



CNYD

Technology Leads Market, Services Create Value

科技引領市場 服務創造價值

YUANDA CHINA HOLDINGS LIMITED 遠大中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股票代碼 : 2789

Annual Report 年報 / **2017**



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Corporate Information

集團資料

DIRECTORS

Executive Directors

Kang Baohua (*Chairman*)

Li Hongren (*Chief executive officer*)

(*appointed on 8 February 2017*)

Liu Futao (*appointed on 8 February 2017*)

Ma Minghui (*appointed on 8 February 2017*)

Wang Hao (*Chief financial officer*)

(*appointed on 8 February 2017*)

Zhang Lei

Independent non-executive Directors

Poon Chiu Kwok

Woo Kar Tung, Raymond

Pang Chung Fai, Benny

BOARD COMMITTEES

Audit Committee

Poon Chiu Kwok (*Chairman*)

Woo Kar Tung, Raymond

Pang Chung Fai, Benny

Nomination Committee

Kang Baohua (*Chairman*)

Poon Chiu Kwok

Pang Chung Fai, Benny

Remuneration Committee

Woo Kar Tung, Raymond (*Chairman*)

Li Hongren (*appointed on 8 February 2017*)

Pang Chung Fai, Benny

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O.Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTERS IN CHINA

20, Street 13

Shenyang Economic & Technological Development Area

Shenyang 110027

China

董事

執行董事

康寶華(*主席*)

李洪人(*行政總裁*)

(*於2017年2月8日獲委任*)

劉福濤(*於2017年2月8日獲委任*)

馬明輝(*於2017年2月8日獲委任*)

王昊(*首席財務官*)

(*於2017年2月8日獲委任*)

張雷

獨立非執行董事

潘昭國

胡家棟

彭中輝

董事委員會

審核委員會

潘昭國(*主席*)

胡家棟

彭中輝

提名委員會

康寶華(*主席*)

潘昭國

彭中輝

薪酬委員會

胡家棟(*主席*)

李洪人(*於2017年2月8日獲委任*)

彭中輝

註冊辦事處

Cricket Square

Hutchins Drive

P.O.Box 2681

Grand Cayman KY1-1111

Cayman Islands

中國總辦事處

中國

瀋陽市

瀋陽經濟技術開發區

13號街20號·郵編110027

Corporate Information

集團資料

PLACE OF BUSINESS IN HONG KONG

Unit 1121, 11/F
No.1 Block, Grand Central Plaza
138 Shatin Rural Committee Road
Shatin
Hong Kong

AUTHORIZED REPRESENTATIVES

Li Hongren (*appointed on 8 February 2017*)
Yu Leung Fai
(*HKICPA, AICPA, CPA (Aust)*)

COMPANY SECRETARY

Yu Leung Fai
(*HKICPA, AICPA, CPA (Aust)*)

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PLACE OF LISTING

The main board of The Stock Exchange of Hong Kong Limited
(the "Stock Exchange")

STOCK CODE

2789

香港營業地點

香港
新界沙田
沙田鄉事會路138號
新城市中央廣場1座
11樓1121室

授權代表

李洪人(於2017年2月8日獲委任)
余亮暉
(*執業會計師(香港、美國、澳洲)*)

公司秘書

余亮暉
(*執業會計師(香港、美國、澳洲)*)

證券登記總處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY-1110
Cayman Islands

香港證券登記處

香港中央證券有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

上市地點

香港聯合交易所有限公司
(「聯交所」)主板

股份代碼

2789

Corporate Information

集團資料

PRINCIPAL BANKERS

The Export-Import Bank of China, Liaoning Branch
Industrial and Commercial Bank of China Limited,
Shenyang Yu Hong Subbranch
China Construction Bank, Shenyang Dongling Subbranch
Bank of Communications, Liaoning Branch

AUDITORS

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISORS

As to Hong Kong law
Sidley Austin

WEBSITE

www.yuandacn.com

主要往來銀行

中國進出口銀行遼寧省分行
中國工商銀行股份有限公司
瀋陽於洪支行
中國建設銀行股份有限公司
瀋陽東陵支行
交通銀行股份有限公司遼寧省分行

核數師

畢馬威會計師事務所
執業會計師
香港中環
遮達道10號
太子大廈8樓

法律顧問

香港法律
盛德律師事務所

網站

www.yuandacn.com

Financial Highlights

財務摘要

		2017 2017年 (Approximately) (概約)	2016 2016年 (Approximately) (概約)	Percentage Change 變動百分比 變動百分比 (Approximately) (概約)
Revenue (RMB million)	收入(人民幣百萬元)	5,688.7	7,324.4	(22.3%)
Gross profit margin	毛利率	22.0%	17.6%	4.4%
Consolidated net profit (RMB million)	合併淨利潤(人民幣百萬元)	85.7	76.6	11.9%
Profit attributable to equity shareholders of the Company (RMB million)	本公司股東應佔溢利(人民幣百萬元)	60.7	87.0	(30.2%)
Net cash generated from operating activities (RMB million)	經營活動產生之淨現金(人民幣百萬元)	85.6	72.2	18.6%
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利(人民幣分)	0.98	1.40	(30.0%)
Proposed final dividend per share (HKD cents)	建議每股末期股息(港仙)	NIL	NIL	0.0%



Corporate Culture & Mission

企業文化及使命

OPERATION PHILOSOPHY

Technology leads markets
Services create value

ENTERPRISE MOTTO

To do things honestly
To treat people sincerely
To understand causes and results
To unify theory and practice

CORPORATE MISSION

For the country
For the customers
For the employees
For the shareholders

MANAGEMENT CONCEPTS

Sustainable Development
Circular Improvement
Statistics Analysis
Continuous Improvement

經營理念

科技引領市場
服務創造價值

企訓

真實做事
誠實待人
深明事理
知行合一

企業使命

「四為」，即「為國家、為客戶、
為員工、為股東」

管理理念

持續發展
循環改進
統計分析
不斷提高



Corporate Culture & Mission

企業文化及使命

PRODUCT CONCEPTS

Service
Quality
Cost

產品理念

服務
質量
成本

WEALTH CONCEPTS

Wealth means responsibility

財富理念

財富即責任

TALENT CONCEPTS

Judging people on his performance
Talent comes first

人才理念

依事看人
人才第一

MARKETING CONCEPTS

Identify the needs of the customers
Create value for the customers
Provide best services to the customers

市場理念

發現客戶需求
創造客戶價值
提供優質服務

CULTURE CONCEPTS

Respect
Communicate
Understand
Integrate
Pursue

文化理念

尊重
溝通
理解
融合
追求

DEVELOPMENT STRATEGIES

Independent Brand
Independent Intellectual Property
Independent Marketing Network

發展戰略

自主品牌
自主知識產權
自主市場營銷網絡

Chairman's Statement

主席報告



If you wish to succeed, you should use persistence as your good friend, experience as your reference, prudence as your brother and hope as your sentry

Dear shareholders,

On behalf of the board of directors (the “**Board**”) of Yuanda China Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**” or “**Yuanda China**”), I hereby present to you the Group’s annual report for the year ended 31 December 2017 (the “**Reporting Period**”).

In 2017, the global economic growth rebounded to 3%, the fastest since 2011. China contributed about a third of global economic growth. However, the increase in interest rate and the trade protectionism in the USA, geopolitical crisis and the shrinking scale of quantitative easing in Europe make the global economy uncertain.

如果你希望成功，當以恒心為良友、以經驗為參謀、以謹慎為兄弟、以希望為哨兵。

尊敬的各位股東：

本人謹代表遠大中國控股有限公司（「**本公司**」）及其附屬公司（統稱「**本集團**」或「**遠大中國**」）董事會（「**董事會**」），向閣下呈報本集團截至2017年12月31日止年度（「**報告期間**」）之年度報告。

2017年全球經濟增長趨強，增速達到3%，這是自2011年以來最快增長。中國對全球經濟增長的貢獻率約佔1/3。但是美國加息、美國貿易保護主義抬頭、地緣政治危機、歐洲縮減量化寬松規模，仍然為世界經濟增添了許多不穩定因素。

Chairman's Statement

主席報告

BUSINESS REVIEW

For the year ended 31 December 2017, the profit attributable to equity shareholders of the Company decreased by about RMB26.3 million or 30.2% as compared with last year to about RMB60.7 million (2016: about RMB87.0 million). In 2017, the Group was awarded with 52 new projects with an aggregate amount of approximately RMB4,156.1 million. For the year ended 31 December 2017, the remaining contract value of backlog of the Group amounted to approximately RMB16,120.6 million, which will strongly guarantee the development of the Group in the next 2-3 years.

BUSINESS PROSPECTS

Under the background of slower development of domestic real estate market and economic and political uncertainty of overseas markets, the Group will continue to take a relatively prudent operating strategy. While evaluating the new orders comprehensively, the Group will also strengthen the control level of the existing orders, the budget management and cost control, as well as the collection of receivables and foreign exchange risk management, to ensure healthy and sustainable development of the Group's curtain wall business. Meanwhile, the Group will adapt to the changes in the market, and strengthen the expansion of overseas markets strategically.

業務回顧

截至2017年12月31日止年度，本公司股東應佔利潤約人民幣60.7百萬元(2016年：約人民幣87.0百萬元)，較去年減少約人民幣26.3百萬元或30.2%；於2017年，本集團新承接工程52個，總合約價值約約人民幣4,156.1百萬元；截止2017年12月31日，未完工合同金額約為約人民幣16,120.6百萬元，為集團未來2-3年的發展提供有力保障。

業務展望

在國內房地產市場發展趨緩，海外市場經濟與政治不穩定的大背景下，本集團將繼續採取相對審慎的經營策略，對新接訂單進行全面評估的同時，加強對在手訂單的管控水平，強化預算管理及成本控制，並加強應收賬款回收及外匯風險管理，以確保集團幕牆主業健康持續的發展。同時，本集團將順應市場的變化，策略性地加強海外市場的開拓。

Chairman's Statement

主席報告

The Group will continue to strengthen internal control level, kick-start the overall information management system, improve the efficiency of management, strengthen team construction, implement effective employee incentive mechanism, and improve per capita performance, so as to ensure orderly and efficient operation of various businesses of the Group.

Curtain wall industry will step into an integration period, during which large scale companies with high-quality will outstand through the competition. Also, the Group will actively seize the opportunities and seek for favorable investment opportunities to accelerate the industry integration and the strategic transformation of enterprise and create more values for shareholders.

Kang Baohua

Chairman

29 March 2018

本集團將繼續加強內部管控水平，全面啓動信息化管理系統，提升管理效率，加強團隊建設，實施有效的員工激勵機制，提升人均績效，確保集團各項業務有序高效運行。

幕牆行業將進入整合時期，通過整合，行業內將形成一批具有規模實力的大型企業。本集團亦將積極把握時代的機遇，加速資源整合、推進升級轉型，為股東創造更大的價值。

主席

康寶華

2018年3月29日



Management Discussion and Analysis

管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Overall performance

The global economy experienced a broad-based upturn in 2017, but potential downside risks, such as geopolitical tensions, emerging trade protectionism and global financial austerity still persist. Meanwhile, China's macro-economic growth beats expectation in the wake of "deleveraging" efforts.

In 2017, the curtain wall industry in China saw higher fragmentation and greater adjustments.

For the year ended 31 December 2017, the profit attributable to equity shareholders of the Company decreased by about RMB26.3 million or 30.2% as compared with last year to about RMB60.7 million (2016: about RMB87.0 million). The main reason was that the Group has been selective in choosing curtain wall projects and has focused on major projects owned by customers with good reputation.

Newly-awarded projects (including VAT)

During the year 2017, the aggregate amount of new-awarded projects of the Group decreased by about RMB1,963.0 million or 32.1% as compared with last year to about RMB4,156.1 million (2016: about RMB6,119.1 million). The main reason for the change was the tight domestic liquidity which has lowered the investment in commercial real estate.

業務回顧

概況

環球經濟於2017年普遍上揚，但仍面臨地緣政治緊張、貿易保護主義抬頭、全球金融環境收緊等潛在下行風險。中國宏觀經濟在「去槓桿」的背景下實現超預期增長。

2017年中國幕牆行業分化加劇，調整加劇。

截至2017年12月31日止年度，本公司股東應佔利潤約人民幣60.7百萬元(2016年：約人民幣87.0百萬元)，較去年減少約人民幣26.3百萬元或30.2%，主要原因是本集團一向審慎選擇幕牆項目，聚焦業主信譽良好的大項目。

新承接工程(包含增值稅)

於2017年，本集團的新承接工程總值約人民幣4,156.1百萬元(2016年：約人民幣6,119.1百萬元)，較去年減少約人民幣1,963.0百萬元或32.1%。變動的主要原因為國內資金流動性趨緊導致商業地產投資增速降低。

		2017 2017年		2016 2016年	
		Number of projects 項目數量	RMB million 人民幣百萬元	Number of projects 項目數量	RMB million 人民幣百萬元
Domestic	國內	37	1,570.7	50	2,726.7
Overseas	海外	15	2,585.4	18	3,392.4
Total	合計	52	4,156.1	68	6,119.1

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Newly-awarded projects (including VAT) (continued)

Details of newly-awarded projects with over hundred-million RMB contract value are as follows:

業務回顧(續)

新承接工程(包含增值稅)(續)

合同金額超過壹億元人民幣的新承接工程項目之詳情如下：

Project name 項目名稱	Category of project utilization 項目用途類別	Approximate Contract Value 合約價值概約 RMB million 人民幣百萬元
Los Angeles Wanda, USA 美國洛杉磯萬達項目	Commercial Complex 商業綜合體	619.9
C0600 College Town, Kuwait 科威特大學城 C0600 標段	Commercial Complex 商業綜合體	489.7
Carla Office Building, Sweden 瑞典卡拉辦公樓	Headquarters Building 總部大樓	294.2
Changchun Long Xiang Center A, China 中國長春龍翔中心 A 區	Commercial Complex 商業綜合體	294.0
447 Collins Street, Australia 澳洲 447 柯林斯大街	Commercial Complex 商業綜合體	283.0
SAN Jose SJSC Building, USA 美國聖何塞 SJSC 大廈	Commercial Complex 商業綜合體	270.5
Walsin Lihwa Center, China 中國華新麗華	Commercial Complex 商業綜合體	169.4
No. 1 Denison Street, Australia 澳洲 1 號丹尼森大街	Commercial Complex 商業綜合體	120.1
MAS, Malaysia 馬來西亞 MAS 工程	Commercial Complex 商業綜合體	118.4
Fuli Silver Tower, USA 美國富力銀塔工程	Headquarters Building 總部大樓	113.2
Silk Road Pearl Tower, China 中國絲路明珠塔	Commercial Complex 商業綜合體	110.0
LS Group Building, China 中國蘭州蘭石	Headquarters Building 總部大樓	104.7

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (continued)

Backlog

As at 31 December 2017, the remaining backlog contract value of the Group decreased by about RMB1,766.4 million or 9.9% as compared with last year to about RMB16,120.6 million (31 December 2016: about RMB17,887.0 million), which could support a sustainable development of the Group for the next 2-3 years.

業務回顧(續)

未完工合同

於2017年12月31日，本集團的餘下未完工合同價值約人民幣16,120.6百萬元（2016年12月31日：約人民幣17,887.0百萬元），較去年減少約人民幣1,766.4百萬元或9.9%，足以為本集團未來2-3年的發展提供有力支撐。

		2017 2017年		2016 2016年	
		Remaining value of contracts 合同餘下價值		Remaining value of contracts 合同餘下價值	
		Number of projects 項目數量		Number of projects 項目數量	
		RMB million 人民幣百萬元		RMB million 人民幣百萬元	
Domestic	國內	291	7,279.4	337	9,203.1
Overseas	海外	89	8,841.2	102	8,683.9
Total	合計	380	16,120.6	439	17,887.0

Major technology achievements and awards

In 2017, the Group obtained 16 patents, including 4 patents for invention and 12 patents for utility model.

主要技術成果和科技獎項

於2017年，本集團新獲專利授權16項，其中發明專利4項、實用新型專利12項。

Management Discussion and Analysis

管理層討論及分析

BUSINESS PROSPECTS

The curtain wall industry is expected to face a challenging environment in 2018. Considering factors such as the curbing of demands, the reduction of residents' leverage and unbalanced demand and supply, tightening financing environment will further weaken the willingness of property developers to invest in 2018; and the sales volume of new projects is expected to decline. The Group will closely monitor trends and developments in the macro-economy and sector markets, focus to enhance its sensitivity and perception of market developments so that it could proactively formulate forward-looking business strategies in response to changes in the external business conditions.

FINANCIAL REVIEW

The Company aims to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation. In order to achieve this objective, the Group uses the following indicators to measure business performance:

Revenue

For the year ended 31 December 2017, the revenue of the Group decreased by about RMB1,635.7 million or 22.3% as compared with last year to about RMB5,688.7 million (2016: about RMB7,324.4 million). Among which:

1. the revenue from domestic market of the Group decreased by about RMB1,290.9 million or 28.3% as compared with last year to about RMB3,273.4 million (2016: about RMB4,564.3 million), contributing approximately 57.5% of the total revenue of the Group. The decline is due to the revenue shrank in Northeast and East China; and
2. the revenue from overseas market of the Group decreased by about RMB344.8 million or 12.5% as compared with last year to about RMB2,415.3 million (2016: about RMB2,760.1 million), contributing approximately 42.5% of the total revenue of the Group.

業務展望

預期2018年幕牆行業將面臨諸多挑戰。基於限制需求、降低居民槓桿率和供給緊張格局難改等因素綜合判斷，2018年融資環境趨緊將直接導致開發商的投資意願下降，新工程項目數量極有可能面臨交易規模下降。本集團將密切留意宏觀經濟和行業市場走勢，注重提高對市場的敏感度和洞察力，制定前瞻性的經營策略，主動應對外部經營環境變化。

財務回顧

本公司旨在透過可持續營業收入及盈利增長以及產生自由現金流提升股東價值。為達此目標，本集團採納以下指標衡量經營情況：

營業收入

截至2017年12月31日止年度，本集團的營業收入約人民幣5,688.7百萬元(2016年：約人民幣7,324.4百萬元)，較去年減少約人民幣1,635.7百萬元或22.3%。其中：

1. 本集團的國內市場收入約人民幣3,273.4百萬元(2016年：約人民幣4,564.3百萬元)，較去年減少約人民幣1,290.9百萬元或28.3%，佔本集團總收入約57.5%。下降主要由於東北以及華東地區的收入縮減所致；及
2. 本集團的海外市場收入約人民幣2,415.3百萬元(2016年：約人民幣2,760.1百萬元)，較去年減少約人民幣344.8百萬元或12.5%，佔本集團總收入約42.5%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Cost of sales

In 2017, the cost of sales of the Group decreased by about RMB1,592.7 million or 26.4% as compared with last year to about RMB4,439.7 million (2016: about RMB6,032.4 million). With the decrease in revenue, the related costs of sales were correspondingly decreased.

Gross profit and gross profit margin

In 2017, the gross profit of the Group decreased by about RMB43.1 million or 3.3% as compared with last year to about RMB1,248.9 million (2016: about RMB1,292.0 million).

In 2017, the gross profit margin of the Group increased by about 4.4% as compared with last year to about 22.0% (2016: about 17.6%). The Group's gross profit margin kept growing, which was mainly attributable to strengthened budget management and cost control and higher gross profit margin of newly-accepted projects of the Group. Among which:

1. gross profit margin from domestic market of the Group increased by about 3.7% as compared with last year to about 22.6% (2016: about 18.9%); and
2. gross profit margin from overseas market of the Group increased by about 5.6% as compared with last year to about 21.1% (2016: about 15.5%).

財務回顧(續)

銷售成本

於2017年，本集團的銷售成本約為人民幣4,439.7百萬元(2016年：約人民幣6,032.4百萬元)，較去年減少約人民幣1,592.7百萬元或26.4%。隨著營業收入的減少，相關銷售成本因此而有所下降。

毛利及毛利率

於2017年，本集團的毛利約人民幣1,248.9百萬元(2016年：約人民幣1,292.0百萬元)，較去年減少約人民幣43.1百萬元或3.3%。

於2017年，本集團的毛利率約22.0%(2016年：約17.6%)，較去年增加約4.4%。本集團毛利率繼續保持增長，主要歸因於本集團加強預算管理和成本控制以及新承接項目毛利率較高。其中：

1. 本集團的國內毛利率約22.6%(2016年：約18.9%)，較去年增加約3.7%；及
2. 本集團的海外毛利率約21.1%(2016年：約15.5%)，較去年增加約5.6%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Major customers and suppliers

For the year ended 31 December 2017, revenue generated from the five largest customers of the Group accounted for an amount of less than 30% of the total operating revenues of the Group. The five largest customers were not connected to the Company in any way. None of the Directors, senior management, key technical personnel, shareholders holding 5% or more of the shares, de facto controller and other connected parties of the Company had any direct or indirect interest in any of the aforesaid five largest customers. None of the Directors or their close associates or, to the knowledge of the Board, any of the shareholders holding 5% or more of the shares of the Company had any interest in any of the five largest customers of the Group.

For the year ended 31 December 2017, purchases from the five largest suppliers of the Group accounted for an amount of less than 30% of the total annual purchases of the Group. The five largest suppliers were not connected to the Company in any way. None of the Directors, senior management, key technical personnel, shareholders holding 5% or more of the shares, de facto controller and other connected parties of the Company had any direct or indirect interest in any of the aforesaid five largest suppliers.

Other income

Other income of the Group primarily comprised of government grants, rental income from operating leases, net income from provision of repairs and maintenance services and net gain on disposal of property, plant and equipment and land use rights.

In 2017, other income of the Group decreased by about RMB5.6 million or 4.8% as compared with last year to about RMB108.9 million (2016: about RMB114.5 million). The decrease in the Group's other income was mainly due to the decline in government grants during the Reporting Period.

財務回顧(續)

主要客戶和供貨商

截至2017年12月31日止年度，本集團從前5名最大客戶獲取的收入少於本集團之經營收入總額的30%。前5名最大客戶與本公司不存在關聯關係，本公司董事、高級管理人員、核心技術人員、持股5%以上股東、實際控制人和其他關聯方在前5名最大客戶中概無直接或者間接擁有權益。本公司董事或其緊密聯絡人或據董事會所知任何擁有本公司5%或以上股份之股東概無擁有本集團任何五名最大客戶的任何權益。

截至2017年12月31日止年度，本集團向前5名最大供貨商的採購額少於本集團之年度總採購額的30%。前5名最大供貨商與本公司不存在關聯關係，本公司董事、高級管理人員、核心技術人員、持股5%以上股東、實際控制人和其他關聯方在前5名最大供貨商中概無直接或者間接擁有權益。

其他收入

本集團其他收入主要包括政府補助及租賃收入、提供維修及保養服務、銷售原材料的淨收入及出售物業、廠房及設備和土地使用權的淨收益。

於2017年，本集團的其他收入約人民幣108.9百萬元(2016年：約人民幣114.5百萬元)，較去年減少約人民幣5.6百萬元或4.8%。本集團其他收入的減少主要由於報告期內政府補助減少所致。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Selling expenses

In 2017, the selling expenses of the Group decreased by about RMB26.2 million or 21.5% as compared with last year to about RMB95.2 million (2016: about RMB121.4 million), accounted for approximately 1.7% of the operating revenue of the Group (2016: 1.7%). The main reason for the decrease was due to the strict control of expenses.

Administrative expenses

In 2017, the administrative expenses of the Group decreased by about RMB139.9 million or 12.6% as compared with last year to about RMB971.6 million (2016: about RMB1,111.5 million), accounted for approximately 17.1% of the operating revenue of the Group (2016: 15.2%). The decrease in administrative expenses was a combined effect of: (i) the headcount optimization policy implemented over the past few years, which resulted in the decrease in the staff cost of administrative staff; and (ii) the Group continued to maintain the principle of prudence, and the provision for bad debts increased as compared with last year, resulting in the increase of administrative expenses.

Finance costs

In 2017, the finance costs of the Group increased by about RMB146.4 million as compared with last year to about RMB232.8 million (2016: about RMB86.4 million), accounted for 4.1% of the operating revenue of the Group (2016: 1.2%). This was mainly due to foreign exchange recognised as a net loss during the Reporting Period rather than a net profit in last year.

Income tax

In 2017, the income tax benefit of the Group was about RMB27.5 million (2016: an income tax expense of about RMB10.6 million).

財務回顧(續)

銷售費用

於2017年，本集團的銷售費用約人民幣95.2百萬元(2016年：約人民幣121.4百萬元)，較去年減少約人民幣26.2百萬元或21.5%，佔本集團營業收入的比例約為1.7%(2016年：1.7%)。減少的主要原因是嚴格控制費用的支出。

行政開支

於2017年，本集團的行政開支約人民幣971.6百萬元(2016年：約人民幣1,111.5百萬元)，較去年減少約人民幣139.9百萬元或12.6%，佔本集團營業收入約17.1%(2016年：15.2%)。這主要由於：(i)受過去幾年優化員工數量的政策影響，行政員工人工成本有所下降；但同時(ii)本集團繼續保持謹慎的原則，壞賬準備相比去年增長從而導致行政開支增加。

融資成本

於2017年，本集團的融資成本約人民幣232.8百萬元(2016年：約人民幣86.4百萬元)，較去年增加約人民幣146.4百萬元，佔本集團營業收入4.1%(2016年：1.2%)。這主要由於匯兌項目產生於報告期內獲確認為淨虧損，而於去年確認為淨利潤。

所得稅

於2017年，本集團的所得稅收入約人民幣27.5百萬元(2016年：所得稅支出約人民幣10.6百萬元)。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Consolidated net profit

As a result of the foregoing, in 2017, the consolidated net profit of the Group increased by about RMB9.1 million or 11.9% as compared with last year to about RMB85.7 million (2016: about RMB76.6 million).

Profit attributable to equity shareholders of the Company

In 2017, the profit attributable to equity shareholders of the Company decreased by about RMB26.3 million or 30.2% as compared with last year to about RMB60.7 million (2016: about RMB87.0 million).

Net current assets and financial resources

As at 31 December 2017, the net current assets of the Group increased by about RMB981.9 million or 64.3% as compared with last year to about RMB2,508.8 million (31 December 2016: about RMB1,526.9 million).

As at 31 December 2017, the cash on hand and in bank of the Group decreased by about RMB557.1 million or 23.6% as compared with last year to about RMB1,805.6 million (31 December 2016: about RMB2,362.7 million), mainly denominated in RMB, USD, Australian Dollar ("AUD"), Indonesian Rupiah ("IDR"), Malaysia Ringgit ("MYR") and Singapore Dollar ("SGD").

Bank loans and gearing ratio

As at 31 December 2017, the total bank loan of the Group decreased by about RMB616.4 million or 17.3% as compared with last year to about RMB2,943.6 million (31 December 2016: about RMB3,560.0 million).

The Group's gearing ratio (calculated by total liabilities divided by total assets) was 72.1% (31 December 2016: 77.2%).

財務回顧(續)

合併淨利潤

綜上所述，於2017年，本集團的合併淨利潤約人民幣85.7百萬元(2016年：約人民幣76.6百萬元)，較去年增加約人民幣9.1百萬元或11.9%。

本公司股東應佔利潤

於2017年，本公司股東應佔利潤約人民幣60.7百萬元(2016年：約人民幣87.0百萬元)，較去年減少約人民幣26.3百萬元或30.2%。

流動資產淨值及財務資源

於2017年12月31日，本集團的流動資產淨值約人民幣2,508.8百萬元(2016年12月31日：約人民幣1,526.9百萬元)，較去年增加約人民幣981.9百萬元或64.3%。

於2017年12月31日，本集團手頭及銀行現金約人民幣1,805.6百萬元(2016年12月31日：約人民幣2,362.7百萬元)，較去年減少約人民幣557.1百萬元或23.6%，主要以人民幣、美元、澳元、印尼盧比、馬來西亞林吉特及新加坡元計值。

銀行貸款及負債比率

於2017年12月31日，本集團的銀行貸款總額約人民幣2,943.6百萬元(2016年12月31日：約人民幣3,560.0百萬元)，較去年減少約人民幣616.4百萬元或17.3%。

本集團之資產負債率(總負債除以總資產計算)為72.1%(2016年12月31日：77.2%)。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Turnover days of receivables/trade and bills payables/inventory

Turnover days (day)

周轉天數(天)

Receivables (note 1)

Trade and bills payables (note 2)

Inventory (note 3)

應收款(附注1)

貿易應付款及應付票據(附注2)

存貨(附注3)

2017

2017年

417

409

54

2016

2016年

344

334

50

Notes:

- The calculation of the receivables turnover days is based on the average amount of trade and bills receivables and net contract work receivables (gross amount due from customers for contract work less gross amount due to customers for contract work) as at the beginning and ending of the relevant period divided by total revenue of the relevant period and multiplied by 365 days.
- The calculation of turnover days of trade and bills payables is based on the average amount of trade and bills payables as at the beginning and ending of the relevant period divided by cost of raw materials and installation cost of the relevant period and multiplied by 365 days.
- The calculation of inventory turnover days is based on the average amount of inventory as at the beginning and ending of the relevant period (net of provision) divided by cost of raw materials of the relevant period and multiplied by 365 days.

During the Reporting Period, the turnover days of receivables of the Group increased by about 73 days or 21.2% as compared with last year to about 417 days (2016: about 344 days). Although the Group strengthened collection receivables which resulted in the decline of the receivable at the end of 2017, the final completion of and payment settlement for construction projects in China continued to slow down in 2017.

During the Reporting Period, the turnover days of trade and bill payables of the Group increased by about 75 days or 22.5% as compared with last year to about 409 days (2016: about 334 days).

財務回顧(續)

應收賬款／貿易應付款及應付票據／存貨周轉天數

附註：

- 應收賬款周轉天數乃通過將有關期間的期初及期末貿易應收款及應收票據及應收客戶合同工程款淨額(應收客戶合同工程款減應付客戶合同工程款)的平均金額除以有關期間的總收入再乘以365天計算。
- 貿易應付款及應付票據周轉天數按貿易應付款及應付票據的期初及期末平均金額除以原材料成本及安裝成本再乘以365天計算。
- 存貨周轉天數乃將存貨的期初及期末結餘平均金額(扣除撥備)除以原材料成本再乘以365天計算。

於報告期內，本集團的應收賬款周轉天數約417天(2016年：約344天)，較去年增加約73天或21.2%。儘管本集團持續加強催收應收款，使得於2017年末應收款餘額有所下降，於2017年，中國項目完工及支付款項仍然持續放緩。

於報告期內，本集團的貿易應付款及應付票據周轉天數約409天(2016年：約334天)，較去年增加約75天或22.5%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Inventory and inventory turnover days

The Group's inventories primarily consist of materials used in fabrication of curtain wall products, including extrusions aluminum, glass, steel and sealant.

As at 31 December 2017, the inventory of the Group decreased by about RMB80.7 million or 22.6% as compared with last year to about RMB277.2 million (31 December 2016: about RMB357.9 million).

During the Reporting Period, the inventory turnover days of the Group increased by about 4 days or 8.0% as compared with last year to about 54 days (2016: about 50 days).

Capital expenditure

In 2017, the payment for capital expenditure of the Group decreased by about RMB65.8 million or 96.1% as compared with last year to about RMB2.7 million (2016: about RMB68.5 million), which was mainly related to the payment on land acquisition, construction of plant and purchase of equipment.

Foreign exchange risk

The overseas projects of the Group were mainly dominated in USD, GBP, AUD and SGD. To hedge any foreign exchange risks, the Group has entered into forward foreign exchange contracts which hedge the forecast transactions and monetary assets denominated in foreign currencies of the Group. The Group ensures that net exposure to currency risk arising from assets and liabilities maintained at an acceptable level.

Contingent liabilities

Details of the Group's contingent liabilities as at 31 December 2017 are set out in Note 31.

財務回顧(續)

存貨和存貨周轉期

本集團的存貨主要由製造幕牆產品所用的材料組成，包括鋁材、玻璃、鋼材及密封膠等。

於2017年12月31日，本集團的存貨約人民幣277.2百萬元(2016年12月31日：約人民幣357.9百萬元)，較去年減少約人民幣80.7百萬元或22.6%。

於報告期內，本集團的存貨周轉天數約54天(2016年：約50天)，較去年增加約4天或8.0%。

資本支出

於2017年，本集團的資本支出而支付的款項約人民幣2.7百萬元(2016年：約人民幣68.5百萬元)，較去年減少約人民幣65.8百萬元或96.1%，主要是添置土地、建設廠房和機器設備的支出。

外匯風險

本集團的海外項目主要以美元、英鎊、澳元和新加坡元結算。為對沖任何外匯風險，本集團訂立遠期外匯合約，對沖本集團以外幣計值的預期交易及貨幣資產。本集團會確保資產和負債產生的外匯風險淨額保持在可接受的水平。

或然負債

本集團於2017年12月31日的或然負債之詳情載於附註31。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

Charge on assets

As at 31 December 2017, the Group's bank loans of approximately RMB1,261.6 million were secured by property, plant and equipment and land use rights with an aggregate carrying value of approximately RMB1,050.9 million.

Save as disclosed above, the Group had no other charge on its assets as at 31 December 2017.

Material acquisitions and disposals

During the Reporting Period, the Group did not have any material acquisitions and disposals of its subsidiaries and associated companies.

Significant investment

The Group did not make any significant investments during the Reporting Period.

Future plans for significant investments or capital assets

As at the date of this annual report, a subsidiary of the Group has a plan for capital expenditure with the amount of RMB28.2 million for building as new factory.

Global offering and use of proceeds

In May 2011, the Company conducted a global offering (the “**Global Offering**”) through which 1,708,734,000 new ordinary shares were offered at a price of HK\$1.50 per share. Net proceeds raised were approximately HK\$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of the Stock Exchange on 17 May 2011.

財務回顧(續)

資產抵押

於2017年12月31日，本集團的銀行貸款約人民幣1,261.6百萬元以物業、廠房和設備，以及土地使用權作抵押，總賬面值約為人民幣1,050.9百萬元。

除上述所披露者外，本集團於2017年12月31日並無其他資產抵押。

重大收購及出售

於報告期內，本集團並無任何有關附屬公司及聯營公司的重大收購及出售。

重大投資

於報告期間內，本集團並無進行任何重大投資。

重大投資或資本資產的未來計劃

於本年報日期，本集團一家附屬公司新廠區建設擬產生資本支出約人民幣28.2百萬元。

全球發售及所得款項用途

於2011年5月，本公司進行全球發售(「**全球發售**」)，發售共1,708,734,000股新普通股，發售價為每股1.50港元，籌集的所得款項淨額約為2,402,947,000港元。本公司普通股於2011年5月17日在聯交所主板上市。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW *(continued)*

Global offering and use of proceeds *(continued)*

As stated in the Company's prospectus dated 20 April 2011 and the supplementary prospectus dated 5 May 2011 (collectively, the "**Prospectus**"), the Group intended to use the proceeds from the Global Offering for expansion of its production capacity, repayment of its existing debts, investment in research and development, expansion of its sales and marketing network.

As at 31 December 2017, an accumulated amount of approximately HK\$2,018 million of proceeds from the Global Offering (of which expansion of production capacity: HK\$575 million; repayment of bank loans (mainly comprised the bridge loan of Standard Chartered Bank): HK\$962 million; expenses in research and development: HK\$261 million; and expansion of its sales and marketing network: HK\$220 million) was utilized in accordance with the intended use as stated in the Prospectus. It is intended that the remaining proceeds of approximately HK\$385 million will be used in accordance to the proposed allocation as stated in the Prospectus.

Employees and remuneration policies

As at 31 December 2017, the Group had 6,094 full-time employees in total (31 December 2016: 7,425). The decrease in the number of full-time employees was the result of the Group's headcount optimization. The Group has sound policies of management incentives and competitive remuneration, which align with the interests of management, employees and shareholders' alike. The Group sets its remuneration policy with reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of basic salary, allowances, and fringe benefits, including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus and share options.

財務回顧(續)

全球發售及所得款項用途(續)

誠如本公司在日期為2011年4月20日的招股章程及2011年5月5日的補充招股章程(統稱「招股章程」)所述，本集團擬將所得款項用作擴充產能、償還現有債務、投資於研究和開發及擴充銷售和營銷網絡。

於2017年12月31日，本集團按招股章程所述擬定用途累計使用全球發售所得款約2,018百萬港元(其中產能擴充：575百萬港元；償還銀行貸款(主要是渣打銀行過橋貸款)：962百萬港元；研發支出：261百萬港元；及擴充營銷網絡：220百萬港元)。餘下所得款項約385百萬港元將按照本集團招股章程及補充招股章程所載分配於未來使用。

僱員及薪酬政策

於2017年12月31日，本集團僱用合共6,094名(2016年12月31日：7,425名)全職僱員。全職僱員人數的下跌乃由於本集團優化員工數量所致。本集團訂有具成效的管理層獎勵制度及具競爭力的薪酬，務求令管理層、僱員及股東的利益達成一致。本集團在訂立其薪酬政策時會參考當時市況及有關個別員工的工作表現，並須不時作出檢討。薪酬待遇包括基本薪金、津貼、附帶福利(包括醫療保險及退休金供款)，以及酌情花紅及發放認股權等獎勵。

Management Discussion and Analysis

管理層討論及分析

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

As most of the Group's customers are property developers or main contractors of public infrastructure and commercial buildings, the business and prospects of the Group heavily depend on the performance of the construction and real estate industries, which are cyclical and could be significantly affected by fluctuations in economic conditions. China saw a more fragmented property market, and the first-tier cities, former red-hot second-tier cities and third and fourth-tier cities around the first-tier cities became the key targets of market regulation. The property market will face a challenging environment considering factors such as the curbing of demands, the reduction of residents' leverage and the unbalanced demand and supply. On the basis of maintaining a good relationship with existing customers, the Group actively explores high-quality customers to reduce the adverse effects of the risk.

Industrial Risk

An excessive supply of curtain wall products on the mainland has sparked fierce competition. Upgrading the industry is the only way to force small and inferior competitors to leave the market and eventually benefit large and superior suppliers, like Yuanda. The industry will accelerate consolidation, resulting in continued rising of concentration, where acquisition and reorganization and cooperative development will become major growth drivers. The whole curtain wall industry will experience the period of industry consolidation during which market correction in curtain wall sector may lead to more opportunities for mergers and acquisitions and asset purchases.

主要風險及不明朗因素

本集團之財務狀況、營運業績、業務及前景或會受一系列風險及不明朗因素影響。以下為本集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在本集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

業務風險

本集團大部份客戶為物業發展商或公共基建及商業大廈的主要承包商，本集團的業務及前景很大程度上依賴建築及房地產行業的表現，其表現屬週期性，且很受經濟狀況的波動影響。市場分化更加嚴重，一線城市、前期熱點二線城市和環一線的三四線城市成為市場調控的重點目標。樓市也將面臨諸多挑戰，基於抑制需求、降低居民槓桿率和供給緊張格局難改等因素綜合判斷。本集團在保持現有客戶的良好關係的前提下，積極拓展優質客戶，以降低此風險產生的不利影響。

行業風險

內地的幕牆產品供應過剩引發激烈競爭。行業進步乃迫使小型及不及格的競爭者離開市場的唯一方法，最後得益者為大型及優秀的供貨商，如遠大。行業將加速整合，集中度持續上升，並購重組、合作開發逐步成為增長的主要動力。整個幕牆行業將經歷行業鞏固期，在此期間，幕牆行業的市場矯正將導致更多並購及資產收購機會。

Management Discussion and Analysis

管理層討論及分析

KEY RISKS AND UNCERTAINTIES (continued)

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so. Key functions in the Group are guided by their operating procedures, limits of authority and reporting framework. The Group will identify and assess key operational exposures from time to time and report such risk issues to senior management as early as possible so that appropriate risk response can be taken. The Group will continue to enhance refined management, and continuously implement and improve activity-based costing and the refined management system with management accounting as its core, and comprehensively strengthen management over financial, financing, investment and operational risks.

Credit Risk

The Group is serving a large customer base with differing credit status, and its business development will inevitably be affected by the varied credit profiles of these customers. The Group seeks to reduce the aforesaid impact by identifying and managing credit risks through internal credit management measures, such as credit search, credit rating, credit limit management, overall credit risk assessment and stringent credit control against customers with faulty payment records, as well as by transferring credit risks through the purchase of credit insurance.

Financial Risk

The financial risk management of the Group are set out in note 29 to the consolidated financial statements.

主要風險及不明朗因素(續)

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。

本集團確認，營運風險不能完全消除，且消除風險的工作很多時候都未必會導致成本效益。本集團之主要功能均以本身之標準營運程序、權限及彙報框架為指引。本集團將不時識別及評估主要之營運風險，並儘早向高級管理層彙報該等風險問題，以便採取適當風險應對。本集團將繼續強化精細化管理，持續落實和完善作業成本覈算及以管理會計為核心的精細化管理體系，全面加強對財務、融資、投資和經營風險的管理。

客戶信用風險

由於本集團客戶群體龐大，各類客戶的資信存在一定差異，不同的資信狀況對本集團的業務發展帶來一定的影響，本集團主要通過客戶資信調查、客戶資信評級與授信、客戶信用額度管理及風險總量控制、對付款記錄不良客戶實施信用管控等內部信用管理措施識別和管理信用風險，及通過購買信用保險轉移信用風險，以減少上述影響。

財務風險

本集團之財務風險管理載列於綜合財務報表附註29內。

Directors and Senior Management

董事及高級管理人員

DIRECTORS

Executive Directors

Mr. Kang Baohua (康寶華), aged 64, is the founder and chairman of the Group, and was appointed as an Executive Director on February 26, 2010. Mr. Kang is the vice president of the Liaoning Chamber of Commerce (遼寧省商會). Graduated from Liaoning University (遼寧大學) with a diploma in politics in 1984, Mr. Kang has over 24 years of experience in the curtain wall industry and has been responsible for the overall management and strategic development of the Group since 1992. Prior to founding the Group, Mr. Kang was an executive director of Shenyang Strong Wind Group Company (瀋陽強風集團公司). Since the establishment of the Company, Mr. Kang has been involved in the management of the Company, including business development, finance and corporate strategy formulation. Mr. Kang is also a director of various other subsidiaries of the Group.

Mr. Li Hongren (李洪人), aged 51, the chief executive officer of the Group and an Executive Director of the Company (appointed on 8 February 2017), obtained his bachelor's degree in Engineering from Northeastern Industrial College* (東北工學院) (currently known as Northeastern University (東北大學)) in 1990 with a major in machinery manufacturing processes and equipment. Mr. Li was qualified as a senior engineer by Ministry of Human Resources and Social Security of the People's Republic of China in 2006. Mr. Li joined the Group in 1999 and has more than 18 years of experience in manufacturing and marketing of curtain wall products. Since 2006, Mr. Li has been a manager of various Eurasian subsidiaries of the Group. Since 2014, Mr. Li was promoted to the vice president of the Group and is responsible for management.

董事

執行董事

康寶華先生，64歲，為本集團的創辦人兼主席，並於2010年2月26日獲委任為執行董事。康先生為遼寧省商會的副主席。康先生於1984年畢業於遼寧大學，取得政治學文憑，於幕牆行業具有逾24年經驗，自1992年起一直負責本集團的整體管理及戰略發展。於創辦本集團前，康先生為瀋陽強風集團公司的執行董事。自本公司成立以來，康先生一直涉足於本公司的管理，包括業務發展、財務及企業策略制訂。康先生亦為本集團多間其他附屬公司的董事。

李洪人先生，51歲，為本集團的行政總裁及執行董事(於二零一七年二月八日獲委任)，於1990年獲得東北工學院(現為東北大學)工程學士學位，主修機械製造工藝與設備。李先生於2006年獲中華人民共和國人力資源和社會保障局頒發高級工程師資格。李先生於1999年加入本集團及於幕牆產品的製造與營銷方面擁有逾18年經驗。自2006年起，李先生為本集團多家歐亞附屬公司的經理。自2014年起，李先生晉升為本集團副總裁，負責管理事宜。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Executive Directors (continued)

Mr. Liu Futao (劉福濤), aged 53, an Executive Director of the Company (appointed on 8 February 2017), obtained his bachelor's degree in Engineering from Shenyang Correspondence University (沈陽廣播電視大學) in 1987 with a major in machinery manufacturing. Mr. Liu joined the Group in 1997 and has more than 20 years in manufacturing and project management. Since 2008, Mr. Liu has been a manager of various Mideast subsidiaries of the Group. In 2012, Mr. Liu was promoted to the regional manager of the northeast China of the Group.

Mr. Ma Minghui (馬明輝), aged 37, an Executive Director of the Company (appointed on 8 February 2017), obtained his bachelor's degree in Management from Shenyang Institute of Aeronautical Engineering (沈陽航空工業學院) in 2003 with a major in public administration. Mr. Ma joined the Group in 2007 and has accumulated more than 10 years of experience in human resources management and budget management. Since 2011, Mr. Ma has been the secretary to the president of the Group. In 2015, Mr. Ma was promoted to the director of human resources of the Group.

Mr. Wang Hao (王昊), aged 37, the chief financial officer of the Company and an Executive Director of the Company (appointed on 8 February 2017), obtained his bachelor's degree in Management from Jilin University (吉林大學) in 2002 with a major in accounting. Mr. Wang Hao joined the Group in 2007 and has accumulated more than 10 years of experience in financial management.

