董事會會議前向董事提供準確、及時及清晰的資料。

倘任何董事與董事會會議上討論之事項有潛在利益衝突，則該董事須就該特定事項放棄投票，由出席董事會會議而於該等事項並無利益衝突之獨立非執行董事，處理該等利益衝突事項。

### 取閱本集團之充分資料

管理層透過財務報告、業務及營運報告以及預算報表，致力向董事會就本集團事務適時地提供恰當及充分的說明及資料，從而讓彼等作出知情決定。

此外，董事亦可於任何時間向本集團管理層及公司秘書取閱相關資料，以履行其作為本公司董事的職責。



## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with code provision A.2.1 of the CG Code, since the resignation of Mr. Tu Jianhua as Chairman has been effected on 17 July 2017, the Chief Executive Officer, Mr. Qin Yongming, has taken up the role of Chairman and Chief Executive Officer simultaneously.

Mr. Qin Yongming is responsible for providing leadership of the Board and ensuring that all Directors are properly informed on issues to be discussed at Board meetings. In addition, he is responsible for ensuring that all Directors receive, in a timely manner, adequate, complete and reliable information in relation to the Group's affairs. The Chairman also encourages Directors to actively participate in and to make a full contribution to the Board so that the Board functions effectively and acts in the best interest of the Company.

Mr. Qin Yongming is also responsible for the strategic planning, administration and management of the business of the Group. He is also responsible for the formulation and successful implementation of Group policies and assuming full accountability to the Board for all operations of the Group. Mr. Qin Yongming oversees the Group's compliance and internal control matters and maintains an ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business developments and issues. He has also been focusing on strategic planning and assessment of mergers and acquisitions opportunities for the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors were appointed for term of three years. None of them hold any other offices in the Company or any its subsidiaries or is interested in any Shares of the Company under their respective letter of appointment. In the Board meetings and Board committee meetings held during the year, constructive views and comments are given from the independent non-executive Directors, who have provided their independent judgment on the issues relating to the strategy, performance, conflict of interest and management process of the Group.

## 主席及行政總裁

根據企業管治守則第A.2.1條守則條文的規定，由於主席涂建華先生之辭任已於二零一七年七月十七日生效，故行政總裁秦永明先生已同時兼任主席及行政總裁之角色。

秦永明先生負責領導董事會，並確保全體董事已適當知悉董事會上討論之事宜。此外，彼負責確保全體董事及時收到有關本集團事宜之充分、完整及可靠資料。主席亦鼓勵董事積極參與董事會，為董事會全力作出貢獻，以使董事會有效運作，並能按本公司之最佳利益行事。

秦永明先生亦負責本集團業務的策略規劃、行政及管理。彼亦負責制定及成功實施本集團的政策，並就本集團的營運向董事會承擔全部責任。秦永明先生專責監察本集團的合規及內部監控事宜，並與主席及所有董事保持溝通，讓彼等可全面知悉所有主要業務發展及事務。彼亦專責於策略性計劃以及評估本公司之合併及收購機會。

## 獨立非執行董事

全體獨立非執行董事獲委任年期為三年。根據各自之委任書，彼等概無於本公司或其任何子公司持有任何其他職位，亦無於本公司股份中擁有權益。在本年度舉行的董事會會議以及董事委員會會議上，獨立非執行董事提供建設性意見及建議，並為有關本集團策略、業績、利益衝突及管理過程之事宜作出彼等的獨立判斷。

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

During the year ended 31 December 2017, there were three independent non-executive Directors, representing more than one-third of the Board. Among the three independent non-executive Directors, one of them has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each of its independent non-executive Director a written confirmation of his independence and the Board considers all of them, namely Dr. Loke Yu, Mr. Zhu Dajian and Ms. Qian Liping, to be independent pursuant to Rule 3.13 of the Listing Rules.

### COMPANY SECRETARY

On 7 April 2017, Mr. Liu Huaiyu resigned as the company secretary of the Company. Ms. So Lai Shan and Mr. Koon Wai Hung ("Mr. Koon") were appointed as the joint company secretaries of the Company on the same day.

On 5 December 2017, Ms. So Lai Shan resigned as the joint company secretary of the Company. Mr. Koon remains as the company secretary of the Company and continues to perform and discharge the duties of a company secretary under the Listing Rules.

Mr. Koon plays an important role in supporting the Board by ensuring efficient and effective information flow within the Board and that the Board's policy and procedures are followed.

The Company Secretary has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Board through the Chairman and Chief Executive Officer. All Directors may access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters and facilitate the induction and professional development of the Directors.

The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board opinions on matters in relation to the compliance with the procedures of the Board meetings.

During the year ended 31 December 2017, the Company Secretary had taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The Board is fully involved in the selection and appointment of the Company Secretary.

### 獨立非執行董事(續)

截至二零一七年十二月三十一日止年度，三名獨立非執行董事佔董事會成員人數多於三分之一。三名獨立非執行董事當中，其中一名具備適當的會計專業資格，或相關的財務管理專長，符合上市規則第3.10(2)條之規定。

本公司已接獲各獨立非執行董事有關彼等之獨立身份之書面確認，董事會認為，根據上市規則第3.13條，彼等全體（陸海林博士、諸大建先生及錢麗萍女士）均屬獨立人士。

### 公司秘書

於二零一七年四月七日，劉懷宇先生辭任本公司公司秘書。同日，蘇麗珊女士及官偉雄先生（「官先生」）獲委任為本公司聯席公司秘書。

於二零一七年十二月五日，蘇麗珊女士辭任本公司聯席公司秘書。官先生繼續擔任本公司的公司秘書，並將繼續履行上市規則項下公司秘書的職責。

官先生在支援董事會方面擔當重要角色，確保董事會成員之間資訊交流的效率及功效，以及遵循董事會政策及程序。

公司秘書須熟悉本公司的日常事務。公司秘書透過主席及行政總裁向董事會匯報。所有董事可獲得公司秘書的建議及服務，公司秘書會定期向董事會提供有關管治及監管事項事宜的最新資料，亦會安排董事的入職培訓及專業發展。

公司秘書亦負責確保董事會會議依程序進行，並就有關遵守董事會會議程序的事項向董事會提供意見。

截至二零一七年十二月三十一日止年度，公司秘書已遵照上市規則第3.29條接受不少於15小時相關專業培訓。

董事會全面參與公司秘書之挑選及委任程序。

## BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to six Board committees, namely the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, the Strategy and Investment Committee and the Pricing Committee, details of which are as follows:

Name of Director	Executive Committee	Audit Committee	Nomination Committee	Remuneration Committee	Strategy and Investment Committee	Pricing Committee
董事姓名	執行委員會	審核委員會	提名委員會	薪酬委員會	戰略與投資委員會	定價委員會*
<b>Executive Director</b>	<b>執行董事</b>					
Tu Jianhua	M				M	
Qin Yongming	C		C		C	C
Wong Wun Lam (appointed on 11 October 2017)	M				M	M
	<b>獨立非執行董事</b>					
Loke Yu		C	M	M		
Zhu Dajian		M	M	M		
Qian Liping		M	M	M		

\* C – Chairman  
M – Member

\* Mr. Zhu Hongchao was appointed as an independent non-executive Director and a member of the audit committee and the nomination committee of the Company on 18 April 2018. He was also appointed as the chairman of the remuneration committee on the same day.

\* Other members of the pricing committee are certain senior management of the Company.

## 董事委員會

董事會向六個董事委員會（執行委員會、審核委員會、提名委員會、薪酬委員會、戰略與投資委員會及定價委員會）委派指定職責，以協助董事會執行職務，詳情載列如下：

\* C – 主席  
M – 成員

\* 朱洪超先生於二零一八年四月十八日獲委任為本公司獨立非執行董事以及審核委員會及提名委員會成員，並於同日獲委任為薪酬委員會主席。

\* 定價委員會其他成員為本公司若干高級管理人員。

## EXECUTIVE COMMITTEE

The Board has established the Executive Committee in March 2011 with written terms of reference, which is responsible for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company's business under the control and supervision of the Board and in accordance with the provisions of the terms of reference of the Executive Committee for ensuring a high standard of corporate governance and compliance of the Company. The written terms of reference of the Executive Committee are available on the Stock Exchange's website and the Company's website.

## 執行委員會

董事會已於二零一一年三月成立執行委員會，並訂明書面職權範圍。執行委員會負責本公司的管理及行政事務，以及本公司日常業務過程中的任何事宜，受董事會控制及監管，並按執行委員會職權範圍所規定行事，以確保本公司高水準的企業管治及合規。執行委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

## EXECUTIVE COMMITTEE (continued)

The Board delegated certain corporate governance functions to the Executive Committee, which develops and reviews the Company's policies and practices on corporate governance and makes recommendations to the Board; reviews and monitors (i) the training and continuous professional development of Directors and senior management of the Company; (ii) compliance with legal and regulatory requirements; and (iii) the code of conduct and Model Code applicable to the Directors or employees.

### Directors' Training and Professional Development

Every newly appointed Director is provided with a comprehensive induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

Development and training of Directors is an ongoing process so that they can perform their duties appropriately. During the year ended 31 December 2017, all Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they continue to make contribution to the Board in an informed and relevant manner. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

## 執行委員會(續)

董事會已授權執行委員會若干企業管治職能，制定及審閱本公司企業管治政策及常規，並向董事會作出意見，檢討及監察(i)本公司董事及高級管理人員的培訓及持續專業發展；(ii)遵守法律及監管規定；及(iii)適用於董事或僱員的行為守則及標準守則。

### 董事培訓及專業發展

每名新獲委任董事均獲提供全面之就任須知及資料，以確保彼適當瞭解本公司之營運及業務以及彼於相關法規、法律、規則及規定下之職責。

本公司持續提供董事發展及培訓，以使彼等能夠適當履行職責。於截止二零一七年十二月三十一日止年度，本公司定期向董事提供有關本公司表現、狀況及前景之最新資料，以便全體董事會及每名董事履行其職責。此外，本公司鼓勵全體董事參與持續專業發展，以提升及更新彼等之知識及技能，從而確保彼等繼續對董事會作出知情及相關貢獻。本公司不時向董事提供有關上市規則及其他適用監管規定之最新發展，以確保彼等遵守有關法規及加深彼等對良好企業管治常規之認識。

## EXECUTIVE COMMITTEE (continued)

### Directors' Training and Professional Development (continued)

The training received by the Directors during the year ended 31 December 2017 is summarized as follows:

#### Directors 董事

		Types of training 培訓類別
Tu Jianhua	涂建華	B
Qin Yongming	秦永明	B
Wong Wun Lam (appointed on 11 October 2017)	黃煥霖 (於二零一七年十月十一日獲委任)	B
Loke Yu	陸海林	A,B
Zhu Dajian	諸大建	A,B
Qian Liping	錢麗萍	A,B
Zhu Patrick Xiangdong (appointed on 7 April 2017 and resigned on 11 October 2017)	朱向東 (於二零一七年四月七日獲委任及於二零一七年十月十一日辭任)	-
Liu Huaiyu (resigned on 7 April 2017)	劉懷宇 (於二零一七年四月七日辭任)	-

A – attending seminars/conferences/forums/briefings/workshops relevant to the business or director's duties

B – reading articles relevant to corporate governance, regulatory updates and directors' duties and responsibilities

\* Mr. Zhu Hongchao was appointed as a member on 18 April 2018.

## 執行委員會 (續)

### 董事培訓及專業發展 (續)

董事於截至二零一七年十二月三十一日止年度，所接受之培訓概要如下：

A – 出席與業務或董事職責相關之研討會／座談會／論壇／簡介會／工作坊

B – 閱讀與企業管治、最新監管規定及董事職責及責任相關之刊物

\* 朱洪超先生於二零一八年四月十八日獲委任為成員。

## AUDIT COMMITTEE

The Audit Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Audit Committee on 15 December 2015, which has included changes in line with the amendments to the Main Board Listing Rules relating to the risk management and internal control section of the Corporate Governance Code and Corporate Governance Report which has come into effect for accounting periods beginning on or after 1 January 2016. The written terms of reference of the Audit Committee are available on the Stock Exchange's website and the Company's website. The Audit Committee has established a whistleblowing policy of the Company in December 2012 and set out the procedures on reporting possible improprieties in financial reporting matters of the Company.

## 審核委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立審核委員會，並訂明書面職權範圍。本公司已於二零一五年十二月十五日採納一套審核委員會經修訂的職權範圍，當中包括與二零一六年一月一日起生效之主板上市規則有關企業管治守則及企業管治報告之修訂一致之變動。審核委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。審核委員會已於二零一二年十二月制定本公司的舉報政策，並列明舉報本公司的財務申報事宜中可能存在之不恰當行為的程序。



## AUDIT COMMITTEE (continued)

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of Company's internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget) and risk management as delegated by the Board, and making recommendations to the Board on the appointment and engagement of the external auditor for the audit and non-audit services. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

Members of the Audit Committee and the attendance of each member are as follows:

Name of Director 董事姓名	Position 職位	Role in Audit Committee 在審核委員會之職能	Meetings Attended/ Eligible to Attend 已出席會議/ 合資格出席次數
Loke Yu 陸海林	Independent non-executive Director 獨立非執行董事	Chairman 主席	3/3
Zhu Dajian 諸大建	Independent non-executive Director 獨立非執行董事	Member 成員	3/3
Qian Liping 錢麗萍	Independent non-executive Director 獨立非執行董事	Member 成員	3/3

\* Mr. Zhu Hongchao was appointed as a member on 18 April 2018.

During the year ended 31 December 2017, the Audit Committee reviewed with the management the annual results, interim results and related announcement including the disclosures, financial reporting and the accounting policies adopted by the Group prior to the submission to the Board's approval; discussed with management on significant judgments affecting Group's consolidated financial statements and approved the appointment of auditor; reviewed and discussed the internal control report; reviewed and assessed the adequacy and effectiveness of the Company' internal control and risk management; and reviewed and monitored the external auditor's independence and objectivity and the effectiveness during the audit process.

## 審核委員會 (續)

審核委員會之主要職務包括監督本公司財務報表是否完整全面、按董事會授權檢討本公司之內部監控(包括資源充足性、本公司會計及財務申報職能員工之資歷及經驗以及其培訓計劃及預算)及風險管理事宜,並就委聘外聘核數師進行審核及非審核服務向董事會作出推薦意見。審核委員會獲提供充足資源以履行其職責。

審核委員會成員及各成員之出席情況如下:

\* 朱洪超先生於二零一八年四月十八日獲委任為成員。

截至二零一七年十二月三十一日止年度,審核委員會與管理層已審閱本集團全年業績、中期業績及其相關公告包括提呈董事會批准前本集團採納的披露、財務申報及會計政策;與管理層討論影響本集團綜合財務報表的重要判斷及批准委聘核數師;審閱及討論內部監控報告;檢討及評估本公司內部監控及風險管理的充足性及有效性;檢討及監控外聘核數師的獨立性及核數程序的客觀性及有效性。

## AUDIT COMMITTEE (continued)

The Board is responsible for preparing the financial statements that give a true and fair view of the financial position of the Group on a going concern basis. The Audit Committee has reviewed the Company's annual results and consolidated financial statements for the year ended 31 December 2017. The Directors acknowledge their responsibilities for preparing a balanced, clear and comprehensive assessment in annual/interim reports, price-sensitive announcements and other financial disclosures. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

### Auditors' Remuneration

For the year ended 31 December 2017, the Group had engaged the Group's external auditor, PricewaterhouseCoopers ("PwC"), to provide the following services and their respective fees charged are set out as below:

Type of services	服務類別	
Audit services	審計服務	20.9
Non-audit services (Note)	非審計服務(附註)	19.9
Total	總計	40.8

Note: Mainly related to the advisory services provided on the restructuring and refinancing of Scholz Group which was included in the legal and professional expenses.

For the year ended 31 December 2017, the Group had also engaged other auditors to provide audit services and non-audit services to certain subsidiaries of the Group and the aggregated fees charged were HK\$1.7 million and HK\$0.4 million respectively.

## 審核委員會(續)

董事會有責任以持續經營之基準編製財務報表，對本集團財政狀況提出真確及公正的意見。審核委員會已審核本公司截至二零一七年十二月三十一日止年度之全年業績及綜合財務報表。董事瞭解彼等之責任為對年報／中期報告、股價敏感資料公告及其他財務披露編製平衡、清晰及全面之評核。董事並不知悉有關任何事項或情況之重大不明朗因素，而可能使本公司持續經營之能力受到重大質疑。

### 核數師薪酬

於截至二零一七年十二月三十一日止年度，本集團聘用羅兵咸永道會計師事務所（「羅兵咸永道」）為本集團外聘核數師，所提供服務及相關費用如下：

2017  
二零一七年  
HK\$M  
百萬港元

附註：主要與就順爾茨集團重組及再融資提供的諮詢服務有關，計入法律及專業開支。

截至二零一七年十二月三十一日止年度，本集團亦委聘其他核數師為本集團若干子公司提供審計服務及非審計服務，而彼等所收取的總費用分別為170萬港元及40萬港元。

## AUDIT COMMITTEE (continued)

### Board's Responsibilities for the Accounts

The Board is responsible for the preparation of accounts for each financial period, which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these accounts for the year ended 31 December 2017, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and has prepared the accounts on a going concern basis.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the financial statements of the Company for the year ended 31 December 2017 which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors consider that the financial statements have been prepared in conformity with all appropriate accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The statements of the auditor of the Group about its reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on page 110 of this Annual Report.

## INTERNAL CONTROL

The primary duties of the Audit Committee include reviewing and supervising the financial reporting process, risk management and internal control procedures of the Group and nominating and monitoring external auditors. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee possesses the appropriate professional and accounting qualifications.

## 審核委員會(續)

### 董事會編製賬目之職責

董事會負責編製各財政期間之賬目，並對本集團該期間之財政狀況、業績及現金流量作出真實公平意見。在編製截至二零一七年十二月三十一日止年度之賬目時，董事會已挑選合適會計政策並貫徹應用、作出審慎及合理的判斷及估計，並按持續基準編製賬目。

## 問責及審核

董事承認彼等有責任編製本公司截至二零一七年十二月三十一日止年度的財務報表所載的一切資料及陳述，並真實公平地反映本集團的狀況以及期內的業績及現金流量。董事認為財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎的判斷所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本公司持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本公司的財務報表。

本集團核數師就其對本集團財務報表的呈報責任作出的聲明載於本年報第110頁的「獨立核數師報告」一節。

## 內部監控

審核委員會的主要職責包括檢討及監督本集團的財務報告程序及內部監控程序，以及提名及監察外聘核數師。為符合上市規則第3.21條規定，審核委員會主席具備適當專業及會計資格。

## NOMINATION COMMITTEE

The Nomination Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The Company has adopted a set of the revised terms of reference of the Nomination Committee on 15 August 2013. The written terms of reference of the Nomination Committee are available on the Stock Exchange's website and the Company's website.

The primary duties of the Nomination Committee include:

1. formulating nomination policy for consideration of the Board and implement the nomination policy laid down by the Board;
2. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; and
3. identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships.

The Nomination Committee currently comprises Mr. Qin Yongming, Executive Director, and Dr. Loke Yu, Mr. Zhu Dajian and Ms. Qian Liping, Independent Non-Executive Directors, and is chaired by Mr. Qin Yongming.

## 提名委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立提名委員會，並訂明書面職權範圍。本公司已於二零一三年八月十五日採納一套提名委員會之經修訂職權範圍。提名委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

提名委員會的主要職責包括：

1. 制定提名政策供董事會考慮，實施董事會規定的提名政策；
2. 至少每年檢討董事會的架構、人數和組成（包括技能、知識和經驗方面），並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；及
3. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。

提名委員會目前包括執行董事秦永明先生以及獨立非執行董事陸海林博士、諸大建先生及錢麗萍女士。秦永明先生為提名委員會主席。

## NOMINATION COMMITTEE (continued)

The Nomination Committee convened three meetings during the year ended 31 December 2017 with the attendance of each member as follows:

Name of Directors	Position	Role in Nomination Committee	Meetings Attended/ Eligible to Attend
董事姓名	職位	在提名委員會之職能	已出席會議/ 合資格出席次數
Qin Yongming (appointed on 17 July 2017) 秦永明 (於二零一七年七月十七日獲委任)	Executive Director 執行董事	Chairman 主席	1/1
Loke Yu 陸海林	Independent non-executive Director 獨立非執行董事	Member 成員	3/3
Zhu Dajian 諸大建	Independent non-executive Director 獨立非執行董事	Member 成員	3/3
Qian Liping 錢麗萍	Independent non-executive Director 獨立非執行董事	Member 成員	3/3
Tu Jianhua (resigned on 17 July 2017) 涂建華 (於二零一七年七月十七日辭任)	Executive Director 執行董事	Chairman 主席	3/3

\* Mr. Zhu Hongchao was appointed as a member on 18 April 2018.

## 提名委員會 (續)

提名委員會於截至二零一七年十二月三十一日止年度共召開三次會議，各成員出席如下：

\* 朱洪超先生於二零一八年四月十八日獲委任為成員。

Throughout the year ended 31 December 2017, the Nomination Committee has reviewed and discussed the composition, size and structure of the Board, the independence of the independent non-executive Directors, re-election of Directors and appointment of Mr. Qin Yongming, Mr. Zhu Patrick Xiangdong and Mr. Wong Wun Lam as Chairman and Chief Executive Officer, Chief Executive Officer and Executive Director respectively.

In considering the nomination of new directors, the Company will propose the candidates to the Nomination Committee, which will review and make recommendation to the Board on the expertise, skills and experience of the candidates appropriate to the requirements of the business of the Company.

The composition of the Board has a significant element of diversity, in terms of skills, regional and industry experience, background and gender.

於截至二零一七年十二月三十一日止年度整段期間，提名委員會已檢討及討論董事會的組成、人數及架構、獨立非執行董事的獨立性、重選董事及分別委任秦永明先生、朱向東先生及黃煥霖先生為主席及行政總裁、行政總裁及執行董事。

於考慮提名新董事時，本公司會向提名委員會建議候選人，而委員會將檢討符合本公司業務要求的候選人的專業知識、技能及經驗並就此向董事會提供推薦意見。

董事會組成須在技能、地區及行業經驗、背景及性別方面有多元化重要元素。



## NOMINATION COMMITTEE (continued)

### Board Diversity Policy

The Company has established a board diversity policy (the “Board Diversity Policy”) on 15 August 2013 which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board sets measurable objectives to implement the Board Diversity Policy and reviews such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. During the year ended 31 December 2017, the Nomination Committee considered the age, education background and working experience of the candidates when selecting the executive Directors.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

## 提名委員會 (續)

### 董事會成員多元化政策

本公司於二零一三年八月十五日制定董事會成員多元化政策 (「董事會成員多元化政策」)，當中載列董事會為達致及維持成員多元化以提升董事會之有效性而採取之方針。

本公司為尋求達致董事會成員多元化會考慮眾多因素，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、知識及服務任期。

董事會制定可衡量目標，以實施董事會成員多元化政策及不時審閱該等目標，確保其適用性及把握為達至該等目標而作出之進展。於截至二零一七年十二月三十一日止年度，於挑選執行董事時，提名委員會考慮候選人的年齡、教育背景及工作經驗。

提名委員會將審閱董事會成員多元化政策，如適合，不時確保其繼續保持有效。

## REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2010 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The written terms of reference of the Remuneration Committee are available on the Stock Exchange's website and the Company's website.

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all directors and senior management of the Company, and the remuneration packages for all executive directors and senior management of the Company.

The remuneration for the executive Directors comprises basic salary, allowance and discretionary bonus.

Salary adjustments are made where the Remuneration Committee takes into account performance, contribution and responsibilities of the individual. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual's performance during the year.

The following table illustrates the elements of remuneration of executive Directors and senior management.

Remuneration 薪金	Purpose 目的	Reward 報酬	Policy details 政策詳情
Basic salary 基本薪金	To reflect the market value of each individual 反映各個人之市場價值	Cash payment monthly 每月現金付款	Reviewed annually with market trend 每年按市場趨勢作出檢討
Allowance 津貼	To attract and retain employees 吸引及保留僱員	Reimbursement 補償	Market conditions 市場情況
Discretionary performance bonus	To motivate employees to deliver high levels of performance of the Company and individual performance goals	Cash payment	- Individual performance - Company performance
酌情表現花紅	激勵僱員為本公司作出高水準的表現以及達成個人表現目標	現金付款	- 個人表現 - 公司表現

## 薪酬委員會

本公司已遵照上市規則附錄十四所載企業管治守則於二零一零年六月成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的書面職權範圍於聯交所網站及本公司網站可供閱覽。

薪酬委員會負責就（其中包括）本公司所有董事及高級管理層薪酬政策及架構，以及本公司全體執行董事及高級管理層之薪酬福利向董事會提供推薦建議。

執行董事的薪酬包括基本薪金、紅利及購股權。

薪酬委員會乃按個人表現、貢獻及職責而作出薪酬調整。經考慮於本年度之市況以及企業及個人表現，執行董事及僱員除基本薪金外符合資格收取酌情花紅。

下表闡釋執行董事及高級管理層的薪酬要素。

REMUNERATION COMMITTEE (continued)

The following table shows the breakdown of the Directors' remuneration for the year ended 31 December 2017:

薪酬委員會(續)

下表列示董事截至二零一七年十二月三十一日止年度之薪酬之明細分析：

		Fees	Salaries and allowances	Performance bonus	Retirement benefit scheme contributions	Other benefits	Total
		袍金	薪金及津貼	表現花紅	退休福利計劃供款 (Note (a)) (附註(a))	其他福利	總計
<b>Year Ended 31 December 2017:</b>	<b>截至二零一七年十二月三十一日止年度：</b>						
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Tu Jianhua	涂建華先生	-	2.0	2.3	-	-	4.3
Mr. Qin Yongming	秦永明先生	-	4.4	2.8	-	-	7.5
Mr. Wong Wun Lam (appointed on 11 October 2017)	黃煥霖先生 (於二零一七年十月十一日獲委任)	-	0.6	0.5	-	-	1.1
Mr. Zhu Patrick Xiangdong (appointed on 7 April 2017 and resigned on 11 October 2017)	朱向東先生 (於二零一七年四月七日獲委任及於二零一七年十月十一日辭任)	-	1.2	-	-	0.4	1.6
Mr. Liu Huaiyu (resigned on 7 April 2017)	劉懷宇先生 (於二零一七年四月七日辭任)	-	0.5	-	-	0.2	0.7
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>						
Dr. Loke Yu	陸海林博士	0.2	-	-	-	-	0.2
Mr. Zhu Dajian	諸大建先生	0.2	-	-	-	-	0.2
Ms. Qian Liping	錢麗萍女士	0.2	-	-	-	-	0.2

Note a: During the year ended 31 December 2017, the Company paid retirement benefits to Mr. Tu Jianhua, Mr. Qin Yongming, Mr. Liu Huaiyu, Mr. Zhu Patrick Xiangdong and Mr. Wong Wun Lam with HK\$18,000, HK\$18,000, HK\$6,000, HK\$10,500 and HK\$4,500 respectively (2016: HK\$18,000, HK\$10,000, HK\$5,000, HK\$Nil and HK\$Nil respectively)

附註a：截至二零一七年十二月三十一日止年度，本公司分別向涂建華先生、秦永明先生、劉懷宇先生、朱向東先生及黃煥霖先生支付退休福利18,000港元、18,000港元、6,000港元、10,500港元及4,500港元（二零一六年：分別為18,000港元、10,000港元、5,000港元、零港元及零港元）

## REMUNERATION COMMITTEE (continued)

During the year ended 31 December 2017, the Remuneration Committee held three meetings. The Remuneration Committee determined the policy for the remuneration of executive Directors', made recommendations to the Board on the remuneration of directors and assessed the performance of the executive Directors. Members of the Remuneration Committee and the attendance of each member are as follows:

Name of Director 董事姓名	Position 職位	Role in Remuneration Committee 在薪酬委員會之職能	Meetings Attended/ Eligible to Attend 已出席會議／合資格出席次數
Mr. Zhu Dajian 諸大建先生	Independent non-executive Director 獨立非執行董事	Member 成員	2/3
Dr. Loke Yu 陸海林博士	Independent non-executive Director 獨立非執行董事	Member 成員	3/3
Ms. Qian Liping 錢麗萍女士	Independent non-executive Director 獨立非執行董事	Member 成員	3/3

\* Mr. Zhu Hongchao was appointed as the chairman on 18 April 2018.

Throughout the year ended 31 December 2017, the Remuneration Committee has discussed and recommended to the Board for approval of the Directors' and senior managements' remuneration of the Group for the year of 2017, the service contracts and remuneration for the appointment of Mr. Qin Yongming, Mr. Zhu Patrick Xiangdong and Mr. Wong Wun Lam as Chairman and Chief Executive Officer, Chief Executive Officer and Executive Director respectively, the bonus payments to the Directors and senior management, and the renewal of service contracts of Mr. Zhu Dajian, an Independent Non-Executive Director of the Company, and senior management of the Company in 2017.

## 薪酬委員會 (續)

於截至二零一七年十二月三十一日止年度內，薪酬委員會共召開三次會議。薪酬委員會釐定執行董事之薪酬政策，就董事薪酬事宜向董事會作出推薦意見及評核執行董事的表現。薪酬委員會之成員名單及各成員出席次數如下：

\* 朱洪超先生於二零一八年四月十八日獲委任為主席。

於截至二零一七年十二月三十一日止年度整段期間，薪酬委員會已討論及建議董事會批准於二零一七年本集團董事及高級管理人員的薪酬，委任秦永明先生、朱向東先生及黃煥霖先生分別為主席及行政總裁、行政總裁及執行董事的服務合約及薪酬、向董事及高級管理人員支付的獎金，及續簽本公司獨立非執行董事諸大建先生及高級管理人員於二零一七年服務合約。

## STRATEGY AND INVESTMENT COMMITTEE

In order to cope with the Group's development needs, enhance scientific planning and decision-making, promote the effectiveness of material investment decision-makings and improve the corporate governance structure of the Group, the Company established the Strategy and Investment Committee in December 2015. The written terms of reference of the Strategy and Investment Committee have been subsequently adopted on 2 February 2016 and are available on the Company's website.

The duties of the Strategy and Investment Committee include the following aspects:

- (i) to act as a delegate for the Board generally;
- (ii) to make decisions and pass resolutions, and to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, including any non-connected transaction if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules less than 5%; and
- (iii) to make recommendations to the Board concerning matters of corporate significance not otherwise dealt by any other committees of the Board, recommendations must be submitted to the Board for approval in respect of all transactions if the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules equal to or are more than 5%.

The Strategy and Investment Committee currently consists of Mr. Qin Yongming, Mr. Tu Jianhua, Mr. Wong Wun Lam, and Mr. Goh Kian Guan and is chaired by Mr. Qin Yongming. Mr. Liu Huaiyu resigned and ceased to be a member of the Strategy and Investment Committee on 7 April 2017. Mr. Zhu Patrick Xiangdong was appointed as a member of the Strategy and Investment Committee on 7 April 2017 and resigned and ceased to be a member of the Strategy and Investment Committee on 11 October 2017. Mr. Tu Jianhua resigned as the chairman and ceased to be a member of the Strategy and Investment Committee on 17 July 2017. Mr. Qin Yongming was appointed as the chairman of the Strategy and Investment Committee on 17 July 2017. Mr. Wong Wun Lam was appointed as a member of the Strategy and Investment Committee on 11 October 2017.

## 戰略與投資委員會

為適應本集團的發展需求、增強戰略規劃決策的科學性、促進重大投資決策的有效性及改善本集團的企業管治架構，本公司於二零一五年十二月成立戰略與投資委員會。戰略與投資委員會的書面職權範圍其後於二零一六年二月二日採納，於本公司網站可供閱覽。

戰略與投資委員會的主要職責如下：

- (i) 主要作為董事會的代表行事；
- (ii) 作出決策及通過決議，以及就有關本公司日常營運及投資活動的所有事宜（包括根據上市規則第14.07條所計算的適用百分比率低於5%的任何非關連交易）行使一切董事會權力；及
- (iii) 就任何其他董事委員會未處理的重大企業事宜向董事會提供推薦建議，倘根據上市規則第14.07條所計算的適用百分比率相等於5%或以上之所有交易，必須提交建議予董事會審批。

戰略與投資委員會現時由秦永明先生、涂建華先生、黃煥霖先生及吳健源先生組成，秦永明先生為主席。劉懷宇先生於二零一七年四月七日辭任並不再為戰略與投資委員會成員。朱向東先生於二零一七年四月七日獲委任為戰略與投資委員會成員並於二零一七年十月十一日辭任並不再為戰略與投資委員會成員。涂建華先生於二零一七年七月十七日辭任戰略與投資委員會主席並不再為戰略與投資委員會成員。秦永明先生於二零一七年七月十七日獲委任為戰略與投資委員會主席。黃煥霖先生於二零一七年十月十一日獲委任為戰略與投資委員會成員。



## STRATEGY AND INVESTMENT COMMITTEE MEETINGS ATTENDANCE 2017

## 二零一七年戰略與投資委員會會議 之出席情況

Name of Committee members 委員會委員姓名	Position 職位	Role in Strategy and Investment Committee 在策略及投資 委員會之職能	Meetings Attended/ Eligible to Attend 已出席會議/ 合資格出席次數
Qin Yongming (appointed on 17 July 2017) 秦永明 (於二零一七年七月十七日獲委任)	Executive Director 執行董事	Chairman 主席	1/1
Wong Wun Lam (appointed on 11 October 2017) 黃煥霖 (於二零一七年十月十一日獲委任)	Executive Director 執行董事	Member 成員	0/0
Goh Kian Guan 吳健源	Chief Investment Officer 首席投資官	Member 成員	0/1
Tu Jianhua (resigned on 17 July 2017) 涂建華 (於二零一七年七月十七日辭任)	Executive Director 執行董事	Chairman 主席	1/1
Zhu Patrick Xiangdong (appointed on 7 April 2017 and resigned on 11 October 2017) 朱向東 (於二零一七年四月七日獲委任並 於二零一七年十月十一日辭任)	Executive Director 執行董事	Member 成員	0/0
Liu Huaiyu (resigned on 7 April 2017) 劉懷宇 (於二零一七年四月七日辭任)	Executive Director 執行董事	Member 成員	1/1

## PRICING COMMITTEE

The Company established the Pricing Committee in June 2010 to review and determine the offer and selling prices of the Group's physical stock, the Group's inventory level and hedging positions requirements on a daily basis; to enhance the risk management of commodity price fluctuations and to ensure an effective risk monitoring system. The Pricing Committee currently comprises Mr. Qin Yongming, Mr. Wong Wun Lam, Mr. William Thomas Bird and Mr. Udo Langhans and is chaired by Mr. Qin Yongming.

## 定價委員會

本公司已於二零一零年六月成立定價委員會，負責審閱及釐定本集團每日之現貨買入及賣出價，本集團的存貨水平以及每日對沖形勢的要求，以提高對商品價格波動的風險管理，並確保風險監察系統的效能。定價委員會現時包括秦永明先生、黃煥霖先生、William Thomas Bird先生及Udo Langhans先生，並由秦永明先生擔任主席。

## PRICING COMMITTEE (continued)

The Pricing Committee convened one meetings during the year ended 31 December 2017 with the attendance of each member as follows:

Name of Committee members	Position	Role in Pricing Committee 在定價委員會之職能	Meetings Attended/ Eligible to Attend 已出席會議/ 合資格出席次數
委員會委員姓名	職位		
Qin Yongming (appointed on 11 October 2017) 秦永明 (於二零一七年十月十一日獲委任)	Executive Director 執行董事	Chairman 主席	0/0
Wong Wun Lam (appointed on 28 August 2017) 黃煥霖 (於二零一七年八月二十八日獲委任)	Executive Director 執行董事	Member 成員	0/0
William Thomas Bird (appointed on 4 January 2018) William Thomas Bird (於二零一八年一月四日獲委任)	Chief Operating Officer 首席營運官	Member 成員	0/0
Udo Langhans (appointed on 4 January 2018) Udo Langhans (於二零一八年一月四日獲委任)		Member 成員	0/0
Zhu Patrick Xiangdong (resigned on 11 October 2017) 朱向東 (於二零一七年十月十一日辭任)	Executive Director 執行董事	Chairman 主席	1/1
Goh Kian Guan (resigned on 4 January 2018) 吳健源 (於二零一八年一月四日辭任)	Chief Investment Officer 首席投資官	Member 成員	1/1

Throughout the year ended 31 December 2017, the Pricing Committee has reviewed the Group's monthly physical stock price and commodities transactions. The Pricing Committee held review meetings with the Board of Directors in 2017 to review and discuss the Pricing Committee Report. In the review meetings, the Pricing Committee and the Board of Directors reviewed and discussed the Group's commodity future contracts' exposure level, the corresponding procurement and inventory management strategy of each quarter in 2017, and reviewed the Group's Policy regarding dealings in metal futures contracts.

## 定價委員會 (續)

於截至二零一七年十二月三十一日止年度，定價委員會共召開一次會議，各成員出席如下：

於截至二零一七年十二月三十一日止年度，定價委員會已審閱本集團每月現貨價格及商品交易。於二零一七年，定價委員會與董事會舉行審議會，以審閱及討論定價委員會報告。於審議會中，定價委員會及董事會已審閱及討論本集團於二零一七年每季度的商品期貨合約的風險水平、相應採購及存貨管理策略，及審閱本集團有關買賣金屬期貨合約的政策。

## RISK MANAGEMENT AND INTERNAL CONTROL

### Responsibility of the Board and management

The Board is responsible for overseeing and ensuring the Group has established and maintained an appropriate and effective risk management and internal control systems where management is responsible for the design and implementation of the risk management and internal control systems.

The Group's risk management and internal control systems are designed to assist the Group in meeting its strategic objectives. The Company leverages on the expertise offered by internal and external professionals to develop its internal control system, which includes a well-established corporate structure and an organisation with clearly defined lines of responsibility and authority.

The Group's risk management framework includes the following key elements:

- identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- develop necessary measures to manage those risks;
- monitor and review the effectiveness of such measures.

The implementation of the Group's risk management framework was assisted by management, the Group's Pricing Committee, Strategy and Investment Committee and Internal Audit Department. These framework and setup enables the Group to ensure any new and emerging risk relevant to the Group's operation is promptly identified and managed.

### 風險管理及內部監控

#### 董事會及管理層的責任

董事會負責監督並確保本集團已建立、維持適當有效的風險管理及內部監控系統，而管理層則負責設計並執行風險管理及內部監控系統。

本集團之風險管理及內部監控系統乃為協助本集團達成戰略目標而設計。本公司憑藉公司內外的專業人員的專業知識發展其內部監控系統，包括良好的公司架構及職責與權力的明確分立。

本集團的風險管理框架包括下列各個主要部分：

- 識別於本集團經營環境的重大風險，並評估該等風險對本集團業務的影響；
- 制訂必須的措施以管理該等風險；
- 監管及檢討有關措施的有效程度。

管理層、本集團定價委員會、戰略與投資委員會及內部審核部門協助執行本集團的風險管理框架。該等框架及設定讓本集團能夠確保及時識別及管理任何與本集團營運相關的新出現風險。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Pricing Committee

The Pricing Committee which, as referred to earlier in this report, comprises the Group's executive Directors and senior management with appropriate qualifications and experiences, has been established and delegated with the operations of the Group's policy regarding dealings in metal futures contracts (the "Policy"). It determines the range of metal futures contracts that the Group may enter into during the month. On a daily basis, the Pricing Committee reviews the open positions of the Group and determines (i) the offer and sell price of our physical stock and our hedging requirements; and (ii) the quantity and the price of the metal futures contracts that the Group is going to buy or sell.

The Board receives a report from the Pricing Committee on the Group's metal futures activities carried out. Should the Pricing Committee determine that any positions are to be taken, it must inform the Board and provide supporting reasons in its report. In addition, the Company's finance department assesses and reports to the Board on the open positions of the Group based on the Group's cash position.

In the event the report from the Company's finance department demonstrates that the Group is not in strict compliance with the hedging limit and the daily limit, the Group will put in place and implement a plan to decrease the open positions of the Group within a reasonable time in order to comply with the limits.

Following a review of the current business operations, internal controls, risk management and policies and practices regarding dealings in metal futures contracts of the Group, on 7 March 2018, the Board adopted a commodity price risk hedging policy which the Board believes is more suitable for the current operating conditions of the Group.

## 風險管理及內部監控 (續)

### 定價委員會

按本報告較早前提及，由本集團之執行董事及具合適資歷和經驗的高級管理層組成的定價委員會已經成立，並被授權營運本集團有關買賣金屬期貨合約的政策（「該政策」）。其釐定本集團於該月可買賣的金屬期貨合約的範圍。就每日而言，定價委員會審閱本集團的未平倉交易並釐定：(i)我們的現貨庫存的報價和售價以及我們的對沖要求；及(ii)本集團準備買入或賣出的金屬期貨合約的數量和價格。

定價委員會就本集團進行的金屬期貨活動向董事會提交報告。倘定價委員會釐定將有任何持倉，定價委員會須於報告中通知董事會，並提供理由。此外，本公司的財務部根據本集團的現金狀況評估本集團未平倉交易並向董事會報告。

倘本公司財務部的報告顯示，本集團並無嚴格遵守對沖限額及每日限額，本集團將制定及落實計劃，以於合理時間內減低本集團的未平倉交易，以符合限額。

經審閱目前業務狀況、內部監控、風險管理及本集團有關買賣金屬期貨合約的政策及常規後，於二零一八年三月七日，董事會採納商品價格風險對沖政策，董事會認為其較適合本集團的現行營運狀況。

## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Strategy and Investment Committee

The Company established the Strategy and Investment Committee on 21 December 2015 with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules.

The principal functions and responsibilities of the Strategy and Investment Committee are to (i) study on the development strategies and planning; and (ii) advise on the decision-makings on material investments and capital operation of the Company.

Notwithstanding that the Strategy and Investment Committee is entitled to exercise all powers of the Board on all matters of the Company in relation to its daily operations and investment activities, recommendations must be submitted to the Board for approval for all transactions with a percentage ratio equal to or higher than 5% according to the testing result of the Stock Exchange.

## 風險管理及內部監控 (續)

### 戰略與投資委員會

本公司於二零一五年十二月二十一日成立戰略與投資委員會，並已遵照上市規則附錄十四所載企業管治守則訂明職權範圍。

戰略與投資委員會的主要職能及職責為：(i) 研究本公司的發展策略及規劃；及(ii)就本公司的重大投資及資本運作的決策提供建議。

儘管戰略與投資委員會有權就本公司的日常運作及投資活動的所有事宜行使一切董事會權力，但根據聯交所的測試結果計算，百分比率等於或高於5%的所有交易，則必須提交建議予董事會審批。



## RISK MANAGEMENT AND INTERNAL CONTROL (continued)

### Internal Audit

The Group's Internal Audit Department is to provide independent assurance to the Board and executive management on the adequacy and effectiveness of risk management and internal controls for the Group. The Group's Internal Audit Department adopts a risk-and-control based audit approach. The annual work plan of the Group's Internal Audit Department covers major activities and processes of the Group's business units whilst audit plan is reviewed and agreed by the Audit Committee. In addition to the agreed schedule of work, the Group's Internal Audit Department conducts other review and investigative work as may be required. All audit reports are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up for proper implementation, with progress reported to the Audit Committee, executive and senior management periodically. The risk management and internal control system of the Group is reviewed and assessed on an on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Audit Committee and the Board.

### Review of Risk Management and Internal Control Effectiveness

Through the Audit Committee, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2017, covering the material financial, operational and compliance controls, and considered the Group's risk management and internal control systems effective and adequate.

The Audit Committee has also annually reviewed the adequacy of resources, qualifications, experience and training programs of the Group's internal audit staff and accounting and financial reporting staff and considered that the staffing is adequate and the staffs are competent to carry out their roles and responsibilities.

## 風險管理及內部監控 (續)

### 內部審核

本集團內部審核部門就本集團風險管理及內部控制的充足性及有效性向董事會及執行管理層提供獨立保證。本集團內部審核部門採納以風險及控制為本的審核方式。本集團內部審核部門的年度工作計劃涵蓋本集團業務單位的主要活動及程序，而審核計劃則由審核委員會檢討及批准。除經同意的工作安排外，本集團的內部審核部門會按要求從事其他審閱及調查工作。所有審核報告均交予審核委員會及行政及高級管理層的主要成員。為求妥善實行審核事項，有關進展會定期匯報予審核委員會、行政及高級管理層，予以追查及跟進。本集團的風險管理及內部監控系統由執行董事持續檢討及評估，並由審核委員會及董事會至少每年一次進一步檢討與評估。

### 審閱風險管理及內部監控的有效性

董事會已透過審核委員會就本集團截至二零一七年十二月三十一日止年度的風險管理及內部監控系統的有效性進行年度審閱，該審閱涵蓋重大財務、經營及合規監控，並認為本集團的風險管理及內部監控系統有效且充足。

審核委員會亦已對本集團內部審核員工及會計及財務申報員工之資源、資歷、經驗及培訓計劃是否充足進行年度審閱，並認為人手充足，且員工均能勝任彼等角色及職責。

## COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy (the "Shareholders' Communication Policy") in March 2012 for setting out the policies, communication strategies and practices of the Company for communication with its shareholders. The Shareholders' Communication Policy enables the shareholders (the "Shareholders") of the Company to obtain comprehensive and plain information of the Company, to exercise their powers on an informed basis and to strengthen their communication with the Company.

