



# China Graphene Group Limited 中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)  
(Stock Code 股份代號 : 63)

# 2018

Annual Report 年報



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chen Meng  
Mr. Zhou Chen

#### Non-executive Director

Mr. Li Feng Mao (*Chairman*)

#### Independent non-executive Directors

Mr. Wang Song Ling  
Mr. Gao Han  
Mr. Chow Chi Ping

### COMPANY SECRETARY

Mr. Zhou Chen

### AUDITOR

ZHONGHUI ANDA CPA Limited

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### PRINCIPAL OFFICE IN HONG KONG

Rooms 1908–1916, 19th Floor,  
Sun Hung Kai Centre  
30 Harbour Road, Wanchai  
Hong Kong

### SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### 董事會

#### 執行董事

陳猛先生  
周晨先生

#### 非執行董事

李丰茂先生(主席)

#### 獨立非執行董事

王松岭先生  
高寒先生  
周啟平先生

### 公司秘書

周晨先生

### 核數師

中匯安達會計師事務所有限公司

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 香港主要辦事處

香港  
灣仔港灣道30號  
新鴻基中心  
19樓 1908–1916室

### 股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

# Corporate Information

## 公司資料

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### LISTING INFORMATION

Stock Code: 63, Hong Kong

### WEBSITE

[www.chn-graphene.com](http://www.chn-graphene.com)

### 股份過戶登記分處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東 183 號  
合和中心 17M 樓

### 上市資料

股份代號：63，香港

### 網站

[www.chn-graphene.com](http://www.chn-graphene.com)

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND PROSPECTS

#### Financial review

During the year, the Group continued to engage in property related businesses, provision of horticultural services, money lending business, securities trading business, manufacturing and trading of graphene and graphene-related products. The Group's revenue of the year was mainly derived from rental income of investment properties.

The Group recorded a substantial loss of HK\$88,822,000 for the year as compared to a profit of HK\$51,898,000 for last year. The loss is mainly attributable to the cessation of graphene business in Japan, and as a result, the prepayment of equipment and machinery for the manufacturing of graphene recorded in the accounting books of overseas subsidiaries amounting to HK\$54,516,000 has been written off for the year ended 31 December 2018.

Total revenue increase by 13% to HK\$16,529,000 (2017: HK\$14,572,000).

Revenue from rental income slightly grew by 6% year-over-year to HK\$10,747,000 (2017: HK\$10,126,000).

Revenue derived from horticultural services recorded a 19% increase to HK\$4,894,000 (2017: HK\$4,122,000).

Operating and administrative expenses decreased to HK\$56,267,000 from the prior year of HK\$67,973,000, representing a reduction of 17% year-over-year.

Finance costs amounted to HK\$5,943,000 (2017: HK\$4,553,000), representing an increase of 31% year-over-year due to the reason that the banking facility of HK\$200,000,000 was fully drawdown since August 2017.

Total equity of the Group decrease by 31% to HK\$196,856,000 (2017: HK\$284,266,000) as a result of substantial loss for the year ended 31 December 2018.

The net asset value of the Group per share as at 31 December 2018 was HK\$0.07 (2017: HK\$0.10) based on the 2,819,102,084 (2017: 2,819,102,084) shares in issue.

### 業務回顧及展望

#### 財務回顧

年內，本集團繼續從事與物業相關之業務、提供園藝服務、放貸業務、證券交易業務、生產及買賣石墨烯及石墨烯相關產品。本集團年度收益主要來自投資物業的租金收入。

本集團錄得年內重大虧損88,822,000港元，而去年之溢利為51,898,000港元。該虧損乃主要因於日本之石墨烯業務停止，導致截至二零一八年十二月三十一日止年度於海外附屬公司會計賬簿確認的設備及機器之預付款項54,516,000港元已被撇銷。