董事(續)

執行董事(續)

劉福濤先生，53歲，公司的執行董事(於二零一七年二月八日獲委任)於1987年獲得瀋陽廣播電視大學工程學士學位，主修機械製造。劉先生於1997年加入本集團及於製造及項目管理方面擁有逾20年經驗。自2008年起，劉先生為本集團多家中東附屬公司的經理。於2012年，劉先生晉升為本集團中國東北地區區域經理。

馬明輝先生，37歲，公司的執行董事(於二零一七年二月八日獲委任)，於二零零三年獲得瀋陽航空工業學院管理學學士學位，主修公共管理學。馬先生於2007年加入本集團及於人力資源管理及預算管理方面累積逾10年經驗。自2011年起，馬先生為本集團總裁之秘書。於2015年，馬先生晉升為本集團人力資源總監。

王昊先生，37歲，本公司首席財務官及執行董事(於二零一七年二月八日獲委任)，於2002年獲得吉林大學管理學學士學位，主修會計。王昊先生於2007年加入本集團及於財務管理方面累積逾10年經驗。

Directors and Senior Management

董事及高級管理人員

DIRECTORS *(continued)*

Executive Directors *(continued)*

Mr. Zhang Lei (張雷), aged 45, since February 2013, he acted as vice President of Shenyang Yuanda, one of the subsidiaries of the Company. Mr. Zhang joined the Group in July 2002 and has over 15 years of experience in curtain wall industry. Before joining the Group, from 1994 to 2000, Mr. Zhang held various managerial positions in Northeast Refractory Plant, including vice director in charge of production and equipment and director of equipment department in No.4 branch of Northeast Refractory Plant. From 2001 to 2002, Mr. Zhang acted as a management intern in Japanese YKK company. From 2002 to 2005, Mr. Zhang held various key positions including quality control and technology minister in Northeast Branch of Shenyang Yuanda. He acted as a designer in Zhongdong Branch of Shenyang Yuanda from 2005 to 2006. From 2006 to 2008, he acted as chief designer in Dubai Branch of Shenyang Yuanda, responsible for the Group's ACC44 residential buildings, imperial buildings and commercial bay administration building and other projects. From 2008 to 2012, Mr. Zhang held various positions in Shenyang Yuanda, including assistant to chief engineer in International Operation of Shenyang Yuanda, deputy director of International Curtain Wall Manufacturer under Shenyang Yuanda, factory controller and factory president of Shenyang Yuanda. Mr. Zhang graduated from Shenyang Electrical Industrial School with a diploma in electrical and mechanical engineering in 1994.

董事(續)

執行董事(續)

張雷先生，45歲，自2013年2月起出任本公司附屬公司瀋陽遠大副總裁。張先生於2002年7月加盟本集團，於幕牆業擁有逾15年經驗。加入本集團前，張先生於1994年至2000年在東北耐火材料廠分別擔任多個管理職位，包括東北耐火材料廠四分廠生產設備副廠長及設備處處長。自2001年至2002年，張先生於日本YKK公司出任管理實習生。張先生於2002年至2005年在瀋陽遠大東北分公司擔任多個要職，包括質檢及工藝部長。彼於2005年至2006年在瀋陽遠大中東分公司出任設計員，於2006年至2008年擔任瀋陽遠大迪拜分公司首席設計員，負責本集團ACC44住宅大廈、帝王大廈及商業灣行政樓等項目。自2008年至2012年，張先生出任瀋陽遠大多個職位，包括瀋陽遠大國際業務管理部總工程師助理、瀋陽遠大國際幕牆製造廠技術副廠長、瀋陽遠大工廠總監、瀋陽遠大工廠總裁。張先生於1994年在瀋陽機電工業學校獲機電工程文憑。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Independent Non-executive Directors

Mr. Poon Chiu Kwok (潘昭國), aged 55, was appointed as an independent non-executive Director on 12 April 2011. Mr. Poon obtained a Master's degree in international accounting, a Bachelor's degree in laws and a Bachelor's degree in business studies. He was awarded a postgraduate diploma in laws by the University of London. He is a fellow member of CPA Australia, the Hong Kong Securities and Investment Institute (also an associate instructor), a fellow of The Hong Kong Institute of Chartered Secretaries ("HKICS") and The Institute of Chartered Secretaries and Administrators. He is also a member of the Technical Consultation Panel and Professional Development Committee of HKICS. He now serves as an executive director, vice-president and company secretary of Huabao International Holdings Limited. Mr. Poon has over 28 years of experience in regulatory affairs, investment banking and listed company management. Currently, he is also an independent non-executive director of the following companies: Sunac China Holdings Limited (Hong Kong stock code: 1918), Changan Minsheng APLL Logistics Co., Ltd. (Hong Kong stock code: 292), Tonly Electronics Holdings Limited (Hong Kong stock code: 1249), TUS International Limited (Hong Kong stock code: 872), AUX International Holdings Limited (Hong Kong stock code: 2080), Sany Heavy Equipment International Holdings Company Limited (Hong Kong stock code: 631), Greentown Service Group Co. Ltd. (Hong Kong stock code: 2869), Jinchuan Group International Resources Co. Ltd. (Hong Kong stock code: 2362), Honghua Group Limited (Hong Kong stock code: 196) with effect from 15 June 2017 and Yanzhou Coal Mining Company Limited (Hong Kong stock code: 1171) with effect from 29 June 2017.

董事(續)

獨立非執行董事

潘昭國先生，55歲，於2011年4月12日獲委任為獨立非執行董事。潘先生為國際會計學碩士，法學學士及商業學學士，並獲得英國倫敦大學授予法學研究生文憑。為澳洲會計師公會資深註冊會計師、香港證券及投資學會資深會員及其特邀導師、香港特許秘書公會資深會士、及英國特許公司秘書及行政人員公會資深會士，潘先生亦為香港特許秘書公會的技術諮詢小組成員及其專業發展委員會委員。現任華寶國際控股有限公司執行董事、副總裁兼公司秘書。潘先生於監管事務、投資銀行及上市公司管理方面擁有逾28年的經驗。現亦擔任以下公司之獨立非執行董事：融創中國控股有限公司(香港股份代號：1918)、重慶長安民生物流股份有限公司(香港股份代號：292)、通力電子控股有限公司(香港股份代號：1249)、啓迪國際有限公司(香港股份代號：872)、奧克斯國際控股有限公司(香港股份代號：2080)、三一重裝國際控股有限公司(香港股份代號：631)、綠城服務集團有限公司(香港股份代號：2869)以及金川集團國際資源有限公司(香港股份代號：2362)。宏華集團有限公司(股份代號：196)，自2017年6月15日生效；及兗州煤業股份有限公司(股份代號：1171)，自2017年6月29日生效。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mr. Woo Kar Tung, Raymond (胡家棟), aged 48 was appointed as an independent non-executive Director on 12 April, 2011. Mr. Woo has over 22 years of experience in the accounting and financial services industry. He began his career as a certified accountant at Arthur Andersen & Co where he qualified. Subsequently, he was employed in senior positions as an investment banker at ING, CITIC Securities and Credit Suisse. Mr. Woo holds a Bachelor of Commerce degree. He is a member of the Australian Society of Certified Practising Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Woo has served as an executive director and chief financial officer of TUS International Limited (Hong Kong stock code: 872) since September 2015. He is also an independent non-executive director of IRC Limited (Hong Kong stock code: 1029), and an independent non-executive director of SMIT Holdings Limited (Hong Kong stock code: 2239).

Mr. Pang Chung Fai, Benny (彭中輝), aged 45, was appointed as an independent non-executive Director on 12 April 2011. Mr. Pang is a member of each of the audit committee, nomination committee and remuneration committee of the Company. Mr. Pang is the managing partner of Benny Pang & Co. which specializes in capital markets and general corporate and commercial work. Mr. Pang is also an executive director and a vice chairman of Huabang Financial Holdings Limited (previously known as Goldenmars Technology Holdings Limited) (“Huabang”) (Hong Kong stock code: 3638) since January 2017. He was an independent non-executive director of Huabang since June 2012. Between 1997 and 2009, Mr. Pang practiced as a lawyer with several international law firms in Hong Kong and Sydney. Mr. Pang received his bachelor’s degree in laws (honors) from Bond University, Australia, in 1996. In 1997, Mr. Pang obtained his Graduate Diploma in Legal Practice and master’s degree in laws from The College of Law, Sydney and the University of New South Wales, Australia, respectively. He has been admitted as a legal practitioner of the Supreme Court of New South Wales, Australia since 1997 and as a solicitor of the High Court of Hong Kong since 2009. He is a member of both the Law Society of New South Wales, Australia and the Law Society of Hong Kong. Currently, Mr. Pang is also an independent non-executive Director of the following companies: China Regenerative Medicine International Limited (Hong Kong stock code: 8158) and Sanbase Corporation Limited (Hong Kong stock code: 8501).

董事(續)

獨立非執行董事(續)

胡家棟先生，48歲，於2011年4月12日獲委任為獨立非執行董事。胡先生於會計及金融服務行業擁有逾22年經驗。胡先生於香港安達信會計師事務所任職執業會計師，開展其事業，並於該會計師事務所獲取專業資格。其後，彼曾於荷蘭商業銀行(ING)、中信證券及瑞士信貸的投資銀行部任職。胡先生持有商業學士學位。彼現為澳洲會計師公會會員，並為香港會計師公會資深會員。胡先生於2015年9月委任為鎮迪國際有限公司(香港股份代號：872)的執行董事兼財務總監。現亦擔任鐵江現貨有限公司(香港股份代號：1029)的獨立非執行董事及國微技術控股有限公司(香港股份代號：2239)的獨立非執行董事。

彭中輝先生，45歲，於2011年4月12日獲委任為獨立非執行董事。彭先生戈爾本公司審核委員會、提名委員會及薪酬委員會成員。彭先生現為Benny Pang & Co.的主理合夥人，致力資本市場和公司及商業相關工作。彭先生自2017年1月起亦是華邦金融控股有限公司(「華邦」)(前稱晶芯科技控有限公司)(香港股份代號：3638)的執行董事以及副主席。2012年6月起曾為華邦的獨立非執行董事。1997年至2012年，彭先生於香港及悉尼多間國際律師行擔任律師。彭先生於1996年獲得邦德大學法律學士學位。於1997年，彭先生分別於英國法學院及新南威爾士大學獲得法律實踐研究文憑及碩士學位。彼於1997年獲得新南威爾士高級法院的認可成為執業律師，並於2009年獲得香港高等法院認可成為事務律師。彼為新南威爾士律師協會會員及香港律師會會員。彭先生目前為中國再生醫學國際有限公司(香港股份代號：8158)及莊皇集團公司(香港股份代號：8501)的獨立非執行董事。

Directors and Senior Management

董事及高級管理人員

DIRECTORS (continued)

Independent Non-executive Directors (continued)

Save as otherwise disclosed, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 December 2017. All Directors are not involved in any matters concerning Rule 13.51(2)(h) to (v) of the Listing Rules.

COMPANY SECRETARY

Mr. Yu Leung Fai, Philip (余亮暉), aged 41, was appointed as the company secretary and authorized representative of the Company in June 2012 and has over 11 years of experience in corporate services field. He was an auditor of Deloitte Touche Tohmatsu from 2000 to 2001. Since 2001, Mr. Yu joined Fung, Yu & Co. CPA Limited and is currently the company's managing director. Mr. Yu has also been the company secretary of China National Materials Co. Ltd. (Hong Kong stock code: 01893), Beijing Media Corporation Ltd. (Hong Kong stock code: 01000) and Sany Heavy Equipment International Holdings Limited (Hong Kong stock code: 00631), and independent non-executive director of Realord Group Holdings Limited (Hong Kong stock code: 01196), all of which are listed companies in Hong Kong, since 2009, 2010, 2017 and 2014, respectively. Mr. Yu graduated from the University of Toronto with a bachelor's degree in commerce in 2000 and from the University of London with a bachelor's degree in law in 2005. He is a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Li Hongren (李洪人), Chief Executive Officer of the Company – see the paragraph under "Executive Directors" above.

Mr. Wang Hao (王昊), the chief financial officer of the Company – see the paragraph under "Executive Directors" above.

董事(續)

獨立非執行董事(續)

除另有披露外，於截至2017年12月31日止年度概無任何須根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.51(2)(a)條至(e)條及(g)條予以披露有關董事的資料的變動。各董事並無涉及上市規則第13.51(2)(h)至(v)條所述的任何事件。

公司秘書

余亮暉先生，41歲，於2012年6月獲委任為本公司的公司秘書以及授權代表，於企業服務領域具有逾11年經驗。彼於2000年至2001年擔任德勤•關黃陳方會計師行審計師。自2001年起，余先生加入馮兆林餘錫光會計師事務所有限公司，現為該公司董事總經理。自2009、2010、2017及2014年起，余先生亦分別擔任中國中材股份有限公司(香港股票代號：01893)，北青傳媒股份有限公司(香港股票代號：01000)，三一重裝國際控股有限公司(香港股票代號：00631)三家香港上市公司的公司秘書，及偉祿集團控股有限公司(香港股票代號：01196)之獨立非執行董事。余先生於2000年畢業於多倫多大學，取得商業學士學位，並於2005年畢業於倫敦大學，取得法律學士學位。彼為美國註冊會計師公會、澳洲會計師公會及香港會計師公會會員。

高級管理人員

李洪人先生，首席執行官—請參閱上文「執行董事」一段。

王昊先生，首席財務官—請參閱上文「執行董事」一段。

Corporate Governance Report

企業管治報告

The board of directors (the “**Board**”) of the Company is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2017.

CORPORATE GOVERNANCE PRACTICES

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group’s corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders of the Company.

The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules.

For the year ended 31 December 2017, the Company has adopted and complied with the applicable code provisions set out in the CG Code as its own code to govern its corporate governance practices.

The Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

THE BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance with the objective of enhancing shareholders’ value including setting and approving the Company’s strategic implementation, considering substantial investments, reviewing the Group’s financial performance and developing and reviewing the Group’s policies and practices on corporate governance. The Board has delegated to the chief executive officer, of whom the directors also undertake, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

本公司董事會(「**董事會**」)欣然提呈此載於本集團截至2017年12月31日止年度年報的企業管治報告。

企業管治常規

本集團致力維持高水平的企業管治，以提升股東價值及保障股東權益。本集團的企業管治原則著重優秀董事會、有效內部監控及對本公司股東負責的重要性。

本公司已應用上市規則附錄14所載企業管治守則(「**企業管治守則**」)的原則。

於截至2017年12月31日止年度，本公司一直採納上市規則附錄14所載之企業管治守則之守則條文為其管治其企業管治常規之守則。

本公司定期檢討其企業管治常規，以確保常規符合企業管治守則。

董事會

職責

董事會負責領導及控制本公司，並監督本集團的業務、戰略決定及表現，以提升股東價值，包括制訂及批准本公司落實策略、考慮重大投資、檢討本集團財務表現以及發展及審閱本集團企業管治的政策及常規。董事會已向行政總裁授權而董事亦承擔，並透過行政總裁向高級管理層轉授權力及職責，負責本集團日常管理及運作。此外，董事會亦已成立董事委員會，並向該等董事委員會授予多項職責，有關職責載於其各自的職權範圍內。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS *(continued)*

Responsibilities *(continued)*

All directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities.

BOARD COMPOSITION

As at the date of this annual report, membership of the Board is made up of nine members in total, with six executive directors and three independent non-executive directors. The composition of the Board is set out below:

Executive Directors

Mr. Kang Baohua	<i>Chairman</i>
Mr. Li Hongren	<i>Chief executive officer</i> (appointed on 8 February 2017)
Mr. Liu Futao	(appointed on 8 February 2017)
Mr. Ma Minghui	(appointed on 8 February 2017)
Mr. Wang Hao	<i>Chief financial officer</i> (appointed on 8 February 2017)
Mr. Zhang Lei	

董事會(續)

職責(續)

全體董事須確保本著真誠並遵守適用法律及法規以及於任何時候按本公司及其股東的利益履行職責。

本公司已因應公司業務就針對董事及高級管理層提出的法律訴訟所產生的董事及高級職員責任購買適當的保險。

董事會組成

於本年報日期，董事會共由九名成員組成，其中包括六名執行董事及三名獨立非執行董事。董事會組成載列如下：

執行董事

康寶華先生	主席
李洪人先生	行政總裁 (於2017年2月8日獲委任)
劉福濤先生	(於2017年2月8日獲委任)
馬明輝先生	(於2017年2月8日獲委任)
王昊先生	首席財務官 (於2017年2月8日獲委任)
張雷先生	

Corporate Governance Report

企業管治報告

BOARD COMPOSITION (continued)

Independent Non-Executive Directors

Mr. Poon Chiu Kwok
Mr. Woo Kar Tung, Raymond
Mr. Pang Chung Fai, Benny

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the members of the Board are disclosed under the section headed “Directors and Senior Management” in this annual report. None of the members of the Board is related to one another.

During the year ended 31 December 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of Rule 3.13 of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors are invited to serve on the Audit, Remuneration and Nomination Committees of the Company.

Save as otherwise disclosed, there is no relationship (including financial, business, family or other material relationship) between any member of the Board.

董事會組成(續)

獨立非執行董事

潘昭國先生
胡家棟先生
彭中輝先生

董事名單(按類別劃分)亦已根據上市規則於本公司不時刊發的所有公司通訊中披露。所有公司通訊均已遵照上市規則明確說明獨立非執行董事身份。

董事會各成員之個人履歷於本年報「董事及高級管理人員」一節內披露。董事會各成員間並無任何關連。

截至2017年12月31日止年度，董事會一直遵照上市規則要求必須委任最少三名獨立非執行董事，而其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專業知識的規定。

本公司已接獲各獨立非執行董事根據上市規則3.13條之規定有關其獨立性的年度確認書。本公司認為，根據上市規則所載的獨立指引，全體獨立非執行董事均為獨立人士。

全體董事(包括獨立非執行董事)為董事會帶來廣泛的寶貴商業經驗、知識及專長，令其能有效運作。獨立非執行董事已獲邀請在本公司審核委員會、薪酬委員會及提名委員會任職。

除另有披露外，董事會任何成員之間概無關係(包括財務、業務、家族或其他重大關係)。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Board has considered a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates is based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits of the selected candidates and their contribution to the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the chairman and the chief executive officer of the Company are carried out by different individuals and have been clearly defined in writing.

The chairman of the Board is Mr. Kang Baohua, and the chief executive officer is Mr. Li Hongren. The positions of chairman and chief executive officer are held by separate persons in order to preserve independence and a balance of views and judgments. With the support of the senior management, the chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The chief executive officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. The chief executive officer is in charge of the Company's day-to-day management and operations. The chief executive officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board's approval.

董事會成員多元化政策

董事會仔細考慮成員多元化政策，載明實現董事會成員多元化的方針。本公司制訂董事會成員多元化已從多個方面作出考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按人選的長處及可為董事會作出的貢獻而作決定。

主席及行政總裁

本公司主席及行政總裁的職位及職責由不同人士擔任及以書面清晰界定。

董事會主席為康寶華先生，而行政總裁為李洪人先生。主席及行政總裁的職位由不同人士擔任，以便保持獨立性及作出判斷時有平衡意見。在高級管理層協助下，主席的責任是確保董事能適時收到充分、完整及可靠數據並適時及適當簡介董事會會議上提出之事宜。行政總裁主要負責實行董事會批准及授權的目標、政策及策略。行政總裁須承擔本公司日常管理及運作的執行責任。行政總裁亦負責發展策略計劃及制訂組織架構、監控系統及內部程序及過程供董事會批准。

Corporate Governance Report

企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive directors of the Company is engaged on a service contract for a term of three years, and the appointment may be terminated by not less than one month's written notice. Each of the independent non-executive directors of the Company has been appointed for a term of one year and the appointment may be terminated by not less than three months' written notice.

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed by the Board to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Nomination Committee established on 12 April 2011 is to be responsible for reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

BOARD MEETINGS

Board Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notice of regular Board meetings is served to all directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management where necessary.

董事委任及重選

本公司各執行董事均訂立為期三年的服務合約，而委任可透過發出不少於一個月書面通告的方式終止。本公司各獨立非執行董事則獲為期一年之委任，而委任可透過發出不少於三個月書面通告的方式終止。

根據本公司的組織章程細則，本公司全體董事須至少每三年輪值告退一次及任何經董事會新委任以填補臨時空缺的董事須於委任後首次股東大會上接受股東重選。

董事委任、重選及罷免程序及過程已載於本公司的組織章程細則。於2011年4月12日成立的提名委員會負責檢討董事會組合、向董事會推薦董事委任及繼任規劃，以及評估獨立非執行董事的獨立性。

董事會會議

董事會會議常規及操守

各會議的年度會議程序及議程一般須事先向董事提供。

定期舉行的董事會會議通告須於會議舉行前至少十四天送交全體董事。至於其他董事會及委員會會議，則一般須給予合理時間通知。

於各董事會會議或委員會會議舉行前至少三天，向全體董事寄發董事會議程連同所有適用、完整及可靠數據，供董事知悉本公司的最新發展及財務狀況，從而令彼等可作出知情決定。董事會及各董事亦可於必要時個別獨立接觸高級管理層。

Corporate Governance Report

企業管治報告

BOARD MEETINGS *(continued)*

Board Practices and Conduct of Meetings *(continued)*

The Company's senior management, including chief executive officer, chief financial officer and company secretary, attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The company secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and final versions are open for directors' inspection.

The Company's Articles of Association contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Directors' Attendance Records

The attendance records of each director at the Board meetings during the year ended 31 December 2017 and the annual general meeting for the financial year of 2016 held on 1 June 2017 (the "2016 AGM") are set out below:

董事會會議 *(續)*

董事會會議常規及操守 *(續)*

本公司的高級管理層，包括行政總裁、財務總監及公司秘書，出席全部定期舉行的董事會會議，並於必要時出席其他董事會及委員會會議，就本公司的業務發展、財務及會計事宜、法定及監管規定、企業管治及其他重大事務提供意見。

本公司的公司秘書負責所有董事會會議及委員會會議記錄，並保存有關記錄。每次舉行董事會會議及委員會會議後一段合理時間內，一般會向董事傳閱會議記錄初稿供其審閱，而定稿將可供董事查閱。

本公司的組織章程細則載有條文要求董事須在就批准董事或任何彼等的連絡人士於其中擁有重大權益的交易而召開的會議上放棄投票，及不會計入法定人數。

董事出席會議記錄

截至2017年12月31日止年度，各董事出席董事會會議以及出席於2017年6月1日召開的2016年財政年度股東週年大會（「2016年股東週年大會」）的記錄載列如下：

Corporate Governance Report

企業管治報告

BOARD MEETINGS (continued)

董事會會議(續)

Directors' Attendance Records (continued)

董事出席會議記錄(續)

Name of Director 董事姓名		Attendance/Number of Meetings 出席次數/會議數目				Annual General Meeting 股東週年大會
		Board 董事會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	
Kang Baohua 康寶華		6/6	2/2			1/1
Tian Shouliang 田守良	(resigned on 8 February 2017) (於二零一七年二月八日辭任)	2/6		1/2		
Guo Zhongshan 郭忠山	(resigned on 8 February 2017) (於二零一七年二月八日辭任)	2/6				
Wang Yijun 王義君	(resigned on 8 February 2017) (於二零一七年二月八日辭任)	2/6				
Wang Lihui 王立輝	(resigned on 8 February 2017) (於二零一七年二月八日辭任)	2/6				
Li Hongren 李洪人	(appointed on 8 February 2017) (於二零一七年二月八日獲委任)	4/6		1/2		1/1
Liu Futao 劉福濤	(appointed on 8 February 2017) (於二零一七年二月八日獲委任)	4/6				1/1
Ma Minghui 馬明輝	(appointed on 8 February 2017) (於二零一七年二月八日獲委任)	4/6				1/1
Wang Hao 王昊	(appointed on 8 February 2017) (於二零一七年二月八日獲委任)	4/6			2/2	1/1
Zhang Lei 張雷		6/6				1/1
Poon Chiu Kwok 潘昭國		6/6	2/2		2/2	1/1
Woo Kar Tung, Raymond 胡家棟	6/6			2/2	2/2	1/1
Pang Chung Fai, Benny 彭中輝		6/6	2/2	2/2	2/2	1/1

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING

Directors must keep abreast of their collective responsibilities and are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide to each newly appointed director or alternative director an induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Group's businesses and the statutory regulatory obligations of a director of a listed company as well as the Company's constitutional documents to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements. The Group also provided briefings and other training to develop and refresh the directors' knowledge and skills from time to time. Further, the Company continuously updates directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Details regarding the trainings attended by the Directors during the year ended 31 December 2017 are as follow:

董事培訓

董事須知悉彼等共同責任，本公司鼓勵董事參與持續專業發展，以發展及改善彼等知識及技能。本公司將向每名新委任董事或替任董事提供入職簡介，簡介涵蓋香港上市公司董事的職責及責任、本集團業務及上市公司董事的法定規管責任以及本公司憲制文件，以確保其充分瞭解其於上市規則及其他規管要求下的職責及責任。本集團亦舉行簡介會及其他培訓課程，以不時發展及改善董事知識及技能。此外，本公司不斷向董事就上市規則及其他適用規管要求彙報最新發展，以確保遵守規定，並加強彼等對良好企業管治守則的認知。

董事於截至2017年12月31日止年度出席培訓的詳情如下：

Directors	董事	Types of training 培訓種類
Executive Directors		
Kang Baohua	康寶華	A,B,C,D
Tian Shouliang (resigned on 8 February 2017)	田守良(於2017年2月8日辭任)	B
Guo Zhongshan (resigned on 8 February 2017)	郭忠山(於2017年2月8日辭任)	B
Wang Yijun (resigned on 8 February 2017)	王義君(於2017年2月8日辭任)	B
Wang Lihui (resigned on 8 February 2017)	王立輝(於2017年2月8日辭任)	B
Li Hongren (appointed on 8 February 2017)	李洪人(於2017年2月8日獲委任)	A,B,D
Liu Futao (appointed on 8 February 2017)	劉福濤(於2017年2月8日獲委任)	A,B,D
Ma Minghui (appointed on 8 February 2017)	馬明輝(於2017年2月8日獲委任)	A,B,D
Wang Hao (appointed on 8 February 2017)	王昊(於2017年2月8日獲委任)	A,B,D
Zhang Lei	張雷	A,B,D
Independent Non-Executive Directors		
Poon Chiu Kwok	潘昭國	A,B,C,D
Woo Kar Tung, Raymond	胡家棟	A,B,C,D
Pang Chung Fai, Benny	彭中輝	A,B,C,D

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING *(continued)*

Notes:

- A. Attending seminar(s)/forum(s)
- B. Reading materials relating to general business, real estate development, directors' duties and responsibilities and so on
- C. Giving talks to external seminar(s)/forum(s)
- D. Attending corporate event(s)/visit(s)

MODEL CODE FOR 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 (the “**Appendix 10**”) and devised its own code of conduct regarding directors' dealings in the Company's securities (the “**Company Code**”) on terms no less exacting than the Model Code as set out in Appendix 10.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code and the Company Code throughout the year ended 31 December 2017.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

董事培訓(續)

附註：

- A. 出席研討會／論壇
- B. 閱讀有關業務、地產發展、董事職責及責任等之資料
- C. 出席外部研討會／論壇致辭
- D. 出席公司活動、造訪行程

證券交易標準守則

本公司已採納上市規則附錄10(「**附錄10**」)所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)及修訂了其條款不遜於附錄10所載標準守則的其本身有關董事買賣本公司證券的行為守則(「**公司守則**」)。

本公司已向全體董事作出具體查詢，而董事已確認，截至2017年12月31日止年度，彼等一直遵守標準守則及公司守則。

本公司已就可能擁有未公開的本公司內幕消息的僱員進行證券交易確立條款不遜於標準守則的書面指引(「**僱員書面指引**」)。

本公司並未察覺僱員違反僱員書面指引的事故。

Corporate Governance Report

企業管治報告

DELEGATION BY THE BOARD

The Board undertakes responsibility for decision making in major Company matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the company secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers. The Board also has the full support of the chief executive officer and the senior management for the discharge of its responsibilities.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the directors of the Company for the year ended 31 December 2017 are set out in Note 8 to the Financial Statements.

董事會授權

董事會負責對本公司重大事宜作出決策，包括批准及監督所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易(尤其是可能涉及利益衝突的交易)、財務數據、委任董事及其他重大財務及運作事宜。

全體董事可及時取得所有相關數據以及公司秘書的意見及服務，以確保符合董事會議事程序以及遵守所有適用規則及規例。向董事會提出要求後，各董事一般可於適當情況下徵詢獨立專業意見，費用由本公司承擔。

本公司日常管理、行政及運作均由行政總裁及高級管理層負責。本公司會定期檢討獲分派職務及工作。上述高級職員於訂立任何重大交易前，必須事先獲董事會批准。董事會亦獲行政總裁及高級管理層全力支持履行其職責。

董事及高級管理層薪酬

本公司已制定本集團高級管理層薪酬政策的正式及具透明度的程序。本公司各董事於截至2017年12月31日止年度的薪酬詳情載列於財務報表附註8。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are available to shareholders on the Company's website. Each of the Nomination Committee, Remuneration Committee and Audit Committee are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Kang Baohua (chairman), Mr. Poon Chiu Kwok and Mr. Pang Chung Fai, Benny, the majority of which are independent non-executive directors.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of the independent non-executive directors.

During the year ended 31 December 2017, the Nomination Committee:

- reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board annually and made recommendations on any proposed changes to the Board to implement the Company's corporate strategy;
- made recommendations to the Board to ensure that the independent non-executive Directors comprise at least one-third of the Board;
- assessed the independence of independent non-executive Directors; and

董事委員會

為符合良好企業管治常規，董事會已成立三個委員會，分別是提名委員會、薪酬委員會及審核委員會，以監管本公司特定範疇的事宜。本公司所有董事委員會乃根據已界定書面職權範圍成立，有關職權範圍資料已載於本公司網站供股東省覽。提名委員會、薪酬委員會及審核委員會均獲提供足夠資源，以履行其職務，倘提出合理要求後，可於適當情況下尋求獨立專業意見，費用由本公司承擔。

提名委員會

提名委員會由三名成員組成，分別是康寶華先生(主席)、潘昭國先生及彭中輝先生，大部分成員為獨立非執行董事。

提名委員會的主要職責包括檢討董事會組成、就委任及董事繼任計劃向董事會提出建議及評估獨立非執行董事的獨立性。

截至2017年12月31日止年度，提名委員會：

- 對董事會的架構、人數及組成(包括技能、知識及經驗方面)進行了年度審閱，並就任何為配合本公司的策略而擬對董事會作出的變動提出建議；
- 向董事會提供意見，確保獨立非執行董事必須佔董事會成員人數至少三分之一；
- 評核獨立非執行董事的獨立性；及

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(continued)*

Nomination Committee *(continued)*

- made recommendations to the Board on the re-appointment of Directors; and
- made recommendations to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, ethnicity, professional experience and knowledge.

The Nomination Committee will meet at least once per year according to its terms of reference. Two Nomination Committee meetings were held during the year under review.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Woo Kar Tung, Raymond (chairman), Mr. Li Hongren and Mr. Pang Chung Fai, Benny, the majority of which are independent non-executive directors.

The Remuneration Committee is responsible for making recommendations to the directors' remuneration and other benefits. The remuneration of all directors is subject to regular monitoring by the Remuneration Committee to ensure that level of their remuneration and compensation are reasonable. Their written terms of reference are in compliance with the provisions of the CG Code. Pursuant to code provision B.1.4 of the CG Code, the Remuneration Committee would make available its terms of reference, explaining its role and the authority delegated to it by the Board.

董事委員會(續)

提名委員會(續)

- 就董事重新委任向董事會提出建議；及
- 提議董事會應該在諸多方面(但不限於)(如性別、年齡、民族、職業經歷及學歷)實現董事會的多樣性。

提名委員會將根據其職權範圍每年至少舉行一次會議。於回顧年度，提名委員會舉行了2次會議。

薪酬委員會

薪酬委員會由三名成員組成，分別是胡家棟先生(主席)、李洪人先生及彭中輝先生，大部分成員為獨立非執行董事。

薪酬委員會負責就董事薪酬及其他福利提供建議。全體董事薪酬均受薪酬委員會定期監管，以確保彼等薪酬水平及補償屬合理。彼等職權範圍乃遵照企業管治守則的條文。根據企業所管治守則條文B.1.4守則條文，薪酬委員會將制訂職權範圍，解釋其職能及獲董事會所授予的權力。

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企業管治報告

BOARD COMMITTEES (continued)

Remuneration Committee (continued)

During the year ended 31 December 2017, the Remuneration Committee:

- made recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewed and approved the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- reviewed and approved the disclosure details of any remuneration payable to members of senior management by band in the annual reports; and
- conducted regular evaluations of the Board on its performance as it may consider appropriate.

Pursuant to code provision B.1.5 of the CG code, the remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

In the band of	所屬範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至 1,000,000 港元	7
HK\$1,000,001 to HK\$2,000,000	1,000,001 港元至 2,000,000 港元	1
HK\$2,000,001 to HK\$3,000,000	2,000,001 港元至 3,000,000 港元	2

The Remuneration Committee held two meetings during the year ended 31 December 2017.

董事委員會(續)

薪酬委員會(續)

截至2017年12月31日止年度，薪酬委員會主要負責：

- 就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- 檢討及批准於年報內按薪酬等級披露應付高級管理人員的任何酬金詳情；及
- 委員會按需要定期評核董事會的表現。

根據企業管治守則之守則條文第B.1.5條，高級管理層成員於截至2017年12月31日止年度之薪酬範圍載列如下：

薪酬委員會於截至2017年12月31日止年度舉行了2次會議。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(continued)*

Audit Committee

The Audit Committee comprises three members, namely Mr. Poon Chiu Kwok (chairman), Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny, all of which are independent non-executive directors.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system and to provide advice and comments to the Board.

During the year ended 31 December 2017, the Audit Committee:

- made recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approved the remuneration and terms of engagement of the external auditor;
- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- reviewed the annual results in respect of the year ended 31 December 2016 and the interim results for the six months ended 30 June 2017 as well as significant issues on financial control, internal control and risk management systems;
- discussed the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion included the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions; and
- developed and reviewed the Company's policies and practices on corporate governance and made recommendations to the Board.

董事委員會(續)

審核委員會

審核委員會由三名成員組成，分別為潘昭國先生(主席)、胡家棟先生及彭中輝先生，全部均為獨立非執行董事。

審核委員會的主要職務為檢討及監察財務申報程序及內部監控制度，以及向董事會提供建議及意見。

截至2017年12月31日止年度，審核委員會：

- 就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款；
- 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
- 檢討公司截至2016年12月31日止年度之年度業績，截至2017年6月30日止六個月中期業績及有關財務監控、內部監控及風險管理制度的重大事項；
- 與管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統，討論內容應包括公司在會計及財務彙報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；及
- 制定及檢討本公司政策及企業管治常規，並向董事會提出建議。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

The Audit Committee held two meetings during the year ended 31 December 2017.

The Audit Committee also met the external auditors of the Company twice without the presence of the executive directors.

CORPORATE GOVERNANCE FUNCTIONS

During the period under review, the Board is responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

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

董事委員會(續)

審核委員會(續)

截至2017年12月31日止年度，審核委員會曾舉行2次會議。

審核委員會亦在執行董事缺席之情況下與本公司外部核數師進行兩次會面。

企業管治職能

於回顧期內，董事會負責釐定本公司的企業管治政策，以履行企業管治職務如下：

- 制定及檢討本集團的企業管治政策及常規，並作出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及規管規定(如適用)的政策及常規；
- 制定、檢討及監察本集團僱員及董事適用的行為守則及合規指引(如有)；及
- 檢討本集團遵守企業管治守則及企業管治報告所載披露規定的情況。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2017.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

INTERNAL CONTROLS AND RISK MANAGEMENT

During the year under review, the Board, through the Audit Committee, conducted a review of the effectiveness of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

Appropriate policies and controls have been designed and established which can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

責任及審核

董事就財務報表的財務報告職責

董事確認彼等知悉編製本公司截至2017年12月31日止年度財務報表的責任。

董事會負責根據上市規則及其他法定及監管規定，對年報及中期報告、內幕消息公告及其他披露事宜提供內容持平、清晰及易明的評估。

本公司管理層已向董事會提供必要的解釋及數據，以使董事會對獲提呈待審批的本公司財務報表作出知情評估。

內部監控及風險管理

於回顧年度，董事會透過審核委員會已檢討本公司內部監控制度的有效性，其中包括資源充足性、本公司會計及財務報告人員的資格及經驗以及其培訓計劃及預算。

董事會負責維持足夠的內部監控制度，以保障股東投資及本公司資產，並透過審核委員會每年對其有效性進行檢討。

適當的政策及監控經已訂立及制定，並且對於重大錯報僅提供合理且不絕對的保障其目的均旨在管理，而非消除未能達成業務目標的風險。

Corporate Governance Report

企業管治報告

INTERNAL CONTROLS AND RISK MANAGEMENT

(continued)

The Board oversees the Group's risk management and internal control systems on an ongoing basis, and ensures that a review of the effectiveness of the Group's risk management and internal control systems is being conducted at least annually.

In 2017, the Company focused on the following internal control operations:

Reviewing risk management and internal control in 2017, assessing the Company's progress for risk control in key business operations such as sales, purchase and development and legal compliance, and formulating the risk management and internal control plan for 2018;

Reviewing risk management and internal control in 2017, assessing the Company's progress for risk control in key business operations such as sales, purchase and development and legal compliance, and formulating the risk management and internal control plan for 2018;

Evaluating the material impact on the Company's financial performance or condition which resulted from the incidence of any significant control failings or weaknesses that have been identified;

Focusing on the internal control deficiencies identified during the self-assessment, the Company promptly identified the responsibilities and timely rectified the deficiencies, effectively control and eliminate any potential risks. The Company also worked towards enhancing the systems and procedures, and deepening its governance measures, while continuously enhancing the design and operating effectiveness of internal control; and

Commencing on all fronts activities, such as sharing of experiences and know-how of risk management and internal control, risk management processes and group study on risk management knowledge for key business activities.

內部監控及風險管理(續)

本公司董事會持續監督本集團風險管理及內部監控系統，確保至少每年檢討一次集團的風險管理及內部監控系統是否有效。

2017年本公司重點開展了如下內控工作：

總結2017年度風險管理及內部控制工作，評價本公司2017年在銷售、採購及法律合規等重點業務上的風險管控進展，並著手制定2018年風險管理及內部控制工作計劃；

進一步強化業務部門和各單位在自我評估中的主導作用，圍繞各業務領域的主要風險，有針對性地進行自我檢查，並通過內控獨立評估對內控自我評估進行評價，促進自我評估工作發揮實效；

評估發生的重大監控失誤或發現的重大監控漏洞對本集團的財務業績或狀況產生重大影響；

針對自我評估發現的內控缺陷，公司一一落實責任，及時完成缺陷整改，有效控制 and 排除風險隱患，並從加強制度、健全流程、深化治理出發，不斷提升內部控制設計和執行的有效性；及

全面開展關鍵業務活動的風險管理及內部控制經驗共享、知識傳遞、風險管理流程宣貫、風險管理知識小組研討等活動。

Corporate Governance Report

企業管治報告

INTERNAL CONTROLS AND RISK MANAGEMENT

(continued)

The Board has implemented procedures and internal controls for the handling and dissemination of inside information. During the Reporting Period, material transactions of the Company were reviewed by various internal departments of the Company including the legal department and the finance and securities department. After reviewing, if the legal department and the finance and securities department were in the view that the proposed transactions may involve inside information, they would consult with the legal adviser of the Company. Thereafter the proposed transaction concerned would be reported to the Board. If the relevant information constituted inside information, the legal adviser, with the assistance of the legal department and the finance and securities department of the Company, would draft an announcement which would be reviewed by members of the Board. After that, dissemination of such inside information would be conducted by publishing the relevant information on the Company's website and the website of the Stock Exchange in accordance with the Listing Rules.

As a result of the above operations, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are basically effective and adequate and have complied with the Corporate Governance Code provisions on risk management and internal control throughout the year and up to the date of this annual report.

COMPANY SECRETARY

Mr. Yu Leung Fai of Yu & Co. CPA Limited, the external company secretary service provider of the Company, has been engaged by the Company as its company secretary since 30 June 2012. The primary corporate contact person at the Company is Jason Li, the vice president of the Finance and Securities Department of the Company.

The company secretary's biography is set out in the section headed "Directors and Senior Management" on pages 26 to 31 of this report. During the year ended 31 December 2017, the company secretary undertook over 15 hours of professional training to update his skills and knowledge.

內部監控及風險管理(續)

董事會採用以下有關處理及發布內幕消息的程序和內部監控措施。報告期內，本公司的重大交易事項會通過本公司內部各部門審核，其中包括法律部和金融及證券部。在審核該等信息後，如法律部和金融及證券部認為擬議交易可能涉及內幕消息，會諮詢公司法律顧問，並向公司董事會彙報。如該等信息構成內幕消息，由法律部和金融及證券部配合法律顧問起草公告草稿，並交由公司董事審閱，而後根據上市規則，以於公司網站及香港聯交所網站披露的方式發布該等內幕消息。

透過以上工作，董事會確認，且管理層已向董事會確認，本集團的風險管理及內部監控基本有效，充分，已於年內持續至本年度報告刊發之日，遵守了企業管治守則風險管理及內部監控有關規定。

公司秘書

馮兆林餘錫光會計師事務所有限公司(向本公司提供外部公司秘書服務之公司)之余亮暉先生已自2012年6月30日起受本公司聘任為其公司秘書。本公司主要公司聯絡人為本公司金融及證券部副主席李皓。

公司秘書履歷載於本報告第26至31頁「董事及高級管理人員」一節。截至2017年12月31日止年度，公司秘書獲授15小時以上之專業培訓，以提升彼等技能及知識。

Corporate Governance Report

企業管治報告

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities for the financial statements of the Company is set out in the "Independent Auditor's Report" on pages 103 to 111.

The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 31 December 2017 amounted to approximately RMB9.3million. The external auditors of the Company provided non-audit services with contract-value of about RMB0.7 million to the Company for the year ended 31 December 2017

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting)

- Any one or more shareholders holding at the date of 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 "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "**Company Secretary**"), to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at an extraordinary general meeting.

外聘核數師及核數師薪酬

本公司外聘核數師就其對本公司的財務報表的申報職責的聲明載列於第 103 至 111 頁的「獨立核數師報告」。

就截至 2017 年 12 月 31 日止年度提供之審計服務而向本公司外部核數師支付之薪酬約為人民幣 9.3 百萬元。截至 2017 年 12 月 31 日止年度，本公司外部核數師向本公司提供價值約為人民幣 0.7 百萬元之非審計服務。

股東權利

股東召開股東特別大會(包括股東特別大會上提出提案/決議案)的程序

- 任何一個或多個股東在遞交該申請書當日須持有本公司不少於十分之一附帶投票權可於本集團股東大會上投票的已繳足資本(「**適格股東**」)有權隨時向本公司董事會或公司秘書(「**公司秘書**」)遞交書面申請，要求董事會為該書面申請中所述的任何業務交易召開股東特別大會(包括股東特別大會上提出提案/決議案)。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS *(continued)*

Procedures for shareholders to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting) *(continued)*

- Eligible Shareholders who wish to convene an extraordinary general meeting for the purpose of making proposals or moving a resolution at an extraordinary general meeting must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Unit 1121, 11/F No.1 Block, Grand Central Plaza 138 Shatin Rural Committee Road Shatin Hong Kong, for the attention of the Company Secretary.
- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an extraordinary general meeting, the agenda proposed to be included the details of the business(es) proposed to be transacted in the extraordinary general meeting, signed by the Eligible Shareholder(s) concerned.
- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene an extraordinary general meeting, the Eligible Shareholder(s) himself/herself/ themselves may do so in accordance with the memorandum and articles of associations, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

股東權利(續)

股東召開股東特別大會(包括股東特別大會上提出提案/決議案)的程序(續)

- 希望召開股東特別大會以於股東特別大會上提出提案或決議案的適格股東必須將經相關適格股東簽署的書面申請(「申請書」)交存本公司在香港的主要營業地點，地址為香港新界沙田沙田鄉事會路138號新城市中央廣場1座11樓1121室(致公司秘書)。
- 申請書必須載明相關適格股東的姓名、彼等持有的本公司股份、召開股東特別大會的理由、擬議的議程、在股東特別大會上擬議的交易的詳情，並由相關適格股東簽署。
- 倘董事會未能在申請書遞交後21天內向股東報告任何進展或未能召開股東特別大會，適格股東有權根據組織章程大綱及細則的相關規定自行召開股東特別大會；對於適格股東因董事會未能召開大會而產生的所有合理費用，本公司應當向相關適格股東進行補償。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Disclaimer

The contents of this sub-section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities for losses incurred by its shareholders in reliance on any contents of this sub-section headed "Shareholders' Rights".

Making enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post through the following means:

Telephone number: (86) 24 25273288
 By post: 20, Street 13 Shenyang Economic & Technological Development Area, Shenyang, 110027, China
 Attention: Investor Relations Department
 By email: investors@yuandacn.com

INVESTOR RELATIONS

Amendments to the Articles of Association of the Company

During the year under review, the Company has not made any changes to its articles of association. An up-to-date version of the Company's articles of association is also available on the Company's website and the Stock Exchange's website.

股東權利(續)

免責聲明

本「股東權利」分節所載內容僅供參考及遵守披露規定。有關資料並不代表亦不應視作本公司給予股東的法律或其他專業意見。股東應就彼等作為本公司股東的權利，自行尋求獨立法律或其他專業意見。本公司不會就股東因依賴本「股東權利」分節所載內容而產生的損失承擔任何責任。

向董事會作出查詢

股東可藉郵寄至本公司於香港的主要營業地點或通過以下方式向董事會發送其查詢及關注：

電話號碼：(86) 24 25273288
 郵遞：中國瀋陽市
 瀋陽經濟技術開發區
 13號街20號郵編110027
 致：投資者關係室
 電郵：investors@yuandacn.com

投資者關係

本公司組織章程細則的修訂

於回顧年度，本公司並無更改其組織章程細則。本公司最新的組織章程細則亦於本公司及聯交所網站上刊載。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS (continued)

Investors Communication Policy

The Company regards the communication with institutional investors as important means to enhance the transparency of the Company and collect views and feedbacks from institutional investors. To promote effective communication, the Company maintains a website at www.yuandacn.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted are available for public access. During the year under review, the directors and senior management of the Company participated in numerous road shows and investment conferences. In addition, the Company also maintains regular communication with the media through press conferences, news releases to the media and on the Company's website, and answering enquiries from the media.

The general meetings of the Company provide a forum for communication between the Board and the shareholders face-to-face dialogue with the shareholders. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available to answer questions at shareholder meetings.