The Company has established and maintained a dialogue with Shareholders by conveying information to the Shareholders and investors through the Company's financial reports (interim and annual reports); annual general meeting and other meetings that may be held; and all the information submitted to the Stock Exchange for disclosure, as well as corporate communications and other publications which shall be posted on the website of the Company.

The Company undertakes to convey information to the Shareholders and investors in a timely and effective manner at all times. If there are any questions about the Shareholders' Communication Policy, it shall be delivered to the Company Secretary or the Head of Investor Relations Department of the Company.

## 與股東的溝通

於二零一二年三月，本公司建立一項股東通訊政策（「股東通訊政策」），當中載有本公司與其股東通訊有關的政策、通訊策略及常規。股東通訊政策能使本公司股東（「股東」）獲得本公司全面及容易理解的資料，以在知情情況下行使權利及加強彼等與本公司的溝通。

本公司已與股東建立及保持對話，向股東及投資者傳達信息，途徑包括本公司財務報告（中期及年度報告）；股東週年大會及可能舉行的其他大會；及提交至聯交所以供披露的所有資料以及將於本公司網站刊發的公司通訊及其他出版資料。

本公司承諾始終以適時及有效的方式向股東及投資人士傳達信息。倘對股東通訊政策有任何疑問，須諮詢本公司秘書或本公司投資者關係部主管。

## SHAREHOLDERS' RIGHTS

### Shareholders general enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited.

Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available.

### Procedures for putting forward enquiries to the Board

Shareholders may at any time forward enquires to the Board in writing through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary  
48 Wang Lok Street  
Yuen Long Industrial Estate  
Hong Kong

Fax: (852) 2587 7799  
Email Address: cosec@chihogroup.com

## 股東權利

### 股東一般查詢

股東如對名下股權有任何問題，應向本公司的香港股份登記及過戶分處香港中央證券登記有限公司提出。

股東及投資人士可隨時要求索取本公司可供公開查閱的資料。

### 向董事會提出查詢之程序

股東可隨時透過公司秘書向董事會提出書面查詢，而公司秘書會轉交有關查詢予董事會處理。公司秘書之聯絡詳情如下：

公司秘書  
香港  
元朗工業邨  
宏樂街48號

傳真：(852) 2587 7799  
電子郵件地址：cosec@chihogroup.com

## SHAREHOLDERS' RIGHTS (continued)

### Procedures for Shareholders to Convene General Meetings

Subject to the provisions of the articles of association of the Company ("Articles of Association"), the Listing Rules and the applicable laws and regulations, Shareholders may convene general meetings of the Company in accordance with the following procedures:

1. One or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the Requisitionist(s)) may require the Board to convene an extraordinary general meeting of the Company (an "EGM") by depositing a written requisition (the "Requisition") at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and a copy thereof at the principal place of business of the Company in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong, for the attention of the Board or the Company Secretary.
2. The Requisition must clearly state the name(s) and shareholding in the Company of the Requisitionist(s), specify the purposes of the EGM and the details of the business proposed to be transacted in the EGM and be signed by the Requisitionist(s) and may consist of several documents in like form, each signed by one or more of the Requisitionists.
3. Upon receipt of the Requisition, the Directors shall verify the Requisition with the Company's branch share registrar and upon this confirmation that the Requisition is proper and in order, shall forthwith proceed duly to convene the EGM, and such EGM shall be held within two (2) months after the deposit of the Requisition.
4. If the Directors do not within twenty-one (21) days from the date of the deposit of the Requisition proceed duly to convene the EGM, the Requisitionist(s), may himself or themselves convene the EGM in the same manner and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

## 股東權利 (續)

### 股東召開股東大會之程序

根據本公司組織章程細則(「章程細則」)條文、上市規則及適用法律和法規，股東可根據以下程序召開本公司股東大會：

1. 一名或多名於提出該請求日期持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的股東(「請求人」)可請求董事會召開本公司股東特別大會(「股東特別大會」)，該請求須以書面請求形式(「請求書」)送至本公司註冊辦事處(地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands)及其副本須送至本公司香港主要營業地點(地址為香港元朗工業邨宏樂街48號)，收件人為董事會或公司秘書。
2. 請求書須清楚寫明請求人之姓名及於本公司之股權，列明股東特別大會之目的及擬於股東特別大會上處理之事項的詳情，並由請求人簽署；該請求書可包括多份相同形式之文件，每份由一位或多位請求人簽署。
3. 收到請求書後，董事須與本公司之股份登記分處核實該請求書，並於確認該請求書為妥善及適當時，應立即正式召開股東特別大會，該股東特別大會須於請求書送交後兩(2)個月內舉行。
4. 倘送交請求書後二十一(21)日內，董事未正式召開股東特別大會，則請求人可自發以同樣方式召開股東特別大會，而請求人因董事會未有召開股東特別大會而合理產生之所有開支須由本公司向請求人作出償付。

## SHAREHOLDERS' RIGHTS (continued)

### Procedures for Shareholders to Convene General Meetings (continued)

5. Under the Articles of Association and pursuant to the requirements of the Listing Rules, a notice specifying the time and place and the general nature of the proposed business to be transacted at the EGM shall be given to all Shareholders entitled to attend the EGM for consideration in the following manner:
- (i) notice of not less than 21 clear days or 10 clear business days, whichever is the longer, if a special resolution is to be passed at the EGM; and
  - (ii) notice of not less than 14 clear days or 10 clear business days, whichever is the longer, in all other cases, provided that a EGM may be called by a shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote at the EGM, being a majority together holding not less than 95% in nominal value of the issued shares of the Company giving such right.

The notice period is exclusive of (i) the day on which the notice is served or deemed to be served; and (ii) the day on which the EGM is to be held.

### Procedures for Shareholders to Make Proposals at General Meetings

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, Shareholders may propose a resolution at general meetings of the Company by following the "Procedures for Shareholders to Convene General Meetings" to convene an extraordinary general meeting and propose a resolution to be resolved at that extraordinary general meeting. Please refer to the document titled "Procedures for Shareholders to Convene General Meetings" on the Company's website.

## 股東權利 (續)

### 股東召開股東大會之程序 (續)

5. 根據章程細則及上市規則之規定，一份指明時間、地點及擬於股東特別大會上處理之事項之一般性質之通告應按照以下方式向所有有權出席股東特別大會之股東發出：
- (i) 倘將於股東特別大會上通過特別決議案，則須發出不少於21整日或10個完整營業日的通告（以較長者為準）；及
  - (ii) 於所有其他情況下，須發出不少於14整日或10個完整營業日的通告（以較長者為準），惟倘獲大多數有權出席股東特別大會並於會上有投票權之股東（該大多數股東合共持有不少於賦予該權利之本公司已發行股份之面值95%）同意，則可以較短期的通告召開股東特別大會。

通告期不包括(i)通告送達或被視為送達當日；及(ii)舉行股東特別大會當日。

### 股東於股東大會上提呈建議之程序

根據組織章程細則的條文、上市規則及適用法例及法規，股東可遵照「股東召開股東大會之程序」於本公司股東大會上提呈決議案，以召開股東特別大會及提呈將於股東特別大會上決議的決議案。請參考本公司網站「股東召開股東大會之程序」一節的文件。



## SHAREHOLDERS' RIGHTS (continued)

### Procedures for Shareholders to Propose a Person for Election as a Director

Subject to the provisions of the Articles of Association, the Listing Rules and the applicable laws and regulations, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

1. Shareholder(s) may propose a person (the "Candidate") for election as a Director at general meeting in accordance with the following procedures:
  - (a) a Shareholder or a group of Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may requisition an extraordinary general meeting to propose the Candidate to be elected as a Director in the manner provided in "Procedures for Shareholders to Convene General Meetings"; or
  - (b) Election of directors whether by rotation or otherwise in the place of those retiring would be considered ordinary business at an annual general meeting of the Company (the "AGM") and if the notice of an AGM includes the election of Directors, any Shareholder may propose the election of any person as a Director at the AGM;

Provided that, in each case, no Candidate other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless:

- (i) a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which notice is given of his intention to propose such Candidate for election; and

## 股東權利 (續)

### 股東建議推選一名人士為董事之程序

根據組織章程細則條文、上市規則及適用法律和法規，本公司可不時於股東大會通過普通決議案選出任何人士成為董事，以填補臨時空缺或作為新增董事。

1. 股東可根據以下程序於股東大會上建議推選一名人士（「候選人」）為董事：
  - (a) 持有不少於獲賦予權利於本公司股東大會上投票之本公司繳足股本十分之一的一名或多名股東可要求股東特別大會按「股東召開股東大會之程序」所規定之方式建議推選候選人為董事；或
  - (b) 於本公司股東週年大會（「股東週年大會」）上選舉董事，不論通過輪席或以其他方式取代退任之董事，將被視為一般事務及倘股東週年大會通告包括選舉董事，任何股東可於股東週年大會上建議推選任何人士為董事；

於各情況下，除非獲董事推薦參選，否則除董事於股東大會上退任外，概無候選人合資格於任何股東大會上參選，除非：

- (i) 由正式合資格出席大會並於會上表決之股東（除擬參選人外）簽署通告，其表明建議提名該候選人參選之意向；及

## SHAREHOLDERS' RIGHTS (continued)

### 1. (continued)

- (ii) a notice signed by the Candidate of his willingness to be elected,

shall have been lodged to the Company at its principal place of business in Hong Kong at 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong within the period of at least seven (7) days commencing on the day after the despatch of the notice of the general meeting and ending no later than seven (7) days prior to the date appointed for such general meeting.

### 2. In addition, the notice must contain the information as specified in Rule 13.51(2) of the Listing Rules about the Candidate, including but not limited to the following:

- (i) full name;
- (ii) age;
- (iii) business and residence addresses;
- (iv) principal occupation or employment;
- (v) experience including (a) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (b) the major appointments and professional qualifications; and
- (vi) interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 576 of the Laws of Hong Kong).

## 股東權利 (續)

### 1. (續)

- (ii) 由候選人簽署表示願意參選之通告，

於寄發股東大會通告後開始最少須為七(7)天至不遲於該股東大會指定舉行日期前七(7)天結束之期間內，送至本公司香港主要營業地點（地址為香港元朗工業邨宏樂街48號）。

### 2. 此外，該通告須包含上市規則第13.51(2)條所載有關候選人之資料，包括但不限於以下內容：

- (i) 全名；
- (ii) 年齡；
- (iii) 業務及居住地址；
- (iv) 主要職業或受僱工作；
- (v) 經驗，包括(a)過往三年於其證券在香港或海外任何證券市場上市之公眾公司擔任之其他董事職務，及(b)主要的任命及專業資格；及
- (vi) 持有本公司之股份權益（定義見證券及期貨條例第XV部（香港法例第576章））。

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2017, there was no change in the Company's constitutional documents.

## CONVENING OF GENERAL MEETINGS

The Board strives to maintain an on-going dialogue with the Shareholders of the Company. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The process of the Company's general meeting are monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. The Company uses annual general meeting as one of the principal channels for communicating with the Shareholders. The Company ensures that Shareholders' views are communicated to the Board.

At the annual general meeting, each substantially separate issue has been considered by a separate resolution, including the election of individual Directors. The Chairman of the Board, chairmen of the respective Board committees and the external auditor usually attend annual general meetings to communicate with and answer questions from the Shareholders.

The last annual general meeting of the Company was the 2016 annual general meeting (the "2016 AGM") which was held at 23/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Wednesday, 24 May 2017 at 10:00 a.m.

All resolutions put to Shareholders at the 2016 AGM were passed. The Company's Hong Kong branch share registrar were appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the websites of the Company and the Stock Exchange.

## 章程文件

於截至二零一七年十二月三十一日止年度，本公司章程文件並無變動。

## 召開股東大會

董事會致力與本公司股東保持溝通，並鼓勵股東參與股東大會，即使其無法出席大會，亦鼓勵彼等委任代表代其出席大會及於會上表決。本公司會監察並定期檢討股東大會程序，並於需要時作出改動，以確保其切合股東需要。本公司以股東週年大會作為股東溝通的其中一項與主要渠道。本公司確保股東的意見能向董事會反映。

於股東週年大會上，每項大致上屬獨立的事宜會以一項獨立的決議案考慮，當中包括個別董事的選任。董事會主席、董事會轄下各委員會之主席及外聘核數師，一般皆會親自出席股東週年大會，以便與股東溝通並回答其提問。

本公司上屆股東週年大會為二零一六年股東週年大會（「二零一六年股東週年大會」），有關大會已於二零一七年五月二十四日（星期三）上午十時正假座香港上環德輔道中199號無限極廣場23樓舉行。

所有於二零一六年股東週年大會上向股東提呈的決議案已獲得通過。本公司的股份過戶登記處香港分處獲委任為該大會的監票人，以監察投票表決過程及點算票數。以投票方式表決的結果已於本公司及聯交所網站刊登。

CONVENING OF GENERAL MEETINGS (continued)

召開股東大會(續)

Resolutions proposed at the 2016 AGM 於二零一六年股東週年大會提呈的決議案	Percentage of votes in favor 投贊成票的百分比
1. To review and approve the audited consolidated financial statements, the report of the Directors of the Company and the report of the independent auditor of the Company for the year ended 31 December 2016. 省覽及批准本公司截至二零一六年十二月三十一日止年度的經審核綜合財務報表、本公司董事會報告及獨立核數師報告。	100%
2. To re-elect Mr. Qin Yongming as an executive Director. 重選秦永明先生為執行董事。	100%
3. To re-elect Mr. Zhu Patrick Xiangdong as an executive Director. 重選朱向東先生為執行董事。	100%
4. To re-elect Ms. Qian Liping as an independent nonexecutive Director. 重選錢麗萍女士為獨立非執行董事。	100%
5. To re-elect Dr. Loke Yu as an independent nonexecutive Director. 重選陸海林博士為獨立非執行董事。	99.92%
6. To authorise the Board to fix the Directors' remuneration. 授權董事會釐定董事薪酬。	100%
7. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration. 續聘羅兵咸永道會計師事務所為本公司核數師，並授權董事會釐定其薪酬。	100%
8. To grant a general mandate to the Directors to allot, issue and deal with any additional shares in the Company which shall not in aggregate exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution. 批准董事配發、發行及處理本公司任何額外股份之一般授權，惟股份數目合共不超過決議案通過當日本公司已發行股份總數之20%。	99.76%
9. To grant a general mandate to the Directors to exercise all the powers of the Company to repurchase its own shares not exceeding 10% of the total number of shares of the Company in issue as at the date of passing this resolution. 批准董事行使本公司所有權力，購回本公司股份之一般授權，惟股份數目不超過決議案通過當日本公司已發行股份總數之10%。	100%
10. To approve the extension of the general mandate granted to the Directors to allot new shares by adding to it the number of shares repurchased, if any, pursuant to the share repurchase mandate. 批准擴大授予董事根據購回股份授權增加購回股份數目(如有)而配發新股份之一般授權。	99.76%
11. To approve the change of Company's name to "Chiho Environmental Group Limited" and adoption of "齊合環保集團有限公司" as Chinese name. 批准將本公司名稱更改為「Chiho Environmental Group Limited」，並採納「齊合環保集團有限公司」作為中文名稱。	100%

## INVESTOR RELATIONS

The management of the Company believes that effective and proper investor relations play a vital role in creating shareholders' value, enhancing the corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of relevant information pursuant to requirements of relevant laws and regulations in order to ensure all shareholders equal access to information. To strive for effective communication and transparency of the Company, the personnel in charge have frequent contact with Shareholders and investors through various channels such as via interviews, presentations, internet, telephone and email.

In addition, the Company has during the year ended 31 December 2017 organised numerous site visits to the Group's facilities with several fund managers and equity market analysts. Through the site visits, the visitors managed to have a better understanding of the Group's operations and an opportunity to know more about the Group's development strategy.

We will continue to establish communication opportunities in order to enhance investors' understanding of and confidence in the Company.

## WHISTLEBLOWING POLICY

To deter wrongdoing and to promote standards of good corporate practices, the Company has adopted a whistleblowing policy in December 2012. This policy aims at encouraging and enabling employees of the Group at all levels and others to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group.

## INFORMATION DISCLOSURE

The Company discloses information in compliance with the securities regulations of the Stock Exchange, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public, to make rational and informed decisions.

## 投資者關係

本公司管理層相信，有效及正確的投資者關係對創造股東價值、提高企業透明度及建立市場信心尤為重要。因此，本公司已採納嚴謹的內部監控系統，確保根據相關法例及規例的規定真確、準確、完整及適時披露相關資料，從而確保所有股東均可獲取相同的資訊。為達致有效溝通及提高本公司透明度，負責人經常透過訪問、演講、互聯網、電話及電郵等不同渠道聯絡股東及投資者。

此外，本公司於截至二零一七年十二月三十一日止年度為數位基金經理及股票市場分析員安排了數次到本集團設施的實地考察。透過該等實地考察，到訪者能更好的了解本集團的運作並有機會了解本集團的發展策略。

我們將繼續建立溝通機會以增強投資者對本公司的了解及信心。

## 舉報政策

為遏止不恰當行為及提升良好企業管治水平，本公司已於二零一二年十二月採納舉報政策。該政策旨在鼓勵及促使本集團各級僱員及其他人士舉報違規行為或涉嫌違規行為，及高度關注本集團之財務報告事宜或其他事項中可能存在之不恰當行為。

## 資料披露

本公司根據聯交所證券規例披露資料，並根據有關法律法規向公眾人士刊發定期報告及公告。本集團致力確保適時披露資料，而有關資料為公正、準確、真實及完整，務求使股東、投資者及公眾人士能作出合理及知情的決定。



## Major Events of CEG in 2017

### 齊合環保二零一七年大事記



#### 1. The Name of the Company Has Been Changed to "Chiho Environmental Group Limited" ("CEG")

##### 齊合天地改名為齊合環保

The name of the Company has been changed from "Chiho-Tiande Group Limited" to "Chiho Environmental Group Limited" ("CEG").

公司名稱由「齊合天地集團有限公司」更改為「齊合環保集團有限公司」。



#### 2. CEG Obtained Both Waste Disposal License and Export License for Chemical Wastes

##### 齊合環保喜獲化學廢物處理牌照和出口牌照

The Group's operation in Hong Kong's Yuen Long which is dedicated to waste electrical and electronic equipment processing, has obtained both Waste Disposal License and Export License for Chemical Wastes. CEG has become one of the few licensed recyclers in Hong Kong to dispose of and export chemical wastes.

集團負責電子廢料回收處理業務的香港元朗工廠成為香港為數不多的同時擁有化學廢物處理牌照和出口牌照的再生資源回收處理商之一。



#### 3. CEG's Yuen Long Base Completed an Upgrade to Become Hong Kong's Largest, Most Diverse, Integrated Privately Owned Electronic Waste Recycling Centre

##### 齊合環保元朗基地升級為最大及最 多元化的民營綜合電子廢料回收處 理中心

The two automated production lines namely electronic waste processing line and cable processing line have higher production efficiency.

該基地所具備的兩條自動化生產線—廢電子自動破碎分選設備及廢電線處理設備，擁有更高的生產效率。

## Major Events of CEG in 2017 齊合環保二零一七年大事記



### 4. Scholz, CEG's Wholly Owned Subsidiary, was Granted a Seniority Award by VDM (Association of German Metal Traders)

齊合環保全資附屬公司Scholz獲VDM (德國金屬貿易商協會)頒發資歷大獎

In VDM's annual session, Scholz Recycling GmbH was granted the seniority award. Mr. Qin, Chairman and Chief Executive Officer of CEG, received the award.

在VDM年會上，Scholz Recycling GmbH榮獲該協會頒發的資歷大獎。集團主席兼行政總裁秦永明先生代表公司領獎。

### 5. CEG was Awarded "2017 China Financial Market Award – Best Investment Value Award"

齊合環保榮獲「2017年中國融資大獎—最具投資價值獎」中小市值股公司」大獎

CEG won the "2017 China Financial Market Award – Best Investment Value Award" organised by China Financial Market, a renowned financial magazine in Hong Kong. The award shows capital market's recognition of CEG's overall performance, value creation and brand building.

集團在香港知名財經雜誌《中國融資》主辦的「2017年中國融資大獎」評選中脫穎而出，充分表明了資本市場對集團綜合實力、價值創造及品牌建設的高度肯定與認可。



### 6. CEG Won the "Most Valuable Medium-and-Small-Cap Stock" Award in the "2017 Golden Hong Kong Stocks Awards Contest"

齊合環保榮獲「2017年金港股最具價值中小市值股公司」大獎

After a comprehensive review and screening by professional assessors, CEG has won the "Most Valuable Medium-and-Small-cap Stock" Award in the "2017 Golden Hong Kong Stocks Awards Contest" based on its outstanding results and internationalized layout and positioning.

在2017年“金港股”大獎評選中，經過專業評審團的綜合考察及層層篩選，齊合環保憑藉優異的經營業績及全球化的定位佈局，榮獲「2017年金港股最具價值中小市值股公司」大獎。



# Independent Auditor's Report

## 獨立核數師報告



**To the Shareholders of Chiho Environmental Group Limited**  
(Formerly known as Chiho-Tiande Group Limited)  
(incorporated in the Cayman Islands with limited liability)

### OPINION

#### What we have audited

The consolidated financial statements of Chiho Environmental Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 302, which comprise:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

### 羅兵咸永道

致齊合環保集團有限公司股東  
(前稱齊合天地集團有限公司)  
(於開曼群島註冊成立的有限公司)

### 意見

#### 我們已審計的內容

齊合環保集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第120至302頁的綜合財務報表,包括:

- 於二零一七年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合損益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

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羅兵咸永道會計師事務所, 香港中環太子大廈廿二樓  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

## Our opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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.

## KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Finalisation of purchase price allocation of the acquisition of Scholz Holding GmbH ("Scholz Holding" and together with its subsidiaries, "Scholz Group")
- Impairment assessment on goodwill

## 我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其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》的披露規定妥為擬備。

## 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## 獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 完成最終收購Scholz Holding GmbH順爾茨控股有限公司\*（「順爾茨控股」，並連同其附屬公司統稱「順爾茨集團」）的購買價分配
- 商譽的減值評估



**Key Audit Matter**  
關鍵審計事項

**Finalisation of purchase price allocation of the acquisition of Scholz Group**

完成最終收購順爾茨集團的購買價分配

Refer to notes 2.2.1 and 39(a) to the consolidated financial statements.

請參閱綜合財務報表附註2.2.1及39(a)。

In December 2016, the Group completed the acquisition of the entire equity interest of Scholz Group. As at 31 December 2016, the Group recognised a goodwill arising from the provisional purchase price allocation amounted to HK\$833.7 million. Upon the finalization of purchase price allocation process in 2017, measurement period adjustments were made on the fair value of certain identifiable assets and liabilities resulting in a reduction of goodwill by HK\$157.8 million, as compared to the provisional amount previously disclosed, to HK\$675.9 million.

於二零一六年十二月，貴集團完成收購順爾茨集團的全部股權。於二零一六年十二月三十一日，貴集團確認臨時購買價分配產生之商譽8億3,370萬港元。二零一七年於完成最終購買價分配程序後，貴集團乃就若干可識別資產及負債的公平值作出計量期間調整，導致商譽相較於過往披露之暫定金額減少1億5,780萬港元至6億7,590萬港元。

Management evaluated and assessed the new information obtained were related to facts and circumstances existing as of the acquisition date upon the finalisation of the purchase price allocation, and was supported by a valuation performed by independent professional valuers. The valuation involved unobservable inputs such as revenue growth rate, gross profit margin and discount rate.

管理層於完成最終購買價分配時，評價及評估所獲得之有關截至收購日期前存在的事實及情況之新資料，並獲得了獨立專業估值師進行之估值支持。該估值涉及無法觀察輸入數據，例如收益增長率、毛利率及貼現率。

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

In assessing management's accounting of the business combination, the following audit procedures have been performed by us:

評估管理層就業務合併之會計處理時，我們已進行以下審核程序：

Understanding and reviewing management's assessment on new information for finalisation of purchase price allocation by obtaining and reviewing those new information and related supporting documents;  
透過獲取及審查該等用以完成購買價分配的新資料及相關證明文件，了解及審查管理層對新資料之評估；

Understanding and assessing the rationale of management and the independent professional valuers on the identification of intangible assets and methodologies used based on our knowledge of the business and by comparison with external information about other comparable companies in this industry;  
根據我們對業務之認識，並透過比較該行內其他可供比較公司之外在資料，了解及評估管理層和獨立專業估值師就識別無形資產及所用方法之理據；

Assessing the competency, capability and objectivity of the independent professional valuers by considering their qualifications, relevant experiences and relationship with the Group;

透過考慮獨立專業估值師之資格、相關經驗及與貴集團之關係，評估獨立專業估值師之資格、能力及客觀性；



**Key Audit Matter**  
關鍵審計事項

We focused on this area as it is a significant acquisition, and the assessment of new information and valuation of purchase price allocation required significant judgements and estimates by management.

我們關注該事項是由於其為重大收購事項，以及新資料評估及購買價分配估值需要管理層作出重大判斷及估計。

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

Together with our internal valuation specialist, we assess the appropriateness of key assumptions applied in the valuation by comparing the data inputs such as revenue growth rate, gross profit margin and discount rate used in the valuation model to market data, historical financial data and our knowledge of the business and industry; and

我們連同我們的內部估值專家透過比較評估模式中所用之輸入數據，例如收益增長率、毛利率及貼現率與該業務及行業之市場數據、過往財務數據，並根據我們對業務及行業之認識，評估該估值所用之主要假設之合理性；及

Evaluating management's assessment of contingent consideration in particular the probability of estimated cash outflow for the acquisition by examining relevant terms set out in the acquisition agreements and assessing the uncertainties of crystallising the contingent consideration.

透過審視收購協議所載之相關條款，評核管理層就或然代價之評估，特別是就收購交易之估計現金流出之可能性，評估影響或然代價之不明朗因素。

Based on the procedures described, we considered the judgements and estimates applied in the completion of purchase price allocation of the acquisition of Scholz Group to be supportable by available evidence.

根據上述程序，我們認為完成最終收購順爾茨集團之購買價分配所用之判斷及估計有可查閱之憑證支持。

**Key Audit Matter**  
關鍵審計事項

**Impairment assessment on goodwill**  
商譽之減值評估

Refer to notes 2.11 and 17 to the consolidated financial statements.

請參閱綜合財務報表附註2.11及17。

The carrying value of goodwill of the Group as at 31 December 2017 was HK\$791.7 million. Majority of goodwill arose from the acquisition of Scholz Group in December 2016.

貴集團於二零一七年十二月三十一日之商譽賬面值為7億9,170萬港元，當中大部分之商譽結餘源自於二零一六年十二月收購順爾茨集團之交易。

Management performed an assessment on impairment of goodwill as at 31 December 2017 to determine the recoverable amount using value-in-use calculations. These calculations used pre-tax cash flow forecast based on the financial budget covering a five-year period. Cash flows beyond the five-year period were extrapolated using an estimated long term growth rate.

管理層採用使用價值計算就二零一七年十二月三十一日之商譽進行減值評估，以釐定可收回金額。該計算使用以涵蓋五年期之財務預算為基礎之稅前現金流預測。五年期後之現金流採用估計長期增長率推算。

The assessment required the use of management's judgements and estimates about future business performance including revenue growth (sales volume and metal commodity price forecast), gross profit margin and discount rate and accordingly, this was an area of our audit focus.

該評估需要管理層就未來業務表現作出判斷及估計，包括收益增長（銷量及金屬商品價格預測）、毛利率及貼現率，因此這為我們審核重心範疇之一。

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

In assessing the appropriateness of the goodwill impairment assessment performed by management, the following audit procedures have been performed by us: 為評估管理層之商譽減值評估之合適性，我們已進行以下審核程序：

Comparing the current year actual cash flows with the prior year cash flow forecast to assess the reliability of management's forecast;

將本年度實際現金流量與上年度現金流量預測進行比較，以評估管理層預測的可靠性；

Evaluating management's financial budget and discounted cash flow forecast by understanding the process by which they were drawn up, and testing mathematical accuracy of the underlying calculations; 評核管理層之財務預算及貼現現金流量預測，了解箇中規劃程序，測試相關計算之算術準確性；

Assessing the appropriateness of key assumptions used in the discounted cash flow forecast for the projected 5 years by comparing (i) projected sales volume to available production capacity and historical sales volume, (ii) metal commodity price forecast to market research and analyst reports, and (iii) projected gross profit margin to historical profit margin. We also checked these key assumptions against actual results in the period subsequent to the year end;

透過比較(i)預測銷量與可動用產能和以往銷量；(ii)金屬商品價格預測與市場研究及分析師報告；及(iii)預測毛利率與歷史毛利率，評估未來五年貼現現金流量預測中所用之主要假設之合適性。我們亦對照年度結算後期間之實際業績，檢查該等主要假設；

**Key Audit Matter**  
關鍵審計事項

**How our audit addressed the Key Audit Matter**  
我們的審計如何處理關鍵審計事項

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Evaluating the discount rate by assessing the cost of capital of the Group and referencing the cost of capital of other comparable companies in the industry; and  
透過評估 貴集團之資本成本，及參考行內其他可供比較公司之資本成本，評核貼現率；及

Evaluating the sensitivity of the Group's discounted cash flow forecast by considering downside scenarios against reasonable possible changes to the key assumptions.  
考慮主要假設之合理可能變動之下行情況，評核 貴集團貼現現金流量預測之敏感度。

Based on the procedures described, we found that the judgements and estimates made by management in respect of the goodwill impairment assessment were supportable by available evidence.  
根據上述程序，我們認為管理層在商譽減值評估中所作之判斷及估計有可查閱之憑證支持。

## Independent Auditor's Report 獨立核數師報告

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

### 其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

## 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



## Independent Auditor's Report 獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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



## Independent Auditor's Report 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Kam Chiu, Raymond.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 28 March 2018

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在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計項目合夥人是陳錦釗。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一八年三月二十八日

# Consolidated Statement of Profit or Loss

## 綜合損益表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Revenue	收益	5	<b>18,491.0</b>	3,211.4
Cost of sales	銷售成本	8	<b>(16,162.0)</b>	(2,992.8)
Gross profit	毛利		<b>2,329.0</b>	218.6
Other income	其他收入	6	<b>113.9</b>	15.2
Other gains/(losses), net	其他收益/(虧損)淨額	7	<b>237.1</b>	(335.1)
Distribution and selling expenses	分銷及銷售開支	8	<b>(562.3)</b>	(15.1)
Administrative expenses	行政開支	8	<b>(1,303.0)</b>	(293.5)
			<b>814.7</b>	(409.9)
Finance income	財務收入	10	<b>38.8</b>	47.9
Finance costs	財務成本	10	<b>(416.1)</b>	(82.0)
Finance costs, net	財務成本淨額		<b>(377.3)</b>	(34.1)
Share of profit of an associate	應佔聯營公司溢利	18	<b>0.2</b>	0.4
Share of profit of joint ventures	應佔合營企業溢利	18	<b>108.6</b>	-
Profit/(loss) before income tax	除所得稅前溢利/(虧損)		<b>546.2</b>	(443.6)
Income tax (expense)/credit	所得稅(開支)/抵免	11	<b>(110.6)</b>	0.4
Profit/(loss) for the year	年內溢利/(虧損)		<b>435.6</b>	(443.2)
Profit/(loss) attributable to:	以下各方應佔溢利/(虧損):			
Shareholders of the Company	本公司股東		<b>426.8</b>	(439.9)
Non-controlling interests	非控股權益		<b>8.8</b>	(3.3)
			<b>435.6</b>	(443.2)
Earnings/(loss) per share attributable to shareholders of the Company for the year (expressed in HK\$ per share)	本公司股東應佔年內每股盈利/(虧損)(以每股港元列示)			
Basic earnings/(loss) per share	每股基本盈利/(虧損)	13	<b>0.26</b>	(0.27)
Diluted earnings/(loss) per share	每股攤薄盈利/(虧損)	13	<b>0.26</b>	(0.27)

The notes on pages 128 to 302 are an integral part of these consolidated financial statements.

第128至302頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
<b>Profit/(loss) for the year</b>	年內溢利／（虧損）	<b>435.6</b>	(443.2)
<b>Other comprehensive income/(loss)</b>	其他全面收入／（虧損）		
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可能重新分類至損益之項目：		
Currency translation differences	匯兌差額	<b>609.5</b>	(40.6)
<i>Item that will not be reclassified to profit or loss:</i>	不會重新分類至損益之項目：		
Remeasurement of post-employment benefit obligations	重新計量僱員結束服務後之福利責任	<b>0.4</b>	–
Other comprehensive income/(loss) for the year	年內其他全面收入／（虧損）	<b>609.9</b>	(40.6)
Total comprehensive income/(loss) for the year	年內全面收入／（虧損）總額	<b>1,045.5</b>	(483.8)
Total comprehensive income/(loss) for the year attributable to:	以下各方應佔年內全面收入／（虧損）總額：		
Shareholders of the Company	本公司股東	<b>1,033.3</b>	(483.3)
Non-controlling interests	非控股權益	<b>12.2</b>	(0.5)
		<b>1,045.5</b>	(483.8)

The notes on pages 128 to 302 are an integral part of these consolidated financial statements.

第128至302頁的附註為該等綜合財務報表的一部分。

# Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2017 於二零一七年十二月三十一日

	Notes 附註	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	3,559.3	2,873.4
Leasehold land and land use rights	15	412.9	529.3
Investment properties	16	3.5	81.8
Intangible assets	17	1,207.7	1,008.3
Investments accounted for using the equity method	18	591.2	447.9
Other non-current assets	20	128.8	65.3
Deferred income tax assets	31	168.1	177.4
		<b>6,071.5</b>	5,183.4
<b>Current assets</b>			
Inventories	22	2,338.5	1,773.5
Trade and other receivables	23	1,992.4	1,751.1
Fixed return investment	24	339.0	316.8
Amounts due from related parties	37	205.6	262.5
Derivative financial instruments	25	6.1	7.9
Tax recoverable		25.8	23.1
Pledged bank deposits	26	95.0	422.7
Cash and cash equivalents	26	976.4	1,656.7
		<b>5,978.8</b>	6,214.3
Assets classified as held for sale	21	43.4	388.0
<b>Total assets</b>		<b>12,093.7</b>	11,785.7
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	27	16.1	16.2
Other reserves	32	7,018.9	6,485.9
Accumulated losses		(1,961.9)	(2,384.9)
Non-controlling interests	30	5,073.1 (26.0)	4,117.2 (32.8)
<b>Total equity</b>		<b>5,047.1</b>	4,084.4



## Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借款	29	1,133.0	1,960.2
Derivative financial instruments	衍生金融工具	25	–	11.9
Retirement benefit obligations	退休福利責任	35	26.7	24.1
Other payables	其他應付款項	28	105.2	292.8
Deferred income tax liabilities	遞延所得稅負債	31	416.5	379.4
			<b>1,681.4</b>	2,668.4
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	28	2,092.0	1,487.1
Current income tax liabilities	即期所得稅負債		113.2	108.4
Borrowings	借款	29	3,022.2	3,057.7
Amounts due to related parties	應付關聯方款項	37	110.9	360.1
Derivative financial instruments	衍生金融工具	25	26.9	19.6
			<b>5,365.2</b>	5,032.9
<b>Total liabilities</b>	<b>負債總值</b>		<b>7,046.6</b>	7,701.3
<b>Total equity and liabilities</b>	<b>權益總額及負債</b>		<b>12,093.7</b>	11,785.7

The consolidated financial statements on pages 120 to 302 were approved and authorised for issue by the Board of Directors on 28 March 2018 and are signed on its behalf by:

載於第120至302頁的綜合財務報表於二零一八年三月二十八日獲董事會批准及授權公佈，並由下列董事代表簽署：

**Mr. Tu Jianhua**  
Director

**Mr. Qin Yongming**  
Director

涂建華先生  
董事

秦永明先生  
董事

The notes on pages 128 to 302 are an integral part of these consolidated financial statements.

第128至302頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to shareholders of the Company 本公司股東應佔					
		Share capital	Other reserves (Note 32) 其他儲備 (附註32)	Accumulated losses	Total	Non-controlling interests	Total equity
		股本 HK\$M 百萬港元	其他儲備 HK\$M 百萬港元	累計虧損 HK\$M 百萬港元	總計 HK\$M 百萬港元	非控股權益 HK\$M 百萬港元	總權益 HK\$M 百萬港元
At 1 January 2016	於二零一六年一月一日	15.9	6,418.1	(1,946.0)	4,488.0	(74.1)	4,413.9
Comprehensive income	全面收益						
Loss for the year	年內虧損	-	-	(439.9)	(439.9)	(3.3)	(443.2)
Other comprehensive (loss)/income	其他全面(虧損)/收益						
Currency translation differences	匯兌差額	-	(43.4)	-	(43.4)	2.8	(40.6)
Total other comprehensive loss for the year, net of tax	年內其他全面虧損總額，扣除稅項	-	(43.4)	-	(43.4)	2.8	(40.6)
Total comprehensive loss for the year, net of tax	年內全面虧損總額，扣除稅項	-	(43.4)	(439.9)	(483.3)	(0.5)	(483.8)
Transactions with shareholders in their capacity as shareholders	與股東(以股東身份)進行交易						
Issue of subscription shares	發行認購股份	0.3	111.4	-	111.7	-	111.7
Non-controlling interests arising from business combination	業務合併所產生之非控股權益	-	-	-	-	3.7	3.7
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	38.1	38.1
Exercise of share options	行使購股權	-	0.8	-	0.8	-	0.8
Lapse of share options	購股權失效	-	(1.0)	1.0	-	-	-
Total transactions with shareholders in their capacity as shareholders	與股東(以股東身份)進行交易總額	0.3	111.2	1.0	112.5	41.8	154.3
At 31 December 2016	於二零一六年十二月三十一日	16.2	6,485.9	(2,384.9)	4,117.2	(32.8)	4,084.4

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

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to shareholders of the Company 本公司股東應佔					
		Share capital	Other reserves (Note 32) 其他儲備 (附註32)	Accumulated losses	Total	Non- controlling interests	Total equity
		股本 HK\$M 百萬港元	HK\$M 百萬港元	累計虧損 HK\$M 百萬港元	總計 HK\$M 百萬港元	非控股權益 HK\$M 百萬港元	總權益 HK\$M 百萬港元
At 1 January 2017	於二零一七年一月一日	16.2	6,485.9	(2,384.9)	4,117.2	(32.8)	4,084.4
Comprehensive income	全面收益						
Profit for the year	年內溢利	-	-	426.8	426.8	8.8	435.6
Other comprehensive income	其他全面收益						
Currency translation differences	匯兌差額	-	606.1	-	606.1	3.4	609.5
Remeasurement of post- employed benefit obligations	重新計量僱員結束服務後 之福利責任	-	0.4	-	0.4	-	0.4
Total other comprehensive income for the year, net of tax	年內其他全面收益總額， 扣除稅項	-	606.5	-	606.5	3.4	609.9
Total comprehensive income for the year, net of tax	年內全面收益總額， 扣除稅項	-	606.5	426.8	1,033.3	12.2	1,045.5
Transactions with shareholders in their capacity as shareholders	與股東（以股東身份） 進行交易						
Transfer of reserves	轉撥儲備	-	3.7	(3.7)	-	-	-
Transactions with non-controlling interests	與非控股權益進行交易	-	(11.9)	-	(11.9)	(5.4)	(17.3)
Subscription shares repurchased and cancelled	購回並註銷的認購股份	(0.1)	(65.3)	(0.1)	(65.5)	-	(65.5)
Total transactions with shareholders in their capacity as shareholders	與股東（以股東身份） 進行交易總額	(0.1)	(73.5)	(3.8)	(77.4)	(5.4)	(82.8)
At 31 December 2017	於二零一七年 十二月三十一日	16.1	7,018.9	(1,961.9)	5,073.1	(26.0)	5,047.1

The notes on pages 128 to 302 are an integral part of these consolidated financial statements.

第128至302頁的附註為該等綜合財務報表的一部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
<b>Cash flows from operating activities 經營活動所得現金流</b>			
Cash generated from operations 經營所得現金	40	850.3	91.9
Interest paid 已付利息		(373.3)	(46.7)
Tax (paid)/refunded 已(支付)/退還稅項		(34.2)	11.2
<b>Net cash generated from operating activities 經營活動所得現金淨額</b>		<b>442.8</b>	56.4
<b>Cash flows from investing activities 投資活動所得現金流</b>			
Purchases of property, plant and equipment 購置物業、廠房及設備		(290.1)	(127.2)
Purchase of intangible assets 購買無形資產		(1.0)	-
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備之所得款項	40	126.4	1.4
Deposit paid for property, plant and equipment 物業、廠房及設備之已付按金		(22.3)	9.1
Proceeds from government grants 來自政府補助之所得款項		-	1.2
Payment for leasehold land and land use rights 租賃土地及土地使用權之付款		-	(17.3)
Proceeds from disposal of leasehold land 出售租賃土地之所得款項	40	-	7.7
Placement of pledged bank deposits 存入已抵押銀行存款		(513.5)	(698.9)
Withdrawal of pledged bank deposits 提取已抵押銀行存款		876.5	747.9
Increase in fixed return investment 增購固定回報投資		-	(300.0)
Purchase of financial assets through profit or loss 購買計入損益之金融資產		(12.2)	(1,289.2)
Proceeds from disposal of financial assets through profit or loss 出售計入損益之金融資產所得款項		10.5	1,183.9
Proceeds from disposal of assets classified as held for sale 出售分類為持作出售資產之所得款項	40	72.0	-
Proceeds from disposal of available-for-sale financial assets 出售可供出售金融資產之所得款項	20	10.9	-
Proceeds from disposal of a joint venture 出售合營企業之所得款項		7.9	-
Proceed from disposal of investment properties 出售投資物業之所得款項	40	102.0	-
Dividend received from joint ventures 收取合營企業股息		22.9	-
Dividend received 已收股息		6.1	8.5
Acquisition of subsidiaries, net of cash acquired 收購子公司，扣除已購買現金	39	47.5	94.7
Provision of loan to Scholz Group (pre-acquisition) 向順爾茨集團提供貸款(收購前)		-	(484.0)
Purchase of loan receivable 購買應收貸款		-	(2,449.9)
Interest received 已收利息		16.6	5.9
<b>Net cash generated from/(used in) investing activities 投資活動所得/(所用)現金淨額</b>		<b>460.2</b>	(3,306.2)

## Consolidated Statement of Cash Flows 綜合現金流量表

For the Year Ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
	Notes 附註			
<b>Cash flows from financing activities 融資活動所得現金流</b>				
Repurchase of subscription shares repurchased and cancelled	購回已購回及註銷的認購股份	27(c)	<b>(65.5)</b>	–
Proceeds from bank borrowings	銀行借款之所得款項		<b>2,549.7</b>	3,838.4
Repayments of bank borrowings	償還銀行借款		<b>(4,447.8)</b>	(2,562.7)
Proceeds of other borrowings	其他借款之所得款項		<b>703.9</b>	–
Repayments of other borrowings	償還其他借款		<b>(45.6)</b>	(178.0)
Repayments of convertible bonds	償還可換股債券		<b>(67.6)</b>	–
Repayment of finance lease liabilities	償還融資租賃責任		<b>(47.7)</b>	–
Loans from the immediate holding company	來自直接控股公司之貸款		<b>12.7</b>	232.6
Repayment to the immediate holding company	向直接控股公司償還款項		<b>(209.8)</b>	(39.4)
Loans from an intermediate holding company	來自中間控股公司貸款		–	148.1
Repayment to an intermediate holding company	向中間控股公司償還款項		<b>(10.1)</b>	(136.9)
Proceeds from issuance of shares through exercise of share options	透過行使購股權發行股份之所得款項		–	0.8
Capital contribution from non-controlling interests	非控股權益注資		–	38.1
Transactions with non-controlling interests	與非控股權益進行交易		<b>(17.3)</b>	–
<b>Net cash (used in)/generated from financing activities</b>	<b>融資活動(所用)/所得現金淨額</b>		<b>(1,645.1)</b>	1,341.0
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目		<b>1,656.7</b>	3,585.7
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額		<b>(742.1)</b>	(1,908.8)
Exchange differences on cash and cash equivalents	現金及現金等值項目之匯兌差額		<b>61.8</b>	(20.2)
<b>Cash and cash equivalents at end of the year</b>	<b>年末之現金及現金等值項目</b>	26	<b>976.4</b>	1,656.7

The notes on pages 128 to 302 are an integral part of these consolidated financial statements.