總收益增加13%至16,529,000港元(二零一七年：14,572,000港元)。

來自租金收入的收益與去年同比略為上升6%至10,747,000港元(二零一七年：10,126,000港元)。

來自園藝服務的收益錄得19%之增幅，至4,894,000港元(二零一七年：4,122,000港元)。

經營及行政開支由去年67,973,000港元跌至56,267,000港元，較去年同期減少17%。

融資成本為5,943,000港元(二零一七年：4,553,000港元)，較去年同期增加31%，此乃由於200,000,000港元的銀行融資自二零一七年八月已完全提取。

本集團之總權益減少31%至196,856,000港元(二零一七年：284,266,000港元)，此乃由於本集團截至二零一八年十二月三十一日止年度出現重大虧損。

根據2,819,102,084股(二零一七年：2,819,102,084股)已發行股份計算，本集團於二零一八年十二月三十一日之每股資產淨值為0.07港元(二零一七年：0.10港元)。



# Management Discussion and Analysis

## 管理層討論及分析

### Business review

The Group changed its intention last year to hold the developed properties as investment properties which generated stable rental income stream to the Group in recent years. Rental income from investment properties contributed over 65% of total revenue of the Group. As at 31 December 2018, the market value of the investment properties in existing state amounted to HK\$369,200,000 (2017: HK\$358,400,000).

The Group operates horticultural services business under the brand "Cheung Kee Garden", which has over forty years of history and sound reputation in the local market. This business segment has a long established customer base and remained a stable income stream to the Group during the year under review.

The Group started the segment of manufacturing and sales of graphene in Japan since 2016. However, due to shortage of fund recently, as explained in previous announcements, the Group is unable to further support this business segment. After careful consideration, the Board decided to discontinue the construction process and cease the business in Japan. As a result, the prepayment of equipment and machinery for manufacturing of graphene has been written off for the year ended 31 December 2018. During the year, the Group carried out certain graphene trading business amounting to HK\$432,000 (2017: HK\$63,000)

### LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Company's latest annual report. The Group's monetary assets and liabilities are denominated and the Group conducts its business transactions principally in Hong Kong dollars and Japanese yen. In view of the business segment in Japan, the Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

As at 31 December 2018, there was outstanding bank loans in the principal sum of HK\$200,000,000 (2017: HK\$200,000,000). The Group's working capital requirements are funded by bank loans which has been renewed for another two years in August 2018. Given its potential change of controlling shareholder as disclosed in the previous announcements dated 27 December 2018 and 20 February 2019, the Group may be in breach of some of the covenants

### 業務回顧

去年本集團改變其意向，把持有之已發展物業改變為投資物業，其於近年為本集團產生穩定的租金收入來源。來自投資物業之租金收入佔本集團總收益超過65%。於二零一八年十二月三十一日，現存投資物業的市值為369,200,000港元(二零一七年：358,400,000港元)。

本集團經營以「張記花園」作品牌之園藝服務業務，該品牌已有四十多年歷史且於本地市場享有良好聲譽。此業務分類已建立長久的客戶基礎，且於回顧年度為本集團維持穩定的收入來源。

本集團自二零一六年於日本開始生產及銷售石墨烯之業務分類。然而，誠如先前公佈所載，因近期缺乏資金，本集團無法繼續支持此業務分類。經過慎重考慮，董事會決定停止建設過程及終止於日本的業務。因此，截至二零一八年十二月三十一日止年度用於生產石墨烯的設備及機器之預付款項已被撤銷。於年內，本集團進行了若干石墨烯交易業務，總值432,000港元(二零一七年：63,000港元)。

### 流動資金及財務資源

本集團所有融資和財資活動均在集團層面由中央管理及控制。財資及融資政策與本公司最近期之年報所披露之資料並無重大變動。本集團主要以港元及日元作為貨幣性資產及負債之結算單位及進行業務交易。鑒於本集團在日本設有業務分部，本集團透過緊密監察匯率變動以管理其外匯風險及考慮於有需要時對沖外匯風險。

於二零一八年十二月三十一日，有200,000,000港元之未償還銀行貸款(二零一七年：200,000,000港元)。本集團之營運資金需求以銀行貸款撥付，並於二零一八年八月續期兩年。誠如日期為二零一八年十二月二十七日及二零一九年二月二十日之先前公佈所載，本集團有可能違反若干計息借貸之財務契諾。倘違反履行財務契諾，銀行可即

# Management Discussion and Analysis

## 管理層討論及分析

attached to this banking facility. Breaches in meeting the covenants would permit the bank to declare the loans immediately due and repayable. The bank has been conducting a credit review in respect of the existing banking facility. As at the date of this annual report, the bank has not notified the Company the results of such review.