The annual general meeting regarding the financial results for the year ended 31 December 2017 (the "AGM") will be held on 29 May 2018. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

投資者關係(續)

投資者通訊政策

本公司將與機構投資者溝通視為提高本公司透明度及收集機構投資者的意見和響應的重要途徑。為促進有效溝通，本公司設有網站www.yuandacn.com，載有有關本公司業務及發展的最新消息及更新數據、財務數據、企業管治常規及其他數據，以供公眾人士瀏覽。於回顧年度，本公司董事及高級管理層曾參與多項路演及投資會議。此外，本公司亦通過新聞發佈會、向媒體發放消息、在本公司網站登載消息及回答媒體的發問而定期與媒體溝通。

本公司股東大會為董事會與股東之間提供了面對面的溝通平臺。董事會主席以及提名委員會、薪酬委員會及審核委員會之主席(或倘彼等缺席)各委員會的其他成員及(倘適用)獨立董事委員會之主席，將於股東大會上解答提問。

本公司將就截至2017年12月31日止年度的財務業績於2018年5月29日舉行股東週年大會(「股東週年大會」)。股東週年大會通告將於股東週年大會日期前至少二十個完整營業日寄往予股東。

Report of the Board of Directors

董事會報告

The Directors of the Company are pleased to present their report and the audited financial statements for the year ended 31 December 2017 of the Group.

BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Group and a discussion and analysis of the Group's performance during the year under review and a discussion on the Group's future business development and outlook of the Company's business, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2017 are provided in the section headed "Management Discussion and Analysis" on pages 11 to 25 of this annual report. An account of the Company's relationships with its key stakeholders is included in the paragraph headed "Relationships with Employees, Suppliers and Customers" of the report of the Directors on page 57 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2017 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 11 to 25 of this annual report and the Group's "Five Year Financial Summary" on page 244 of this annual report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company are provided in the report headed "Environmental, Social and Governance" on pages 76 to 102 of this annual report.

ENVIRONMENTAL PROTECTION

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and complies with environmental legislation and promotes awareness towards environmental protection to the employees.

本公司董事欣然提呈彼等的報告以及本集團截至2017年12月31日止年度的經審核財務報表。

業務回顧及表現

本集團的業務回顧、本集團回顧年度內表現的討論及分析、本集團未來業務發展的討論、本公司業務前景、本集團或會遇到的潛在風險及不明朗因素，以及發生於截至2017年12月31日止年度影響本公司的重要事項載列於本年報第11頁至第25頁的「管理層討論及分析」一節。有關本公司與主要利益相關者的關係載列於本年報第57頁的董事會報告內「與僱員、供應商及客戶之間的關係」一段內。

本集團截至2017年12月31日止年度運用財務業績指標所作出的業績分析載列於本年報第11頁至第25頁的「管理層討論及分析」一節。五年財務摘要載列於本年報第244頁。

此外，有關本集團參考對本公司產生重要影響的環境及社會相關主要表現指標及政策，以及遵守相關法律及法規的表現，更多詳情載列於本年報第76頁至第102頁的「環境、社會及管治」報告。

環境保護

環境保護仍是本集團關注的重點。貫穿於本集團的業務之中，資源的審慎利用和最佳行為標準的採用成為保護環境的保證。本集團鼓勵環境保護並遵守環境有力立法，提升員工對環境保護意識。

Report of the Board of Directors

董事會報告

ENVIRONMENTAL PROTECTION *(continued)*

The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the achievement of environmental management. Several measures have been implemented by the Group in order to promote environmental protection. Further details are set forth in the Environmental, Social and Governance Report as set forth in this annual report.

MAJOR BUSINESS

The Company is principally engaged in the provision of one-stop integrated curtain wall solutions for its customers to meet the technical specifications and performance requirements of their projects. The analysis of the revenue of the Group for the year is set out in Note 4 to the Financial Statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2017 and financial condition of the Company and the Group as at that date are set out in the Financial Statements on pages 112 to 243.

SHARE CAPITAL

The changes in the share capital of Company during the year are set out in Note 27(c) to the Financial Statements.

FINAL DIVIDENDS

The Board has resolved not to declare any annual dividend for the year ended 31 December 2017, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company.

There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividend.

環境保護(續)

本集團重視環境保護和可持續發展。通過建立一個不斷完善的管理系統，有力增強了過程的監控、能源的節約和環境的保護，導致在環境管理方面取得了成就。本集團為了實現促進環境保護已經採取了一定的措施。進一步的細節載列於年度報告「環境、社會和管治」報告中。

主要業務

本公司的主要業務為向客戶提供一站式綜合幕牆解決方案，以滿足彼等的項目技術規格及性能要求。年內，本集團的收入分析載於財務報表附註4。

財務報表

本集團截至2017年12月31日止年度的利潤以及本公司及本集團截至該日止的財務狀況載於第112至243頁的財務報表。

股本

年內本公司股本變動載於財務報表附註27(c)。

末期股息

董事會決定不派付截至2017年12月31日止年度的年度股息，但有待於本公司應屆股東周年大會上獲本公司股東批准。

概無任何安排股東放棄或同意放棄任何股息。

Report of the Board of Directors

董事會報告

BOOK CLOSURE PERIOD AND RECORD DATE

For the purpose in determining who will be eligible to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 24 May 2018 to Tuesday, 29 May 2018 (both days inclusive), during which time no transfer of shares will be registered. To ensure that the shareholders are entitled to attend and vote at the Annual General Meeting, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Group's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 23 May 2018 for registration of the relevant transfer.

RESERVE

Details of movements in reserve of the Group during the year ended 31 December 2017 are set out in the Consolidated Statement of Changes in Equity of the Financial Statements. Details of movements in the reserves of the Company during the year are set out in Note 27(a) to the Financial Statements.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution of dividends to the shareholders subject to the provisions of the Company's Articles of Associations, and with the sanction of an ordinary resolution, dividend may be declared and paid out of share premium account or any other fund or account which can be authorized for this propose. As at 31 December 2017, the distributable reserves of the Company were RMB574.0 million (31 December 2016: RMB574.0 million).

PROPERTY, PLANT AND EQUIPMENTS

The changes in property, plant and equipments of the Group during the year ended 31 December 2017 are set out in Note 12 to the Financial Statements.

暫停辦理股東登記期間及紀錄日期

為確定參加股東周年大會並於會上投票的資格，本公司的股份登記將於2018年5月24日(星期四)至2018年5月29日(星期二)(包括首尾兩天在內)期間暫停辦理股份過戶登記手續。為確保股東有權出席股東周年大會並於會上投票，股東須於2018年5月23日(星期三)下午4時30分前，將彼等妥為蓋印的過戶文件連同有關股票送交本集團的香港證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號室，辦理有關過戶登記手續。

儲備

本集團於截至2017年12月31日止年度的儲備變動詳情載於財務報表的合併權益變動表內。年內，本公司的儲備變動詳情載於財務報表附註27(a)。

可供分派儲備

根據開曼群島公司法，本公司的股份溢價可用作為分派予股東的股息，惟須符合本公司的組織章程細則規定，且通過普通決議案批准後，可自股份溢價賬或任何獲准作此用途的其他資金或賬戶中宣派或派付股息。於2017年12月31日，本公司的可分派儲備為人民幣574.0百萬元(於2016年12月31日：人民幣574.0百萬元)。

物業、廠房及設備

截至2017年12月31日止年度，本集團的物業、廠房及設備變動載於財務報表附註12。

Report of the Board of Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the percentage of purchases attributable to the Group's largest supplier and the Group's five largest suppliers in aggregate accounted for approximately 3.5% and 12.7% of the Group's total purchase, respectively. The percentage of turnover attributable to the Group's largest customer and the Group's five largest customers in aggregate accounted for approximately 3.1% and 13.6% of the Group's total turnover, respectively.

Save as disclosed herein, so far as is known to the Directors, none of the Directors or his/her close associates and none of the shareholders possessing over 5% of the interest in the share capital of the Company possessed any interest in the abovementioned suppliers and customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group's business is built on a customer-oriented culture. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards and high quality products to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

主要客戶及供貨商

於回顧年內，本集團最大供貨商及本集團五大供貨商應佔採購百分比總額分別佔本集團總採購額約3.5%及12.7%。本集團最大客戶及本集團五大客戶應佔營業額百分比分別佔本集團總營業額約3.1%及13.6%。

除本報告披露者外，就董事所知，概無董事或彼等的緊密連絡人士及擁有本公司股本超過5%權益的股東於上述供貨商及客戶中擁有任何權益。

與僱員、供應商及客戶之間的關係

本集團明白，僱員是我們的寶貴資產。本集團提供具競爭力的薪酬待遇，以吸引並激勵僱員。本集團定期檢查僱員的薪酬待遇，並會因應市場標準而作出必要的調整。

本集團業務乃建基於以客戶為本的文化。本集團亦明白，與供應商及客戶保持良好商業關係，對我們達成即期及長遠目標很重要。為維持行業內的市場競爭力，本集團以持續帶給客戶高水平及高質量的產品為目標。於回顧年度內，本集團與供應商及／或客戶之間並沒有重大而明顯的糾紛。

Report of the Board of Directors

董事會報告

DIRECTORS

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

Executive Directors

Kang Baohua (*Chairman*)
 Tian Shouliang
(Chief Executive Officer) (resigned on 8 February 2017)
 Guo Zhongshan (*resigned on 8 February 2017*)
 Wang Yijun (*resigned on 8 February 2017*)
 Wang Lihui
(Chief Financial Officer) (resigned on 8 February 2017)
 Li Hongren
(Chief Executive Officer) (appointed on 8 February 2017)
 Liu Futao (*appointed on 8 February 2017*)
 Ma Minghui (*appointed on 8 February 2017*)
 Wang Hao (*Chief Financial Officer*)
(appointed on 8 February 2017)
 Zhang Lei

Independent non-executive Directors

Poon Chiu Kwok
 Woo Kar Tung, Raymond
 Pang Chung Fai, Benny

Biographical details of the directors and senior management are set forth in the section "Directors and Senior Management" of this report.

董事

年內及截至本報告日期止的在任董事如下：

執行董事

康寶華(主席)
 田守良
(行政總裁)(於2017年2月8日辭任)
 郭忠山(於2017年2月8日辭任)
 王義君(於2017年2月8日辭任)
 王立輝
(首席財務官)(於2017年2月8日辭任)
 李洪人
(行政總裁)(於2017年2月8日獲委任)
 劉福濤(於2017年2月8日獲委任)
 馬明輝(於2017年2月8日獲委任)
 王昊(首席財務官)
(於2017年2月8日獲委任)
 張雷

獨立非執行董事

潘昭國
 胡家棟
 彭中輝

董事及高層管理人員的履歷詳情載於本報告「董事及高層管理人員」一節中。

Report of the Board of Directors

董事會報告

SERVICE CONTRACTS OF DIRECTORS

Details of service contracts for our executive Directors and non-executive Directors of the Company are set out under the section headed “Appointment and Re-election of Directors” of the Corporate Governance Report. There was no service contract entered by the Company and any Directors to be re-elected in the coming annual general meeting stipulating that the Company may not terminate the appointment within one year without compensation payment (other than the statutory compensation).

In accordance with the Company’s Articles of Association and the CG Code, Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny will retire at the AGM. and, being eligible, will offer themselves for re-election at the AGM. Please refer to Note 8 to the Financial Statements for details of the remuneration of Company’s directors for the year ended 31 December 2017.

DIRECTORS’ INTERESTS IN CONTRACTS

Other than those transactions disclosed in Note 28 to the Financial Statements, there was no other significant contract with any member of the Group as the contracting party and in which the Directors of the Company possessed direct or indirect substantial interests, and which was still valid on the year end date or any time during the year and related to the business of the Group.

董事服務合約

有關本公司各執行董事及非執行董事的服務合約詳細載於企業管治報告中「董事委任及重選」一節。本公司概無與擬於應屆股東周年大會重選的董事訂立本公司不可於一年內終止而免付賠償(法定賠償除外)的服務合約。

根據本公司組織章程細則及企業管治守則，潘昭國先生、胡家棟先生、彭中輝先生將於股東周年大會上退任，並合資格於股東周年大會上參選連任。有關本公司董事截至2017年12月31日止年度的薪酬的詳情，請參閱財務報表附註8。

董事於合約的權益

除財務報表附註28披露的交易外，並無本集團成員公司為訂約方而本公司董事於當中擁有直接或間接重大權益，且於年結日或年內任何時間仍然生效及與本集團業務有關的其他重大合約。

Report of the Board of Directors

董事會報告

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESS

The Chairman, Mr. Kang Baohua, owns and through Best Outlook Limited (“**Best Outlook**”) and Neo Pioneer Limited (“**Neo Pioneer**”) owns in aggregate approximately 57.05% of the issued share capital in the Company as at the date of this report of the Board. Mr. Kang Baohua, Best Outlook and Neo Pioneer are the controlling shareholders of the Company. Mr. Kang Baohua also owns 100% interest in Yuanda Aluminium Industry Engineering (Singapore) Pte. Ltd. (“**Yuanda Singapore**”) through Yuanda Group, which is owned by Mr. Kang Baohua. Yuanda Singapore is primarily engaged in curtain wall works and trading as well as investment holding. Although the Company has established a wholly owned subsidiary in Singapore to carry out curtain wall contracting projects, the ability to contract for large-scale public curtain wall projects in Singapore is dependent on local contracting experience. Given the lack of direct local contracting experience, the Group has been cooperating with Yuanda Singapore on the contracting of large scale public curtain wall projects in Singapore during the last five years and will continue to supply curtain wall products to Yuanda Singapore until the Company’s wholly owned subsidiary will be able to undertake such projects in Singapore on its own. Please see the section headed “Connected Transactions” in the Prospectus for details. For the aforesaid purpose, Yuanda Singapore has been excluded from the deed of non-competition (“**Deed of Non-competition**”) provided by the controlling shareholders to the Company on 21 April 2011.

The Company has received an annual written confirmation from each of the Company’s controlling shareholders in respect of the compliance by them and their associates with the Deed of Non-competition. Each of the controlling shareholders of the Company have also confirmed that all of them have abided by the Deed of Non-competition during the year ended 31 December 2017.

The independent non-executive Directors have reviewed the Deed of Non-competition, the confirmation given by each of the Company’s controlling shareholder and whether the controlling shareholders have abided by the non-competition undertaking under the Deed of Non-competition. The independent non-executive Directors confirmed that they had determined that the controlling shareholders have not been in breach of the Deed of Non-competition during the year ended 31 December 2017.

董事於競爭性業務的權益

主席康寶華先生於本董事會報告日期擁有及通過佳境有限公司(「佳境」)及新創有限公司(「新創」)擁有本公司已發行股本共約57.05%。康寶華先生、佳境及新創為本公司的控股股東。康寶華先生透過由其擁有的遠大集團，亦擁有 Yuanda Aluminium Industry Engineering (Singapore) Pte.Ltd(「新加坡遠大」)之100%權益。新加坡遠大主要從事幕牆工程及貿易以及投資控股業務。儘管本公司已於新加坡成立全資附屬公司以承接幕牆承包項目，惟在新加坡外包大型公共幕牆項目的能力仍取決於地方外包經驗，鑒於本公司缺乏直接的地方外包經驗，因此在過去五年，本集團一直與新加坡遠大就於新加坡承接的大型公共幕牆項目合作，並將繼續向新加坡遠大供應幕牆產品，直至本公司之全資附屬公司能夠自行在新加坡承接該等項目。詳情請參閱招股章程「關連交易」一節。就上述而言，新加坡遠大不包括於控股股東於2011年4月21日向本公司提供的不競爭契據(「不競爭契據」)之中。

本公司已收到本公司各控股股東就本身及彼等之連絡人士遵守不競爭契據而發出的年度確認函。本公司各控股股東亦確認，彼等於截至2017年12月31日止年度間均遵守不競爭契據。

獨立非執行董事已審閱不競爭契據、本公司控股股東各自給予的確認以及控股股東有否遵守不競爭契據項下的不競爭承諾。獨立非執行董事確認，彼等確定控股股東於截至2017年12月31日止年度並無違反不競爭契據。

Report of the Board of Directors

董事會報告

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESS

(continued)

Save as disclosed, no Directors nor their respective connected persons possessed any interests in any business that competed or might compete with the business that the Group conducted.

PERMITTED INDEMNITY PROVISION

Each Director or other officer of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she may incur or sustain in or about the execution of the duties of his or her office or otherwise in relation thereto in accordance with the Company's Articles of Association.

SHARE OPTION SCHEME

On 12 April 2011, the Company adopted a share option scheme ("**Share Option Scheme**") whereby the Board of Directors can grant options for the subscription of our shares to the employees, managerial staff and senior employees of the Group and those other persons that the Board of Directors considers that they will contribute or have contributed to the Group (the "**Participants**") as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of shares that may be issued under the Share Option Scheme was 600,000,000 shares which is equivalent to 10% of the issued capital of the Company after completion of the Global Offering (as defined in the Prospectus). The number of shares that may be granted pursuant to the terms of the Share Option Scheme shall not exceed 10% of the issued shares of the Company immediately after the completion of the Global Offering. Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to the Participants under the Share Option Scheme shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Listing Rules), or the total number of shares that may be granted under the options to the independent non-executive Directors or any of their respective connected persons shall not exceed 0.1% of the shares in issue of the Company from time to time. There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board of Directors, and however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the highest of:

董事於競爭性業務的權益(續)

除所披露者外，概無董事或彼等各自的關連人士於與本集團所從事業務構成競爭或可能構成競爭的任何業務中擁有任何權益。

獲准許的彌償條文

根據本公司組織章程細則，本公司各位董事或其他高級人員均有權從本公司之資產及利潤獲得彌償，以補償履行其職務時因進行或未進行而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支或有關其他情況，確保免於就此受損。

購股權計劃

於2011年4月12日，本公司採納一項購股權計劃（「**購股權計劃**」），據此，董事會可向本集團僱員、行政人員及高級職員以及購股權計劃所述董事會認為將會對或曾經對本集團作出貢獻的該等其他人士（「**參與人士**」）授出購股權，以認購本公司股份，藉此向彼等給予獎勵及回報彼等對本集團作出的貢獻。根據購股權計劃可發行的最高股份數目為600,000,000股股份，相當於全球發售（定義見招股章程）完成後本公司已發行股本的10%。可根據購股權計劃條款授出的股份數目不得超過緊隨全球發售完成後本公司已發行股份10%。除非本公司股東於股東大會另行批准，否則可根據購股權計劃授予參與人士的股份數目於任何12個月內不得超過1%（向主要股東（定義見上市規則）授出者除外），或可根據購股權計劃授予獨立非執行董事或任何彼等各自的關連人士授出的股份總數不得超過本公司不時已發行股份的0.1%。概無規定購股權可行使前須持有的最短期間，而授出的購股權須於董事會決定的期間內行使，但並無購股權可於授出後超過10年行使。購股權行使價須為以下三者之較高者：

Report of the Board of Directors

董事會報告

SHARE OPTION SCHEME (continued)

- (a) the closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant;
- (b) the average closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) nominal value of the Share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted.

The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

Since the Share Option Scheme was adopted, no options have been granted.

SHARE AWARD SCHEME

A share award scheme (the “**Share Award Scheme**”) was adopted on 10 April 2013 to recognize and motivate the contributions made to the Group by its employees and to give incentives in order to retain them for the continuous operation and development of the Group. For the year ended 31 December 2017, no shares had been awarded under the Share Award Scheme. Details of the rules of the Share Award Scheme are set out in the announcement of the Company dated 10 April 2013.

The Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption on 10 April 2013. Pursuant to the Share Award Scheme, the shares will be acquired by the independent trustee at the cost of the Company and be held in trust for the selected employees until the end of each vesting period. The maximum number of shares which may be granted to the selected employees under the Share Award Scheme shall not exceed five percent (5%) of the total issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed one percent (1%) of the total issued share capital of the Company from time to time.

購股權計劃(續)

- (a) 股份於授出日期聯交所每日報價表的收市價；
- (b) 股份於緊接授出日期前五個營業日聯交所每日報價表的平均收市價；及
- (c) 股份的面值之較高者。各承授人須於獲授購股權之時支付 1.00 港元之代價。

購股權計劃於獲採納當日生效，直至該日起 10 年內期間仍然有效。

自採納購股權計劃以來並未授出任何購股權。

股份獎勵計劃

一項股份獎勵計劃(「**股份獎勵計劃**」)於 2013 年 4 月 10 日獲採納，以表揚及激勵本集團僱員對本集團作出貢獻，並作為激勵，為本集團持續營運及發展挽留僱員。截至 2017 年 12 月 31 日止年度，股份獎勵計劃下無授出股份。有關股份獎勵計劃規則的詳情載列於本公司日期為 2013 年 4 月 10 日的公佈。

股份獎勵計劃自 2013 年 4 月 10 日的採納日期起計十年之年期有效。根據股份獎勵計劃，獨立受託人將收購股份(相關費用由本公司承擔)並受託代獲選僱員持有股份，直至各歸屬期末。根據該計劃可能授予獲選僱員之最多股份數目不可超過本公司不時之已發行股本總數百分之五(5%)。根據該計劃可能獎勵一名獲選僱員之最多股份數目不可超過本公司不時之已發行股本總數百分之一(1%)。

Report of the Board of Directors

董事會報告

DEBENTURE

For the year ended 31 December 2017, the Company, its holding company or its subsidiaries were not the contracting parties of any arrangements from which the Directors could make a profit by purchasing the shares or debentures of the Company or any other companies.

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interest or short position of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange, pursuant to Model Code, are as follows:

(i) Interest of the Company

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares 股份數據	Approximate Percentage of Shareholding 股權概約百分比
Kang Baohua 康寶華	Beneficial owner 實益擁有人	228,636,000 (L)	3.68%
	Interest of controlled corporation 受控法團的權益	3,313,604,694 (L)	53.37%
Tian Shouliang (resigned on 8 February 2017) 田守良(於2017年2月8日辭任)	Beneficial owner 實益擁有人	12,714,460 (L)	0.20%

債券

截至2017年12月31日止年度，本公司、其控股公司或其附屬公司並非屬任何安排的訂約方，致使董事可藉購入本公司或任何其他公司的股份或債券而獲利。

董事於股份、相關股份及債券的權益及淡倉

於2017年12月31日，董事及本公司最高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第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例該等條文彼等被當作或被視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記入該條所指的登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

(i) 於本公司的權益

Report of the Board of Directors

董事會報告

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

董事於股份、相關股份及債券的權益及淡倉(續)

(i) Interest of the Company (continued)

(i) 於本公司的權益(續)

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
Guo Zhongshan (resigned on 8 February 2017) 郭忠山(於2017年2月8日辭任)	Beneficial owner 實益擁有人	12,714,460 (L)	0.20%
Wang Yijun (resigned on 8 February 2017) 王義君(於2017年2月8日辭任)	Beneficial owner 實益擁有人	12,714,460 (L)	0.20%
Wang Lihui (resigned on 8 February 2017) 王立輝(於2017年2月8日辭任)	Beneficial owner 實益擁有人	10,335,384 (L)	0.17%
Li Hongren (appointed on 8 February 2017) 李洪人(於2017年2月8日獲委任)	Beneficial owner 實益擁有人	831,333(L)	0.01%
Liu Futao (appointed on 8 February 2017) 劉福濤(於2017年2月8日獲委任)	Beneficial owner 實益擁有人	3,603,333 (L)	0.06%
Ma Minghui (appointed on 8 February 2017) 馬明輝(於2017年2月8日獲委任)	Beneficial owner 實益擁有人	0	0
Wang Hao (appointed on 8 February 2017) 王昊(於2017年2月8日獲委任)	Beneficial owner 實益擁有人	150,000 (L)	0.01%
Zhang Lei 張雷	Beneficial owner 實益擁有人	3,000,000 (L)	0.05%

Report of the Board of Directors

董事會報告

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

(continued)

(i) Interest of the Company (continued)

Notes:

- (1) The letter "L" denotes long position in such securities.
- (2) Of the shares held by Mr. Kang Baohua, 2,582,971,923 Shares were held by Best Outlook Limited and 730,632,771 Shares were held by Neo Pioneer Limited, both companies of which are wholly-owned by Mr. Kang Baohua.

(ii) Interest in associated corporations

Name of Director 董事姓名	Name of Associated Corporation 相關法團名稱	Number of Shares 股份數目	Percentage of Shareholding 股權百分比
Kang Baohua 康寶華	Best Outlook Limited 佳境有限公司	1 (L)	100%
Kang Baohua 康寶華	Neo Pioneer Limited 新創有限公司	1 (L)	100%

Note:

- (1) The letter "L" denotes long position in such securities.

董事於股份、相關股份及債券的權益及淡倉(續)

(i) 於本公司的權益(續)

附註：

- (1) 字母「L」代表於該等證券的好倉。
- (2) 於康寶華先生所持有的股份當中，佳境有限公司持有2,582,971,923股股份，而新創有限公司則持有730,632,771股股份，兩家公司均為康寶華先生全資擁有。

(ii) 於相關法團的權益

附註：

- (1) 字母「L」代表於該等證券的好倉。

Report of the Board of Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the date 31 December 2017, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of SFO, or who was directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Interest of the Company

Name 名稱	Capacity 身份	Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
Best Outlook Limited ⁽¹⁾ 佳境有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	2,582,971,923 (L)	41.60%
Neo Pioneer Limited ⁽²⁾ 新創有限公司 ⁽²⁾	Beneficial owner 實益擁有人	730,632,771 (L)	11.77%

Notes:

- (1) Best Outlook Limited and Neo Pioneer Limited are companies incorporated in the BVI and are wholly-owned by Mr. Kang Baohua.
- (2) The letter "L" denotes long position in such securities.

SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2017 are set out in Note 14 to the Financial Statements.

MANAGEMENT CONTRACTS

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

主要股東的權益及淡倉

於2017年12月31日，按記錄於本公司根據證券及期貨條例第336條須存置的登記冊，下列人士（董事及本公司最高行政人員除外）於或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益及／或淡倉，或直接或間接擁有本公司已發行股本5%或以上的權益：

於相本公司的權益

Name 名稱	Capacity 身份	Number of Shares 股份數目	Approximate Percentage of Shareholding 股權概約百分比
Best Outlook Limited ⁽¹⁾ 佳境有限公司 ⁽¹⁾	Beneficial owner 實益擁有人	2,582,971,923 (L)	41.60%
Neo Pioneer Limited ⁽²⁾ 新創有限公司 ⁽²⁾	Beneficial owner 實益擁有人	730,632,771 (L)	11.77%

附註：

- (1) 佳境有限公司及新創有限公司為於英屬維京群島註冊成立的公司，並由康寶華先生全資擁有。
- (2) 字母「L」代表於該等證券的好倉。

附屬公司

本公司於2017年12月31日的主要附屬公司詳情載於財務報表附註14。

管理合約

於回顧年內，概無訂立或存在任何有關本公司全部或任何重大部分業務管理及行政的合約。

Report of the Board of Directors

董事會報告

CONFIRMATION OF INDEPENDENT STATUS

The Company received the letters of confirmation of independence issued by all the independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board of Directors was satisfied with the independent status of all the independent non-executive Directors.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

In May 2011, the Company conducted a global offering (the “**Global Offering**”) through which 1,708,734,000 new ordinary shares were offered at a price of HK\$1.50 per share. Net proceeds raised were approximately HK\$2,402,947,000. The ordinary shares of the Company were listed on the Main Board of the Stock Exchange on 17 May 2011.

As stated in the Prospectus the Group intended to use the proceeds from the Global Offering for expansion of its production capacity, repayment of its existing debts, investment in research and development, expansion of its sales and marketing network.

As at 31 December 2017, an accumulated amount of approximately HK\$2,018 million of proceeds from the Global Offering (of which expansion of production capacity: HK\$575 million; repayment of bank loans (mainly comprised the bridge loan of Standard Chartered Bank): HK\$962 million; expenses in research and development: HK\$261 million; and expansion of its sales and marketing network: HK\$220 million) was utilized in accordance with the intended use as stated in the Prospectus. It is intended that the remaining proceeds of approximately HK\$385 million will be used in accordance to the proposed allocation as stated in the Prospectus.

確認獨立身份

本公司已接獲全體獨立非執行董事根據上市規則第3.13條發出的獨立確認函。董事會信納全體獨立非執行董事的獨立身份。

首次公開發售所得款項用途

於2011年5月，本公司進行全球發售（「**全球發售**」），發售共1,708,734,000股新普通股，發售價為每股1.50港元，籌集的所得款項淨額約為2,402,947,000港元。本公司普通股於2011年5月17日在聯交所主板上市。

誠如招股章程所述，本集團擬將所得款項用作擴充產能、償還現有債務、投資於研究和開發、及擴充銷售和營銷網絡。

於2017年12月31日，本集團按招股章程所述擬定用途累計使用全球發售所得款約2,018百萬港元（其中產能擴充：575百萬港元；償還銀行貸款（主要是渣打銀行過橋貸款）：962百萬港元；研發支出：261百萬港元；及擴充營銷網絡：220百萬港元）。餘下所得款項約385百萬港元將按照本集團招股章程及補充招股章程所載分配於未來使用。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS

The Group owns only 49% of the equity interests of its operating companies, Yuanda Kuwait General Contracting for Buildings Underes (“**Yuanda Kuwait**”) and Yuanda Qatar Aluminium Industry Engineering Co., W.L.L. (“**Yuanda Qatar**”), in Kuwait and Qatar respectively, as both Kuwait and Qatar laws do not allow foreign companies to own a majority interest in a local operating company. The Group had no operation in Qatar prior to the establishment of Yuanda Qatar and prior to the establishment of Yuanda Kuwait, the Group supplied products to a local company for projects it undertook in Kuwait.

Yuanda Kuwait

Under Kuwait law, the Group is not allowed to own a majority interest in the local operating company. In order to enable it to govern and control the financial and operation of Yuanda Kuwait and capture its entire economic interest from its operations, the Group entered into an agreement on 30 March 2009 (the “**Kuwait Incorporation Agreement**”) with Mr. Mohamed Tareq Al Essa (the “**Kuwait Local Partner**”), an independent third party, pursuant to which the Kuwait Local Partner agreed to be the facilitator of the Group in relation to the conduct of the Group’s business in Kuwait. Pursuant to the Kuwait Incorporation Agreement, the Kuwait Local Partner has declared that:

- all the capital and assets belong to Shenyang Yuanda;
- he has no share (and hence no voting rights) or the right to get any share in Yuanda Kuwait or any entitlement to the profit of Yuanda Kuwait;
- he is not involved in the day-to-day operation of Yuanda Kuwait, save for assisting Yuanda Kuwait with coordination with the local government authorities;
- all works in relation to tendering, execution of contracts and collection of proceeds are carried out by Yuanda Kuwait under the management of Shenyang Yuanda;
- he would not be held liable for any losses; and

科威特及卡塔爾業務

由於科威特及卡塔爾法律不容許外國公司擁有當地營運公司的多數權益，故本集團於科威特及卡塔爾，僅分別擁有其營運公司遠大科威特綜合建築承包有限責任公司（「**科威特遠大**」）及遠大鋁業（卡塔爾）工程有限公司（「**卡塔爾遠大**」）的49%股權。本集團於卡塔爾遠大成立前，在卡塔爾並無業務營運。而在科威特遠大成立前，本集團在科威特向一家當地公司提供產品供其於科威特所承接的項目所用。

科威特遠大

根據科威特法律，本集團不可擁有當地營運公司的多數權益。為使其可管治及控制科威特遠大的財政及營運，並從其營運中取得全部經濟利益，本集團已於2009年3月30日與獨立第三方 Mohamed Tareq Al Essa 先生（「**科威特當地夥伴**」）訂立一項協議（「**科威特成立協議**」），據此，科威特當地夥伴同意成為本集團於科威特進行本集團業務的協調人。根據科威特成立協議，科威特當地夥伴已聲明：

- 所有資本及資產均屬於瀋陽遠大；
- 彼於科威特遠大概無股份（故此並無投票權），亦無權取得科威特遠大的任何股份或享有科威特遠大的利潤；
- 除與當地政府機關協調以協助科威特遠大外，彼並不涉及科威特遠大的日常營運；
- 所有有關投標、簽立合同及收取所得款項的工作均在瀋陽遠大的管理下由科威特遠大進行；
- 彼不會因任何虧損負上責任；及

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Kuwait *(continued)*

- the above terms in the Kuwait Incorporation Agreement is irrevocable for three years effective from the date of signing and will be automatically renewed for a similar period unless and until terminated by both parties with a notice at least 90 days in advance.

Through the above arrangement, the Group is able to control the operation of Yuanda Kuwait. As advised by the legal advisors of the Company as to Kuwait law, the Kuwait Incorporation Agreement is legal, valid and binding to its parties and constitutes legally binding and enforceable obligations against the Kuwait Local Partner under Kuwait law and is in compliance with the laws and regulations of Kuwait. Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Kuwait into its consolidated financial statements as a wholly-owned subsidiary.

As disclosed in the Prospectus and the annual report of the Company in respect of the year ended 31 December 2011, notwithstanding that the Company considers that it is able to effectively operate and conduct the business of Yuanda Kuwait under the present arrangement, the Company has undertaken that in order to protect the interests of the Company, it will introduce further measures, including using our best efforts to amend the terms of the Kuwait Incorporation Agreement, by entering into supplemental agreements that would include, among others, revisions that the Kuwait Local Partner will not transfer any of its shares in Yuanda Kuwait without the prior written consent of the Company, it will vote for any resolutions of Yuanda Kuwait in accordance with the instruction of the Company, and if there shall be any change to the Kuwait laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Kuwait, it will promptly transfer its relevant interest in Yuanda Kuwait to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable the Company to become the majority shareholder of Yuanda Kuwait.

科威特及卡塔爾業務(續)

科威特遠大(續)

- 上述科威特成立協議的條款於簽署日期起計三年內不可撤銷，並將自動按相若年期重續，除非及直至雙方預早最少90日發出通知予以終止為止。

通過上述安排，本集團能控制科威特遠大的營運。根據本公司的科威特法律顧問所告知，科威特成立協議根據科威特法律為合法、有效及對其訂約各方具有約束力，對科威特當地夥伴構成有法律約束力及可強制執行的責任，並符合科威特的法律及法規。根據上文所述以及按照相關會計準則，本集團將科威特遠大作為全資附屬公司於其合併財務報表內綜合入賬。

誠如招股章程及本公司截至2011年12月31日止年度報告所披露，本公司認為根據現時的安排，其能夠有效經營及進行科威特遠大的業務。儘管如此，為維護本公司的利益，本公司已承諾並開始引入進一步措施，包括對科威特成立協議條款盡力修訂，訂立補充協議以包括(但不限於)規定科威特當地夥伴在未獲得本公司事先書面同意的情况下，不得轉讓其持有的科威特遠大股份，其將按照本公司的指示就科威特遠大的任何決議案投票，及倘科威特法律或法規及／或政策出現任何變動導致外國實體可能有權合法持有科威特遠大的多數權益，其將會隨即轉讓當時適用法律或法規下允許的其於科威特遠大中的相關權益予瀋陽遠大，以使本公司成為科威特遠大的大股東。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS (continued)

Yuanda Kuwait (continued)

If the above additional measures cannot be implemented, there will not be any legal consequences assumed by the Company arising solely as a result of the Company's failure to enter into the supplemental agreements to implement these additional measures. However, in order to better protect the Company's interests, the Company will search for a replacement for its existing local partner who is willing to enter into a cooperation agreement with the Company that will contain the terms of the abovementioned additional measures which are in compliance with the requirements of the Stock Exchange.

As of the date of this annual report, the Company is still in negotiation with the Kuwait Local Partner on the implementation of the above additional measures and the Company will disclose any measures implemented and/or replacement of existing local partner in the Company's future annual reports.

Yuanda Qatar

Under Qatar law, the Group is not allowed to own a majority interest in the local operating company. In order to enable the Company to govern and control the financial and operation of Yuanda Qatar and capture its entire economic interest from its operations, the Company has entered into the memorandum of association of Yuanda Qatar dated 20 January 2008 (the "Qatar Articles") with Mr. Ahmed Omar Bbhaa Ahmed (the "Qatar Local Partner"), an independent third party, and an agreement dated September 16, 2007 (the "Qatar Incorporation Agreement") entered into between Shenyang Yuanda and Actrade for Trading & Contracting, a company of which the Qatar Local Partner was the authorized signatory with respect to the governing of the operation of Yuanda Qatar.

Pursuant to the Qatar Articles and the Qatar Incorporation Agreement, Yuanda Qatar was established and held as to 51% by the Qatar Local Partner and as to 49% by Shenyang Yuanda. Pursuant to the Qatar Articles:

科威特及卡塔爾業務(續)

科威特遠大(續)

倘不能實行上述額外措施，本公司不會僅因未能訂立補充協議去實行額外措施，而受任何法律後果。然而，為更好地保障本公司的利益，本公司將尋找另外的願意與本公司訂立含有符合聯交所規定的上述額外措施條款的合作協議的夥伴以替代其現有當地夥伴。

於本年報日期，本公司仍就實行上述額外措施與科威特當地夥伴磋商。本公司將於本公司未來刊發的年報內，披露任何實行的措施及／或替代現有當地夥伴事宜。

卡塔爾遠大

根據卡塔爾法律，本集團不可擁有當地營運公司的多數權益。為使本公司可管治及控制卡塔爾遠大的財政及營運，並從其營運中取得全部經濟利益，本公司已與獨立第三方 Ahmed Omar Bbhaa Ahmed 先生(「卡塔爾當地夥伴」)訂立日期為 2008 年 1 月 20 日的卡塔爾遠大組織章程大綱(「卡塔爾章程細則」)，而瀋陽遠大亦於 2007 年 9 月 16 日與 Actrade for Trading & Contracting(一家由卡塔爾當地夥伴擔任授權簽署人的公司)就管治卡塔爾遠大的營運訂立一項協議(「卡塔爾成立協議」)。

根據卡塔爾章程細則及卡塔爾成立協議，卡塔爾遠大已告成立，並由卡塔爾當地夥伴及瀋陽遠大分別持有 51% 及 49%。根據卡塔爾章程細則：

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

- representatives of Shenyang Yuanda are responsible for managing the company during the entire term of its existence;
- profits of the company will be distributed as to 95% to Shenyang Yuanda and as to 5% to the Qatar Local Partner.

The Qatar Articles were supplemented by the Qatar Incorporation Agreement pursuant to which it was agreed that:

- the Qatar Local Partner will facilitate Shenyang Yuanda to conduct business in Qatar;
- instead of receiving dividends from Yuanda Qatar, the Qatar Local Partner will be paid an annual service fee of US\$40,000 plus a scalable commission calculated based on 1% to 5% of the contract value of projects that Yuanda Qatar won with the assistance of the Qatar Local Partner;
- the dividends declared by Yuanda Qatar may be used to offset and settle any service fees due or payable to the Qatar Local Partner;
- save for assisting Yuanda Qatar with coordination with the local government authorities, the Qatar Local Partner is not involved in the day-to-day operations of Yuanda Qatar;
- all works in relation to tendering, execution of contracts and collection of proceeds are carried out by Yuanda Qatar under the management of Shenyang Yuanda.

科威特及卡塔爾業務 *(續)*

卡塔爾遠大 *(續)*

- 瀋陽遠大的代表負責於該公司存在的整個期間管理該公司；
- 該公司的利潤將按95%及5%分發予瀋陽遠大及卡塔爾當地夥伴。

卡塔爾章程細則乃由卡塔爾成立協議作補充，據此，雙方同意：

- 卡塔爾當地夥伴將協助瀋陽遠大於卡塔爾進行業務；
- 卡塔爾當地夥伴並不會收取卡塔爾遠大的股息，而會收取每年服務費用40,000美元，另加按卡塔爾遠大在卡塔爾當地夥伴協助下投得的項目的合同價值1%至5%計算的可演進佣金；
- 卡塔爾遠大宣派的股息可用於抵銷及清償到期或應付予卡塔爾當地夥伴的任何服務費用；
- 除與當地政府機關協調以協助卡塔爾遠大外，當地夥伴並不涉及卡塔爾遠大的日常營運；
- 所有有關投標、簽立合同及收取所得款項的工作，均在瀋陽遠大的管理下由卡塔爾遠大進行。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS (continued)

Yuanda Qatar (continued)

As advised by the legal advisors of the Company as to Qatar law, subject to the Qatar Articles, the Qatar Incorporation Agreement is legal, valid, binding and enforceable under Qatar law, and as the Qatar Incorporation Agreement and the Qatar Articles are related to the same subject matter, the Qatar Incorporation Agreement is considered to be an explanatory to the Qatar Articles under Qatar law. The Company's legal advisors as to Qatar law has further advised that the Qatar Articles is a validly binding and legally enforceable document and constitutes legal, valid, binding and enforceable obligations of the parties thereto with respect to the governance of the affairs of Yuanda Qatar and is in compliance with the relevant laws and regulations of Qatar and the Qatar Incorporation Agreement is enforceable against the Qatar Local Partner.

The Company entered into this arrangement in Qatar in order to enable it to control and operate Yuanda Qatar and capture the economic interest from its operations, and these are supported by the following terms in the Qatar Articles and the Qatar Incorporation Agreement:

- the representatives from Shenyang Yuanda are entitled to similar responsibilities and authorities in Yuanda Qatar as board members in other subsidiaries of Shenyang Yuanda;
- the representatives from Shenyang Yuanda are responsible for managing Yuanda Qatar during the entire term of its existence and they may not be removed without the approval from Shenyang Yuanda;
- resolutions of the shareholders of Yuanda Qatar will only be valid by approval from a majority of the shareholders holding 75% of the shares in Yuanda Qatar;

科威特及卡塔爾業務(續)

卡塔爾遠大(續)

根據本公司的卡塔爾法律顧問所告知，在符合卡塔爾章程細則的規定下，卡塔爾成立協議根據卡塔爾法律為合法、有效、具約束力及可強制執行，而由於卡塔爾成立協議與卡塔爾章程細則均關於相同的主题，故卡塔爾成立協議根據卡塔爾法律被視為對卡塔爾章程細則的解釋。本公司的卡塔爾法律顧問進一步告知，卡塔爾章程細則乃具有有效約束力及可合法強制執行的文件，且對有關各方就管治卡塔爾遠大的事務構成合法、有效、具約束力及可強制執行的責任，並符合卡塔爾的相關法律及法規，而卡塔爾成立協議可對卡塔爾當地夥伴強制執行。

本公司於卡塔爾訂立該項協議以令其能控制及經營卡塔爾遠大的業務，並從其營運中取得經濟利益，而此乃由卡塔爾章程細則及卡塔爾成立協議的下列條款所支持：

- 瀋陽遠大的代表於卡塔爾遠大享有的責任及權力與作為於瀋陽遠大其他附屬公司董事會成員所享有者相近；
- 瀋陽遠大的代表負責於卡塔爾遠大存在的整個期間管理卡塔爾遠大，且未經瀋陽遠大批准不得被免職；
- 卡塔爾遠大的股東決議案須經持有卡塔爾遠大75%股份的多數股東批准後方為有效；

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

- Yuanda Qatar is managed exclusively by Shenyang Yuanda and its representatives for the period of its existence. Shenyang Yuanda and its representatives shall have full and absolute authority and exclusive right to manage and operate the business of Yuanda Qatar. Such powers are irrevocable and the Qatar Local Partner may not intervene in managing the company or bind or commit Yuanda Qatar in any way whatsoever except with prior written consent from Shenyang Yuanda;
- Pursuant to the Qatar Articles, the profits of Yuanda Qatar will be distributed as to 95% to Shenyang Yuanda and as to 5% the Qatar Local Partner, while the dividends declared by Shenyang Yuanda may be used to offset and settle any service fees due or payable under the management of Shenyang Yuanda under the Qatar Incorporation Agreement.

Based on the above, and in accordance with relevant accounting standards, the Group consolidated Yuanda Qatar into its consolidated financial statement as a wholly owned subsidiary of the Group.

As disclosed in the Prospectus and subsequent annual reports of the Company, notwithstanding that the Company considers that it is able to effectively operate and conduct the business of Yuanda Qatar under the present arrangement, the Company has undertaken that in order to protect the interests of the Company, it will introduce further measures, including using its best efforts to amend the terms of the Qatar Incorporation Agreement, by entering into supplemental agreements that would include, among others, provisions that the Qatar Local Partner will not transfer any of its shares in Yuanda Qatar without the Company's prior written consent, it will vote for any resolutions of Yuanda Qatar in accordance with our instruction, and if there shall be any change to the Qatar laws or regulations and/or policies such that a foreign entity becomes legally entitled to hold a majority interest in Yuanda Qatar, it will promptly transfer its relevant interest in Yuanda Qatar to the extent permitted by the then applicable laws or regulations to Shenyang Yuanda to enable the Company to become the majority shareholder in Yuanda Qatar.

科威特及卡塔爾業務(續)

卡塔爾遠大(續)

- 卡塔爾遠大於該公司存在期間由瀋陽遠大及其代表專門管理。瀋陽遠大及其代表擁有全面及絕對權力以及獨家權利管理及經營卡塔爾遠大業務。該等權力不可撤銷，除非事先獲得瀋陽遠大的書面同意，否則卡塔爾夥伴不可以任何方式干涉管理該公司或約束或使卡塔爾遠大承擔任何責任；
- 根據卡塔爾章程細則，卡塔爾遠大的利潤將按95%及5%分發予瀋陽遠大及卡塔爾當地夥伴，而瀋陽遠大所宣派的股息可用於抵銷及清償在瀋陽遠大管理下根據卡塔爾成立協議的任何到期或應付服務費用。

根據上文所述以及按照相關會計準則，本集團將卡塔爾遠大作為全資附屬公司於其合併財務報表內綜合入賬。

誠如招股章程及本公司之後的年度報告所披露，本公司認為，根據現時的安排，本公司能夠有效經營及進行卡塔爾遠大的業務。儘管如此，為維護本公司的利益，本公司已承諾並開始引入進一步措施，包括對卡塔爾成立協議條款盡力修訂，訂立補充協議以包括(但不限於)規定卡塔爾當地夥伴在未獲得本公司事先書面同意的情况下，不得轉讓其持有的卡塔爾遠大股份，其將按照我們的指示就卡塔爾遠大的任何決議案投票，及倘卡塔爾法律或法規及/或政策出現任何變動導致外國實體可能有權合法持有卡塔爾遠大的多數權益，其將會隨即轉讓當時適用法律或法規下允許的其於卡塔爾遠大中的相關權益予瀋陽遠大，以使本公司成為卡塔爾遠大的大股東。

Report of the Board of Directors

董事會報告

KUWAIT AND QATAR OPERATIONS *(continued)*

Yuanda Qatar *(continued)*

If the above additional measures cannot be implemented, there will not be any legal consequences to the Company arising solely as a result of our failure to enter into the supplemental agreements to implement these additional measures. However, in order to better protect the Company's interests, the Company will search for a replacement for its existing local partner who is willing to enter into a cooperation agreement with the Company that will contain the terms of the abovementioned additional measures which are in compliance with the requirements of the Stock Exchange.