第128至302頁的附註為該等綜合財務報表的一部分。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 1 GENERAL INFORMATION

Chiho Environmental Group Limited (formerly known as Chiho-Tiande Group Limited) (“the Company”) is an investment holding company. The Company and its subsidiaries (together “the Group”) are mainly engaged in the principal business of metal recycling, involving the recycling of mixed metal scrap into copper scrap, steel scrap, aluminium scrap, iron scrap and other metal scrap in Asia, Europe and America. The principal activities of its subsidiaries are set out in Note 42.

The Company is incorporated and registered as an exempted company in the Cayman Islands under the Companies Law of the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s ultimate holding company is Loncin Group Co., Ltd. (“Loncin Group”), a limited liability company incorporated in the People’s Republic of China (the “PRC”), and the Company’s immediate holding company is USUM Investment Group Hong Kong Limited (“USUMHK”), a company incorporated in Hong Kong with limited liability. Loncin Group is 98% owned by Mr. Tu Jianhua (“Mr. Tu”), an executive director of the Company.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Hong Kong Dollar (“HK\$”), unless otherwise stated.

### 1 一般資料

齊合環保集團有限公司（前稱齊合天地集團有限公司）（「本公司」）為投資控股公司。本公司及其子公司（統稱「本集團」）主要於亞洲、歐洲及美洲從事金屬再生業務，涉及將混合廢金屬回收分成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬。其子公司的主要業務載於附註42。

本公司根據開曼群島公司法於開曼群島註冊成立及註冊為獲豁免有限公司。其註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司之最終控股公司為隆鑫集團有限公司（「隆鑫集團」），一間於中華人民共和國（「中國」）註冊成立之有限責任公司。本公司的直接控股公司為渝商投資集團（香港）有限公司（「渝商香港」），一間於香港註冊成立之有限公司。隆鑫集團之98%的股份由本公司執行董事涂建華先生（「涂先生」）擁有。

本公司以香港聯合交易所有限公司為第一上市地。

除另有所指外，此等財務報表以港元（「港元」）呈列。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

During the year, the Group finalised the purchase price allocation and the assessment of the fair values of the identifiable assets and liabilities of Scholz Holding GmbH (“Scholz Holding”) and its subsidiaries (“Scholz Group”). The comparative information in the consolidated balance sheet have been restated reflecting the measurement period adjustments. Please refer to Note 39(a) for detailed impact on the consolidated balance sheet.

## 2 重大會計政策概要

編製該等綜合財務報表時應用的主要會計政策列載於下文。除非另有說明，該等政策已於所有呈列年度一致採用。

### 2.1 編製基準

本公司的綜合財務報表根據香港財務報告準則（「香港財務報告準則」）及聯交所證券上市規則及香港公司條例第622章之適用披露規定編製。綜合財務報表乃採用歷史成本法編製，並對按公平值列賬的可供出售金融資產及按公平值透過損益記賬之金融資產及金融負債（包括衍生工具）進行重新估值以作出修訂。

編製符合香港財務報告準則的財務報表須採用若干重大會計估計，亦需要管理層於應用本集團的會計政策過程中作出判斷。

年內，本集團完成最終順爾茨控股有限公司（「順爾茨控股」，連同其子公司統稱為「順爾茨集團」）的購買價分配及可識別資產及負債的公平值評估。綜合資產負債表內之比較資料已重列，反映計量期間調整。對綜合資產負債表之影響詳情請參閱附註39(a)。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2017:

Amendment to HKAS 7, "Disclosure initiative". This amendment requires entities 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.

Amendment to HKAS 12, "Recognition of deferred tax assets for unrealised losses". This amendment clarifies how to account for deferred tax assets related to debt instruments measured at fair value.

Amendment from annual improvements to HKFRSs 2014-2016 Cycle, on HKFRS 12, "Disclosure of interests in other entities".

The amendments do not have a significant impact on the Group's consolidated financial statements.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動

(a) *本集團採納的新訂及經修訂準則*

本集團已就二零一七年一月一日或之後開始的財政年度首次採納下列準則的修訂本：

香港會計準則第7號(修訂本)「披露計劃」。此修訂規定實體所作出的披露須可讓財務報表使用者評估融資活動所產生的負債變動(包括因現金流量及非現金變動而產生的變動)。

香港會計準則第12號(修訂本)「就未變現虧損確認遞延稅項資產」。此修訂釐清如何核算以公平價值計量的債務工具相關的遞延所得稅資產問題。

香港財務報告準則二零一四年至二零一六年週期的年度改進，有關香港財務報告準則第12號「披露於其他實體的權益」之修訂。

該等修訂對本集團之綜合財務報表並無重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group*

The following new standards and interpretations and amendments to existing standards are not effective for financial year beginning on 1 January 2017, and have not been applied in preparing these consolidated financial statements:

2 重大會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂

以下新準則、詮釋及現有準則的修訂於二零一七年一月一日開始的財政年度並未生效，且並無於編制該等綜合財務報表時應用：

**Effective for accounting periods beginning on or after 於以下日期或之後開始的會計期間生效**

HKAS 28 (Amendment) 香港會計準則第28號 (修訂本)	Long-term interests in an associate or joint ventures 於聯營公司及合營企業的長期權益	1 January 2019 二零一九年一月一日
HKAS 40 (Amendment) 香港會計準則第40號 (修訂本)	Transfers of investment property 投資物業之轉撥	1 January 2018 二零一八年一月一日
HKFRS 2 (Amendment) 香港財務報告準則 第2號(修訂本)	Classification and measurement of share-based payment transactions 以股份為基礎的付款交易之分類及計量	1 January 2018 二零一八年一月一日
HKFRS 4 (Amendment) 香港財務報告準則 第4號(修訂本)	Applying HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts" 應用香港財務報告準則第9號「財務工具」與 香港財務報告準則第4號「保險合約」	1 January 2018 二零一八年一月一日

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*

		<b>Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生效</b>
HKFRS 9 香港財務報告準則第9號	Financial instruments 財務工具	1 January 2018(i) 二零一八年一月一日(i)
HKFRS 9 (Amendment) 香港財務報告準則第9號 (修訂本)	Prepayment features with negative compensation 具有負補償的提前還款特性	1 January 2019 二零一九年一月一日
HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號 及香港會計準則第28號 (修訂本)	Sale or contribution of assets between an investor and its associate or joint venture 投資者及其聯營公司或合營企業之間的 資產出售或注資	Not yet established by HKICPA 香港會計師公會 尚未設定
HKFRS 15 香港財務報告準則第15號	Revenue from contracts with customers 來自客戶合約之收益	1 January 2018(ii) 二零一八年一月一日(ii)
HKFRS 15 (Amendment) 香港財務報告準則第15號 (修訂本)	Clarifications to HKFRS 15 香港財務報告準則第15號之釐清	1 January 2018 二零一八年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019(iii) 二零一九年一月一日(iii)
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	1 January 2021 二零二一年一月一日

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*

2 重大會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)

**Effective for accounting periods beginning on or after 於以下日期或之後開始的會計期間生效**

HKFRSs (Amendments) 香港財務報告準則 (修訂本)	Annual improvements 2014-2016 cycle 二零一四年至二零一六年週期的年度改進	1 January 2018 二零一八年一月一日
HKFRSs (Amendments) 香港財務報告準則 (修訂本)	Annual improvements 2015-2017 cycle 二零一五年至二零一七年週期的年度改進	1 January 2019 二零一九年一月一日
HK (IFRIC) 22 香港 (國際財務報告 詮釋委員會) 詮釋 第22號	Foreign currency transactions and advance consideration 外幣交易及預付代價	1 January 2018 二零一八年一月一日
HK (IFRIC) 23 香港 (國際財務報告詮 釋委員會) 詮釋 第23號	Uncertainty over income tax treatments 所得稅處理的不確定性	1 January 2019 二零一九年一月一日

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*

The above new standards, new interpretations and amended standards are not expected to have a material impact on the consolidated financial statements of the Group, except those set out below:

- (i) HKFRS 9 “Financial instruments”

#### Nature of change

HKFRS 9 “Financial instruments” addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

#### Impact

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)

上述新準則、新詮釋及準則修訂預期不會對本集團的綜合財務報表構成重大影響，惟下文載列者除外：

- (i) 香港財務報告準則第9號「財務工具」  
變動性質  
香港財務報告準則第9號「財務工具」處理財務資產及財務負債的分類、計量及終止確認，並引入對沖會計的新規定及財務資產的新減值模式。

#### 影響

本集團已檢視其財務資產及負債，並預期於二零一八年一月一日採納該項新準則將有以下影響：

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (i) HKFRS 9 “Financial instruments” (continued)

#### Impact (continued)

The equity investment that is currently classified as available-for-sale will satisfy the conditions for classification as at fair value through other comprehensive income (“FVOCI”) and the debt instruments currently classified as loans and receivables meet the conditions for classification at amortised cost under HKFRS 9. Hence there will be no change to the accounting for these assets. Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to the consolidated statement of profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings. For the year ended 31 December 2017, no gains were recognised in the consolidated statement of profit or loss in relation to the disposal of available-for-sale financial assets.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (i) 香港財務報告準則第9號「財務工具」 (續)

#### 影響 (續)

目前分類為可供出售的權益投資將符合於其他綜合收益按公平值處理（「於其他綜合收益按公平值處理」）的分類條件，及目前分類為貸款及應收款項的債務工具符合香港財務報告準則第9號按攤銷成本處理的分類條件，故該等資產的會計處理將無變動。因此，本集團預期新指引將不會影響該等財務資產的分類及計量。然而，出售於其他綜合收益按公平值處理的財務資產實現的收益或虧損，於出售時將不會轉撥至綜合損益表，而是在同一項下由於其他綜合收益按公平值處理儲備重新分類至保留溢利。截至二零一七年十二月三十一日止年度，集團並沒有出售可供出售財務資產而須於綜合損益表內確認的有關收益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (i) HKFRS 9 “Financial instruments” (continued)

#### Impact (continued)

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 “Financial instruments: Recognition and measurement” and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under “HKFRS 15 Revenue from contracts with customers”, lease receivables, loan commitments and certain financial guarantee contracts.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (i) 香港財務報告準則第9號「財務工具」 (續)

#### 影響 (續)

由於新規定僅影響被指定為於損益表按公平值處理的財務負債的會計處理，而本集團並無任何該等負債，故對本集團的財務負債會計處理並無影響。終止確認規則引自香港會計準則第39號「財務工具：確認及計量」，並無任何變動。新減值模式要求按預期信貸損失確認減值撥備，而非僅按已發生之信貸損失（根據香港會計準則第39號）。其適用於按攤銷成本分類的財務資產、於其他綜合收益按公平值處理的債務工具、香港財務報告準則第15號「來自客戶合約之收益」下的合約資產、應收租賃款項、貸款承擔和若干財務擔保合約。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (i) HKFRS 9 “Financial instruments” (continued)

#### Impact (continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.

#### Date of adoption by the Group

HKFRS 9 is mandatory for financial years starting on or after 1 January 2018. The new standard is not expected to be applied by the Group until the financial year ending 31 December 2018.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (i) 香港財務報告準則第9號「財務工具」 (續)

#### 影響 (續)

此新準則亦擴寬了披露規定及呈列方式的變動。預期將改變本集團有關其財務工具的披露性質及範圍，尤其是在新準則採納之年度內。

#### 本集團採納之日期

香港財務報告準則第9號必須於二零一八年一月一日或之後開始的財政年度應用。本集團不擬於截至二零一八年十二月三十一日止的財政年度前採納此新準則。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (ii) HKFRS 15 “Revenue from contracts with customers”

#### Nature of change

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (ii) 香港財務報告準則第15號「來自客戶合約之收益」

#### 變動性質

香港會計師公會已頒佈收益確認的新準則。其將取代香港會計準則第18號(涵蓋貨品和服務合約)及香港會計準則第11號(涵蓋建設合約及相關文獻)。新準則的原則為收益於貨品或服務的控制權轉移至客戶時確認。此準則容許全面追溯採納或經修改追溯方式採納。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

#### Impact

Management is currently assessing the effects of applying the new standard on the Group’s financial statements and anticipates that the application of HKFRS 15 may result in the identification of separate performance obligations in relation to revenue contracts which could affect the timing of the recognition of revenue going forward. However, they do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amount of revenue recognised in the respective reporting periods. More detailed assessments will be carried out by the Group to estimate the impact of the new rules on the Group’s financial statements.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (ii) 香港財務報告準則第15號「來自客戶合約之收益」 (續)

#### 影響

管理層現正評估應用新準則對本集團財務報表之影響，並預期應用香港財務報告準則第15號或會導致確定與收益合約有關的獨立履約義務，此可能影響未來收益確認的時間。然而，彼等並不預期應用香港財務報告準則第15號將會對於各報告期間已確認收益的時間及金額有重大影響。本集團將進行更詳細的評估，以估計新規則對本集團財務報表的影響。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

#### Date of adoption by the Group

HKFRS 15 is mandatory for financial years starting on or after 1 January 2018. The new standard is not expected to be applied by the Group until the financial year ending 31 December 2018.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (ii) 香港財務報告準則第15號「來自客戶合約之收益」 (續)  
本集團採納之日期  
香港財務報告準則第15號必須於二零一八年一月一日或之後開始的財政年度適用。本集團不擬於截至二零一八年十二月三十一日止的財政年度前採納此新準則。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (iii) HKFRS 16 “Leases”

#### Nature of change

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

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (iii) 香港財務報告準則第16號「租賃」  
變動性質  
香港財務報告準則第16號於二零一六年一月頒佈。此準則刪除了經營與融資租賃的劃分，將導致絕大部分租賃於資產負債表內確認。根據新準則，資產（租賃項目的使用權）與支付租金的財務負債將被確認。豁免僅適用於短期及低價值租賃。對出租者的會計處理將不會有重大改變。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (iii) HKFRS 16 "Leases" (continued)

#### Impact

The standard will affect primarily the accounting for the Group's operating leases. The Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (iii) 香港財務報告準則第16號「租賃」(續)  
影響  
此準則將主要影響本集團經營租賃的會計處理。本集團未能確定該等承擔將導致資產及負債就未來付款確認的程度，以及將如何影響本集團的利潤和現金流量分類。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) *The following new standards, new interpretations and amended standards have been issued but are not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Group (continued)*
- (iii) HKFRS 16 "Leases" (continued)

#### Date of adoption by the Group

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

## 2.2 Subsidiaries

### 2.2.1 Consolidation

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

## 2 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露變動 (續)

- (b) 列為已公佈但於二零一七年一月一日開始之財政年度尚未生效及本集團並無提前採納的新準則、新詮釋及準則修訂 (續)
- (iii) 香港財務報告準則第16號「租賃」(續)  
本集團採納之日期  
此新準則必須於二零一九年一月一日或之後開始的年度期間適用。在現階段，本集團無意在生效日期前採納此準則。

## 2.2 子公司

### 2.2.1 綜合賬目

子公司指本集團對其具有控制權之實體(包括結構性實體)。當本集團因參與實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其對該實體之權力影響此等回報時，本集團即控制該實體。子公司乃於控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

## 2 重大會計政策概要 (續)

### 2.2 子公司 (續)

#### 2.2.1 綜合賬目 (續)

(a) *業務合併*

本集團應用收購法為業務合併入賬。收購一間子公司所轉讓的代價為所轉讓之資產、向被收購方原擁有人所產生之負債及本集團發行股本權益的公平值。所轉讓的代價包括或然代價安排產生的任何資產或負債的公平值。在業務合併過程中購入的可識別資產以及承擔的負債及或然負債，均按其收購日期的公平值作出初步計量。

本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公平值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations (continued)*

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## 2 重大會計政策概要 (續)

### 2.2 子公司 (續)

#### 2.2.1 綜合賬目 (續)

(a) *業務合併 (續)*

收購相關成本在產生時支銷。

將由本集團轉讓的任何或然代價會按收購日的公平值確認。被視為資產或負債的或然代價公平值的往後變動，乃按照香港會計準則第39號於損益確認。分類為權益的或然代價不作重新計量，而其後結算會於權益內入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超逾所收購可識別淨資產公平值之差額，乃入賬列作商譽。倘轉讓的代價、已確認非控股權益及先前持有的權益計量之總額低於所收購子公司淨資產之公平值（於議價收購之情況下），則該差額會直接於綜合損益表內確認。

集團內公司間的交易、結餘及未變現交易收益均予以抵銷。未變現虧損亦會抵銷，除非交易有證據顯示已轉讓資產出現減值。子公司所呈報金額已作出必要的調整以確保與本集團會計政策一致。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

(a) *Business combinations (continued)*

Where businesses are acquired and fair values of the net assets of the acquired business are finalised within 12 months of the acquisition date, all fair value adjustments are recorded with effect from the date of acquisition and consequently may result in the restatement of previously reported financial results.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

#### 2.2.2 Separate financial statements

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

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

## 2 重大會計政策概要 (續)

### 2.2 子公司 (續)

#### 2.2.1 綜合賬目 (續)

(a) *業務合併 (續)*

倘為收購業務，而所收購業務的資產淨值公平值於收購日期後12個月內確定，所有公平值調整自收購日期起列示生效，且或會因此使過往匯報的財務業績重新呈列。

如業務合併分階段進行，收購方之前在被收購方持有權益於收購日期的賬面值，按收購日期的公平值重新計量，有關重新計量產生的任何收益或虧損在損益中確認。

#### 2.2.2 單獨財務報表

子公司之投資乃以成本扣除減值列賬。成本包括投資之直接應佔成本。子公司業績乃由本公司按已收及應收股息入賬。

當收到投資子公司的股息時，而股息超過子公司在股息宣派期間的全面收益總額，或在單獨財務報表的投資賬面值超過在綜合財務報表內被投資方淨資產（包括商譽）的賬面值，則必須對有關投資進行減值測試。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

## 2 重大會計政策概要(續)

### 2.3 聯營公司

聯營公司指本集團對其有重大影響力而無控制權之所有實體，通常附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法列賬。根據權益法，投資初步按成本確認，而賬面值會有所增減，以確認投資者於收購日期後應佔被投資方的溢利或虧損。本集團於聯營公司之投資包括就收購事項所識別的商譽。收購聯營公司之擁有權權益後，聯營公司成本與本集團應佔已識別資產及負債之公平淨值之間的任何差異均入賬作為商譽。

倘於聯營公司之所有權權益減少，而重大影響力獲保留，則先於其他全面收益內確認之金額僅有一定比例部分重新分類至損益（如適用）。

本集團應佔收購後損益於綜合損益表內確認，其應佔收購後其他全面收益變動於其他全面收益內確認，並會對投資賬面值作出相應調整。如本集團應佔聯營公司虧損相等於或超逾其於該聯營公司之權益（包括任何其他無抵押應收款項），則本集團不會確認進一步之虧損，除非本集團已代該聯營公司承擔法定或推定責任或支付款項。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

## 2 重大會計政策概要 (續)

### 2.3 聯營公司 (續)

本集團於各報告日期釐訂是否有客觀證據顯示於聯營公司的投資減值。倘出現減值，則本集團按聯營公司的可收回金額與其賬面值的差額計算減值金額，並於綜合損益表內「以權益法入賬之應佔投資溢利」項下確認有關金額。

本集團與其聯營公司間之上游及下游交易所產生的溢利及虧損於本集團財務報表確認，惟僅以非關連投資者於聯營公司之權益為限。未變現虧損會予以抵銷，惟有關交易提供所轉讓資產出現減值之憑證除外。聯營公司之會計政策已按需要作出變更，以確保與本集團所採納者保持一致。

### 2.4 合營安排

本集團已就全部合營安排使用香港財務報告準則第11號。根據香港財務報告準則第11號，合營安排下之投資分類為合營業務或合營企業，乃根據各投資方之合約權利及責任作分類。本集團已評估其合營安排之性質，並判定該等合營安排為合營企業。合營企業使用權益法入賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Joint arrangements (continued)

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

The carrying amount of equity-amounted investments is tested for impairment in accordance with the policy described in note 2.12.

## 2 重大會計政策概要 (續)

### 2.4 合營安排 (續)

根據權益會計法，於合營企業之權益初步按成本確認，隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益之變動。本集團於合營企業的投資包括收購時確認的商譽。於收購合營企業的權益後，合營企業的成本及本集團應佔合營企業可識別資產及負債公平值淨額間的任何差額入賬列作商譽處理。倘本集團應佔合營企業之虧損等於或超過其於合營企業之權益（包括任何其他無抵押應收款項），本集團不會確認額外虧損，除非本集團產生負債或代表合營企業付款，則作別論。

本集團與其合營企業交易之未變現收益會對銷，以本集團於合營企業之權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業之會計政策已作出必要更改，確保與本集團所採納之政策一致。

以股權計值之投資之賬面值乃根據附註2.12所述之政策進行減值測試。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Segment reporting

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

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses are presented in statement of profit or loss within 'other gains/(losses), net'.

## 2 重大會計政策概要 (續)

### 2.5 分部呈報

經營分部報告之方式與提供予主要經營決策者之內部報告貫徹一致。已確定作出策略決定之執行委員會為主要經營決策者，負責對經營分部進行資源分配和業績評估。

### 2.6 外幣匯兌

#### (a) 功能和呈報貨幣

本集團旗下每個實體之財務報表均以該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以港元呈列，而港元為本公司之功能貨幣及本集團之呈報貨幣。

#### (b) 交易及結餘

倘項目進行重新計量時，外幣交易按交易或估值當日之匯率換算為功能貨幣。該等交易結算的匯兌損益，以及外幣資產和負債按年結日匯率換算產生的匯兌損益，均於綜合損益表內確認，惟於其他全面收入作為合資格現金流對沖及合資格淨投資對沖遞延除外。

匯兌收益及虧損於損益表內「其他收益／（虧損）淨額」下呈列。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Foreign currency translation (continued)

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

## 2 重大會計政策概要 (續)

### 2.6 外幣匯兌 (續)

#### (c) 集團公司

本集團旗下所有實體如持有與呈報貨幣不一致的功能貨幣(其中並無任何公司持有通脹嚴重的經濟體系的貨幣),其業績和財務狀況均按以下方法兌換為呈報貨幣:

- (i) 每項資產負債表的資產及負債均按照該資產負債表結算日的收市匯率折算為呈報貨幣;
- (ii) 各項損益表的收入和支出均按照平均匯率折算為呈報貨幣(但若此平均匯率未能合理地反映各交易日之匯率所帶來的累計影響,則按照交易日之匯率折算此等收入和支出);及
- (iii) 所有由此產生的匯兌差異均於其他全面收益確認。

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

收購海外實體產生的商譽及公平值調整被視為該海外實體的資產及負債,並按收市匯率換算。所產生的匯兌調整會在其他全面收入中確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Buildings 樓宇	15-50 years or the relevant lease term, whichever is shorter 15至50年或相關租期，以較短者為準
Plant and machinery 廠房及機器	5 – 12 years 5至12年
Office furniture and equipment 辦公室傢俬及設備	3 – 13 years 3至13年
Leasehold improvements 租賃裝修	2 – 10 years, or the relevant lease term, whichever is shorter 2至10年或相關租期，以較短者為準

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

## 2 重大會計政策概要 (續)

### 2.7 物業、廠房及設備

土地及樓宇主要包括廠房及辦公室。物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購項目直接應佔的開支。成本亦可以包括從權益轉撥任何外幣購置物業、廠房及設備的合資格現金流量對沖之任何收益／虧損。

後續成本僅會在與項目有關之未來經濟利益很可能會流向本集團，而本集團又能可靠地計量該項目成本之情況下，方會適當地計入資產賬面值或確認為一項獨立資產。已更換部件之賬面值則終止確認。所有其他維修保養費用在產生之財務期間內於綜合損益表中支銷。

資產餘值及可使用年期於各報告期末檢討，並在適當情況下作出調整。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses, net' in the consolidated statement of profit or loss.

### 2.8 Land use rights

Land use rights are located in the PRC and they are classified as operating leases. All land use rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is provided to write off cost of land use rights on a straight-line basis over the respective lease period.

### 2.9 Construction in progress

Construction in progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings and the costs of plant and machinery. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.7.

## 2 重大會計政策概要 (續)

### 2.7 物業、廠房及設備 (續)

倘一項資產之賬面值高於其估計可收回金額，則該項資產之賬面值會即時調減至其可收回金額 (附註2.12)。

出售之損益乃透過比較所得款項與賬面值而釐定，並於綜合損益表內「其他虧損淨額」中確認。

### 2.8 土地使用權

土地使用權位於中國，分類為經營租賃。所有土地使用權均按成本減累計攤銷及累計減值虧損 (如有) 列賬。攤銷會予以撥備，以於相關租期內按直線基準撇銷土地使用權成本。

### 2.9 在建工程

在建工程指在建及有待進行安裝的樓宇、廠房及機器，按成本列賬。成本包括樓宇建築成本及廠房和機器的成本。在建工程在相關資產完工及準備就緒可供作擬定用途之時方才提計折舊撥備。倘有關資產投入使用時，成本會轉撥至其他物業、廠房及設備，並根據附註2.7所述的政策折舊。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Investment properties

Investment properties, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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

## 2 重大會計政策概要 (續)

### 2.10 投資物業

投資物業，主要由租賃土地和樓宇組成，持有為獲得長期租金收益或作為資本增值或兩者兼備同時並非由本集團佔用。以經營租賃持有的土地，如符合投資物業的其餘定義，按投資物業記賬。在此等情況下，相關的經營租賃猶如其為融資租賃而記賬。投資物業初始按成本列賬，包括相關的交易成本及（如適用）借款成本。在初始確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊予以確認，以於估計可使用年期使用直線法撇銷投資物業的成本，當中會計及其估計剩餘價值。

投資物業於出售或投資物業永久退出使用及預計其出售將不會產生未來經濟利益時取消確認。取消確認物業產生之任何收益或虧損（計算作出售所得款項淨額與資產賬面值之間的差額）於取消確認物業期間計入損益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Intangible assets

#### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### (b) Computer software

Computer software acquired are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

## 2 重大會計政策概要 (續)

### 2.11 無形資產

#### (a) 商譽

收購子公司所產生的商譽指所轉讓的代價、被收購方任何非控制性權益金額及被收購方任何之前權益於收購日期的公平值，超過所收購可識別淨資產公平值的數額。

為進行減值測試，於業務合併時收購之商譽分配至預期自合併協同效益受惠之各項或各組現金產生單位（「現金產生單位」）。各項或各組獲分配商譽之單位指就內部管理而言實體內監察商譽之最低層面。商譽於營運分部層面監察。

商譽每年檢討減值，或倘出現任何事宜或事態變動，顯示可能出現減值，則每年或更頻密檢討減值虧損。含有商譽的現金產生單位的賬面值會與可收回金額作比較，以可收回金額的使用價值與公平值減出售成本之較高者為準。任何減值即時確認為開支，且其後不會撥回。

#### (b) 電腦軟件

購入電腦軟件按獲得及使用有關軟件所產生之成本為基準予以資本化。該等成本乃按估計可使用年期為五年攤銷。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Intangible assets (continued)

#### (c) Brand names, patents and licenses

Separately acquired brand names, patents and licences are shown at historical cost. Brand names, patents and licences acquired in a business combination are recognised at fair value at the acquisition date. Certain brand names, patents and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of certain brand names, patents and licenses over their estimated useful lives of 8 to 20 years. Certain brand names have indefinite useful life and carried at cost less accumulated impairment. Impairment assessment is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

#### (d) Customers' relationship and suppliers' relationship

Customers' relationship and suppliers' relationships acquired in a business combination are recognised at fair value at the acquisition date. The customers' relationship and suppliers' relationship have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method over the expected life of the customers' relationship and suppliers' relationship of 5 to 20 years.

## 2 重大會計政策概要 (續)

### 2.11 無形資產 (續)

#### (c) 品牌名稱、專利及牌照

獨立收購的品牌名稱、專利及牌照按歷史成本列示。於業務合併中收購的品牌名稱、專利及牌照按收購日期的公平值確認。擁有有限可使用年期的若干品牌名稱專利及牌照按成本減累計攤銷列賬。攤銷採用直線法計算，以於8至20年的估計可使用年期內分配若干品牌名稱專利及牌照的成本。若干品牌名稱具無限可使用年期，且按成本減累計減值列賬。減值評估須每年進行，倘有事件或改變顯示可能發生減值時，則會更頻密地進行減值評估。

#### (d) 客戶關係及供應商關係

於業務合併中收購的客戶關係及供應商關係按收購日期的公平值確認。擁有有限可使用年期的客戶關係及供應商關係按成本減累計攤銷及減值虧損列賬。攤銷採用直線法於客戶關係及供應商關係的預期年期5至20年計算。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Impairment of non-financial assets

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

### 2.13 Assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), are stated at the lower of carrying amount and fair value less costs to sell.

### 2.14 Financial assets

#### 2.14.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

## 2 重大會計政策概要 (續)

### 2.12 非金融資產減值

沒有明確可使用年期之無形資產或未達可使用狀態之無形資產毋須攤銷，但須每年進行減值測試。每當有事件或事態變化顯示不可收回賬面金額時，本集團會審閱須作攤銷之資產有否出現減值。減值虧損按資產賬面金額超出其可收回金額之金額確認。可收回金額為資產之公平值減出售成本與使用價值之較高者。於評估減值時，資產按可單獨識別之現金流量之最低水平（現金產生單位）歸類。出現減值之非金融資產（商譽除外）於各報告日期就減值是否有機會撥回進行檢討。

### 2.13 分類為持作出售之資產

當其賬面值可透過銷售交易收回且被視為很可能進行銷售時，非流動資產被分類為持作出售。非流動資產（不包括下述之若干資產）按賬面值與公平值減出售成本之較低者列賬。

### 2.14 金融資產

#### 2.14.1 分類

本集團將其金融資產分為以下類別：按公平值計入損益；貸款及應收款項；及可供出售。分類視乎收購金融資產之目的而定。管理層會於初次確認時釐定其金融資產的分類。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.1 Classification (continued)

- (a) *Financial assets at fair value through profit or loss*  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.
- (b) *Loans and receivables*  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "fixed return investment", "trade and other receivables" (Note 2.19) and 'cash and cash equivalents' in the consolidated balance sheet (Note 2.20).

## 2 重大會計政策概要 (續)

### 2.14 金融資產 (續)

#### 2.14.1 分類 (續)

- (a) *按公平值計入損益之金融資產*  
按公平值計入損益之金融資產乃持有作買賣之金融資產。倘若購入金融資產之主要目的是用作短期內出售，即歸入此類。除非衍生工具被指定為對沖工具，否則歸類為持作買賣用途。於此類別之資產如預期於12個月內結算，會分類作流動資產；否則分類為非流動。
- (b) *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且沒有在活躍市場報價的非衍生工具金融資產。此等款項列入流動資產，惟不包括於報告期末起計十二個月後結算或預期結算之金額，該等金額會列作非流動資產。本集團貸款及應收款項包括綜合資產負債表的「固定回報投資」、「貿易及其他應收款項」（附註2.19）及「現金及現金等值項目」（附註2.20）。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.1 Classification (continued)

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### 2.14.2 Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

## 2 重大會計政策概要 (續)

### 2.14 金融資產 (續)

#### 2.14.1 分類 (續)

(c) *可供出售金融資產*

可供出售金融資產為被指定為此類別或並無分類為任何其他金融資產類別的非衍生工具。除非投資到期或管理層計劃於報告期末起計十二個月內出售有關投資，否則此等資產將計入非流動資產內。

#### 2.14.2 重新分類

倘本集團持有非衍生交易性金融資產不再於近期出售，則本集團可選擇將該金融資產自持作買賣類別中重新分類出來。僅當非尋常且極不可能於近期內重複出現之單一事件造成之罕見情況下，金融資產（貸款及應收款項除外）方容許自持作買賣類別中重新分類出來。此外，倘本集團有意及能夠於可預見未來或直至重新分類日期屆滿時持有該等金融資產，本集團可選擇將符合貸款及應收款項定義之金融資產自持作買賣或可供出售類別中重新分類出來。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.2 Reclassification (continued)

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### 2.14.3 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

## 2 重大會計政策概要 (續)

### 2.14 金融資產 (續)

#### 2.14.2 重新分類 (續)

重新分類乃按重新分類日期之公平值作出。公平值成為新成本或攤銷成本(倘適用)，而其後不會撥回於重新分類日期前入賬之公平值損益。重新分類為貸款及應收款項及持至到期類別之金融資產之實際利率於重新分類日期釐定，而估計現金流量進一步增加將提早調整實際利率。

#### 2.14.3 確認及計量

正規買賣金融資產於交易日(即本集團承諾買賣該資產之日期)獲確認。投資初步按公平值加並非按公平值計入損益之所有金融資產之交易成本確認。按公平值計入損益之金融資產初步按公平值計值，交易成本於綜合損益表扣除。金融資產於自投資收取現金流量之權利屆滿或已獲轉移且本集團已轉移擁有權之大部分風險與回報時終止確認。可供出售金融資產及按公平值計入損益之金融資產其後以公平值計量。貸款及應收款項其後按實際利率法以攤銷成本計值。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Financial assets (continued)

#### 2.14.3 Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of profit or loss within 'Other gains/ (losses), net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as "gains and losses from investment securities".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

## 2 重大會計政策概要 (續)

### 2.14 金融資產 (續)

#### 2.14.3 確認及計量 (續)

「按公平值計入損益之金融資產」的公平值變動所產生收益或虧損於其產生期間在綜合損益表內「其他收益／(虧損)淨額」下呈列。當本集團收取付款之權利確立，按公平值計入損益之金融資產所得股息收入於綜合損益表內確認為其他收入之一部分。

分類為持作出售之貨幣及非貨幣證券之公平值變動於其他全面收益內確認。

當獲分類為可供出售之證券獲出售或出現減值時，於權益確認之累計公平值調整計入綜合損益表之「投資證券之其他收益及虧損」。

採用實際利率法計算之於可供出售證券之權益在綜合損益表確認為其他收入的一部分。當本集團收取付款之權利確立時，可供出售股本工具之股息於綜合損益表確認為其他收入的一部分。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.16 Impairment of financial assets

#### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

## 2 重大會計政策概要 (續)

### 2.15 抵銷金融工具

金融資產及負債會作抵銷，而於有法律上可強制執行權利抵銷已確認金額及有意以淨額基準清償或同時變現資產及清償負債時，在資產負債表列報之淨額。法律上可強制執行權利不得為視乎日後事件及必須為正常業務中及於公司或對手方拖欠款項、無力償債時或破產時可強制執行。

### 2.16 金融資產減值

#### (a) 以攤銷成本列賬之資產

本集團於各報告期末評核有否客觀證據證明有一項或一組金融資產出現減值。僅當存在客觀證據證明於首次確認資產後發生一宗或多宗事件（「虧損事件」），而該宗（或該等）虧損事件導致出現減值及對該項或該組金融資產的未來估計之現金流量構成可以合理估計的影響，有關的金融資產才算出現減值及產生減值虧損。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Impairment of financial assets (continued)

#### (a) Assets carried at amortised cost (continued)

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

## 2 重大會計政策概要 (續)

### 2.16 金融資產減值 (續)

#### (a) 以攤銷成本列賬之資產 (續)

減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

就貸款及應收款項類別而言，虧損金額以該資產之賬面值與按金融資產原本之實際利率用折現方式計算預計未來現金流量之現值差額（但不包括未發生之日後信貸損失）來計量。該資產之賬面值會在收入表扣除，而虧損會在綜合損益表確認。倘一項貸款具可變動利率，用於計算任何減值虧損之折讓率則為合約項下釐訂之現時實際利率。作為一項實際合宜事項，本集團可採用可供觀察之市價以工具之公平值基準計算減值。

倘於之後期間，減值虧損之數額減少，而減少的原因客觀上與減值虧損確認後所發生之事件（例如債務人信貸評級改善）相關，則就先前確認之減值虧損之回撥將於綜合損益表確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Impairment of financial assets (continued)

#### (b) Assets classified as available for sale

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.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

## 2 重大會計政策概要 (續)

### 2.16 金融資產減值 (續)

#### (b) 分類為可供出售之資產

本集團於各報告期末評估金融資產或一組金融資產有否出現客觀之減值憑證。

就債務證券而言，若存在此等證據，累計虧損－按收購成本與當時公平值的差額，減該金融資產之前在損益確認的任何減值虧損計算－自權益重新分類並在損益記賬。如在較後期間，被分類為可供出售之債務工具的公平值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合損益表轉回。

就股本投資而言，證券公平值之重大或持續下跌至低於其成本亦為資產出現減值之憑證。倘出現任何有關憑證，其累計虧損（收購成本與當前公平值兩者之差額減該金融資產以往於損益內確認之任何減值虧損）則於權益中重新分類，並於損益表中確認。於綜合損益表中確認之權益工具減值虧損不會透過綜合損益表撥回。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.17 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated statement of profit or loss within 'other gains/(losses), net'. The Group does not have any derivative that is designated as a hedging instrument.

### 2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises, raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.19 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.14.3 for further information about the Group's accounting for trade receivables and Note 2.16 for a description of the Group's impairment policies.

## 2 重大會計政策概要 (續)

### 2.17 衍生金融工具

衍生工具於衍生工具合約訂立當日按公平值初始確認，其後按公平值重新計量。此等衍生金融工具之公平值如有變動，將即時於綜合損益表內「其他收益／（虧損）淨額」確認。本集團並無任何指定為對沖工具之衍生工具。

### 2.18 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本值以加權平均法計算。成品之成本包括原材料、直接勞工及其他直接成本及相關生產經常開支，不包括借貸成本。可變現淨值是以日常業務之估計售價減去適用之變動銷售開支後所得之數額。

### 2.19 貿易及其他應收款項

貿易應收款項為在日常營運活動中就商品銷售或提供服務而應收客戶的款項。如貿易及其他應收款項的收回預期在一年或以內（或倘較長，則為業務正常經營週期內），其被分類為流動資產；否則分類為非流動資產。

貿易應收款項及其他應收款項以公平值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。有關本集團貿易應收款項會計處理的更多詳情，請參閱附註2.14.3；有關本集團減值政策的描述，請參閱附註2.16。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.20 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within cash and cash equivalents in current assets.

### 2.21 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.22 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

## 2 重大會計政策概要 (續)

### 2.20 現金及現金等值項目

於綜合現金流量表內，現金及現金等值項目包括手頭現金、銀行活期存款、銀行透支。在綜合資產負債表內，銀行透支列示於流動資產之現金及現金等值項目內。

### 2.21 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少（扣除稅項）。

### 2.22 貿易應付款項

貿易應付款項為在日常營運活動中購買商品或服務而應支付供應商的責任。

貿易應付款項以公平值為初始確認，其後利用實際利率法按攤銷成本計量。

### 2.23 借款

借款按公平值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額利用實際利率法於借款期間內在綜合損益表確認。

設立貸款融資時支付的費用倘部分或全部融資將會很有可能提取，該費用可遞延確認為交易成本，直至貸款提取為止。如沒有證據證明部分或全部融資將會很有可能被提取，則該項費用資本化作為流動資金服務的預付款，並按有關融資期間攤銷。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.23 Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.24 Borrowing costs

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

### 2.25 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the derivative component. Any directly attributable transaction costs are allocated to the liability and derivative components in proportion to their initial carrying amounts.

## 2 重大會計政策概要 (續)

### 2.23 借款 (續)

除非本集團有無條件權利於報告期末後將負債的結算遞延最少12個月，否則借貸分類為流動負債。

### 2.24 借款成本

借款成本包括利息開支、融資租賃之融資支出及外幣借款產生之匯兌差異，以其被視為利息成本之調整為限。屬於利息成本之調整之匯兌收益及虧損包括在實體以其功能貨幣借入資金的情況下產生的借款成本與外幣借款實際產生的借款成本之間的利率差異。有關款額根據以實體功能貨幣作出的類似借款的利率估計。

### 2.25 複合金融工具

本集團發行的複合金融工具包括可按持有人的選擇轉換為股本的可轉換債券，而將予發行的股份數目不跟隨其公平值而改變。

負債組成部分按複合金融工具的整体公平值與衍生工具組成部分的公平值的差額作初始確認。任何直接歸屬的交易費用按其初始賬面值的比例分配至負債和衍生工具的組成部分。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.25 Compound financial instruments (continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The derivative components are recognised at fair value at the date of issue. It is subsequently measured at fair value with changes in fair value recognised in profit or loss.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.26 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## 2 重大會計政策概要 (續)

### 2.25 複合金融工具 (續)

初始確認後，複合金融工具的負債組成部分利用實際利率法按攤銷成本計量。衍生工具組成部分於發行日期後按公平值確認，其後按公平值計量及公平值變動於損益確認。

可轉換工具的負債部分被分類為流動，除非本集團有無條件權力將負債的結算遞延至報告期末後最少12個月。

### 2.26 即期及遞延所得稅

本期間稅項開支包括即期和遞延稅項。稅項在綜合損益表中確認，但與在其他全面收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他全面收益或直接在權益中確認。

#### (a) 即期所得稅

即期所得稅支出根據本公司的子公司及聯營公司經營及產生應課稅收入的國家於資產負債表日期已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Current and deferred income tax (continued)

#### (b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## 2 重大會計政策概要 (續)

### 2.26 即期及遞延所得稅 (續)

#### (b) 遞延所得稅

遞延所得稅利用負債法，根據資產和負債的稅基與資產和負債在綜合財務報表的賬面值差額而產生的暫時性差異足額撥備。然而，若遞延稅項負債產生自初步確認商譽，則不會確認遞延稅項負債。若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，亦不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率（及法例）而釐定。

有關按公平值計量的投資物業的遞延稅項負債乃假設該物業將透過出售可完全收回釐定。

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可見將來撥備，則不會就外國業務投資賬面值與稅基之間的暫時差額確定遞延稅項負債及資產。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Current and deferred income tax (continued)

#### (b) Deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### (i) *Investment allowances and similar tax incentives*

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

## 2 重大會計政策概要 (續)

### 2.26 即期及遞延所得稅 (續)

#### (b) 遞延所得稅 (續)

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結算或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

#### (i) *投資補貼及類似稅收優惠*

本集團內公司或有權要求就合資格資產投資或合資格支出獲得特殊稅收減免。本集團將該等補貼作為稅收抵免入賬，這意味著該津貼可削減應付所得稅及即期稅項支出。遞延稅項資產就未認領並結轉為遞延稅項資產的稅項抵免進行確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits

#### 2.27.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

#### 2.27.2 Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

## 2 重大會計政策概要 (續)

### 2.27 僱員福利

#### 2.27.1 短期責任

僱員直至報告期末之服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利及累計病假)並按結算有關負債之預期金額計量。負債於綜合資產負債表內呈列為即期僱員福利責任。

#### 2.27.2 其他長期僱員福利責任

預期將不會於僱員提供相關服務的期末後12個月內結清的長期服務假期及年假的負債,乃按預期將就直至報告期間結算日僱員所提供服務支付的未來款項現值使用預計單位貸計法計量。當中考慮預期未來工資和薪金水平、員工離職記錄和服務期間。預期未來付款將於報告期間結算日採用到期日及流通率盡可能與估計日後現金流出一致的優質公司債券收益率貼現。因經驗調整及精算假設變動導致的重新計量於損益確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### 2.27.3 Post-employment obligations

The Group operates various post-employment schemes, including for defined benefit in Germany and defined contribution pension plans in the PRC and Hong Kong, namely the state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (“MPF Scheme”) respectively.