The Group recorded a net current liabilities of HK\$196,641,000 for the year ended 31 December 2018 (2017: HK\$144,586,000) and had a net operating cash outflows of HK\$38,761,000 during the year. The management is now actively looking for source of financing to improve the financial situations of the Group.

However, the Directors would like to draw your attention to the report of the independent auditor, ZHONGHUI ANDA CPA Limited, with regard to the “Material Undertaking Related to the Going Concern”.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, the Group had a total of 36 employees (2017: 41).

Employees (including directors) are remunerated according to their duties and responsibilities, market conditions and performance of the Group. On top of basic salaries, discretionary bonus and share options may be granted to eligible employee by reference to the individual's performance. In addition, the Company also provides social security benefits to its staff such as mandatory provident fund scheme in Hong Kong.

### DIVIDEND POLICY

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the By-laws of the Company and the distribution shall achieve continuity, stability and sustainability. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in long-term basis, the financial conditions and business plan of the Group, and the market sentiment and circumstances. The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

時催還借貸。該銀行目前正就本公司現有銀行融資進行信貸審查。於本報告日期，銀行尚未通知本公司有關該等審查的結果。

本集團於截至二零一八年十二月三十一日止年度錄得流動負債淨值約196,641,000港元(二零一七年：144,586,000港元)及年內經營業務之現金流出淨值38,761,000港元。管理層正積極尋找資金來源以改善本集團的財務狀況。

然而，董事謹請閣下垂注獨立核數師中匯安達會計師事務所有限公司就「關於持續經營的重大不確定因素」之報告。

### 僱員和薪酬政策

於二零一八年十二月三十一日，本集團合共有36名僱員(二零一七年：41名)。

僱員(包括董事)之薪酬乃按照彼等的職務及責任、市況及本集團的表現釐定。於基本薪金以外，亦可能會根據僱員個人表現，向合資格之僱員授出酌情花紅和購股權。此外，本公司亦為僱員提供社會保障福利，例如香港之強制性公積金計劃。

### 股息政策

本公司採納一項股息政策(「股息政策」)，據此，本公司可透過現金或股份方式向本公司股東派發股息。任何股息分派均應符合本公司之細則的規定，分派應實現連續性、穩定性和可持續性。支付任何股息之建議視乎董事會之絕對酌情權而定，任何末期股息宣派須待股東批准後方可作實。在提出任何股息支付時，董事會還應考慮(其中包括)本集團之每股盈利、投資者和股東之合理投資回報，以鼓勵他們繼續支持本集團之長期發展、本集團之財務狀況和業務計劃，以及市場氣氛和情況。股息政策將不時進行檢討，並不保證在任何特定時期內會提出或宣佈股息。

# Directors' Report

## 董事會報告

The directors herein present their annual report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 37 to the financial statements.

### BUSINESS REVIEW

#### Business review and prospects

A business review of the Group's and a discussion and analysis of the Group's performance during the year ended 31 December 2018, the financial position and an indication of likely future development in the Company's business are set out in section headed "Business Review and Prospects" on page 4 of this Annual Report.

#### Principal risks and uncertainties

The major risks facing the Group are summarized below.