As of the date of this annual report, the Company is still negotiation with the Qatar Local Partner on the implementation of the above additional measures and the Company will disclose any measures implemented and/or replacement of its existing local partner in its future annual reports.

CORPORATE GOVERNANCE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advances by the Company to an entity.

科威特及卡塔爾業務 *(續)*

卡塔爾遠大 *(續)*

倘不能實行上述額外措施，本公司不會僅因未能訂立補充協議去實行該等措施，而受任何法律後果。然而，為更好地保障本公司的利益，本公司將尋找另外的願意與本公司訂立含有符合聯交所規定的上述額外措施條款的合作協議的當地夥伴以作替代。

於本年報日期，本公司仍就實行上述額外措施與卡塔爾當地夥伴磋商。本公司將於其未來刊發的年報內，披露任何實行的措施及／或替代其現有當地夥伴事宜。

企業管治

本公司採納之主要企業管治常規載於本報告內企業管治報告。

購買、出售或贖回本集團上市證券

截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本集團任何上市證券。

根據上市規則第13.20條作出披露

據董事所知悉，並無任何情況導致出現須根據上市規則第13.20條有關本公司向實體提供墊款作出披露的責任。

Report of the Board of Directors

董事會報告

FIVE YEAR FINANCIAL SUMMARY

The summary of the results, assets and liabilities of the Group in the past five years is set out on page 244 of this report.

PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive rights in the Articles of Association of the Company or the ordinance of Cayman Islands, stipulating that any new shares shall be offered according to the respective shareholding of the existing shareholders of the Company when new shares are issued by the Company.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Group maintained adequate public float under the Listing Rules throughout the year ended 31 December 2017.

AUDITOR

The Company appointed KPMG as the Auditor of the Company for the year ended 31 December 2017. The Company will submit a resolution in the coming AGM. to re-appoint KPMG as the Auditor of the Company.

By order of the Board

Kang Baohua
Chairman

29 March 2018

五年財務概要

本集團於過去五年的業績、資產及負債概要載於本報告第244頁。

優先購買權

本公司的組織章程細則或開曼群島法例並無任何有關優先購買權的條文，規定本公司須於發行新股份時，按本公司現有股東各自的持股比例提呈新股份。

充足公眾持股量

根據於本年報日期本公司獲得的公開數據及就董事所知，本集團於截至2017年12月31日止年度一直保持上市規則規定的足夠公眾持股量。

核數師

本公司已委聘畢馬威會計師事務所為本公司截至2017年12月31日止年度的核數師。本公司將於應屆股東周年大會上提呈決議案，續聘畢馬威會計師事務所為本公司核數師。

承董事會命

主席
康寶華

2018年3月29日

Environmental, Social and Governance

環境、社會及管治報告

INTRODUCTION

This is the environmental, social and governance (the “ESG”) report (the “ESG Report”) of Yuanda China Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) for the year ended 31 December 2017. The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

The Company believes that this ESG Report enables the Company to communicate the Group’s sustainability related matters in a transparent and accountable manner, which is key to gaining the trust of its stakeholders. The Group is committed to making continuous contribution to the sustainable development in China and overseas, and fulfilling corporate social responsibilities at various operational levels. This ESG Report provides an overview of the Group’s performance related to sustainable development in the areas of the environment, community, employment and labor practices and operation convention for the year ended 31 December 2017, with a coverage of the Company’s PRC office and its operation sites in overseas.

Reporting Standard and Scope

This ESG Report has been prepared with reference to the ESG Reporting Guide as set forth under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. A detailed ESG content index has been included at the back of this report to aid the reader and facilitate greater transparency. This is the Company’s first annual ESG Report, it describes the initiatives of the Group and its progress with regard to ESG issues for the period from 1 January 2017 to 31 December 2017.

Operating in compliance with the laws

The Group has ensured and will continue to ensure basically compliance with relevant laws and regulations that have significant impact on its operations, including but not limited to laws and regulations in relation to product safety and liabilities, customer rights protection and employment and occupational safety. The management will monitor the impact for any changes in the relevant laws and regulations from time to time and seek external advice if considered necessary.

引言

本報告為遠大中國控股有限公司(「本公司」，連同其附屬公司稱「本集團」)截至2017年12月31日止之環境、社會及管治報告。本集團主營業務為設計、採購、生產、銷售及安裝幕牆系統。

公司認為環境、社會及管治報告使得公司以一種透明、可量化的方式傳達公司可持續性發展的相關事宜，這是取得利益相關者信任的關鍵。集團致力於為中國及海外的可持續性發展做出持續貢獻，在多層次的執行層面實現公司社會責任。環境、社會及管治報告概述了截至2017年12月31日集團在可持續發展領域取得成就，包括環境、社區、僱傭和勞動實踐及操作慣例，涵蓋了公司中國及海外運營機構的情況。

報告準則及範圍

環境、社會及管治報告乃根據《香港聯合交易所有限公司證券上市規則》附錄27之環境、社會及管治報告指引編製。詳細的環境、社會及管治內容索引已經附在這個報告結尾處，來幫助讀者和促進更大的透明度。這是本公司首份年度環境、社會及管治報告，闡述了公司2017年1月1日至2017年12月31日期間環境、社會及管治方面公司的舉措及進展。

經營守法

本集團確保及將繼續確保基本符合對運營有著重大影響的相關法律、法規，包括但不限於關於產品安全與責任，消費者權益的保護和就業和職業安全相關法律、法規。管理層將時常監控有關法律、法規的變化所帶來的影響，在被認為是必要的時候，尋求外部的建議。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL

The Group proactively responds to the national environmental protection policies with an objective (i) to reduce the adverse effect that the operational production may bring to the environment; and (ii) to ensure the harmonious development of the Group and environmental sustainability. The Group strives to reduce energy and other energy consumption, reduce waste emissions, to fully utilise recyclable resources, increase area of greening and introduce the concept of green environmental protection in the Group's products.

A.1 Energy Preservation and Emission Reduction

The Group always concerns itself with environmental protection and works on energy saving and emission reduction.

For the year ended 31 December 2017, the Group has strengthened energy saving, emission reduction and waste reduction in various aspects of its production process as follows:

Production process	Related policy and Management method
Product Design	<ul style="list-style-type: none"> The Company has instilled the concept of green-building into the products and gained the certification of green building materials and products.
Choice of Supplier	<ul style="list-style-type: none"> Suppliers are asked to provide environmental assessment reports or guarantee of environmental protection to help suppliers to enhance energy conservation and emissions reduction in production. Purchasing materials according to order demand, the Company preferentially chooses the nearby suppliers to reduce the energy consumption of delivery.

A. 環境

集團積極響應國家環境保護相關政策旨在 (i) 降低運營生產對於環境可能造成的不利影響，及 (ii) 確保集團與環境可持續性的和諧發展。集團努力減少能源及其他資源的消耗、減少廢物的排放、充分及循環利用可循環使用資源、增加廠區的綠化面積、在產品設計中推廣綠色環保概念。

A.1 節能及排放的減少

集團一直關注環境保護並致力於節能減排。

截至2017年12月31日，集團已在生產的各個環節加強能源節約、排放減少及廢物減少：

生產環節	相關政策及管理方法
產品設計	<ul style="list-style-type: none"> 積極參與到綠色建築項目中，生產的門窗、幕牆產品已經獲得《綠色建築選用產品證明》。
供應商的選擇	<ul style="list-style-type: none"> 選擇供應商時，會要求去提供環保監測證書或者環保聲明書，促進供應商在生產中節能減排。 根據訂單需求採購材料，優先選取臨近的供應商，減少物流產生的能源消耗。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy Preservation and Emission Reduction (continued)

Production process	Related policy and Management method
Production	<ul style="list-style-type: none"> • Dust Control: For dust generated during our sealant processing, we use filters to control and recover dust. For dust generated during the spraying process, the Group has adopted both filter method and cyclone method to control and recover dust. • Noise Control: We adopted various measures to control the noise generated from its production process, including implementation of shock absorption, appropriate design of factory layout, and cultivation of plants at our production facilities.
Policies	<ul style="list-style-type: none"> • Regularly conduct a comprehensive energy audit to analyze the energy management and give suggestions for improvements. • The company is effectively operating the Environmental Management System ISO14001: 2004.

A. 環境(續)

A.1 節能及排放的減少(續)

生產環節	相關政策及管理方法
生產過程中	<ul style="list-style-type: none"> • 灰塵控制: 就密封膠加工所產生的灰塵而言，我們使用過濾器以控制及收回灰塵。而就噴塗過程所產生的灰塵而言，本集團採用過濾方法及氣旋方法以控制及收回灰塵。 • 噪音控制: 我們採用多種措施以控制生產過程所產生的噪音，包括於生產設施實施震動吸收、適當設計廠房佈置，以及栽種植物。
監管制度	<ul style="list-style-type: none"> • 定期委託獨立第三方進行全面能源審計，分析能源管理現狀、發現能源利用方面的薄弱環節、提出改進措施及建議。 • 集團有效運營環境管理體系 ISO14001: 2004 認證。

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

A. ENVIRONMENTAL (continued)

A.1 Energy Preservation and Emission Reduction (continued)

Production process	Related policy and Management method
	<ul style="list-style-type: none"> The Group implemented “Safe, saving energy and reducing consumption” management in all the operation sites to regulate the behaviour of employees and lower energy consumption. Production planning department reasonably arranged the production shift to avoid electric usage rush hour. All the office rooms equipped with the curtain wall to ensure efficient usage of sunlight and save energy. The Group has a comprehensive non-hazardous treatment and re-utilisation system to recycle and re-use the waste.

A. 環境(續)

A.1 節能及排放的減少(續)

生產環節	相關政策及管理方法
	<ul style="list-style-type: none"> 制定《安全用電、節能降耗日常管理辦法》，規範員工行為，降低能源消耗。生產計劃部門通過合理安排生產班次，避免生產設備空轉運行，避免用電高峰用電；辦公區充分利用自然光照，節省能源。 集團建立了綜合無害處理和再利用系統以回收和再次利用本集團在所有生產過程中產生的廢物。



Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy Preservation and Emission Reduction (continued)

In 2017, the Company has not been challenged or questioned by any competent government authorities of relevant bodies in relation to issue on environmental pollution caused by emission.

Plan for the year 2018

- To increase our transparency by developing company-wide guidelines for energy consumption, as well as setting greenhouse gas emission target of 3% reduction from 2017 to 2019.
- To further reduce paper use by enhancing the paperless system for internal communications.

Energy and resource Consumption and Pollutant Emissions of the Group

The main emissions of the Group are carbon dioxide, nitrogen oxides, sulfur dioxide and particulate matter which are monitored to ensure compliance with standards before being discharged.

Chart 1
Resources consumption of the Group

	Power consumption (KWH) 耗電量 (千瓦時)	Diesel (L) 柴油 (升)	Gasoline consumption (L) 汽油 (升)	Water consumption (m ³) 耗水量 (立方米)
Annual Consumption of 2017 2017 年全年消耗量	14,611,801	270,643	83,418	340,741
Annual Consumption of 2016 2016 年全年消耗量	17,821,985	352,032	403,510	512,314

A. 環境(續)

A.1 節能及排放的減少(續)

2017年，本公司沒有受到任何相關資質政府機構或主體有關排放物引起環境污染事宜的反對和詢問。

2018 年的計劃

- 計劃通過制訂公司的能源使用指引，以及訂立減少2017年到2019年的溫室氣體排放百分之三為目標，增加透明度。
- 提高內部通訊無紙化系統，進一步減少用紙。

本集團的能源、資源消耗及污染排放物

本集團的主要排放物主要為二氧化碳、氮氧化物、二氧化硫、顆粒物。所有的排放均經過檢測，以確保符合標準後排放。

表格 1
集團消耗資源

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.1 Energy Preservation and Emission Reduction (continued)

Chart 2
Indirect emissions of the Group

	Carbon dioxide emissions (kg) 二氧化碳排放量 (千克)	No _x emissions (kg) 氮氧化物排放量 (千克)	So ₂ emissions (kg) 二氧化硫排放量 (千克)	Particulate matter (kg) 顆粒物 (千克)
Annual emissions of 2017 2017年全年排放量	15,473,293	514,596	438,354	3,974,410
Annual emissions of 2016 2016年全年排放量	19,641,013	1,694,142	534,660	4,847,580

A.2 Green Concept

In order to be more effective in utilisation of resources and achieve waste reduction and environmental protection, all the operation sites of the Group began to implement 'Green' office, 'Green' material and 'Green' filing management. Employees are also encouraged to save documents, files and product information electronically and go paperless, thus resolving the difficulty in file searching and management and realising resources sharing. In term of production technology, selects and uses lighter and more environmental-friendly materials to ease the burden to the environment.

The Group focuses on the greening of production bases. Total carbon dioxide annually absorbed by green plants is 726,570 kg.

A. 環境(續)

A.1 節能及排放的減少(續)

表格2
集團間接排放物

	Carbon dioxide emissions (kg) 二氧化碳排放量 (千克)	No _x emissions (kg) 氮氧化物排放量 (千克)	So ₂ emissions (kg) 二氧化硫排放量 (千克)	Particulate matter (kg) 顆粒物 (千克)
Annual emissions of 2017 2017年全年排放量	15,473,293	514,596	438,354	3,974,410
Annual emissions of 2016 2016年全年排放量	19,641,013	1,694,142	534,660	4,847,580

A.2 綠色理念

為了更有效地利用資源，達到減少廢物和環境保護，本集團所有業務運行節點開始實施「綠色」辦公室，「綠色」材料和「綠色」歸檔管理。員工也鼓勵保存電子化和無紙化文檔，文件和產品信息，從而解決困難的文件搜索和管理，實現資源共享。關於生產技術方面，選擇和使用更輕質更環保的材料以減輕環境負擔。

本集團注重生產基地的綠化。綠色植被年吸收二氧化碳總量為726,570千克。

Environmental, Social and Governance

環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A.2 Green Concept (continued)

Chart 3

Green planting area

	2017		2016	
	Green area of the base	Absorbed carbon dioxide(kg)	Green area of the base	Absorbed carbon dioxide(kg)
	廠區綠化面積	吸收二氧化碳量 (kg)	廠區綠化面積	吸收二氧化碳量 (kg)
Production base in Shenyang 瀋陽生產基地	120,000 m ²	726,570	125,000 m ²	744,970
Production base in Chengdu 成都生產基地	8,167 m ²		8,167 m ²	
Production base in Foshan 佛山生產基地	4,000 m ²		3,000 m ²	
Production base in Shanghai 上海生產基地	25,783 m ²		25,783 m ²	

A.3 Waste Management

The Group has a comprehensive non-hazardous treatment and re-utilisation system to recycle and re-use the waste steel, waste paint, waste water, exhaust gas even the waste packing materials arisen from the production process in all the Group's factories. All the wastes would be collected, sorted and recycled.

A. 環境(續)

A.2 綠色理念(續)

表格3

綠色植被面積

	2017年		2016年	
	Green area of the base	Absorbed carbon dioxide(kg)	Green area of the base	Absorbed carbon dioxide(kg)
	廠區綠化面積	吸收二氧化碳量 (kg)	廠區綠化面積	吸收二氧化碳量 (kg)
Production base in Shenyang 瀋陽生產基地	120,000 m ²	726,570	125,000 m ²	744,970
Production base in Chengdu 成都生產基地	8,167 m ²		8,167 m ²	
Production base in Foshan 佛山生產基地	4,000 m ²		3,000 m ²	
Production base in Shanghai 上海生產基地	25,783 m ²		25,783 m ²	

A.3 廢物管理

集團建立了綜合無害處理和再利用系統以回收和再次利用本集團在所有生產過程中產生的廢金屬、廢塑料、廢紙張、廢木材及包裝材料。這些廢物會通過專業的材料回收機構進行回收並再次重新利用。

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環境、社會及管治報告

A. ENVIRONMENTAL (continued)

A. 環境(續)

A.3 Waste Management (continued)

A.3 廢物管理(續)

Chart 4
Waste recycling management

表格4
廢料回收清理

	2017 2017年					2016 2016年				
	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他	Metal 金屬	Wood 木材	Plastic 塑料	Paper 紙	Other waste 其他
Recycling weight (kg)- production base in Shenyang 瀋陽生產基地-回收重量(kg)	4,955,790	770,460	110,120	502,800	596,460	5,954,290	1,084,400	291,866	677,787	1,186,064
Recycling weight (kg)- production base in Foshan 佛山生產基地-回收重量(kg)	572,330	320,270	-	33,930	434,140	625,940	57,638	-	29,680	45,070
Recycling weight (kg)- production base in Chengdu 成都生產基地-回收重量(kg)	341,170	-	-	14,460	245	796,265	-	-	241,271	1,970
Recycling weight (kg)- production base in Shanghai 上海生產基地-回收重量(kg)	563,728	44,331	-	344,950	11,685	756,419	57,496	5,820	591,300	4,550



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B. EMPLOYMENT AND LABOUR STANDARDS

The Group's sustainability and development cannot be separated from the value of its employees. The Group strives to continuously establish and improve its staff management system, including the recruitment of quality employees, establish and improve the welfare system to provide employees with a safe working environment, improve the professional development of employees with an objective that employees can grow together with the Company.

Provide a good working environment to attract outstanding employees Clear job description, appointment criteria and performance appraisal standards

Cultivate staff development Regular business training and education

Well-being of employees Conduct regular physical examination, games, convenient staff commuting and sudden disaster weather timely evacuation

Importance of work safety Regular equipment maintenance, safety training, dangerous operating practices

Promote a fair and honest corporate culture Anti-corruption, anti-discrimination awareness of publicity, reporting as well as internal audit and other measures

B. 僱傭及員工規範

該集團的可持續性和發展離不開員工的價值。本集團努力不斷建立和完善員工管理體系，包括質量的招聘員工，建立、健全的福利體系，為員工提供一個安全的工作環境，提高員工的職業發展，為了共同的目標讓員工能與公司共同成長。

提供良好工作環境吸引優秀員工 明晰的崗位權責說明書、聘任標準、績效考核標準

提升員工的成長空間 定期的業務培訓、教育

關愛員工的生活 體檢、運動會、便捷員工通勤、突發災害天氣及時疏散

重視安全生產 定期設備維檢、安全培訓、危險作業操作守則

宣揚公平廉潔的企業文化 反貪腐、反歧視意識的宣導、舉報、內部審計等措施



Environmental, Social and Governance

環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.1 Working Environment

To enable the growth and development of the Group's employees, the Group strives to build a collaborative and harmonious working environment. The Company rewards its employees with competitive remuneration packages and fringe benefits which commensurate with their experience and job task. Staff members are also informed of requirements on expected professional conduct. The Company adheres to the "fairness, equality, diversity" principle for its staff management and does not tolerate discrimination or harassment in any form, and allow its staff members to realise their full potential at work.

The Company adopted a transparent system for assessing staff performance. At the end of each year, the Company will appraise the performance of all employees, and together with the results of the assessment results and employees' personal desire to adjust their job nature and pay arrangement as appropriate.

In terms of talent recruitment, the Group attracts the best talents through various channels such as social recruitment, internal recommendation and campus recruitment, and strengthen the talent deployment between different regions. All employment with the Group is voluntary. The Group complies with national and local laws and all employees are voluntary and do not employ any child labor. The Group is dedicated to ensuring that operations remain free from child labor, and is developing systems and procedures to handle the management of such incidents. Should a child be discovered working on our premises, he or she will immediately be transported back to their hometown or place of origin. The Group will then file necessary documentation with the local authorities while consulting with the child's guardians on avenues for his or her return to school.

B. 僱傭及員工規範(續)

B.1 工作環境

確保集團的員工的成長和發展，集團致力於建立一個協作的、和諧的工作環境。公司以具有優勢的薪酬福利體系根據經驗和工作完成情況獎勵員工。員工也會被告知相關崗位所需要的必須技能。公司在員工管理上堅持「公平、平等、多樣性」原則和不容忍任何形式的歧視或騷擾，並允許其員工在工作中發揮他們的潛能。

公司採用了透明的體系來評估員工的表現。每年年底，公司將評估所有員工的表現，並結合評估的結果和員工個人意願適當調整他們的工作內容和薪酬。

在人才招聘方面，該集團通過各種渠道如社會招聘、內部推薦和校園招聘吸引最好的人才，加強不同地區之間的人才部署。所有就業群體是自願的且符合國家和地方法律，所有員工是自願並且沒有僱傭童工。集團致力於確保沒有童工參與實際業務運營，並且正在開發的系統和程序來處理這類事件的管理。一旦發現童工出現，他或她會立即被遣返家鄉或原所在地。集團將在當地權力機構存檔，向孩子的監護人諮詢他或她的回到學校路徑時。

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B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.2 Cultivate Staff Development

The Company encourages its staff to undertake training and further studies to enhance their job-related skills and knowledge. This training shall contribute to a more productive and effective workforce that is able to address the challenges that the Company may face as a company.

Changes in social and business environments may require updated skill sets to deal with new market opportunities. The Group has devoted plenty resources in offering staff training and development programmes. We encourage continuous learning via training and further studies to enhance our staff's job-related skills and knowledge. It does not only increase staff satisfaction and reduce staff turnover but also enhances ability for staff to adapt to change.

The Company also has a strong desire to develop its own pool of talents in view of the uniqueness and diversity of its business. The Company provides graduates with the opportunity to make their way up in their career as qualified professionals. Other training, such as seminars, workshops and technical visits are aligned to the specific needs of individuals, covering professional development as well as management and technical skills.

For the year ended 31 December 2017, the Group organised a total of 31 internal training targeted at employees of the Group.

B. 僱傭及員工規範(續)

B.2 培養員工發展

公司鼓勵員工參加培訓和進修來提高他們的工作技能和知識。作為公司一員，培訓有助於更高效和有效的勞動力，能夠解決公司可能面臨的挑戰。

社會和商業環境的變化可能需要更新的技能來應對新的市場機會。集團投入了大量的資源為員工提供培訓和發展項目。我們鼓勵持續學習，通過培訓和進一步的研究來提高我們員工的與工作相關的技能和知識。它不僅提高員工滿意度，降低員工流失率，還增強了員工適應變化的能力。

在獨特性和多樣性的企業願景下，公司亦有一個強烈的願望發展自己的人才池的。公司為畢業生提供了機會，使他們在職業生涯成為合格的專業人士。其他培訓形式，例如研討會，研討會和技術訪問會滿足個人的特定需求，涵蓋職業發展以及管理和技術技能。

截至2017年12月31日，集團面向員工組織了31場內部員工培訓。



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環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.2 Cultivate Staff Development (continued)

Employees	Type of trainings
Management level	Managerial and compliance
Design department	Software operation
Workshop and construction site	Safety operation, safety installation training and raw material production
Sales department	Business etiquette and language

B.3 Well-being of Employees

A healthy work-life balance is encouraged among the Group's staff members. The Group has organised a wide array of staff activities including badminton contest, ping pong contest and brisk walking, amongst others, to cater to the diverse interests of its employees.

As the fast pace and pressure of life, the Group and the specialized medical institutions reached a long-term cooperation agreement, pursuant to which staff can enjoy a medical check-up and examination on an annual basis. Further, the Company also arranged and invited relevant medical specialists to the factory and production site to arrange physical examination for staff free-of-charge.

B. 僱傭及員工規範(續)

B.2 培養員工發展(續)

員工類別	培訓內容
管理層	管理、合規培訓
設計部門	軟件操作培訓
車間部門、 施工現場	安全操作、安全安裝 培訓、生產原材料性能 培訓等
銷售部門	商務禮儀、語言培訓

B.3 關愛員工

健康的工作與生活的平衡是集團所提倡的。本集團組織各種員工活動，包括羽毛球比賽，乒乓球比賽、健步走活動，以保證員工的多樣化的利益。

隨著生活的快節奏和壓力，集團和專業醫療機構達成長期合作協議，按照計劃，員工可享受每年一次體檢。此外，該公司還安排，並邀請相關醫學專家到工廠和生產現場為員工免費安排義診。

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B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.4 Occupational Safety

The health and safety of the Group's employees are of utmost concern. The Group has adopted the Management System GB/T28001-2011OHSAS18001:2007 as a standard to guide its approach in mitigating occupational health and safety hazards.

Different safety-related initiatives and measures have been rolled out in the Group's operations. Risk assessments are also conducted to identify risks in special working environments, while detailed safety instructions have been formulated and communicated to workers as part of their safety training sessions. Safety officers are appointed to coordinate and communicate safety-related matters to workers on site.

Safety instructions In order to clarify the operational steps and risk points of each process, the Group has prepared a number of safety instructions.

Training In order to ensure the safety of employees in practice, the Group conducts training on theory and field safety on a regular basis to promote safety awareness.

Inspection Perform regular maintenance and inspection on the production sites with higher tendency of safety issues.

B. 僱傭及員工規範(續)

B.4 職業安全

員工的健康和安全是集團最關心的問題。集團採用了管理體系GB/T28001-2011OHSAS18001:2007作為標準來制定我們管理方法以減少職業健康安全危害。

在集團的各個業務操作環節中實施了多種安全措施和方法。風險評估確亦能識別特殊的工作環境中的風險，同時制定詳細的安全指引說明並以安全培訓的方式傳達給工人。安全生產負責人將與現場工人協調和溝通安全問題。

安全操作說明 為了明確各工序的操作步驟和風險點，集團編製了若干安全操作說明。

培訓 為了在實際中確保員工的安全，集團定期為員工進行理論及實地安全培訓，推廣安全意識。

檢查 對於工傷多發的生產環境進行定期安全巡邏及檢查。對於設備進行定期的維護。

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環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.4 Occupational Safety (continued)

Certification The Group has passed the GBT 28001-2011/OHSAS18001: 2007 safety management certification, during the process of which, a comprehensive review of the Group's safety risks had been conducted and thorough rectification.

Accountability Strengthen the Group's safety management by way of annual assessment of the responsible person responsible the safety issue of each workshop and production site.

The Group also seeks to influence its subcontractors and collaborate with them to heighten their understanding of safety concerns at the workplace.

During the year ended 31 December 2017, there was no confirmed material non-compliance incident or grievance in relation to human rights and labour practices. Reported lost days due to work related injuries amounted to a total of 90 days.

B. 僱傭及員工規範(續)

B.4 職業安全(續)

認證 本集團通過了GBT 28001-2011/OHSAS18001: 2007 安全管理認證，在認證審核過程中對於安全隱患處進行全面徹底的整改。

問責 對於各個車間及生產現場制定安全負責人，通過安全表現與年度考核相掛鉤的方法，加強安全管理。

集團亦試圖帶動其分包商，與他們一同提高對工作場所的安全問題認識。

截至2017年12月31日期間，無已確認的重大違規事件及人權和勞工的申訴。與工作相關的傷害誤工達90天。



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環境、社會及管治報告

B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.5 Fair and honest corporate culture

The Group adheres to high standards of business ethics and integrity, all staff members are required to abide by the requirements of professional conduct specified in the employees handbook. Strict rules have also been laid out on accepting gifts from business partners during festive seasons.

In order to promote a corporate culture with high integrity standard, the Company not only regularly conducts lectures on anti-corruption, but also encourages all employees to participate in anti-corruption activities. Complementing this effort is the implementation of an anti-fraud policy as well as a whistle-blowing policy, which provides a reporting channel for employees and stakeholders such as customers, suppliers, amongst others to report any misconduct or malpractice. During the reporting year, there had been no confirmed case of corruption.

B.6 Compliance

During the year ended 31 December 2017, the Group had no material incidences of non-compliance with relevant laws and regulations regarding employment and labour practices.

Plan for 2018

- To offer the opportunity to employees for furthering their skills
- To increase employees' knowledge on health protection and introduce health and hygiene knowledge.

B. 僱傭及員工規範(續)

B.5 宣揚公平廉潔的企業文化

集團堅持高標準的商業道德和廉政，所有員工都必須遵守在員工手冊中規定的職業行為的要求。廉潔準則也體現在節日期間的收受禮物方面。

為了促進企業文化高廉潔的規定，公司不僅定期進行反腐敗專題講座，還鼓勵所有員工參與反腐敗活動。集團還制定了舉報機制和配套反腐政策，它為員工和利益相關者如客戶、供應商提供了一個報告渠道揭發不端或不當行為。年度報告中顯示，沒有腐敗的確診案例。

B.6 合規

截至2017年12月31日止年度，集團沒有不符合就業和勞動實踐有關的法律、法規重大的事故發生。

2018年的計劃

- 為員工提供進一步深造技能的機會
- 開展員工健康防護知識培訓，不定期介紹健康衛生知識。

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B. EMPLOYMENT AND LABOUR STANDARDS (continued)

B.6 Compliance (continued)

As at 31 December 2017, the Group had a total of 6,094 employees. The formation of its staff was as follows:

Chart 5
Employees of the Group

		2017 2017年		2016 2016年	
		Number of employees 員工人數	Training hours per capita 人均培訓小時	Number of employees 員工人數	Training hours per capita 人均培訓小時
Total 總數		6,094		7,425	
Gender 按性別	Male 男性	5,210	3.70	6,351	2.53
	Female 女性	884	3.30	1,074	2.15
Age 按年齡	Under the age of 30 30歲以下	839	4.20	2,291	2.60
	Between the age of 30 and 50 30-50歲	4,869	3.64	4,870	2.43
	Above the age of 50 50歲以上	386	2.45	264	2.20
Region 按地區	Northeast of China 中國東北區域	3,839	4.10	2,894	2.64
	Other regions 其他區域	2,255	2.86	4,531	2.37
Job category 職級	Senior management 管理層	265	5.30	233	3.25
	Ordinary employee 普通員工	5,829	3.57	7,192	2.45

In 2017, the turnover of employees is 17.9%.

B. 僱傭及員工規範(續)

B.6 合規(續)

截至2017年12月31日，本集團共有僱員人數合計6,094人，人員數據信息如下：

表格5
集團職工情況

2017年，人員流失率為17.9%。

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環境、社會及管治報告

C. OPERATION PRACTICES

Since establishment, the Group has been committed to building and improving the supply chain of products. On the basis of traditional curtain wall products, the Group adopts relatively complex designs, uses new materials or advanced technology to develop a variety of products, which has proven to be able to provide different functions, such as environmental protection, energy saving and intelligent control. A comprehensive product supply has laid a solid foundation for the Group's development in the China and overseas markets. In order to ensure products are of high quality, the Group screens its suppliers strictly in terms of quality provided, and pay close attention to maintain a good relations of cooperation with customers to ensure efficient and smooth operation of the Group.

The Group has established a comprehensive supplier evaluation system that includes not only the strength and reputation of the supplier, the quality control system, the technology, the capacity, the management and the price of the product, but also whether it is environmentally friendly, harmless to the human body and other factors. According to the assessment results, the list of qualified suppliers is compiled every year, and the qualified suppliers are divided into three categories: A, B and C. The Group usually purchases raw materials only from the qualified suppliers of the list, of which A is the preferred choice and C is the least preferred choice of the three categories.

C. 市場運營

自創立以來，我們一直致力建設及完善產品供應。在傳統幕牆產品的基礎上，我們應用更多複雜的設計、新材料或先進技術，開發多種產品，已提供不同功能，如環保、節能及智能控制。全面的產品供應為我們奠定下堅實的基礎，利於中國和海外市場業務的拓展。為保證產品的高品質，我們嚴格篩選優質的供應商，並注重與供應商保持緊密良好的合作關係，保證集團運營高效順暢。

本集團已經建立了完善的供應商評估系統，不僅包括供貨商的實力和信譽、質量控制系統、技術、產能、管理及產品價格，還考慮了是否環保、對人體無害及其他因素。根據評估結果，每年編撰年度合格供應商名單，並將合格供應商分為A、B、C三類，本集團一般只從該年名單的合格供應商中購買原材料，其中A類是首選，C類是最後之選。



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C. OPERATION PRACTICES (continued)

C.1 Product responsibility

The Group performs a number of product performance tests before, during and after installation to ensure a high level of safety as follows:

Before installation	Safety test for curtain wall connectivity	The test will usually be conducted during the embedment and after the embedment of the curtain wall parts. The Group will firstly apply for testing, and then conduct sample testing on site as approved by the site supervisor. Testing will be conducted by a professional testing company, which will issue a test report to guide us on the rectification step thereafter, if any.
	Re-testing of materials	This is a quality test of curtain wall components. The site supervisor will select the material samples from the site. Thereafter, samples will be sent to the laboratory for chemical and physical testing, with conclusions being delivered by the laboratory with reference to the national and industry-related standards.
	Material compatibility testing	This is a safety and performance test to determine if the sealant and curtain wall components have any bonding problems or harmful chemical effects. Samples of curtain wall components will be provided to the relevant sealant manufacturers who will conduct the tests and provide written reports to the Group.
	Curtain wall performance testing	This test is used to ensure that the performance of the curtain wall in use, with four basis tests to be conducted, including wind pressure, water-tightness, air tightness, in-plane deformation. Inspections may also include insulation, sound insulation, seismic and optical performance as part of the test, as appropriate. Performance testing is conducted by national laboratory with reference to the relevant project curtain wall performance and performance indicators.

C. 市場運營(續)

C.1 產品責任

我們在幕牆產品安裝前、安裝時和安裝後，均實施多項產品性能測試，以確保項目的高安全性：

安裝前	幕牆連接性的安全測試	此項測試主要在幕牆的預埋件及後補埋件進行。我們首先申請測試，然後在工地挑選經現場監督員核准的測試樣本。測試由專業檢測公司進行，檢測公司會發出測試報告，指引我們隨後要採取的步驟。
	材料的複檢測試	這是幕牆部件的質量測試。現場監督員會從工地挑選材料樣本，樣本送往實驗室進行化學性能和物理性能的檢測，實驗室然後按國家及行業相關標準，得出檢測結論。
	材料的兼容性的測試	這是安全和性能的檢測，以確定密封膠與幕牆部件有沒有黏合問題或有有害的化學作用。我們向相關密封膠生產商提供幕牆部件樣本，該等生產商會進行測試，並向我們提供書面報告。
	幕牆性能的測試	這個檢測用以確保幕牆在使用時的性能，內容包括抗風壓、水密性、氣密性、平面內變形等四項基本性能的測試。視乎情況，檢測內容也可能包括隔熱、隔聲、抗震和光學性能。性能檢測由國家檢測實驗室根據相關項目的幕牆圖紙和性能指針進行。

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C. OPERATION PRACTICES (continued)

C.1 Product responsibility (continued)

During installation	Conformance testing of lightning protection grid	The purpose of the test is to ensure that people and property in the building will not be damaged by lightning. Detection will be carried out in each lightning protection grid.
After installation	On-site water spray test	This is a field test of whether the curtain wall has water leakage, i.e., a five-minute water spray test for each cross-connector.
In case of complaint(s)	To be handled as soon as possible	We attach enormous significance to customer satisfaction and regard customers' feedback as the motivation for advancement and innovation. Any complaint to our operation sites will be recorded and dealt with immediately.
Strength testing of structural adhesives	Strength testing of structural adhesives	The structural adhesive is used to connect the curtain wall panel and aluminum. This is what is required to be done after applying the structural adhesive and applying the sealant to the curtain wall component.

During the year ended 31 December 2017, the customers' complaints rate of the Group is under 1%. The Company will continue to enhance its product quality to strive to reduce the number of complaints in the future.

C. 市場運營(續)

C.1 產品責任(續)

安裝時	防雷網絡的導通測試	檢測目的是確定建築物內的人和財產不會因幕牆受雷擊而受損傷。檢測會在每個防雷網絡進行。
安裝後	現場噴水試驗	這是對幕牆有否滲水的現場試驗，即對每個十字接口進行五分鐘噴水試驗。
受理投訴時	立即處理	立即對客戶的投訴進行反饋，展開調查，並迅速解決。
結構膠的強度測試	結構膠的強度測試	結構膠用於連接幕牆板塊及鋁材。這是我們在塗上結構膠後並於幕牆部件上塗上密封胶前需要進行的檢測。

截至2017年12月31日止年度內，本集團客戶投訴率低於1%。本公司將繼續加強產品質量，努力減少未來的投訴數量。

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C. OPERATION PRACTICES (continued)

C.2 Supply chain management

The Group relies on an extensive network of suppliers and subcontractors to ensure the quality and consistency of its services. The proactive management of the Group's supply chain helps the Group mitigate and manage related risks that may affect its operations. The Group continuously engages with its subcontractors and raise their awareness on occupational health and safety issues. The Group also monitors and assesses its suppliers and subcontractors by reviewing their services, product quality, safety, financial performance on an annual basis. Substandard suppliers and subcontractors will be suspended or even removed from our approved vendor list.

The Group has established a very perfect supplier evaluation system, evaluation factors include not only the strength and credibility of the supplier, the quality control system, technology, production capacity, supply ability, management and product price, also consider whether the factors such as environmental protection, harmless to the human body. According to the evaluation results, compiled annually qualified supplier list, and qualified suppliers can be divided into A, B, C three categories, we usually only from this year's list of qualified suppliers in the purchase of raw materials, including class A is preferred, class C as the last resort. In order to reduce carbon emissions in the process of transportation and save the transportation cost at the same time, we give priority to local quality qualified suppliers.

Preliminary review of documents and discussion on bidding proposals will be conducted. When the final decision is made after deliberation, the Group will enter into a purchase agreement with the selected supplier.

Necessary due diligence is also performed where required, with site visits and verification of products or services arranged to ensure that suppliers conform to the Group's high standards.

C. 市場運營(續)

C.2 供應鏈管理

本集團依賴於廣泛的供應商和分包商網絡，以保證自身產品的質量和服務品質。本集團對於供應鏈的主動式管理可以幫助緩解和控制可以影響業務運轉的相關的風險。集團不斷和其分包商進行磨合以提高他們對職業健康安全問題的認識。本集團還評估供應商和分包商檢查他們的服務，產品質量，安全，每年的財務業績。不合格的供應商和分包商將暫停甚至從我們經批准的供應商名單上刪除。

集團已經建立了十分完善的供應商評估系統，評估因素不僅包括供貨商的實力和信譽、質量控制系統、技術、產能、供應能力、管理及產品價格，還考慮了是否環保、對人體無害等因素。根據評估結果，每年編撰合格供應商名單，並將合格供應商分為A、B、C三類，我們一般只從該年名單的合格供應商中購買原材料，其中A類是首選，C類是最後之選。為了減少運輸過程中的碳排放量，降低運輸成本，我們優先考慮本地優質合格的供應商。

隨後，我們將對投標文件進行初步的審查並進行討論。當經審議後做出最終決議時，該集團將與選定的供應商簽訂購買協議。

必要時也會展開對供應商的盡職調查，通過現場考察以及產品及服務驗證的方式確保供應商達到了本集團對產品的高標準。

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C. OPERATION PRACTICES (continued)

C.2 Supply chain management

Chart 6

Qualified suppliers of the Group

Number of suppliers
供應商數量

Geographical region
按地區

Northeast of China
東北

Other regions of China
其他省市

Overseas
海外

2017
2017年度

2016
2016年度

135

147

566

715

124

152

C.3 Intellectual Rights Protection

In order to provide consumers with genuine high-quality products and protect our product and installation method of intellectual property rights, in 2017, the Group obtained 16 patents, including 4 patents for invention and 12 patents for utility model.

C. 市場運營(續)

C.2 供應鏈管理

表格6

集團合格供應商情況

2017
2017年度

2016
2016年度

135

147

566

715

124

152

C.3 知識產權保護

為了真正為消費者提供高質量的產品，為保護有關我們的產品及安裝方法的知識產權，於2017年，本集團新獲專利授權16項，其中發明專利4項、實用新型專利12項。



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D. COMMUNITY

The Group as a corporation, should take up and be accountable for social responsibility. The Group actively cares about the society and fulfills its corporate social responsibilities. Ever since the establishment, the Group has been maintaining close communications and interactions with local communities in order to contribute to local development. As a result of which, the Group actively participates in community and government livelihood activities, to create a harmonious society.

Chart 7
Social responsibility activities

Date	Community activities
日期	活動主題
2017.1.17	Alleviated poverty of military families 擁軍
2017.3.15	Organized health knowledge lectures 健康知識講座
2017.3.17	Honored the martyrs of the War to Resist US Aggression and Aid Korea 祭掃抗美援朝烈士墓
2017.3.23	Organized free medical consultation clinic about spine for local family 員工頸椎脊柱義診
2017.6.17	Organized the stride race 健步走
2017.7.27	Alleviated poverty of military families 擁軍
2017.12.4	Organized constitution propaganda 憲法日宣傳
Every month	Organized psychological consultation and public lectures 心理諮詢及公益講座

In 2017, total expense of community activities is about RMB0.12 million.

D. 社區

作為一個公司，本集團應該負責社會責任。本集團積極關心社會和履行企業社會責任。自成立以來，集團一直保持密切溝通與當地社區和互動來促進當地的發展。因此，集團積極參與社區和政府生計活動，為創建一個和諧社會貢獻力量。

表格 7
社會責任活動

2017年，社會責任活動總支出約為人民幣0.12百萬元。

Environmental, Social and Governance

環境、社會及管治報告

E. COMMUNICATION WITH STAKEHOLDERS

The Company adhered to the business philosophy of “**Materials Bringing a Prosperous Life**”. While improving management and creating values, the Company opens up various channels for the stakeholders, including investors, employees, customers, suppliers, subcontractors, regulators and the media, to participate in the production and operation of the Company, enabling the stakeholders to understand and oversee the operation of the Company and the Company to fully understand and actively respond to their opinions via continuous communication and exchanges.

E. 與利益相關者的溝通

本公司堅持的經營理念「**材料帶來了富裕的生活**」。同時提高管理和創造價值，公司開闢了各種渠道的利益相關者，包括投資者、員工、客戶、供應商、分包商、監管機構和媒體，參與公司的生產經營，使利益相關者能夠瞭解和監督公司的運營和公司完全理解並積極應對他們的意見通過持續的溝通和交流。

ESG content index

ESG 索引

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A. 環境			
A1 Emission	A1	General Disclosure	A, A.1
A1 排放物		一般披露	
	A1.1	Types of emissions and respective emissions data	Chart 2
		排放物種類及相關排放數據	表格2
	A1.2	Greenhouse gas emissions in total and where appropriate, intensity	Chart 2
		溫室氣體總排放量及(如適用)密度	表格2
	A1.3	Total hazardous waste produced and where appropriate, intensity	Not Applicable
		所產生有害廢棄物總量及(如適用)密度	不適用
	A1.4	Total non-hazardous waste produced and where appropriate, intensity	Not Applicable
		所產生無害廢棄物總量及密度	不適用
	A1.5	Measure to mitigate emissions and results achieved	A.2, Chart 3
		描述減低排放量的措施及所得成果	A.2, 表格3
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	A.3, Chart 4
		描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	A.3, 表格4

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Aspect 層面	KPI 指標	Description 描述	Remarks 標注
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	A2.1	Direct and/or indirect energy consumption by type in total and intensity 按類型劃分的直接及／或間接能源總耗量及密度	A.1, Chart 1 A.1, 表格 1
	A2.2	Water consumption in total and intensity 總耗水量及密度	A.1, Chart 1 A.1, 表格 1
	A2.3	Energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	A.1 A.1
	A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	A.1, Chart 1 A.1, 表格 1
	A2.5	Total packaging material used for finished products 製成品所用包裝材料的總量及(如適用)每生產單位佔量	A.3
A3 The Environment and Natural Resources A3 環境及天然資源	A3	General Disclosure 一般披露	A A
	A3.1	Significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	A.1, Chart 1 A.2, Chart 3 A.1, 表格 1 A.2, 表格 3
B. Social B. 社會 Employment and Labour Practices 僱傭及勞工準則			
B1 Employment B1 僱傭	B1	General Disclosure 一般披露	B B
	B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	B.6, Chart 5 B.6, 表格 5

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Aspect 層面	KPI 指標	Description 描述	Remarks 標注
B2 Health and Safety B2 健康與安全	B2	General Disclosure 一般披露	B.1 B.1
	B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	B.6, Chart 5 B.6, 表格 5
	B2.2	Lost days due to work injury 因工傷損失工作日數	B.6, Chart 5 B.6, 表格 5
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法	B.1 B.1
B3 Development and Training B3 發展及培訓	B3	General Disclosure 一般披露	B.2 B.2
	B3.1	Percentage of employees trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比	B.6, Chart 5 B.6, 表格 5
	B3.2	Average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	B.6, Chart 5 B.6, 表格 5
B4 Labour Standards B4 勞工準則	B4	General Disclosure 一般披露	B.3, B.4 B.3, B.4
	B4.1	Measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工	B.1 B.1
	B4.2	Steps taken to eliminate such practices when discovered 描述在發現違規情況時消除童工及強制勞工情況所採取的步驟	B.1 B.1

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Aspect 層面	KPI 指標	Description 描述	Remarks 標注
Operating Practices 運營			
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	B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	C.2, Chart 6 C.2, 表格6
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法	C, C.2 C, C.2
B6 Product Responsibility B6 產品責任	B6	General Disclosure 一般披露	C.1 C.1
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	C.1 C.1
	B6.2	Number of products and services related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	C.1 C.1
	B6.3	Description of practices relating to observing and protecting intellectual property rights 描述與維護及保障知識產權有關的慣例	C.3 C.3
	B6.4	Description of quality assurance process and recall procedures 描述質量檢定過程及產品回收程序	C.1 C.1
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策，以及相關執行及監察方法	C.1 C.1

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ESG 索引(續)

Aspect 層面	KPI 指標	Description 描述	Remarks 標注
B7 Anti-corruption B7 反貪污	B7	General Disclosure 一般披露	B.5 , B.6 B.5 , B.6
	B7.1	Number of concluded legal cases regarding corrupt practices during the reporting period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	B.5 , B.6 B.5 , B.6
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法	B.5 , B.6 B.5 , B.6
	B8	General Disclosure 一般披露	D D
B8 Community Investment B8 社會責任	B8.1	Focus areas of contribution 專注貢獻範疇	Chart 7 表格 7
	B8.2	Resources contributed to the focus area 在專注範疇所動用資源	Chart 7 表格 7

Independent Auditor's Report

獨立核數師報告



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF YUANDA CHINA HOLDINGS LIMITED *(Incorporated in the Cayman Islands with limited liability)*

OPINION

We have audited the consolidated financial statements of Yuanda China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 112 to 243, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") 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 ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致遠大中國控股有限公司
股東的獨立核數師報告
(於開曼群島註冊成立之有限公司)

意見

吾等已完成審核遠大中國控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第112頁至第243頁之合併財務報表，包括貴集團於2017年12月31日之合併財務狀況表，及貴集團截至該日止年度之合併損益表、合併損益及其他全面收益表、合併權益變動表及合併現金流量表以及合併財務報表附註，包括主要會計政策概要。

吾等認為，該等合併財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而中肯地反映了貴集團於2017年12月31日之合併財務狀況以及截至該日止年度之合併財務表現和合併現金流量，並已按照香港公司條例之披露規定妥為編製。

意見之基礎

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審核合併財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)以及與吾等對開曼群島合併財務報表的審計相關的道德要求，吾等獨立於貴集團，並已履行該等道德要求以及守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的審計意見提供基礎。

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS

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

Recognition of construction contract revenue

Refer to note 4 to the consolidated financial statements and the accounting policies in Notes 2(o) and 2(u)(i).