(a) *Pension obligations*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

## 2 重大會計政策概要 (續)

### 2.27 僱員福利 (續)

#### 2.27.3 離職後責任

本集團運營多項離職後計劃，包括於德國的界定福利及於中國及香港的界定供款退休金計劃，分別為國家管理退休福利計劃及強制性公積金計劃（「強積金計劃」）。

(a) *退休金責任*

界定供款計劃乃本集團向一家獨立機構支付固定界定退休金供款的退休金計劃。若該基金並無持有足夠資產向所有員工就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付進一步供款。界定福利計劃乃一項並非界定供款計劃的退休計劃。

界定福利計劃一般會釐定僱員在退休時可收取的退休福利金額，通常視乎年齡、服務年資和薪酬補償等一個或多個因素而定。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### 2.27.3 Post-employment obligations (continued)

(a) *Pension obligations (continued)*

The liability recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

## 2 重大會計政策概要 (續)

### 2.27 僱員福利 (續)

#### 2.27.3 離職後責任 (續)

(a) *退休金責任 (續)*

於綜合資產負債表內就界定受益退休計劃確認的負債為界定受益退休責任於報告期末的現值(扣除計劃資產的公平值)。界定福利責任每年均由獨立精算師以預測單位貸計法計算。界定福利責任的現值乃以使用支付福利的貨幣計值，且到期條款與相關退休責任的條款相約的高質企業債券的利率貼現預計未來現金流出額釐訂。倘於欠缺該等企業債券深廣市場的國家，則採用政府債券的市場率。

界定福利計劃的當期服務成本於綜合損益表確認為僱員福利開支(已包括在資產成本內除外)，反映在現年度因為僱員服務而產生的界定福利債務增加、利益變動、縮減及結算。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### 2.27.3 Post-employment obligations (continued)

(a) *Pension obligations (continued)*

Past-service costs are recognised immediately in consolidated statement of profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## 2 重大會計政策概要 (續)

### 2.27 僱員福利 (續)

#### 2.27.3 離職後責任 (續)

(a) *退休金責任 (續)*

過往服務成本即時於綜合損益表確認。因修訂或減省計劃而產生的界定福利責任的現值變動即時於損益確認作過往服務成本。

淨利息成本採用界定福利責任的淨結餘之貼現率及計劃資產的公平值計算。此項成本列入損益表的僱員福利開支內。

因按經驗作出調整及精算假設改變而產生的精算盈虧於產生期間扣除自或計入其他全面收益表。

對於界定供款計劃，本集團以強制性、合同性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款義務。供款到期時，則會確認為僱員福利開支。預付供款按照現金退款或可減少未來付款而確認為資產。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Employee benefits (continued)

#### 2.27.3 Post-employment obligations (continued)

(b) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### 2.28 Share-based payments

#### Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

## 2 重大會計政策概要 (續)

### 2.27 僱員福利 (續)

#### 2.27.3 離職後責任 (續)

(b) *終止福利*

終止福利在本集團於正常退休日期前終止雇用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認終止福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當主體確認的重組成本屬於香港會計準則第37號的範圍並涉及支付終止福利時。在鼓勵職工自動遣散的要約情況下，終止福利按預期接受要約的職工數目計算。在報告期末後超過12個月支付的福利應貼現為現值。

### 2.28 以股份為基礎之付款

以權益結算以股份為基礎的交易

本集團設有多個以權益結算以股份為基礎的酬金計劃，據此實體以權益工具（購股權）為報酬收取僱員的服務。僱員為獲取授予購股權而提供的服務的公平值確認為費用。

在每個報告期末，本集團依據非市場表現及服務條件修訂其對預期歸屬的購股權數目的估計。主體在綜合損益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.28 Share-based payments (continued)

#### Equity-settled share-based payment transactions (continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

### 2.29 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### 2.30 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

## 2 重大會計政策概要 (續)

### 2.28 以股份為基礎之付款 (續)

#### 以權益結算以股份為基礎的交易 (續)

在購股權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本和股份溢價。

### 2.29 撥備

當本集團因已發生的事件而產生現有的法律或推定義務；很可能需要資源的流出以結算義務；及金額已被可靠估計，則確認法律索償撥備。但不會就未來經營虧損確認撥備。

撥備採用稅前利率按照預期需結算有關義務的支出現值計量，該利率反映當時市場對金錢時間值和有關義務固有風險的評估。

### 2.30 收益確認

收益按已收或應收對價之公平值計量，並相當於供應貨品的應收賬款，在扣除折扣、退貨及增值稅後入賬。誠如下文所載，當收益金額能可靠地計量，而未來經濟利益可能流入該實體，且符合本集團各業務的特定準則時，本集團便會確認收益。本集團基於其過往業績，計及客戶類型、交易類型及各項安排細節作出回報估計。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.30 Revenue recognition (continued)

#### (a) Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### (b) Rental income

Rental income from investment property is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

#### (c) Service income

Services income is recognised in the consolidated statement of profit or loss as services are performed.

### 2.31 Interest income

Interest income is recognised using the effective rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

## 2 重大會計政策概要 (續)

### 2.30 收益確認 (續)

#### (a) 銷售貨品

當交付商品及所有權轉移時，會確認來自銷售商品的收益，而屆時所有以下條件須已達成(a)本集團已向買方轉移商品擁有權的重大風險及回報；(b)就已售商品而言，本集團不保留通常涉及擁有權的程度的持續管理權，亦不保留實際控制權；(c)收益金額能可靠計量；(d)交易所涉及的經濟利益可能流入本集團；及(e)交易所產生或將產生的成本能可靠計量。

#### (b) 租金收入

投資物業租金收入於租期內按直線基準在綜合損益表內確認。

#### (c) 服務收入

服務收入於提供服務時於綜合損益表內確認。

### 2.31 利息收入

利息收入採用實際利率法確認。倘應收款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率之估計貼現現金流量而設定之可收回款額，並繼續解除貼現作為利息收入。減值貸款之利息收入乃按原實際利率確認。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.32 Dividend income

Dividend income is recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

### 2.33 Leases

#### As the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## 2 重大會計政策概要(續)

### 2.32 股息收入

當確定收取付款的權利時，確認股息收入。即使其乃從收購前利潤中支付，亦適用此規定。然而，結果可能是投資需要進行減值測試。

### 2.33 租賃

#### 作為承租人

倘租賃的絕大部分擁有權風險及回報均由出租人保留，則該等租賃分類為經營租賃。根據經營租賃作出的付款（已扣除從出租人獲得的任何優惠），根據租賃期以直線法計入綜合損益表。

本集團出租若干物業、廠房及設備。如物業、廠房及設備的租賃擁有權所附的絕大部分風險及回報由本集團擁有，則有關物業、廠房及設備的租賃分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。

每筆租金均分攤為負債及財務開支。相應租賃責任在扣除財務開支後計入其他長期應付款項內。財務費用的利息部分於租約期內在綜合損益表支銷，以就每個期間之負債餘額制定固定期間利率。根據融資租賃取得的物業、廠房及設備按資產之可用年期及租期兩者的較低者折舊。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.33 Leases (continued)

#### As the lessor

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

### 2.34 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 2.35 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## 2 重大會計政策概要 (續)

### 2.33 租賃 (續)

#### 作為出租人

租賃為一份協議，據此出租人向承租人轉讓於協定期間內使用資產的權利，以交換一筆款項或一連串款項。

當資產根據經營租約租出，該項資產按資產性質計入資產負債表。

根據經營租約產生之租金收入以直線法於租賃期內確認。

### 2.34 股息分派

向本公司股東分派股息乃於股息經本公司股東或董事（如適用）批准期間在本集團財務報表內確認為一項負債。

### 2.35 政府補助金

倘能合理確定將收取的補助及本集團將遵守所有附帶的條件，則按公平值確認政府補助金。

有關成本之政府補助均會於對應擬彌償成本所需之期間遞延並在綜合損益表確認入賬。

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's major financial instruments include trade and other receivables, fixed return investment, derivative financial assets, pledged bank deposits, cash and cash equivalents, trade and other payables, derivative financial liabilities and borrowings, etc. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 3 金融風險管理

#### 3.1 金融風險因素

本集團的主要金融工具包括貿易及其他應收款項、固定回報投資、衍生金融資產、已抵押銀行存款、現金及現金等值項目、貿易及其他應付款項、衍生金融負債及借款等。該等金融工具詳情於相關附註披露。

有關該等金融工具的風險包括市場風險（外匯風險、利率風險及價格風險）、信貸風險及流動資金風險。為減輕該等風險而制訂的政策載於下文。管理層管理及監控該等風險以確保及時有效地採取適當措施。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk

###### (i) Foreign exchange risk

The Group has foreign currency sales, purchases, trade and other receivables, pledged bank deposits, cash and cash equivalents, trade and other payables, derivative financial instruments, bank borrowings, which expose the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a specific foreign currency hedging policy. However, the management closely monitors its foreign currency risk exposure and considers any foreign currency forward contracts should the need arise.

In addition, the Group had entered into several foreign currency forward contracts with banks to reduce its exposure to currency fluctuation risk of payments for trade payables which were denominated in United States dollars ("US\$"). The derivatives were not accounted for under hedge accounting. The Group was required to estimate the fair value of the foreign currency forward contracts at the end of the reporting period, which therefore also exposed the Group to foreign exchange risk.

### 3 金融風險管理 (續)

#### 3.1 金融風險因素 (續)

##### (a) 市場風險

###### (i) 外匯風險

本集團因有外幣買賣、貿易及其他應收款項、已抵押銀行存款、現金及現金等值項目、貿易及其他應付款項、衍生金融工具、銀行借款而面對外匯匯率變動帶來的市場風險。本集團現時並無特定的外幣對沖政策。然而，管理層仍密切監控外幣風險，並會於需要時考慮任何外幣遠期合約。

此外，本集團與一間銀行訂立多項遠期外匯合約，以降低其因以美元（「美元」）支付貿易應付款項而面臨的貨幣波動風險。衍生工具未按對沖會計法列賬。本集團須於報告期末估計遠期外匯合約之公平值，由此導致本集團面臨其外匯風險。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

###### (i) Foreign exchange risk (continued)

At 31 December 2017, if Renminbi (“RMB”) had weakened/strengthened by 5% against the HK\$ or the US\$ with all other variables held constant, pre-tax profit for the year would have been HK\$55.4 million lower/higher (2016: pre-tax loss of HK\$32.9 million higher/lower), mainly as a result of foreign exchange losses/gains on translation of US\$ denominated trade and other payables, borrowings, foreign forward contract derivatives and cash and bank deposits.

At 31 December 2017, if Euro (“EUR”) had weakened/strengthened by 9% (2016: 8%) against the HK\$ or US\$ with all other variables held constant, pre-tax profit for the year would have been HK\$17.4 million lower/higher (2016: pre-tax loss of HK\$180.1 million higher/lower), mainly as a result of foreign exchange losses/gains on translation of US\$-denominated trade and other payables and cash and bank deposits.

### 3 金融風險管理 (續)

#### 3.1 金融風險因素 (續)

##### (a) 市場風險 (續)

###### (i) 外匯風險 (續)

於二零一七年十二月三十一日，倘人民幣(「人民幣»)兌港元或美元貶值/升值5%，而所有其他參數保持不變，則年內除稅前溢利將減少/增加5,540萬港元(二零一六年：除稅前虧損增加/減少3,290萬港元)，主要由於換算以美元計值之貿易及其他應付款項、借款、外幣遠期合約衍生工具及現金及銀行存款之匯兌虧損/收益。

於二零一七年十二月三十一日，倘歐元(「歐元»)兌港元或美元貶值/升值9%(二零一六年：8%)，而所有其他參數保持不變，則年內除稅前溢利將減少/增加1,740萬港元(二零一六年：除稅前虧損增加/減少1億8,010萬港元)，主要由於換算以美元計值之貿易及其他應付款項及現金及銀行存款之匯兌虧損/收益。



### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

###### (i) Foreign exchange risk (continued)

The directors considered the foreign exchange risk between HK\$ and US\$ is minimal as HK\$ has been linked to US\$.

###### (ii) Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk.

Based on the simulations performed, the impact on pre-tax profit (2016: pre-tax loss) of a 100 basis points shift would have a maximum decrease (2016: increase) by the following magnitude:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Impact on profit/(loss) before income tax	對除所得稅前 溢利／(虧損)的影響	11.2	23.3

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (a) 市場風險(續)

###### (i) 外匯風險(續)

董事認為港元及美元之間的外匯風險極微，因為港元與美元掛鈎。

###### (ii) 利率風險

本集團的利率風險主要來自借款。按浮動利率取得的借款讓本集團承受現金流利率風險及公平值利率風險。

根據所進行的模擬，變動100個基點對除稅前溢利(二零一六年：除稅前虧損)的影響的最大減少(二零一六年：增加)幅度如下：

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (iii) Price risk

##### Commodity price risks

At 31 December 2017, the Group was exposed to commodity price risks through its metal commodities future contracts.

##### Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to commodity price risk of metal commodities future contracts at 31 December 2017. If the commodity price risk of metal commodities future contracts had been 19% (2016: 16%) higher/lower, the Group's pre-tax profit (2016: pre-tax loss) for the year would increase (2016: decrease) by the following magnitude:

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 <b>HK\$M</b> 百萬港元
Impact on profit/(loss) before income tax	對除稅前 溢利／(虧損)的影響	<b>12.2</b>	108.9

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (a) 市場風險(續)

##### (iii) 價格風險

##### 商品價格風險

於二零一七年十二月三十一日，本集團因金屬商品期貨合約而面對商品價格風險。

##### 敏感度分析

下列敏感度分析乃基於二零一七年十二月三十一日金屬商品期貨合約以及銷售合約附帶的臨時定價安排面對的商品價格風險而定。倘金屬商品期貨合約的商品價格上升／下降19%（二零一六年：16%），則本集團年內除稅前溢利（二零一六年：除稅前虧損）增加（二零一六年：減少）的幅度如下：

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (b) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, derivative financial instruments, trade and other receivables and deposits with banks and financial institutions. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk arising from cash and bank deposits, the Group only transacts with reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions.

At 31 December 2017, the Group had concentration of credit risk as 16% and 53% (2016: 8% and 26%) of its total trade receivables was due from its largest trade debtor and the five largest trade debtors respectively. The five largest trade debtors have good repayment history and credit quality with reference to the track records of these customers under internal assessment by the Group.

### 3 金融風險管理(續)

#### 3.1 金融風險因素(續)

##### (b) 信貸風險

本集團的信貸風險主要來自現金及現金等值項目、衍生金融工具、貿易及其他應收款項及銀行及金融機構存款。該等結餘的賬面值為本集團就金融資產承擔的最大信貸風險。

為管理來自現金及銀行存款的這一風險，本集團僅會與信譽良好的商業銀行交易，該等銀行全部為信貸質素水平高的金融機構。該等金融機構並無近期欠款記錄。

於二零一七年十二月三十一日，本集團承受信貸集中風險，因為其貿易應收款項總額中有16%及53%（二零一六年：8%及26%）分別來自其最大債務人及五大債務人。根據本集團的內部評估，參考該等客戶的往績記錄，五大債務人的償款記錄及信貸質素良好。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group in and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 29) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

The table below analyses the Group's and the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3 金融風險管理 (續)

#### 3.1 金融風險因素 (續)

##### (c) 流動資金風險

現金流預測乃於本集團經營實體進行並由本集團財務部合併計算。集團財務部監控本集團流動資金需求的滾動預測，確保其擁有充足現金以滿足經營需要，並維持其尚未提取但已獲承諾的借貸額度（附註29）隨時有充足餘額，使本集團絕無違反任何借貸額度的借貸限額或契據（倘適用）。該等預測乃經考慮本集團的債務融資計劃及須遵守的契據，並符合內部資產負債表比率的目標及（如適用）外部監管或法律規定，例如貨幣限制。

下表分析本集團及本公司的非衍生金融負債及淨額結算的衍生金融負債，此乃按照相關的到期組別，根據由結算日至合約到期日的剩餘期間進行分析。倘衍生金融負債的合約到期情況對了解現金流時機至關重要，則會計入分析中。在下表內披露的金額為合約未貼現的現金流量。

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

3 金融風險管理(續)

3.1 金融風險因素(續)

(c) 流動資金風險(續)

		On demand or less than 1 month 按要求或 少於一個月 HK\$M 百萬港元	Between 1 and 3 months 一至 三個月 HK\$M 百萬港元	Between 3 months and 1 year 三個月 至一年 HK\$M 百萬港元	Between 1 and 5 years 一至五年 HK\$M 百萬港元	Over 5 years 五年以上 HK\$M 百萬港元
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Borrowings (excluding finance lease liabilities)	借款 (不包括融資租賃責任)	1,069.0	66.2	1,847.5	1,090.4	5.1
Finance lease liabilities	融資租賃責任	7.2	14.4	64.9	160.3	-
Trade and other payables	貿易及其他應付款項	1,435.1	73.1	68.7	40.2	2.8
Amounts due to related parties	應付關聯方款項	88.5	0.3	22.1	-	-
		<b>2,599.8</b>	<b>154.0</b>	<b>2,003.2</b>	<b>1,290.9</b>	<b>7.9</b>
<b>At 31 December 2016 (restated)</b>	<b>於二零一六年 十二月三十一日 (經重列)</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Borrowings (excluding finance lease liabilities)	借款 (不包括融資租賃責任)	780.8	111.3	2,521.0	1,940.9	13.3
Finance lease liabilities	融資租賃責任	6.8	19.1	5.6	188.7	-
Trade and other payables	貿易及其他應付款項	932.8	66.5	105.0	205.9	1.0
Convertible bonds	可換股債券	-	69.0	-	-	-
Amounts due to related parties	應付關聯方款項	56.9	91.9	211.3	-	-
		<b>1,777.3</b>	<b>357.8</b>	<b>2,842.9</b>	<b>2,335.5</b>	<b>14.3</b>



### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk (continued)

Bank borrowings with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2017, the aggregate carrying amounts of these bank borrowings amounted to HK\$914.3 million (2016: HK\$774.7 million). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within one year (2016: within one year) after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows of HK\$927.9 million will be repaid within one year (2016: HK\$787.6 million within one year).

The amounts included above for the variable interest rate instruments are subject to change if changes in actual interest rates differ to those estimated at the end of the reporting period.

#### 3.2 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group’s overall strategy remained unchanged from prior years.

The capital structure of the Group consists of debt, which includes bank borrowings and overdrafts, other borrowings and convertible bonds disclosed in Note 29, net of cash and cash equivalents and equity attributable to shareholders of the Company, comprising capital, various reserves and accumulated losses.

### 3 金融風險管理 (續)

#### 3.1 金融風險因素 (續)

##### (c) 流動資金風險 (續)

須按要求償還之銀行借款計入上述到期日分析之「按要求或少於一個月」時間範圍內。於二零一七年十二月三十一日，該等銀行借款之賬面值總額達9億1,430萬港元(二零一六年：7億7,470萬港元)。經計及本集團之財務狀況後，董事相信銀行不可能將行使其酌情權以要求即時還款。董事相信，該等銀行借款將於報告日期後一年內(二零一六年：一年內)根據貸款協議所載預定還款日期償還。屆時，本金總額及利息現金流出為9億2,790萬港元，並於一年內償還(二零一六年：7億8,760萬港元，並於一年內償還)。

倘實際利率之變動有別於報告期末釐定之估計利率變動，上述浮息工具之金額或會出現變動。

#### 3.2 資本管理

本集團之資本管理旨在確保本集團內所有個體均可持續經營，同時透過優化債務及股本結構為股東爭取最大回報。

本集團資本結構包括債務(包括披露於附註29的銀行借款及透支、其他借款及可換股債券，扣除現金及現金等值項目)及本公司股東應佔權益(包括資本、多項儲備及累計虧損)。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.2 Capital management (continued)

The directors of the Company review the capital structure periodically. The directors of the Company also balance the overall capital structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2017.

#### 3.3 Fair value estimation

##### Fair value measurements and valuation process

The Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation for financial instruments that are measured at fair value on a recurring basis. The Chief Financial Officer and his senior executives work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Chief Financial Officer engages the external valuers to perform the valuations of the convertible bonds required for financial reporting purposes, including Level 3 fair value measurements of financial instruments. As a part of the valuation process, the Chief Financial Officer reports the findings to the board of directors of the Company semi-annually, in line with the Group's interim and annual reporting dates.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

### 3 金融風險管理(續)

#### 3.2 資本管理(續)

本公司董事定期審閱資本架構。本公司董事亦透過支付股息、發行新股及股份購回以及發行新債務或贖回現有債務平衡本集團整體資本架構。截至二零一七年十二月三十一日止年度，有關目標、政策或程序並無變動。

#### 3.3 公平值估計

##### 公平值計量及估值程序

本公司首席財務官就公平值計量釐定合適的估值方法及輸入數據。

於估計資產或負債的公平值時，本集團運用其獲得的市場觀察數據。倘第一及第二級輸入數據不可用，本集團委聘第三方合資格估值師對按經常性基準以公平值計量之金融工具進行估值。首席財務官及高級行政人員與外聘合資格估值師密切合作以制定合適的估值技術及輸入數據模式。

首席財務官就財務報告目的聘用外部估值師對可換股債券進行估值，包括金融工具第三級公平值計量。作為估值程序的一部分，首席財務官每半年向本公司董事會報告估值結果，報告的時間與本集團中期及年度報告日期一致。

有關釐定不同資產及負債公平值所使用的估值方法及輸入數據詳情載於上文。

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### Fair value measurements and valuation process (continued)

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 3 金融風險管理 (續)

#### 3.3 公平值估計 (續)

##### 公平值計量及估值程序 (續)

下表分析本集團於二零一七年十二月三十一日按公平值列賬之金融工具，透過計量公平值所用之估計方法之輸入數據層級劃分。有關輸入數據在公平值層級內分為以下三級別：

- 活躍市場上相同資產或負債的報價（未經調整）（第一級）。
- 除第一級所包括的報價外，資產或負債的可直接（即價格）或間接（即從價格得出）觀察所得輸入值（第二級）。
- 並非根據可觀察市場數據釐定的資產或負債輸入值（即不可觀察輸入值）（第三級）。

Financial assets/ (financial liabilities) 金融資產/(金融負債)	Fair value as at 於以下日期的公平值		Fair value hierarchy 公平值架構	Valuation technique(s) and key input(s) 估值技術及主要輸入數據
	31 December 2017 二零一七年 十二月三十一日 HK\$M 百萬港元	31 December 2016 二零一六年 十二月三十一日 HK\$M 百萬港元		
1) Metal commodities future contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	0.9 (1.8)	1.5 (4.5)	Level 1 第一級	Quoted bid commodity futures prices on the London Metal Exchange 倫敦金屬交易所報之商品期貨買入價
2) Metal commodities future contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之金屬商品期貨合約	4.4 (9.9)	1.5 (13.1)	Level 2 第二級	Par method, taking actively traded forward rates into account 面值法，計入活躍貿易遠期匯率

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### Fair value measurements and valuation process (continued)

Financial assets/ (financial liabilities) 金融資產/(金融負債)	Fair value as at 於以下日期的公平值		Fair value hierarchy 公平值架構	Valuation technique(s) and key input(s) 估值技術及主要輸入數據
	31 December 2017 二零一七年 十二月三十一日 HK\$M 百萬港元	31 December 2016 二零一六年 十二月三十一日 HK\$M 百萬港元		
3) Metal commodities options classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之金屬商品期權	0.3	-	Level 1 第一級	Quoted bid commodities options prices on the London Metal Exchange. 倫敦金屬交易所所報之商品期權買入價。
4) Foreign currency forward contracts classified as derivative financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之外幣遠期合約	0.5 (10.5)	4.9 (0.2)	Level 2 第二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates. 根據遠期外幣兌換率(於報告期末可觀察的遠期外幣兌換率)及已訂約的遠期比率來估計未來現金流。
5) Interest rate swap contracts classified as derivatives financial instruments in the consolidated balance sheet 於綜合資產負債表中分類為衍生金融工具之利率掉期合約	(4.7)	(13.7)	Level 2 第二級	Future cash flow are based on the present value of the estimated future cash flows based on observed yield curves. 未來現金流乃基於估計未來現金流的現值(根據所觀察的回報曲線)。
6) Embedded derivative components of convertible bonds (note (i)) 可換股債券嵌入式衍生工具部分 (附註(i))	-	-	Level 3 第三級	Binomial Option Pricing Model. The key inputs are the Company's share price, expected volatility, dividend yield, option life and risk free rate. 二項期權定價模式。主要輸入數據為本公司股價、預期波動、股息回報率、期權期限及無風險利率。
7) Contingent consideration payable (note (ii)) 應付或然代價(附註(ii))	(186.5)	(158.1)	Level 3 第三級	Primary based on the present value of the estimated future cash flow. 主要基於估計未來現金流的現值。

### 3 金融風險管理(續)

#### 3.3 公平值估計(續)

##### 公平值計量及估值程序(續)

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### Fair value measurements and valuation process (continued)

Note:

(i) The significant unobservable input adopted for the valuation of the embedded derivative components of convertible bonds include the expected volatility which is determined based on the average historical volatility of the Company's share price as at the date of valuation. If the expected volatility to the Binomial Option Pricing Model was 10% higher or lower while all other variables were held constant, the carrying amount of the embedded derivative components of convertible bonds would increase by HK\$205,000 or decrease by HK\$4,000 respectively for the year ended 31 December 2016.

(ii) The detail on fair value measurement of the contingent consideration was set out in Note 39(a).

In management's opinion, the sensitivity analyses are not necessarily representative of the fair value as the pricing model used in the fair value valuation of the embedded derivative components of convertible bonds involves multiple variable where certain variables are interdependent.

### 3 金融風險管理(續)

#### 3.3 公平值估計(續)

##### 公平值計量及估值程序(續)

附註:

(i) 可換股債券嵌入式衍生工具部分的估值中涉及的重大不可觀察輸入數據包括參考了本公司股價於估值日期之平均歷史波動的預期波動。倘於其他變數保持不變的情況下，二項期權定價模式的預期波動提高或降低10%，截至二零一六年十二月三十一日止年度的可換股債券嵌入式衍生工具部分之賬面值將分別增加205,000港元或減少4,000港元。

(ii) 有關或然代價公平值計量的詳情載於附註39(a)。

管理層認為，敏感度分析未必代表公平值，因為可換股債券之嵌入式衍生工具部分之公平值估值中所使用之定價模式，涉及多個變數，而其中若干變數屬互為影響。



3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Fair value measurements and valuation process  
(continued)

Fair value measurements recognised in the consolidated balance sheet.

3 金融風險管理(續)

3.3 公平值估計(續)

公平值計量及估值程序(續)

於綜合資產負債表確認的公平值計量。

		Level 1 第一級 HK\$M 百萬港元	Level 2 第二級 HK\$M 百萬港元	Level 3 第三級 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
As at 31 December 2017	於二零一七年十二月三十一日				
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益的金融資產</b>				
Derivative financial assets	衍生金融資產	1.2	4.9	-	6.1
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值計入損益的金融負債</b>				
Derivative financial liabilities	衍生金融負債	(1.8)	(25.1)	-	(26.9)
Contingent consideration payable	應付或然代價	-	-	(186.5)	(186.5)
As at 31 December 2016	於二零一六年十二月三十一日				
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益的金融資產</b>				
Derivative financial assets	衍生金融資產	1.5	6.4	-	7.9
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值計入損益的金融負債</b>				
Derivative financial liabilities	衍生金融負債	(4.5)	(27.0)	-	(31.5)
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	-	-	-	-
Contingent consideration payable	應付或然代價	-	-	(158.1)	(158.1)

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### Fair value measurements and valuation process (continued)

There were no transfers between the three levels during either of the years ended 31 December 2017 or 2016.

Of the total losses or gains for the current year included in consolidated statement of profit or losses, fair value gain of HK\$4,000 (2016: HK\$9.6 million) related to embedded derivative components of convertible bonds held at the end of the reporting period. The fair value losses or gains are included in other gains/(losses), net.

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

### 3 金融風險管理(續)

#### 3.3 公平值估計(續)

##### 公平值計量及估值程序(續)

截至二零一七年或二零一六年十二月三十一日止年度，三個層級之間並無轉移。

計入綜合損益表的本年度虧損或收益總額中，公平值收益4,000港元(二零一六年：960萬港元)乃與於報告期末持有的可換股債券嵌入式衍生工具部分有關。公平值虧損或收益計入其他收益／(虧損)淨額。

管理層認為，於綜合財務報表內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

3 金融風險管理(續)

3.4 抵銷金融資產及金融負債

(a) 金融資產

以下金融資產受抵銷、可強制執行統一淨額結算安排及類似協議規限。

		Gross amount of recognised financial liabilities net off in the consolidated balance sheet 於綜合資產負債表扣除的已確認金融負債總額 HKSM 百萬港元	Gross amount of recognised financial assets 已確認金融資產總額 HKSM 百萬港元	Net amounts of financial assets presented in the consolidated balance sheet 於綜合資產負債表呈列的金融資產淨值 HKSM 百萬港元	Related amounts not net off in the consolidated balance sheet 未於綜合資產負債表扣除的相關金額		Net amount 淨額 HKSM 百萬港元
					Financial instruments 金融工具 HKSM 百萬港元	Cash collateral received 已收取現金抵押品 HKSM 百萬港元	
As at 31 December 2017 於二零一七年十二月三十一日							
Pledged bank deposits	已抵押銀行存款	95.0	-	95.0	(20.4)	-	74.6
Derivative financial assets	衍生金融資產						
- Foreign currency forward contracts	- 外幣遠期合約	0.5	-	0.5	(0.4)	-	0.1
- Metal commodities future contracts	- 金屬商品遠期合約	6.2	(0.9)	5.3	(4.4)	-	0.9
- Metal commodities options	- 金屬商品期權	0.3	-	0.3	-	-	0.3

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.4 Offsetting financial assets and financial liabilities (continued)

##### (a) Financial assets (continued)

		Gross amount of recognised financial assets	Gross amount of recognised liabilities net off in the consolidated balance sheet	Net amounts of financial assets presented in the consolidated balance sheet	Related amounts not net off in the consolidated balance sheet		
		於綜合資產負債表扣除的已確認金融資產總額	於綜合資產負債表扣除的已確認金融負債總額	於綜合資產負債表呈列的金融資產淨值	未於綜合資產負債表扣除的相關金額		
		HK\$M	HK\$M	HK\$M	Financial instruments	Cash collateral received	Net amount
		百萬港元	百萬港元	百萬港元	金融工具	已收取現金抵押品	淨額
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
As at 31 December 2016							
於二零一六年十二月三十一日							
Pledged bank deposits	已抵押銀行存款	422.7	-	422.7	(345.9)	-	76.8
Cash and cash equivalents	現金及現金等值項目	1,683.4	(26.7)	1,656.7	-	-	1,656.7
Derivative financial assets	衍生金融資產						
- Foreign currency forward contracts	- 外幣遠期合約	11.3	(6.4)	4.9	(0.2)	-	4.7
- Metal commodities future contracts	- 金屬商品遠期合約	8.6	(5.6)	3.0	(2.4)	-	0.6

### 3 金融風險管理 (續)

#### 3.4 抵銷金融資產及金融負債 (續)

##### (a) 金融資產 (續)

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

3 金融風險管理 (續)

3.4 抵銷金融資產及金融負債 (續)

(b) 金融負債

以下金融負債受抵銷、可強制執行統一淨額結算安排及類似協議規限。

		Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets net off in the consolidated balance sheet	Net amounts of financial liabilities presented in the consolidated balance sheet	Related amounts not net off in the consolidated balance sheet		Net amount
		已確認金融負債總額	於綜合資產負債表扣除的已確認金融資產總額	於綜合資產負債表呈列的金融負債淨值	未於綜合資產負債表扣除的相關金額	Cash collateral received	
		HK\$M	HK\$M	HK\$M	Financial instruments		
		百萬港元	百萬港元	百萬港元	金融工具	現金抵押品	淨額
					HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
As at 31 December 2017							
於二零一七年十二月三十一日							
Borrowings	借款	4,155.2	-	4,155.2	(20.4)	-	4,134.8
Derivative financial liabilities	衍生金融負債						
- Foreign currency forward contracts	- 外幣遠期合約	10.5	-	10.5	(0.1)	-	10.4
- Metal commodities future contracts	- 金屬商品遠期合約	12.6	(0.9)	11.7	-	-	11.7
- Interest rate swap contracts	- 利率掉期合約	4.7	-	4.7	(4.7)	-	-



### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.4 Offsetting financial assets and financial liabilities (continued)

##### (b) Financial liabilities (continued)

As at 31 December 2016	Gross amounts of recognised financial liabilities	Gross amount of recognised financial assets net off in the consolidated balance sheet	Net amounts of financial liabilities presented in the consolidated balance sheet	Related amounts not net off in the consolidated balance sheet		
				Financial instruments	Cash collateral received	Net amount
於二零一六年十二月三十一日	已確認金融負債總額 HK\$M 百萬港元	已確認金融資產總額 HK\$M 百萬港元	於綜合資產負債表呈列的金融負債淨值 HK\$M 百萬港元	金融工具 HK\$M 百萬港元	已收取現金抵押品 HK\$M 百萬港元	淨額 HK\$M 百萬港元
Borrowings	5,017.9	-	5,017.9	(345.9)	-	4,672.0
Derivative financial liabilities						
- Foreign currency forward contracts	6.6	(6.4)	0.2	(0.2)	-	-
- Metal commodities future contracts	23.2	(5.6)	17.6	(8.5)	(7.2)	1.9
- Interest rate swap contract	13.7	-	13.7	-	-	13.7

The gross amounts of the recognised financial assets and financial liabilities as presented in the Group's consolidated statement of balance sheet, both of which have been disclosed in the above tables, are measured as fair value.

The disclosures set out in the tables above include commodities futures contracts and options traded through brokers, and foreign currency contracts and interest rate swap contracts contracted with banks and cash and cash equivalents. The related collaterals are included in margin deposits. If a default event (included but not limited to default payment, liquidation, bankruptcy or insolvency) occurs, the brokers and the banks are able to exercise the right to offset against any favourable contracts and/or the collaterals placed.

### 3 金融風險管理 (續)

#### 3.4 抵銷金融資產及金融負債 (續)

##### (b) 金融負債 (續)

本集團綜合資產負債表內呈列的已確認金融資產及金融負債的總額(均已披露於上表)按公平值計量。

上表所述披露包括透過經紀人交易的商品期貨合約及期權, 及與銀行訂立的外幣合約及利率掉期合約, 以及現金及現金等值項目。相關抵押品計入保證金。倘出現違約事件(包括但不限於拖欠付款、清盤、破產或無力償債), 經紀人及銀行可行使權利抵銷任何有利合約及/或抵押品。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Impairment of non-financial assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment (Note 17). Other assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of an asset or a cash-generating unit have been determined based on value-in-use calculations or its fair value less costs of disposal, whichever is higher. These calculations require the use of estimates. The value-in-use calculations primarily use cash flow projections based on financial budgets, in general covered five years, were approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenues and operating margin, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value. Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

## 4 重要會計估計及判斷

估計及判斷經持續評估，並以過往經驗及其他因素為基礎，包括在現實情況下相信對未來事件的合理預期。

### 4.1 重要會計估計及假設

本集團會就未來作出估計及假設。由此產生之會計估計顯然很少與相關實際結果相符。具有重大風險於下一財政年度引致資產及負債賬面值之重大調整的估計及假設於下文載述。

#### (a) 非金融資產減值

本集團至少每年就商譽及其他沒有確定使用年期的資產進行測試，以確定是否出現減值（附註17）。其他需折舊及攤銷的資產則在當有事件出現或情況改變顯示賬面值超出其可收回金額時就減值進行檢討。資產或現金產生單位的可收回金額按照使用價值或其公平值減出售成本（以較高者為準）計算方法予以釐定。該等計算方法需要利用估算。使用價值計算方法主要使用管理層批准之五年財務預算的現金流量預測及五年期末的估計最終價值。在編製獲批准預算所覆蓋期間內的現金流量預測及估計最終價值時，需使用大量的假設與估計。主要的假設包括預期的收益與經營利潤增長、增長率及貼現率選擇等，以反映所涉及風險與可能實現的估計最終價值收益倍數。管理層編製財務預算以反映實際與之前年度的業績及市場發展預期。於現金流量預測中所採用的主要假設須作出判斷才能確定，主要假設的變化可能對此等現金流量預測產生重大影響，並最終影響減值檢討的結果。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (b) Fair value of identifiable assets and liabilities acquired through business combinations and fair value of contingent consideration at the date of acquisition

The Group applies the acquisition method to account for business combinations, which requires the Group to record assets acquired and liabilities assumed at their fair values on the date of acquisition. Significant judgment and estimate are used to determine the completion date and fair value of the assets acquired and liabilities assumed. The valuation involves estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.

#### (c) Asset retirement obligations

Various pieces of land was leased by the Group for operating scrap yards and preparation of the land might be needed to make it appropriate for operated as scrap yards.

It was the Group's contractual obligation to bring the land to its original condition as the Group is not the owner of the land. The Group estimates the expected costs necessary to dismantle the scrap yards by assessing the discount rate as well as expected increment in future cost which might lead to changes in the provisions recognised.

## 4 重要會計估計及判斷 (續)

### 4.1 重要會計估計及假設 (續)

#### (b) 透過業務合併收購的可識別資產及負債的公平值及於收購日期的或然代價公平值

本集團採用收購法將業務合併入賬，當中需要本集團按其於收購日期的公平值記錄已收購資產及已承擔負債，並採用重大判斷及估計，以釐定完成日期及已收購資產及已承擔負債的公平值。估值涉及估計收購所得業務之未來現金流量、釐定合適的貼現率、資產年期及其他假設。

#### (c) 資產報廢責任

本集團租用多幅土地營運廢料工場，因此需要將土地打造成適合營運廢料工場。

由於本集團並非土地的業主，因此本集團有合約責任須將土地恢復原貌。本集團透過評估貼現率及預測可能導致已確認撥備改變的未來成本增幅，估算清拆廢料工場所必需的估計成本。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(d) Estimation of provision for impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the collectability of receivables. Provisions for impairment are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgment and estimates. Management assesses the collectability of those past due receivables based on the credit history customers and current market conditions. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and doubtful debt expense in the period in which such estimate is changed.

4 重要會計估計及判斷 (續)

4.1 重要會計估計及假設 (續)

(d) 應收款項減值撥備之估計

本集團根據應收款項的可收回性評估，對應收款項作出減值撥備。當發生事件或情況有變，顯示有關結餘或不能收回時，即對應收款項計提減值撥備。識別呆賬需要使用判斷及估計。管理層根據客戶的信貸記錄及當前市況，評估該等逾期應收款項的可收回性。倘預測數字有別於原先估計，則有關差異將影響該估計改變期間應收款項的賬面值及呆賬開支。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (e) Current and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain, such as deductibility of compensation payments to customers or accessibility of deemed royalty income in certain countries. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

## 4 重要會計估計及判斷 (續)

### 4.1 重要會計估計及假設 (續)

#### (e) 即期及遞延所得稅

本集團須繳付多個司法權區的所得稅。釐定世界各地的所得稅撥備時需要作出重大判斷。有諸多難以確定最終稅項的交易及計算方法，例如支付予客戶的補償的可扣稅程度或能否取得若干國家的視作版權使用費收入。本集團根據估計會否有額外稅款到期而確認預測稅項審核事宜的負債。倘該等事宜的最終稅務結果與最初記賬的金額不同，有關差額將會影響作出有關決定期間的即期及遞延所得稅資產及負債。

倘管理層認為日後可能有應課稅溢利用作抵銷暫時差額及稅項虧損，則會確認有關若干暫時差額或稅項虧損的遞延稅項資產。倘預期與最初估計不同，則有關差額會影響估計更改期間的遞延稅項資產及所得稅確認。

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (f) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. Management of the Group reviews the inventories listing on a category-by-category basis at the end of the reporting period, and assesses whether the cost of the finished products will exceed their net realisable value. Management estimates the net realisable value for such inventories based primarily on the latest resale value and quoted prices on applicable commodity exchanges. If the market price of inventories are to decline, additional write down may be required. The Group's Inventory Management reassesses the estimation at the end of each reporting period.

#### (g) Fair value of derivatives and other financial assets

The fair value of financial instruments and other financial assets (including embedded derivative components of convertible bonds and options over shares in joint ventures to joint venture partners) that are not traded in an active market is determined by using appropriate valuation techniques and making assumptions that are based on market conditions existing at each reporting date.

The fair values of the embedded derivative components of convertible bonds are determined using the Binomial Option Pricing Model adjusted for specific terms and conditions of the respective instruments. Major inputs into the model include quoted market prices, risk free rates, expected volatility, dividend yields and the option's life.

## 4 重要會計估計及判斷 (續)

### 4.1 重要會計估計及假設 (續)

#### (f) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售開支。本集團管理層於報告期末按類別檢討存貨，並估計製成品的成本會否超逾可變現淨值。管理層主要按最新轉售價值及相關商品交易所報價估計有關存貨的可變現淨值。倘存貨市價下跌，則或須作出額外撇減。本集團之存貨管理人員於各報告期末重新評估有關估計。

#### (g) 衍生工具及其他金融資產之公平值

並非於活躍市場買賣的財務工具及其他金融資產（包括可換股債券之嵌入式衍生部分及向合營企業合夥人發出之合營企業股份購股權）之公平值乃透過採用適合估值方法及根據各報告日期存在的市況作出的假設釐定。

可換股債券之嵌入式衍生工具的公平值乃使用二項期權定價模式釐定，以適應各自工具的特定條款及條件。該模式所輸入之主要數據包括所報市價、無風險利率、預期波動、股息回報率及期權期限。



## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 4.1 Critical accounting estimates and assumptions (continued)

#### (g) Fair value of derivatives and other financial assets (continued)

The fair value of options over shares of non-listed entities are determined using discounted cash-flow method, which requires the determination of an appropriate discount rate as well as assumptions regarding the cash-flow projections.

#### (h) Useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets by reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management will adjust the depreciation and amortisation charges where useful lives vary from previously estimates. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore depreciation and amortisation expense in the future periods.

## 5 SEGMENT INFORMATION

The Group's revenue represents the amounts received or receivable for the sales of metal scrap, net of sales related taxes, during the year.

There are differences in the basis of operating and reportable segments from the last annual consolidated financial statements.

## 4 重要會計估計及判斷 (續)

### 4.1 重要會計估計及假設 (續)

#### (g) 衍生工具及其他金融資產之公平值 (續)

就非上市實體股份的購股權的公平值乃採用貼現現金流量法釐定，當中需要就現金流量預測釐定適當的貼現率以及假設。

#### (h) 物業、廠房及設備以及無形資產的可使用年期

本集團管理層參考本集團擬自利用該等資產產生未來經濟利益來釐定其物業、廠房及設備以及無形資產的估計可使用年期及有關折舊及攤銷費用。此等估計以相似性質及功能的物業、廠房及設備以及無形資產過往的實際可使用年期為基準。倘可使用年期與以往估計不同，則管理層將調整折舊及攤銷費用。實際經濟年期可能與估計可使用年期不同。定期檢討可能導致可使用年期出現變動，因而產生未來期間的折舊及攤銷開支。

## 5 分部資料

本集團收益指年內銷售廢金屬之已收或應收款項，扣除銷售相關稅項。

與上一年度綜合財務報表的業務及可呈報分部基準存在差異。

## 5 SEGMENT INFORMATION (continued)

Before the completion of acquisition of the entire equity interest in Scholz Holding, a world's leading metal recycler in Germany, in December 2016, the legacy Group was originally and principally engaged in metal recycling, including the recycling of mixed metal scrap into copper scrap, steel scrap, aluminum scrap, iron scrap and other metal scrap, foundry business and wholesales business in Greater China region. In the previous year ended 31 December 2016, the Group's Chief Operating Decision Maker ("CODM") reviewed the internal report based on gross profit/(loss) derived from different business activities and different products to assess performance and allocate resources of the Group.

After the acquisition of Scholz Group, the Group has extended its metal recycling business from Greater China to worldwide (including Europe and America). The main business activity of the Group is metal recycling while foundry and wholesales businesses become immaterial to the Group. From 2017 onward, the management organises the Group and reviews the Group's financial performance and allocates resources on a geographic basis and hence the operating and reportable segments are identified based on the location of main operation of legacy Group ("Greater China" region) and Scholz Group (Europe and America, collectively known as "Non-Greater China" region).

In current year, the Group's CODM assesses the performance of the operating segments based on the measure of segment profit/(loss). This measurement basis excludes the effects of non-operating gains/(losses), such as gain on bargain purchase on acquisition of a subsidiary, gain/(loss) on fair value change of financial assets at fair value through profit or loss. The measure also excludes centralised costs such as the Group's key managements' remunerations and other central administrative expenses. Finance income, finance costs, income tax expenses and those unallocated income and expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

## 5 分部資料(續)

於二零一六年十二月完成收購再生金屬回收商巨擘德國順爾茨控股的全部股本前，固有集團原本主要在大中華地區從事金屬回收，包括將混合廢金屬再生成廢銅、廢鋼、廢鋁、廢鐵及其他廢金屬、鑄造業務及批發業務。於過去截至二零一六年十二月三十一日止年度內，本集團的首席營運決策者（「首席營運決策者」）根據不同業務活動及不同產品的毛利／（虧損）審閱內部報告，以評估表現及分配本集團的資源。

收購順爾茨集團後，本集團已將金屬再生業務從大中華地區擴展至全球（包括歐洲及美洲）。本集團的主要業務活動為金屬再生，而鑄造及批發業務對本集團相對無關重要。自二零一七年起，管理層按地域組織、審視本集團的財務表現及分配資源，因此，業務及可呈報分部乃按固有集團（「大中華」地區）及順爾茨集團（歐洲及美洲，統稱為「非大中華」地區）的主要營運來劃分。

於本年度，本集團的首席營運決策者根據分部利潤／（虧損）的計量評估經營分部的表現。此計量基礎不包括非經營收益／（虧損）的影響，例如於收購一間子公司之議價購買收益、按公平值計入損益之金融資產的公平值變動損益。計量亦不包括中央成本，例如本集團主要管理層的薪酬及其他中央行政開支。財務收入、財務成本、所得稅開支及該等未分配收入及開支並不包括在本集團的首席營運決策者所審閱的各個經營分部的業績中。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 5 SEGMENT INFORMATION (continued)

The comparative segment information for the year ended 31 December 2016 and as at 31 December 2016 has been restated to align with the presentation of the current year's segment information disclosure.

Total segment assets exclude deferred income tax assets, fixed return investment, tax recoverable, derivative financial instruments and cash and cash equivalents which are managed centrally. Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Inter-segment sales are charged at prevailing market price.

#### 5 分部資料(續)

截至二零一六年十二月三十一日止年度及於二零一六年十二月三十一日的比較分部資料已經重列，以與本年度分部資料披露的呈列一致。

總分部資產不包括中央管理的遞延所得稅資產、固定回報投資、可退回稅項、衍生金融工具以及現金及現金等值項目。有關分部負債的資料並不披露，由於該等資料並非定期向首席營運決策者報告。

業務及可呈報分部的會計政策與本集團的會計政策相同。分部銷售按當前市價收費。

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

### 5 SEGMENT INFORMATION (continued)

The following tables present revenue and segment profit/(loss) information regarding the Group's reportable segments for the year ended 31 December 2017 and 2016 respectively.