#### Impact of local and international regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

#### Third-party risk

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

董事謹此提呈本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之年報及經審核財務報表。

### 主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務之詳情載於財務報表附註37。

### 業務回顧

#### 業務回顧及展望

截至二零一八年十二月三十一日止年度之本集團業務回顧及本集團討論及分析、財務狀況及本公司業務之可能未來發展陳述載於本年報第4頁「業務回顧及展望」一節。

#### 主要風險及不確定因素

以下概述本集團面對的主要風險。

#### 本地及國際規例的影響

本集團的業務營運亦受政府政策、相關規例及監管機構發出的指引所限。未能遵守規則及規定者，可被當局判處罰款、修訂或暫停業務營運。本集團密切監察政府政策、規例及市場的變動，並進行研究，以評估該等變動帶來的影響。

#### 第三方風險

本集團在部份業務方面依賴第三方服務供應商，以改進本集團表現及效率。從外聘服務供應商得到利益的同時，管理層意識到該等營運依賴或會受不可預期的差劣或失效服務的威脅，包括商譽受損、業務中斷及金錢損失。針對該等不確定因素，本集團僅與信譽良好的第三方供應商合作，並密切監察彼等的表現。



# Directors' Report

## 董事會報告

### BUSINESS REVIEW (CONTINUED)

#### Environmental policies and performance

The Company persistently strive to operate its business in an economic, social and environmentally sustainable manner. During the year, while seeking business growth, the Group assumed its corporate environmental and social responsibilities proactively by making constant progress towards sustainable development. The Group has developed and improved its environmental policies, optimised the efficiency in the use of energy and resources, advocated and promoted environmental protection and reduced the impact of its business development on the environment.

Details of the Company's environmental policy and performance are published in the separate Environmental, Social and Governance Report which will be available at the Company's website and the website of the Stock Exchange not later than 3 months after the publication of this annual report.

#### Compliance with laws and regulations

The incorporation places of the Company and its subsidiaries includes Bermuda, Hong Kong, the British Virgin Islands (the "BVI") and Japan. The Group's operations are carried out by the Company's subsidiaries in Hong Kong and Japan while the Company itself is listed on the Stock Exchange of Hong Kong Limited. Our establishment and operations accordingly shall comply with relevant laws and regulations of Bermuda, Hong Kong, the BVI and Japan. During the year ended 31 December 2017, we have complied with all the relevant laws and regulations in the statutory and business operation.

#### Key relationships with employees, customers and suppliers

The Group promoted people-oriented management cultures and emphasized the value of employees as it believed employees were important resources for enhancing the Company's productivity and core competency. To provide employees with competitive remunerations and opportunities to receive skill trainings is closely connected to the realization of employees' individual values as well as the Group's strategic goals.

The Group maintained good cooperation and communications with suppliers and ensured both sides were mutually benefited. The Group also paid close attention to customers' satisfaction and constantly enhanced service quality in order to maintain good reputation of the Company.

### 業務回顧(續)

#### 環境政策及表現

本公司力求在經濟、社會及環境方面採用可持續發展的方式經營業務。年內，本集團在尋求業務增長的同時，透過在可持續發展方面不斷取得進展，積極承擔企業環境及社會責任。本集團已制定並改進其環境政策，優化能源及資源的使用效率，提倡並推動環境保護，以及減低業務發展對環境的影響。

有關本公司的環保政策及表現詳情刊載於獨立環境、社會及管治報告內，該報告將於本年報刊發後不遲於三個月內刊登於本公司網站及聯交所網站。

#### 遵守法律及法規

本公司及其附屬公司的註冊成立地點包括百慕達、香港、英屬處女群島(「英屬處女群島」)以及日本。本集團的業務由本公司位於香港及日本的附屬公司營運，而本公司本身於香港聯合交易所有限公司上市。因此，本公司之成立及營運須遵守百慕達、香港、英屬處女群島及日本相關法律及法規。於截至二零一七年十二月三十一日止年度，我們遵從法定及業務營運之所有相關法律及法規。

#### 與僱員、客戶及供應商之主要關係

本集團推廣以人為本的管理文化，重視僱員價值，因為其認為僱員對增強本公司生產力和核心競爭力而言是重要財富。向僱員提供具有競爭優勢的薪酬及接受技能培訓的機會與實現僱員個人價值和本集團策略目標息息相關。

本集團與供應商保持良好合作和溝通，並確保雙方互惠互利。本集團亦密切關注客戶滿意度及持續提高服務質量，藉此保持本公司的良好聲譽。

# Directors' Report

## 董事會報告

### FINANCIAL STATEMENTS

The results and cash flows of the Group for the year ended 31 December 2018 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 40 to 114.

### DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018.

### SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and noncontrolling interests of the Group for the last five financial years is set out on the page 116 of this Annual Report.

### FIXED ASSETS

Details of movements in the fixed assets of the Group are set out in note 18 to the financial statements.

### SHARE CAPITAL

Details of the Company's share capital during the year are set out in note 28 to the financial statements.

### PRE-EMPTIVE RIGHTS

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

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity respectively.

### 財務報表

本集團截至二零一八年十二月三十一日止年度之業績及現金流量及本公司與本集團於該日之財務狀況載於財務報表第40頁至第114頁。

### 股息

董事不建議就截至二零一八年十二月三十一日止年度派付任何股息。

### 財務資料概要

本集團最近五個財政年度之業績及資產、負債及非控股權益概要載於本年報第116頁。

### 固定資產

本集團固定資產之變動詳情載於財務報表附註18。

### 股本

年內本公司股本之詳情載於財務報表附註28。

### 優先購股權

本公司之公司細則或百慕達之法例均無規定本公司必須按比例向現有股東優先配售新股之優先購股權條文。

### 儲備

年內本公司及本集團之儲備變動詳情分別載於財務報表附註30及綜合權益變動表。

# Directors' Report

## 董事會報告

### DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) was Nil (2017: Nil).

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 32% (2017: 38%) of the total sales for the year and sales to the largest customer included therein amounted to 23% (2017: 13%).

Purchases from the Group's five largest suppliers accounted for 79% (2017: 77%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 41% (2017: 23%).

As far as the directors are aware, neither the directors, their close associates, nor those shareholders which to the knowledge of the directors own more than 5% of the Company's issued shares had any interest in the five largest customers and suppliers.

### DIRECTORS

The directors who held office during the year and up to the date of this report were:

#### Executive directors:

Mr. Chen Meng  
Mr. Zhou Chen (Appointed on 1 February 2018)

#### Non-executive director:

Mr. Li Feng Mao (*Chairman*)

### 可分派儲備

於二零一八年十二月三十一日，根據百慕達一九八一年公司法(經修訂)計算之本公司之可供分派儲備為零(二零一七年：零)。

### 主要客戶及供應商

於回顧年度內，本集團之五個最大客戶所佔之銷售額佔全年總銷售額32%(二零一七年：38%)，而最大客戶所佔之銷售額佔23%(二零一七年：13%)。

本集團向五個最大供應商之購貨額佔全年購貨總額79%(二零一七年：77%)，而向最大供應商之購貨額佔41%(二零一七年：23%)。

就董事所知，董事及其緊密聯繫人，或持有本公司已發行股份逾5%之股東概無於五個最大客戶及供應商中擁有權益。

### 董事

於本年度及截至本報告日期止任職之董事為：

#### 執行董事：

陳猛先生  
周晨先生(於二零一八年二月一日獲委任)

#### 非執行董事：

李丰茂先生(主席)

# Directors' Report

## 董事會報告

### DIRECTORS (CONTINUED)

#### Independent non-executive directors:

Mr. Wang Song Ling  
Mr. Li Wai Kwan (Resigned on 30 November 2018)  
Mr. Li Jing Bo (Resigned on 28 December 2018)  
Mr. Gao Han (Appointed on 28 February 2019)  
Mr. Chow Chi Ping (Appointed on 28 February 2019)

In accordance with the Company's Bye-law 86(2), Mr. Gao Han and Mr. Chow Chi Ping shall hold office only until the forthcoming annual general meeting, being eligible, will offer themselves for re-election as directors at the forthcoming annual general meeting.