The Key Audit Matter

The Group is primarily engaged in the design, production and installation of curtain wall systems for commercial buildings and high-end residential buildings. The Group normally enters into construction contracts with main contractors or real estate developers.

The Group recognises construction contract revenue based on the percentage of completion ("POC") of individual contracts, calculated based on the proportion of total contract costs incurred at the end of reporting period compared to the estimated total budgeted contract costs to complete the contract.

The measurement of the POC and revenue therefore relies on estimations of total budgeted contract costs. Changes to estimated total budgeted contract costs could give rise to material variances in the amount of revenue recognised.

Contracts entered into by the Group are mostly fixed price contracts, although there may be variations which are instructed by the customers for changes in the scope of the work to be performed under the construction contracts. A variation is included in contract revenue when it is probable that the customer will approve the variation and the amount of revenue arising from the variation can be reliably measured.

How the matter was addressed in our audit

Our procedures to assess the recognition of construction contract revenue included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the budgeting process for construction contracts;
- scrutinising the key clauses of construction contracts selected on a sample basis, and assessing whether these key clauses had been appropriately reflected in the estimation of total budgeted contract costs and contract variations applied in calculating contract revenue;
- challenging the Group's estimates of budgeted costs to complete the contract on a sample basis by considering the Group's historical records of gross profit margins for similar contracts;
- assessing whether major costs incurred were accounted for in the appropriate period and comparing major costs incurred during the current period to purchase invoices and other relevant underlying documentation on a sample basis;

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對本期合併財務報表的審計最為重要的事項。該等事項是在吾等審計整體合併財務報表及出具意見時進行處理的。吾等不會對該等事項提供單獨的意見。

建築合同收入確認

請參閱合併財務報表附註4及附註2(o)及2(u)(i)的會計政策。

關鍵審計事項

貴集團主要從事為商業大廈及高端住宅大廈設計、生產及安裝幕牆系統。貴集團一般與主要承包商或房地產開發商訂立建築合同。

貴集團根據各合同的完工進度(「完工進度」)確認建築合同收入，有關收入乃根據報告期末產生的總合同成本佔完成合同的估計總預算的比例計算。

因此，完工進度及收入的計量依賴對總預算的估計。估計總預算的變動或會引起收入確認的金額產生重大差異。

貴集團訂立的合同大部分為定價合同，但是可能因客戶指示對建築合同項下將予履行的工作範圍作出變動而有所不同。當客戶很可能批准有關變動及有關變動產生的收入金額能可靠計量時，則有關變動可以計入合同收入。

吾等的審計如何處理該事項

吾等就確認建築合同收入的程序包括以下程序：

- 評估有關建築合同預算編製過程的關鍵內部控制的設計、執行和運行有效性；
- 以抽樣方式核對建築合同的關鍵條款，並評估該等關鍵條款是否已在估計總預算和合同變動中適當反映，並於計算合同收入中應用；
- 透過考慮貴集團類似合同的毛利率的歷史記錄，以抽樣方式評價貴集團對項目總預算的估計是否合理；
- 評估合同產生的成本是否於合適期間入賬，並以抽樣方式就當前期間產生的主要成本核對至採購發票及其他相關文件；

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Recognition of construction contract revenue (continued)

Refer to note 4 to the consolidated financial statements and the accounting policies in Notes 2(o) and 2(u)(i).

The Key Audit Matter

We identified the recognition of construction contract revenue as a key audit matter because there is a high degree of risk and associated management judgement in estimating total budgeted contract costs and the timing of recognition of variation orders and, consequently, the amount of revenue to be recognised by the Group.

How the matter was addressed in our audit

- performing a re-calculation of revenue recognised for individual contracts based on the estimated total budgeted contract costs, the costs incurred to date and the agreed contract price (including variations);
- performing site visits for selected major contracts in progress, physically observing the stage of completion of the contract and discussing the status of the contract with the site supervisor; and
- discussing material contract variations with management and challenging their estimation of the recoverability of contract variations and the timing of recognition of the related revenue by inspecting correspondence with customers, bank statements and other relevant underlying documentation indicating subsequent settlement, if any.

關鍵審計事項(續)

建築合同收入確認(續)

請參閱合併財務報表附註4及附註2(o)及2(u)(i)的會計政策。

關鍵審計事項

吾等確定確認建築合同收入為關鍵審計事項，乃由於在估計總預算及確認合同變更的時點，以及貴集團確認的收入金額涉及高風險及高度依賴管理層判斷。

吾等的審計如何處理該事項

- 根據估計總預算、累計已發生成本及協定合同價格(包括變更)，對各合同確認的收入進行重新計量；
- 就經選定的主要在建築合同進行實地視察，現場視察合同完成進度，並與工程負責人討論合同狀況；及
- 與管理層討論重大的合同變更，評價其有關合同變更的可收回性以及確認相關收入的時點的估計是否合理，及透過檢查與客戶的通訊、銀行對賬單及顯示其後結算的其他有關文件(如有)而進行。

Independent Auditor's Report (continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (continued)

Valuation of trade receivables and bills receivable

Refer to note 17 to the consolidated financial statements and the accounting policies in Note 2(k)(i).

The Key Audit Matter

The Group's trade receivables and bills receivable arise from the Group's construction contract business. As at 31 December 2017, the aggregate amount of trade receivables and bills receivable aged more than six months, based on the invoice date, totalled RMB2,102.1 million.

Trade receivables and bills receivable are reviewed by management at the end of each reporting period to determine the credit risk and whether there is evidence of impairment. Credit risk assessments focus on the customers' and debtors' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and debtors and the macroeconomic environment in which the customers and debtors operate. The credit assessments also consider the status of the construction project, i.e. whether there is any delay, any unresolved lawsuits or contentious matters with customers or debtors.

We identified the valuation of trade receivables and bills receivable as a key audit matter because of the significant balances at the end of the reporting period and because there is a high degree of risk and associated management judgement in estimating allowances for doubtful debts.

How the matter was addressed in our audit

Our procedures to assess the valuation of trade receivables and bills receivable included the following:

- assessing the design and implementation of key internal controls over the credit control and debt collection processes;
- assessing whether items were categorised appropriately in the trade receivables and bills receivable ageing report by comparing a sample of individual items with the underlying sales invoices and other relevant documentation;
- selecting a sample of contracts based on a variety of quantitative and qualitative factors and assessing management's evaluations in respect of the customers' ability to pay based on the historical trading experience with the relevant customers and the financial condition of these customers; and
- obtaining cash receipts recorded after the year end relating to trade receivables and bills receivable as at the end of the reporting period and comparing a sample of cash receipts with bank statements and other relevant underlying documentation.

關鍵審計事項(續)

貿易應收款及應收票據估值

請參閱合併財務報表附註17及附註2(k)(i)的會計政策。

關鍵審計事項

貴集團的貿易應收款及應收票據產生自貴集團的建築合同業務。截至2017年12月31日，根據發票日期賬齡超過6個月的貿易應收款和應收票據總計金額為人民幣2,102.1百萬元。

管理層於各報告期末審閱貿易應收款及應收票據，以釐定信貸風險及是否出現減值證據。信貸風險評估集中於客戶及債務人於到期時作出付款的過往歷史以及是否願意支付，並考慮客戶及債務人的財務狀況及客戶及債務人經營業務所處的宏觀經濟環境。信貸評估亦考慮建築項目的狀況(即是否出現任何延誤、任何未決訴訟或與客戶或債務人的爭議事件)。

吾等確定貿易應收款及應收票據估值為關鍵審計事項，乃由於在報告期末的重大結餘及於估計呆賬撥備涉及高風險及相關管理層判斷。

吾等的審計如何處理該事項

吾等就貿易應收款及應收票據估值的程序包括以下程序：

- 評估有關信用風險控制及債務收回過程的關鍵內部控制的設計和實施有效性；
- 挑選樣本核對至銷售發票及其他相關文件，評估有關項目是否已於貿易應收款及應收票據賬齡報告中作合適分類；
- 根據各項量化及質化因素選取合同樣本，並根據與相關客戶的過往交易經驗以及該等客戶的財務狀況，就客戶支付能力評估管理層的評價；及
- 取得於年末後入賬有關於報告期末的貿易應收款及應收票據的回款資料，並挑選樣本與銀行對賬單及其他相關有關文件比較。

Independent Auditor's Report (continued)

獨立核數師報告(續)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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.

合併財務報表及其核數師報告以外的資料

董事需對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括合併財務報表及吾等的核數師報告。

吾等對合併財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的鑒證結論。

結合吾等對合併財務報表的審計，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與合併財務報表或吾等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。

基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。就此而言，吾等沒有任何報告。

董事就合併財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露要求編製真實而公允之合併財務報表，並對其認為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

Independent Auditor's Report (continued)

獨立核數師報告(續)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

董事就合併財務報表須承擔的責任(續)

在編製合併財務報表時，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。

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審核合併財務報表承擔的責任

吾等的目標，是對合併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，並出具包括吾等意見的核數師報告。吾等僅向整體股東報告。除此以外，吾等的報告不可用作其他用途。吾等概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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合併財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

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

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

核數師就審核合併財務報表承擔的責任(續)

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

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

Independent Auditor's Report (continued)

獨立核數師報告(續)

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

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

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

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

核數師就審核合併財務報表承擔的責任(續)

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對合併財務報表發表意見。吾等負責貴集團審計的方向、監督和執行。吾等為審計意見承擔全部責任。

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

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響吾等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 (continued)

獨立核數師報告(續)

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

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

The engagement partner on the audit resulting in this independent auditor's report is YU Wai Sum.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 March 2018

核數師就審核合併財務報表承擔的責任(續)

從與審核委員會溝通的事項中，吾等確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等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余慧心。

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

2018年3月29日

Consolidated Statement of Profit or Loss

合併損益表

(Expressed in Renminbi ("RMB")) For the year ended 31 December 2017
(以人民幣(「人民幣」)為單位) 截至2017年12月31日止年度

			2017	2016
		<i>Note</i>	2017年	2016年
		<i>附註</i>	RMB'000	RMB'000
			人民幣千元	人民幣千元
Revenue	收入	4	5,688,650	7,324,415
Cost of sales	銷售成本		(4,439,731)	(6,032,376)
Gross profit	毛利	4(b)	1,248,919	1,292,039
Other income	其他收入	5	108,949	114,467
Selling expenses	銷售費用		(95,217)	(121,358)
Administrative expenses	行政開支		(971,578)	(1,111,508)
Profit from operations	經營利潤		291,073	173,640
Finance costs	融資成本	6(a)	(232,801)	(86,446)
Profit before taxation	稅前利潤	6	58,272	87,194
Income tax	所得稅	7	27,457	(10,577)
Profit for the year	年內利潤		85,729	76,617
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司股東		60,652	87,039
Non-controlling interests	非控股權益		25,077	(10,422)
Profit for the year	年內利潤		85,729	76,617
Earnings per share	每股盈利(人民幣分)			
(RMB cents)				
– Basic and diluted	– 基本及攤薄	11	0.98	1.40

The notes on pages 120 to 243 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 27(b).

第120頁至第243頁之附註為此等財務報表之一部分。應付本公司股東應佔年內利潤之股息詳情載於附註27(b)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他全面收益表

(Expressed in RMB) For the year ended 31 December 2017
(以人民幣為單位) 截至2017年12月31日止年度

		2017	2016
		2017年	2016年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Profit for the year	年內利潤	85,729	76,617
Other comprehensive income for the year (after tax and reclassification adjustments):	年內其他全面收益 (除稅及重新分類調整後):		
	10		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益的項目:		
– Exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency	– 換算本公司及若干附屬公司財務報表為呈列貨幣的匯兌差額	94,903	(131,567)
– Cash flow hedge: net movement in the hedging reserve	– 現金流量對沖: 對沖儲備變動淨額	9,981	19,544
Other comprehensive income for the year	年內其他全面收益	104,884	(112,023)
Total comprehensive income for the year	年內全面收益總額	190,613	(35,406)
Attributable to:	以下人士應佔:		
Equity shareholders of the Company	本公司股東	183,615	(24,324)
Non-controlling interests	非控股權益	6,998	(11,082)
Total comprehensive income for the year	年內全面收益總額	190,613	(35,406)

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Statement of Financial Position

合併財務狀況表

(Expressed in RMB) At 31 December 2017
(以人民幣為單位) 於2017年12月31日

			2017	2016
		Note	2017年	2016年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	617,302	695,726
Lease prepayments	預付租金	13	600,490	623,646
Deferred tax assets	遞延稅項資產	25(c)	454,312	396,655
			1,672,104	1,716,027
Current assets	流動資產			
Inventories	存貨	15	277,198	357,938
Gross amount due from customers for contract work	應收客戶合同工程總額	16	4,027,183	4,998,142
Trade and bills receivables	貿易應收款及應收票據	17	3,035,194	3,109,682
Deposits, prepayments and other receivables	按金、預付款及其他應收款	18	663,842	635,270
Cash on hand and in bank	手頭現金及銀行存款	19(a)	1,805,591	2,362,694
			9,809,008	11,463,726
Current liabilities	流動負債			
Trade and bills payables	貿易應付款及應付票據	20	3,314,858	4,080,981
Gross amount due to customers for contract work	應付客戶合同工程總額	16	891,455	1,289,660
Receipts in advance	預收款項	21	16,282	19,444
Accrued expenses and other payables	應計開支及其他應付款	22	591,806	738,973
Bank loans	銀行貸款	23(a)	2,222,000	3,560,000
Income tax payable	應付所得稅	25(a)	211,528	205,086
Provision for warranties	保修撥備	26	52,277	42,671
			7,300,206	9,936,815
Net current assets	流動資產淨值		2,508,802	1,526,911
Total assets less current liabilities	總資產減流動負債		4,180,906	3,242,938

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Statement of Financial Position (continued)

合併財務狀況表(續)

(Expressed in RMB) At 31 December 2017
(以人民幣為單位) 於2017年12月31日

			2017	2016
			2017年	2016年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	23(b)	721,551	-
Deferred tax liabilities	遞延稅項負債	25(c)	3,971	4,527
Provision for warranties	保修撥備	26	257,118	230,758
			982,640	235,285
NET ASSETS	淨資產		3,198,266	3,007,653
CAPITAL AND RESERVES	資本及儲備	27		
Share capital	股本		519,723	519,723
Reserves	儲備		2,817,332	2,633,717
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益		3,337,055	3,153,440
Non-controlling interests	非控股權益		(138,789)	(145,787)
TOTAL EQUITY	總權益		3,198,266	3,007,653

Approved and authorised for issue by the board of directors on 29 March 2018.

董事會於2018年3月29日批准及授權發佈。

Kang Baohua
康寶華
Director (Chairman)
董事(主席)

Wang Hao
王昊
Director
董事

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Statement of Changes in Equity

合併權益變動表

(Expressed in RMB) For the year ended 31 December 2017
(以人民幣為單位) 截至2017年12月31日止年度

		Attributable to equity shareholders of the Company 本公司股東應佔										
		Shares held under share award scheme				PRC statutory reserves			Non- controlling interests		Total equity	
Share capital	Share premium	根據股份 獎勵計劃	Other reserve	中國法定 儲備	Exchange reserve	Hedging reserve	Retained profits	Total	非控股 權益	總權益		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
(Note 27(c))	(Note 27(d)(i))	(Note 27(d)(ii))	(Note 27(d)(iii))	(Note 27(d)(iv))	(Note 27(d)(v))	(Note 27(d)(vi))	(Note 27(d)(vii))					
(附註 27(c))	(附註 27(d)(i))	(附註 27(d)(ii))	(附註 27(d)(iii))	(附註 27(d)(iv))	(附註 27(d)(v))	(附註 27(d)(vi))	(附註 27(d)(vii))					
Balance at 1 January 2016	於2016年1月1日之結餘	519,723	574,047	(210)	189,698	340,743	19,943	(28,304)	1,562,124	3,177,764	(134,705)	3,043,059
Changes in equity for 2016:	2016年之權益變動：											
Profit/(loss) for the year	年內利潤/(虧損)	-	-	-	-	-	-	-	87,039	87,039	(10,422)	76,617
Other comprehensive income	其他全面收益	-	-	-	-	-	(130,907)	19,544	-	(111,363)	(660)	(112,023)
Total comprehensive income	全面收益總額	-	-	-	-	-	(130,907)	19,544	87,039	(24,324)	(11,082)	(35,406)
Appropriation to reserves	分配至儲備	-	-	-	-	28,126	-	-	(28,126)	-	-	-
Balance at 31 December 2016	於2016年12月31日之結餘	519,723	574,047	(210)	189,698	368,869	(110,964)	(8,760)	1,621,037	3,153,440	(145,787)	3,007,653

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Statement of Changes in Equity (continued)

合併權益變動表 (續)

(Expressed in RMB) For the year ended 31 December 2017
(以人民幣為單位) 截至2017年12月31日止年度

		Attributable to equity shareholders of the Company 本公司股東應佔												
		Shares held under share award scheme		PRC statutory reserves				Exchange Hedging		Retained profits		Non- controlling interests		Total equity
Share capital	Share premium	根據股份 獎勵計劃 持有股份	Other reserve	中國法定 儲備	Exchange reserve	Hedging reserve	Retained profits	Total	非控股 權益			Total equity		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
(Note 27(c))	(Note 27(d)(i))	(Note 27(d)(iii))	(Note 27(d)(iii))	(Note 27(d)(iv))	(Note 27(d)(v))	(Note 27(d)(vi))	(Note 27(d)(vii))							
(附註 27(c))	(附註 27(d)(i))	(附註 27(d)(iii))	(附註 27(d)(iii))	(附註 27(d)(iv))	(附註 27(d)(v))	(附註 27(d)(vi))	(附註 27(d)(vii))							
Balance at 1 January 2017	於2017年1月1日之結餘	519,723	574,047	(210)	189,698	368,869	(110,964)	(8,760)	1,621,037	3,153,440	(145,787)	3,007,653		
Changes in equity for 2017:	2017年之權益變動：													
Profit for the year	年內利潤	-	-	-	-	-	-	-	60,652	60,652	25,077	85,729		
Other comprehensive income	其他全面收益	-	-	-	-	-	112,982	9,981	-	122,963	(18,079)	104,884		
Total comprehensive income	全面收益總額	-	-	-	-	-	112,982	9,981	60,652	183,615	6,998	190,613		
Appropriation to reserves	分配至儲備	-	-	-	-	24,337	-	-	(24,337)	-	-	-		
Balance at 31 December 2017	於2017年12月31日之結餘	519,723	574,047	(210)	189,698	393,206	2,018	1,221	1,657,352	3,337,055	(138,789)	3,198,266		

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Cash Flow Statement

合併現金流量表

(Expressed in RMB) For the year ended 31 December 2017
(以人民幣為單位) 截至2017年12月31日止年度

			2017	2016
			2017年	2016年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Operating activities	經營活動			
Profit before taxation	稅前利潤		58,272	87,194
Adjustments for:	調整項目：			
Depreciation and amortisation	折舊及攤銷	6(c)	59,404	62,547
Interest income	利息收入	6(a)	(4,749)	(10,920)
Interest expenses and other borrowing costs	利息開支及其他借貸成本	6(a)	169,804	202,887
Net gain on disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權收益淨額		(98,383)	(31,720)
Changes in working capital:	營運資金變動：			
Decrease in inventories	存貨減少		80,740	75,022
Decrease in gross amount due from customers for contract work	應收客戶合同工程總額減少		970,959	740,026
Decrease/(increase) in trade and bills receivables	貿易應收款及應收票據減少/(增加)		78,846	(297,021)
(Increase)/decrease in deposits, prepayments and other receivables	按金、預付款及其他應收款(增加)/減少		(10,442)	34,778
Decrease in trade and bills payables	貿易應付款及應付票據減少		(664,542)	(341,375)
Decrease in gross amount due to customers for contract work	應付客戶合同工程總額減少		(398,205)	(271,112)
Decrease in receipts in advance	預收款項減少		(3,162)	(62,615)
Decrease in accrued expenses and other payables	應計開支及其他應付款減少		(160,392)	(82,667)
Increase in provision for warranties	保修撥備增加		35,225	56,592
Cash generated from operations	經營所得現金		113,375	161,616
Income tax paid	已付所得稅	25(a)	(27,763)	(89,413)
Net cash generated from operating activities	經營活動所得現金淨額		85,612	72,203

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Consolidated Cash Flow Statement (continued)

合併現金流量表(續)

(Expressed in RMB) For the year ended 31 December 2017
(以人民幣為單位) 截至2017年12月31日止年度

			2017	2016
			2017年	2016年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Investing activities	投資活動			
Payments for purchase of property, plant and equipment and land use rights	購買物業、廠房及設備以及土地使用權付款		(2,694)	(68,533)
Proceeds from disposal of property, plant and equipment and land use rights	出售物業、廠房及設備以及土地使用權之所得款項		102,474	23,948
Interest received	已收利息		6,249	9,420
Payments for time deposits with a maturity of over 3 months	到期日超過三個月之定期存款付款	19(a)	(51,559)	-
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額		54,470	(35,165)
Financing activities	融資活動			
Proceeds from new bank loans	新增銀行貸款所得款項	19(b)	3,605,551	4,790,000
Repayment of bank loans	償還銀行貸款	19(b)	(4,222,000)	(5,289,900)
Net decrease in advances received from the ultimate equity shareholder of the Company and the companies under his control	收取本公司最終股東及受其控制公司墊款淨減少		(219)	-
Borrowing costs paid	已付借貸成本	19(b)	(170,970)	(204,583)
Net cash used in financing activities	融資活動所用現金淨額		(787,638)	(704,483)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(647,556)	(667,445)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	19(a)	2,362,694	3,006,827
Effect of foreign exchange rate changes	外幣匯率變動的影響		(6,366)	23,312
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	19(a)	1,708,772	2,362,694

The notes on pages 120 to 243 form part of these financial statements.

第120頁至第243頁之附註為此等財務報表之一部分。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

1 CORPORATE INFORMATION

Yuanda China Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 26 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 17 May 2011. The consolidated financial statements of the Company comprise the Company and its subsidiaries (collectively referred to as the “Group”). The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and related Interpretations issued by the International Accounting Standards Board (the “IASB”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 公司資料

遠大中國控股有限公司(「本公司»)於2010年2月26日根據開曼群島公司法第22章(1961年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司股份於2011年5月17日在香港聯合交易所有限公司(「聯交所»)上市。本公司的合併財務報表包含本公司及其附屬公司(統稱「本集團»)的資料。本集團的主要業務為設計、採購、生產、銷售及安裝幕牆系統。

2 重大會計政策

(a) 合規聲明

此等財務報表乃根據所有適用的國際財務報告準則(「國際財務報告準則」)，其集合條款包括國際會計準則理事會(「國際會計準則理事會»)頒佈的所有適用個別國際財務報告準則、國際會計準則(「國際會計準則»)及相關詮釋而編製。此等財務報表亦符合香港公司條例披露規定及聯交所證券上市規則(「上市規則»)的適用披露條文。本集團所採納重大會計政策概述如下。

國際會計準則理事會已頒佈若干新訂及經修訂的國際財務報告準則，此等準則將於本集團當前會計期間首次生效或可提早採納。首次應用該等與本集團有關的國際財務報告準則所引致當前及過往會計期間的任何會計政策變動已反映於此等財務報表，有關資料載列於附註2(c)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments which are stated at their fair values (see Note 2(f)).

The Company has its functional currency in Hong Kong dollar ("HK\$"). As majority of the Group's operation are conducted by the subsidiaries of the Group in mainland China, the consolidated financial statements are presented in Renminbi ("RMB").

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 重大會計政策(續)

(b) 財務報表的編製基準

編製財務報表以歷史成本為計量基準，惟衍生金融工具乃按其公允價值列賬(見附註2(f))。

本公司功能貨幣為港元(「港元」)。由於本集團大部分業務由本集團中國內地附屬公司進行，故合併財務報表乃以人民幣(「人民幣」)呈列。

財務報表乃與國際財務報告準則一致編製，其規定管理層作出影響政策應用及資產、負債、收入及開支的申報金額的判斷、估計及假設。此等估計及相關假設乃按過往經驗及多項其他相信按情況下屬於合理的因素得出，其結果組成作出有關不可自其他來源即時得出的資產及負債賬面值的判斷的基準。實際結果可能與此等估計有所不同。

此等估計及相關假設乃按持續基準審閱。會計估計的修訂乃於對估計作出修訂期間確認(倘該修訂僅影響該期間)或於修訂期間及未來期間確認(倘該修訂影響當前及未來期間)。

管理層於應用國際財務報告準則時所作出對財務報表及估計不明朗性主要來源有重大影響的判斷乃於附註3內討論。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in Note 19(b) to satisfy the new disclosure requirements introduced by the amendments to IAS 7, Statement of cash flows: Disclosure initiative, which require 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.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2 重大會計政策(續)

(c) 會計政策的變動

國際會計準則理事會已頒佈多項對國際財務報告準則的修訂，於本集團本會計期間首次生效。該等修訂對本集團會計政策並無影響。然而，附註19(b)中已包含額外披露以滿足國際會計準則第7號(修訂本)現金流量表：披露計劃引入的新披露要求，要求各實體提供披露使財務報表使用者能夠評估由融資活動產生，包括現金流量變動和非現金變動引起的負債變化。

本集團並無應用任何於本會計期間尚未生效的新準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司為由本集團控制的實體。本集團對該實體具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即本集團對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮由本集團或其他人士擁有之實質權。

於附屬公司的投資乃自控制權開始當日起合併入賬至合併財務報表，直至控制權終止當日為止。集團內公司間結餘、交易及現金流及自集團內公司間交易產生的任何未變現利潤乃於編製合併財務報表時全數對銷。集團內公司間交易產生的未變現虧損乃以與未變現收益相同的方式予以對銷，惟僅以無減值證據者為限。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity interests in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those equity interests which would result in the Group as a whole having a contractual obligation in respect of those equity interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's equity interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative equity interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益指於一家附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無與該等股權的持有人協定任何額外條款，致使本集團整體就符合金融負債定義的該等股權承擔合同責任。就各業務合併而言，本集團可選擇按公允價值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。

非控股權益乃於合併財務狀況表內呈列於權益中，獨立於本公司股東應佔權益。本集團業績內的非控股權益乃於合併損益表及合併損益及其他全面收益表上呈列為年內於非控股權益及本公司股東之間的損益總額及全面收益總額。

本集團於一家附屬公司的股權變動，倘不會引致喪失控制權，則以權益交易入賬，並對合併權益中控股及非控股權益的金額作調整，以反映相關的股權變動，惟概無對商譽作調整，且無確認收益或虧損。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire equity interests in that subsidiary, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any equity interests retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless the investment is classified as held-for-sale.

(e) Investments in debt securities

The Group's policies for investments in debt securities are as follows:

Investments in debt securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs.

2 重大會計政策(續)

(d) 附屬公司及非控股權益(續)

當本集團喪失其對一家附屬公司的控制權時，則入賬列為出售於該附屬公司的全部股權，所得的收益或虧損於合併損表中確認。於喪失控制權日期保留於該前附屬公司的任何權益按公允價值確認，而此金額被視為初步確認金融資產的公允價值，或(倘適用)初步確認於聯營公司或合營企業的投資的成本。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬(見附註2(k)(ii))，惟投資被分類為持作銷售則屬例外。

(e) 於債務證券之投資

本集團有關於債務證券投資之政策如下：

債務證券投資初步按公允價值列賬，該公允價值為彼等之交易價，除非確定初步確認之公允價值與成交價有別，且公允價值以同一資產或負債於活躍之市場上之報價為證，或根據僅使用從可觀察市場得出之數據之估值技術計算得出。成本包括相關交易成本。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in debt securities (continued)

Investments in debt securities which do not fall into the categories of investments in securities held for trading or held-to-maturity are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. Interest income from debt securities calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in Note 2(u)(v).

When the investments in debt securities are derecognised or impaired (see Note 2(k)(i)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments in debt securities are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss is in accordance with Note 2(g).

2 重大會計政策(續)

(e) 於債務證券之投資(續)

交易性或持至到期債務投資類別之外的債務證券投資會歸類為可供銷售之證券。於每個報告期末，公允價值會重新計量，任何因此產生之損益會在其他全面收益中確認，並在權益之公允價值儲備項下分開累積。債務證券所得利息收入按附註2(u)(v)所載之政策以實際利率法於損益確認。

當終止確認於債務證券之投資或有關投資出現減值(見附註2(k)(i))時，已於權益確認之累計盈虧會被重新分類至損益。於本集團承諾購入／出售投資或投資到期當日，本集團會確認／終止確認於債務證券之投資。

(f) 衍生金融工具

衍生金融工具初步按公允價值確認。公允價值會於各報告期末重新計量。重新計量公允價值的收益或虧損會即時於損益表內確認，惟符合資格作現金流量對沖會計的衍生工具除外，在該情況下，任何得出的收益或虧損乃根據附註2(g)予以確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Hedging

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gains or losses on remeasurement of the derivative financial instrument to fair value are recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

2 重大會計政策(續)

(g) 對沖

倘衍生金融工具被指定為對沖一項已確認資產或負債或一項可能性極高的預測交易的現金流量變動性或一項已承諾未來交易的外幣風險，則重新計量衍生金融工具的任何收益或虧損的實際部分至公允價值乃於其他全面收益內確認，並單獨於權益的對沖儲備內累計。任何收益或虧損的非實際部分乃即時於損益表內確認。

倘對沖預測交易其後導致確認非金融資產或非金融負債，相關收益或虧損乃自權益重新分類，計入初步成本或非金融資產或負債的其他賬面值。

倘對沖預測交易其後導致確認金融資產或金融負債，相關收益或虧損乃於同期或所收購資產或所承擔負債影響收益表的期間(如確認利息收入或開支時)內從權益重新分類至收益表。

就現金流量對沖而言，除該等由先前兩項政策陳述所涵蓋者外，相關收益或虧損乃於同期或已對沖預測交易影響損益表期間內從權益重新分類至損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Hedging (continued)

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 重大會計政策(續)

(g) 對沖(續)

當對沖工具屆滿或被出售、已終止或已行使、或本集團撤銷指定對沖關係但已對沖預測交易仍預期發生，則當時的累計收益或虧損仍然維持在權益內，直至交易發生且其根據以上政策確認為止。倘已對沖交易預期不再會發生，則累計未變現收益或虧損即時從權益重新分類至損益內。

(h) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(k)(ii))。

自行興建的物業、廠房及設備項目的成本包括材料成本、直接勞工成本，(如適用)初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及生產經常開支及借貸成本的適當比例(見附註2(w))。

報廢或出售物業、廠房及設備項目產生的收益或虧損釐定為出售所得款項淨額與項目賬面值之間的差額，並於報廢或出售日期在損益中確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

	Estimated useful lives
Plant and buildings	30 years
Machinery and equipment	15 years
Motor vehicles and other equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the estimated useful life of an asset and its residual value are reviewed annually. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

(i) Research and development expenditure

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

2 重大會計政策(續)

(h) 物業、廠房及設備(續)

折舊乃使用直線法按下列估計可使用年期計算以撇銷物業、廠房及設備項目的成本減其估計剩餘價值(如有)：

	估計可使用年期
廠房及樓宇	30年
機器及設備	15年
汽車及其他設備	5年

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本會按合理基準分配至各部分，而每部分須分開折舊。資產的估計可使用年期及其剩餘價值均須每年檢討。在建工程在完工及可作擬定用途前，並不計提折舊。

(i) 研發開支

研發活動的開支乃於其產生期間確認為開支。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Payments made on the acquisition of land held under an operating lease are stated at cost less accumulated amortisation and impairment losses (see Note 2(k)(ii)). Amortisation is charged to profit or loss on a straight-line basis over the period of the lease term.

2 重大會計政策(續)

(j) 租賃資產

倘本集團釐定安排附帶權利於經協定期間使用一項特定資產或多項資產以換取付款或一連串付款，則該項安排(包括一項交易或一連串交易)屬於或包含租賃。有關釐定乃按對安排本質的評估進行，而不論該項安排是否具有租賃的法律形式。

(i) 出租予本集團的資產的分類

由本集團根據租賃持有而向本集團轉讓擁有權的絕大部分風險及回報的資產乃分類為根據融資租賃持有。並無轉讓擁有權的絕大部分風險及回報予本集團的租賃乃分類為經營租賃。

(ii) 經營租賃開支

倘本集團使用根據經營租賃持有的資產，根據租賃作出的付款乃於租賃年期所涵蓋的會計期間內按等額分期於損益內扣除，惟倘有更能代表自己租賃資產得出的利益模式的其他基準除外。已收取的租賃獎勵乃於損益內確認為已支付淨租金總額的一部分。或然租金乃於其產生的會計期間於損益內扣除。

就收購根據經營租賃持有的土地作出的付款乃按成本減累計攤銷及減值虧損列賬(見附註2(k)(ii))。攤銷乃按租賃期以直線法於損益內扣除。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets

(i) Impairment of investments in debt securities and receivables

Investments in debt securities and receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

2 重大會計政策(續)

(k) 資產減值

(i) 於債務證券及應收款的投資減值

按成本或攤銷成本入賬或分類為可供出售證券的債務證券及應收款的投資於各報告期末進行審閱，以釐定是否出現減值的客觀證據。減值的客觀證據包括本集團注意到有關以下一項或多項虧損事件的可觀察數據：

- 債務人出現重大財務困難；
- 違反合同，例如拖欠或逾期還款；
- 債務人可能破產或進行其他財務重組；及
- 市場、經濟或法律環境出現重大改變而對債務人構成不利影響。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(i) Impairment of investments in debt securities and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For receivables carried at amortised cost, the impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these receivables), where the effect of discounting is material. This assessment is made collectively where these receivables share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for receivables which are assessed for impairment collectively are based on historical loss experience for receivables with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the receivable's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 重大會計政策(續)

(k) 資產減值(續)

(i) 於債務證券及應收款的投資減值(續)

如有關證據存在，則減值虧損以下述方式釐定及確認：

- 對於以攤餘成本計量的應收款，減值虧損乃按應收款賬面值與估計未來現金流量現值之間的差額計量，如貼現影響屬重大，則按應收款原訂實際利率（即初始確認該等應收款時計算的實際利率）貼現。倘此等應收款具備類似的風險特徵，例如類似的逾期情況且並未單獨被評估為減值，則有關的評估會共同進行。應收款的未來現金流量會根據與該類具有類似信貸風險特徵的應收款的過往虧損情況會共同評估減值。

倘減值虧損的金額於隨後期間減少，而減幅可與確認減值虧損後發生的事件客觀聯繫，則減值虧損將通過損益予以撥回。撥回減值虧損不得導致應收款的賬面值超出其在過往年度在沒有確認減值虧損的情況下原應釐定的數額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(i) Impairment of investments in debt securities and receivables (continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of receivables whose recoveries are considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against the receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 重大會計政策(續)

(k) 資產減值(續)

(i) 於債務證券及應收款的投資減值(續)

- 就可供出售證券而言，已於公允價值確認之累計虧損乃重新分類至損益。於損益確認之累計虧損金額為收購成本與當期公允價值之間差額，扣除任何先前已在損益確認之資產減值虧損。

在其後公允價值增加客觀地與確認減值虧損後發生之事件有關之情況下，可供出售債務證券之減值虧損可予撥回。在有關情況下撥回減值虧損乃於損益內確認。

減值虧損應從相應的資產中直接撇銷，惟其可收回性被視為有疑問，而並非可能性極微的應收款的已確認減值虧損則例外。在此情況下，應使用撥備賬記錄呆賬的減值虧損。倘本集團信納收回應收款的可能性極微，則視為不可收回的金額會從應收款中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。其後收回之前從撥備賬中扣除的款項自相關撥備賬撥回。撥備賬的其他變動及之前直接撇銷的其後收回款項，均在損益中確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 重大會計政策(續)

(k) Impairment of assets (continued)

(k) 資產減值(續)

(ii) Impairment of other assets

(ii) 其他資產減值

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

本集團於各報告期末審閱內部及外部資料來源，以確定以下資產是否存在減值跡象，或先前確認的減值虧損是否不再存在或可能已經減少：

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investment in subsidiaries in the Company's statement of financial position.

- 物業、廠房及設備；
- 分類為根據經營租賃持有的租賃土地的預付權益；及
- 本公司財務狀況表內的附屬公司投資。

If any such indication exists, the asset's recoverable amount is estimated.

倘出現任何該等跡象，則會估計資產的可收回金額。

- Calculation of recoverable amount

- 計算可收回金額

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

資產的可收回金額為公允價值減銷售成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重大會計政策(續)

(k) 資產減值(續)

(ii) 其他資產減值(續)

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益中確認減值虧損。就現金產生單位確認的減值虧損會予以分配，以按比例基準減少該單位(或單位組別)內資產的賬面值，惟某資產的賬面值不會減至低於其個別公允價值減去銷售成本(如能計量)或使用價值(如能釐定)。

– 撥回減值虧損

倘用作釐定可收回金額的估計出現正面的變化，則會撥回減值虧損。

減值虧損撥回僅限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(k)(i) and 2(k)(ii)).

(l) Inventories

Inventories record the cost of raw materials waiting to be assigned to specific construction contracts. Inventories are carried at the lower of cost and net realisable value. The cost of inventories includes design costs, costs of purchase, direct labour, other direct costs and production overheads. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

When inventories are assigned to specific construction contracts, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

2 重大會計政策(續)

(k) 資產減值(續)

(iii) 中期財務報告及減值

根據上市規則，本集團須遵守國際會計準則第34號中期財務報告編製有關財政年度首六個月的中期財務報表。於中期期末，本集團採用等同財政年度末之減值測試、確認及撥回標準(見附註2(k)(i)及2(k)(ii))。

(l) 存貨

存貨記錄有待指定至特定建築合同的原材料的成本。存貨按成本及可變現淨值的較低者列賬。存貨成本包括設計成本、採購成本、直接勞工、其他直接成本及生產經常開支。可變現淨值為在日常業務過程中的估計售價減去完成的估計成本以及完成銷售的估計成本。

在指定存貨至特定建築合同時，該等存貨的賬面值乃於確認相關收入的年度內確認為開支。任何撇減存貨至可變現淨值的金額及所有存貨虧損乃於作出撇減或產生損失的年度內確認為開支。任何存貨撇減的任何撥回金額乃於作出撥回的年度內確認為已確認為開支的存貨金額的扣減。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see Note 2(k)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(o) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in Note 2(u)(i). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

2 重大會計政策(續)

(m) 貿易及其他應收款

貿易及其他應收款初步按公允價值確認，其後採用實際利率法按攤銷成本減呆賬減值撥備列賬(見附註2(k)(i))，惟倘應收款乃向關聯方提供的免息貸款且並無任何固定還款期或貼現的影響並不重大則除外。在該等情況下，應收款乃按成本減呆賬減值撥備列賬(見附註2(k)(i))。

(n) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款及於收購時到期為三個月以內之可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資。

(o) 建築合同

建築合同為就興建一項資產或一組資產而與客戶特定磋商的合同，而客戶能指定該設計的主要結構元素。有關合同收入的會計政策載於附註2(u)(i)。倘建築合同的結果能可靠估計，合同成本乃參考於報告期末的合同完工程度確認為開支。當總合同成本有可能超過總合同收入時，預期虧損乃即時確認為開支。倘建築合同的結果不能可靠估計，合同成本乃於其產生期間確認為開支。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Construction contracts (continued)

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the “Gross amount due from customers for contract work” (as an asset) or the “Gross amount due to customers for contract work” (as a liability), as applicable. Progress billings not yet paid by the customer are included under “Trade and bills receivables”. Amounts received before the related work is performed are presented under “Receipts in advance”.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value, and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 重大會計政策(續)

(o) 建築合同(續)

於報告期末的在建合同乃按所產生的成本淨額加已確認利潤減去已確認虧損及進度款項，並於財務狀況表內呈列為「應收客戶合同工程總額」（作為資產）或「應付客戶合同工程總額」（作為負債）（如適用）。客戶尚未支付的進度款項計入「貿易應收款及應收票據」內。於進行相關工程前已收取的金額呈報於「預收款項」內。

(p) 計息借貸

計息借貸初步按公允價值減應佔交易成本確認。於初步確認後，計息借貸按攤銷成本及初步確認金額與按借貸期於損益表內確認的贖回價值之間的任何差額，連同任何應付利息及費用，使用實際利率法列賬。

(q) 貿易及其他應付款

貿易及其他應付款初步按公允價值確認，而其後則按攤銷成本列賬，除非貼現的影響並不重大，則在該情況下，其乃按成本列賬。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group's contributions to defined contribution retirement plans are charged to profit or loss when incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Share-based payments

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held under share award scheme" and deducted from equity.

2 重大會計政策(續)

(r) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃供款

薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非貨幣利益的成本乃於本集團僱員提供相關服務的年度內應計。倘延期付款或結算，而影響屬重大，則該等金額乃按其現值列賬。

本集團向界定供款退休計劃的供款乃於產生時於損益表內扣除，惟以已計入存貨成本但尚未確認為開支者為限。

(ii) 以股份付款

股份獎勵計劃授出的股份乃購自公開市場。所支付代價淨額(包括任何直接應佔增加成本)乃呈列為「根據股份獎勵計劃持有的股份」，並於權益內扣除。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(ii) Share-based payments (continued)

For shares granted under the share award scheme, the fair value of shares granted to employees is recognised as an employee cost with a corresponding increase in capital reserve within equity. The fair value is based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with a corresponding adjustment to the capital reserve.

When the awarded shares are transferred to the awardees upon vesting, the related weighted average acquisition cost of the awarded shares vested are credited to "Shares held under share award scheme", and the grant date fair value of the awarded shares vested are debited to the capital reserve. The difference between the related weighted average acquisition cost and the grant date fair value of the awarded shares vested is transferred to retained profits directly.

2 重大會計政策(續)

(r) 僱員福利(續)

(ii) 以股份付款(續)

就根據股份獎勵計劃授出的股份而言，授予僱員的股份公允價值乃確認為僱員成本，而權益內之資本儲備則相應增加。公允價值乃按授出日期本公司股份的收市價加任何直接應佔增加成本計算。倘僱員於無條件地有權獲授股份前符合歸屬條件，則股份之總公允價值在歸屬期內攤分，並需考慮股份歸屬之可能性。

於歸屬期內，需審閱預期歸屬之股份數目。已於以往年度確認之累計公允價值之任何所產生調整會在回顧年度扣自／計入損益(若原來之僱員支出符合確認為資產的資格除外)，並在資本儲備作出相應調整。在歸屬日，已確認為支出之數額會作出調整，以反映所歸屬股份之實際數目，同時對資本儲備作出相應調整。

當獎勵股份於歸屬時轉至獲獎授人，有關已歸屬獎勵股份的加權平均收購成本乃進賬至「根據股份獎勵計劃持有的股份」，以及有關已歸屬獎勵股份的授出日期公允價值乃於資本儲備中扣除。有關加權平均收購成本與已歸屬獎勵股份的授出日期公允價值之間的差額乃直接轉撥至保留溢利。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 重大會計政策(續)

(r) 僱員福利(續)

(iii) 終止福利

合約終止補償在下列兩者孰早日確定：本集團不能撤回提供此等福利時；及其確認涉及支付合約終止補償的重組成本時。

(s) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益內確認，惟與於其他全面收益或直接於權益內確認的項目有關者除外，在此情況下，有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就年內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即資產和負債就財務報告目的而言的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策(續)

(s) 所得稅(續)

除若干有限的例外情況外，倘可能有未來應課稅利潤用作抵扣可動用的資產，則所有遞延稅項負債及遞延稅項資產均會予以確認。能支持可確認自可扣稅暫時差額所產生遞延稅項資產的未來應課稅利潤包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可向承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在可動用的稅項虧損或抵免的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況為不影響會計或應課稅利潤的資產或負債的初步確認(前提是其並不屬業務合併的一部分)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 重大會計政策(續)

(s) 所得稅(續)

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作貼現。

本集團會在各報告期末審閱遞延稅項資產的賬面值，並在不可能再獲得足夠的應課稅利潤可抵扣相關稅項利益時予以扣減。倘日後有可能獲得足夠的應課稅利潤可作抵扣，則扣減金額予以撥回。

因分派股息而額外產生的所得稅是在支付相關股息的責任確立時確認。

即期稅項結餘及遞延稅項結餘及其變動額，會各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 重大會計政策(續)

(s) 所得稅(續)

- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(t) 撥備及或然負債

撥備乃於本集團或本公司因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時，就不確定時間或金額的負債確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會被披露為或然負債，除非經濟利益流出的可能性極微。可能的責任（其存在將僅由一項或以上未來事件的出現或不出現確認）亦作為或然負債披露，惟經濟利益流出的可能性極微者則屬例外。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Service income

Service income from the rendering of services is recognised when the related services are rendered.

(iii) Sale of raw materials

Other income is recognised when the significant risks and rewards of ownership of the raw materials have been transferred to the customers. Other income excludes value added tax or other sales taxes and is after deduction of any sales discounts. No other income is recognised if there are significant uncertainties regarding recovery of the consideration due, the possible return of raw materials, or continuing management involvement with the raw materials.