### 5 分部資料(續)

下表分別載列有關本集團截至二零一七年及二零一六年十二月三十一日止年度可呈報分部的收益及分部溢利/(虧損)的資料。

		For the year ended 截至以下日期止年度							
		31 December 2017 二零一七年十二月三十一日				31 December 2016 二零一六年十二月三十一日			
		Greater China 大中華 地區 HK\$M 百萬港元	Non- Greater China 非大中華 地區 HK\$M 百萬港元	Unallocated 未分配 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元	Greater China 大中華 地區 HK\$M 百萬港元	Non- Greater China 非大中華 地區 HK\$M 百萬港元	Unallocated 未分配 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
Revenue	收益								
External sales	外部銷售	4,813.6	14,260.6	-	19,074.2	3,211.4	-	-	3,211.4
Inter-segment sales	分部間銷售	-	(583.2)	-	(583.2)	-	-	-	-
<b>Total segment revenue</b>	<b>分部收益總額</b>	<b>4,813.6</b>	<b>13,677.4</b>	<b>-</b>	<b>18,491.0</b>	<b>3,211.4</b>	<b>-</b>	<b>-</b>	<b>3,211.4</b>
Segment profit/(loss)	分部溢利/(虧損)	295.9	457.8	169.8	923.5	(243.5)	-	(166.0)	(409.5)
Finance income	財務收入				38.8				47.9
Finance costs	財務成本				(416.1)				(82.0)
<b>Profit/(loss) before income tax</b>	<b>除所得稅前溢利/(虧損)</b>				<b>546.2</b>				<b>(443.6)</b>
Income tax expense	所得稅開支				(110.6)				0.4
<b>Profit/(loss) for the year</b>	<b>年內溢利/(虧損)</b>				<b>435.6</b>				<b>(443.2)</b>
Depreciation and amortisation expenses	折舊及攤銷開支	(77.7)	(281.2)	(40.2)	(399.1)	(60.7)	-	-	(60.7)
Dividend income	股息收入	-	-	6.1	6.1	-	-	8.5	8.5
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	-	-	(17.2)	(17.2)	-	-	(102.0)	(102.0)
Gain on bargain purchase on acquisition of subsidiaries	收購子公司之議價購買收益	-	-	96.8	96.8	-	-	88.9	88.9
Unallocated exchange loss	未分配外匯虧損	-	-	-	-	-	-	(70.6)	(70.6)
Gain/(loss) on disposal of property, plant and equipment, investment properties and leasehold land and land use rights	出售物業、廠房及設備、投資物業以及租賃土地及土地使用權之收益/(虧損)	-	-	270.5	270.5	-	-	(38.3)	(38.3)
Gain on disposal of assets classified as held for sale	出售分類為持作出售資產之收益	-	-	38.5	38.5	-	-	-	-
Provision for impairment on property, plant and equipment and leasehold land and land use rights	物業、廠房及設備以及租賃土地及土地使用權之減值撥備	-	-	(106.7)	(106.7)	-	-	-	-

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 5 SEGMENT INFORMATION (continued)

##### Segment assets

Reconciliation of segment assets to total assets as at 31 December 2017 and 31 December 2016 are provided as follows:

		As at 截至以下日期止年度					
		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Greater China 大中華 地區 HK\$M 百萬港元	Non- Greater China 非大中華 地區 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元	Greater China 大中華 地區 HK\$M 百萬港元 (restated) (經重列)	Non- Greater China 非大中華 地區 HK\$M 百萬港元 (restated) (經重列)	Total 總計 HK\$M 百萬港元 (restated) (經重列)
Segment assets	分部資產	3,036.5	7,541.8	10,578.3	2,704.8	6,899.0	9,603.8
Deferred income tax assets	遞延所得稅資產			168.1			177.4
Fixed return investment	固定回報投資			339.0			316.8
Tax recoverable	可退回稅項			25.8			23.1
Derivative financial instruments	衍生金融工具			6.1			7.9
Cash and cash equivalents	現金及現金等值項目			976.4			1,656.7
Total assets	資產總值			12,093.7			11,785.7

#### 5 分部資料 (續)

##### 分部資產

於二零一七年十二月三十一日及二零一六年十二月三十一日分部資產與資產總值的對賬如下：

## 5 SEGMENT INFORMATION (continued)

### Geographical information

Non-current assets, other than financial instruments and deferred tax assets (there are no employee benefit assets and rights arise contracts), and analysed by geographic regions as follows:

		<b>As at 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元</b>	As at 31 December 2016 於二零一六年 十二月三十一日 HK\$M 百萬港元 (restated) (經重列)
Asia (Note)	亞洲 (附註)	<b>1,127.3</b>	1,284.8
Europe	歐洲	<b>4,068.0</b>	3,106.4
America	美洲	<b>586.7</b>	562.7
<b>Total</b>	<b>總計</b>	<b>5,782.0</b>	4,953.9

The analysis of revenue by geographic regions is as follows:

		<b>For the year ended 31 December 截至十二月三十一日止年度</b>	
		<b>2017 二零一七年 HK\$M 百萬港元</b>	2016 二零一六年 HK\$M 百萬港元
Asia (Note)	亞洲 (附註)	<b>4,813.6</b>	3,211.4
Europe	歐洲	<b>11,626.4</b>	-
America	美洲	<b>2,051.0</b>	-
<b>Total</b>	<b>總計</b>	<b>18,491.0</b>	3,211.4

Note: Asia represents Hong Kong and the PRC

附註：亞洲主要指香港及中國

## 5 分部資料 (續)

### 地區資料

非流動資產不包括金融工具及遞延所得稅資產 (概無根據合約產生僱員福利資產及權利)，按地區分析如下：

		<b>As at 31 December 2017 於二零一七年 十二月三十一日 HK\$M 百萬港元</b>	As at 31 December 2016 於二零一六年 十二月三十一日 HK\$M 百萬港元 (restated) (經重列)
Asia (Note)	亞洲 (附註)	<b>1,127.3</b>	1,284.8
Europe	歐洲	<b>4,068.0</b>	3,106.4
America	美洲	<b>586.7</b>	562.7
<b>Total</b>	<b>總計</b>	<b>5,782.0</b>	4,953.9

按地區分類之收益分析如下：

		<b>For the year ended 31 December 截至十二月三十一日止年度</b>	
		<b>2017 二零一七年 HK\$M 百萬港元</b>	2016 二零一六年 HK\$M 百萬港元
Asia (Note)	亞洲 (附註)	<b>4,813.6</b>	3,211.4
Europe	歐洲	<b>11,626.4</b>	-
America	美洲	<b>2,051.0</b>	-
<b>Total</b>	<b>總計</b>	<b>18,491.0</b>	3,211.4

附註：亞洲主要指香港及中國



5 SEGMENT INFORMATION (continued)  
Analysis of revenue by category

5 分部資料(續)  
按業務類別分類之收益分析

		For the year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Metal recycling	金屬回收		
– Ferrous metal	– 黑色金屬	9,616.0	490.3
– Non-ferrous metal	– 有色金屬	7,792.3	2,076.7
Forging and foundry	鍛造及鑄造	259.8	216.4
Others	其他	822.9	428.0
Total	總計	18,491.0	3,211.4

Information about major customers

No single customer contributed 10% or more to the Group's revenue during the year ended 31 December 2017 and 2016.

主要客戶的資料

於截至二零一七年及二零一六年十二月三十一日止年度，並無單一客戶貢獻本集團收益10%或以上。

6 OTHER INCOME

6 其他收入

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Rental income	租金收入	<b>21.2</b>	–
Rental income from investment properties (Note 16)	投資物業租金收入 (附註16)	<b>3.6</b>	4.3
Government grants	政府補助	<b>0.3</b>	1.4
Dividend income	股息收入	<b>6.1</b>	8.5
Other income from related parties (Note 37(a))	來自關聯方的其他收入 (附註37(a))	<b>2.6</b>	–
Service income	服務收入	<b>13.4</b>	–
Compensation from insurance coverage	保險補償	<b>19.0</b>	–
Others	其他	<b>47.7</b>	1.0
		<b>113.9</b>	15.2

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

7 OTHER GAINS/(LOSSES), NET

7 其他收益／（虧損）淨額

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
(Losses)/gains on fair value change of:	公平值變動（虧損）／收益：		
– derivatives financial instruments	– 衍生金融工具	(15.5)	3.3
– financial assets at fair value through profit or loss	– 按公平值計入損益之金融資產	(1.7)	(105.3)
– embedded derivative components of convertible bonds (Note 29(b))	– 可換股債券之嵌入式衍生工具部分（附註29(b)）	–	9.6
Foreign exchange gain/(loss), net	匯兌收益／（虧損）淨額	1.3	(298.2)
Provision for impairment of trade and other receivables, net of reversal	貿易及其他應收款項之減值撥備（扣除回撥）	(49.3)	6.6
Provision for impairment of property, plant and equipment (Note 14)	物業、廠房及設備之減值撥備（附註14）	(14.3)	–
Provision for impairment of leasehold land and land use rights (Note 21(e))	租賃土地及土地使用權之減值撥備（附註21(e)）	(92.4)	–
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益／（虧損）	16.0	(0.9)
Gain on disposal of investment properties	出售投資物業之收益	254.5	–
Gain on disposal of assets classified as held for sale	出售分類為持作出售資產之收益	38.5	–
Loss on disposal of leasehold land and land use rights	出售租賃土地及土地使用權之虧損	–	(37.4)
Gain on bargain purchase on acquisition of subsidiaries (Note 39)	收購子公司之議價購買收益（附註39）	96.8	88.9
Others	其他	3.2	(1.7)
		<b>237.1</b>	<b>(335.1)</b>

8 EXPENSES BY NATURE

8 按性質劃分之開支

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Changes in inventories of finished goods	製成品存貨之變動	<b>(107.9)</b>	(243.8)
Raw materials and consumables used	所用原料及消耗品	<b>14,784.7</b>	3,121.8
Provision for/(utilisation of provision for) inventories, net (Note 22)	存貨撥備／(動用撥備)淨額 (附註22)	<b>5.4</b>	(76.0)
Employee benefit expense (Note 9)	僱員福利開支(附註9)	<b>1,135.3</b>	185.5
Depreciation and amortisation expenses	折舊及攤銷開支	<b>399.1</b>	60.7
Legal and professional expenses (Note (i))	法律及專業開支(附註(i))	<b>133.6</b>	106.6
Auditors' remuneration	核數師薪酬		
– Audit services	– 核數服務	<b>22.6</b>	10.2
– Non-audit services	– 非核數服務	<b>1.0</b>	6.7
Other expenses	其他開支	<b>1,653.5</b>	129.7
<b>Total cost of sales, distribution and selling expenses and administrative expenses</b>	<b>銷售成本、分銷及銷售開支以及行政開支總額</b>	<b>18,027.3</b>	3,301.4

Note:

- (i) Legal and professional expenses included non-audit service fees to auditors of HK\$19.3 million (2016: Nil).

附註：

- (i) 法律及專業開支包含核數師的非核數服務費1,930萬港元(二零一六年：無)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 9 EMPLOYEE BENEFIT EXPENSE

Employee benefit expense during the year are as follows:

		<b>2017</b>	2016
		二零一七年	二零一六年
		<b>HK\$M</b>	HK\$M
		百萬港元	百萬港元
Wages and salaries	工資及薪金	<b>972.9</b>	167.1
Other termination benefits	其他離職福利	<b>2.1</b>	2.5
Social security costs	社保成本	<b>6.6</b>	6.5
Pension costs – defined contribution plans (Note (a))	退休金成本—界定供款計劃 (附註(a))	<b>6.2</b>	4.8
Pension costs – defined benefit plans (Note 35)	退休金成本—界定福利計劃 (附註35)	<b>0.9</b>	–
Other employee benefits	其他僱員福利	<b>146.6</b>	4.6
<b>Total employee benefit expense</b>	<b>僱員福利開支總額</b>	<b>1,135.3</b>	185.5

#### 9 僱員福利開支

年內的僱員福利開支如下：

9 EMPLOYEE BENEFIT EXPENSE (continued)

(a) Pensions – defined contribution plans

Contributions totaling HK\$6.2 million (2016: HK\$4.8 million) were payable to the fund at the year-end.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2016: three) directors whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining three (2016: two) individuals during the year are as follows:

9 僱員福利開支(續)

(a) 退休金—界定供款計劃

供款合共620萬港元(二零一六年:480萬港元)須於年末劃撥至公積金。

(b) 五位最高薪酬人士

年內本集團之五位最高薪酬人士包括酬金已載列於附註38所述分析之兩位董事(二零一六年:三位)。年內應付予餘下三位(二零一六年:兩位)人士之酬金如下:

	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Salaries, bonus and other allowances 薪金、花紅及其他津貼	12.5	4.0
Pension costs – defined contribution plans 退休金成本—界定供款計劃	–	–
	<b>12.5</b>	<b>4.0</b>

The emoluments fell within the following bands:

酬金介乎以下範圍:

	Number of individual 人數	Number of individual 人數
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	–	1
HK\$3,500,001 to HK\$4,000,000 3,500,001港元至4,000,000港元	1	–
HK\$4,000,001 to HK\$4,500,000 4,000,001港元至4,500,000港元	2	–



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

10 FINANCE COSTS, NET

10 財務成本淨額

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Interest income from bank deposits	銀行存款之利息收入	<b>14.7</b>	5.9
Interest income from loan to Scholz Group (pre-acquisition)	向順爾茨集團(收購前)貸款之利息收入	–	25.2
Interest income from related parties (Note 37(a))	來自關聯方之利息收入(附註37(a))	<b>1.9</b>	–
Interest income from fixed return investment	固定回報投資之利息收入	<b>22.2</b>	16.8
<b>Finance income</b>	<b>財務收入</b>	<b>38.8</b>	47.9
Interest expense on loan from the immediate holding company (Note 37(a))	來自直接控股公司的貸款之利息開支(附註37(a))	<b>(0.2)</b>	(3.7)
Interest expense on loan from an intermediate holding company (Note 37(a))	來自中間控股公司的貸款之利息開支(附註37(a))	<b>(1.4)</b>	(1.0)
Interest expense on loan from related parties (Note 37(a))	來自關聯方的貸款之利息開支(附註37(a))	<b>(1.5)</b>	–
Interest expense on bank loans, overdrafts and bills payable	銀行貸款、透支及應付票據之利息開支	<b>(168.5)</b>	(36.8)
Interest expense on note payable	票據應付款項的利息開支	<b>(218.3)</b>	(6.9)
Interest on finance lease	融資租賃之利息	<b>(10.5)</b>	–
Effective interest expenses on other borrowings	其他借款之實際利息開支	<b>(13.7)</b>	(22.7)
Effective interest expenses on convertible bond (Note 29(b))	可換股債券之實際利息開支(附註29(b))	<b>(2.0)</b>	(10.9)
<b>Finance costs</b>	<b>財務成本</b>	<b>(416.1)</b>	(82.0)
<b>Finance costs, net</b>	<b>財務成本淨額</b>	<b>(377.3)</b>	(34.1)

## 11 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year.

Under the law of the PRC on Enterprise Income Tax (the "EIT") and the relevant EIT Implementation Regulations, the tax rate of PRC EIT has been provided at the rate of 25% (2016: 25%) on the estimated assessable profit for the year.

Germany and USA income tax have been provided at rate of approximately 30% and 39% respectively on the estimated assessable profit in current year.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates respectively. Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

## 11 所得稅(開支)／抵免

香港利得稅乃根據年內估計應課稅溢利按稅率16.5% (二零一六年: 16.5%) 計提撥備。

根據中國企業所得稅法(「企業所得稅」)及相關企業所得稅實施條例,中國企業所得稅稅率乃根據年內估計應課稅溢利按稅率25% (二零一六年: 25%) 計提撥備。

德國及美國所得稅乃分別按本年度估計應課稅溢利約30%及39%的稅率計提撥備。

海外溢利之稅項乃按本集團經營所在國家之現行稅率計算本年度之估計應課稅溢利。所得稅開支乃根據管理層對整個財政年度預期的加權平均年度所得稅率的估計確認。

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Current income tax:	即期所得稅項:		
Germany	德國	(85.5)	-
PRC EIT	中國企業所得稅	(6.5)	-
Hong Kong profits tax	香港利得稅	(3.1)	(0.1)
USA	美國	(12.9)	-
Other jurisdictions	其他司法權區	1.7	(0.1)
		<b>(106.3)</b>	(0.2)
Under provision in prior years:	於過往年度撥備不足:		
Germany	德國	(20.2)	-
PRC EIT	中國企業所得稅	-	(0.1)
Hong Kong profits tax	香港利得稅	-	(0.1)
		<b>(20.2)</b>	(0.2)
Deferred income tax credit (Note 31)	遞延所得稅抵免(附註31)	<b>15.9</b>	0.8
Income tax (expense)/credit	所得稅(開支)／抵免	<b>(110.6)</b>	0.4

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 11 INCOME TAX (EXPENSE)/CREDIT (continued)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit/(loss) of the consolidated entities as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Profit/(loss) before income tax	除所得稅前溢利／（虧損）	546.2	(443.6)
Tax calculated at domestic tax rates applicable to profits in the respective countries	按適用於相關國家溢利的本地稅率計算的稅項	166.0	(74.0)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	185.3	89.4
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(122.2)	(20.2)
Tax effect of deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	20.6	(16.8)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	81.8	23.5
Tax effect of utilisation of tax losses previously not recognised	使用之前未確認稅項虧損的稅務影響	(208.5)	(2.5)
Tax impact on share of results from an associate and joint ventures	對應佔聯營公司及合營企業業績之稅務影響	(32.6)	-
Under provision in respect of prior years	過往年度撥備不足	20.2	0.2
Income tax expense/(credit) for the year	年內所得稅開支／（抵免）	110.6	(0.4)

The weighted average applicable tax rate was 30.4% (2016: 16.7%). The increase is caused by a change in the distribution of profitability of the Group's subsidiaries in respective countries.

#### 12 DIVIDENDS

No dividend was paid or proposed during 2017 and 2016, nor has any dividend been proposed by the Company since the end of the reporting period in respect of the year ended 31 December 2017 and 2016.

#### 11 所得稅（開支）／抵免（續）

本集團除所得稅前溢利／（虧損）的稅項與使用適用於綜合實體溢利／（虧損）的加權平均稅率而產生的理論金額之差別如下：

加權平均適用稅率為30.4%（二零一六年：16.7%）。增加乃由於本集團相關國家之子公司之盈利能力分佈有變。

#### 12 股息

本公司於二零一七年及二零一六年均無派付或建議派付任何股息，自截至二零一七年及二零一六年十二月三十一日止各年度的報告期末亦無建議派付任何股息。

### 13 EARNINGS/(LOSS) PER SHARE

#### (a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
<b>Profit/(loss)</b>	<b>溢利／（虧損）</b>		
Profit/(loss) for the year attributable to shareholders of the Company	本公司股東應佔本年度溢利／（虧損）	<b>426.8</b>	(439.9)
<b>Number of shares</b>	<b>股數</b>		
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	<b>1,611,426,900</b>	1,612,911,939
Basic earnings/(loss) per share (expressed in HK\$)	每股基本盈利／（虧損） （以港元列報）	<b>0.26</b>	(0.27)

#### (b) Diluted

The Group has no potentially dilutive shares outstanding during the year ended 31 December 2017.

Diluted loss per share for last year equals basic loss per share as the exercise of the outstanding share options and convertible bonds would be anti-dilutive.

### 13 每股盈利／（虧損）

#### (a) 基本

每股基本盈利／（虧損）乃按本公司股東應佔本年度溢利／（虧損）除以已發行普通股加權平均數目計算得出。

#### (b) 攤薄

於截至二零一七年十二月三十一日止年度本集團並無已發行潛在攤薄股份。

去年每股攤薄虧損等於每股基本虧損，因為行使尚未行使購股權及可換股債券具有反攤薄影響。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 14 PROPERTY, PLANT AND EQUIPMENT

#### 14 物業、廠房及設備

		Buildings	Plant and machinery	Office furniture and equipment	Leasehold improvements	Construction in progress	Total
		樓宇	廠房及機器	辦公傢俱及設備	租賃物業裝修	在建工程	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
At 1 January 2016	於二零一六年一月一日						
Cost	成本	241.3	191.9	22.3	51.5	244.5	751.5
Accumulated depreciation	累計折舊	(45.2)	(96.0)	(16.2)	(46.0)	-	(203.4)
Net book amount	賬面淨值	196.1	95.9	6.1	5.5	244.5	548.1
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度						
Opening net book amount	年初之賬面淨值	196.1	95.9	6.1	5.5	244.5	548.1
Acquisition of subsidiaries (Note 39) (restated)	收購子公司(附註39)(經重列)	1,779.7	548.4	55.9	-	53.0	2,437.0
Additions	添置	8.9	28.0	3.5	0.2	86.6	127.2
Transfer upon completion	於完成後轉讓	148.3	82.6	-	-	(230.9)	-
Transfer to land use rights (Note 15)	轉撥至土地使用權(附註15)	-	-	-	-	(92.1)	(92.1)
Transfer to investment properties (Note 16)	轉撥至投資物業(附註16)	(44.2)	(12.1)	-	-	-	(56.3)
Transfer to asset held for sale (Note 21)	轉撥至持作出售資產(附註21)	(0.9)	-	-	-	-	(0.9)
Government grants	政府補助	-	(1.2)	-	-	-	(1.2)
Disposal	出售	-	(2.1)	(0.2)	-	-	(2.3)
Depreciation charge	折舊開支	(11.4)	(25.1)	(3.2)	(2.2)	-	(41.9)
Currency translation differences	匯兌差額	(21.9)	(13.6)	(0.4)	-	(8.3)	(44.2)
Closing net book amount (restated)	年末之賬面淨值(經重列)	2,054.6	700.8	61.7	3.5	52.8	2,873.4
At 31 December 2016	於二零一六年十二月三十一日						
Cost (restated)	成本(經重列)	2,069.8	806.5	79.5	51.7	52.8	3,060.3
Accumulated depreciation	累計折舊	(15.2)	(105.7)	(17.8)	(48.2)	-	(186.9)
Net book amount (restated)	賬面淨值(經重列)	2,054.6	700.8	61.7	3.5	52.8	2,873.4

14 PROPERTY, PLANT AND EQUIPMENT (continued) 14 物業、廠房及設備(續)

		Buildings	Plant and machinery	Office furniture and equipment	Leasehold improvements	Construction in progress	Total
		樓宇	廠房及機器	辦公傢俱及設備	租賃物業裝修	在建工程	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
At 1 January 2017	於二零一七年一月一日						
Cost (restated)	成本(經重列)	2,069.8	806.5	79.5	51.7	52.8	3,060.3
Accumulated depreciation	累計折舊	(15.2)	(105.7)	(17.8)	(48.2)	-	(186.9)
Net book amount (restated)	賬面淨值(經重列)	2,054.6	700.8	61.7	3.5	52.8	2,873.4
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度						
Opening net book amount (restated)	年初之賬面淨值(經重列)	2,054.6	700.8	61.7	3.5	52.8	2,873.4
Acquisition of subsidiaries (Note 39(b))	收購子公司(附註39(b))	311.5	70.9	2.0	-	1.7	386.1
Additions	添置	51.0	169.8	38.7	18.2	151.6	429.3
Transfer upon completion	於完成後轉讓	40.1	62.3	4.8	3.6	(110.8)	-
Transfer to investment properties (Note 16)	轉發至投資物業(附註16)	(0.1)	-	-	-	-	(0.1)
Impairment loss (Note 7)	減值虧損(附註7)	-	(14.3)	-	-	-	(14.3)
Disposal	出售	(42.2)	(75.5)	(3.8)	(1.3)	-	(122.8)
Depreciation charge	折舊開支	(133.6)	(196.4)	(36.5)	(3.0)	-	(369.5)
Currency translation differences	匯兌差額	292.7	73.1	8.7	-	2.7	377.2
Closing net book amount	年末之賬面淨值	2,574.0	790.7	75.6	21.0	98.0	3,559.3
At 31 December 2017	於二零一七年十二月三十一日						
Cost	成本	2,709.6	943.7	109.2	31.9	98.0	3,892.4
Accumulated depreciation and impairment loss	累計折舊及減值虧損	(135.6)	(153.0)	(33.6)	(10.9)	-	(333.1)
Net book amount	賬面淨值	2,574.0	790.7	75.6	21.0	98.0	3,559.3



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 14 PROPERTY, PLANT AND EQUIPMENT (continued)

##### Notes:

Depreciation expense of HK\$250.3 million (2016: HK\$13.6 million) has been charged in cost of sales, HK\$4.8 million (2016: HK\$5.1 million) in distribution and selling expenses and HK\$114.4 million (2016: HK\$23.2 million) in administrative expenses.

Construction in progress as at 31 December 2017 mainly comprises new metal scrap manufacturing plant being constructed in the PRC and new waste processing plant being constructed in Germany.

Buildings and plant with a net book value of HK\$2,054.5 million (2016: HK\$940.8 million (as restated)) were pledged to banks to secure the banking facilities granted to the Group (Note 33).

Plant and machinery includes the following amounts where the Group is a lessee under a finance lease:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Cost – capitalised finance leases	成本—已變現融資租約	166.3	145.5
Accumulated depreciation	累計折舊	(61.5)	-
Net book amount	賬面淨值	104.8	145.5

The Group leases various plant and machinery under non-cancellable finance lease agreements. The leases are between 1 and 6 years, ownership of the assets lie within the Group.

#### 14 物業、廠房及設備 (續)

##### 附註：

折舊開支2億5,030萬港元(二零一六年：1,360萬港元)於銷售成本扣除，480萬港元(二零一六年：510萬港元)於分銷及銷售開支扣除及1億1,440萬港元(二零一六年：2,320萬港元)於行政開支扣除。

於二零一七年十二月三十一日的在建工程主要包括現時在中國建設中的新金屬廢料生產工廠以及現時在德國建設中的新廢物處理廠。

賬面淨值20億5,450萬港元(二零一六年：9億4,080萬港元，經重列)的樓宇及工廠已抵押予銀行，作為本集團獲授銀行融資的抵押(附註33)。

廠房及機器包括以下金額，本集團為當中的一項融資租約的承租人：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Cost – capitalised finance leases	成本—已變現融資租約	166.3	145.5
Accumulated depreciation	累計折舊	(61.5)	-
Net book amount	賬面淨值	104.8	145.5

本集團根據不可撤銷融資租賃協議租賃多項廠房及機器。租約介乎一至六年，而資產擁有權為本集團所有。

## 15 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
At 1 January	於一月一日	<b>529.3</b>	520.5
Additions	添置	–	17.3
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	–	19.8
Amortisation charge	攤銷開支	<b>(13.2)</b>	(14.8)
Disposal	出售	–	(45.1)
Impairment (Note 21(e))	減值(附註21(e))	<b>(92.4)</b>	–
Transfer from property, plant and equipment (Note 14)	轉撥自物業、廠房及設備 (附註14)	–	92.1
Transfer to assets classified as held for sale (Note 21)	轉撥至分類為持作出售資產 (附註21)	<b>(38.3)</b>	(0.2)
Transfer to investment properties (Note 16)	轉撥至投資物業(附註16)	–	(31.9)
Currency translation differences	匯兌差額	<b>27.5</b>	(28.4)
At 31 December	於十二月三十一日	<b>412.9</b>	529.3

The Group has pledged and land use rights with a net book value of HK\$333.9 million (2016: HK\$317.6 million) to secure banking facilities granted to the Group (Note 33).

## 15 租賃土地及土地使用權

本集團於土地使用權的權益指預付經營租賃付款及其賬面淨值分析如下：

本集團已抵押賬面淨值為3億3,390萬港元(二零一六年：3億1,760萬港元)的土地使用權，作為本集團獲授的銀行融資的抵押(附註33)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

## 16 INVESTMENT PROPERTIES

## 16 投資物業

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
At 1 January	於一月一日	<b>81.8</b>	21.0
Transfer from property, plant and equipment (Note 14)	轉撥自物業、廠房及設備 (附註14)	<b>0.1</b>	56.3
Transfer from land use rights (Note 15)	轉撥自土地使用權(附註15)	-	31.9
Depreciation charge	折舊開支	<b>(4.9)</b>	(4.0)
Transfer to assets classified as held for sale (Note 21(a))	轉撥至分類為持作出售資產 (附註21(a))	-	(19.6)
Disposal (Note 40)	出售(附註40)	<b>(76.2)</b>	-
Currency translation differences	匯兌差額	<b>2.7</b>	(3.8)
At 31 December	於十二月三十一日	<b>3.5</b>	81.8

#### Notes:

- (i) The above investment properties, which are situated in the PRC (2016: the PRC) are depreciated on a straight-line basis over the remaining useful lives.
- (ii) At 31 December 2017, none of the investment properties were pledged for securing banking facilities granted to the Group (2016: The Group pledged investment properties with a net book value of HK\$55.6 million to secure banking facilities granted to the Group (Note 33)).
- (iii) The fair value of the Group's investment properties at 31 December 2017 was HK\$52.3 million (2016: HK\$259.8 million).
- (iv) Rental income from these investment properties recognised in the consolidated statement of profit or loss for the year ended 31 December 2017 amounted to HK\$3.6 million (2016: HK\$4.3 million) (Note 6).
- (v) Depreciation expense has been charged to administrative expenses.

#### 附註:

- (i) 上述位於中國(二零一六年:中國)的投資物業按餘下使用年期以直線基準折舊。
- (ii) 於二零一七年十二月三十一日,概無投資物業作為本集團獲授的銀行融資的抵押(二零一六年:本集團已抵押賬面淨值為5,560萬港元的投資物業,作為本集團獲授的銀行融資的抵押(附註33))。
- (iii) 本集團投資物業於二零一七年十二月三十一日的公平值為5,230萬港元(二零一六年:2億5,980萬港元)。
- (iv) 於截至二零一七年十二月三十一日止年度在綜合損益表內確認的來自該等投資物業租金收入為360萬港元(二零一六年:430萬港元)(附註6)。
- (v) 折舊開支已於行政開支中扣除。

17 INTANGIBLE ASSETS

17 無形資產

		Goodwill	Computer software	Brandnames, patents and licenses 品牌、專利及授權	Customers' relationship and suppliers' relationship 客戶關係及供應商關係	Total
		商譽	電腦軟件	及授權	客戶關係及 供應商關係	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
		(restated)	(restated)	(restated)	(restated)	(restated)
		(經重列)	(經重列)	(經重列)	(經重列)	(經重列)
<b>At 1 January 2016</b>	於二零一六年一月一日					
Cost	成本	-	-	-	-	-
Accumulated amortisation	累計攤銷	-	-	-	-	-
Net book amount	賬面淨值	-	-	-	-	-
<b>Year ended 31 December 2016</b>	截至二零一六年 十二月三十一日止年度					
Opening net book amount	年初賬面淨值	-	-	-	-	-
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	690.6	5.4	238.9	73.4	1,008.3
Closing net book amount	年末賬面淨值	690.6	5.4	238.9	73.4	1,008.3
<b>At 31 December 2016</b>	於二零一六年 十二月三十一日					
Cost	成本	690.6	5.4	238.9	73.4	1,008.3
Accumulated amortisation	累計攤銷	-	-	-	-	-
Net book amount	賬面淨值	690.6	5.4	238.9	73.4	1,008.3

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

17 INTANGIBLE ASSETS (continued)

17 無形資產(續)

		Goodwill	Computer software	Brandnames, patents and licenses	Customers' relationship and suppliers' relationship	Total
		商譽	電腦軟件	品牌、專利及授權	客戶關係及供應商關係	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
<b>Year ended 31 December 2017 截至二零一七年</b>						
十二月三十一日止年度						
Opening net book amount (restated)	年初賬面淨值(經重列)	690.6	5.4	238.9	73.4	1,008.3
Additions	添置	-	1.0	-	-	1.0
Acquisition of subsidiaries (Note 39(b))	收購子公司 (附註39(b))	-	1.2	39.6	17.4	58.2
Amortisation charge	攤銷開支	-	(2.6)	(4.9)	(4.0)	(11.5)
Currency translation differences	匯兌差額	101.1	0.9	37.9	11.8	151.7
Closing net book amount	年末賬面淨值	791.7	5.9	311.5	98.6	1,207.7
<b>At 31 December 2017 於二零一七年</b>						
十二月三十一日						
Cost	成本	791.7	8.5	316.4	102.6	1,219.2
Accumulated amortisation	累計攤銷	-	(2.6)	(4.9)	(4.0)	(11.5)
Net book amount	賬面淨值	791.7	5.9	311.5	98.6	1,207.7

## 17 INTANGIBLE ASSETS (continued)

### Impairment tests for goodwill

Goodwill is recognised through the acquisition of Yantai Liheng Environmental Protection Technology Co., Ltd \* (煙台立衡環保科技有限公司) (“Yantai Liheng”) and Scholz Holding in 2016 with carrying amount of HK\$14.7 million (2016: HK\$14.7 million) and HK\$777.0 million (2016: HK\$675.9 million (as restated)) respectively as at 31 December 2017.

Management reviews the business performance based on geographic regions. It has identified Asia, Europe and America as the main regions. Goodwill arising from the acquisition of Yantai Liheng is allocated to Asian region and that arising from the acquisition of the Scholz Holding is allocated to Asian, European and American regions.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the metal recycling business in which the CGU operates.

## 17 無形資產(續)

### 商譽之減值測試

商譽乃透過於二零一六年收購煙台立衡環保科技有限公司(「煙台立衡」)及順爾茨控股而確認，於二零一七年十二月三十一日，賬面值分別為1,470萬港元(二零一六年：1,470萬港元)及7億7,700萬港元(二零一六年：6億7,590萬港元(經重列))。

管理層根據地理位置審閱業務表現。其已識別亞洲、歐洲及美國作為主要地區。來自收購煙台立衡的商譽被分配至亞洲地區及來自收購順爾茨控股的商譽被分配至亞洲、歐洲及美國地區。

現金產生單位可收回金額根據使用價值計算法釐定，而有關計算乃使用基於管理層批准的五年期財政預算的除稅前現金流預測。超出五年期的現金流則使用下文所述的估計增長率推算。增長率不會超過再生金屬業務(現金產生單位經營所在的業務)的長期平均增長率。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 17 INTANGIBLE ASSETS (continued)

##### Impairment tests for goodwill (continued)

For the impairment test for goodwill, the key assumptions, long term growth rate and discount rate used in the value-in-use calculations are disclosed below:

		Asia 亞洲	Europe 歐洲	America 美國
<b>2017</b>	<b>二零一七年</b>			
Long term growth rate (Note (i))	長期增長率 (附註(i))	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
Pre-tax discount rate (Note (ii))	除稅前折現率 (附註(ii))	<b>10.3%</b>	<b>9.3%</b>	<b>9.3%</b>
Gross profit margin	毛利率	<b>9.1%-9.9%</b>	<b>13.4%-13.5%</b>	<b>16.5%</b>
Revenue growth rate	收益增長率	<b>9%</b>	<b>4%</b>	<b>4%</b>

		Asia 亞洲	Europe 歐洲	America 美國
<b>2016</b>	<b>二零一六年</b>			
Long term growth rate (Note (i))	長期增長率 (附註(i))	2.0%	2.0%	2.0%
Pre-tax discount rate (Note (ii))	除稅前折現率 (附註(ii))	10.3%	9.3%	9.3%
Gross profit margin	毛利率	9.1%-9.9%	13.4%-13.5%	16.5%
Revenue growth rate	收益增長率	9%	4%	4%

Notes:

- (i) The long term growth rates used are consistent with the forecasts included in industry reports.
- (ii) Pre-tax discount rate applied to the pre-tax cash flow forecast.

附註：

- (i) 所用的長期增長率與行業報告內所載的預測一致。
- (ii) 除稅前折現率適用於除稅前現金流預測。

#### 17 無形資產 (續)

##### 商譽之減值測試 (續)

就商譽減值測試，使用價值計算中使用的主要假設、長期增長率及折現率披露於下文：

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

18 使用權益法列賬的投資

(a) Interest in an associate

(a) 於聯營公司之權益

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Cost of unlisted investment in an associate (Note)	於聯營公司之非上市投資成本 (附註)	2.3	2.3
Share of post-acquisition profits	應佔收購後溢利	0.4	0.2
		<b>2.7</b>	2.5

Note:

附註：

Details of the Group's associate at the end of the reporting period are as follows:

本集團於報告期末的聯營公司詳情如下：

Name of entity 實體名稱	Place of principal business 主要業務地點	Proportion of ownership interest held by the Group 本集團所持 擁有權益比例	Principal activity 主要業務
Poly Metals Company Limited ("Poly Metals") 寶勵金屬有限公司 (「寶勵」)	Hong Kong 香港	20%	Trading of metal scrap 廢金屬交易

Poly Metals is a private company and there is no quoted market price available for its shares.

寶勵為私人公司及其股份並無可得的市場報價。

There are no contingent liabilities relating to the Group's interest in an associate.

並無有關本集團於聯營公司之權益之或然負債。

**Summarised financial information for an associate**

一間聯營公司之財務資料概要

Set out below is the summarised financial information for Poly Metals which is accounted using the equity method.

下文列載寶勵之財務資料概要，其使用權益法列賬。

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

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Interest in an associate (continued)

Summarised balance sheet

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Total current assets	流動資產總值	25.4	12.7
Total non-current assets	非流動資產總值	0.7	0.8
Total current liabilities	流動負債總額	(20.6)	(8.6)
Total non-current liabilities	非流動負債總額	-	-

Summarised statement of comprehensive income

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Revenue	收益	229.3	122.9
Profit and total comprehensive income	溢利及全面收益總額	0.8	2.2

18 使用權益法列賬的投資 (續)

(a) 於聯營公司之權益 (續)

資產負債表概要

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Total current assets	流動資產總值	25.4	12.7
Total non-current assets	非流動資產總值	0.7	0.8
Total current liabilities	流動負債總額	(20.6)	(8.6)
Total non-current liabilities	非流動負債總額	-	-

全面收益表概要

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Revenue	收益	229.3	122.9
Profit and total comprehensive income	溢利及全面收益總額	0.8	2.2

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Interest in an associate (continued)

Summarised statement of comprehensive income (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Poly Metals recognised in the consolidated financial statements:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Net asset of Poly Metals as at 31 December	寶勵於十二月三十一日的資產淨值	5.6	4.8
Proportion of the Group's ownership interest in Poly Metals	本集團於寶勵之擁有權益比例	20%	20%
Share of net assets of Poly Metals	應佔寶勵資產淨值	1.2	1.0
Goodwill	商譽	1.5	1.5
Closing carrying amount	年末賬面值	2.7	2.5

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate.

18 使用權益法列賬的投資 (續)

(a) 於聯營公司之權益 (續)

全面收益表概要 (續)

上述財務資料概要與於寶勵權益之賬面值 (於綜合財務報表內確認) 之對賬如下:

上述資料反映就本集團與該聯營公司之會計政策差異作調整後於該聯營公司之財務報表呈列之金額。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

##### (b) Interests in joint ventures

Particulars of the significant joint ventures are set out below:

Name of entity 實體名稱	Place of establishment/ principal place of business 成立地點/ 主要營業地點	% of ownership interest 擁有權益百分比		Nature of the relationship 關係性質	Measurement Method 計量方法	Carrying amount 賬面值	
		2017 二零一七年	2016 二零一六年			2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Schrott und Metallhandel M. Kaatsch GmbH	Germany 德國	75%	75%	Note (i) 附註(i)	Equity 權益	114.9	85.2
Scholz Austria GmbH	Austria 奧地利	63.35%	63.35%	Note (ii) 附註(ii)	Equity 權益	201.1	142.7
Kalischatarra, S.de R.L. de C.V.	Mexico 墨西哥	50%	50%	Note (iii) 附註(iii)	Equity 權益	135.0	113.8
Individually immaterial joint ventures 個別非重大合營企業				Note (iv) 附註(iv)	Equity 權益	137.5	103.7
						<b>588.5</b>	445.4

Notes:

- (i) Schrott und Metallhandel M. Kaatsch GmbH is a private company and there is no quoted market prices for its shares. It engages in collection, processing and trading of scrap metal in Germany.
- (ii) Scholz Austria GmbH is a private company and there is no quoted market prices for its shares. It engages in metal recycling business in Austria.
- (iii) Kalischatarra, S.de R.L. de C.V. is a private company and there is no quoted market prices for its shares. It engages in collection, processing and trading of scrap metal in Mexico.

附註：

- (i) Schrott und Metallhandel M. Kaatsch GmbH為一間私人公司及其股份並無市場報價。該公司於德國從事收集、加工及買賣廢金屬。
- (ii) Scholz Austria GmbH為一間私人公司及其股份並無市場報價。該公司於奧地利從事再生金屬業務。
- (iii) Kalischatarra, S.de R.L. de C.V.為一間私人公司及其股份並無市場報價。該公司於墨西哥從事收集、加工及買賣廢金屬。

#### 18 使用權益法列賬的投資（續）

##### (b) 於合營企業之權益

主要合營企業之詳情載列如下：

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Interests in joint ventures (continued)

Notes: (continued)

- (iv) In addition to the interests in joint ventures as disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Aggregate carrying amount of individually immaterial joint ventures	於個別非重大合營企業之賬面值總額	137.5	103.7
Aggregate amount of the Group's share of:	本集團應佔之總額：		
Profit for the year	年內溢利	43.5	-
Other comprehensive loss	其他全面虧損	(7.0)	-
Total comprehensive income	全面收益總額	36.5	-

Commitments and contingent liabilities in respect of joint ventures

The Group has provided guarantees of approximately HK\$140.2 million for bank loans, rental obligations and finances leases to certain joint ventures.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

18 使用權益法列賬的投資 (續)

(b) 於合營企業之權益 (續)

附註：(續)

- (iv) 除上文披露之於合營企業之權益外，本集團亦於數間個別非重大合營企業擁有權益，並使用權益法入賬：

有關合營企業之承擔及或然負債

本集團已向若干合營企業就銀行貸款、租賃責任及融資租賃提供約1億4,020萬港元之擔保。

並無有關本集團於合營企業之權益之或然負債。



18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Interests in joint ventures (continued)

Summarised financial information for joint ventures

Set out below is the summarised financial information for Schrott und Metallhandel M. Kaatsch GmbH, Scholz Austria GmbH and Kalischatarra, S.de R.L. de C.V. which are accounted for using the equity method. In the opinion of the directors, these joint ventures are material to the Group. The Group has not accounted for the share of their profit or loss for the year ended 31 December 2016 as the acquisition of Scholz Holding was only completed in December 2016.

Summarised statement of comprehensive income

		Schrott und Metallhandel M. Kaatsch GmbH	Scholz Austria GmbH	Kalischatarra, S.de R.L. de C.V.
		2017 二零一七年	2017 二零一七年	2017 二零一七年
		HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元
Revenue	收益	1,132.6	2,881.4	620.2
Profit for the year	年內溢利	21.3	63.9	17.2
Other comprehensive loss	其他全面虧損	-	-	(9.4)
Dividends received from joint ventures	收取合營企業股息	-	8.8	-

18 使用權益法列賬的投資 (續)

(b) 於合營企業之權益 (續)

合營企業之財務資料概要

下文列載Schrottund Metallhandel M. Kaatsch GmbH、Scholz Austria GmbH及Kalischatarra, S.de R.L. de C.V.之財務資料概要，其按權益法列賬。董事認為，該等合營企業對本集團而言屬重大。本集團並未將其應佔截至二零一六年十二月三十一日止年度的損益列賬，因為收購順爾茨控股乃於二零一六年十二月方完成交易。

全面收益表概要

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Interests in joint ventures (continued)

Summarised balance sheet

		Schrott und Metallhandel M. Kaatsch GmbH		Scholz Austria GmbH		Kalischatarra, S.de R.L. de C.V.	
		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)	2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
<b>Current</b>	<b>流動</b>						
Total current assets	流動資產總值	148.3	135.1	288.8	405.3	190.6	185.2
Total current liabilities	流動負債總額	(146.9)	(112.6)	(394.2)	(450.2)	(211.7)	(146.5)
Total net current assets/ (liabilities)	淨流動資產/(負債) 總額	1.4	22.5	(105.4)	(44.9)	(21.1)	38.7
<b>Non-current</b>	<b>非流動</b>						
Total non-current assets	非流動資產總值	158.5	84.4	454.5	210.4	284.2	177.8
Total non-current liabilities	非流動負債總額	(20.1)	(4.9)	(107.5)	(6.4)	(27.4)	(18.7)
Net assets	資產淨值	139.8	102.0	241.6	159.1	235.7	197.8
Group's share in %	本集團應佔百分比	75%	75%	63.35%	63.35%	50%	50%
Group's share in HK\$M	本集團應佔百萬港元	104.9	76.5	153.0	100.8	117.9	98.9
Goodwill	商譽	10.0	8.7	48.1	41.9	17.1	14.9
Closing carrying amount	年末賬面值	114.9	85.2	201.1	142.7	135.0	113.8

The information above reflects the amounts presented in the consolidated financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures.