Moreover, in accordance with the Company's Bye-law 87(1), Mr. Li Feng Mao and Mr. Chen Meng will retire from office by rotation, being eligible, offer himself for re-election as director at the forthcoming annual general meeting.

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### INDEMNITY OF DIRECTORS

The Company has maintained appropriated directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

### 董事(續)

#### 獨立非執行董事：

王松岭先生  
李偉君先生(於二零一八年十一月三十日辭任)  
李景波先生(於二零一八年十二月二十八日辭任)  
高寒先生(於二零一九年二月二十八日獲委任)  
周啟平先生(於二零一九年二月二十八日獲委任)

根據本公司細則第86(2)條、高寒先生及周啟平先生將任職至應屆股東週年大會為止，且符合資格並願意於應屆股東週年大會上重選連任為董事。

此外，根據本公司細則第87(1)條，李丰茂先生及陳猛先生將輪值退任，且符合資格並願意於應屆股東週年大會上重選連任為董事。

### 董事之服務合約

建議於應屆股東週年大會膺選連任之董事並無與本公司訂立不可由本公司於一年內無需支付賠償(法定賠償除外)而終止之服務合約。

### 董事之彌償

本公司一直有為董事及本公司主管人員購買適當的責任保險，而該惠及董事的獲准許的彌償條文於年內全年生效，且目前仍在生效中。

# Directors' Report

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES

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

#### Long Positions in Shares and Underlying Shares of the Company:

Long Positions in Shares and Underlying Shares of the Company:

Name of director	董事姓名	Nature of interest	Number and class of shares held	Percentage
		權益性質	所持股份數目及類別	百分比
Li Feng Mao	李丰茂	Interest of controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 股普通股	74.93%

Note:

Mr. Li Feng Mao ("Mr. Li") was deemed to have 2,112,395,735 shares held by HK Guoxin Investment Group Limited by virtue of it being wholly-owned by Mr. Li.

As at the date of issue of this Directors' Report, (i) the Company became aware that a winding-up petition was made against HK Guoxin Investment Group Limited ("HK Guoxin") by 吉林省國信興業投資集團有限公司 (the "Petitioner") in the High Court of Hong Kong on 10 December 2018 on the ground that HK Guoxin is indebted towards the Petitioner a debt of HK\$170,000,000, and (ii) RSM Corporate Advisory (Hong Kong) Limited claiming that Messrs. Osman Mohammed Arab and Lai Wing Lun have been appointed as receivers (the receivership) of the 2,112,395,735 shares held by HK Guoxin in the Company.

Save as disclosed above, as at 31 December 2018, none of the directors and the chief executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### 董事之股份權益

於二零一八年十二月三十一日，本公司董事及最高行政人員以及彼等之聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄之權益或淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及聯交所之權益或淡倉如下：

於本公司股份及相關股份之好倉：

於本公司股份及相關股份之好倉：

Number and class of shares held	Percentage
所持股份數目及類別	百分比
2,112,395,735 ordinary shares 股普通股	74.93%

附註：

李丰茂先生(「李先生」)被視為持有由香港國信興業投資集團有限公司的2,112,395,735股股份，乃由於該公司由李先生全資擁有。

於本董事會報告日期，(i)本公司獲悉吉林省國信興業投資集團有限公司(「呈請人」)於二零一八年十二月十日於香港高等法院對香港國信興業投資集團有限公司(「香港國信」)發出清盤呈請，理由為香港國信結欠呈請人一項170,000,000港元的債務；及(ii)羅申美企業顧問有限公司聲稱馬德民先生及黎穎麟先生已獲委任為香港國信持有的本公司2,112,395,735股股份的接管人。

除上文所披露者外，於二零一八年十二月三十一日，根據證券及期貨條例第XV部第7及8分部，概無本公司之董事及主要行政人員被當作或視作於本公司之股份、相關股份或債券中，擁有須於本公司根據證券及期貨條例第352條所存置之登記冊中記錄或根據標準守則須知會本公司及聯交所之任何其他權益或淡倉。



# Directors' Report

## 董事會報告

### SHARE OPTION SCHEME

#### Purpose of the scheme

The existing share option scheme (the "Scheme") of the Company was adopted on 25 June 2013 for the purposes of enabling the Group to provide incentives or rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of the Group and to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group.