2 重大會計政策(續)

(u) 收入確認

收入乃按已收或應收代價的公允價值計量。如經濟利益可能流入本集團，以及收入及成本(如適用)能可靠計量，收入乃按下列方式於損益中確認：

(i) 合同收入

倘建築合同的結果能可靠估計，來自固定價格合同的收入使用完工百分比法確認，有關比率乃參考迄今已產生的合同成本佔該合同的估計合同總成本的百分比計量。

倘建築合同的結果不能可靠估計，確認的收入僅以有可能收回的已產生合同成本為限。

(ii) 服務收入

來自提供服務的服務收入於提供相關服務後確認。

(iii) 銷售原材料

其他收入於原材料擁有權的主要風險及回報轉讓予客戶時確認。其他收入不包括增值稅或其他銷售稅項，並已扣除任何貿易折扣。倘若在收回到期代價、原材料可能遭退貨以及繼續管理有關原材料方面有重大的不明朗因素，則不會確認其他收入。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2 重大會計政策(續)

(u) 收入確認(續)

(iv) 經營租賃的租金收入

經營租賃項下應收租金收入乃於租賃年期按等額分期於損益表內確認，惟倘有更能代表使用租賃資產帶來的收入模式的其他基準除外。已授出的租賃獎勵乃於損益表內確認為應收淨租金總額的一部分。或然租金於產生的會計期間確認為收入。

(v) 利息收入

利息收入於產生時使用實際利率法確認。

(vi) 政府補貼

倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶條件，則政府補貼將初步在財務狀況表中確認。補償本集團所產生開支的補貼於產生開支同一期間有系統地於損益表中確認為收入。補償本集團資產成本的補貼，在相關資產賬面值中扣除，其後於該資產的可使用年期內以減少折舊開支方式於損益內確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Translation of foreign currencies

Foreign currency transactions are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency of the entity to which they relate using the foreign exchange rates ruling at the transaction dates.

The results of operations which have a functional currency other than RMB, the Group's presentation currency, are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

2 重大會計政策(續)

(v) 換算外幣

外幣交易乃按於交易日期適用的外幣匯率換算為其有關的實體的功能貨幣。以外幣計值的貨幣資產及負債乃按於報告期末適用的外幣匯率換算為其有關的實體的功能貨幣。外匯收益及虧損乃於損益內確認。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算為有關實體的功能貨幣。

具有人民幣(本集團之列賬貨幣)以外的功能貨幣的經營業績乃按與於交易日期適用的外幣匯率相若的匯率換算為人民幣。財務狀況表項目乃按於報告期末的收市外幣匯率換算為人民幣。所產生的匯兌差額乃於其他全面收益內確認，並單獨於權益的匯兌儲備內累計。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

2 重大會計政策(續)

(w) 借貸成本

收購、興建或生產需長時間方可達致其擬定用途或出售的資產的直接應佔借貸成本乃作為該資產的成本一部分予以資本化。其他借貸成本乃於其產生期間支銷。

資本化借貸成本作為合資格資產的成本的一部分於資產產生開支、產生借貸成本及進行使資產達致其擬定用途或出售的必需準備工作期間開始。借貸成本的資本化於進行使合資格資產達致其擬定用途或出售的絕大部分活動中止或完成時暫停或不再進行。

(x) 關聯方

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

2 重大會計政策(續)

(x) 關聯方(續)

(b) 倘符合下列任何條件，即實體與本集團有關聯：

- (i) 該實體與本集團屬同一集團之成員公司(即各自的母公司、附屬公司及同系附屬公司相互關聯)。
- (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關聯之實體就僱員利益設立的離職福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies: (continued)

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 重大會計政策(續)

(x) 關聯方(續)

(b) 倘符合下列任何條件，即實體與本集團有關聯：
(續)

(vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 實體或任何作為集團一部分的成員公司向本集團或本集團的母公司提供主要管理人員服務。

個別人士的近親為在與實體交易時預期會影響該名人士或受到該名人士影響的近親。

(y) 分部報告

經營分部及於財務報表內所申報的各分部項目的金額乃從定期向本集團最高級行政管理人員提供以就本集團多項業務及多個地理區域進行資源分配及表現評估的財務資料中識別。

個別重大的經營分部並不就財務申報目的而予以合併，除非該等分部具有相似經濟特性，以及就產品及服務性質、生產過程性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似。倘其享有大部分有關條件，並非個別重大的經營分部可予以合併。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 24 and 29 contain information about the assumptions and the risk factors relating to fair value of shares granted under share award scheme and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Contract revenue

As explained in the accounting policies set out in Notes 2(o) and 2(u)(i), revenue and profit recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(b) Impairment of receivables

Trade receivables and bills receivable are reviewed by management at the end of each reporting period to determine the credit risk and whether there is evidence of impairment. Credit risk assessments focus on the customers' and debtors' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and debtors and the macroeconomic environment in which the customers and debtors operate. The credit assessments also consider the status of the construction project, i.e. whether there is any delay, any unresolved lawsuits or contentious matters with customers or debtors. If the financial conditions of the customers and debtors and/or the macroeconomic environment of the Group were to deteriorate, resulting in an impairment of their ability to repay, additional impairment provision may be reputed.

3 會計判斷及估計

附註24及29載有關於股份獎勵計劃下授予的股份及金融工具的公允價值的假設及風險因素的資料。其他估計不明朗因素的主要來源如下：

(a) 合同收入

誠如附註2(o)及2(u)(i)所載的會計政策闡述，就未完成項目的收入及利潤確認取決於對建築合同總結果的估計以及迄今已進行的工程。此外，有關總成本或收入的實際結果可能高於或低於報告期末的估計，其將會影響於未來年度作為迄今所入賬的金額的調整確認的收入及利潤。

(b) 應收款減值

管理層於各報告期末審閱貿易應收款及應收票據，以釐定信貸風險及是否出現減值證據。信貸風險評估集中於客戶及債務人於到期時作出付款的過往歷史、目前的實力以及支付意願，並考慮客戶及債務人的財務狀況及客戶及債務人經營業務所處的宏觀經濟環境。信貸評估亦考慮建築項目的狀況(即是否出現延誤、任何未決訴訟或與客戶或債務人的爭議事件)。倘客戶及債務人財務狀況及/或本集團宏觀經濟環境惡化，導致彼等還款能力減值，則須再次加入額外減值撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

(c) Provision for warranties

As explained in Note 26, the Group makes provisions under the warranties it gives on construction of curtain wall systems contracts, taking into account the Group's recent claim experience. As the curtain wall systems required by customers become more complex, it is probable that the recent claim experience is not indicative of future claims that the Group will receive in respect of past construction of curtain wall systems. Any increase or decrease in the provision would affect profit or loss in future years.

(d) Deferred tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

3 會計判斷及估計(續)

(c) 保修撥備

誠如附註26闡述，本集團經考慮本集團近期的申索經驗，根據其就幕牆系統建築合同作出的保修計提撥備。由於客戶所要求的幕牆系統越趨複雜，近期的申索經驗未必能顯示本集團將就過去幕牆系統建築接獲的未來申索。撥備的任何增加或減少將影響未來年度的損益。

(d) 遞延稅項

在很有可能利用遞延稅項資產來抵扣的未來應課稅利潤的限度內，應就所有未利用的稅務虧損及可抵扣暫時差異確認遞延稅項資產。需要運用大量的判斷來估計未來應課稅利潤的時間和水平，結合未來納稅籌劃策略，才能決定應確認的遞延稅項資產的金額。如此等估計有重大改變，在未來確認遞延稅項資產的金額會作出調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the design, procurement, production, sale and installation of curtain wall systems.

Revenue represents contract revenue derived from the design, procurement, production, sale and installation of curtain wall systems.

The Group's customer base is diversified. There was no customer with transactions that exceeded 10% of the Group's revenue for the years ended 31 December 2017 and 2016.

Further details regarding the Group's principal activities are disclosed below.

(b) Segment reporting

The Group manages its businesses by geographical locations of the construction contracts. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments: Northeast China, North China, East China, West China, South China and Overseas. No operating segments have been aggregated to form the following reportable segments.

- Northeast China: comprises construction contracts carried out in the northeastern region of the People's Republic of China (the "PRC"), which includes Liaoning, Jilin, Heilongjiang, Shandong, Henan and Inner Mongolia provinces and autonomous region.

4 收入及分部報告

(a) 收入

本集團的主要業務為設計、採購、生產、銷售及安裝幕牆系統。

收入指來自設計、採購、生產、銷售及安裝幕牆系統的合同收入。

本集團的客戶基礎多元化。概無與客戶進行的交易佔本集團截至2017年及2016年12月31日止年度的收入超過10%。

有關本集團主要業務的進一步詳情披露如下。

(b) 分部報告

本集團按建築合同的地理位置劃分管理其業務。按照與就資源分配及表現評估向本集團最高行政管理人員內部呈報資料一致的方式，本集團呈列以下六個可申報分部：東北、華北、華東、華西、華南及海外。概無將任何經營分部合併以構成下列可申報分部。

- 東北：由在中華人民共和國（「中國」）東北地區進行的建築合同組成，包括遼寧省、吉林省、黑龍江省、山東省、河南省及內蒙古自治區。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

- North China: comprises construction contracts carried out in the northern region of the PRC, which includes Hebei and Shanxi provinces, Beijing and Tianjin.
- East China: comprises construction contracts carried out in the eastern region of the PRC, which includes Jiangsu, Zhejiang, Anhui and Jiangxi provinces, and Shanghai.
- West China: comprises construction contracts carried out in the western and northwestern regions of the PRC, which include Sichuan, Yunnan, Guizhou, Hubei, Shaanxi, Ningxia, Gansu, Qinghai and Xinjiang provinces and autonomous regions, and Chongqing.
- South China: comprises construction contracts carried out in the southern region of the PRC, which includes Guangdong, Hunan, Fujian, Hainan and Guangxi provinces and autonomous region.
- Overseas: comprises construction contracts carried out outside of the Mainland China.

4 收入及分部報告(續)

(b) 分部報告(續)

- 華北：由在中國北部地區進行的建築合同組成，包括河北省、山西省、北京市及天津市。
- 華東：由在中國東部地區進行的建築合同組成，包括江蘇省、浙江省、安徽省、江西省及上海市。
- 華西：由在中國西部及西北部地區進行的建築合同組成，包括四川省、雲南省、貴州省、湖北省、陝西省、寧夏回族自治區、甘肅省、青海省、新疆維吾爾自治區及重慶市。
- 華南：由在中國南部地區進行的建築合同組成，包括廣東省、湖南省、福建省、海南省及廣西壯族自治區。
- 海外：由在中國內地以外地區進行的建築合同組成。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of property, plant and equipment, lease prepayments, deferred tax assets and other corporate assets. Segment liabilities include trade and bills payables, gross amount due to customers for contract work, receipts in advance, accrued expenses and other payables and provision for warranties managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. No significant inter-segment sales have occurred for the years ended 31 December 2017 and 2016. The Group's other operating expenses, such as selling and administrative expenses and finance costs, are not measured under individual segments. The measure used for reporting segment result is gross profit.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below.

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債

就評估分部表現及於各分部間分配資源而言，本集團最高行政管理人員按以下基準監控各可申報分部應佔的業績、資產及負債：

除物業、廠房及設備以及預付租金、遞延稅項資產及其他公司資產外，分部資產包括所有資產。分部負債包括貿易應付款及應付票據、應付客戶合同工程總額、預收款項、應計開支及其他應付款以及該等分部直接管理的保修撥備。

收入及開支乃參考可申報分部產生的收入及其產生的開支而分配至該等分部。截至2017年及2016年12月31日止年度，並未錄得任何重大的分部間銷售。本集團的其他營運開支(如銷售及行政開支及融資成本)，並未於獨立分部下計算。可申報分部業績所用計算為毛利。

截至2017年及2016年12月31日止年度，有關提供予本集團最高行政管理人員以分配資源及評估分部表現的本集團可申報分部資料載列如下。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(i) Segment results, assets and liabilities
(continued)(i) 分部業績、資產及負債
(續)

		2017 2017年						
		Northeast China 東北 RMB'000 人民幣千元	North China 華北 RMB'000 人民幣千元	East China 華東 RMB'000 人民幣千元	West China 華西 RMB'000 人民幣千元	South China 華南 RMB'000 人民幣千元	Overseas 海外 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers and reportable segment revenue	來自外部客戶的收入及可申報分部收入	437,370	701,483	1,135,020	404,835	594,692	2,415,250	5,688,650
Reportable segment gross profit	可申報分部毛利	109,479	171,884	304,364	60,372	93,823	508,997	1,248,919
Reportable segment assets	可申報分部資產	1,806,972	1,385,890	2,184,229	840,313	1,076,098	1,938,378	9,231,880
Reportable segment liabilities	可申報分部負債	1,022,862	636,625	1,306,302	418,498	457,198	1,638,709	5,480,194
		2016 2016年						
		Northeast China 東北 RMB'000 人民幣千元	North China 華北 RMB'000 人民幣千元	East China 華東 RMB'000 人民幣千元	West China 華西 RMB'000 人民幣千元	South China 華南 RMB'000 人民幣千元	Overseas 海外 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers and reportable segment revenue	來自外部客戶的收入及可申報分部收入	665,406	855,935	1,687,864	680,003	675,054	2,760,153	7,324,415
Reportable segment gross profit	可申報分部毛利	174,905	206,935	334,088	68,125	80,594	427,392	1,292,039
Reportable segment assets	可申報分部資產	2,214,231	1,398,934	2,308,758	1,071,074	1,186,814	2,380,749	10,560,560
Reportable segment liabilities	可申報分部負債	1,264,070	710,135	1,593,547	545,086	556,605	2,094,007	6,763,450

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(ii) Reconciliations of reportable segment assets and liabilities

(ii) 可申報分部資產及負債的對賬

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets	資產		
Reportable segment assets	可申報分部資產	9,231,880	10,560,560
Property, plant and equipment	物業、廠房及設備	617,302	695,726
Lease prepayments	預付租金	600,490	623,646
Deferred tax assets	遞延稅項資產	454,312	396,655
Unallocated head office and corporate assets	未分配總部及公司資產	1,060,228	1,445,893
Elimination of receivables between segments, and segments and head office	分部間及分部與總部間應收款對銷	(483,100)	(542,727)
Consolidated total assets	合併總資產	11,481,112	13,179,753
Liabilities	負債		
Reportable segment liabilities	可申報分部負債	5,480,194	6,763,450
Bank loans	銀行貸款	2,943,551	3,560,000
Income tax payable	應付所得稅	211,528	205,086
Deferred tax liabilities	遞延稅項負債	3,971	4,527
Unallocated head office and corporate liabilities	未分配總部及公司負債	126,702	181,764
Elimination of payables between segments, and segments and head office	分部間及分部與總部間應付款對銷	(483,100)	(542,727)
Consolidated total liabilities	合併總負債	8,282,846	10,172,100

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(iii) Geographic information

The following tables set out information about the geographical location of the Group's (i) revenue from external customers and (ii) property, plant and equipment and lease prepayments (the "specified non-current assets"). The geographical location of customers is based on the location at which the construction contracts are carried out. The geographical location of the specified non-current assets is determined based on the physical location of the assets. For overseas construction contracts, the Group further divided the customers based on regions, where each country within the region shares similar characteristics as to the depth of the Group's penetration in the market and industry practices.

4 收入及分部報告(續)

(b) 分部報告(續)

(iii) 地理資料

下表載列有關本集團(i)來自外部客戶的收入及(ii)物業、廠房及設備以及預付租金(「指定非流動資產」)的地理位置的資料。客戶的地理位置乃根據進行建築合同的地點劃分。指定非流動資產的地理位置乃根據資產的實際地點劃分。就海外工程合同而言，本集團進一步按地區劃分客戶，地區內的國家在本集團市場及行業慣例的滲透深度方面的特性類似。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(iii) Geographic information (continued)

- (i) The Group's revenue from external customers:

Mainland China	中國內地
East Asia region	東亞地區
Europe region	歐洲地區
Australia region	澳洲地區
Americas region	美洲地區
Middle East region	中東地區
Others	其他

- (ii) The Group's specified non-current assets:

Mainland China	中國內地
Overseas	海外

4 收入及分部報告(續)

(b) 分部報告(續)

(iii) 地理資料(續)

- (i) 本集團來自外部客戶的收入：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
3,273,400	4,564,262
853,273	936,148
680,475	628,619
401,261	688,485
365,375	278,760
95,226	206,066
19,640	22,075
5,688,650	7,324,415

- (ii) 本集團的指定非流動資產：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,203,171	1,302,537
14,621	16,835
1,217,792	1,319,372

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

5 OTHER INCOME

5 其他收入

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Government grants	政府補助	6,828	33,960
Rental income from operating leases	經營租賃租金收入	1,394	2,487
Net income from provision of repairs and maintenance services	提供維修及保養服務的淨收入	2,060	1,858
Net gain from sale of raw materials	銷售原材料的淨收益	284	80
Net gain on disposal of property, plant and equipment and land use rights	出售物業、廠房及設備及土地使用權的淨收益	98,383	76,082
		108,949	114,467

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest on borrowings	借貸利息	152,680	172,376
Bank charges and other finance costs	銀行手續費及其他融資成本	17,124	30,511
Total borrowing costs (Note 19(b))	總借貸成本(附註 19(b))	169,804	202,887
Interest income	利息收入	(4,749)	(10,920)
Net foreign exchange loss/(gain)	外匯虧損/(收益)淨額	114,057	(144,186)
Net (gain)/loss on forward foreign exchange contracts:	遠期外匯合約 (收益)/虧損淨額:		
– net (gain)/loss on cash flow hedging instruments reclassified from equity (Note 10(b))	– 自權益重新分類的 現金流量對沖工具 (收益)/虧損淨額 (附註 10(b))	(6,131)	8,042
– net (gain)/loss on other forward foreign exchange contracts	– 其他遠期外匯合約 (收益)/虧損淨額	(40,180)	30,623
		232,801	86,446

No borrowing costs have been capitalised for the year ended 31 December 2017 (2016: RMBNil).

6 稅前利潤

稅前利潤乃經扣除/(計入)以下各項後得出：

(a) 融資成本：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
借貸利息	152,680	172,376
銀行手續費及其他融資成本	17,124	30,511
總借貸成本(附註 19(b))	169,804	202,887
利息收入	(4,749)	(10,920)
外匯虧損/(收益)淨額	114,057	(144,186)
遠期外匯合約 (收益)/虧損淨額:		
– 自權益重新分類的 現金流量對沖工具 (收益)/虧損淨額 (附註 10(b))	(6,131)	8,042
– 其他遠期外匯合約 (收益)/虧損淨額	(40,180)	30,623
	232,801	86,446

於截至2017年12月31日止年度並無借貸成本被資本化(2016年：人民幣零元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION (continued)

(b) Staff costs[#]:

Salaries, wages and other benefits	薪金、工資及其他福利
Contributions to defined contribution retirement plans	向界定供款退休計劃供款

Note:

The employees of the subsidiaries of the Group established in the PRC participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at rates ranging from 12% to 20% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement schemes at their normal retirement age.

The employees of the subsidiaries of the Group established outside of the PRC participate in defined contribution retirement benefit schemes managed by the respective local government authorities, whereby these subsidiaries are required to contribute to the respective schemes at rates stipulated by the relevant rules and regulations of the respective jurisdictions.

The Group does not have any further material obligations for payments of other retirement benefits beyond the above annual contributions.

6 稅前利潤(續)

(b) 員工成本[#]：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
576,091	795,972
74,649	98,996
650,740	894,968

附註：

本集團於中國成立的附屬公司的僱員參與地方政府機關管理的界定供款退休福利計劃，據此中國附屬公司須按僱員基本薪金12%至20%向該等計劃供款。中國附屬公司僱員於達致正常退休年齡時有權按上述退休計劃享有按中國平均薪金水平百分比計算的退休福利。

本集團於中國境外成立的附屬公司的僱員參與其各自地方政府機關管理的界定供款退休福利計劃，據此海外附屬公司須按各司法權區的相關規則及法規所訂明的比率向各計劃供款。

本集團毋須進一步承擔支付年度供款以外的任何其他重大退休福利責任。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

6 PROFIT BEFORE TAXATION (continued)

(c) Other items:

6 稅前利潤(續)

(c) 其他項目：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation and amortisation [#] (Notes 12 and 13)	折舊及攤銷 [#] (附註12及13)	59,404	62,547
Impairment loss on trade receivables (Note 17(b))	貿易應收款減值虧損 (附註17(b))	462,838	348,542
Operating lease charges in respect of land, plant and buildings, motor vehicles and other equipment [#]	有關土地、廠房及樓宇、 汽車及其他設備的 經營租賃開支 [#]	29,489	33,180
Auditors' remuneration	核數師薪酬	11,081	10,501
Research and development costs [#]	研發成本 [#]	211,442	264,144
Increase in provision for warranties [#] (Note 26)	保修撥備增加 [#] (附註26)	91,196	104,765
Cost of inventories [#] (Note 15(b))	存貨成本 [#] (附註15(b))	4,439,731	6,032,376

Cost of inventories includes RMB531.3 million for the year ended 31 December 2017 (2016: RMB640.5 million), relating to staff costs, depreciation and amortisation expenses, operating lease charges, research and development costs and provision for warranties, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

截至2017年12月31日止年度存貨成本包括員工成本、折舊及攤銷開支、經營租賃開支、研發成本及保修撥備有關的成本人民幣531.3百萬元(2016年：人民幣640.5百萬元)，而上述金額亦計入在上文或附註6(b)分開披露的各類開支總額中。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

7 所得稅

(a) 合併損益表內的所得稅指：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current taxation (Note 25(a)):	即期稅項(附註25(a))：		
– Provision for corporate income tax in respective jurisdictions	– 按各司法權區計提企業所得稅撥備	46,204	63,537
– Over provision in respect of prior years	– 過往年度超額撥備	(13,840)	–
		32,364	63,537
Deferred taxation (Note 25(b)):	遞延稅項(附註25(b))：		
– Origination and reversal of temporary differences	– 暫時差額的產生及撥回	(59,821)	(52,960)
		(27,457)	10,577

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

7 INCOME TAX (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

Profit before taxation	稅前利潤
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	按利潤相關司法權區適用稅率計算的稅前利潤預期稅項 (附註(i)、(ii)、(iii)及(iv))
Tax effect of non-deductible expenses (Note (v))	不可扣稅開支的稅務影響 (附註(v))
Tax effect of non-taxable income	非稅收入的稅務影響
Tax effect of utilisation of prior years' unused tax losses previously not recognised	動用先前未確認過往年度未動用稅項虧損的稅務影響
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的稅務影響
Tax effect of write-down of deferred tax assets	撤減遞延稅項資產的稅務影響
Over provision in respect of prior years	過往年度超額撥備
Tax concessions (Note (vi))	稅項減免 (附註(vi))
Income tax	所得稅

Notes:

(i) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2017 (2016: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the year ended 31 December 2017 (2016: RMBNil).

7 所得稅(續)

(b) 稅項開支與按適用稅率計算的會計利潤的對賬：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
58,272	87,194
16,889	21,013
17,555	6,661
-	(10,363)
(21,754)	(15,464)
6,255	33,759
-	61,906
(13,840)	-
(32,562)	(86,935)
(27,457)	10,577

附註：

(i) 本公司及本集團於香港註冊成立的附屬公司於截至2017年12月31日止年度須按16.5% (2016年：16.5%) 的稅率繳納香港利得稅。由於本公司及本集團於香港註冊成立的附屬公司於截至2017年12月31日止年度概無須繳納香港利得稅的應課稅利潤，故並無計提香港利得稅撥備(2016年：人民幣零元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

7 INCOME TAX (continued)

- (b) Reconciliation between tax expense and accounting profit at applicable tax rates: (continued)

Notes: (continued)

- (ii) The Company and a subsidiary of the Group incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (iii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2017 (2016: 25%).
- (iv) The subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong), the Cayman Islands and the British Virgin Islands, are subject to income tax rates ranging from 8.5% to 35% for the year ended 31 December 2017 pursuant to the rules and regulations of their respective countries of incorporation (2016: 8.5% to 35%).
- (v) The amounts mainly represented non-deductible entertainment and other expenses in excess of the tax deductibility allowances under the PRC tax laws and regulations.
- (vi) One of the subsidiaries of the Group established in the PRC has obtained approval from the tax bureau to be taxed as an enterprise with advanced and new technologies for the calendar years from 2017 to 2019 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the year ended 31 December 2017 (2016: 15%). In addition to the preferential PRC Corporate Income Tax rate, this subsidiary entitles an additional tax deductible allowance amounted to 50% of the qualified research and development costs incurred in the PRC by this subsidiary.

7 所得稅(續)

- (b) 稅項開支與按適用稅率計算的會計利潤的對賬：(續)

附註：(續)

- (ii) 根據各自註冊成立國家的規則及法規，分別於開曼群島及英屬處女群島註冊成立的本公司及本集團一家附屬公司毋須繳納任何所得稅。
- (iii) 本集團於中國成立的附屬公司於截至2017年12月31日止年度須按25% (2016年：25%)的稅率繳納中國企業所得稅。
- (iv) 根據各自註冊成立國家的規則及法規，本集團於中國(包括香港)、開曼群島及英屬處女群島以外國家註冊成立的附屬公司須於截至2017年12月31日止年度內按8.5%至35%不等的所得稅率繳納所得稅(2016年：8.5%至35%)。
- (v) 該等金額主要包括超過中國稅法及法規項下可扣稅限額的不可扣稅招待及其他開支。
- (vi) 本集團其中一家於中國成立的附屬公司已獲得稅務局批准自2017年至2019年止的曆年起作為高新技術企業繳納稅項，故截至2017年12月31日止年度享有15% (2016年：15%)的中國企業所得稅優惠稅率。除享有中國企業所得稅優惠稅率之外，該附屬公司有資格享受於中國產生的合資格研發成本的50%加計扣除金額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事酬金

根據香港公司條例第383(1)章及公司(披露董事利益資料)規例第二部份披露的董事酬金詳情如下：

		2017 2017年			
		Salaries, allowances and benefits in kind	Retirement scheme contributions		Total
Directors' fees	薪金、 津貼及 實物福利	退休金 供款			總計
RMB'000	RMB'000	RMB'000			RMB'000
人民幣千元	人民幣千元	人民幣千元			人民幣千元
Executive directors	執行董事				
Mr Kang Baohua	康寶華先生	-	190	37	227
Mr Zhang Lei	張雷先生	-	1,633	38	1,671
Mr Li Hongren (appointed on 8 February 2017)	李洪人先生 (於2017年2月8日獲委任)	-	1,958	39	1,997
Mr Liu Futao (appointed on 8 February 2017)	劉福濤先生 (於2017年2月8日獲委任)	-	1,841	39	1,880
Mr Ma Minghui (appointed on 8 February 2017)	馬明輝先生 (於2017年2月8日獲委任)	-	693	39	732
Mr Wang Hao (appointed on 8 February 2017)	王昊先生 (於2017年2月8日獲委任)	-	612	39	651
Mr Tian Shouliang (resigned on 8 February 2017)	田守良先生 (於2017年2月8日辭任)	-	3	1	4
Mr Guo Zhongshan (resigned on 8 February 2017)	郭忠山先生 (於2017年2月8日辭任)	-	66	3	69
Mr Wang Yijun (resigned on 8 February 2017)	王義君先生 (於2017年2月8日辭任)	-	215	3	218
Mr Wang Lihui (resigned on 8 February 2017)	王立輝先生 (於2017年2月8日辭任)	-	211	3	214
Independent non-executive directors	獨立非執行董事				
Mr Poon Chiu Kwok	潘昭國先生	217	-	-	217
Mr Woo Kar Tung, Raymond	胡家棟先生	217	-	-	217
Mr Pang Chung Fai, Benny	彭中輝先生	217	-	-	217
		651	7,422	241	8,314

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

8 DIRECTORS' REMUNERATION (continued)

8 董事酬金(續)

		2016 2016年			
		Salaries, allowances and benefits in kind	Retirement scheme contributions	Total	
Directors' fees		薪金、 津貼及 實物福利	退休計劃 供款	總計	
RMB'000		RMB'000	RMB'000	RMB'000	
人民幣千元		人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事				
Mr Kang Baohua	康寶華先生	-	190	36	226
Mr Tian Shouliang	田守良先生	-	183	34	217
Mr Guo Zhongshan	郭忠山先生	-	194	33	227
Mr Wang Yijun	王義君先生	-	180	32	212
Mr Wang Lihui	王立輝先生	-	181	35	216
Mr Zhang Lei	張雷先生	-	181	35	216
Independent non-executive directors	獨立非執行董事				
Mr Poon Chiu Kwok	潘昭國先生	224	-	-	224
Mr Woo Kar Tung, Raymond	胡家棟先生	224	-	-	224
Mr Pang Chung Fai, Benny	彭中輝先生	224	-	-	224
		672	1,109	205	1,986

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2016: none) of them are directors of the Company. The aggregate of the emoluments in respect of the three individuals (2016: five) who are not directors are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Discretionary bonuses	酌情花紅
Retirement scheme contributions	退休計劃供款

The emoluments of the employees who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

(In HK\$)	(港元)
2,000,001-2,500,000	2,000,001 – 2,500,000
2,500,001-3,000,000	2,500,001 – 3,000,000

9 最高薪酬人士

五名最高薪酬人士中，兩名(2016年：無)為本公司董事。並非董事的該三名人士(2016年：五名)的薪酬總額如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

5,157 8,088

380 425

899 1,366

6,436 9,879

本集團五名最高薪酬但並非董事之人士的薪酬介乎以下範圍：

2017	2016
2017年	2016年
2	4
1	1

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

10 OTHER COMPREHENSIVE INCOME

10 其他全面收益

(a) Tax effect relating to each component of other comprehensive income

(a) 有關其他全面收益各組成部分的稅務影響

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Exchange differences on translation of financial statements of the Company and certain subsidiaries into presentation currency (before and after tax)	換算本集團及若干附屬公司財務報表為呈列貨幣的匯兌差額(稅前及稅後)	94,903	(131,567)
Cash flow hedge:	現金流量對沖：		
net movement in the hedging reserve	對沖儲備變動淨額		
– Before tax amount	– 稅前金額	13,309	22,564
– Tax expense	– 稅項開支	(3,328)	(3,020)
– Net of tax amount	– 淨稅額	9,981	19,544
Other comprehensive income	其他全面收益	104,884	(112,023)

(b) Components of other comprehensive income, including reclassification adjustments

(b) 有關其他全面收益組成部分，包括重新分類調整

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash flow hedges:	現金流量對沖：		
Effective portion of changes in fair value of hedging instruments recognised during the year	於年內確認的對沖工具公允價值變動的有效部分	19,440	14,522
Reclassification adjustments for amounts transferred to profit or loss (Note 6(a))	轉撥至損益金額的重新分類調整(附註6(a))	(6,131)	8,042
Net deferred tax charged to other comprehensive income (Note 25(b))	於其他全面收益扣除的遞延稅項淨額(附註25(b))	(3,328)	(3,020)
Net movement in the hedging reserve during the year recognised in other comprehensive income	於其他全面收益確認的年內對沖儲備變動淨額	9,981	19,544

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

11 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2017 is calculated based on the profit attributable to equity shareholders of the Company of RMB60.7 million (2016: RMB87.0 million) and the weighted average of 6,208,147,000 ordinary shares (2016: 6,208,147,000 ordinary shares) in issue during the year ended 31 December 2017.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2017 and 2016.

11 每股基本及攤薄盈利

(a) 每股基本盈利

截至2017年12月31日止年度每股基本盈利根據本公司股東應佔利潤人民幣60.7百萬元(2016年：人民幣87.0百萬元)及於本年度已發行加權平均數6,208,147,000股普通股(2016年：6,208,147,000股普通股)計算。

(b) 每股攤薄盈利

於截至2017年及2016年12月31日止年度概無具潛在攤薄效應的股份發行在外。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles and other equipment 汽車及 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2016	於2016年1月1日	664,008	387,519	204,018	11,345	1,266,890
Exchange adjustments	匯兌調整	584	560	1,165	-	2,309
Additions	添置	432	3,664	6,420	191	10,707
Transfer in/(out)	轉入/(出)	28	-	-	(28)	-
Disposals	出售	(25,332)	(301)	(16,311)	-	(41,944)
At 31 December 2016	於2016年12月31日	639,720	391,442	195,292	11,508	1,237,962
Accumulated depreciation:	累計折舊：					
At 1 January 2016	於2016年1月1日	(145,900)	(218,364)	(153,461)	-	(517,725)
Exchange adjustments	匯兌調整	(86)	(277)	(1,028)	-	(1,391)
Charge for the year	年內折舊	(18,162)	(17,770)	(11,928)	-	(47,860)
Written back on disposals	出售撥回	9,834	301	14,605	-	24,740
At 31 December 2016	於2016年12月31日	(154,314)	(236,110)	(151,812)	-	(542,236)
Net book value:	賬面淨值：					
At 31 December 2016	於2016年12月31日	485,406	155,332	43,480	11,508	695,726
Cost:	成本：					
At 1 January 2017	於2017年1月1日	639,720	391,442	195,292	11,508	1,237,962
Exchange adjustments	匯兌調整	(25)	(248)	(439)	-	(712)
Additions	添置	244	-	815	585	1,644
Disposals	出售	(55,545)	(2,920)	(12,987)	-	(71,452)
At 31 December 2017	於2017年12月31日	584,394	388,274	182,681	12,093	1,167,442
Accumulated depreciation:	累計折舊：					
At 1 January 2017	於2017年1月1日	(154,314)	(236,110)	(151,812)	-	(542,236)
Exchange adjustments	匯兌調整	28	25	436	-	489
Charge for the year	年內折舊	(17,390)	(18,307)	(9,328)	-	(45,025)
Written back on disposals	出售撥回	22,396	2,608	11,628	-	36,632
At 31 December 2017	於2017年12月31日	(149,280)	(251,784)	(149,076)	-	(550,140)
Net book value:	賬面淨值：					
At 31 December 2017	於2017年12月31日	435,114	136,490	33,605	12,093	617,302

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 December 2017, property certificates of certain properties with an aggregate net book value of RMB87.6 million (31 December 2016: RMB101.4 million) are yet to be obtained. Of these properties, Mr Kang Baohua, the ultimate equity shareholder of the Group (the "Controlling Shareholder"), has undertaken to procure the title documents of properties with an aggregate net book value of RMB0.2 million (31 December 2016: RMB0.2 million). If these title documents could not be obtained, the Controlling Shareholder agreed to indemnify the Group for all the losses and damages arising therefrom.

13 LEASE PREPAYMENTS

Cost:	成本：
At 1 January	於1月1日
Additions	添置
Disposals	處置
At 31 December	於12月31日
Accumulated amortisation:	累計攤銷：
At 1 January	於1月1日
Charge for the year	年內費用
Written back on disposals	出售時撇銷
At 31 December	於12月31日
Net book value:	賬面淨值：
At 31 December	於12月31日

12 物業、廠房及設備(續)

於2017年12月31日，若干總賬面淨值為人民幣87.6百萬元(2016年12月31日：人民幣101.4百萬元)的物業尚未取得物業證書。其中，本集團之最終控股股東康寶華先生(「控股股東」)已承諾促使取得總賬面淨值人民幣0.2百萬元(2016年12月31日：人民幣0.2百萬元)的物業業權文件。倘未能取得業權文件，控股股東同意向本集團彌償因此而產生的所有虧損及損失。

13 預付租金

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
718,878	718,671
558	207
(12,047)	-
707,389	718,878

(95,232)	(80,545)
(14,379)	(14,687)
2,712	-
(106,899)	(95,232)

600,490	623,646

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

13 LEASE PREPAYMENTS (continued)

Lease prepayments represented land use right premiums paid by the Group for land situated in the PRC. At 31 December 2017, land use right certificates of certain land use rights with an aggregate carrying value of RMB5.4 million (31 December 2016: RMB139.0 million) are yet to be obtained.

14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

13 預付租金(續)

預付租金指本集團就位於中國的土地所支付的土地使用權出讓金。於2017年12月31日，尚未取得總賬面值為人民幣5.4百萬元(2016年12月31日：人民幣139.0百萬元)的若干土地使用權的土地使用權證。

14 於附屬公司之投資

下表僅列出對本集團的業績、資產或負債有重大影響之附屬公司資料。

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. ("Shenyang Yuanda")* 瀋陽遠大鋁業工程有限公司 (「瀋陽遠大」)*	The PRC 中國	United States Dollar ("USD")323,298,200 323,298,200美元 (「美元」)	100%	-	100%	Design, procurement, production, sale and installation of curtain wall systems 設計、採購、生產、銷售及安裝幕牆系統
Shanghai Yuanda Aluminium Industry Engineering Co., Ltd.** 上海遠大鋁業工程有限公司**	The PRC 中國	RMB15,000,000 人民幣15,000,000元	100%	-	100%	Design, procurement, production, sale and installation of curtain wall systems 設計、採購、生產、銷售及安裝幕牆系統
Yuanda (UK) Co., Ltd.*** 遠大英國有限公司***	United Kingdom 英國	British Pound Sterling ("GBP") 500,000 500,000英鎊(「英鎊」)	60%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

14 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
Shenyang Yuanda Metal Coating Co., Ltd.** 瀋陽遠大金屬噴塗有限公司**	The PRC 中國	RMB7,000,000 人民幣7,000,000元	100%	–	100%	Plating and coating of metals 金屬鍍層及噴塗
Foshan Yuanda Aluminium Industry Engineering Co., Ltd.** 佛山遠大鋁業工程有限公司**	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100%	–	100%	Purchase of materials for and provision of services to group companies 為集團公司購買原材料及向其提供服務
LLC Yuanda Curtain Wall*** ("Yuanda Russia") 遠大幕牆有限公司*** (「遠大俄羅斯」)	Russian Federation 俄羅斯	Russian Ruble 280,000 280,000 俄羅斯盧布	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda Australia Pty Ltd.*** 遠大澳大利亞有限公司***	Australia 澳大利亞	Australian Dollar 1,069,291 1,069,291 澳元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda USA Corporation*** 遠大美國有限公司***	United States of America 美國	USD1,000,000 1,000,000 美元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統
Yuanda Canada Enterprises Ltd.*** ("Yuanda Canada") 遠大加拿大有限公司*** (「遠大加拿大」)	Canada 加拿大	USD500,000 500,000 美元	100%	–	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

14 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
Yuanda Aluminium Industry Engineering (Germany) GmbH*** 遠大鋁業工程(德國)有限公司***	Germany 德國	Euro100,000 100,000歐元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Aluminium Engineering (India) Private Limited*** ("Yuanda India") 遠大鋁業工程(印度)私人 有限公司*** (「遠大印度」)	Republic of India ("India") 印度共和國(「印度」)	Indian Rupee ("INR")1,476,200 1,476,200印度盧比 (「印度盧比」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Europe Ltd. ("Yuanda Europe") 遠大歐洲有限公司 (「遠大歐洲」)	Swiss Confederation 瑞士聯邦	Swiss Franc ("CHF")1,000,000 1,000,000瑞士法郎 (「瑞士法郎」)	60%	-	60%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Curtain Wall (Hong Kong) Company Limited 遠大幕牆(香港)有限公司	Hong Kong 香港	2,000,000 shares 2,000,000股股份	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Kuwait General Contracting for Buildings Underes 遠大科威特綜合建築承包 有限責任公司	State of Kuwait ("Kuwait") 科威特(「科威特」)	Kuwait Dinar ("KWD")1,000,000 1,000,000科威特第納爾 (「科威特第納爾」)	100%#	-	100%#	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

14 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
Yuanda Curtain Wall (Vietnam) Co., Ltd. 遠大幕牆(越南)有限責任公司	Socialist Republic of Vietnam 越南社會主義共和國	USD100,000 100,000美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Shenyang Yuanda Aluminium Industry Engineering Co., BR 瀋陽遠大鋁業工程有限公司 沙特公司	Kingdom of Saudi Arabia 沙特阿拉伯	Saudi Arabian Riyal 500,000 500,000沙特亞 拉伯里亞爾	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Well Galaxy Limited 銀康有限公司	The British Virgin Islands 英屬處女群島	USD1 1美元	100%	100%	-	Investment holding 投資控股
Eurl Yuanda France 遠大法國有限公司	France 法國	Euro13,020,000 13,020,000歐元	60%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda (Hong Kong) Holdings Limited 遠大(香港)控股有限公司	Hong Kong 香港	1 share 1股股份	100%	-	100%	Investment holding 投資控股
PT. Shenyang Yuanda Aluminium Industry Engineering 遠大鋁業工程印度 尼西亞有限公司	Republic of Indonesia 印尼	USD750,000 750,000美元	99%	-	99%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

14 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
CNYD Aluminium Industry Engineering Malaysia SDN. BHD. 遠大鋁業工程馬來西亞 私人有限公司	Malaysia 馬來西亞	Malaysia Ringgit ("MYR")750,000 750,000 馬來西亞 令吉(「馬來西亞 令吉」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Curtain Wall (Singapore) Pte. Ltd. 遠大幕牆(新加坡)有限公司	Republic of Singapore 新加坡共和國	Singapore Dollar ("SGD")1,950,000 1,950,000 新加坡元 (「新加坡元」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Mexico S.A. de C.V. 遠大墨西哥可變資本有限公司	The United Mexican States 墨西哥	Mexican Peso 1,000,000 1,000,000 墨西哥比索	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Italy S.R.L. 遠大意大利有限責任公司	Italy 意大利	Euro20,000 20,000 歐元	60%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Queensland Pty Ltd. 遠大昆士蘭有限公司	Australia 澳大利亞	AUD800,000 800,000 澳元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

14 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation and business 成立/註冊 及營業地方	Particulars of registered/ issued and paid-up capital 註冊/已發行及 繳足股本詳情	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
			The Group's effective interest 本集團之 實際權益	Held by the Company 由本公司 持有	Held by subsidiaries 由附屬公司 持有	
Yuanda WA Pty Ltd. 遠大西澳大利亞有限公司	Australia 澳大利亞	AUD1 1 澳元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda SA Pty Ltd. 遠大南澳大利亞有限公司	Australia 澳大利亞	AUD1 1 澳元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda VIC Pty Ltd. 遠大維多利亞有限公司	Australia 澳大利亞	AUD1 1 澳元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Yuanda Pakistan (PVT.) Limited 遠大巴基斯坦有限公司	The Islamic Republic of Pakistan 巴基斯坦伊斯蘭共和國	USD60,000 60,000 美元	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統
Canada Yuanda Aluminum Corporation 加拿大遠大鋁業公司	Canada 加拿大	Canadian Dollar ("CAD")100 100 加拿大元 (「加拿大元」)	100%	-	100%	Design, procurement, assembly, sale and installation of curtain wall systems 設計、採購、組裝、 銷售及安裝幕牆系統

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

14 INVESTMENT IN SUBSIDIARIES (continued)

- * This company is a wholly foreign-owned enterprise established in the mainland China.
- ** These companies are limited liability companies established in the mainland China.
- # The Group, through Shenyang Yuanda, owns 49% equity interests in this company, where the remaining 51% equity interests are held on trust for Shenyang Yuanda by an individual resided in Kuwait. In accordance with the entrust agreement, this individual does not have the right to vote or receive dividends declared or participate in the liquidation of this company. Accordingly, the directors of the Company consider the Group effectively owns 100% equity interests in the company.

The following table lists out the combined financial information of Yuanda Europe and its subsidiaries, a sub-group within the Group, which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

14 於附屬公司之投資(續)

- * 該公司為於中國內地成立的外商獨資企業。
- ** 該等公司為於中國內地成立的有限責任公司。
- # 本集團透過瀋陽遠大擁有該公司的49%股權，而其餘51%股權乃由居於科威特的人士以信託形式為瀋陽遠大持有。根據託管協議，該名個別人士並無權利就該公司投票或收取已宣派股息或參與清盤。因此，本公司董事認為，本集團實際上擁有該公司的100%股權。

下表載列遠大歐洲及其附屬公司(本集團有重大非控股權益的附屬集團)合併財務資料。下文呈報的財務資料概要為扣除任何公司間抵銷項目之前的金額。

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收入	715,667	665,351
Profit/(loss) for the year	年內利潤/(虧損)	62,693	(26,055)
Profit/(loss) attributable to NCI	非控股權益應佔利潤/(虧損)	25,077	(10,422)
Non-current assets	非流動資產	19,645	20,478
Current assets	流動資產	373,325	409,339
Current liabilities	流動負債	(739,945)	(794,285)
Net liabilities	淨負債	(346,975)	(364,468)
Net liabilities attributable to NCI	歸屬於非控股權益之淨負債	(138,789)	(145,787)
Cash flows from operating activities	來自經營活動之現金流量	768	(2,848)
Cash flows from investing activities	來自投資活動之現金流量	-	-
Cash flows from financing activities	來自融資活動之現金流量	-	-

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

15 INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

Raw materials	原材料
Less: write down of inventories	減：存貨撇減

- (b) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss during the year is as follows:

Carrying amount of inventories used in construction contracts	用於建築合同的存貨賬面值
(Reversal of write down)/write down of inventories	存貨(撇減撥回)/撇減

15 存貨

- (a) 合併財務狀況表內的存貨包括：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

283,446	368,502
(6,248)	(10,564)
277,198	357,938

- (b) 於年內確認為開支並計入合併損益表內的存貨金額分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

4,444,047	6,029,862
(4,316)	2,514
4,439,731	6,032,376

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

16 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

16 應收／付客戶合同工程總額

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract costs incurred plus recognised profits less recognised losses in connection with construction contracts in progress at the end of the reporting period	報告期末就在建合同所產生的合同成本加已確認利潤減已確認虧損	37,879,281	45,502,659
Less: progress billings	減：進度款項	(34,743,553)	(41,794,177)
		3,135,728	3,708,482
Gross amount due from customers for contract work (Notes (i) and (ii))	應收客戶合同工程總額 (附註(i)及(ii))	4,027,183	4,998,142
Gross amount due to customers for contract work (Notes (iii) and (iv))	應付客戶合同工程總額 (附註(iii)及(iv))	(891,455)	(1,289,660)
		3,135,728	3,708,482

Notes:

- (i) All of the gross amount due from customers for contract work are expected to be billed within one year, and upon the billing, the amounts of RMB821.8 million as at 31 December 2017 (31 December 2016: RMB916.8 million) related to retentions receivable are expected to be recovered over one year.
- (ii) Included in the gross amount due from customers for contract work are amounts of RMB1.0 million at 31 December 2017 (31 December 2016: RMB23.0 million) due from the companies under the control of the Controlling Shareholder.
- (iii) Included in the gross amount due to customers for contract work are amounts of RMB16.5 million at 31 December 2017 (31 December 2016: RMB10.8 million) due to the companies under the control of the Controlling Shareholder.
- (iv) All of the gross amount due to customers for contract work are expected to be recognised as revenue within one year.