上述資料反映就本集團與該等合營企業之會計政策差異作調整後於該等合營企業之綜合財務報表呈列之金額。

18 使用權益法列賬的投資 (續)

(b) 於合營企業之權益 (續)

資產負債表概要

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 19 MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2017, the Group acquired certain property, plant and equipment of HK\$59.5 million from a related party by netting off amount due from that related party.

During the year ended 31 December 2016, the Group acquired entire equity interest of Dalian New Green Recycle & Resources Corporation\* (大連新綠再生資源加工有限公司) ("DNG") by issuance of ordinary shares of the Company.

#### 20 OTHER NON-CURRENT ASSETS

#### 19 重大非現金交易

於截至二零一七年十二月三十一日止年度，本集團透過扣除應收關聯方款項向關聯方收購為數5,950萬港元之若干物業、廠房及設備。

於截至二零一六年十二月三十一日止年度，本集團透過發行本公司普通股收購大連新綠再生資源加工有限公司（「大連新綠」）全部股權。

#### 20 其他非流動資產

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Deposits and prepayments	按金及預付款項	7.4	19.3
Available-for-sale financial assets (Note (a))	可供出售金融資產(附註(a))	121.4	46.0
		<b>128.8</b>	<b>65.3</b>

Note:

(a) Movement on available-for-sale financial assets:

附註：

(a) 可供出售金融資產之變動：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
At 1 January	於一月一日	46.0	-
Acquisition of subsidiaries (Note 39)	收購子公司(附註39)	72.2	46.0
Disposal	出售	(10.9)	-
Currency translation differences	貨幣換算差異	14.1	-
At 31 December	於十二月三十一日	<b>121.4</b>	<b>46.0</b>

21 ASSETS CLASSIFIED AS HELD FOR SALE

21 分類為持作出售之資產

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Investment property (Note a)	投資物業 (附註a)	–	19.6
Investment in a joint venture (Note b)	於合營企業之投資 (附註b)	–	349.9
Land use rights (Note c & Note e)	土地使用權 (附註c及附註e)	38.3	0.2
Property, plant and equipment (Note c & Note d)	物業、廠房及設備 (附註c及附註d)	5.1	18.3
		<b>43.4</b>	388.0

Notes:

- (a) On 15 December 2016, the Group entered into a provisional sale and purchase agreement for the sale of an investment property located in Hong Kong to an independent third party at a cash consideration of HK\$48.0 million. The transaction has been completed on 27 February 2017.
- (b) Scholz Group has a 51.43% owned joint venture, C.I.O.S.d.o.o (“CIOS”), which engages in a metal recycling business in Croatia. Pursuant to the Articles of Association of CIOS, the other joint venture partner has a right to purchase Scholz Group’s 51.43% equity interest in CIOS at a price to be negotiated between two parties when certain condition is fulfilled. In December 2016, the other joint venture partner has indicated its intention to exercise the right and has commenced the negotiation on the transaction and consideration with Scholz Group. In November 2017, the Group entered into a sale and purchase agreement with the other joint venture partner of CIOS in which the Group agreed to dispose of its 51.43% equity interest in CIOS as part of its consideration in exchange for the entire equity interest in Dinos d.d. (“Dinos”, which was then a subsidiary of CIOS). The transaction was completed on 29 November 2017. Please refer to Note 39(b) for details.
- (c) During the year ended 31 December 2016, a compensation agreement was entered into between the Group and local government where the Group would surrender that certain buildings and land use rights with carrying amount of RMB1.0 million (approximately HK\$1.1 million) to the local government in return for a compensation of RMB9.7 million (approximately HK\$11.3 million). Accordingly, that land use right was reclassified as asset held for sale as at 31 December 2016. The transaction has been completed in June 2017.

附註:

- (a) 於二零一六年十二月十五日，本集團就向一名獨立第三方銷售一項位於香港的投資物業訂立臨時買賣協議，現金代價為4,800萬港元。該交易已於二零一七年二月二十七日完成。
- (b) 順爾茨集團擁有一間51.43%股權之合營企業C.I.O.S.d.o.o (「CIOS」)，該公司於克羅地亞從事金屬回收業務。根據CIOS之組織章程細則，另一名合營企業合夥人有權於若干條件滿足時購買順爾茨集團於CIOS的51.43%股權，價格由雙方磋商而定。於二零一六年十二月，另一名合營企業合夥人表示其有意行使該權利，並已就交易及代價與順爾茨集團展開磋商。於二零一七年十一月，本集團與CIOS的其他合營企業合夥人訂立買賣協議，當中本集團同意出售其於CIOS的51.43%股權，作為換取於Dinos d.d. (「Dinos」，當時為CIOS之子公司)全部股權之部分代價。交易已於二零一七年十一月二十九日完成。詳情請參閱附註39(b)。
- (c) 截至二零一六年十二月三十一日止年度，本集團與地方政府訂立補償協議，據此本集團將向地方政府交出賬面值為人民幣100萬元(約110萬港元)之若干樓宇及土地使用權，以換取人民幣970萬元(約1,130萬港元)之補償。因此，該土地使用權於二零一六年十二月三十一日重新分類為持作出售資產。交易已於二零一七年六月完成。

## 21 ASSETS CLASSIFIED AS HELD FOR SALE (continued)

Notes: (continued)

- (d) Two parcels of land owned by Scholz Group located in the USA with carrying amounts of approximately HK\$17.4 million were classified as asset held for sale as at 31 December 2016. One parcel of land was sold to an independent third party for approximately HK\$12.8 million during 2017.
- (e) Pursuant to the state-owned construction land use right transfer contract, a land located in Shandong Province, the PRC, is expected to be surrendered to the local government within next financial year. Accordingly, the land use right is reclassified as asset classified as held for sale in the consolidated financial statement and an impairment loss of HK\$92.4 million has been recognised in the consolidated statement of profit and loss for the year ended 31 December 2017 (Note 7).

## 22 INVENTORIES

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Raw materials	原材料	1,290.3	927.8
Work-in-progress	在製品	29.8	21.9
Finished goods	製成品	1,018.4	823.8
		<b>2,338.5</b>	1,773.5

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$14,682.2 million (2016: HK\$2,802.1 million), which included net inventory provision of HK\$5.4 million (2016: utilisation of inventory provision of HK\$76.0 million) (Note 8).

As 31 December 2017, the Group has pledged inventories with a net book value of HK\$873.5 million to secure bank borrowings to the Group (2016: HK\$428.5 million) (Note 33).

## 21 分類為持作出售之資產 (續)

附註：(續)

- (d) 順爾茨集團於美國擁有賬面值約1,740萬港元的兩塊土地，於二零一六年十二月三十一日分類為持作出售資產。一塊土地於二零一七年以約1,280萬港元售予一名獨立第三方。
- (e) 根據國有建設用地使用權出讓合同，位於中國山東省的土地預期於下一財政年度內移交予地方政府。因此，土地使用權乃於綜合財務報表內重新分類為持作出售資產，並於截至二零一七年十二月三十一日止年度的綜合損益表內確認減值虧損9,240萬港元（附註7）。

## 22 存貨

確認為開支並計入銷售成本的存貨成本價值146億8,220萬港元（二零一六年：28億210萬港元），包括存貨撥備淨額540萬港元（二零一六年：動用存貨撥備7,600萬港元）（附註8）。

於二零一七年十二月三十一日，本集團有賬面淨值為8億7,350萬港元之已抵押存貨，以擔保本集團獲授的銀行借款（二零一六年：4億2,850萬港元）（附註33）。

23 TRADE AND OTHER RECEIVABLES

23 貿易及其他應收款項

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Trade receivables	貿易應收款項	1,434.5	1,457.3
Less: Provision for impairment	減：減值撥備	(127.8)	(17.6)
Trade receivables, net	貿易應收款項淨額	1,306.7	1,439.7
Bills receivables	票據應收款項	0.6	1.2
Other receivables (Note)	其他應收款項(附註)	308.1	64.4
Deposits and prepayments	按金及預付款項	191.8	67.7
Deposits paid for purchase of raw materials	購買原料之已付按金	55.1	51.7
VAT recoverable	可退回增值稅	130.1	126.4
		<b>1,992.4</b>	1,751.1

Note: As at 31 December 2017, the balance includes a receivable of HK\$265.8 million from a government authority in the PRC.

附註：於二零一七年十二月三十一日，結餘包括來自中國政府當局應收款項2億6,580萬港元。

At 31 December 2017, the Group has pledged trade receivables with a net book value of HK\$987.7 million (2016: HK\$1,527.1 million) to secure bank and other borrowings to the Group (Note 33).

於二零一七年十二月三十一日，本集團有賬面淨值為9億8,770萬港元(二零一六年：15億2,710萬港元)之已抵押貿易應收款項，以擔保本集團獲授的銀行及其他借款(附註33)。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 23 TRADE AND OTHER RECEIVABLES (continued)

The Group generally grants credit terms ranging from 30 to 90 days to customers upon the approval of management according to the credit quality of individual customers. At 31 December 2017 and 2016, the aging analysis of the trade receivables based on invoice date were as follows:

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 <b>HK\$M</b> 百萬港元 (restated) (經重列)
0 – 90 days	0至90日	<b>1,335.7</b>	1,286.8
91 – 180 days	91至180日	<b>37.8</b>	33.7
Over 180 days	超過180日	<b>61.0</b>	136.8
		<b>1,434.5</b>	1,457.3

As of 31 December 2017, trade receivables of HK\$325.4 million (2016: HK\$358.6 million) were past due but not impaired. The aging analysis of these trade receivable is as follows:

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 <b>HK\$M</b> 百萬港元
Overdue 1 day to 90 days	逾期1至90日	<b>287.3</b>	351.5
Overdue 91 days to 180 days	逾期91至180日	<b>19.4</b>	6.9
Overdue over 181 days	逾期超過181日	<b>18.7</b>	0.2
		<b>325.4</b>	358.6

#### 23 貿易及其他應收款項 (續)

在獲得管理層批准後，本集團一般根據個別客戶的信貨質素，向客戶授出介乎30至90日的信貸期。於二零一七年及二零一六年十二月三十一日，貿易應收款項按發票日期的賬齡分析如下：

於二零一七年十二月三十一日，價值3億2,540萬港元（二零一六年：3億5,860萬港元）之貿易應收款項已逾期但尚未減值。該等貿易應收款項之賬齡分析如下：

### 23 TRADE AND OTHER RECEIVABLES (continued)

Movements on the Group's provision for impairment of trade receivables are as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
At 1 January	於一月一日	17.6	26.9
Provision for impairment	減值撥備	109.2	0.4
Receivables written off during the year as uncollectable	年內撇銷作不可收回之 應收款項	(1.5)	(1.3)
Reversal of impairment of trade receivables	貿易應收款項減值撥回	(4.0)	(6.9)
Currency translation differences	貨幣換算差異	6.5	(1.5)
At 31 December	於十二月三十一日	127.8	17.6

As at 31 December 2017, provision for impairment of other receivables of approximately HK\$86.3 million (2016: HK\$37.6 million) has been provided for impaired other receivables.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

### 23 貿易及其他應收款項(續)

本集團貿易應收款項之減值撥備之變動如下：

於二零一七年十二月三十一日，已就已減值的其他應收款項計提其他應收款項減值撥備約8,630萬港元（二零一六年：3,760萬港元）。

貿易及其他應收款項內其他類別並不包含已減值資產。於報告日期之最高信貸風險為上述各類應收款項之賬面值。本集團並無持有任何抵押品作擔保。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 23 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables, net of provision, are denominated in the following currencies:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
RMB	人民幣	10.9	17.5
HK\$	港元	46.1	4.0
EUR	歐元	883.4	1,040.7
US\$	美元	222.9	285.8
Other currencies	其他貨幣	143.4	91.7
		<b>1,306.7</b>	1,439.7

The carrying amounts of the Group's other receivables are mainly denominated in RMB and EUR (2016: RMB and EUR).

The carrying amounts of the trade and other receivables approximate their fair values.

#### 24 FIXED RETURN INVESTMENT

As at 31 December 2017, the fixed return investment of HK\$339.0 million (2016: HK\$316.8 million) represented investment carries fixed interest at 7% per annum (2016: 7% per annum) and will mature on 14 March 2018 and is re-invested for three months until 14 June 2018. The principal amount and fixed return are guaranteed by a private equity firm and the director of the private equity firm.

#### 23 貿易及其他應收款項 (續)

本集團之貿易應收款項(扣除撥備)之賬面值乃以下列貨幣計值:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
RMB	人民幣	10.9	17.5
HK\$	港元	46.1	4.0
EUR	歐元	883.4	1,040.7
US\$	美元	222.9	285.8
Other currencies	其他貨幣	143.4	91.7
		<b>1,306.7</b>	1,439.7

本集團其他應收款項之賬面值主要以人民幣及歐元計值(二零一六年:人民幣及歐元)。

貿易及其他應收款項之賬面值與其公平值相若。

#### 24 固定回報投資

於二零一七年十二月三十一日,固定回報投資3億3,900萬港元(二零一六年:3億1,680萬港元)指按年利率7%(二零一六年:年利率7%)之固定利率計息及將於二零一八年三月十四日到期的投資以及三個月再投資直至二零一八年六月十四日。本金及固定回報均由該私募股權公司及私募股權公司之董事提供擔保。

25 DERIVATIVE FINANCIAL INSTRUMENTS

25 衍生金融工具

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
<b>Derivative financial assets</b>	<b>衍生金融資產</b>		
Metal commodities future contracts	金屬商品期貨合約	5.3	3.0
Metal commodities options	金屬商品期權	0.3	-
Foreign currency forward contracts	外幣遠期合約	0.5	4.9
		<b>6.1</b>	7.9
<b>Derivative financial liabilities</b>	<b>衍生金融負債</b>		
Metal commodities future contracts	金屬商品期貨合約	(11.7)	(17.6)
Foreign currency forward contracts	外幣遠期合約	(10.5)	(0.2)
Interest swap contracts	利率掉期合約	(4.7)	(13.7)
		<b>(26.9)</b>	(31.5)
Less: Non-current portion	減：非流動部分		
Interest swap contracts	利率掉期合約	-	(11.9)
Current portion	流動部分	<b>(26.9)</b>	(19.6)

Notes:

(i) Metal commodities future contracts and option

As at 31 December 2017, the Group enters into copper and other metal future contracts and options in order to manage its exposure to the price risk of inventories. These contracts are actively traded in an active market and are measured at fair values based on quoted price as at reporting date, with gain or loss recognised directly in consolidated statement of profit or loss.

The notional principle amount of the outstanding metal commodities future contracts and options were approximately HK\$429.8 million (2016: HK\$429.9 million) and HK\$136.1 million (2016: Nil) respectively.

附註：

(i) 金屬商品期貨合約及期權

於二零一七年十二月三十一日，本集團訂立銅及其他金屬期貨合約及期權，以管理金屬存貨的價格風險。該等合約於活躍市場積極交易並根據於報告日期之報價按公平值計量，收益或虧損直接於綜合損益表確認。

未結算金屬商品期貨合約及期權的名義本金額分別為約4億2,980萬港元（二零一六年：4億2,990萬港元）及1億3,610萬港元（二零一六年：零）。

## 25 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

### (ii) Foreign currency forward contracts

The Group entered into foreign currency forward contracts in order to mitigate its exposure to the foreign currency risk. These contracts were measured at fair value using quoted forward exchange rates at the end of the reporting period, with gain or loss recognised directly in consolidated statement of profit or loss.

The notional principle amount of the outstanding foreign currency forward contracts were approximately HK\$677.5 million (2016: HK\$878.4 million).

### (iii) Interest swap contracts

The Group entered into interest rate swap contracts in order to mitigate its exposure to the interest risk. These contracts were measured at fair value using observed yield curves at the end of the reporting period, with gain or loss recognised directly in consolidated statement of profit or loss.

The notional principle amount of the outstanding interest rate swap contracts was approximately HK\$187.6 million (2016: HK\$257.0 million). The fair values of interest rate swap contracts are classified as non-current liabilities if the remaining maturities are more than 12 months, and as current liabilities, if the maturities are less than 12 months.

## 26 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Pledged bank deposits represents deposits pledged to banks to secure general banking facilities granted to the Group. Deposits amounting to HK\$95.0 million (2016: HK\$422.7 million) have been pledged to secure short-term bank borrowings, and are therefore classified as current assets (Note 33).

## 25 衍生金融工具(續)

附註：(續)

### (ii) 外幣遠期合約

本集團訂立外幣遠期合約以減低外匯風險。該等合約於報告期末使用遠期報價匯率按公平值計量，相關損益直接於綜合損益表中確認。

未結算外幣遠期合約之名義本金約為6億7,750萬港元(二零一六年：8億7,840萬港元)。

### (iii) 利率掉期合約

本集團已訂立利率掉期合約，以減低利率風險。該等合約於報告期末使用觀察所得孳息曲線按公平值計量，其收益或虧損直接於綜合損益表確認。

利率掉期合約的名義本金額為約1億8,760萬港元(二零一六年：2億5,700萬港元)。倘餘下到期日超過十二個月，則利率掉期合約的公平值分類為非流動負債；倘到期日少於十二個月，則分類為流動負債。

## 26 已抵押銀行存款及現金及現金 等值項目

已抵押銀行存款指向銀行抵押以為向本集團授出的一般銀行信貸作出擔保的存款。9,500萬港元(二零一六年：4億2,270萬港元)的存款已抵押作短期銀行借款的擔保，因此被分類為流動資產(附註33)。

26 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalent represents cash and short-term bank deposits with an original maturity of three months or less.

26 已抵押銀行存款及現金及現金等值項目(續)

現金及現金等值項目指原到期日為三個月或以下的現金及短期銀行存款。

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Cash at bank and on hands	銀行及手頭現金	976.4	1,676.1
Margin deposits (Note)	保證金(附註)	-	7.3
Cash and cash equivalents (excluding bank overdrafts)	現金及現金等值項目(不包括銀行透支)	976.4	1,683.4
Bank overdrafts	銀行透支	-	(26.7)
Total cash and cash equivalents	現金及現金等值項目總額	976.4	1,656.7

(i) Reconciliation to consolidate statement of cash flows

The above figures reconcile to the amount of cash shown in the consolidated statement of cash flows at the end of the financial year as follows:

(i) 與綜合現金流量表對賬

上述數據與財政年度末綜合現金流量表所示現金金額對賬如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Balances as above	上述結餘	976.4	1,683.4
Bank overdrafts	銀行透支	-	(26.7)
Balances per consolidated statement of cash flows	綜合現金流量表所載結餘	976.4	1,656.7

Note:

The balance represents deposits placed with financial institutions to secure the Group's margin accounts with these financial institutions for trading metal commodities future contracts. The margin deposits are non-interest bearing.

附註：

結餘指存放於金融機構的存款，以擔保本集團就金屬商品期貨合約買賣於該等金融機構設立之保證金賬戶。該等保證金不計息。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

## 27 SHARE CAPITAL

### Authorised share capital

## 27 股本

### 法定股本

		Numbers of shares 股份數目 (Thousands) (千股)	Share capital 股本 HK\$M 百萬港元
Ordinary shares of HK\$0.01 each at 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月 三十一日、二零一七年 一月一日及二零一七年 十二月三十一日之 每股面值0.01港元之普通股	<b>5,000,000</b>	50
<b>Issued and fully paid</b>	<b>已發行及繳足</b>		
At 1 January 2016	於二零一六年一月一日	<b>1,588,515</b>	15.9
Issue of shares (Note a)	已發行股份(附註a)	<b>31,038</b>	0.3
Exercise of share options (Note b)	行使購股權(附註b)	<b>186</b>	-
At 31 December 2016	於二零一六年十二月三十一日	<b>1,619,739</b>	16.2
At 1 January 2017	於二零一七年一月一日	<b>1,619,739</b>	16.2
Repurchase of shares (Note c)	購回股份(附註c)	<b>(14,586)</b>	(0.1)
At 31 December 2017	於二零一七年十二月三十一日	<b>1,605,153</b>	16.1

#### Notes:

- (a) The Company issued 31,037,585 shares on 21 March 2016 to acquire 100% equity interest in DNG, as part of the consideration. The fair value of the shares issued amounted to HK\$112.0 million (HK\$3.60 per share).
- (b) During the year ended 31 December 2016, 186,000 share options under the post-IPO share option scheme were exercised at a subscription price of HK\$4.186 per share, resulting in the issue of 186,000 ordinary shares of HK\$0.01 each in the Company.
- (c) During the year ended 31 December 2017, the Company repurchased 14,586,000 of its own shares on the Stock Exchange, which were cancelled and deducted from shareholder' equity at the end of the current reporting period, at an aggregate consideration of approximately HK\$65.5 million. The highest and lowest prices paid were HK\$5.27 and HK\$3.34, respectively.
- (d) All the above-mentioned new shares rank pari passu with the existing shares in all respects.

#### 附註:

- (a) 本公司於二零一六年三月二十一日發行31,037,585股股份，作為部分代價，以收購大連新綠100%股權。已發行股份之公平值為1億1,200萬港元（每股3.60港元）。
- (b) 於截至二零一六年十二月三十一日止年度，首次公開發售後購股權計劃項下的186,000份購股權按認購價每股4.186港元獲行使，導致本公司發行186,000股每股面值0.01港元的普通股。
- (c) 截至二零一七年十二月三十一日止年度，本公司購回其於聯交所之14,586,000股股份，其於本報告期末註銷並從股東權益中扣除，總代價約為6,550萬港元。已付最高及最低價格分別為5.27港元及3.34港元。
- (d) 上述所有新股份在所有方面均與現有股份享有同等地位。

28 TRADE AND OTHER PAYABLES

28 貿易及其他應付款項

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Trade payables	貿易應付款項	1,192.8	919.9
Other taxes payable	其他應付稅項	180.3	37.0
Accrued salaries and employee benefits	應計薪金及僱員福利	132.0	113.7
Provision for claims and contingencies	索償及或然事項撥備	19.6	45.6
Accrued professional expenses	應計專業開支	47.7	68.8
Asset retirement obligations	資產報廢責任	85.4	85.0
Other payables and accruals	其他應付款項及應計費用	539.4	509.9
		<b>2,197.2</b>	1,779.9
Less: Non-current portion	減：非流動部分		
Asset retirement obligations	資產報廢責任	(85.4)	(85.0)
Other payables	其他應付款項	(19.8)	(207.8)
		<b>2,092.0</b>	1,487.1

The aging analysis of the trade payables based on invoice date was as follows:

貿易應付款項根據發票日期之賬齡分析如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
0 – 90 days	0至90日	1,133.5	825.6
91 – 180 days	91至180日	17.5	23.1
Over 180 days	超過180日	41.8	71.2
		<b>1,192.8</b>	919.9

The carrying amounts of the trade and other payables approximate their fair values.

貿易及其他應付款項之賬面值與其公平值相若。

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

29 BORROWINGS

29 借款

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings (Note a)	銀行借款 (附註a)	572.0	333.9
Other borrowings (Note a)	其他借款 (附註a)	418.9	-
Note payable (Note c)	應付票據 (附註c)	-	1,464.8
Finance lease liabilities (Note d)	融資租賃責任 (附註d)	142.1	161.5
		<b>1,133.0</b>	1,960.2
<b>Current</b>	<b>流動</b>		
Bank borrowings (Note a)	銀行借款 (附註a)	1,083.0	2,849.7
Other borrowings (Note a)	其他借款 (附註a)	379.1	110.6
Note payable (Note c)	應付票據 (附註c)	1,476.6	-
Convertible bonds (Note b)	可換股債券 (附註b)	-	67.0
Finance lease liabilities (Note d)	融資租賃責任 (附註d)	83.5	30.4
		<b>3,022.2</b>	3,057.7
<b>Total borrowings</b>	<b>總借款</b>	<b>4,155.2</b>	5,017.9

## 29 BORROWINGS (continued)

Notes:

### (a) Bank and other borrowings

Bank borrowings mature at various dates up to 2024 and bear average coupons ranging from 0.75% to 5.66% per annum (2016: 1.55% to 6.50% per annum).

As at 31 December 2017 and 2016, the Group's bank and other borrowings were repayable as follows:

		Bank borrowings		Other borrowings		Total	
		銀行借款		其他借款		總計	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Within 1 year	一年內	1,083.0	2,849.7	379.1	110.6	1,462.1	2,960.3
Between 1 and 2 years	一至兩年	193.9	13.6	418.9	–	612.8	13.6
Between 2 and 5 years	兩至五年	373.2	309.8	–	–	373.2	309.8
Over 5 years	五年以上	4.9	10.5	–	–	4.9	10.5
		572.0	333.9	418.9	–	990.9	333.9
		1,655.0	3,183.6	798.0	110.6	2,453.0	3,294.2

Total borrowings include secured liabilities. Bank borrowings are secured by property, plant and equipment, leasehold land and land use rights, investment properties, trade receivables, pledged bank deposits and inventories of the Group of HK\$4,344.6 million (2016: HK\$3,692.3 million) (Note 33).

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

		2017	2016
		二零一七年	二零一六年
		HK\$M	HK\$M
		百萬港元	百萬港元
EUR	歐元	801.0	2,228.7
US\$	美元	1,020.3	675.5
RMB	人民幣	481.3	257.5
Czech Koruna ("CZK")	捷克克朗(「捷克克朗」)	67.2	52.1
HK\$	港元	–	44.8
Polish Zloty ("PLN")	波蘭茲羅提(「茲羅提」)	83.2	35.6
		2,453.0	3,294.2

## 29 借款(續)

附註：

### (a) 銀行及其他借款

銀行借款於不同日期到期，直至二零二四年為止，平均年利率介乎0.75%至5.66%（二零一六年：年利率1.55%至6.50%）。

於二零一七年及二零一六年十二月三十一日，本集團之銀行及其他借款須按以下方式償還：

總借款包括有抵押負債。銀行借款由本集團價值43億4,460萬港元（二零一六年：36億9,230萬港元）之物業、廠房及設備、租賃土地及土地使用權、投資物業、貿易應收款項、已抵押銀行存款及存貨作擔保（附註33）。

銀行及其他借款之賬面值乃以下列貨幣計值：

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

## 29 BORROWINGS (continued)

Notes: (continued)

### (a) Bank and other borrowings (continued)

As at 31 December 2017, the Group had aggregate banking facilities of approximately HK\$6,370.2 million (2016: HK\$4,143.7 million) for loans and bank guarantees. Unused facilities as at the same date amounted to approximately HK\$1,430.4 million (2016: HK\$960.1 million) of which HK\$1,156.9 million (2016: HK\$445.4 million) represented committed facilities that could be drawn down at the discretion of the Group and HK\$273.5 million (2016: HK\$514.7 million) represented uncommitted facilities. These facilities are secured/guaranteed by certain land use rights, properties, plant and equipment, inventories, trade receivables, bank deposits and investment properties of HK\$333.9 million (2016: HK\$317.6 million), HK\$2,054.5 million (2016: HK\$940.8 million), HK\$837.5 million (2016: HK\$428.5 million), HK\$987.7 million (2016: HK\$1,527.1 million), HK\$95.0 million (2016: HK\$422.7 million) and HK\$ Nil (2016: HK\$55.6 million), respectively (Note 33).

The carrying amounts of the borrowings approximate their fair values.

### (b) Convertible bonds

## 29 借款(續)

附註：(續)

### (a) 銀行及其他借款(續)

於二零一七年十二月三十一日，本集團就貸款及銀行擔保之銀行信貸總額約為63億7,020萬港元(二零一六年：41億4,370萬港元)。同日未動用信貸約為14億3,040萬港元(二零一六年：9億6,010萬港元)，其中11億5,690萬港元(二零一六年：4億4,540萬港元)為本集團可酌情提取之承諾信貸，2億7,350萬港元(二零一六年：5億1,470萬港元)為未承諾信貸。該等信貸乃由若干土地使用權、物業、廠房及設備、存貨、貿易應收款項、銀行存款及投資物業分別價值3億3,390萬港元(二零一六年：3億1,760萬港元)、20億5,450萬港元(二零一六年：9億4,080萬港元)、8億3,750萬港元(二零一六年：4億2,850萬港元)、9億8,770萬港元(二零一六年：15億2,710萬港元)、9,500萬港元(二零一六年：4億2,270萬港元)及零港元(二零一六年：5,560萬港元)作抵押/擔保(附註33)。

借款賬面值與其公平值相若。

### (b) 可換股債券

		Debt component 債務部分 HK\$M 百萬港元	Embedded derivative components 嵌入式衍生部分 HK\$M 百萬港元
Carrying amount at 1 January 2016	於二零一六年一月一日之賬面值	58.8	9.6
Interest charge (Note 10)	利息支出(附註10)	10.9	-
Interest paid	已付利息	(2.7)	-
Fair value gain (Note 7)	公平值收益(附註7)	-	(9.6)
Carrying amount at 31 December 2016	於二零一六年十二月三十一日之賬面值	67.0	-
Carrying amount at 1 January 2017	於二零一七年一月一日之賬面值	67.0	-
Interest charge (Note 10)	利息支出(附註10)	2.0	-
Interest paid	已付利息	(1.4)	-
Redemption	贖回	(67.6)	-
Fair value gain (Note 7)	公平值收益(附註7)	-	-
Carrying amount at 31 December 2017	於二零一七年十二月三十一日之賬面值	-	-

## 29 BORROWINGS (continued)

Notes: (continued)

### (b) Convertible bonds (continued)

The major terms of convertible bond issued on 1 March 2012 (the "Convertible Bonds") are as below:

The Convertible Bonds carry 4% coupon interest per annum payable in arrears semi-annually. The Convertible Bonds would be fully redeemed by the Company at its principal amount upon maturity on 1 March 2017 (the "Maturity Date").

The holders of the Convertible Bonds had the right to convert the principal amount of the Convertible Bonds into shares of HK\$0.01 each of the Company at an initial conversion price of HK\$6 per share (subject to anti-dilutive adjustments) at any time during the period from the second anniversary of the Issue Date up to 10 business days prior to the Maturity Date, subject to the minimum public float requirement. The bondholder shall have the right to demand for full repayment of principal and accrued interest on any of these date: 1 September 2015, 1 March 2016 or 1 September 2016.

The fair value of the debt component of the Convertible Bonds on initial recognition was calculated using the present value of contractually determined stream of future cash flows discounted at the effective interest rates of ranging from 16.957% to 17.492%.

In subsequent periods, the debt component of the Convertible Bonds is carried at amortised cost using the effective interest method.

## 29 借款(續)

附註:(續)

### (b) 可換股債券(續)

於二零一二年三月一日發行的可換股債券(「可換股債券」)的主要條款載列如下:

可換股債券附有4%的年票息,每半年支付一次。本公司將於二零一七年三月一日到期時(「到期日」)以本金贖回全部可換股債券。

可換股債券持有人有權於發行日期第二週年至到期日前10個營業日之期間任何時間以初步兌換價每股6港元(可予反攤薄調整)將可換股債券的本金額兌換成本公司每股面值0.01港元的股份,惟須遵守最低公眾持股量的規定。債券持有人有權於下列任何日期要求悉數償還本金額及所產生的利息:二零一五年九月一日、二零一六年三月一日或二零一六年九月一日。

初始確認時,可換股債券之債務部分的公平值,使用按實際利率介乎16.957%至17.492%貼現的合約釐定未來現金流的現值計算。

於其後期間,可換股債券之債務部分乃按攤銷成本採用實際利率法列賬。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

## 29 BORROWINGS (continued)

Notes: (continued)

### (b) Convertible bonds (continued)

The fair value of the embedded derivative components of the Convertible Bonds (including conversion options and early redemption option) was determined using the Binomial Option Pricing Model and the major inputs into the model are as follows:

#### The Convertible Bonds

		At 31 December 2016 於二零一六年 十二月三十一日	On issuance 發行時
Stock price	股價	HK\$5.32港元	HK\$5.47港元
Exercise price	行使價	HK\$6.00港元	HK\$6.00港元
Expected volatility (Note I)	預計波幅 (附註I)	11.328%	31.404%
Dividend yield	股息收益率	0.000%	0.000%
Option life	期權年期	3 months個月	24 months個月
Risk free rate (Note II)	無風險利率 (附註II)	0.178%	0.498%

Notes:

- (i) The expected volatility was determined with reference to the implied volatility of the Company's shares as at the date of valuation.
- (ii) The risk free rate was determined with reference to the Hong Kong Government Bond's and Treasury bill's yield.
- (iii) In subsequent periods, the embedded derivative components are measured at fair value with changes in fair value recognised in the consolidated statement of profit and loss.

On 1 March 2017, the Company redeemed all outstanding Convertible Bonds due 2017, the aggregate amount paid for the redemption of all of the remaining Convertible Bonds was approximately HK\$67.6 million.

### (c) Note payable

On 20 December 2016, the Company issued a 8% note with a principal amount of US\$200 million to an independent third party (the "Subscriber"). The note matures in 2 years from the issue date and can be extended for one year subject to agreement of both parties.

## 29 借款 (續)

附註：(續)

### (b) 可換股債券 (續)

可換股債券 (包括兌換權及提早贖回權) 嵌入式衍生工具部分的公平值乃按二項期權定價模式釐定及該模式所輸入之主要數據如下：

#### 可換股債券

	At 31 December 2016 於二零一六年 十二月三十一日	On issuance 發行時
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股價	HK\$5.32港元	HK\$5.47港元
行使價	HK\$6.00港元	HK\$6.00港元
預計波幅 (附註I)	11.328%	31.404%
股息收益率	0.000%	0.000%
期權年期	3 months個月	24 months個月
無風險利率 (附註II)	0.178%	0.498%

附註：

- (i) 預計波幅乃經參照本公司股份於估值日期之引伸波動而釐定。
- (ii) 無風險利率乃參考香港政府債券及國庫券孳息率而釐定。
- (iii) 於其後期間，嵌入式衍生工具部分按公平值計量，公平值之變動於綜合損益表內確認。

於二零一七年三月一日，本公司贖回所有發行在外的於二零一七年到期的可換股債券，就贖回所有餘下可換股債券支付的總額為約6,760萬港元。

### (c) 應付票據

於二零一六年十二月二十日，本公司向一名獨立第三方 (「認購人」) 發行本金額為2億美元的8%票據。票據由發行日期起計兩年內到期，倘若雙方同意，可延長一年。

## 29 BORROWINGS (continued)

Notes: (continued)

### (c) Note payable (continued)

Pursuant to the subscription agreement, Mr. Tu and USUMHK shall also provide a personal guarantee and a corporate guarantee, respectively, in favour of the Subscriber to secure, among others, the due and punctual observance and performance by the Company under the subscription agreement and other documents.

The Company is subject to certain restrictive financial and non-financial covenants. In addition, there are undertakings on ownership including (i) USUMHK shall beneficially own (directly or indirectly) at all times a shareholding in the Company representing the single largest shareholding in the Company, and (ii) USUMHK shall at all times be controlled by Mr. Tu and Mr. Tu shall be the single largest shareholder of USUMHK.

### (d) Finance lease liabilities

The Group has finance leases and hire purchase contracts for various items of plant and machinery. The rights to the leased asset are reverted to the lessor in the event of default of the lease liabilities by the Group.

## 29 借款(續)

附註：(續)

### (c) 應付票據(續)

根據認購協議，涂先生及渝商香港亦須向認購人分別提供個人擔保及公司擔保，包括擔保本公司妥善及準時履行及執行認購協議及其他文件。

本公司受制於若干受限制財務及非財務契約。此外，還有關於擁有權的承諾，包括(i) 渝商香港須於所有時間實益擁有(直接或間接)本公司股權，為本公司單一最大股東；及(ii) 渝商香港須於所有時間由涂先生控制，以及涂先生為渝商香港的單一最大股東。

### (d) 融資租賃責任

本集團就不同廠房及機器擁有融資租賃及租購合約。倘本集團違反租賃負債，則租賃資產的權利歸還出租人。

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
<b>Gross finance lease liabilities – minimum lease payments</b>	<b>總融資租賃責任 – 最低租賃付款</b>		
No later than 1 year	不遲於一年	86.5	31.5
Later than 1 year and no later than 5 years	遲於一年但不遲於五年	160.3	188.7
		<b>246.8</b>	220.2
Future finance charges on finance leases	融資租賃的未來租賃支出	<b>(21.2)</b>	(28.3)
<b>Present value of finance lease liabilities</b>	<b>融資租賃責任的現值</b>	<b>225.6</b>	191.9
<b>The present value of finance lease liabilities is as follows:</b>	<b>融資租賃責任的現值如下：</b>		
No later than 1 year	不遲於一年	83.5	30.4
Later than 1 year and no later than 5 years	遲於一年但不遲於五年	142.1	161.5
		<b>225.6</b>	191.9

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

### 30 NON-CONTROLLING INTERESTS

### 30 非控股權益

		Share of net liabilities of subsidiaries 所佔子公司淨負債	
		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
At 1 January	於一月一日	<b>(32.8)</b>	(74.1)
Capital contribution	注資	-	38.1
Non-controlling interest arising from business combination	業務合併產生之非控股權益	-	3.7
Transaction with non-controlling interests	與非控股權益進行交易	<b>(5.4)</b>	-
Share of profit/(loss) for the year	年內所佔溢利／(虧損)	<b>8.8</b>	(3.3)
Share of foreign currency translation reserve	所佔外幣匯兌儲備	<b>3.4</b>	2.8
At 31 December	於十二月三十一日	<b>(26.0)</b>	(32.8)

### 31 DEFERRED TAXATION

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

### 31 遞延稅項

遞延所得稅資產及遞延所得稅負債之分析如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Deferred income tax assets:	遞延所得稅資產：		
Deferred tax assets to be recovered after 12 months	將於十二個月後收回的遞延稅項資產	<b>150.0</b>	118.0
Deferred tax assets to be recovered within 12 months	將於十二個月內收回的遞延稅項資產	<b>18.1</b>	59.4
		<b>168.1</b>	177.4
Deferred income tax liabilities:	遞延所得稅負債：		
Deferred tax liabilities to be settled after 12 months	將於十二個月後結算的遞延稅項負債	<b>(343.1)</b>	(342.5)
Deferred tax liabilities to be settled within 12 months	將於十二個月內結算的遞延稅項負債	<b>(73.4)</b>	(36.9)
		<b>(416.5)</b>	(379.4)
<b>Deferred income tax liabilities, net</b>	<b>遞延所得稅負債淨額</b>	<b>(248.4)</b>	(202.0)

### 31 DEFERRED TAXATION (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities		Accelerated tax depreciation	Change in fair value of derivative financial instruments	Others	Total
遞延所得稅負債		加速稅項折舊 HK\$M 百萬港元	衍生金融工具之 公平值變動 HK\$M 百萬港元	其他 HK\$M 百萬港元	總計 HK\$M 百萬港元
At 1 January 2016 (Credit)/charge to the consolidated statement of profit or loss	於二零一六年一月一日 於綜合損益表(計入)/扣除	13.6	-	29.8	43.4
Acquisition of subsidiaries (Note 39) (restated)	收購子公司(附註39)(經重列)	(12.0)	1.1	(0.8)	(11.7)
Currency translation differences	貨幣換算差異	323.2	-	2.3	325.5
		-	-	0.2	0.2
At 31 December 2016 (restated) (Credit)/charge to the consolidated statement of profit or loss	於二零一六年十二月三十一日 (經重列) 於綜合損益表(計入)/扣除	324.8	1.1	31.5	357.4
Acquisition of subsidiaries (Note 39(b))	收購子公司(附註39(b))	(14.3)	(1.1)	(16.2)	(31.6)
Currency translation differences	貨幣換算差異	28.5	-	7.8	36.3
		52.9	-	1.5	54.4
At 31 December 2017	於二零一七年十二月三十一日	391.9	-	24.6	416.5

### 31 遞延稅項(續)

年內遞延所得稅資產及負債之變動(未計及同一稅務司法權區內的結餘抵銷)如下:

31 DEFERRED TAXATION (continued)

31 遞延稅項(續)

Deferred income tax assets		Tax losses	Decelerate tax depreciation	Provisions	Unrealised profit on inventories	Others	Total
遞延所得稅資產		稅項虧損	減速稅項折舊	撥備	未變現存貨溢利	其他	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
At 1 January 2016	於二零一六年一月一日	(13.5)	-	-	(0.6)	-	(14.1)
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	10.9	-	-	-	-	10.9
Acquisition of subsidiaries (Note 39) (restated)	收購子公司(附註39)(經重列)	(60.5)	(27.3)	(17.4)	-	(47.0)	(152.2)
At 31 December 2016 (restated)	於二零一六年十二月三十一日(經重列)	(63.1)	(27.3)	(17.4)	(0.6)	(47.0)	(155.4)
(Credit)/charge to the consolidated statement of profit or loss	於綜合損益表(計入)/扣除	12.7	10.8	(6.3)	(1.8)	0.3	15.7
Acquisition of subsidiaries (Note 39(b))	收購子公司(附註39(b))	-	(1.0)	-	-	-	(1.0)
Currency translation differences	貨幣換算差異	(15.2)	(2.9)	(2.1)	-	(7.2)	(27.4)
At 31 December 2017	於二零一七年十二月三十一日	(65.6)	(20.4)	(25.8)	(2.4)	(53.9)	(168.1)

The Directors do not have an intention to distribute the retained earnings of certain subsidiaries such that deferred income tax liabilities of HK\$105.6 million have not been recognised for withholding tax and other taxes that would be payable on the unremitted earnings of these subsidiaries. Unremitted earnings totals HK\$449.7 million as at 31 December 2017.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$331.2 million (2016: HK\$504.0 million) in respect of tax losses amounting to HK\$1,447.9 million (2016: HK\$2,108.7 million). Unrecognised tax losses of HK\$429.4 million (2016: HK\$468.7 million) have no expiry date and the remaining tax losses will expire at various dates up to and including 2022 (2016: 2021).

董事無意分派若干子公司保留盈利，故尚未就該等子公司的未匯出盈利應繳納的預扣稅及其他稅項確認遞延所得稅負債1億560萬港元。於二零一七年十二月三十一日，未匯出盈利合共為4億4,970萬港元。

本公司已就結轉之稅項虧損確認遞延所得稅資產，惟僅以有關稅項福利可能透過日後之應課稅溢利變現者為限。本集團並無就稅項虧損14億4,790萬港元(二零一六年：21億870萬港元)確認遞延所得稅資產3億3,120萬港元(二零一六年：5億400萬港元)。未確認稅項虧損4億2,940萬港元(二零一六年：4億6,870萬港元)並無屆滿日期，而餘下稅項虧損將於二零二二年(二零一六年：二零二一年)(包括該年)或之前之不同日期屆滿。

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

32 OTHER RESERVES

32 其他儲備

		Share premium	Capital redemption reserve	Share option reserve	Capital reserve	Statutory general reserve	Enterprise expansion fund	Remeasurement of pension plans	Foreign currency translation reserve	Total
		股份溢價 HK\$M 百萬港元	股本贖回儲備 HK\$M 百萬港元	購股權儲備 HK\$M 百萬港元	股本儲備 HK\$M 百萬港元 (Note (i)) (附註(i))	法定一般儲備 HK\$M 百萬港元 (Note (ii)) (附註(ii))	企業擴充基金 HK\$M 百萬港元 (Note (iii)) (附註(iii))	重新計量 退休金計劃 HK\$M 百萬港元	外幣換算儲備 HK\$M 百萬港元	總計 HK\$M 百萬港元
At 1 January 2016	於二零一六年一月一日	5,864.8	0.2	1.3	222.8	105.1	105.1	-	118.8	6,418.1
Currency translation differences	貨幣換算差異	-	-	-	-	-	-	-	(43.4)	(43.4)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	-	-	(43.4)	(43.4)
Issue of subscription shares	發行認購股份	111.4	-	-	-	-	-	-	-	111.4
Exercise of share options	行使購股權	1.1	-	(0.3)	-	-	-	-	-	0.8
Lapse of share options	購股權失效	-	-	(1.0)	-	-	-	-	-	(1.0)
At 31 December 2016	於二零一六年十二月三十一日	5,977.3	0.2	-	222.8	105.1	105.1	-	75.4	6,485.9
At 1 January 2017	於二零一七年一月一日	5,977.3	0.2	-	222.8	105.1	105.1	-	75.4	6,485.9
Currency translation differences	貨幣換算差異	-	-	-	-	-	-	-	-	-
- from joint ventures	- 來自合營企業	-	-	-	-	-	-	-	(11.7)	(11.7)
- from group companies	- 來自集團公司	-	-	-	-	-	-	-	617.8	617.8
		-	-	-	-	-	-	-	606.1	606.1
Remeasurement of post-employment benefit obligations	重新計量退休福利責任	-	-	-	-	-	-	0.4	-	0.4
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	0.4	606.1	606.5
Transfer of reserves	儲備轉撥	-	-	-	-	1.9	1.8	-	-	3.7
Subscription shares repurchased and cancelled	購回及註銷認購股份	(65.4)	0.1	-	-	-	-	-	-	(65.3)
Transactions with non-controlling interests	與非控股權益進行交易	-	-	-	(11.9)	-	-	-	-	(11.9)
At 31 December 2017	於二零一七年十二月三十一日	5,911.9	0.3	-	210.9	107.0	106.9	0.4	681.5	7,018.9



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

### 32 OTHER RESERVES (continued)

Notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.
- (ii) Statutory general reserve and enterprise expansion fund represent the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the PRC as required by the Articles of Association of the Company's PRC subsidiaries. The appropriation may cease to apply if the balance of the statutory general reserve and enterprise expansion fund has reached 50% of the PRC subsidiaries' registered capital. The statutory general reserve and enterprise expansion fund can be used to make up prior year losses or to increase share capital.