#### Participants of the scheme

The directors of the Company are authorised, at their discretion, to invite eligible participants, including the directors or any employee (whether full time or part time) of the Group or an affiliate, and any consultant, agent, or advisor of the Group or an affiliate, to take up options (the "Option(s)") to subscribe for shares of the Company under the Scheme.

#### Total number of shares available for issue

On the adoption date of 25 June 2013, the total number of shares of the Company (the "Shares") available for issue under the Scheme were 263,165,208, representing 10% of the issued Shares of the Company as at the date of adoption of the Scheme.

On 27 May 2016, the ordinary resolution of refreshment of the Scheme limit was approved by shareholders at the annual general meeting of the Company. As at 31 December 2017, total number of Share available for further issue under the Scheme was 281,910,208, representing 10% of the issued shares of the Company.

During the year ended 31 December 2018, no Option had been granted, exercised, lapsed, or was cancelled under the Scheme.

#### Maximum entitlement of each participant

The maximum number of Shares in respect of which the Options may be granted to any one participant in any twelve-month period shall not exceed 1% of the total number of shares in issue from time to time.

### 購股權計劃

#### 計劃之目的

本公司現有購股權計劃(「計劃」)乃於二零一三年六月二十五日採納，旨在令本集團鼓勵或嘉獎合資格參與者對本集團利益作出的貢獻及為此繼續努力及使本集團可招聘及／或挽留高才幹僱員，並吸引對本集團有所裨益之人才。

#### 計劃之參與者

本公司董事獲授權酌情邀請合資格參與者，包括本集團或聯屬公司之董事或任何僱員(不論全職或兼職)及任何本集團或聯屬公司之諮詢人、代理人或顧問根據計劃承購購股權(「購股權」)認購本公司股份。

#### 可供發行之股份總數

於採納日期(二零一三年六月二十五日)，本公司根據計劃可供發行的股份(「股份」)總數為263,165,208股，佔本公司於採納計劃當日已發行股份10%。

於二零一六年五月二十七日，一項更新計劃上限之普通決議案獲股東在本公司股東週年大會上批准。於二零一七年十二月三十一日，根據計劃可供進一步發行的股份總數為281,910,208股，佔本公司已發行股份10%。

於截至二零一八年十二月三十一日止年度，概無根據計劃授出、行使、失效或註銷之購股權。

#### 各參與者之最高配額

於任何十二個月期內可授予任何一名參與者之購股權所涉及最高數目股份不得超過不時發行之股份總數1%。

# Directors' Report

## 董事會報告

### SHARE OPTION SCHEME (CONTINUED)

#### Time of exercise of option

The Options may be exercised in accordance with the terms of the Scheme at any time during a period as determined by the directors of the Company and not exceeding ten years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised.

#### Acceptance of offer

The offer of a grant of share options may be accepted within twenty-one days from the date of offer upon an initial payment of HK\$1 in total for each acceptance.

#### Basis of determining the exercise price

The exercise price of the Options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of the grant, which must be a business day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the grant; and
- (c) the nominal value of a Share.

#### Remaining life of the Scheme

The Scheme became effective on 25 June 2013 and will remain in force for a period of 10 years from that date.