附註：

- (i) 所有應收客戶合同工程總額預期於一年內入賬，於入賬後，於2017年12月31日與應收客戶保留金有關的金額人民幣821.8百萬元(2016年12月31日：人民幣916.8百萬元)預期於一年後收回。
- (ii) 應收客戶合同工程總額包括於2017年12月31日的應收控股股東控制的公司款項人民幣1.0百萬元(2016年12月31日：人民幣23.0百萬元)。
- (iii) 應付客戶合同工程總額中包括於2017年12月31日應付控股股東控制的公司款項人民幣16.5百萬元(2016年12月31日：人民幣10.8百萬元)。
- (iv) 所有應付客戶合同工程總額預期於一年內確認為收入。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 TRADE AND BILLS RECEIVABLES

17 貿易應收款及應收票據

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables for contract work due from:	合同工程貿易應收款：		
– Third parties	– 第三方	4,272,751	3,816,663
– Companies under the control of the Controlling Shareholder	– 受控股股東控制的公司	185,586	155,660
		4,458,337	3,972,323
Bills receivable for contract work	合同工程應收票據	47,659	163,802
Trade receivables for sale of raw materials due from:	銷售原材料貿易應收款：		
– Third parties	– 第三方	2,302	1,532
– Companies under the control of the Controlling Shareholder	– 受控股股東控制的公司	1,870	1,631
		4,172	3,163
		4,510,168	4,139,288
Less: allowance for doubtful debts (Note 17(b))	減：呆賬撥備(附註17(b))	(1,474,974)	(1,029,606)
		3,035,194	3,109,682

At 31 December 2017, the amount of retentions receivable from customers included in trade and bills receivables (net of allowance for doubtful debts) is RMB1,062.6 million (31 December 2016: RMB1,144.1 million).

Except for retentions receivable (net of allowance for doubtful debts) of RMB454.7 million at 31 December 2017 (31 December 2016: RMB426.0 million), all of the remaining trade and bills receivables are expected to be recovered within one year.

於2017年12月31日，包括在貿易應收款及應收票據內的應收客戶保留金金額(扣除呆賬撥備)為人民幣1,062.6百萬元(2016年12月31日：人民幣1,144.1百萬元)。

除於2017年12月31日人民幣454.7百萬元(2016年12月31日：人民幣426.0百萬元)的應收保留金(扣除呆賬撥備)外，其餘所有貿易應收款及應收票據預期於一年內收回。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 TRADE AND BILLS RECEIVABLES (continued)

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contractual terms.

Retentions are withheld by customers up to a maximum amount calculated based on a prescribed percentage of the contract amount. Retention terms of one to five years after the completion of construction contracts may be granted to customers for retentions receivable, depending on the market practice of construction industries in countries where construction contracts are carried out and credit assessment carried out by management on an individual customer basis.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

Within 6 months	六個月內
More than 6 months but less than 1 year	超過六個月但少於一年
More than 1 year	超過一年

Details on the Group's credit policy are set out in Note 29(a).

17 貿易應收款及應收票據(續)

本集團通常要求客戶根據合約條款結算進度款項及應收保留金。

客戶以合同金額和約定比例計算的金額為限扣留保留金，視乎項目所在國家建築行業的市場情況及管理層按個別客戶基準進行的信貸評估而定，本集團可能會就應收保留金向客戶授予項目完工後一年至五年的質保期。

(a) 賬齡分析

於報告期末，貿易應收款及應收票據(扣除呆賬撥備)按發票日期的賬齡分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
933,087	853,991
202,024	316,762
1,900,083	1,938,929
3,035,194	3,109,682

本集團信貸政策的詳情載於附註29(a)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 TRADE AND BILLS RECEIVABLES (continued)

(b) Impairment of trade and bills receivables

Impairment loss in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly (see Note 2(k)(i)).

The movements in the allowance for doubtful debts account during the year are as follows:

At 1 January	於 1 月 1 日
Exchange adjustments	匯兌調整
Impairment loss recognised	已確認減值虧損
Impairment loss written back	已撥回減值虧損
At 31 December	於 12 月 31 日

At 31 December 2017, the Group's trade and bills receivables of RMB1,713.1 million (31 December 2016: RMB1,148.2 million) are individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management of the Group assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB1,475.0 million (31 December 2016: RMB1,029.6 million) are recognised. The Group does not hold any collateral over these balances.

17 貿易應收款及應收票據(續)

(b) 貿易應收款及應收票據的減值

貿易應收款及應收票據的減值虧損乃使用撥備賬入賬，除非本集團信納收回該款項的機會極微，並在此情況下減值虧損直接於貿易應收款及應收票據中撇銷(見附註2(k)(i))。

年內呆賬撥備變動如下：

2017	2016
2017 年	2016 年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,029,606	658,604
(17,470)	22,460
515,273	433,207
(52,435)	(84,665)
1,474,974	1,029,606

於2017年12月31日，本集團的貿易應收款及應收票據人民幣1,713.1百萬元(2016年12月31日：人民幣1,148.2百萬元)已個別釐定為減值。個別減值的應收款乃與出現財政困難的客戶有關，而本集團管理層評估預期無法收回有關應收款。因此，已確認特定呆賬撥備人民幣1,475.0百萬元(2016年12月31日：人民幣1,029.6百萬元)。本集團並無就該等結餘持有任何抵押品。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

17 TRADE AND BILLS RECEIVABLES (continued)

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired	並未逾期或減值
Less than 6 months past due	逾期六個月內
More than 6 months but less than 1 year past due	逾期超過六個月但少於一年
More than 1 year past due	逾期超過一年

Given the nature of the Group's business, except for retentions receivable under retention terms granted and bills receivable not yet matured, all remaining receivables are considered past due once billings have been made by the Group or the customers have not settled the billings within the credit terms granted, where applicable.

Receivables that were neither past due nor impaired relate to bills receivable from the issuing banks and retentions receivable within retention terms and from customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. These receivables mainly relate to construction projects either in progress or at final inspection stage. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

17 貿易應收款及應收票據(續)

(c) 並無出現減值之貿易應收款及應收票據

並無個別或合計出現減值之貿易應收款及應收票據賬齡分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
552,219	735,851
930,564	728,371
238,191	347,959
1,076,110	1,297,501
2,244,865	2,373,831
2,797,084	3,109,682

鑑於本集團業務性質，除在質保期內的應收保留金及應收尚未到期的票據外，一旦款項已由本集團作出或客戶並未根據授出信貸條款(如適用)償還款項，則所有餘下應收款乃視作逾期。

既未逾期亦未減值之應收款與發鈔銀行的應收票據及應收並無近期拖欠記錄的客戶且仍在質保期內之保留金有關。

已逾期但並無減值之應收款與多名客戶有關，該等客戶在本集團具有擁有良好之往績記錄。該等應收款主要關於在建或最後驗收階段的工程項目。根據過往經驗，由於信貸質素並無重大變動，且該等結餘仍被視為可悉數收回，故管理層相信毋須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

18 按金、預付款及其他應收款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments for purchase of inventories (Note (i))	購買存貨預付款(附註(i))	246,891	219,090
Prepayments and deposits for operating leases	經營租賃預付款及按金	15,458	13,314
Prepayment for miscellaneous taxes	雜稅預付款	29,448	19,016
Deposits for construction contracts' bidding and performance (Note (iii))	建築合同投標及履約按金(附註(ii))	115,521	182,852
Deposits for purchase of forward aluminium contracts	購買遠期鋁錠合約按金	5,513	1,013
Other deposits	其他按金	44,889	45,310
Receivable for disposal of property, plant and equipment and land use rights	出售物業、廠房及設備及土地使用權應收款	75,784	24,976
Derivative financial instruments:	衍生金融工具：		
– held as cash flow hedging instruments (Notes 29(d)(i)&(e))	– 持作現金流量對沖工具(附註29(d)(i)及(e))	1,638	13,270
– other derivatives (Notes 29(d)(ii) & (e))	– 其他衍生工具(附註29(d)(ii)及(e))	54,517	38,966
Amounts due from the Controlling Shareholder and the companies under his control (Note (iii))	應收控股股東及受其控制的公司款項(附註(iii))	18,111	17,338
Amounts due from non-controlling interests of the Group (Note (iii))	應收本集團非控股權益款項(附註(iii))	2,671	2,709
Others	其他	58,478	62,493
		668,919	640,347
Less: allowance for doubtful debts (Note 18(a))	減：呆賬撥備(附註18(a))	(5,077)	(5,077)
		663,842	635,270

Notes:

- (i) Included in the balance are prepayments of RMB3.8 million at 31 December 2017 (31 December 2016: RMB3.8 million) made to the companies under the control of the Controlling Shareholder.
- (ii) The balance represented deposits placed with customers for contracts' bidding and performance of contracts in progress. The deposits will be released to the Group upon the completion of the related bidding and contract work, where applicable.

附註：

- (i) 該結餘包括於2017年12月31日人民幣3.8百萬元(2016年12月31日：人民幣3.8百萬元)的向受控股股東控制的公司作出的預付款。
- (ii) 該結餘指就在建合同的合同投標及履約向客戶支付的按金。該等按金將於相關投標及合同工程(如適用)完工後發回本集團。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (iii) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Except for amounts of RMB10.6 million at 31 December 2017 (31 December 2016: RMB14.2 million), all of the remaining deposits, prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

(a) Impairment of deposits, prepayments and other receivables

Impairment losses in respect of deposits, prepayments and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against deposits, prepayments and other receivables directly (see Note 2(k)(i)).

At 31 December 2017, the Group's deposits, prepayments and other receivables of RMB5.1 million (31 December 2016: RMB5.1 million) are individually determined to be impaired. The individually impaired deposits, prepayments and other receivables related to debtors that were in financial difficulties. Consequently, specific allowances for doubtful debts of RMB5.1 million (31 December 2016: RMB5.1 million) are recognised. The Group does not hold any collateral over these balances.

18 按金、預付款及其他應收款(續)

附註：(續)

- (iii) 該等款項為無抵押、免息且無固定還款期。

除於2017年12月31日的金額人民幣10.6百萬元(2016年12月31日：人民幣14.2百萬元)外，其餘所有按金、預付款及其他應收款預期將於一年內收回或確認為開支。

(a) 按金、預付款及其他應收款的減值

按金、預付款及其他應收款的減值虧損已使用撥備賬入賬，除非本集團信納收回該款項的機會極微，並在此情況下，減值虧損直接與按金、預付款及其他應收款撇銷(見附註2(k)(i))。

於2017年12月31日，本集團的按金、預付款及其他應收款人民幣5.1百萬元(2016年12月31日：人民幣5.1百萬元)已個別釐定為減值。個別減值的按金、預付款及其他應收款乃與出現財政困難的債務人有關。因此，已確認特定呆賬撥備人民幣5.1百萬元(2016年12月31日：人民幣5.1百萬元)。本集團並無就該等結餘持有任何抵押品。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

19 CASH ON HAND AND IN BANK AND OTHER CASH FLOW INFORMATION

(a) Cash on hand and in bank comprise:

Cash on hand and in bank	手頭現金及銀行存款
Time deposits with banks	銀行定期存款
Cash on hand and in bank	手頭現金及銀行存款
Less: restricted deposits to secure the performance and retentions of construction contracts	減：作為建築合同履約及保留金抵押的受限制存款
Cash and cash equivalents in the consolidated cash flow statement	合併現金流量表中的現金及現金等價物

The Group's business operations in mainland China are conducted in RMB. RMB is not a freely convertible currency and the remittance of funds out of mainland China is subject to the exchange restrictions imposed by the PRC government.

19 手頭現金及銀行存款及其他現金流資料

(a) 手頭現金及銀行存款包括：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,708,772	2,355,194
96,819	7,500
1,805,591	2,362,694
(96,819)	—
1,708,772	2,362,694

本集團的中國內地業務以人民幣計值。人民幣乃不可自由兌換的貨幣，匯出中國內地的資金受中國政府實施的外匯管制所規限。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)19 CASH ON HAND AND IN BANK AND OTHER CASH
FLOW INFORMATION (continued)19 手頭現金及銀行存款及其他現金流
資料(續)

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動產生的負債之對賬

		Advances due to the Controlling Shareholder of the Company and his subsidiaries	Bank loans	墊付本公司 控股股東及其 附屬公司款項	Interest payable	Total
			RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note 23)	(Note 22)	(Note 22)	
			(附註 23)	(附註 22)	(附註 22)	
At 1 January 2017	於2017年1月1日		3,560,000	3,290	4,102	3,567,392
Changes from financing cash flows:	融資現金流量產生 的變動：					
Proceeds from new bank loans	新增銀行貸款所得款項		3,605,551	-	-	3,605,551
Repayment of bank loans	償還銀行貸款		(4,222,000)	-	-	(4,222,000)
Net decrease in advances received from the Controlling Shareholder of the Company and his subsidiaries	收取本公司控股股東 及其附屬公司墊款 淨減少		-	(219)	-	(219)
Borrowing costs paid	已付借貸成本		-	-	(170,970)	(170,970)
Total changes from financing cash flows	融資現金流量產 的變動總額		(616,449)	(219)	(170,970)	(787,638)
Other changes:	其他變動：					
Total borrowing costs (Note 6(a))	借貸成本總額 (附註 6(a))		-	-	169,804	169,804
At 31 December 2017	於2017年12月31日		2,943,551	3,071	2,936	2,949,558

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

20 TRADE AND BILLS PAYABLES

20 貿易應付款及應付票據

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables for purchase of inventories due to:	應付以下的購買存貨		
	貿易應付款：		
– Third parties	– 第三方	1,746,425	2,016,540
– Companies under the control of the Controlling Shareholder	– 受控股股東控制的公司	4,268	5,172
		1,750,693	2,021,712
Trade payables due to sub-contractors	應付分包商貿易應付款	831,117	882,928
Bills payable	應付票據	733,048	1,176,341
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	3,314,858	4,080,981

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

所有貿易應付款及應付票據預期於一年內清償或須按要求償還。

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the maturity date, is as follows:

於報告期末，貿易應付款及應付票據按到期日的賬齡分析如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month or on demand	一個月內或按要求	2,724,867	3,080,302
More than 1 month but less than 3 months	超過一個月但少於三個月	193,096	713,044
More than 3 months	超過三個月	396,895	287,635
		3,314,858	4,080,981

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

21 RECEIPTS IN ADVANCE

21 預收款項

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Receipts in advance for contract work 合同工程預收款項	16,282	19,444

Receipts in advance represented advances received from customers for which the related construction work has not been commenced as of the end of the reporting period.

All of the receipts in advance are expected to be recognised as revenue within one year.

預收款項指就於報告期末仍未展開的相關建築工程已收客戶的墊款。

所有預收款項預期於一年內確認為收入。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

22 ACCRUED EXPENSES AND OTHER PAYABLES

22 應計開支及其他應付款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Payables for staff related costs	應付員工相關成本	122,152	233,606
Payables for transportation and insurance expenses	應付運輸及保險開支	37,404	39,610
Payables for interest expenses	應付利息開支	2,936	4,102
Payables for construction and purchase of property, plant and equipment and land use rights	建築及購買物業、 廠房及設備及 土地使用權應付款	39,073	39,565
Deposits from sub-contractors	分包商支付的按金	38,078	59,824
Deposits from suppliers for contracts' bidding and performance	供應商支付的合同投標 及履約按金	244,571	235,609
Amounts due to the Controlling Shareholder and the companies under his control (Note (i))	應付控股股東及受其控制的 公司的款項(附註(i))	3,071	3,290
Others	其他	38,158	27,025
Financial liabilities measured at amortised cost	按攤銷成本計量的 金融負債	525,443	642,631
Payables for miscellaneous taxes	應付雜稅	34,995	7,937
Derivative financial instruments:	衍生金融工具：		
– held as cash flow hedging instruments (Notes 29(d)(i) & (e))	– 持作現金流量對沖的 工具(附註29(d)(i)及(e))	13	24,954
– other derivatives (Notes 29(d)(ii) & (e))	– 其他衍生工具 (附註29(d)(ii)及(e))	6,332	41,802
Provision for outstanding legal claims	未償付法律索償撥備	25,023	21,649
		591,806	738,973

Note:

- (i) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Except for amounts of RMB4.1 million at 31 December 2017 (31 December 2016: RMB5.8 million), all of the accrued expenses and other payables are expected to be settled or recognised in profit or loss within one year or are repayable on demand.

附註：

- (i) 該款項屬無抵押、不計息及無固定還款期。

除於2017年12月31日的人民幣4.1百萬元(2016年12月31日：人民幣5.8百萬元)的金額外，所有應計開支及其他應付款預期將於一年內清償或於損益表確認或按要求償還。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

23 BANK LOANS

- (a) The Group's short-term bank loans are analysed as follows:

Secured by property, plant and equipment and land use rights of the Group (Note 23(c))	以本集團的物業、廠房及設備以及土地使用權作抵押(附註23(c))
Guaranteed by a company under the control of the Controlling Shareholder	由受控股股東控制的公司擔保
Secured by property, plant and equipment and land use rights of and guaranteed by a company under the control of the Controlling Shareholder	由受控股股東控制的公司的物業、廠房及設備及土地使用權作抵押及由受控股股東控制的公司擔保
Unguaranteed and unsecured	無擔保及無抵押
Add: current portion of long-term bank loans (Note 23(b))	加：長期銀行貸款的即期部分(附註23(b))

23 銀行貸款

- (a) 本集團的短期銀行貸款分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

300,000	667,000
1,032,000	1,243,000
400,000	—
250,000	1,350,000
1,982,000	3,260,000
240,000	300,000
2,222,000	3,560,000

- (b) The Group's long-term bank loans are analysed as follows:

Secured by property, plant and equipment and land use rights of the Group (Note 23(c))	以本集團的物業、廠房及設備以及土地使用權作抵押(附註23(c))
Less: current portion of long-term bank loans (Note 23(a))	減：長期銀行貸款的即期部分(附註23(a))

- (b) 本集團的長期銀行貸款分析如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

961,551	300,000
(240,000)	(300,000)
721,551	—

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

23 BANK LOANS (continued)

- (b) The Group's long-term bank loans are analysed as follows: (continued)

The Group's long-term bank loans are repayable as follows:

Within 1 year or on demand	一年內或按要求
After 1 year but within 2 years	一年後但兩年內
After 2 years but within 3 years	兩年後但三年內

- (c) At 31 December 2017, the aggregate carrying value of the property, plant and equipment and land use rights pledged for the Group's bank loans is RMB1,050.9 million (31 December 2016: RMB661.5 million).
- (d) At 31 December 2017, the Group's banking facilities amounted to RMB2,991.6 million (31 December 2016: RMB3,830.0 million) were utilised to the extent of RMB2,943.6 million (31 December 2016: RMB3,280.0 million).
- (e) Certain of the Group's bank loans are subject to the fulfillment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 29(b). At 31 December 2017, none of the covenants relating to the bank loans had been breached (31 December 2016: None).

23 銀行貸款(續)

- (b) 本集團的長期銀行貸款分析如下：(續)

本集團的長期銀行貸款的還款情況如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
240,000	300,000
480,000	—
241,551	—
961,551	300,000

- (c) 於2017年12月31日，就本集團的銀行貸款已抵押的物業、廠房及設備以及土地使用權的總賬面值為人民幣1,050.9百萬元(2016年12月31日：人民幣661.5百萬元)。
- (d) 於2017年12月31日，本集團的銀行融資為人民幣2,991.6百萬元(2016年12月31日：人民幣3,830.0百萬元)，已動用人民幣2,943.6百萬元(2016年12月31日：人民幣3,280.0百萬元)。
- (e) 本集團的若干銀行貸款一般須達成與金融機構訂立的貸款安排中的契諾後方可作實。如本集團違反契諾，則須應要求償還貸款。本集團定期監管是否遵守有關契諾。本集團管理流動資金風險的進一步詳情載於附註29(b)。於2017年12月31日，概無違反任何與銀行貸款有關的契諾(2016年12月31日：無)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 10 April 2013 (the “Adoption Date”), the directors of the Company adopted a share award scheme (the “Share Award Scheme”) as a mean of rewarding and retaining certain employees of the Group and to attract suitable personnel for further development with the Group. A trust has been set up for the purpose of administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the trust may purchase shares in the Company from the Stock Exchange with cash contributed by the Group, and to hold such shares until they are vested.

The directors of the Company may, from time to time, at its sole and absolute discretion, select any employee of the Group (other than those classes of employees specifically excluded as stated in the Share Award Scheme) for participation in the Share Award Scheme and grant such number of awarded shares to any selected employee of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued service within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the directors of the Company.

24 以股本結算交易

於2013年4月10日(「採納日期」)，本公司董事採納一項股份獎勵計劃(「股份獎勵計劃」)，作為獎勵及留聘本集團若干僱員，以及為本集團進一步發展吸引合適人員。已為管理股份獎勵計劃成立信託。

根據股份獎勵計劃，該信託可以使用本集團提供的現金，於聯交所購買本公司股份，以及持有該等股份直至該等股份被歸屬為止。

本公司董事可不時決定酌情甄選本集團任何僱員(股份獎勵計劃注明不包括的該等類別僱員除外)參加股份獎勵計劃，以及無償向任何經甄選本集團僱員授出有關數目的獎勵股份。本公司董事有權就歸屬獎勵股份施加任何條件(包括於獎勵後繼續服務本集團的期間)。

股份獎勵計劃於採納日期生效，以及將於以下較早者終止：(i)採納日期的第十個週年當日；及(ii)本公司董事所決定提早終止的日期。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

24 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

Details of the shares held under the Share Award Scheme are set out below:

		2017		2016	
		2017年		2016年	
		No. of shares	Value	No. of shares	Value
		股份數目	價值	股份數目	價值
		'000	RMB'000	'000	RMB'000
		千股	人民幣千元	千股	人民幣千元
At 1 January and 31 December	於1月1日及12月31日	587	210	587	210

For the year ended 31 December 2017 and 2016, no ordinary shares held under the Share Award Scheme were awarded to or vested by any employee of the Group.

股份獎勵計劃持有的股份詳情如下：

截至2017年及2016年12月31日止年度，概無根據股份獎勵計劃持有的普通股授予本集團僱員或歸屬。

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Movements of current taxation in the consolidated statement of financial position are as follows:

		2017		2016	
		2017年		2016年	
		RMB'000		RMB'000	
		人民幣千元		人民幣千元	
Income tax payable at 1 January	於1月1日的應付所得稅	205,086		229,214	
Exchange adjustments	匯兌調整	1,841		1,748	
Provision for income tax on the estimated taxable profits for the year (Note 7(a))	年內估計應課稅利潤的所得稅撥備 (附註7(a))	32,364		63,537	
Income tax paid during the year	年內已付所得稅	(27,763)		(89,413)	
Income tax payable at 31 December	於12月31日的應付所得稅	211,528		205,086	

25 合併財務狀況表內的所得稅

(a) 合併財務狀況表內的即期稅項變動如下：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)25 INCOME TAX IN THE CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (continued)

25 合併財務狀況表內的所得稅(續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延稅項資產及負債：

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

於合併財務狀況表確認的遞延稅項資產及負債的組成部分及年內變動如下：

		Depreciation allowances in excess of the related depreciation, and government grants and related depreciation	Unused tax losses	Write down of inventories	Impairment loss on trade and other receivables	Provision for warranties and legal claims	Remeasurement of the fair value of derivative financial instruments	Total
		超過有關折舊的折舊免稅額，未動用以及政府補貼稅項虧損	折舊的折舊免稅額，未動用以及政府補貼稅項虧損	存貨撇減	貿易及其他應收款的減值虧損	法律索償撥備	重新計量的公允價值的公允價值	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	109,174	35,352	2,013	131,643	55,095	4,314	337,591
Exchange adjustments (Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	匯兌調整 於合併損益表中(扣除)/計入(附註7(a))	4,534	-	-	(137)	200	-	4,597
Charged to reserves (Note 10(b))	於儲備扣除(附註10(b))	(35,498)	(7,516)	629	81,940	11,067	2,338	52,960
At 31 December 2016	於2016年12月31日	-	-	-	-	-	(3,020)	(3,020)
		78,210	27,836	2,642	213,446	66,362	3,632	392,128
Exchange adjustments (Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	匯兌調整 於合併損益表中(扣除)/計入(附註7(a))	1,422	-	-	(145)	443	-	1,720
Charged to reserves (Note 10(b))	於儲備計入(附註10(b))	(44,410)	(6,237)	(1,079)	117,721	1,714	(7,888)	59,821
At 31 December 2017	於2017年12月31日	-	-	-	-	-	(3,328)	(3,328)
		35,222	21,599	1,563	331,022	68,519	(7,584)	450,341

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

- (c) Reconciliation of deferred tax assets and liabilities recognised in the consolidated statement of financial position:

Deferred tax assets recognised in the consolidated statement of financial position	於合併財務狀況表內 確認的遞延稅項資產
Deferred tax liabilities recognised in the consolidated statement of financial position	於合併財務狀況表內 確認的遞延稅項負債

- (d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of unused tax losses and deductible temporary differences arising from certain subsidiaries of the Group of RMB806.4 million at 31 December 2017 (31 December 2016: RMB1,056.2 million), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Except for the amount of RMB416.1 million which will not expire under the relevant tax legislation, the remaining unused tax losses at 31 December 2017 will expire on or before 31 December 2037.

- (e) Deferred tax liabilities not recognised

At 31 December 2017, temporary differences relating to the retained profits of the Group's subsidiaries established in the PRC amounted to RMB2,733.1 million (31 December 2016: RMB2,889.6 million), of which no deferred tax liabilities in respect of the tax that would be payable on the distribution of these profits was provided as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

25 合併財務狀況表內的所得稅(續)

- (c) 合併財務狀況表內確認的遞延稅項資產及負債的對賬：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

454,312 396,655

(3,971) (4,527)

450,341 392,128

- (d) 未確認遞延稅項資產

根據附註2(s)所載的會計政策，本集團並未就2017年12月31日自本集團若干附屬公司產生的未動用稅項虧損及可扣減暫時差額人民幣806.4百萬元(2016年12月31日：人民幣1,056.2百萬元)確認遞延稅項資產，原因是有關稅務司法權區及實體於未來不可能有應課稅利潤用以抵銷可動用的虧損。除人民幣416.1百萬元不會在有關稅務法律下屆滿，餘下於2017年12月31日的未動用稅務虧損將於2037年12月31日或以前屆滿。

- (e) 未確認遞延稅項負債

於2017年12月31日，有關本集團於中國成立的附屬公司的保留利潤的暫時差額為人民幣2,733.1百萬元(2016年12月31日：人民幣2,889.6百萬元)，其中概無就有關分派該等利潤應付稅項的遞延稅項負債作出撥備，原因是本公司控制此等附屬公司的股息政策，而其已釐定該等利潤可能不會於可見未來作分派。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

26 PROVISION FOR WARRANTIES

26 保修撥備

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	273,429	223,279
Exchange adjustments	匯兌調整	741	(6,442)
Additional provisions made	已計提額外撥備	91,196	104,765
Provisions utilised	已動用撥備	(55,971)	(48,173)
At 31 December	於12月31日	309,395	273,429
Less: amounts included as current liabilities at the end of the reporting period	減：報告期末包括在流動負債內的金額	(52,277)	(42,671)
		257,118	230,758

Under the terms of the Group's construction contracts with its customers, the Group will rectify any defects arising within one to five years from the date of completion of the construction contracts, as required by industry regulations in respective jurisdictions and depending on the terms negotiated with each customer. Provision is therefore made for the best estimate of the expected settlement under these construction contracts in respect of construction contracts completed within one to five years prior to the end of the reporting period. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable.

根據本集團與其客戶訂立的建築合同條款，本集團將會根據於各司法權區的行業規例所規定及視乎與各客戶磋商之條款，修正任何於建築合同完工的日期起一至五年內產生的缺陷。因此，撥備乃就報告期末前一至五年內完成的建築合同而根據該等建築合同的預期結算額的最佳估計而計提。撥備金額計及本集團近期的申索經驗，並僅於有可能出現保修申索時計提。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

27 資本、儲備及股息

(a) 權益組成部分的變動

本集團的合併權益各組成部分的期初及期終結餘的對賬載於合併權益變動表中。年初至年終期間本公司的個別權益組成部分的變動詳情載列如下：

		Share capital	Share premium	Shares held under share award scheme 根據股份獎勵計劃所持股份	Exchange reserve 匯兌儲備	Accumulated loss 累計虧損	Total 總計
		RMB'000 人民幣千元 (Note 27(c)) (附註27(c))	RMB'000 人民幣千元 (Note 27(d)(i)) (附註27(d)(i))	RMB'000 人民幣千元 (Note 27(d)(ii)) (附註27(d)(ii))	RMB'000 人民幣千元 (Note 27(d)(v)) (附註27(d)(v))	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日之結餘	519,723	574,047	(210)	(28,463)	(56,242)	1,008,855
Changes in equity for 2016:	2016年之權益變動：						
Loss for the year	年內虧損	-	-	-	-	(3,149)	(3,149)
Other comprehensive income	其他全面收益	-	-	-	65,287	-	65,287
Total comprehensive income	全面收益總額	-	-	-	65,287	(3,149)	62,138
At 31 December 2016	於2016年12月31日之結餘	519,723	574,047	(210)	36,824	(59,391)	1,070,993
At 1 January 2017	於2017年1月1日	519,723	574,047	(210)	36,824	(59,391)	1,070,993
Changes in equity for 2017:	2017年之權益變動：						
Loss for the year	年內虧損	-	-	-	-	(16,399)	(16,399)
Other comprehensive income	其他全面收益	-	-	-	(64,538)	-	(64,538)
Total comprehensive income	全面收益總額	-	-	-	(64,538)	(16,399)	(80,937)
At 31 December 2017	於2017年12月31日之結餘	519,723	574,047	(210)	(27,714)	(75,790)	990,056

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS (continued)

27 資本、儲備及股息(續)

(b) Dividends

(b) 股息

- (i) Dividends payable to equity shareholders of the Company attributable to the year

- (i) 歸屬於年內的應付本公司股東股息

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2017 (2016: HK\$Nil).

本公司董事建議不派付截至2017年12月31日止年度的股息(2016年：零港元)。

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

- (ii) 歸屬於上一財政年度的應付本公司股東股息，已於本年度批准及派付

No final dividend in respect of the previous financial year has been approved during the year ended 31 December 2017 (2016: HK\$Nil).

於截至2017年12月31日並無批准有關上一財政年度的末期股息(2016年：零港元)。

(c) Share capital

(c) 股本

- (i) Issued share capital:

- (i) 已發行股本：

		2017		2016	
		2017年		2016年	
		No. of shares		No. of shares	
		股份數目		股份數目	
		'000	RMB'000	'000	RMB'000
		千股	人民幣千元	千股	人民幣千元
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：				
At 1 January and 31 December	於1月1日及12月31日	6,208,734	519,723	6,208,734	519,723

- (ii) At 31 December 2017, 587,000 ordinary shares are held by the Company under the Share Award Scheme (31 December 2016: 587,000 ordinary shares) (see Note 24).

- (ii) 於2017年12月31日，本公司根據股份獎勵計劃持有587,000股普通股(2016年12月31日：587,000股普通股)(見附註24)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

(ii) Shares held under share award scheme

The amount represents the consideration paid for shares held under the Share Award Scheme.

(iii) Other reserve

The other reserve represents (i) the aggregate carrying value of non-controlling interests acquired by the Group in excess of the total considerations paid; (ii) the surplus/deficit of the carrying values of the controlling equity interests in subsidiaries under common control disposed of over the considerations received; (iii) the difference between the carrying values of the controlling equity interests in subsidiaries acquired and the considerations paid under the Group's reorganisation completed in 2010; and (iv) the difference between the carrying value of the net assets acquired and the consideration paid for the acquisition of a business under common control in 2012.

27 資本、儲備及股息(續)

(d) 儲備的性質及目的

(i) 股份溢價

動用股份溢價賬受開曼群島公司法第22章(1961年第三項法例，經綜合及修訂)第34條監管。

(ii) 根據股份獎勵計劃持有股份

該款項為根據股份獎勵計劃持有股份支付的代價。

(iii) 其他儲備

其他儲備指(i)本集團所收購的非控股權益總額超過已付總代價的數額；(ii)已出售受共同控制附屬公司的控股股權的賬面值較已收代價的盈餘／虧絀；(iii)所收購附屬公司的控股股權賬面值與根據本集團於2010年完成重組支付的代價之間的差異；及(iv)於2012年收購受共同控制業務所收購淨資產賬面值與支付代價之間的差異。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS (continued)

27 資本、儲備及股息(續)

(d) Nature and purpose of reserves (continued)

(d) 儲備的性質及目的(續)

(iv) PRC statutory reserves**(iv) 中國法定儲備**

In accordance with the articles of association of the subsidiaries of the Group established in the PRC, these subsidiaries are required to set up certain statutory reserves, which are non-distributable. The appropriation to these reserves is at discretion of the directors of the respective subsidiaries. The PRC statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

根據本集團於中國成立的附屬公司的組織章程細則，該等附屬公司須設立若干不可分派的法定儲備。向該等儲備的分配由各附屬公司的董事酌情決定。中國法定儲備僅可用作經相關機關批准的預先釐定用途。

In addition, pursuant to the relevant PRC regulations, with effect on 1 January 2012, a reserve for production safety is required to be set up and to be appropriated at a fixed rate on the revenue of the subsidiaries of the Group established in the PRC. The reserve can be utilised for expenses or capital expenditures incurred in connection with production safety.

此外，根據自2012年1月1日起生效的相關中國法規，本集團於中國成立的附屬公司須撥付按營業額的固定比例設立安全生產儲備。該儲備可用作支付有關安全生產而產生的開支或資本開支。

(v) Exchange reserve**(v) 匯兌儲備**

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations into the presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(v).

匯兌儲備包括換算海外業務財務報表為呈列貨幣所產生的外匯差額。該儲備乃根據附註2(v)所載的會計政策處理。

(vi) Hedging reserve**(vi) 對沖儲備**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges in accordance with the accounting policy adopted for cash flow hedges in Note 2(g).

對沖儲備包括用作有待根據附註2(g)內就現金流量對沖所採納的會計政策的現金流量對沖所用對沖工具的公允價值的累計淨變動的有效部分。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS (continued)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as total debt (which includes bank loans and trade and bills payables) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

During 2017, the Group's strategy was to maintain the adjusted net debt-to-capital ratio at an acceptable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares, return capital to equity shareholders, raise new debt financing or sell assets to reduce debt.

27 資本、儲備及股息(續)

(e) 資本管理

本集團管理資本的主要目標為保障本集團繼續持續經營的能力，致使其可透過使產品及服務的定價與風險水平一致及透過按合理成本取得融資繼續為股東提供回報及為其他利益相關者提供利益。

本集團積極及定期檢討及管理其資本結構，以維持以較高借貸水平可能取得的較高股東回報與穩健資本狀況提供的優勢及保障之間取得平衡，並就經濟狀況的變動對資本結構作出調整。

本集團按經調整淨債務與資本比率為基準監督其資本結構。就此而言，本集團界定經調整淨債務為總債務(其中包括銀行貸款以及貿易應付款及應付票據)加非累計擬派股息，減現金及現金等價物。經調整資本包括所有權益的組成部分減非累計擬派股息，惟就現金流量對沖而於權益中確認的金額除外。

於2017年，本集團的政策為嘗試維持經調整淨債務與資本比率於可接受水平。為維持或調整該項比率，本集團可能會調整派付予股東的股息金額、發行新股份、退回資本予股東、籌措新債務融資或出售資產以減少債務。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

27 CAPITAL, RESERVES AND DIVIDENDS (continued)

27 資本、儲備及股息(續)

(e) Capital management (continued)

(e) 資本管理(續)

The Group's adjusted net debt-to-capital ratio at 31 December 2017 and 2016 was as follows:

於2017年及2016年12月31日的本集團經調整淨債務與資本比率如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current liabilities:	流動負債：		
Trade and bills payables	貿易應付款及應付票據	3,314,858	4,080,981
Bank loans	銀行貸款	2,222,000	3,560,000
		5,536,858	7,640,981
Non-current liabilities:	非流動負債：		
Bank loans	銀行貸款	721,551	-
Total debt	總債務	6,258,409	7,640,981
Less: cash on hand and in bank	減：手頭現金及銀行存款	(1,805,591)	(2,362,694)
Adjusted net debt	經調整淨債務	4,452,818	5,278,287
Total equity	總權益	3,198,266	3,007,653
Less: hedging reserve	減：對沖儲備	(1,221)	8,760
Adjusted capital	經調整資本	3,197,045	3,016,413
Adjusted net debt-to-capital ratio	經調整淨債務與資本比率	139%	175%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司或其任何附屬公司概無受外部施加的資本規定限制。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

28 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the material related party transactions entered into by the Group during the year are set out below.

(a) Transactions with the Controlling Shareholder and the companies under his control

Revenue from contract work	合同工程收入	
Purchase of raw materials	購買原材料	
Net increase in non-interest bearing advances received from related parties	從關聯方收取的不計息墊款增加淨額	

Further details on guarantees provided by a related party for the Group's bank loans are disclosed in Note 23(a).

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in Note 8, is as follows:

Short-term employee benefits	短期僱員福利	
Retirement schemes contributions	退休計劃供款	

Total remuneration is included in "staff costs" (see Note 6(b)).

28 重大關聯方交易

除於此等財務報表其他部分披露的交易及結餘外，本集團於年內訂立的重重大關聯方交易載列如下。

(a) 與控股股東及受其控制的公司的交易

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

	223	179
	1,277	2,611
	1,125	-

一名關聯方就本集團銀行貸款提供的擔保的進一步詳情於附註23(a)披露。

(b) 主要管理人員薪酬

本集團主要管理人員的薪酬，包括向附註8披露的本公司董事支付的款項如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

	8,246	1,960
	241	205
	8,487	2,165

薪酬總額包含於「員工成本」(見附註6(b))。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to gross amount due from customers for contract work, trade and other receivables and derivative financial instruments entered into for hedging purposes. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of the gross amount due from customers for contract work and trade and other receivables other than derivative financial instruments, individual credit evaluations are performed on all customers and debtors. These evaluations focus on the customer's and debtor's past history of making payments when due and current ability to pay, and take into account information specific to the customers and debtors as well as pertaining to the economic environment in which the customers and debtors operate. The Group generally requires customers and debtors to settle progress billings and retentions receivable in accordance with contracted terms and other debts in accordance with agreements. Trade receivables for contract work are considered past due once billings have been made. Retention terms of one to five years may be granted to customers and debtors for retentions receivable. Normally, the Group does not obtain collateral from customers and debtors. The Group entered into a credit insurance scheme with an insurance company to insure against the recoverability of certain trade receivables arising from the Group's overseas construction contracts. At 31 December 2017, 1.0% (31 December 2016: 10.7%) of trade and bills receivables are insured under this credit insurance scheme.

29 財務風險管理及金融工具的公允價值

本集團承受於日常業務過程中產生的信貸、流動資金、利率及貨幣風險。

下文載述本集團承受的該等風險及本集團使用以管理該等風險的財務風險管理政策及慣例。

(a) 信貸風險

本集團的信貸風險主要來自應收客戶合同工程總額、貿易及其他應收款及用作對沖的衍生金融工具。管理層已訂有信貸政策，並按持續基準監督該等信貸風險。

就應收客戶合同工程總額以及貿易及其他應收款(衍生金融工具除外)而言，個別信貸評估乃對所有客戶及債務人進行。該等評估集中於客戶及債務人支付到期款項的過往記錄及現時的付款能力，並考慮有關客戶及債務人及與客戶及債務人經營所在經濟環境有關的特定資料。本集團一般會規定客戶及債務人根據合同條款清償進度款項及根據協議清償其他債務。一旦作出款項，則合同工程應收款視作逾期。本集團可能會向客戶及債務人授予一年至五年的保留金期限。一般而言，本集團並無自客戶及債務人取得抵押品。本集團與信貸保險公司訂立信貸保險計劃，以保障可收回本集團海外工程合約的若干貿易應收款。於2017年12月31日，1.0%(2016年12月31日：10.7%)的貿易應收款及應收票據受此信貸保險計劃保障。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Transactions involving derivative financial instruments are entered into with either banks or recognised futures exchange in the PRC, and with whom the Group has signed settlement arrangements. Given the high credit standing of the banks and futures exchange in the PRC, the management of the Group does not expect any counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer or debtor rather than the industry or country in which the customers and debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers and debtors. At 31 December 2017 and 2016, there are no significant concentrations of credit risk through exposure to individual customers.

Except for the financial guarantees given by the Group as set out in Note 31(a), the Group does not provide any other guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's gross exposure to credit risk arising from gross amount due from customers for contract work and trade and other receivables are set out in Notes 16, 17 and 18.

29 財務風險管理及金融工具的公允價值(續)

(a) 信貸風險(續)

涉及衍生金融工具的交易乃與在中國的銀行或獲認可的期貨交易所訂立，而本集團已與其簽署結算協議。鑒於中國的銀行及期貨交易所的高度信貸評級，本集團管理層預期不會有任何交易對手方無法完成其責任。

本集團承受的信貸風險主要受到各客戶及債務人的個別特性，而非客戶及債務人經營所在的行業或國家影響，故重大集中信貸風險主要在本集團承受個別客戶及債務人的重大風險時產生。於2017年及2016年12月31日，並無面臨個別客戶的重大信貸集中風險。

除附註31(a)所載由本集團提供的財務擔保外，本集團並無提供任何其他致令本集團承受信貸風險的擔保。

有關本集團對從就應收客戶合同工程總額以及貿易及其他應收款產生的信貸風險的進一步量化披露載於附註16、17及18。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest dates the Group can be required to pay:

29 財務風險管理及金融工具的公允價值(續)

(b) 流動資金風險

本集團集中管理財務部門，包括現金盈餘的短期投資及籌措貸款滿足預期現金需求。本集團的政策為定期監察其流動資金需要及其遵守借貸契諾的情況，以確保其維持充裕現金儲備及從主要金融機構取得充裕的承諾融資額度，以滿足其短期及長期流動資金需要。

下表詳述於本集團非衍生金融負債及衍生金融負債於報告期間結算日的餘下合同到期日，乃基於合同非貼現現金流量(包括使用合同利率計算的利息款項或(倘屬浮動利率)按各報告期間結算日的現行利率)及本集團需要付款的最早日期得出：

		2017				
		2017年				
		Contractual undiscounted cash outflow				
		合同未貼現現金流出				
		More than 1 year but less than 2 years	More than 2 years but less than 3 years		Carrying amount at 31 December	
		Within 1 year or on demand	1 year but less than 2 years	More than 2 years but less than 3 years	Total	
		一年內 或應要求	超過一年 但少於兩年	超過兩年 但少於三年	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Trade and bills payables	貿易應付款及應付票據	3,314,858	-	-	3,314,858	3,314,858
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計 開支及其他應付款	525,443	-	-	525,443	525,443
Bank loans	銀行貸款	2,293,866	497,594	244,559	3,036,019	2,943,551

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

**29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)**
**29 財務風險管理及金融工具的公允價
值(續)**

(b) Liquidity risk (continued)

(b) 流動資金風險(續)

		2017 2017年			
		Contractual undiscounted cash (outflow)/inflow 合同未貼現現金(流出)/流入			
		Within 1 year or on demand 一年內 或應要求 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但少於兩年 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但少於五年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivatives settled gross:	已結算衍生工具總額：				
Forward foreign exchange contracts held as cash flow hedging instruments (Note 29(d)(i)):	持作現金流量對沖工具的 遠期外匯合約 (附註29(d)(i))：				
- outflow	— 流出	(47,855)	-	-	(47,855)
- inflow	— 流入	49,508	-	-	49,508
Other forward foreign exchange contracts (Note 29(d)(ii)):	其他遠期外匯合約 (附註29(d)(ii))：				
- outflow	— 流出	(1,243,184)	(596,282)	(286,240)	(2,125,706)
- inflow	— 流入	1,285,575	603,436	285,816	2,174,827

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(b) Liquidity risk (continued)

(b) 流動資金風險(續)

		2016 2016年	
		Contractual undiscounted cash outflow within 1 year or on demand	Carrying amount at 31 December
		一年內或應 要求的合同未 貼現現金流出 RMB'000 人民幣千元	於12月31日 的賬面值 RMB'000 人民幣千元
Trade and bills payables	貿易應付款及應付票據	4,080,981	4,080,981
Accrued expenses and other payables measured at amortised cost	按攤銷成本計量的應計 開支及其他應付款	642,631	642,631
Bank loans	銀行貸款	3,634,556	3,560,000
		<u>8,358,168</u>	<u>8,283,612</u>

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(b) Liquidity risk (continued)

(b) 流動資金風險(續)

		2016			
		2016年			
		Contractual undiscounted cash (outflow)/inflow			
		合同未貼現現金(流出)/流入			
		More than	More than		
		1 year but	2 year but		
		less than	less than		
		2 years	5 years		
		超過一年	超過兩年		Total
		但少於兩年	但少於五年		總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Derivatives settled gross:	已結算衍生工具總額：				
Forward foreign exchange	持作現金流量對沖工具的				
contracts held as cash	遠期外匯合約				
flow hedging instruments	(附註29(d)(i))：				
(Note 29(d)(i)):					
- outflow	— 流出	(422,044)	(39,628)	-	(461,672)
- inflow	— 流入	408,821	41,093	-	449,914
Other forward foreign	其他遠期外匯合約				
exchange contracts	(附註29(d)(ii))：				
(Note 29(d)(ii)):					
- outflow	— 流出	(1,309,411)	(474,955)	(59,821)	(1,844,187)
- inflow	— 流入	1,299,514	480,873	61,331	1,841,718

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(c) Interest rate risk

(c) 利率風險

The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

本集團的利率風險主要來自計息借貸。按浮動利率及固定利率發出的借貸分別令本集團承受現金流量利率風險及公允價值利率風險。

(i) Interest rate profile

(i) 利率結構

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

下表詳述本集團借貸於報告期末的利率結構：

		2017 2017年		2016 2016年	
		Effective interest rate 實際利率		Effective interest rate 實際利率	
		%	RMB'000 人民幣千元	%	RMB'000 人民幣千元
Fixed rate borrowings:	固定利率借貸：				
Bank loans	銀行貸款	4.19%	1,872,000	4.17%	2,260,000
Variable rate borrowings:	浮動利率借貸：				
Bank loans	銀行貸款	4.04%	1,071,551	4.11%	1,300,000
Total borrowings	借貸總額		2,943,551		3,560,000
Fixed rate borrowings as a percentage of total borrowings	固定利率借貸佔借貸 總額百分比		64%		63%

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and the Group's retained profits of approximately RMB9.1 million (2016: approximately RMB11.1 million).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those non-derivative financial instruments held by the Group which expose the Group to cash flow interest rate risk at the end of the reporting period. The impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expenses of such a change in interest rates. The sensitivity analysis is performed on the same basis for 2016.