### 33 PLEDGES OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks to secure certain bank borrowings and general banking facilities granted to the Group:

### 32 其他儲備(續)

附註：

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購子公司股本及股份溢價總額之面值與本公司交換股權所發股份之面值的差額及(b)二零一零年資本化股東貸款。
- (ii) 本公司中國子公司的組織章程細則規定，須根據中國相關會計規則及法規釐定將除稅後溢利10%撥入法定一般儲備及企業發展基金。倘法定一般儲備及企業發展基金餘額達中國子公司註冊資本的50%，則可終止撥備。法定一般儲備及企業發展基金可用於彌補過往年度虧損或增加股本。

### 33 資產抵押

於報告期末，本集團已向銀行抵押以下資產，以擔保授予本集團之若干銀行借款及一般銀行信貸：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元 (restated) (經重列)
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	2,054.5	940.8
Leasehold land and land use rights (Note 15)	租賃土地及土地使用權(附註15)	333.9	317.6
Investment properties (Note 16)	投資物業(附註16)	-	55.6
Inventories (Note 22)	存貨(附註22)	873.5	428.5
Trade receivables (Note 23)	貿易應收款項(附註23)	987.7	1,527.1
Pledged bank deposits (Note 26)	已抵押銀行存款(附註26)	95.0	422.7
		<b>4,344.6</b>	3,692.3

### 34 COMMITMENTS

#### (a) Capital commitments

As at 31 December 2017 and 2016, capital expenditure contracted for but not yet incurred is as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備的資本開支：		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	128.3	116.5
– additions in construction in progress	– 添置在建工程	47.0	13.4
		<b>175.3</b>	129.9
Authorised but not contracted for	已授權但尚未訂約		
– additions in construction in progress	– 添置在建工程	3.1	–

During the financial year ended 31 December 2017, the Group has ceased one of its investment in the construction and operation of renewable resources recycling projects in Hebei Province, the PRC.

截至二零一七年十二月三十一日止財政年度，本集團已終止投資於其於中國河北省可再生資源循環利用項目的建設及運營。

### 34 承擔

#### (a) 資本承擔

於二零一七年及二零一六年十二月三十一日，已訂約但未產生之資本開支如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表中撥備的資本開支：		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	128.3	116.5
– additions in construction in progress	– 添置在建工程	47.0	13.4
		<b>175.3</b>	129.9
Authorised but not contracted for	已授權但尚未訂約		
– additions in construction in progress	– 添置在建工程	3.1	–

截至二零一七年十二月三十一日止財政年度，本集團已終止投資於其於中國河北省可再生資源循環利用項目的建設及運營。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 34 COMMITMENTS (continued)

##### (b) Operating lease commitments – as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Land and buildings	土地及樓宇		
– No later than 1 year	– 不遲於一年	<b>34.3</b>	25.7
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>47.3</b>	63.9
– Later than 5 years	– 遲於五年	<b>77.1</b>	50.6
		<b>158.7</b>	140.2

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	<b>11.6</b>	24.2
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>24.6</b>	25.3
– Later than 5 years	– 遲於五年	<b>0.8</b>	–
		<b>37.0</b>	49.5

#### 34 承擔(續)

##### (b) 經營租賃承擔 – 承租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Land and buildings	土地及樓宇		
– No later than 1 year	– 不遲於一年	<b>34.3</b>	25.7
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>47.3</b>	63.9
– Later than 5 years	– 遲於五年	<b>77.1</b>	50.6
		<b>158.7</b>	140.2

		<b>2017</b> 二零一七年 <b>HK\$M</b> 百萬港元	2016 二零一六年 HK\$M 百萬港元
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	<b>11.6</b>	24.2
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	<b>24.6</b>	25.3
– Later than 5 years	– 遲於五年	<b>0.8</b>	–
		<b>37.0</b>	49.5

### 34 COMMITMENTS (continued)

#### (c) Operating lease commitments – as lessor

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Property, plant and equipment	物業、廠房及設備		
– No later than 1 year	– 不遲於一年	25.0	10.0
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	26.9	25.7
– Later than 5 years	– 遲於五年	16.1	38.0
		<b>68.0</b>	73.7

### 35 RETIREMENT BENEFIT PLANS

The table below outlines where the Group's post-employment amounts and activity are included in the consolidated financial statements.

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Consolidated balance sheet obligations for:	綜合資產負債表就以下各項之責任：		
Defined benefit plans (Note (b))	界定福利計劃(附註(b))	26.7	24.1
Consolidated statement of profit or loss charges included in operating profit for:	綜合損益表就以下各項計入經營溢利之支出：		
Defined contribution plans (Note (a))	界定供款計劃(附註(a))	6.2	4.8
Defined benefit plans (Note (b))	界定福利計劃(附註(b))	0.9	–
		<b>7.1</b>	4.8
Remeasurements for:	就以下各項之重新計量：		
Defined benefit plans (Note (b))	界定福利計劃(附註(b))	0.4	–

### 34 承擔(續)

#### (c) 經營租賃承擔 – 出租人

根據不可撤銷經營租賃之未來最低租賃付款總額如下：

### 35 退休福利計劃

下表概述本集團計入綜合財務報表之退休金額及活動。

### 35 RETIREMENT BENEFIT PLANS (continued)

#### (a) Defined contribution plans

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

#### (b) Defined benefit plans

The Group operates four defined benefit pension plans in Germany, thereof one defined benefit plan is partially funded.

### 35 退休福利計劃 (續)

#### (a) 界定供款計劃

本集團根據強制性公積金計劃條例為香港所有合資格僱員設立強積金計劃。強積金計劃之資產透過一名獨立受託人控制之基金與本集團所持資產分開持有。根據強積金計劃的規例，僱主及其僱員分別須按規定訂明的比率向計劃供款。本集團對強積金計劃之唯一責任為根據該計劃作出所需供款。並無已沒收供款可用作扣減日後應付供款。

於中國受僱之僱員可參與中國政府所運作之國家管理退休福利計劃。中國子公司須按僱員基本薪酬的若干百分比向該退休福利計劃供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據計劃作出所需供款。

#### (b) 界定福利計劃

本集團在德國營運四個界定福利退休金計劃，其中一個界定福利計劃為半補助形式。

35 RETIREMENT BENEFIT PLANS (continued)

(b) Defined benefit plans (continued)

The assets of the defined benefit plans are held independently of the Group's assets in separate trustee administered funds. The Group's major plans are valued by qualified actuaries annually using the projected unit credit method. The amounts recognised in the consolidated statement of financial position are determined as follows:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Present value of funded obligations	有補助責任的現值	13.2	12.3
Present value of unfunded obligations	無補助責任的現值	19.0	16.3
Fair value of plan assets	計劃資產的公平值	(5.5)	(4.5)
Liabilities in the consolidated balance sheet	綜合資產負債表的負債	26.7	24.1

35 退休福利計劃(續)

(b) 界定福利計劃(續)

界定福利計劃之資產在獨立信託管理基金與本集團之資產分開持有。本集團之主要計劃由合資格精算師使用預期單位記賬法估值。在綜合財務狀況表內確認之金額乃按以下方式釐定：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Present value of funded obligations	有補助責任的現值	13.2	12.3
Present value of unfunded obligations	無補助責任的現值	19.0	16.3
Fair value of plan assets	計劃資產的公平值	(5.5)	(4.5)
Liabilities in the consolidated balance sheet	綜合資產負債表的負債	26.7	24.1



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 35 RETIREMENT BENEFIT PLANS (continued)

##### (b) Defined benefit plans (continued)

The movement of present value of defined benefit liabilities and fair value of plan assets over the year is as follows:

		2017 二零一七年		
		Present value of defined benefit liabilities 界定福利責任的現值 HK\$M 百萬港元	Fair value of plan assets 計劃資產的公平值 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
At 1 January	於一月一日	28.6	(4.5)	24.1
Current service cost	當期服務成本	0.5	-	0.5
Interest expense	利息開支	0.5	-	0.5
Interest income	利息收入	-	(0.1)	(0.1)
		29.6	(4.6)	25.0
<b>Remeasurements:</b>	<b>重新計量：</b>			
Effects from change in financial assumptions	財務假設變動的影響	(0.3)	-	(0.3)
Return on plan assets, excluding amounts included in interest income	計劃資產的回報，不包括計入利息收入的金額	-	(0.1)	(0.1)
		(0.3)	(0.1)	(0.4)
<b>Currency translation differences</b>	<b>貨幣換算差異</b>	4.0	(0.6)	3.4
<b>Contributions</b>	<b>供款</b>			
- Employers	- 僱主	(1.1)	(0.4)	(1.5)
- Plan participants	- 計劃參與者	-	-	-
<b>Payments from plans:</b>	<b>計劃付款：</b>			
- Benefit payments	- 福利付款	-	0.2	0.2
- Settlements	- 結算	-	-	-
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>32.2</b>	<b>(5.5)</b>	<b>26.7</b>

#### 35 退休福利計劃 (續)

##### (b) 界定福利計劃 (續)

年內界定福利責任的現值與計劃資產的公平值變動如下：

35 RETIREMENT BENEFIT PLANS (continued)

(b) Defined benefit plans (continued)

The movement of present value of defined benefit liabilities and fair value of plan assets over the year is as follows: (continued)

		2016 二零一六年		
		Present value of defined benefit liabilities 界定福利責任的現值 HK\$M 百萬港元	Fair value of plan assets 計劃資產的公平值 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
Acquisition of subsidiaries	收購子公司	28.6	(4.5)	24.1
As at 31 December	於十二月三十一日	28.6	(4.5)	24.1

The principal actuarial assumptions used are as follows:

所採用的主要精算假設如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Discount rate	貼現率	1.5%	1.40% – 1.80%
Future salary increase rate	未來加薪比率	0.00% – 3.00%	0.00%

35 退休福利計劃 (續)

(b) 界定福利計劃 (續)

年內界定福利責任的現值與計劃資產的公平值變動如下：(續)

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Discount rate	貼現率	1.5%	1.40% – 1.80%
Future salary increase rate	未來加薪比率	0.00% – 3.00%	0.00%

### 35 RETIREMENT BENEFIT PLANS (continued)

#### (b) Defined benefit plans (continued)

The sensitivity of the defined benefit plans to changes in the weighted principal assumptions is:

		Impact on defined benefit liabilities 對界定福利責任的影響					
		2017 二零一七年			2016 二零一六年		
		Change in assumption 假設變動	Increase in assumption 假設增加 HK\$M 百萬港元	Decrease in assumption 假設減少 HK\$M 百萬港元	Change in assumption 假設變動	Increase in assumption 假設增加 HK\$M 百萬港元	Decrease in assumption 假設減少 HK\$M 百萬港元
Discount rate	貼現率	0.5%	decrease 減少 2.0	increase 增加 2.2	0.50%	decrease 減少 1.9	increase 增加 2.1
Pension increase rate	退休金增加比率	0.25%	increase 增加 0.9	decrease 減少 0.9	0.25%	increase 增加 0.8	decrease 減少 0.8

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liabilities recognised within the consolidated statement of financial position.

### 35 退休福利計劃 (續)

#### (b) 界定福利計劃 (續)

界定福利計劃對加權主要假設變動之敏感度如下：

上述敏感度分析乃以一項假設出現變動而其他所有假設維持不變為基礎。實際上，這不大可能發生，且若干假設的變動可能互有關連。計算界定福利責任對重大精算假設之敏感度，與在綜合財務狀況表計算確認之退休金責任之方法一致，即以預期單位記賬法計算於報告期末之界定福利責任現值。

36 FINANCIAL INSTRUMENTS BY CATEGORY

36 按類別劃分之金融工具

		Loans and receivables	Assets at fair value through the profit or loss	Assets at fair value through the other comprehensive income	Total
		貸款及 應收款項	按公平值計入 損益之資產	按公平值計入 其他全面 收入之資產	總計
		HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元	HK\$M 百萬港元
<b>31 December 2017</b>	二零一七年十二月三十一日				
<b>Assets as per consolidated balance sheet</b>	<b>綜合資產負債表之資產</b>				
Trade and other receivables excluding prepayments	貿易及其他應收 款項，不包括預付款項	1,642.0	-	-	1,642.0
Fixed return investment	固定回報投資	339.0	-	-	339.0
Amount due from related parties	應收關聯方款項	205.6	-	-	205.6
Derivative financial instruments	衍生金融工具	-	6.1	-	6.1
Pledged bank deposits	已抵押銀行存款	95.0	-	-	95.0
Cash and cash equivalents	現金及現金等值項目	976.4	-	-	976.4
Other non-current assets, excluding prepayments	其他非流動資產， 不包括預付款項	-	-	121.4	121.4
<b>Total</b>	<b>總計</b>	<b>3,258.0</b>	<b>6.1</b>	<b>121.4</b>	<b>3,385.5</b>
<b>31 December 2016</b>	二零一六年十二月三十一日				
<b>Assets as per consolidated balance sheet (restated)</b>	<b>綜合資產負債表之資產 (經重列)</b>				
Trade and other receivables excluding prepayments	貿易及其他應收 款項，不包括預付款項	1,566.4	-	-	1,566.4
Fixed return investment	固定回報投資	316.8	-	-	316.8
Amount due from related parties	應收關聯方款項	262.5	-	-	262.5
Derivative financial instruments	衍生金融工具	-	7.9	-	7.9
Pledged bank deposits	已抵押銀行存款	422.7	-	-	422.7
Cash and cash equivalents	現金及現金等值項目	1,656.7	-	-	1,656.7
Other non-current assets, excluding prepayments	其他非流動資產， 不包括預付款項	6.1	-	46.0	52.1
<b>Total</b>	<b>總計</b>	<b>4,231.2</b>	<b>7.9</b>	<b>46.0</b>	<b>4,285.1</b>

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

36 FINANCIAL INSTRUMENTS BY CATEGORY  
(continued)

36 按類別劃分之金融工具(續)

		Other financial liabilities at amortised cost 按攤銷成本 列賬之其他 金融負債 HK\$M 百萬港元	Liabilities at fair value through the profit or loss 按公平值計入 損益之負債 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
<b>31 December 2017</b>	二零一七年十二月三十一日			
<b>Liabilities as per consolidated balance sheet</b>	<b>綜合資產負債表之負債</b>			
Borrowings	借款	4,155.2	–	4,155.2
Derivative financial instruments	衍生金融工具	–	26.9	26.9
Trade and other payables excluding non-financial liabilities	貿易及其他應付 款項，不包括非金融 負債	1,622.6	186.5	1,809.1
Amounts due to related parties	應付關聯方款項	110.9	–	110.9
<b>Total</b>	<b>總計</b>	<b>5,888.7</b>	<b>213.4</b>	<b>6,102.1</b>
<b>31 December 2016</b>	二零一六年十二月三十一日			
<b>Liabilities as per consolidated balance sheet (restated)</b>	<b>綜合資產負債表之負債 (經重列)</b>			
Borrowings, excluding convertible bonds	借款，不包括可換股債券	4,950.9	–	4,950.9
Derivative financial instruments	衍生金融工具	–	31.5	31.5
Trade and other payables excluding non-financial liabilities	貿易及其他應付 款項，不包括非金融 負債	1,238.2	158.1	1,396.3
Convertible bonds	可換股債券	67.0	–	67.0
Amounts due to related parties	應付關聯方款項	153.0	–	153.0
Amount due to the immediate holding company	應付直接控股公司款項	197.0	–	197.0
Amount due to an intermediate holding company	應付中間控股公司款項	10.1	–	10.1
<b>Total</b>	<b>總計</b>	<b>6,616.2</b>	<b>189.6</b>	<b>6,805.8</b>

### 37 RELATED PARTIES TRANSACTIONS

The Group is controlled by USUMHK which owns 62% of the Company's shares. The remaining 38% of the shares are widely held. The ultimate holding company of the Group is Loncin Group Co., Ltd (incorporated in the PRC). The ultimate controlling party of the Group is Mr. Tu Jianhua.

#### (a) Transactions

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the years ended 31 December 2017 and 2016.

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarised as follows:

### 37 關聯方交易

本集團由渝商香港控制，渝商香港擁有本公司62%股份。其餘38%股份由廣泛持有人持有。本集團最終控股公司為隆鑫集團有限公司（於中國註冊成立）。本集團最終控制方為涂建華先生。

#### (a) 交易

除已在綜合財務報表其他部分披露外，本集團於截至二零一七年及二零一六年十二月三十一日止年度曾與其關聯方進行以下交易。

所有交易均於本集團日常業務過程中按交易雙方所協定的條款進行，詳情概述如下：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Sales of goods to	向以下各方銷售貨品		
– Joint ventures	– 合營企業	152.2	–
– Related parties	– 關聯方	649.8	–
Purchases of goods from	自以下各方採購貨品		
– An associate	– 聯營公司	(73.7)	(76.0)
– Joint ventures	– 合營企業	(316.5)	–
– Related parties	– 關聯方	(146.1)	–
Interest income from	來自以下各方的利息收入		
– Joint ventures	– 合營企業	1.9	–
Purchases of property, plant and equipment from	自以下各方購置物業、廠房及設備		
– Related parties	– 關聯方	(59.5)	–



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

37 RELATED PARTIES TRANSACTIONS (continued)

(a) Transactions (continued)

37 關聯方交易(續)

(a) 交易(續)

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Interest expense to	向以下各方支付的利息開支		
– The immediate holding company	– 直接控股公司	(0.2)	(3.7)
– An intermediate holding company	– 中間控股公司	(1.4)	(1.0)
– Related parties	– 關聯方	(1.5)	–
Other income from (Note)	來自以下各方的其他收入 (附註)		
– Joint ventures	– 合營企業	1.1	–
– Related parties	– 關聯方	1.5	–
Administrative expenses	行政開支		
– Management fee paid to joint ventures	– 支付予合營企業的管理費	(14.9)	–
– Lease expense paid to related parties	– 支付予關聯方的租賃開支	(8.1)	–

Note: Other income mainly comprised of management fee income, rental income, commission income.

附註：其他收入主要包括管理費收入、租金收入及佣金收入。

37 RELATED PARTIES TRANSACTIONS (continued)

(b) Key management compensation

Key management includes all directors, chief executive officer, chief financial officer, chief operation officer, chief investment officer and chairman of the Company. The compensations paid or payable to key management for employee services are shown below:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Wages and salaries, including restructuring costs and other termination benefits	工資及薪金，包括重組成本及其他終止僱傭福利	22.3	10.7
Pension costs – defined contribution plans	退休金成本—界定供款計劃	0.1	0.1
Other employee benefits	其他僱員福利	0.6	0.7
<b>Total</b>	<b>總計</b>	<b>23.0</b>	<b>11.5</b>

37 關聯方交易(續)

(b) 主要管理層薪酬

主要管理層包括全體董事、行政總裁、首席財務官、首席營運官、首席投資官及本公司主席。就提供僱員服務而已付或應付主要管理層的薪酬列示如下：

(c) Year-end balances

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Receivables from:	應收以下各方款項：		
– Joint ventures (Note (i))	– 合營企業(附註(i))	64.8	138.9
– Related parties (Note (i))	– 關聯方(附註(i))	140.8	123.6
		<b>205.6</b>	<b>262.5</b>
Payables to:	應付以下各方款項：		
– An associate (Note (ii))	– 聯營公司(附註(ii))	–	(6.6)
– Joint ventures (Note (iii))	– 合營企業(附註(iii))	(30.6)	(20.0)
– Related parties (Note (iii))	– 關聯方(附註(iii))	(80.3)	(126.4)
		<b>(110.9)</b>	<b>(153.0)</b>

(c) 年終結餘

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 37 RELATED PARTIES TRANSACTIONS (continued)

##### (c) Year-end balances (continued)

Note:

- (i) The receivables from joint ventures and related parties include trade receivables and other receivables. Trade receivables are repayable within 60 days, and other receivables are repayable on demand. Both of them are unsecured and non-interest bearing.
- (ii) The payable to an associate, Poly Metals, is a trade payable. The payable is under normal payment terms.
- (iii) The payables to joint ventures and related parties include trade payables and other payables. Trade payables are repayable within 60 days, and other payable are repayable on demand. Both of them are unsecured and non-interest bearing.

The carrying amounts of the related parties balances approximate their fair values.

#### 37 關聯方交易(續)

##### (c) 年終結餘(續)

附註：

- (i) 應收合營企業及關聯方款項包括貿易應收款項及其他應收款項。貿易應收款項須於60日內償還，而其他應收款項則須按要求償還。該兩類款項均為無抵押及不計息。
- (ii) 應付聯營公司寶勵款項為貿易應付款項。應付款項屬於一般支付條款。
- (iii) 應付合營企業及關聯方款項包括貿易應付款項及其他應付款項。貿易應付款項須於60日內償還，而其他應付款項則須按要求償還。

關聯方結餘之賬面值與其公平值相若。

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Amount due to:	應付以下各方款項：		
– Immediate holding company (Note (i))	– 直接控股公司(附註(i))	–	(197.0)
– Intermediate holding company (Note (ii))	– 中間控股公司(附註(ii))	–	(10.1)
		–	(207.1)

Notes:

- (i) The loan from USUMHK represented the US\$25,000,000 loan to the Group with interest at 3.5% per annum and maturity date on 17 July 2017.
- (ii) The loans from USUM Investment Group Limited represented the RMB9,000,000 loan to the Group with interest at 8% per annum and with maturity date on 23 October 2017.

附註：

- (i) 渝商香港貸款指給予本集團年利率為3.5%之25,000,000美元貸款，於二零一七年七月十七日到期。
- (ii) 渝商投資集團股份有限公司貸款指給予本集團年利率為8%之人民幣9,000,000元貸款，於二零一七年十月二十三日到期。

### 38 BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' emoluments

The remuneration of the directors for the year ended 31 December 2017 is set out below:

### 38 董事福利及權益

#### (a) 董事酬金

截至二零一七年十二月三十一日止年度之董事薪酬載列如下：

Year ended	Year ended	Fees	Salaries and allowances	Performance bonus	Retirement benefit	Other benefits	Total
					scheme contributions		
31 December 2017:	十二月三十一日止年度：	袍金	薪金及津貼	表現花紅	退休福利計劃供款	其他福利	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
					(Note (b))		
					(附註(b))		
<b>Executive directors:</b>	<b>執行董事：</b>						
Mr. Tu Jianhua ("Mr. Tu") (Note ii)	涂建華先生(「涂先生」) (附註ii)	-	2.0	2.3	-	-	4.3
Mr. Qin Yongming ("Mr. Qin") (Note iv)	秦永明先生(「秦先生」) (附註iv)	-	4.4	2.8	-	0.3	7.5
Mr. Liu Huaiyu (Note iv)	劉懷宇先生(附註iv)	-	0.5	-	-	0.2	0.7
Mr. Zhu Patrick Xiangdong (Note v)	朱向東先生(附註v)	-	1.2	-	-	0.4	1.6
Mr. Wong Wun Lam (Note v)	黃煥霖先生(附註v)	-	0.6	0.5	-	-	1.1
<b>Non-executive directors:</b>	<b>非執行董事</b>						
Dr. Loke Yu	陸海林博士	0.2	-	-	-	-	0.2
Mr. Qian Liping (Note vii)	錢麗萍女士(附註vii)	0.2	-	-	-	-	0.2
Mr. Zhu Dajian	諸大建先生	0.2	-	-	-	-	0.2
		0.6	8.7	5.6	-	0.9	15.8

38 BENEFITS AND INTERESTS OF DIRECTORS  
(continued)

(a) Directors' emoluments (continued)

The remuneration of the directors for the year ended 31 December 2016 is set out below:

Year ended	截至二零一六年十二月三十一日止年度:	Fees	Salaries and allowances	Performance bonus	Retirement benefit	Other benefits	Total
					contributions		
		袍金	薪金及津貼	表現花紅	退休福利計劃供款	其他福利	總計
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
					(Note (b))		
					(附註(b))		
<b>Executive directors:</b>	<b>執行董事:</b>						
Mr. Tu Jianhua ("Mr. Tu")	涂建華先生(「涂先生」)	-	1.5	0.3	-	-	1.8
(Note ii)	(附註ii)						
Mr. Qin Yongming (Note iv)	秦永明先生(附註iv)	-	1.0	0.3	-	0.1	1.4
Mr. Liu Huaiyu (Note iv)	劉懷宇先生(附註iv)	-	0.3	0.2	-	-	0.5
Mr. Fang Ankong	方安空先生(「方先生」)						
("Mr. Fang") (Note i)	(附註i)	-	-	-	-	0.3	0.3
Mr. Meng Yi (Note i)	孟怡先生(附註i)	-	0.2	-	-	-	0.2
Mr. Zhang Jun (Note iii)	張軍先生(附註iii)	-	1.1	0.3	-	0.1	1.5
Mr. Zhang Mingjie (Note i)	張明杰先生(附註i)	-	0.3	-	-	-	0.3
<b>Non-executive directors:</b>	<b>非執行董事:</b>						
Dr. Loke Yu	陸海林博士	0.2	-	-	-	-	0.2
Ms. Qian Liping (Note vii)	錢麗萍女士(附註vii)	0.1	-	-	-	-	0.1
Mr. Zhu Dajian	諸大建先生	0.2	-	-	-	-	0.2
Ms. Zhang Jingdong (Note vi)	章敬東女士(附註vi)	0.2	-	-	-	-	0.2
		0.7	4.4	1.1	-	0.5	6.7

38 董事福利及權益(續)

(a) 董事酬金(續)

截至二零一六年十二月三十一日止年度之董事薪酬載列如下:

## 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

### (a) Directors' emoluments (continued)

Mr. Qin Yongming is also the Chief Executive Officer of the Company since 17 July 2017 and his emoluments disclosed above include those for services rendered by him as Chief Executive Officer. Mr. Qin Yongming were appointed on 30 June 2016 as executive director.

- (i) Mr. Fang, Mr. Zhang Mingjie and Mr. Meng Yi were resigned on 15 February 2016, 30 June 2016 and 1 April 2016 respectively.
- (ii) Mr. Tu Jianhua was appointed as Chief Executive Officer of the Company on 15 February 2016 and resigned on 17 July 2017, but remained as executive director.
- (iii) Mr. Zhang Jun was appointed as executive director on 1 April 2016 and resigned on 24 October 2016.
- (iv) Mr. Liu Huaiyu and Mr. Qin Yongming were appointed as executive directors on 24 October 2016 and 30 June 2016 respectively. Mr. Liu Huanyu resigned on 7 April 2017.
- (v) Mr. Zhu Patrick Xiangdong and Mr. Wong Wun Lam were appointed as executive directors on 1 April 2017 and 11 October 2017 respectively. Mr. Zhu Patrick Xiangdong resigned on 11 October 2017.
- (vi) Ms. Zhang Jingdong resigned on 24 October 2016.

## 38 董事福利及權益(續)

### (a) 董事酬金(續)

自二零一七年七月十七日起，秦永明先生亦為本公司行政總裁，彼於上文所披露之酬金包括就彼擔任行政總裁所提供服務而支付之酬金。秦永明先生於二零一六年六月三十日獲委任為執行董事。

- (i) 方先生、張明杰先生及孟怡先生分別於二零一六年二月十五日、二零一六年六月三十日及二零一六年四月一日辭任。
- (ii) 涂建華先生於二零一六年二月十五日獲委任為本公司行政總裁，並於二零一七年七月十七日辭任，但仍為執行董事。
- (iii) 張軍先生於二零一六年四月一日獲委任為執行董事並於二零一六年十月二十四日辭任。
- (iv) 劉懷宇先生及秦永明先生分別於二零一六年十月二十四日及二零一六年六月三十日獲委任為執行董事。劉懷宇先生於二零一七年四月七日辭任。
- (v) 朱向東先生及黃煥霖先生分別於二零一七年四月一日及二零一七年十月十一日獲委任為執行董事。朱向東先生於二零一七年十月十一日辭任。
- (vi) 章敬東女士於二零一六年十月二十四日辭任。



## 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

### (a) Directors' emoluments (continued)

(vii) Ms. Qian Liping was appointed as non-executive director on 24 October 2016.

(viii) During both years, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during both years.

### (b) Directors' retirement benefits

During the year ended 31 December 2017, the Company paid retirement benefits to Mr. Tu Jianhua, Mr. Qin Yongming, Mr. Liu Huaiyu, Mr. Zhu Patrick Xiangdong and Mr. Wong Wun Lam with HK\$18,000, HK\$18,000, HK\$6,000, HK\$10,500 and HK\$4,500 respectively (2016: HK\$18,000, HK\$10,000, HK\$5,000, HK\$Nil and HK\$Nil respectively).

### (c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company does not pay consideration to any third parties for making available directors' services (2016: Nil).

### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and controlled entities with such directors

As at 31 December 2017 and 2016, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors.

## 38 董事福利及權益(續)

### (a) 董事酬金(續)

(vii) 錢麗萍女士於二零一六年十月二十四日獲委任為非執行董事。

(viii) 於兩個年度，本集團概無向任何董事或五名最高薪人士支付酬金作為吸引加入或於加入本集團時的獎勵或作為離職補償。概無董事於兩個年度放棄任何酬金。

### (b) 董事退休福利

於截至二零一七年十二月三十一日止年度，本公司向涂建華先生、秦永明先生、劉懷宇先生、朱向東先生及黃煥霖先生分別支付退休福利18,000港元、18,000港元、6,000港元、10,500港元及4,500港元(二零一六年：分別為18,000港元、10,000港元、5,000港元、零港元及零港元)。

### (c) 就提供董事服務而向第三方提供之代價

於截至二零一七年十二月三十一日止年度，本公司並無就提供董事服務而向任何第三方支付代價(二零一六年：無)。

### (d) 有關惠及董事、由有關董事控制的團體公司及與有關董事共同控制的實體的貸款、類似貸款及其他交易的資料

於二零一七年及二零一六年十二月三十一日，概無以董事、由有關董事控制的團體公司及與有關董事共同控制的實體為受益人的貸款、類似貸款及其他交易安排。

### 38 BENEFITS AND INTERESTS OF DIRECTORS (continued)

#### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the financial year (2016: Nil).

### 39 BUSINESS COMBINATIONS

#### (a) Acquisition of Scholz Holding

As part of a series of steps taken by the Group to acquire Scholz Holding, the Group participated and completed the debt restructuring programme of Scholz Group in 2016 to revitalise the sustainable going concern of Scholz Group's business.

Pursuant to the German Debt Purchase Agreement signed in June 2016, the Group has paid EUR256 million to purchase the rights and obligations under certain loan agreements and promissory notes of Scholz Group with an aggregate principal amount of EUR524 million and accrued interest of EUR0.2 million from certain independent lenders comprising German financial institutions, international debt providers and funds, and to settle the Austrian Bond issued by Scholz Group with a principal amount of EUR182 million and accrued interest of EUR21 million. In addition, the Group and Scholz Group are obliged to pay EUR20.4 million to these independent lenders and EUR5.8 million to the bondholders, respectively, if Scholz Group's EBITDA, excluding amount attributable to non-controlling interest of Scholz Group, based on Scholz Group's consolidated financial statements prepared in accordance with generally accepted accounting principles in Germany is more than EUR100 million for either of the fiscal year 2016 or the fiscal year 2017. Formal closing of the German Debt Purchase Agreement took place in July 2016.

Note: German Debt Purchase Agreement, Austrian Bond were defined in the Company's circular dated 22 November 2016.

### 38 董事福利及權益(續)

#### (e) 董事於交易、安排或合約中之重大權益

本公司概無訂立任何與本集團業務有關而本公司董事於當中擁有重大權益(不論直接或間接),且於年末或財政年度內任何時間存續之重大交易、安排及合約(二零一六年:無)。

### 39 業務合併

#### (a) 收購順爾茨控股

作為本集團收購順爾茨控股所採取的一系列步驟之一部分,本集團於二零一六年已參與及完成順爾茨集團債務重組,以振興順爾茨集團的業務以達致其能持續經營。

根據於二零一六年六月簽訂之德國債務購買協議,本集團支付2億5,600萬歐元購買若干貸款協議下之權利及義務以及本金總額為5億2,400萬歐元之順爾茨集團承兌票據及來自若干獨立貸款人(包括德國金融機構、國際性債務提供者及基金)之應計利息20萬歐元,以及結算由順爾茨集團發行之本金額為1億8,200萬歐元之奧地利債券及應計利息2,100萬歐元。此外,倘根據德國一般接納之會計政策所編制順爾茨集團綜合財務報表中順爾茨集團之EBITDA(不包括順爾茨集團非控股權益應佔金額)於二零一六財政年度或二零一七財政年度多於1億歐元,本集團與順爾茨集團須向該等獨立貸款人及債券持有人分別支付2,040萬歐元及580萬歐元。德國債務購買協議於二零一六年七月正式結束。

附註: 德國債務購買協議、奧地利債券之定義見本公司日期為二零一六年十一月二十二日之通函。

### 39 BUSINESS COMBINATIONS (continued)

#### (a) Acquisition of Scholz Holding (continued)

Subsequent to the completion of the above debt restructuring programme, in December 2016, the Group acquired 100% of the share capital of Scholz Holding for a nominal purchase price of EUR1.

As a result of the acquisition, the Group is expected to have direct and immediate access to its global customer base and stable upstream material supplies in the European and U.S. markets as well as leveraging on Scholz Group's business and know-how which, in turn, enhances the operating efficiency and create synergistic effects within the Group. Meanwhile, Scholz Group would also be benefited by gaining access to the Group's customer base and distributed channel in the PRC.

The purchase price allocation of the acquisition of Scholz Group in 2016 was completed in December 2017. The finalisation of purchase price allocation was supported by a valuation performed by the independent professional valuers, Jones Lang Lasalle Corporate Appraisal and Advisory Limited. The Group retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. This resulted in an adjustment to certain assets and liabilities due to the completion of the valuation of the fair values as at the date of acquisition, along with a corresponding decline in goodwill in the consolidated balance sheet. The changes in purchase price allocation is shown below:

### 39 業務合併(續)

#### (a) 收購順爾茨控股(續)

完成上述債務重組計劃後，於二零一六年十二月，本集團以1歐元之名義購買價收購順爾茨控股100%股本。

收購完成後，本集團預期可直接且即時獲得全球客戶群以及來自歐洲及美國市場的穩定上游材料供應以及憑藉順爾茨集團的業務及專業知識，加強本集團經營效率及創造協同效應。同時，順爾茨集團亦可從獲得本集團之中國客戶群及分銷渠道獲益。

於二零一六年收購順爾茨集團的購買價分配已於二零一七年十二月完成。完成最終購買價分配獲得了獨立專業估值師仲量聯行企業評估及諮詢有限公司進行之估值支持。本集團對於收購日期確認的暫定金額進行追溯調整，以反映截至收購日期已存在的事實及情況之新資料。其導致對若干資產及負債的調整，原因是完成於收購日期的公平值估值，連同綜合資產負債表內商譽的相應減少。購買價分配變動列示如下：

39 BUSINESS COMBINATIONS (continued)

(a) Acquisition of Scholz Holding (continued)

At 31 December 2016

39 業務合併(續)

(a) 收購順爾茨控股(續)

於二零一六年十二月三十一日

		Before finalisation of purchase price allocation 完成最終 購買價分配前 HK\$M 百萬港元	Adjustment in purchase price allocation 購買價 分配調整 HK\$M 百萬港元	After finalisation of purchase price allocation 完成最終 購買價分配後 HK\$M 百萬港元
Property, plant and equipment	物業、廠房及設備	2,372.0	(129.3)	2,242.7
Intangible assets, excluding goodwill (Note 17)	無形資產，不包括商譽(附註17)	363.1	(45.4)	317.7
Interests in joint ventures	合營企業權益	423.4	22.0	445.4
Other non-current assets	其他非流動資產	54.2	(5.7)	48.5
Assets classified as held for sale	分類為持作出售資產	140.5	226.8	367.3
Cash and cash equivalents	現金及現金等值項目	133.3	—	133.3
Pledged bank deposits	已抵押銀行存款	345.9	—	345.9
Trade and other receivables	貿易及其他應收款項	1,611.2	(1.2)	1,610.0
Inventories	存貨	627.5	(35.3)	592.2
Amounts due from related parties, net	應收關聯方款項淨額	122.4	(5.6)	116.8
Trade and other payables	貿易及其他應付款項	(1,171.7)	2.9	(1,168.8)
Borrowings	借款	(2,564.0)	16.3	(2,547.7)
Deferred income tax liabilities, net	遞延所得稅負債淨額	(269.0)	95.7	(173.3)
Amounts due to the Group, net	應付本集團款項淨額	(2,711.9)	—	(2,711.9)
Others	其他	(152.5)	16.6	(135.9)
Goodwill (Note 17)	商譽(附註17)	833.7	(157.8)	675.9
Consideration and contingent consideration	代價及或然代價	158.1	—	158.1

### 39 BUSINESS COMBINATIONS (continued)

#### (a) Acquisition of Scholz Holding (continued)

The goodwill of approximately HK\$675.9 million arising from the acquisition is mainly attributable to the anticipated profitability and net cash inflows of the acquired business and the synergies created from the merger and acquisition of and the integration with newly-acquired business.

Acquisition-related costs of approximately HK\$97.1 million have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

There was no revenue or loss contributed by Scholz Group included in the consolidated statement of profit or loss since the acquisition date for the year ended 31 December 2016.

Had Scholz Group been consolidated from 1 January 2016, the Scholz Group would contribute revenue of HK\$9,011.2 million and loss of HK\$816.9 million to the consolidated statement of profit or loss for the year ended 31 December 2016.

#### (b) Acquisition of Dinos

As previously mentioned in Note 21, on 29 November 2017, the Group and the joint venture partner of CIOS entered into a sale and purchase agreement in which the Group agreed to dispose its entire interest in CIOS as part of the consideration in exchange for 80% of Dinos.

Dinos is a metal recycler in Slovenia of with 20% of its interest was directly held by Scholz Group, while the remaining 80% of its interest was held by CIOS prior to the transaction mentioned below.

### 39 業務合併(續)

#### (a) 收購順爾茨控股(續)

收購所產生約6億7,590萬港元之商譽，主要源於所收購業務之預期盈利能力及淨現金流量及併購產生的協同效應及對新收購業務之整合。

收購相關成本約9,710萬港元已計入截至二零一六年十二月三十一日止年度之綜合損益表中的行政開支。

截至二零一六年十二月三十一日止年度，自收購日期起，概無順爾茨集團貢獻之收益或虧損計入綜合損益表。

倘順爾茨集團自二零一六年一月一日開始綜合入賬，順爾茨集團將為截至二零一六年十二月三十一日止年度的綜合損益表貢獻收益9億1,120萬港元及虧損8億1,690萬港元。

#### (b) 收購Dinos

誠如上文附註21所述，於二零一七年十一月二十九日，本集團與CIOS的合營企業合夥人訂立買賣協議，當中本集團同意出售其於CIOS的全部權益，作為換取Dinos 80%權益之部分代價。

Dinos為斯洛文尼亞的金屬回收商，於下文所述交易前，其由順爾茨集團直接持有20%的權益，而餘下80%的權益由CIOS持有。



### 39 BUSINESS COMBINATIONS (continued)

#### (b) Acquisition of Dinos (continued)

Pursuant to the sale and purchase agreement, the Group agreed to acquire the remaining 80% interest of Dinos held by CIOS, in return, the Group transferred its entire 51.43% interest in CIOS to the joint venture partner. Furthermore, several other assets, including cash, other equity investments and receivables were transferred between both parties.

Subsequent to the transaction, Dinos became a wholly-owned subsidiary of the Group. The transaction is accounted for as a business combination achieved in stages. The Group remeasured its previously held interest in Dinos on the date of acquisition which approximate its restated carrying value included in assets classified as held for sale.

The non-cash assets/liabilities transferred in return of the remaining 80% interest of Dinos, including 51.43% interest in CIOS, certain amounts due from/to related parties, other non-current assets, were accounted for as the consideration transferred and remeasured at fair value at the date of acquisition. A gain on bargain purchase of HK\$96.8 million was recognised in the consolidated statement of profit or loss.

As a result of the acquisition, the Group is expected to streamline its group structure in the Balkans and enhance its control over its metal recycling business in Slovenia.

### 39 業務合併(續)

#### (b) 收購Dinos(續)

根據買賣協議，本集團同意收購 CIOS 所持有 Dinos 的餘下 80% 權益，作為代價，本集團向合營企業合夥人轉讓其於 CIOS 的全部 51.43% 權益。此外，包括現金、其他股本投資及應收款項在內的若干其他資產由訂約雙方轉讓。

於交易後，Dinos 成為本集團之全資子公司。交易乃按分階段完成的業務合併入賬。本集團於收購日期重新計量其過往於 Dinos 持有的權益，其與計入分類為持作出售資產之經重列賬面值相若。

作為 Dinos 的餘下 80% 權益的代價所轉讓的非現金資產／負債，包括於 CIOS 的 51.43% 權益、若干應收／應付關聯方款項、其他非流動資產，乃入賬為轉讓代價並按收購日期的公平值重新計量。於綜合損益表內確認議價購買收益 9,680 萬港元。

藉助收購事項，本集團預計精簡其於巴爾幹半島的集團架構並加強其對斯洛文尼亞金屬回收業務的控制。



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

39 BUSINESS COMBINATIONS (continued)  
(b) Acquisition of Dinos (continued)

39 業務合併(續)  
(b) 收購Dinos(續)

		HK\$'M 百萬港元
Consideration:	代價	
– Interest in CIOS and other equity investments	– 於CIOS及其他股本投資之權益	187.9
– Assignment of loan payable to a subsidiary	– 轉讓應付子公司貸款	22.6
– Receivables transferred	– 轉讓應收款項	5.9
– Cash received	– 已收現金	(43.9)
Total consideration transferred, net Fair value of shares previously held by the Group	總轉讓代價淨額 本集團過往持有的股份的公平值	172.5 269.4
Total consideration	總代價	441.9
Recognised amounts of identifiable assets acquired and liabilities assumed:	確認所收購可識別資產及 所承擔負債的金額：	
Property, plant and equipment	物業、廠房及設備	386.1
Intangible assets (Note 17)	無形資產(附註17)	58.2
Other non-current assets	其他非流動資產	72.2
Deferred income tax assets	遞延所得稅資產	1.0
Cash and cash equivalents	現金及現金等值項目	3.6
Inventories	存貨	63.3
Amounts due from group companies, net	應收集團公司款項淨額	28.3
Trade and other receivables	貿易及其他應收款項	230.3
Trade and other payables	貿易及其他應付款項	(144.7)
Borrowings	借款	(118.0)
Deferred income tax liabilities	遞延所得稅負債	(36.3)
Current income tax liabilities	即期所得稅負債	(5.3)
Total identifiable net assets	總可識別資產淨值	538.7
Gain on bargain purchase (Note 7)	議價購買收益(附註7)	(96.8)

39 BUSINESS COMBINATIONS (continued)

(b) Acquisition of Dinos (continued)

Cash flows involved in the acquisition of Dinos is summarised as follows:

		2017 二零一七年 HK\$'M 百萬港元
Cash consideration received	已收現金代價	43.9
Add: Balances acquired	加：所收購結餘	
– Cash and cash equivalents	– 現金及現金等值項目	3.6
Net inflow of cash	現金流入淨額	
– investing activities	– 投資活動	47.5

Acquisition-related costs of approximately HK\$0.4 million have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2017.

The gain on bargain purchase was the variance between the consideration and the net asset value acquired after commercial negotiation with the vendor. The gain is included in “other gains/(losses), net” in the consolidated statement of profit or loss for the year ended 31 December 2017. The bargain purchase gain on acquisition of Dinos is mainly attributable to the fact that other joint venture partner was anxious to dispose the 80% interest in Dinos.

39 業務合併(續)

(b) 收購Dinos(續)

涉及收購Dinos之現金流量概述如下：

收購相關的開支約40萬港元已計入截至二零一七年十二月三十一日止年度之綜合損益表中的行政開支。

議價購買收益為於與賣方進行商業磋商後，代價與所收購資產淨值之差額。收益計入截至二零一七年十二月三十一日止年度的綜合損益表內的「其他收益／(虧損)淨額」。收購Dinos產生的議價購買收益主要由於其他合營企業合夥人欲出售於Dinos的80%股權。

### 39 BUSINESS COMBINATIONS (continued)

#### (b) Acquisition of Dinos (continued)

The fair value and gross contractual amount of acquired trade receivables was HK\$221.0 million.

The acquired business contributed revenues of HK\$79.2 million and net loss of approximately HK\$9.5 million to the Group for the period from 29 November to 31 December 2017.

Had Dinos been consolidated from 1 January 2017, the consolidated statement of profit or loss would show pro-forma revenue of approximately HK\$19,509.4 million and profit for the year of approximately HK\$437.5 million.

#### (c) Acquisition of Yantai Liheng

In January 2016, the Group acquired 100% equity interest in Yantai Liheng through a 60% owned subsidiary for approximately HK\$65.6 million and obtained control of Yantai Liheng, which principally engages in recycling of hazardous waste and sale of, lubricating oil, wax oil, base oil, residual oil, fuel oil and the related additives.

As a result of the acquisition, the Group is expected to expand into the business relating to waste lubricating oil processing, thereby will increase the revenue base of the Group. The goodwill of approximately HK\$14.7 million arising from the acquisition is attributable to the acquired market on the north eastern region of the PRC, and economies of scale expected from combining the operations of Yantai Liheng.

### 39 業務合併(續)

#### (b) 收購Dinos (續)

收購的貿易應收款項的公平值及總合約金額為2億2,100萬港元。

自二零一七年十一月二十九日至十二月三十一日期間，收購業務對本集團貢獻的收益為7,920萬港元及淨虧損約950萬港元。

倘Dinos自二零一七年一月一日開始綜合入賬，則綜合損益表將顯示備考收益約195億940萬港元及年內溢利約4億3,750萬港元。

#### (c) 收購煙台立衡

於二零一六年一月，本集團以約6,560萬港元透過一家擁有60%之子公司收購煙台立衡100%股權及取得煙台立衡之控制權，煙台立衡主要從事回收危險廢物及銷售潤滑油、蠟油、基礎油料、渣油、燃料油及相關用品添加劑。

收購完成後，本集團預期擴展至有關處理廢潤滑油之業務，因此將提高本集團之收益基礎。收購產生之約1,470萬港元商譽乃歸因於中國東北地區的收購市場，以及合併煙台立衡業務預期帶來的經濟規模。

39 BUSINESS COMBINATIONS (continued)

(c) Acquisition of Yantai Liheng (continued)

The following table summarises the consideration paid for acquisition of Yantai Liheng, the fair value of assets acquired, liabilities assumed on the acquisition date.

		HK\$'M 百萬港元
Consideration:	代價：	
– Cash consideration	– 現金代價	64.1
– Consideration payable	– 應付代價	1.5
<b>Total consideration transferred</b>	<b>已轉讓總代價</b>	<b>65.6</b>
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及所承擔負債之 確認金額：	
Property, plant and equipment	物業、廠房及設備	40.7
Land use rights	土地使用權	15.9
Deposits	按金	0.3
Inventories	存貨	3.5
Prepayments and other receivables	預付款項及其他應收款項	10.9
Cash and cash equivalents	現金及現金等值項目	11.8
Trade and other payables	貿易及其他應付款項	(14.4)
Bank borrowings	銀行借貸	(17.8)
<b>Total identifiable net assets</b>	<b>可識別總資產淨值</b>	<b>50.9</b>
Goodwill (Note 17)	商譽 (附註17)	14.7

Acquisition-related costs of approximately HK\$0.3 million have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

The consideration payable of RMB1.2 million (approximately HK\$1.5 million) is to be paid within 30 days right after first anniversary of completion of the acquisition pursuant to the sales and purchase agreement dated 16 January 2016. The amount was paid in January 2017.

39 業務合併 (續)

(c) 收購煙台立衡 (續)

下表概述收購煙台立衡所支付之代價、於收購日期所收購資產及所承擔之負債之公平值。

收購相關的開支約30萬港元已計入截至二零一六年十二月三十一日止年度之綜合損益表中的行政開支。

根據日期為二零一六年一月十六日之買賣協議，應付代價人民幣120萬元（約150萬港元）須於收購事項完成滿第一週年後30日內支付。該款項已於二零一七年一月支付。

### 39 BUSINESS COMBINATIONS (continued)

#### (c) Acquisition of Yantai Liheng (continued)

The revenue contributed by Yantai Liheng included in the consolidated statement of profit or loss since the date of acquisition was approximately HK\$1.2 million.

Had Yantai Liheng been consolidated from 1 January 2016, Yantai Liheng would contribute revenue of approximately HK\$1.2 million and loss of approximately HK\$16.7 million to the consolidated statement of profit or loss for the year ended 31 December 2016.

#### (d) Acquisition of DNG

In March 2016, the Group acquired 100% equity interest in DNG for 31,037,585 ordinary shares of the Company and obtained control of DNG, a recycler specialised in mixed metal scrap recycling, disassembling and processing, and resource recycling.

As a result of the acquisition, the Group is expected to enhance the Group's processing coverage especially in the north-eastern region of the PRC.

The following table summarises the consideration paid for acquiring DNG, the fair value of assets acquired, liabilities assumed on the acquisition date.

### 39 業務合併(續)

#### (c) 收購煙台立衡(續)

自收購日期以來，煙台立衡為綜合損益表貢獻的收益約為120萬港元。

倘煙台立衡自二零一六年一月一日開始綜合入賬，則煙台立衡將為截至二零一六年十二月三十一日止年度的綜合損益表貢獻收益約120萬港元及虧損約1,670萬港元。

#### (d) 收購大連新綠

於二零一六年三月，本集團以31,037,585股本公司普通股收購大連新綠100%股權及取得大連新綠之控制權，大連新綠是專注回收、拆卸及處理混合廢金屬及回收資源之回收商。

收購完成後，本集團預期將可擴大本集團之加工處理範圍，尤其於中國東北地區。

下表概述收購大連新綠已付之代價、於收購日期已收購資產及所承擔之負債之公平值。

39 BUSINESS COMBINATIONS (continued)

(d) Acquisition of DNG (continued)

39 業務合併(續)

(d) 收購大連新綠(續)

		HK\$'M 百萬港元
Consideration:	代價:	
– Issue of ordinary shares	– 發行普通股	111.7
– Contingent consideration received	– 已收或然代價	(6.1)
<b>Total consideration transferred</b>	<b>已轉讓總代價</b>	<b>105.6</b>
Recognised amounts of identifiable assets acquired and liabilities assumed:	已收購可識別資產及所承擔負債之 確認金額:	
Property, plant and equipment	物業、廠房及設備	153.6
Land use rights	土地使用權	3.9
Inventories	存貨	4.2
Prepayments and other receivables	預付款項及其他應收款項	26.8
Cash and cash equivalents	現金及現金等值項目	7.6
Trade and other payables	貿易及其他應付款項	(1.6)
<b>Total identifiable net assets</b>	<b>可識別總資產淨值</b>	<b>194.5</b>
Gain on bargain purchase (Note 7)	議價購買收益(附註7)	<b>(88.9)</b>

Acquisition-related costs of approximately HK\$0.8 million have been charged to administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016.

The fair value of the 31,037,585 ordinary shares issued as part of the consideration paid for DNG (approximately HK\$111.7 million) was based on the published market price on 21 March 2016. Issuance cost totally HK\$0.04 million was settled against the proceeds, also contributed loss of approximately HK\$7.7 million for the year ended 31 December 2016.

收購相關的開支約80萬港元已計入截至二零一六年十二月三十一日止年度之綜合損益表中的行政開支。

作為支付收購大連新綠之部分代價(約1億1,170萬港元)而發行之31,037,585股普通股之公平值乃根據二零一六年三月二十一日之已公佈市價釐定。發行成本合共4萬港元已由所得款項支付,亦導致截至二零一六年十二月三十一日止年度招致虧損約770萬港元。



### 39 BUSINESS COMBINATIONS (continued)

#### (d) Acquisition of DNG (continued)

The contingent consideration arrangement requires the Group to pay or receive cash if the net asset value of DNG as at the month end immediately preceding the target shares transfer date is higher or lower than the net asset value of DNG as at the pre-closing date. As a result, a contingent consideration of approximately HK\$6.1 million was received by the Group in April 2016.

The Group recognised a gain on bargain purchase of approximately HK\$88.9 million as a result of the business combination (Note 7). The gain is included in "other gains/ (losses), net" in the consolidated statement of profit or loss for the year ended 31 December 2016. The bargain purchase gain on acquisition of DNG is mainly attributable to the decrease in share price of the Company before the completion of the acquisition. The Company's share price on the date of sale and purchase agreement was HK\$5.60 and that on the date of completion in March 2016 was HK\$3.60.

In 2016, the plant and production facilities were under construction and it has not yet commenced operations. There was no revenue contributed by DNG included in the consolidated statement of profit or loss for the year ended 31 December 2016 since 21 March 2016. DNG contributed a loss of approximately HK\$14.4 million to the Group for the period from 21 March 2016 to 31 December 2016.

Had DNG been consolidated from 1 January 2016, no revenue and a loss of approximately HK\$9.6 million would be contributed to the consolidated statement of profit or loss for the year ended 31 December 2016.

### 39 業務合併(續)

#### (d) 收購大連新綠(續)

倘大連新綠於緊接目標股份轉讓日期前月結日的資產淨值高於或低於大連新綠於預交割日期前的資產淨值，則或然代價安排要求本集團支付或收取現金。因此，或然代價約610萬港元已由本集團於二零一六年四月收取。

本集團就業務合併確認識議購買收益約8,890萬港元(附註7)。收益計入截至二零一六年十二月三十一日止年度綜合損益表之「其他收益/(虧損)淨額」中。收購大連新綠之議價購買收益主要由於本公司之收購完成前股價下跌。於買賣協議日期，本公司的股價為5.60港元，及後在二零一六年三月的交易完成日時的股價是3.60港元。

二零一六年，廠房及生產設施仍處於興建階段，尚未投產。自二零一六年三月二十一日以來，大連新綠概無為截至二零一六年十二月三十一日止年度綜合損益表貢獻收益。於二零一六年三月二十二日至二零一六年十二月三十一日期間，大連新綠為本集團帶來虧損約1,440萬港元。

倘大連新綠自二零一六年一月一日開始綜合入賬，則為截至二零一六年十二月三十一日止年度的綜合損益表帶來零收益及虧損約960萬港元。

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

40 CASH GENERATED FROM OPERATIONS

Reconciliation from profit/(loss) before income tax to cash generated from operations:

40 經營所得現金

除所得稅前溢利／(虧損)與經營所得現金對賬：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
<b>Cash flows from operating activities</b>	<b>經營活動所得現金流量</b>		
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	546.2	(443.6)
Adjustments for:	就以下各項調整：		
Finance costs (Note 10)	財務成本(附註10)	416.1	82.0
Finance income (Note 10)	財務收入(附註10)	(38.8)	(47.9)
Dividend income (Note 6)	股息收入(附註6)	(6.1)	(8.5)
Losses on fair value change of financial assets at fair value through profit or loss (Note 7)	按公平值計入損益之金融資產之公平值變化虧損(附註7)	1.7	105.3
Depreciation of investment properties (Note 16)	投資物業折舊(附註16)	4.9	4.0
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備折舊(附註14)	369.5	41.9
Amortisation of leasehold land and land use rights (Note 15)	租賃土地及土地使用權攤銷(附註15)	13.2	14.8
Amortisation of intangible assets (Note 17)	無形資產攤銷(附註17)	11.5	-
(Gain)/loss on disposal of property, plant and equipment (Note 7)	出售物業、廠房及設備之(收益)／虧損(附註7)	(16.0)	0.9
Loss on disposal of leasehold land and land use rights (Note 7)	出售租賃土地及土地使用權之虧損(附註7)	-	37.4
Gain on disposal of investment properties (Note 7)	出售投資物業之收益(附註7)	(254.5)	-
Gain on disposal of assets classified as held for sales (Note 7)	出售分類為持作出售資產之收益(附註7)	(38.5)	-
Provision for impairment of trade and other receivables, net of reversal (Note 7)	貿易及其他應收款項之減值撥備(扣除回撥)(附註7)	49.3	(6.6)
Provision for/(utilisation of provision for) inventories (Note 8)	存貨撥備／(動用撥備)(附註8)	5.4	(76.0)
Provision for impairment of property, plant and equipment (Note 7)	物業、廠房及設備之減值撥備(附註7)	14.3	-
Provision for impairment of leasehold land and land use rights (Note 7)	租賃土地及土地使用權之減值撥備(附註7)	92.4	-
Gain on bargain purchase on acquisition of subsidiaries (Note 7)	就收購子公司之議價購買收益(附註7)	(96.8)	(88.9)
Share of profit of an associate	應佔聯營公司溢利	(0.2)	(0.4)
Share of profit of joint ventures	應佔合營企業溢利	(108.6)	-
Gain on fair value of embedded derivative components of convertible bonds (Note 7)	可換股債券之嵌入式衍生部分之公平值收益(附註7)	-	(9.6)
Non-cash post-employment benefit expenses	非現金退休福利開支	(0.4)	-
Net foreign exchange (gains)/losses	外匯(收益)／虧損淨額	(9.7)	296.1
		<b>954.9</b>	<b>(99.1)</b>

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

40 CASH GENERATED FROM OPERATIONS  
(continued)

40 經營所得現金(續)

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Changes in working capital	營運資金變動		
Increase in inventories	存貨增加	(320.5)	(174.0)
Decrease in trade and other receivables	貿易及其他應收款項減少	21.7	125.0
Increase in derivative financial instruments	衍生金融工具增加	(3.0)	(1.3)
Increase in trade and other payables	貿易及其他應付款項增加	197.2	241.3
Cash generated from operations	經營所得現金	<b>850.3</b>	91.9

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

於該綜合現金流量表，銷售物業、廠房及設備所得款項包括：

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Net book amount (Note 14)	賬面淨值(附註14)	122.8	2.3
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之 收益/(虧損)	16.0	(0.9)
Proceeds receivable	應收所得款項	(12.4)	-
<b>Proceeds from disposal of property, plant and equipment</b>	<b>出售物業、廠房及設備 所得款項</b>	<b>126.4</b>	1.4

40 CASH GENERATED FROM OPERATIONS  
(continued)

In the consolidated statement of cash flows, proceeds from sale of assets classified as held for sale comprise of:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Net book amount (Note 21)	賬面淨值 (附註21)	33.5	-
Gain on disposal of assets classified as held for sale	出售分類為持作出售資產之收益	38.5	-
<b>Proceeds from disposal of assets classified as asset held for sale</b>	<b>出售分類為持作出售資產之所得款項</b>	<b>72.0</b>	<b>-</b>

40 經營所得現金 (續)

於該綜合現金流量表，銷售分類為持作出售資產之所得款項包括：

In the consolidated statement of cash flows, proceeds from sale of leasehold land comprise:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Net book amount (Note 15)	賬面淨值 (附註15)	-	45.1
Loss on disposal of leasehold land	出售租賃土地之虧損	-	(37.4)
<b>Proceeds from disposal of leasehold land</b>	<b>出售租賃土地所得款項</b>	<b>-</b>	<b>7.7</b>

於該綜合現金流量表，銷售租賃土地所得款項包括：

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

### 40 CASH GENERATED FROM OPERATIONS (continued)

In the consolidated statement of cash flows, proceeds from sales of investment properties comprise of:

		2017 二零一七年 HK\$M 百萬港元	2016 二零一六年 HK\$M 百萬港元
Net book amount (Note 16)	賬面淨值(附註16)	76.2	-
Gain on disposal of investment properties	出售投資物業之收益	254.5	-
Proceeds receivable	應收所得款項	(228.7)	-
<b>Proceeds from disposal of investment properties</b>	<b>出售投資物業之所得款項</b>	<b>102.0</b>	<b>-</b>

### 40 經營所得現金(續)

於該綜合現金流量表, 銷售投資物業所得款項包括:

#### (a) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

#### (a) 債務淨額對賬

本節載列債務淨額分析及所呈列各期間債務淨額變動。

		Liabilities from financing activities 融資活動產生的負債										Total	
		Finance lease liabilities due		Bank borrowings due within 1 year	Bank borrowing due after 1 year	Other borrowings due within 1 year	Other borrowing due after 1 year	Note payable due within 1 year	Note payable due after 1 year	Convertible bonds due within 1 year	Amount due to the immediate holding company		Amount due to an intermediate holding company
		1 year	after 1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	company		company
		於一年內到期	於一年後到期	於一年內到期	於一年後到期	於一年內到期	於一年後到期	於一年內到期	於一年後到期	於一年內到期	應付直接控股公司款項		應付中間控股公司款項
		的融資租賃責任	的融資租賃責任	的銀行借款	的銀行借款	的其他借款	的其他借款	的應付票據	的應付票據	的可換股債券	公司款項	公司款項	總計
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Net debt as at 31 December 2016	於二零一六年十二月三十一日的債務淨額	30.4	161.5	2,849.7	333.9	110.6	-	-	1,464.8	67.0	197.0	10.1	5,225.0
Proceeds/additions	所得款項/添置	8.2	34.3	2,274.4	275.3	285.0	418.9	-	-	-	12.7	-	3,308.8
Repayments	償還款項	(47.7)	-	(4,447.8)	-	(45.6)	-	-	-	(67.6)	(209.8)	(10.1)	(4,828.6)
Acquisition of subsidiaries (Note 39(b))	收購子公司(附註39(b))	7.2	3.1	27.7	80.0	-	-	-	-	-	-	-	118.0
Other non-cash movement	其他非現金變動	78.0	(78.0)	177.4	(175.4)	-	-	1,464.8	(1,464.8)	0.6	-	-	2.6
Currency translation differences	貨幣轉換差異	7.4	21.2	201.6	58.2	29.1	-	11.8	-	-	0.1	-	329.4
Net debt as at 31 December 2017	於二零一七年十二月三十一日的債務淨額	83.5	142.1	1,083.0	572.0	379.1	418.9	1,476.6	-	-	-	-	4,155.2

41 BALANCE SHEET AND RESERVE MOVEMENT

41 資產負債表及儲備變動

Balance sheet of the Company

本公司之資產負債表

		Note 附註	2017 二零一七年 HK\$'M 百萬港元	2016 二零一六年 HK\$'M 百萬港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment in subsidiaries, unlisted	於子公司之投資·非上市		3,500.4	–
Loan receivables from a subsidiary	應收子公司貸款		58.6	178.4
			<b>3,559.0</b>	178.4
<b>Current assets</b>	<b>流動資產</b>			
Other receivables	其他應收款項		339.4	317.3
Amounts due from subsidiaries	應收子公司款項		2,961.3	6,198.7
Amount due from a related party	應收關聯方款項		0.6	–
Cash and cash equivalents	現金及現金等值項目		40.6	42.6
			<b>3,341.9</b>	6,558.6
<b>Total assets</b>	<b>資產總值</b>		<b>6,900.9</b>	6,737.0
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>			
<b>Equity attributable to shareholders of the Company</b>	<b>本公司股東應佔權益</b>			
Share capital	股本	27	16.1	16.2
Reserves	儲備	(a)	4,511.6	4,565.1
<b>Total equity</b>	<b>總權益</b>		<b>4,527.7</b>	4,581.3



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

41 BALANCE SHEET AND RESERVE  
MOVEMENT(continued)

Balance sheet of the Company (continued)

41 資產負債表及儲備變動(續)

本公司之資產負債表(續)

	Note 附註	2017 二零一七年 HK\$'M 百萬港元	2016 二零一六年 HK\$'M 百萬港元
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other borrowings		431.6	1,464.9
		431.6	1,464.9
<b>Current liabilities</b>			
Accruals and other payables		48.2	55.2
Amounts due to subsidiaries		411.9	324.8
Amount due to the immediate holding company		–	197.0
Debt components of convertible bonds		–	67.0
Other borrowings		1,476.6	44.8
Current income tax liabilities		4.9	2.0
		1,941.6	690.8
<b>Total liabilities</b>		<b>2,373.2</b>	2,155.7
<b>Total equity and liabilities</b>		<b>6,900.9</b>	6,737.0

The balance sheet of the Company was approved by the Board of Directors on 28 March 2018 and was signed on its behalf:

本公司之資產負債表已獲董事會於二零一八年三月二十八日批准並由以下董事代表簽署：

**Mr. Tu Jianhua**  
涂建華先生  
Director  
董事

**Mr. Qin Yongming**  
秦永明先生  
Director  
董事

41 BALANCE SHEET AND RESERVE MOVEMENT  
(continued)

Note (a) Reserve movement of the Company

41 資產負債表及儲備變動(續)

附註(a) 本公司之儲備變動

		Share premium 股份溢價 HK\$M 百萬港元	Capital redemption reserve 資本贖回 儲備 HK\$M 百萬港元	Share option reserve 購股權 儲備 HK\$M 百萬港元	Capital reserve 資本儲備 HK\$M 百萬港元 (Note (i)) (附註(i))	Accumulated losses 累計虧損 HK\$M 百萬港元	Total 總計 HK\$M 百萬港元
At 1 January 2016	於二零一六年一月一日	5,864.8	0.2	1.3	216.2	(649.8)	5,432.7
Loss for the year	年內虧損	-	-	-	-	(979.8)	(979.8)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(979.8)	(979.8)
Issue of subscription shares	發行認購股份	111.4	-	-	-	-	111.4
Exercise of share options	行使購股權	1.1	-	(0.3)	-	-	0.8
Lapse of share options	購股權失效	-	-	(1.0)	-	1.0	-
At 31 December 2016	於二零一六年 十二月三十一日	5,977.3	0.2	-	216.2	(1,628.6)	4,565.1

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 41 BALANCE SHEET AND RESERVE MOVEMENT (continued)

Note (a) Reserve movement of the Company (continued)

		Share premium	Capital redemption reserve	Capital reserve	Accumulated losses	Total
		股份溢價 HK\$M	資本贖回 儲備 HK\$M	資本儲備 HK\$M	累計虧損 HK\$M	總計 HK\$M
		百萬港元	百萬港元	百萬港元 (Note (i)) (附註 (i))	百萬港元	百萬港元
At 1 January 2017	於二零一七年一月一日	5,977.3	0.2	216.2	(1,628.6)	4,565.1
Loss for the year	年內虧損	-	-	-	11.9	11.9
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	11.9	11.9
Subscription shares repurchased and cancelled	購回及註銷認購股份	(65.4)	0.1	-	(0.1)	(65.4)
At 31 December 2017	於二零一七年十二月三十一日	5,911.9	0.3	216.2	(1,616.8)	4,511.6

Notes:

- (i) Capital reserve represents the sum of (a) the difference between the nominal value of the aggregate share capital and share premium of the subsidiaries acquired by the Company upon a group reorganisation in 2008 and the nominal value of the Company's shares issued in exchange and (b) a capitalisation of shareholders' loans in 2010.

#### 41 資產負債表及儲備變動(續)

附註(a) 本公司之儲備變動(續)

附註:

- (i) 資本儲備指(a)本公司於二零零八年集團重組時所收購子公司股本及股份溢價總額之面值與本公司交換股權所發行股份之面值的差額及(b)二零一零年資本化股東貸款。

42 PARTICULARS OF SUBSIDIARIES OF THE COMPANY

42 本公司之子公司詳情

(a) General information of principle subsidiaries

(a) 主要子公司的一般資料

Name of subsidiary 子公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立 ／成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 ／註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2017 二零一七年	2016 二零一六年	
					Delco Europe B.V.	The Netherlands 荷蘭	
Chiho-Tiande (HK) Limited 齊合天地(香港)有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1 1港元	100%	100%	Purchasing agent of the Group and wholesales of metal scrap without processing 為本集團採購及批發未經加工之廢金屬	
Chiho Eco Protection Limited 齊合綠色環保有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Investment, management and trading 投資、管理及貿易	
Chiho-Tiande (HK) Metals Recycling Co., Limited ("CTHK Metals") 齊合天地(香港)再生金屬有限公司 (「齊合香港金屬」)	Hong Kong 香港	Hong Kong 香港	HK\$35,000,000 35,000,000港元	100%	70%	Trading of metal scrap 買賣廢金屬	
Taizhou Chiho-Tiande Foundry Company Limited* 台州齊合天地鑄造有限公司	The PRC 中國	The PRC 中國	US\$7,500,000 7,500,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品	
Taizhou Chiho-Tiande Metals Company Limited* 台州齊合天地金屬有限公司	The PRC 中國	The PRC 中國	US\$108,000,000 108,000,000美元	100%	100%	Processing and sales of metal scrap, production and sales of metal products 加工及銷售廢金屬、生產及銷售金屬產品	
Chiho-Tiande (YanTai) Resources Recycling Co. Limited* 齊合天地(煙台)再生資源有限公司	The PRC 中國	The PRC 中國	US\$40,000,000 40,000,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬	

\* For identification purpose only

\* 僅供識別

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

### 42 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

#### (a) General information of principle subsidiaries (continued)

Name of subsidiary 子公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立 / 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 / 註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2017 二零一七年	2016 二零一六年	
Chiho-Tiande (Yantai) Environmental Technology Co., Limited* 齊合天地(煙台)環保科技有限公司	(i)	The PRC 中國	The PRC 中國	US\$28,999,955 28,999,955美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Yantai Liheng Environmental Protection Technology Co., Ltd* 煙台立衡環保科技有限公司		The PRC 中國	The PRC 中國	RMB55,150,000 人民幣55,150,000元	60%	60%	Processing and sales of lubricating oil 加工及銷售潤滑油
Chiho-Tiande (Ningbo) Metals Recycling Co., Limited* 齊合天地(寧波)再生金屬有限公司	(i)	The PRC 中國	The PRC 中國	US\$20,000,000 20,000,000美元	100%	100%	Processing and sales of metal scraps 加工及銷售廢金屬
Shanghai Chiho-Tiande Resource Recycling Co., Limited ("CT Shanghai")* 上海齊合天地再生資源有限公司		The PRC 中國	The PRC 中國	RMB52,000,000 人民幣52,000,000元	51%	51%	Processing and sales of metal scrap 加工及銷售廢金屬
Dalian New Green Recycle & Resources Corporation* 大連新綠再生資源加工有限公司		The PRC 中國	The PRC 中國	JPY 8,556,011,000 8,556,011,000日圓	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Eisenbahn-Handels-Ges. mbH & Co.KG		Germany 德國	Germany 德國	EUR20,000 20,000歐元	50%	50%	Processing and sales of metal scrap 加工及銷售廢金屬
Fegert Recycling GmbH		Germany 德國	Germany 德國	EUR84,000 84,000歐元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Schol Industrieservice GmbH		Germany 德國	Germany 德國	EUR50,000 50,000歐元	100%	100%	Providing industrial and logistic services 提供工業及物流服務
Schol Recycling GmbH		Germany 德國	Germany 德國	EUR100,000,000 100,000,000歐元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬

\* For identification purpose only

\* 僅供識別

42 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

42 本公司之子公司詳情 (續)

(a) General information of principle subsidiaries (continued)

(a) 主要子公司的一般資料 (續)

Name of subsidiary 子公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立 / 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 / 註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及 投票權		Principal activities 主要業務
					2017 二零一七年	2016 二零一六年	
SIV Immobilien Verwaltungs-GmbH		Germany 德國	Germany 德國	EUR25,000 25,000歐元	100%	100%	Purchase and administration of real estate 購買及管理房地產
SRW metalfloat GmbH		Germany 德國	Germany 德國	EUR1,000,000 1,000,000歐元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Diamond Hurwitz Scrap LLC		USA 美國	USA 美國	US\$7,095,600 7,095,600美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Interstate Shredding LLC		USA 美國	USA 美國	US\$100 100美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Liberty International Trading, Inc.		USA 美國	USA 美國	US\$100 100美元	100%	100%	Trading of metal scrap 廢金屬交易
Liberty Iron & Metal Erie, LLC		USA 美國	USA 美國	US\$23,879,000 23,879,000美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Liberty Iron & Metal Southwest LLC		USA 美國	USA 美國	US\$8,419,800 8,419,800美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Mercer Co., LLC		USA 美國	USA 美國	US\$43,965,600 43,965,600美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Premier Metals Group LLC		USA 美國	USA 美國	US\$952,100 952,100美元	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 42 PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

##### (a) General information of principle subsidiaries (continued)

Name of subsidiary 子公司名稱	Notes 附註	Place of operation 經營地點	Place of incorporation/ establishment 註冊成立 / 成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 / 註冊股本	Attributable equity interest and voting power held by the Group 本集團所持應佔股本權益及投票權		Principal activities 主要業務
					2017 二零一七年	2016 二零一六年	
Uniscrap A/S		Denmark 丹麥	Denmark 丹麥	DKK20,003,000 20,003,000丹麥克朗	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Uniscrap Sverige AB		Sweden 瑞典	Sweden 瑞典	SEK100,000 100,000瑞典克朗	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Scholz Polska Sp. z o.o.		Poland 波蘭	Poland 波蘭	PLN88,501,000 88,501,000茲羅提	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Kovosrot Group CZ s.r.o.		Czech Republic 捷克共和國	Czech Republic 捷克共和國	CZK499,834,000 499,834,000捷克克朗	100%	100%	Processing and sales of metal scrap 加工及銷售廢金屬
Sberne suroviny, a.s.		Czech Republic 捷克共和國	Czech Republic 捷克共和國	CZK61,217,000 61,217,000捷克克朗	79.6%	79.6%	Processing and sales of metal scrap 加工及銷售廢金屬
Dinos d.d.		Republic of Slovenia 斯洛文尼亞共和國	Republic of Slovenia 斯洛文尼亞共和國	EUR2,279,700 2,279,700歐元	100%	61.1%	Processing and sales of metal scrap 加工及銷售廢金屬

Note:

(i) These entities are wholly-foreign owned enterprises established in the PRC.

附註:

(i) 該等實體為於中國成立之外商獨立企業。

##### (b) Details of non-wholly owned subsidiaries that have material non-controlling interest

The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.

#### 42 本公司之子公司詳情 (續)

##### (a) 主要子公司的一般資料 (續)

##### (b) 擁有重大非控股權益之非全資子公司之詳情

全部非全資子公司之非控股權益對本集團單獨而言並不重大。

### 43 CONTINGENCIES

- (a) The Company is a defendant to a legal claim by Delco (the Claim) regarding an alleged non-payment of the loan advanced by Delco Asia Company Limited ("Delco Asia") to subsidiaries of the Company, amounting to approximately HK\$57.8 million together with interest and costs. Delco alleged that it acquired the assets and liabilities of Delco Asia in 2011. Delco Asia was dissolved by deregistration in 2012. Each of Mr. Fang and HWH undertook to the Company to indemnify and hold the Company harmless on demand against all losses arising out of, inter alia, the Claim in accordance with the terms of a letter of indemnity signed by Mr. Fang and HWH in favour of the Company on 17 December 2015 (the "Indemnity"). In addition, HWH has paid the amount of HK\$57.8 million to a lawyer in an escrow account ("Escrow Account") as security for any liability of the Company in respect of, inter alia, the Claim.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers and in review of the Indemnity and the Escrow Account, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

### 43 或然事項

- (a) 本公司為Delco就聲稱未償還Delco Asia Company Limited (「Delco Asia」)墊付予本公司子公司的貸款金額約5,780萬港元連同利息及相關費用而提起的法律索賠(「該訴訟」)的被告人。Delco稱其已於二零一一年收購Delco Asia的資產及負債。於二零一二年，Delco Asia以撤銷註冊方式解散。方先生及HWH各自向本公司承諾，根據方先生與HWH以本公司為受益人於二零一五年十二月十七日簽署的彌償函件的條款，彌償本公司因其中包括該訴訟產生的所有損失及使本公司不受到損失(「彌償」)。此外，HWH已向律師支付5,780萬港元的信託賬戶(「信託賬戶」)，作為本公司有關(其中包括)該訴訟的任何責任的擔保。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見及審閱彌償及信託賬戶後，本公司董事認為履行該訴訟不可能導致經濟利益的流出。因此，並無就索賠作出撥備。

### 43 CONTINGENCIES (continued)

- (b) The Company is a defendant to a legal claim by Delco (the "Claim") regarding an alleged breach of a letter of undertaking in relation to a convertible bond issued by the Company and subscribed for by Delco. Delco further claimed against Chiho-Tiande (HK) limited ("CTHK") for a sum of US\$1.0 million, allegedly advanced by Delco Asia to CTHK. Delco further claims interests, costs and further or other relief of HK\$6.3 million.

The court case is still in progress. The directors of the Company, after taking legal advice from its legal advisers, are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the Claim. Accordingly, no provision of the claim has been made.

- (c) The Group has contingent liabilities of approximately HK\$42.5 million (2016: HK\$27.5 million) which consist of non-financial guarantee in favour of investee entities.

### 43 或然事項 (續)

- (b) 本公司為Delco就聲稱違反本公司所發行及Delco所認購之可換股債券所涉及之承諾函件而提起的法律索賠(「該訴訟」)的被告人。Delco進一步向齊合天地(香港)有限公司(「齊合香港」)申索金額100萬美元，該款項聲稱是由Delco Asia墊付予齊合香港。Delco再申索利息、訟費及進一步或其他寬免，涉及金額630萬港元。

訴訟現正在進行中。經考慮本公司法律顧問的法律意見後，本公司董事認為履行該訴訟不可能導致經濟利益的流出因此，並無就索賠作出撥備。

- (c) 本集團擁有或然負債約為4,250萬港元(二零一六年: 2,750萬港元)，由以被投資實體為受益人的非融資性擔保組成。

# 5-Year Financial Summary 五年財務摘要

## Summary of selected items of consolidated statement of profit and loss

## 綜合損益表選定項目概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Revenue	收益	18,491.0	3,211.4	3,136.6	5,878.0	7,222.0
Profit/(loss) before income	除所得稅前溢利／(虧損)	546.2	(443.6)	(1,143.7)	(1,067.6)	(381.8)
Income tax (expense)/credit	所得稅(開支)/抵免	(110.6)	0.4	(0.3)	(3.6)	(25.7)
Profit/(loss) for the year attributable to:	以下各方應佔年內溢利／(虧損)：					
Shareholders of the Company	本公司股東	426.8	(439.9)	(1,138.8)	(1,058.0)	(382.9)
Non-controlling interests	非控股權益	8.8	(3.3)	(5.2)	(13.2)	(24.6)
		435.6	(443.2)	(1,144.0)	(1,071.2)	(407.5)

## Summary of selected items of consolidated balance sheet

## 綜合資產負債表選定項目概要

		As at 31 December 於十二月三十一日				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
<b>Asset</b>	<b>資產</b>					
Current assets	流動資產	6,022.2	6,602.3	4,920.3	2,659.1	4,063.4
Non-current assets	非流動資產	6,071.5	5,183.4	1,117.6	981.9	853.9
Total assets	資產總值	12,093.7	11,785.7	6,037.9	3,641.0	4,917.3
<b>Liabilities</b>	<b>負債</b>					
Current liabilities	流動負債	5,365.2	5,032.9	1,481.1	2,960.2	2,401.3
Non-current liabilities	非流動負債	1,681.4	2,668.4	143.0	37.5	809.3
Total liabilities	負債總值	7,046.6	7,701.3	1,624.1	2,997.7	3,210.6
		5,047.1	4,084.4	4,413.8	643.3	1,706.7
Equity attributable to:	以下各方應佔：					
Shareholders of the Company	本公司股東	5,073.1	4,117.2	4,487.9	724.0	1,774.4
Non-controlling interests	非控股權益	(26.0)	(32.8)	(74.1)	(80.7)	(67.7)
		5,047.1	4,084.4	4,413.8	643.3	1,706.7

## BOARD OF DIRECTORS

### Executive Directors

- Mr. Qin Yongming  
(Chairman, appointed on 17 July 2017)  
(Chief Executive Officer, appointed as CEO on 11 October 2017)
- Mr. Tu Jianhua  
(resigned as chairman but remained as a member on 17 July 2017)
- Mr. Wong Wun Lam  
(appointed on 11 October 2017)
- Mr. Zhu Patrick Xiangdong  
(appointed on 7 April 2017 and resigned on 11 October 2017)
- Mr. Liu Huaiyu  
(resigned on 7 April 2017)

### Independent Non-Executive Directors

- Dr. Loke Yu
- Mr. Zhu Dajian
- Ms. Qian Liping
- Mr. Zhu HongChao  
(appointed on 18 April 2018)

## EXECUTIVE COMMITTEE

- Mr. Qin Yongming  
(Chairman, appointed as chairman on 17 July 2017)
- Mr. Tu Jianhua  
(resigned as chairman but remained as a member on 17 July 2017)
- Mr. Wong Wun Lam  
(appointed on 11 October 2017)
- Mr. Zhu Patrick Xiangdong  
(appointed on 7 April 2017 and resigned on 11 October 2017)
- Mr. Liu Huaiyu  
(resigned on 7 April 2017)

## 董事會

### 執行董事

- 秦永明先生  
(主席·於二零一七年七月十七日獲委任)  
(行政總裁·於二零一七年十月十一日  
獲委任)
- 涂建華先生  
(於二零一七年七月十七日辭任主席  
但仍為成員)
- 黃煥霖先生  
(於二零一七年十月十一日獲委任)
- 朱向東先生  
(於二零一七年四月七日獲委任及  
於二零一七年十月十一日辭任)
- 劉懷宇先生  
(於二零一七年四月七日辭任)

### 獨立非執行董事

- 陸海林博士
- 諸大建先生
- 錢麗萍女士
- 朱洪超先生  
(於二零一八年四月十八日獲委任)

## 執行委員會

- 秦永明先生  
(主席·於二零一七年七月十七日  
獲委任為主席)
- 涂建華先生  
(於二零一七年七月十七日辭任主席  
但仍為成員)
- 黃煥霖先生  
(於二零一七年十月十一日獲委任)
- 朱向東先生  
(於二零一七年四月七日獲委任及  
於二零一七年十月十一日辭任)
- 劉懷宇先生  
(於二零一七年四月七日辭任)

## AUDIT COMMITTEE

Dr. Loke Yu (*Chairman*)

Mr. Zhu Dajian

Ms. Qian Liping

Mr. Zhu HongChao

(*appointed on 18 April 2018*)

## NOMINATION COMMITTEE

Mr. Qin Yongming

(*Chairman, appointed on 17 July 2017*)

Dr. Loke Yu

Mr. Zhu Dajian

Ms. Qian Liping

Mr. Zhu HongChao

(*appointed on 18 April 2018*)

Mr. Tu Jianhua

(*resigned as chairman and member on 17 July 2017*)

## REMUNERATION COMMITTEE

Mr. Zhu HongChao

(*Chairman, appointed on 18 April 2018*)

Mr. Zhu Dajian

(*resigned as chairman but remained as a member on 18 April 2018*)

Dr. Loke Yu

Ms. Qian Liping

## STRATEGY AND INVESTMENT COMMITTEE

Mr. Qin Yongming

(*Chairman, appointed as chairman on 17 July 2017*)

Mr. Tu Jianhua

(*resigned as chairman but remained as a member on 17 July 2017*)

Mr. Wong Wun Lam

(*appointed on 11 October 2017*)

Mr. Goh Kian Guan

Mr. Zhu Patrick Xiangdong

(*appointed on 7 April 2017 and resigned on 11 October 2017*)

Mr. Liu Huaiyu

(*resigned on 7 April 2017*)

## 審核委員會

陸海林博士 (*主席*)

諸大建先生

錢麗萍女士

朱洪超先生

(*於二零一八年四月十八日獲委任*)

## 提名委員會

秦永明先生

(*主席, 於二零一七年七月十七日獲委任*)

陸海林博士

諸大建先生

錢麗萍女士

朱洪超先生

(*於二零一八年四月十八日獲委任*)

涂建華先生

(*於二零一七年七月十七日辭任*

*主席及成員*)

## 薪酬委員會

朱洪超先生

(*主席, 於二零一八年四月十八日獲委任*)

諸大建先生

(*於二零一八年四月十八日辭任主席*

*但仍為成員*)

陸海林博士

錢麗萍女士

## 戰略與投資委員會

秦永明先生

(*主席, 於二零一七年七月十七日*

*獲委任為主席*)

涂建華先生

(*於二零一七年七月十七日辭任主席*

*但仍為成員*)

黃煥霖先生

(*於二零一七年十月十一日獲委任*)

吳健源先生

朱向東先生

(*於二零一七年四月七日獲委任及*

*於二零一七年十月十一日辭任*)

劉懷宇先生

(*於二零一七年四月七日辭任*)



## PRICING COMMITTEE

- Mr. Qin Yongming  
*(Chairman, appointed on 11 October 2017)*
- Mr. Wong Wun Lam  
*(appointed on 28 August 2017)*
- Mr. William Thomas Bird  
*(appointed on 4 January 2018)*
- Mr. Udo Langhans  
*(appointed on 4 January 2018)*
- Mr. Goh Kian Guan  
*(retired on 4 January 2018)*
- Mr. Zhu Patrick Xiangdong  
*(resigned as chairman and member on 11 October 2017)*
- Mr. Koon Wai Hung  
*(resigned on 28 August 2017)*

## AUTHORISED REPRESENTATIVES

- Mr. Tu Jianhua  
Mr. Koon Wai Hung

## CHIEF FINANCIAL OFFICER

- Mr. Wong Wun Lam  
*(appointed on 10 August 2017)*

## CHIEF OPERATING OFFICER

- Mr. William Thomas Bird  
*(appointed on 20 November 2017)*

## COMPANY SECRETARY

- Mr. Koon Wai Hung

## AUDITOR

- PricewaterhouseCoopers

## 定價委員會

- 秦永明先生  
*(主席，於二零一七年十月十一日獲委任)*
- 黃煥霖先生  
*(於二零一七年八月二十八日獲委任)*
- William Thomas Bird先生  
*(於二零一八年一月四日獲委任)*
- Udo Langhans先生  
*(於二零一八年一月四日獲委任)*
- 吳健源先生  
*(於二零一八年一月四日退任)*
- 朱向東先生  
*(於二零一七年十月十一日  
辭任主席及成員)*
- 官偉雄先生  
*(於二零一七年八月二十八日辭任)*

## 授權代表

- 涂建華先生  
官偉雄先生

## 首席財務官

- 黃煥霖先生  
*(於二零一七年八月十日獲委任)*

## 首席營運官

- William Thomas Bird先生  
*(於二零一七年十一月二十日獲委任)*

## 公司秘書

- 官偉雄先生

## 核數師

- 羅兵咸永道會計師事務所

## LEGAL ADVISORS

Conyers Dill & Pearman (Cayman Islands)  
DLA Piper Hong Kong  
Deacons (Hong Kong)  
Dechert LLP (Hong Kong)  
Zhejiang Xingce Law Firm (China)  
Latham & Watkins LLP (Germany)  
CMS Hasche Sigle (Germany)  
Menold Bezler (Germany)

## PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Bank of China  
Agricultural Bank of China  
Shanghai Pudong Development Bank  
KeyBank National Association

## REGISTERED OFFICE IN CAYMAN ISLANDS

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

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

48 Wang Lok Street  
Yuen Long Industrial Estate  
Hong Kong

## GROUP HEADQUARTERS

23/F., Infinitus Plaza  
199 Des Voeux Road Central  
Hong Kong

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Baijin Road  
Taizhou Renewable Metal Resources Industry Base  
Luqiao, Taizhou  
Zhejiang  
The PRC

## 法律顧問

Conyers Dill & Pearman (開曼群島)  
歐華律師事務所(香港)  
的近律師行(香港)  
德杰律師事務所(香港)  
浙江星冊律師事務所(中國)  
Latham & Watkins LLP(德國)  
CMS Hasche Sigle(德國)  
Menold Bezler(德國)

## 主要往來銀行

渣打銀行(香港)有限公司  
香港上海滙豐銀行有限公司  
中國銀行  
中國農業銀行  
上海浦東發展銀行  
KeyBank National Association

## 開曼群島註冊辦事處

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

## 香港註冊辦事處及主要營業地點

香港  
元朗工業邨  
宏樂街48號

## 集團總部

香港  
德輔道中199號  
無限極廣場23樓

## 中國總公司及主要營業地點

中國  
浙江省  
台州市路橋區  
台州金屬資源再生產業基地  
白金路8號

## Corporate Information 公司資料

### HEADQUARTERS IN EUROPE

Berndt-Ulrich-Scholz-Str. 1  
73457 Essingen  
Deutschland

### HEADQUARTERS IN NORTH AND CENTRAL AMERICA

2144 W. McDowell Road  
Phoenix, AZ 85004  
USA 85009

\* For business addresses of other principal operational bases of the Group, please refer to the Company's website

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

### WEBSITE

[www.chihogroup.com](http://www.chihogroup.com)  
(changed on 23 June 2017)

### STOCK CODE

Hong Kong Stock Exchange 976

### 歐洲總部

Berndt-Ulrich-Scholz-Str. 1  
73457 Essingen  
Deutschland

### 中北美洲總部

2144 W. McDowell Road  
Phoenix, AZ 85004  
USA 85009

\* 請訪問公司網站以獲取集團其他主要運營基地之營業地址。

### 香港股份登記及過戶分處

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號舖

### 開曼群島主要股份登記及過戶處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

### 公司網站

[www.chihogroup.com](http://www.chihogroup.com)  
(於二零一七年六月二十三日更改)

### 股份代號

香港聯交所 976



CHIHO ENVIRONMENTAL GROUP LIMITED  
齊合環保集團有限公司

48 Wang Lok Street,  
Yuen Long Industrial Estate, Hong Kong  
香港元朗工業邨宏樂街48號

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