29 財務風險管理及金融工具的公允價值(續)

(c) 利率風險(續)

(ii) 敏感度分析

於2017年12月31日，估計倘利率整體增加／減少100個基點，而所有其他可變因素維持不變，本集團的稅後利潤及本集團保留利潤會分別減少／增加約人民幣9.1百萬元(2016年：約人民幣11.1百萬元)。

上文的敏感度分析顯示本集團的稅後利潤及保留利潤的即時變動，假設利率的變動已於報告期末出現且已應用以重新計量本集團持有且令本集團於報告期末承受現金流量利率風險的非衍生金融工具。對本集團的稅後利潤及保留利潤的影響乃作為有關利率變動對利率開支的年度化影響予以估計。敏感度分析乃按與2016年相同的基準進行。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)**29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)****(d) Currency risk**

The Group is exposed to currency risk primarily through revenue from and costs incurred for contract work, purchases of imported materials which give rise to receivables, payables, inter-company payables and receivables within the Group, and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, Euro, SGD, AUD, GBP, CHF, Japanese Yen (“JPY”), Indonesia Rupiah (“IDR”), CAD, RMB, HK\$, Qatar Riyal (“QAR”), Vietnamese Dong (“VND”) and RUB.

A significant portion of the Group’s business is overseas construction contracts, and these contracts are generally settled in currencies other than RMB. The Group uses forward foreign exchange contracts to minimise its exposure to currency risk arising therefrom.

(i) Forecast transactions

The Group hedges portion of its estimated foreign currency exposure in respect of highly probable forecast revenue from overseas construction contracts.

The Group uses forward foreign exchange contracts to hedge its currency risk and classifies these as cash flow hedges. At 31 December 2017, RMB49.5 million (31 December 2016: RMB408.8 million) of the forward foreign exchange contracts have maturities of less than one year after the end of the reporting period, and RMBNil (31 December 2016: RMB41.1 million) of the forward foreign exchange contracts have maturities of more than one year after the end of the reporting period.

29 財務風險管理及金融工具的公允價值(續)**(d) 貨幣風險**

本集團主要通過產生以有關交易相關的業務的功能貨幣以外的貨幣計值的應收款、應付款、本集團內公司間應付款及應收款及現金結餘的合同工程收入、購買進口材料產生的成本承受貨幣風險。產生此項風險的貨幣主要為美元、歐元、新加坡元、澳元、英鎊、瑞士法郎、日元(「日元」)、印尼盧比(「印尼盧比」)、加拿大元、人民幣、港元、卡塔爾利雅(「卡塔爾利雅」)、越南盾(「越南盾」)及盧布。

本集團業務的重大部分為海外建築合同，而該等合同一般以人民幣以外的貨幣結算。本集團使用遠期外匯合約，藉以盡量減低其承受的貨幣風險。

(i) 預測交易

本集團就可能性極高的海外建築工程合同預測收入對沖其部分估計外幣風險。

本集團使用遠期外匯合同對沖其貨幣風險並分類其為現金流量對沖。於2017年12月31日，人民幣49.5百萬元(2016年12月31日：人民幣408.8百萬元)的遠期外匯合約的到期日為報告期末後少於一年，而為數人民幣零元(2016年12月31日：人民幣41.1百萬元)的遠期外匯合約的到期日為報告期末後超過一年。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(i) Forecast transactions (continued)

At 31 December 2017, the Group had forward foreign exchange contracts hedging forecast transactions with a net fair value of RMB1.6 million (31 December 2016: a net negative fair value of RMB11.7 million) recognised as derivative financial instruments.

(ii) Recognised assets and liabilities

Change in the fair value of forward foreign exchange contracts that economically hedge monetary assets and liabilities denominated in foreign currencies is recognised in profit or loss (see Note 6(a)). At 31 December 2017, the net fair value of forward foreign exchange contracts used by the Group as economic hedges of monetary assets and liabilities denominated in foreign currencies was a gain of RMB48.2 million (31 December 2016: a loss of RMB2.8 million) recognised as derivative financial instruments.

In respect of the remaining receivables and payables denominated in currencies other than the functional currency of the entity to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

29 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(i) 預測交易(續)

於2017年12月31日，本集團淨公允價值為人民幣1.6百萬元(2016年12月31日：淨公允負價值人民幣11.7百萬元)的對沖預測交易的遠期外匯合約已確認為衍生金融工具。

(ii) 已確認資產及負債

在經濟上對沖以外幣計值的貨幣資產及負債的遠期外匯合同的公允價值變動乃確認為損益(見附註6(a))。於2017年12月31日，本集團使用作以外幣計值的貨幣資產及負債的經濟對沖的遠期外匯合約的淨公允價值收益為人民幣48.2百萬元(2016年12月31日：虧損人民幣2.8百萬元)，乃確認為衍生金融工具。

就以與實體有關的功能貨幣以外的貨幣計值的其餘應收款及應付款而言，本集團通過在有需要時按現貨價購買或出售外幣以處理短期不平衡情況，確保淨風險乃維持於可接納水平。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iii) Exposure to currency risk

The following tables detail the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

29 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(iii) 承受的貨幣風險

下表詳述本集團於報告期末承受與實體有關的功能貨幣以外貨幣計值的已確認資產或負債產生的貨幣風險。就呈列而言，涉及風險的金額乃以人民幣列示，使用於報告期末的現貨匯率換算，並不包括換算海外業務的財務報表為本集團的呈列貨幣產生的差額。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iii) Exposure to currency risk (continued)

(iii) 承受的貨幣風險(續)

		2017 2017年													
		USD	Euro	SGD	AUD	GBP	CHF	JPY	IDR	CAD	RMB	HK\$	QAR	VND	RUB
		美元	歐元	新加坡元	澳元	英鎊	瑞士法郎	日元	印尼盧比	加拿大元	人民幣	港元	利雅	越南盾	盧布
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Gross amount due from customers for contract work	應收客戶合同工程總額	11,441	-	396	-	-	-	-	-	-	-	-	-	-	-
Trade and bills receivables	貿易應收款及應收票據	834,651	23,815	57,609	295,619	112,120	67,349	6,599	16,182	15,077	-	96,243	17,832	34,595	22,768
Deposits, prepayments and other receivables	按金、預付款及其他應收款	162,636	7,032	590	1,701	11,005	175,557	6,601	-	113	-	311,137	-	-	-
Cash on hand and in bank	手頭現金及銀行存款	123,727	845	71	407	712	-	-	-	192	114	-	-	-	-
Trade and bills payables	貿易應付款及應付票據	(87,852)	-	-	-	(30)	-	-	-	-	-	(22)	-	-	-
Accrued expenses and other payables	應計開支及其他應付款	(166,086)	-	-	-	-	(2,953)	-	-	-	(1,033,319)	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	878,517	31,692	58,666	297,727	123,807	239,953	13,200	16,182	15,382	(1,033,205)	407,358	17,832	34,595	22,768
Notional amounts of forward foreign exchange contracts used as economic hedges	用作經濟對沖的遠期外匯合約名義金額	(219,612)	(20,924)	(58,005)	(42,231)	(112,120)	(38,280)	-	-	-	-	-	-	-	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險淨額	658,905	10,768	661	255,496	11,687	201,673	13,200	16,182	15,382	(1,033,205)	407,358	17,832	34,595	22,768

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iii) Exposure to currency risk (continued)

(iii) 承受的貨幣風險(續)

		2016													
		2016年													
		USD	Euro	SGD	AUD	GBP	CHF	KWD	BHD	CAD	RMB	HK\$	QAR	VND	MYR
		美元	歐元	新加坡元	澳元	英鎊	瑞士法郎	第納爾	第納爾	加拿大元	人民幣	港元	利雅	越南盾	令吉
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣	人民幣
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Gross amount due from customers for contract work	應收客戶合同工程總額	3,006	-	22,139	29	-	-	-	-	502	-	-	-	-	-
Trade and bills receivables	貿易應收款及應收票據	1,011,645	53,139	143,858	338,732	343,948	63,600	7,860	14,307	37,512	-	102,993	18,786	78,404	27,457
Deposits, prepayments and other receivables	按金、預付款及其他應收款	190,369	-	-	-	10,667	177,846	-	-	-	-	222,149	-	-	-
Cash on hand and in bank	手頭現金及銀行存款	155,743	13,318	24,005	148	312	-	-	-	11,049	114	-	-	-	-
Trade and bills payables	貿易應付款及應付票據	(226,049)	(7,655)	-	-	(30)	(2,932)	-	-	(23)	-	(24)	-	-	-
Accrued expenses and other payables	應計開支及其他應付款	(143,990)	-	-	-	(133,878)	-	-	-	-	(1,054,285)	-	-	-	-
Gross exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額	990,724	58,802	190,002	338,909	221,019	238,514	7,860	14,307	49,040	(1,054,171)	325,118	18,786	78,404	27,457
Notional amounts of forward foreign exchange contracts used as economic hedges	用作經濟對沖的遠期外匯合約名義金額	(171,729)	(29,068)	(3,978)	(45,881)	(159,182)	-	-	-	-	-	-	-	-	(1,672)
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險淨額	818,995	29,734	186,024	293,028	61,837	238,514	7,860	14,307	49,040	(1,054,171)	325,118	18,786	78,404	25,785

(iv) Sensitivity analysis

(iv) 敏感度分析

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

下表顯示倘本集團於報告期末承受重大風險的外幣匯率於該日期有所變動，假設所有其他可變風險因素維持不變，本集團的稅後利潤及保留利潤的即時變動。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)29 財務風險管理及金融工具的公允價
值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iv) Sensitivity analysis (continued)

(iv) 敏感度分析(續)

		2017 2017年		2016 2016年	
		Increase/ Increase/ (decrease) in in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and in retained profits 稅後利潤 及保留利潤 增加/(減少)	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and retained profits 稅後利潤 及保留利潤 增加/(減少)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
USD	美元	10%	55,403	10%	70,883
		(10%)	(55,403)	(10%)	(70,883)
Euro	歐元	10%	917	10%	2,527
		(10%)	(917)	(10%)	(2,527)
SGD	新加坡元	5%	28	10%	15,812
		(5%)	(28)	(10%)	(15,812)
AUD	澳元	10%	21,717	15%	37,361
		(10%)	(21,717)	(15%)	(37,361)
GBP	英鎊	10%	1,001	15%	7,883
		(10%)	(1,001)	(15%)	(7,883)
CHF	瑞士法郎	10%	17,142	10%	20,274
		(10%)	(17,142)	(10%)	(20,274)
JPY	日元	10%	1,122	不適用	不適用
		(10%)	(1,122)	不適用	不適用
IDR	印尼盧比	10%	1,375	不適用	不適用
		(10%)	(1,375)	不適用	不適用
CAD	加拿大元	5%	654	15%	6,253
		(5%)	(654)	(15%)	(6,253)
RMB	人民幣	10%	(103,321)	10%	(88,784)
		(10%)	103,321	(10%)	88,784
HK\$	港元	10%	36,179	10%	27,635
		(10%)	(36,179)	(10%)	(27,635)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES
OF FINANCIAL INSTRUMENTS (continued)

29 財務風險管理及金融工具的公允價值(續)

(d) Currency risk (continued)

(d) 貨幣風險(續)

(iv) Sensitivity analysis (continued)

(iv) 敏感度分析(續)

		2017 2017年		2016 2016年	
		Increase/ Increase/ (decrease) in (decrease) in in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and in retained profits 稅後利潤 及保留利潤 增加/(減少)	Increase/ (decrease) in in foreign exchange rates 外幣匯率 上升/(下降)	Increase/ (decrease) in profit after tax and retained profits 稅後利潤 及保留利潤 增加/(減少)
		RMB'000 人民幣千元		RMB'000 人民幣千元	
QAR	卡塔爾利雅	10%	1,516	10%	2,011
		(10%)	(1,516)	(10%)	(2,011)
VND	越南盾	10%	2,941	5%	3,332
		(10%)	(2,941)	(5%)	(3,332)
RUB	盧布	20%	3,870	35%	6,653
		(20%)	(3,870)	(35%)	(6,653)
KWD	科威特第納爾	不適用	不適用	10%	668
		不適用	不適用	(10%)	(668)
BHD	巴林第納爾	不適用	不適用	10%	1,216
		不適用	不適用	(10%)	(1,216)
MYR	馬來西亞令吉	不適用	不適用	10%	2,192
		不適用	不適用	(10%)	(2,192)

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iv) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after tax and retained profits measured in their respective functional currencies, translated into RMB at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The sensitivity analysis is performed on the same basis for 2016.

29 財務風險管理及金融工具的公允價值(續)

(d) 貨幣風險(續)

(iv) 敏感度分析(續)

上表呈列的分析結果指合併各本集團實體以各自的功能貨幣計量的稅後利潤／虧損及保留利潤的即時影響，乃按報告期末適用的匯率換算為人民幣，以供呈列用途。

敏感度分析假設已應用外幣匯率的變動以重新計量本集團持有而令本集團於報告期末承受外幣風險的金融工具，包括以貸款人或借款人的功能貨幣以外的貨幣計值的本集團公司間應付款及應收款。分析不包括自換算海外業務的財務報表為本集團的呈列貨幣而產生的差額。敏感度分析乃按與2016年相同的基準進行。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

29 財務風險管理及金融工具的公允價值(續)

(e) 公允價值計量

(i) 按公允價值計量的金融資產及負債

公允價值層級

下表載列根據國際財務報告準則第13號公允價值計量，定期於報告期結算日計量本集團金融工具之公允價值分類為三個公允價值層級。參考按估值方法所輸入數據的可觀察性及重要性作以下級別釐定：

- 第1層估值：僅使用第1層輸入數據（即計量日期當日相同資產或負債活躍市場上的未經調整報價）計量的公允價值。
- 第2層估值：使用第2層輸入數據（即不符合第1層標準的可觀察數據）計量的公允價值，且不會使用重大不可觀察輸入數據。不可觀察輸入數據為未能取得市場數據的輸入數據。
- 第3層估值：使用重大不可觀察輸入數據計量的公允價值。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Recurring fair value measurements:

經常公允價值計量：

Assets

Derivative financial instruments: 衍生金融工具：
– Forward foreign exchange contracts 一 遠期外匯合約

Liabilities

Derivative financial instruments: 衍生金融工具：
– Forward foreign exchange contracts 一 遠期外匯合約

During the year ended 31 December 2017, there were no transfers between Level 1 and Level 2. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward foreign exchange contracts in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the PRC government yield curve as at the end of the reporting period plus an adequate constant credit spread.

29 財務風險管理及金融工具的公允價值(續)

(e) 公允價值計量(續)

(i) 按公允價值計量的金融資產及負債(續)

Fair value measurements categorised into Level 2

分類為第2層的公允價值計量

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元

56,155 52,236

6,345 66,756

於截至2017年12月31日止年度，概無於第1層與第2層之間的轉撥。本集團的政策為在公允價值於發生層級間轉撥的報告期末對其進行確認。

於第2層的公允價值計量所用的估值技術及輸入數據

遠期外匯合約的公允價值(第2層)是通過貼現合同遠期期貨價格及扣除現貨匯率計算。貼現率乃自於報告期末中國政府孳息曲線加足夠信貸差異產生。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)**29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS** (continued)**29 財務風險管理及金融工具的公允價值** (續)

(e) Fair value measurement (continued)

(e) 公允價值計量(續)

(ii) Fair value of financial assets and liabilities carried at other than fair value**(ii) 並非按公允價值列賬的金融資產及負債的公允價值**

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2017 and 2016.

於2017年及2016年12月31日，本集團按成本或攤銷成本列賬的金融工具賬面值與其公允價值並無重大差異。

30 COMMITMENTS**30 承擔**

(a) Capital commitments

(a) 資本承擔

At 31 December 2017, the outstanding capital commitments of the Group not provided for in the consolidated financial statements were as follows:

於2017年12月31日，於合併財務報表中並未撥備之本集團未償還資本承擔如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Commitments in respect of buildings, machinery and equipment	就土地及樓宇，以及機器及設備的承擔		
– Contracted for	– 已訂約	12,612	6,923
– Authorised but not contracted for	– 已授權但未訂約	15,547	23,600
		28,159	30,523

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

30 COMMITMENTS (continued)

(b) Operating lease commitments

At 31 December 2017, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The Group leases certain plant, buildings, motor vehicles and other equipment under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent lease rentals.

31 CONTINGENT LIABILITIES

(a) Guarantees issued

At 31 December 2017, the Group has issued the following guarantees:

Guarantees for construction contracts' bidding, performance and retentions	建築合同投標、履約及保留金的擔保
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30 承擔(續)

(b) 經營租賃承擔

於2017年12月31日，本集團根據不可撤銷經營租賃應付的未來最低租金總額如下：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
4,625	2,688
547	671
5,172	3,359

本集團根據經營租賃而租賃若干廠房、樓宇、汽車及其他設備。該等租賃一般初步為期1至5年，並附有選擇權在重新磋商所有條款時重續租賃。概無租賃包含或然租金。

31 或然負債

(a) 已發出擔保

於2017年12月31日，本集團已發出下列擔保：

2017	2016
2017年	2016年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,780,253	2,156,126

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 CONTINGENT LIABILITIES (continued)

(a) Guarantees issued (continued)

As of the end of the reporting period, the directors of the Company do not consider it probable that a claim in excess of the provision for warranties provided by the Group will be made against the Group under any of the guarantees. The maximum liability of the Group as of the end of the reporting period under the guarantees issued is the amount disclosed above.

(b) Contingent liabilities in respect of legal claims

- (i) In December 2009, Shenyang Yuanda and Yuanda India, both wholly owned subsidiaries of the Group, jointly received a notice that they are being sued by a former sub-contractor in India in respect of Shenyang Yuanda's and Yuanda India's non-performance of the terms as stipulated in the sub-contract agreement entered into between Shenyang Yuanda and this former sub-contractor. Shenyang Yuanda has made a counterclaim against this sub-contractor for non-performance of the sub-contract agreement. On 30 September 2016, a first instance court judgement has been rendered in favour of Shenyang Yuanda and Yuanda India and pursuant to which the former sub-contractor shall pay to Shenyang Yuanda and Yuanda India damages in the amount of INR81.8 million (equivalent to approximately RMB8.4 million) plus accrued interest.

31 或然負債(續)

(a) 已發出擔保(續)

於報告期末，本公司董事認為將不可能出現根據任何擔保對本集團提出超過本集團所提供的保修撥備的申索。本集團於報告期末根據已發出擔保的最高責任為上文所披露的金額。

(b) 有關法律申索的或然負債

- (i) 於2009年12月，本集團兩家全資附屬公司沈陽遠大及印度遠大共同接獲通知，指彼等被印度的前分包商就瀋陽遠大及印度遠大不履行瀋陽遠大與此前分包商訂立的分包協議所訂明的條款提出起訴。瀋陽遠大亦已就此分包商未有履行分包商協議提出反申索。於2016年9月30日，原訟法庭已判瀋陽遠大及印度遠大勝訴及根據該判決，此前分包商須向瀋陽遠大及印度遠大支付損失金額81.8百萬印度盧比(約等於人民幣8.4百萬元)加應計利息。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims (continued)

(i) (continued)

The former sub-contractor and Shenyang Yuanda and Yuanda India later on filed appeals and as at the date of these financial statements, the lawsuit is under reviewed before the Hon'ble High Court of Delhi. If Shenyang Yuanda and Yuanda India are found to be liable, the total expected monetary compensation may amount to approximately INR1,410.8 million (equivalent to approximately RMB143.9 million) plus accrued interest. Shenyang Yuanda and Yuanda India deny any liability in respect of the appeal filed by the former sub-contractor and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Shenyang Yuanda and/or Yuanda India. No provision has therefore been made in respect of this claim.

- (ii) In November 2014, Yuanda Canada, a wholly owned subsidiary of the Group, received a notice that it is being counterclaimed by a contractor in Canada alleging damages due to additional costs incurred for project delays caused by Yuanda Canada and costs incurred in completing and rectifying Yuanda Canada's work. This counterclaim is derived from a claim registered by Yuanda Canada against the contractor in respect of its non-payment of CAD2.9 million (equivalent to approximately RMB15.1 million) for the value of work performed by Yuanda Canada. If Yuanda Canada is found to be liable, the total expected monetary compensation may amount to approximately CAD13.5 million (equivalent to approximately RMB70.2 million) plus accrued interest. Yuanda Canada continues to deny any liability in respect of the counterclaim and, based on legal advice, the directors of the Company do not believe it is probable that the court will find against Yuanda Canada. No provision had therefore been made in respect of this claim.

31 或然負債(續)

(b) 有關法律申索的或然負債(續)

(i) (續)

此前分包商與瀋陽遠大及印度遠大其後提出上訴，而於該等財務報表日期，訴訟正於德里Hon'ble高等法院審理。倘瀋陽遠大及印度遠大被裁定須負上責任，預期金錢補償總額可能約達1,410.8百萬印度盧比(約等於人民幣143.9百萬元)加應計利息。瀋陽遠大及印度遠大否認有關此前分包商的提出的上訴，而根據法律意見，本公司董事並不相信法庭會判決瀋陽遠大及／或印度遠大敗訴，故並無就此項申索計提撥備。

- (ii) 於2014年11月，本集團全資附屬公司加拿大遠大接獲通知，指其被加拿大一個總包商反申索，指控損害乃由於加拿大遠大使工程延誤所產生的額外成本及因完成並矯正加拿大遠大工程所產生的成本。反申索乃源於加拿大遠大就總包商因加拿大遠大所作工作的價值而未付款項2.9百萬加幣(約等於約人民幣15.1百萬元)所提出的申索引起。倘加拿大遠大被裁定須負上責任，預期金錢補償總額可能約13.5百萬加幣(約等於約人民幣70.2百萬元)另加應計利息。加拿大遠大繼續否認有關反申索的任何責任，並且根據法律意見，本公司董事並不相信法院會判加拿大遠大敗訴，故並無就此項申索計提撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims (continued)

- (iii) On 20 April 2016, Yuanda Russia, a wholly-owned subsidiary of the Group, initiated an arbitration proceeding against Rasen Stroy LLC (“Rasen Stroy”), a contractor of Yuanda Russia, in the arbitration tribunal in Moscow to demand payment of the outstanding construction payable of USD6.5 million (equivalent to approximately RMB42.5 million) and apply for a protection order in relation to letters of guarantee issued by Yuanda Russia to Rasen Stroy. Rasen Stroy filed a counterclaim against Yuanda Russia on 27 July 2016 claiming for USD37.4 million (equivalent to approximately RMB244.4 million).

In respect of Yuanda Russia’s claim, on 9 September 2016, the arbitration tribunal in Moscow ruled that Rasen Stroy shall make payment of an outstanding construction payable of USD2.8 million (equivalent to approximately RMB18.3 million) to Yuanda Russia and Yuanda Russia’s application for a protection order in relation to the letters of guarantee was dismissed. In respect of Rasen Stroy’s counterclaim, on 5 October 2016, the arbitration tribunal in Moscow ruled in favour of Rasen Stroy and that Yuanda Russia shall pay 50% of the amount Rasen Stroy claimed for, which is USD18.7 million (equivalent to approximately RMB122.2 million).

31 或然負債(續)

(b) 有關法律申索的或然負債(續)

- (iii) 於2016年4月20日，本集團全資附屬公司遠大俄羅斯於莫斯科仲裁法庭向遠大俄羅斯的承包商 Rasen Stroy LLC (「Rasen Stroy」) 提出仲裁訴訟，要求支付未付建築應付款項6.5百萬美元(約等於人民幣42.5百萬元)，並申請有關由遠大俄羅斯向 Rasen Stroy 發出的保函的保護令。Rasen Stroy 於2016年7月27日向遠大俄羅斯提出反申訴，反索賠金額37.4百萬美元(約等於人民幣244.4百萬元)。

就遠大俄羅斯的索賠而言，於2016年9月9日，莫斯科仲裁法庭裁定 Rasen Stroy 須向遠大俄羅斯支付應付的建築未付金額2.8百萬美元(約等於人民幣18.3百萬元)，而遠大俄羅斯就保函的保護令提出申請遭駁回。就 Rasen Stroy 的反申索而言，於2016年10月5日，莫斯科仲裁法庭裁定 Rasen Stroy 勝訴，而遠大俄羅斯須支付 Rasen Stroy 申索金額的50%，即18.7百萬美元(約等於人民幣122.2百萬元)。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims (continued)

(iii) (continued)

Yuanda Russia disagrees with the above ruling and filed an appeal against the ruling. The appeal by Yuanda Russia was dismissed by the relevant tribunal and the ruling that Yuanda Russia shall pay 50% of the amount Rasen Stroy claimed for was maintained. Yuanda Russia later on filed a second appeal. On 2 May 2017, the arbitration tribunal in Moscow ruled in favour of Rasen Stroy and that the claimed amount Yuanda Russia is liable for was reduced to USD3.4 million (equivalent to approximately RMB22.1 million). In June 2017, Yuanda Russia and Rasen Stroy both filed further appeals. In August 2017, the arbitration tribunal in Moscow rejected the further appeals of Rasen Stroy. As at the date of these financial statements, Yuanda Russia continues to deny any liability in respect of Rasen Stroy's counterclaim and, based on legal advice and taking into account of Yuanda Russia's financial position as at the end of the reporting period, the directors of the Company do not believe Yuanda Russia will incur material losses in connection with this lawsuit, no provision has therefore been made in respect of this lawsuit.

31 或然負債(續)

(b) 有關法律申索的或然負債(續)

(iii) (續)

遠大俄羅斯不同意上述裁定，並針對上述裁定提出上訴。遠大俄羅斯提起的上訴被相關仲裁法庭駁回，維持遠大俄羅斯須支付Rasen Stroy申索金額50%的判決。遠大俄羅斯之後再次提交上訴申請。於2017年5月2日，莫斯科仲裁法庭裁定Rasen Stroy勝訴及遠大俄羅斯申索金額減至3.4百萬美元(約等於人民幣22.1百萬元)。於2017年6月，遠大俄羅斯及Rasen Stroy均提出進一步上訴。於2017年8月，莫斯科仲裁法庭拒絕Rasen Stroy的進一步上訴。於該等財務報表日期，遠大俄羅斯繼續否認有關Rasen Stroy反申索的任何責任，並且根據法律意見及考慮到遠大俄羅斯於報告期末的財務狀況，本公司董事並不相信遠大俄羅斯會因為該訴訟產生重大損失，故並無就此項訴訟計提撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

31 CONTINGENT LIABILITIES (continued)

(b) Contingent liabilities in respect of legal claims (continued)

- (iv) In addition to the lawsuits mentioned in Notes 31(b)(i) to 31(b)(iii), certain subsidiaries of the Group are named defendants on other lawsuits or arbitrations in respect of construction work carried out by them. As at the date of these financial statements, these lawsuits and arbitrations are under reviewed before courts or arbitrators. If these subsidiaries are found to be liable, the total expected monetary compensation may amount to approximately RMB245.5 million, the Group's bank deposits of RMB17.8 million at 31 December 2017 was frozen by courts for certain of these lawsuits. Based on legal advices, the directors of the Company do not believe it is probable that the courts or arbitrators will find against these subsidiaries of the Group on these lawsuits and arbitrations.

(c) Contingent compensation payable

In July 2016, it was reported that certain construction materials supplied by the Group was found to contain asbestos in two construction projects in Australia. The Group is cooperating with relevant authorities on investigation into the reason for the reported cases. As at the date of these financial statements, asbestos was not found in other projects constructed by the Group and there was no related legal action against the Group in Australia. As the investigation is yet to be completed and claims against the Group from contractors have not been quantified, the directors of the Company cannot reliably estimate the repair cost and potential compensation for projects found with asbestos. No provision in this regard has therefore been made.

31 或然負債(續)

(b) 有關法律申索的或然負債(續)

- (iv) 除於附註31(b)(i)至31(b)(iii)所述的訴訟外，本集團若干附屬公司被指為有關建築工程的其他訴訟或仲裁的被告人。於該等財務報表日期，上述訴訟及仲裁正由法院及仲裁員審理。倘該等附屬公司被裁定須負上責任，預期金錢補償總額可能約達人民幣245.5百萬元。於2017年12月31日，本集團因若干訴訟被法院凍結的銀行存款約為人民幣17.8百萬元。根據法律意見，本公司董事並不相信該等法院或仲裁員會就該等訴訟及仲裁判決本集團的該等附屬公司敗訴。

(c) 應付或然補償

於2016年7月，據報告，本集團供應的澳洲兩個建築項目的若干建築材料被發現含有石棉。本集團正與有關機構合作調查所報告案件的原因。於該等財務報表日期，於本集團建造的其他項目中並未發現石棉且於澳洲國內並無針對本集團的相關法律行動。由於調查尚未完成及總包商對本集團提起的申索尚未量化，本公司董事不能可靠估計被發現含有石棉的項目的維修成本及潛在補償。因此，並無就此作出撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

32 公司層面的財務狀況報表

		2017	2016
		2017年	2016年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的投資	2,000,019	42,071
Current assets	流動資產		
Prepayments and other receivables	預付款及其他應收款	628	1,909,066
Cash on hand and in bank	手頭現金及銀行存款	1,558	1,558
		2,186	1,910,624
Current liabilities	流動負債		
Accrued expenses and other payables	應計開支及其他應付款	1,012,149	881,702
Net current (liabilities)/assets	流動(負債)/資產淨值	(1,009,963)	1,028,922
NET ASSETS	淨資產	990,056	1,070,993
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	519,723	519,723
Reserves	儲備	470,333	551,270
TOTAL EQUITY	總權益	990,056	1,070,993

Approved and authorised for issue by the board of directors on 29 March 2018.

董事會於2018年3月29日批准及授權發佈。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)**33 IMMEDIATE AND ULTIMATE HOLDING COMPANY**

The directors of the Company consider the immediate and ultimate holding company of the Company as at 31 December 2017 to be Best Outlook Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

33 直接及最終控股公司

本公司董事認為，本公司於2017年12月31日之直接及最終控股公司為佳境有限公司，其乃於英屬處女群島註冊成立。此實體並無編製可供公眾人士使用的財務報表。

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響

截至此等財務報表刊發日期，國際會計準則理事會已頒佈若干截至2017年12月31日止年度尚未生效的準則修訂、新訂準則及詮釋，其並未於此等財務報表內採納。該等新訂準則及準則修訂包括以下事項，且可能與本集團有關。

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

IFRS 9, <i>Financial instruments</i> 國際財務報告準則第9號， <i>金融工具</i>	1 January 2018 2018年1月1日
IFRS 15, <i>Revenue from contracts with customers</i> 國際財務報告準則第15號， <i>來自客戶合同之收入</i>	1 January 2018 2018年1月1日
Amendments to IFRS 2, <i>Share-based payment Classification and measurement of share-based payment transactions</i> 國際財務報告準則第2號之修訂， <i>股份支付：以股份為基礎的支付交易的分類及計量</i>	1 January 2018 2018年1月1日
IFRIC 22, <i>Foreign currency transactions and advance consideration</i> 國際財務報告詮釋委員會詮釋第22號， <i>外幣交易及預付代價</i>	1 January 2018 2018年1月1日
IFRIC 23, <i>Uncertainty over income tax treatments</i> 國際財務報告詮釋委員會詮釋第23號， <i>所得稅處理方法的不確定性</i>	1 January 2019 2019年1月1日
IFRS 16, <i>Leases</i> 國際財務報告準則第16號， <i>租賃</i>	1 January 2019 2019年1月1日
<i>Annual Improvements to IFRSs 2015–2017 cycle</i> 國際財務報告準則2015年至2017年週期的年度改進	1 January 2019 2019年1月1日

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below.

IFRS 9, Financial instruments

IFRS 9 will replace the current standard on accounting for financial instruments, IAS 39, *Financial instruments: Recognition and measurement*. IFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, IFRS 9 incorporates without substantive changes the requirements of IAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

本集團正評估該等準則修訂、新訂準則及詮釋在初步應用期所產生的影響。目前為止，本集團已識別新準則若干方面可能會對合併財務報表造成重大影響。預期影響的進一步詳情於下文討論。

國際財務報告準則第9號，金融工具

國際財務報告準則第9號將取代現行的金融工具會計處理準則，即國際會計準則第39號*金融工具：確認與計量*。國際財務報告準則第9號就金融資產的分類與計量提出新要求，包括金融資產減值計量及對沖會計方法。另一方面，國際財務報告準則第9號在未造成實質性變更的基礎上，整合國際會計準則第39條對金融工具的確認與終止確認和金融負債的分類及計量作出的要求。該等新要求預計將對本集團財務報表造成以下影響：

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 9, Financial instruments (continued)

(a) Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI) as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第9號，金融工具(續)

(a) 分類與計量

國際財務報告準則第9號將金融資產劃入下列三個主要範疇：(1)按攤銷成本計量，(2)按公允價值計量且計入損益(FVTPL)，及(3)按公允價值計量且計入其他全面收益(FVTOCI)的金融資產：

- 債務工具的分類基於實體管理金融資產的經營模式和該項資產的合同現金流量特徵進行確定。如一項債務工具被劃為按公允價值計量且計入其他全面收益，則將實際利率、減值和處置利潤／虧損在損益中確認。
- 對權益證券而言，無論實體採取何種經營模式，都應將其劃為按公允價值計量且計入損益的金融資產。除非該項資產為非持有待售金融資產，且該實體選擇不可撤銷的將其指定為按公允價值計量且計入其他全面收益的金融資產。如權益證券被劃為按公允價值計量且計入其他全面收益的金融資產，則只有股息收入於損益確認。預期相關的利潤、虧損和減值都將在其他全面收益中確認且不可轉回。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 9, Financial instruments (continued)

(a) Classification and measurement (continued)

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of IFRS 9.

The classification and measurement requirements for financial liabilities under IFRS 9 are largely unchanged from IAS 39, except that IFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group's financial liabilities designated at FVTPL are derivative financial instruments except for those designated as hedging instruments. The fair value change of these liabilities is not attributable to their own credit risk and therefore this new requirement may not have any impact on the Group on adoption of IFRS 9.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第9號，金融工具(續)

(a) 分類與計量(續)

根據初步的評估，本集團預計其目前按攤銷成本計量，及按公允價值計量且計入損益的金融資產將在採用國際財務報告準則第9號後延續各自的分類及計量方式。

國際財務報告準則第9號對金融負債的分類與計量要求與國際會計準則第39號大致相同。但國際財務報告準則第9號要求將按公允價值計量且計入損益的金融負債因其自身信用風險造成的公允價值變動確認為其他全面收益(不得重分類為損益)。指定為按公允價值計量且計入損益的本集團金融負債為衍生金融工具，惟該等指定為對沖工具則除外。由於該等金融負債的公允價值變動並非因其本身信貸風險而產生，因此，採用國際財務報告準則第9號的新要求將不會對本集團產生影響。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 9, Financial instruments (continued)

(b) Impairment

The new impairment model in IFRS 9 replaces the “incurred loss” model in IAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group’s trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

(c) Hedge accounting

IFRS 9 does not fundamentally change the requirements relating to measuring and recognising ineffectiveness under IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting. The Group preliminarily assesses that its current hedge relationships will qualify as continuing hedges upon the adoption of IFRS 9 and therefore it expects that the accounting for its hedging relationships will not be significantly impacted.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第9號，金融工具(續)

(b) 減值

國際財務報告準則第9號用「預期信用損失」模式取代國際會計準則第39號中的「已確認損失」。根據預期信用損失模式，毋須待虧損事件發生再確認減值虧損。相反，實體被要求根據資產的情況、已發生事實與情況確認及計量預期信用損失為12個月預期信用損失或永久預計信用損失。此新型減值模式可能使得本集團提前對貿易應收款及其他金融資產進行信用損失確認。然而，本集團需要對影響的程度進行進一步的詳細分析。

(c) 對沖會計處理

國際財務報告準則第9號未有對國際會計準則第39號計量與確認無效性相關的要求進行基本性的變更，但對各種對沖交易的會計處理增加了更多靈活性。本集團初步估計，採用國際財務報告準則第9號後，其目前的對沖關係將繼續保持，且相應的會計處理所受影響不大。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 15, Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. IFRS 15 will replace the existing revenue standards, IAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and IAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts.

The Group is currently assessing the impacts of adopting IFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which are likely to be affected:

(a) Satisfaction of performance obligations

The Group's revenue recognition policies are disclosed in Note 2(u). Currently, revenue arising from construction contracts is recognised over time, whereas revenue from the sale of goods and rendering of services is generally recognised when the risks and rewards of ownership have passed to the customers.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第15號，來自客戶合同之收入

國際財務報告準則第15號就確認來自客戶合同之收入制定一套全面框架。國際財務報告準則第15號將分別取代現有收入確認準則，國際會計準則第18號收入及國際會計準則第11號建造合同。前者涵蓋來自銷售貨品及提供服務的收入；後者則訂明建造合同收入的會計方法。

本集團現正評估採用國際財務報告準則第15號對財務報表的影響。根據初步評估，本集團發現以下方面可能會受到影響：

(a) 達成履約責任

本集團的收入確認政策已於附註2(u)中披露。目前，來自建築合同的收入於期間內確認，而來自銷售貨物及提供服務的收入一般於所有權的風險及回報轉移至客戶時確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 15, Revenue from contracts with customers (continued)

(a) Satisfaction of performance obligations (continued)

Under IFRS 15, revenue is recognised when the entity satisfies a performance obligation by transferring control of promised good or service to the customer. IFRS 15 identifies three situations in which an entity satisfies a performance obligation and recognises revenue over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第15號，來自客戶合同之收入(續)

(a) 達成履約責任(續)

根據國際財務報告準則第15號，收入於實體透過向客戶轉移已約定貨物或服務的控制權達成履約責任時確認。國際財務報告準則第15號確認實體達成履約責任及於期間內確認收入的三項情況：

- (i) 當客戶同時接收及使用由實體履約(由實體執行)所提供的利益時；
- (ii) 當實體履約創造或增加一項資產(例如在建工程)時，客戶同時控制所創造或增加的資產；
- (iii) 當實體履約並無創造對實體而言可替代使用的一項資產，且該實體對於迄今履約付款具有可強制執行權利時。

倘合同條款及實體活動並不屬於該三項情況中任何一項，則根據國際財務報告準則第15號，實體於單一時間點(即控制權轉移時)銷售該貨物或服務時確認收入。所有權風險及回報的轉移是確定何時發生控制權轉移時考慮的指標之一。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 15, Revenue from contracts with customers (continued)

(a) Satisfaction of performance obligations (continued)

Further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported by the Group in any given financial reporting period.

(b) Contract modifications

IFRS 15 introduces general guidance on contract modifications and other changes in transaction price. A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. The entity considers whether a contract modification should be accounted for as a separate contract. In the construction industry the Group operates, typically a contract modification does not add a distinct good or service to the existing contract and hence, under IFRS 15, such modification will not be accounted for as separate contract. This is similar to current practice under IAS 11.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第15號，來自客戶合同之收入(續)

(a) 達成履約責任(續)

本集團需要進一步分析，以確定此會計政策變動是否有可能對任何財務報告期間所呈報的金額產生重大影響。

(b) 合同修改

國際財務報告準則第15號就合同修改及其他交易價變動引入一般指引。合同修改為合同訂約方批准合同範圍或價格(或兩者)變更。實體考慮合同修改是否被視為獨立合同。於本集團營運所在的建築行業，合同修改一般並無加入與現有合同不同貨物或服務，因此，根據國際財務報告準則第15號，有關修改將不會被視為獨立合同。此與國際會計準則第11號項下現時慣例類似。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 15, Revenue from contracts with customers (continued)

(b) Contract modifications (continued)

Currently, when the outcome of a construction contract cannot be estimated reliably, the Group recognised revenue to the extent of contract costs incurred that it is probable will be recoverable. Under IFRS 15, contract modifications are required to be approved to be recognised. If a change in the scope of the contract has been approved where the corresponding price undetermined, the underlying variable consideration is estimated at either its expected value or most likely amount and is only permitted to be included in revenue to the extent that it is highly probable that the revenue will not reverse. At the end of each reporting period, the entity shall update the estimated transaction price to represent circumstances at period end.

Approval for contract modifications and highly probable that the revenue will not reverse are new threshold for the contract modifications to be recognised once IFRS 15 is adopted, these new requirements will result in the Group's revenue from contract modifications being recognised later under IFRS 15 than would have been the case under IAS 11.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第15號，來自客戶合同之收入(續)

(b) 合同修改(續)

現時，倘建築合同之結果未能可靠地估計，本集團僅按可能收回之合同成本而確認收入。根據國際財務報告準則第15號，合同修改須予批准確認。倘合同範圍的變動已獲批准，而相關價格有待釐定，則按相關可變代價的預期價值或最可能發生金額估計相關可變代價，其僅獲准計入收入(而收入將很大可能不會撥回)。於各報告期末，實體須更新估計交易價格以表現期末情況。

一旦採納國際財務報告準則第15號，合同修改批准及收入將很大可能不會撥回，將成為確認合同修改的新門檻，該等新要求可能導致根據國際財務報告準則第15號本集團來自合同修改的收入與根據國際會計準則第11號相比確認的會更晚。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 16, Leases

As disclosed in Note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第16號，租賃

誠如附註2(j)所披露，本集團現時將租賃分類至融資租賃及經營租賃，並根據該分類分別入賬。本集團作為出租人訂立若干租約，並作為承租人訂立其他租約。

預期國際財務報告準則第16號將不會大幅影響出租人根據租約將彼等的權利及義務入賬的方式。然而，一旦採納國際財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，在實際可行的方法下，承租人將以與現行融資租賃會計法類似的方式將所有租約入賬，即於該租約開始日期，承租人將按最低租賃付款的現值確認及計量租賃負債，並將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債尚未清償結餘所累計的利息開支及使用權資產折舊，而非根據現有政策對租期內按系統基準確認根據經營租約所產生的租賃開支。作為實際可行的方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下者）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

IFRS 16, Leases (continued)

IFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 30(b), at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB5.6 million for properties and other assets, with majority of which is payable within one year after the end of the reporting period. The adoption of IFRS 16 may not have a significant financial impact to the Group.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

The Group has decided not to early adopt IFRS 16 in its 2018 consolidated financial statements.

34 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋可能造成的影響(續)

國際財務報告準則第16號，租賃(續)

國際財務報告準則第16號可能影響本集團作為承租人就若干物業、廠房及設備租賃(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註30(b)所披露，於2017年12月31日，本集團於不可撤銷經營租約項下就物業及其他資產的未來最低租約款項將為人民幣5.6百萬元，上述款項大部分於報告期結束後一年內支付。採納國際財務報告準則第16號不會對本集團有重大財務影響。

國際財務報告準則第16號將於2019年1月1日或之後開始之年度期間生效。視乎本集團是否選擇以追溯方式採納準則，或遵從經修訂可追溯方式確認對首次應用當日權益期初結餘之累計效應調整，本集團未必需要重列因重新評估而引致任何會計變動之比較資料。

本集團已決定不於其2018年合併財務報表中提早採納國際財務報告準則第16號。

Five Year Financial Summary

五年財務摘要

(Expressed in RMB unless otherwise indicated)
(除另有指明外，以人民幣為單位)

		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Results	業績					
Revenue	營業額	5,688,650	7,324,415	8,594,364	10,038,653	10,872,404
Profit/(loss) from operations	經營利潤/(虧損)	291,073	173,640	(168,395)	295,929	192,700
Finances costs	融資成本	(232,801)	(86,446)	1,107	(234,398)	(160,019)
Profit/(loss) before taxation	稅前利潤/(虧損)	58,272	87,194	(167,288)	61,531	32,681
Income tax	所得稅	27,457	(10,577)	(443)	(10,424)	(5,133)
Profit/(loss) for the year	年內利潤/(虧損)	85,729	76,617	(167,731)	51,107	27,548
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司股東	60,652	87,039	(192,257)	25,597	104,367
Non-controlling interests	非控股權益	25,077	(10,422)	24,526	25,510	(76,819)
Profit/(loss) for the year	年內利潤/(虧損)	85,729	76,617	(167,731)	51,107	27,548
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	1,672,104	1,716,027	1,728,283	1,635,986	1,664,416
Current assets	流動資產	9,809,008	11,463,726	12,610,538	12,804,657	12,270,108
Current liabilities	流動負債	7,300,206	9,936,815	10,817,304	10,521,672	9,592,913
Net current assets	流動資產淨值	2,508,802	1,526,911	1,793,234	2,282,985	2,677,195
Total assets less current liabilities	總資產減流動負債	4,180,906	3,242,938	3,521,517	3,918,971	4,341,611
Non-current liabilities	非流動負債	982,640	235,285	478,458	130,697	234,875
NET ASSETS	淨資產	3,198,266	3,007,653	3,043,059	3,788,274	4,106,736
Capital and reserves	資本及儲備					
Share capital	股本	519,723	519,723	519,723	519,723	519,723
Reserves	儲備	2,817,332	2,633,717	2,658,041	3,425,653	3,781,681
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益總額	3,337,055	3,153,440	3,177,764	3,945,376	4,301,404
Non-controlling interests	非控股權益	(138,789)	(145,787)	(134,705)	(157,102)	(194,668)
TOTAL EQUITY	總權益	3,198,266	3,007,653	3,043,059	3,788,274	4,106,736



Technology Leads Markets, Services Create Value
科技引領市場 服務創造價值