### 購股權計劃(續)

#### 行使購股權之時間

購股權可於本公司董事釐定之期間根據計劃之條款隨時行使，但不得超過自授出日期起計十年。並無訂明行使購股權前須持有之最短期限。

#### 接納要約

授出購股權之要約可自要約日期後二十一日內於就每次接納初次支付合共1港元後獲接納。

#### 釐定行使價之基準

購股權之行使價由董事會全權酌情釐定且不得低於以下最高者：

- (a) 於授出日期(必須為營業日)聯交所每日報價表所列股份之收市價；
- (b) 緊接授出日期前五個交易日聯交所每日報價表所列股份之平均收市價；及
- (c) 股份之賬面值。

#### 計劃之餘下年期

計劃於二零一三年六月二十五日生效及將於該日起十年期間內維持有效。

# Directors' Report

## 董事會報告

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 35 to the financial statements, no transaction, arrangement or contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

### DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to rule 13.51B(1) of the Listing Rules, the changes of the information on director is as follows:

Mr. Zhou Chen was appointed as the Company Secretary of the Company with effect from 1 March 2018.

### RELATED PARTY TRANSACTIONS

Details of transactions between the Group and parties regarded as "Related Parties" under applicable accounting principles are set out in note 35 to the financial statements. No transaction disclosed thereto constitutes connected transaction or continuing connected transaction of the Company subject to, among other things, reporting, announcement or independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2018, none of the Directors or any of their respective close associates (as defined in the Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

### 董事於交易、安排及合約之權益

除財務報表附註35所披露者外，概無於年終或年內任何時間有效訂立本公司或其控股公司、附屬公司或同系附屬公司為訂約方及對彼等而言屬重大，且本公司董事擁有重大權益之交易、安排或合約。

### 董事資料披露

根據上市規則第13.51B(1)條，董事資料變動如下：

周晨先生獲委任為本公司公司秘書，自二零一八年三月一日起生效。

### 關連人士交易

本集團與適用會計原則下被視為「關連人士」各方之交易詳情載於財務報表附註35。於本報告披露的交易概無構成本公司關連交易或持續關連交易而須遵守(其中包括)上市規則第14A章下有關申報、公告或獨立股東批准的規定。

### 董事於競爭業務之權益

於二零一八年十二月三十一日，概無董事或彼等各自的緊密聯繫人(定義見上市規則)於與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

# Directors' Report

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 December 2018, the interests or short positions of the following substantial shareholders (other than persons who were directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

#### Long positions in shares and underlying shares of the company:

### 主要股東之股份權益

於二零一八年十二月三十一日，下列主要股東（本公司董事及主要行政人員除外）於本公司之股份及相關股份，擁有本公司根據證券及期貨條例第336條之規定須存置之登記冊所記錄之權益或淡倉如下：

於本公司股份及相關股份之好倉：

Name of shareholders 股東名稱	Nature of interest 權益性質	Number and class of shares held 所持股份數目及類別	Percentage 百分比
HK Guoxin Investment Group Limited ("HK Guoxin") (Note 1) 香港國信興業投資集團有限公司 ("香港國信") (附註1)	Beneficial owner 實益擁有人	2,112,395,735 ordinary shares 普通股	74.93%
Clever Robust Limited ("Clever Robust") (Note 2) Clever Robust Limited ("Clever Robust") (附註2)	Person having a security interest in shares 於股份擁有證券權益的人士	2,112,395,735 ordinary shares 普通股	74.93%
Huarong Investment Stock Corporation Limited ("Huarong Inv. Stock") (Note 2) 華融投資股份有限公司("華融投資股份") (附註2)	Interest of a controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 普通股	74.93%
Right Select International Limited ("Right Select") (Note 2) Right Select International Limited ("Right Select") (附註2)	Interest of a controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 普通股	74.93%
China Huarong International Holdings Limited ("China Huarong Int'l") (Note 2) 中國華融國際控股有限公司 ("中國華融國際") (附註2)	Interest of a controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 普通股	74.93%
中國華融資產管理股份有限公司 ("中國華融資產") (Note 2) 中國華融資產管理股份有限公司 ("中國華融資產") (附註2)	Interest of a controlled corporation 受控制法團權益	2,112,395,735 ordinary shares 普通股	74.93%
Messrs. Osman Mohammed Arab and Lai Wing Lun (Note 3) 馬德民先生及黎穎麟先生 (附註3)	Receivers and Managers of charged shares 股份接管人及管理人	2,112,395,735 ordinary shares 普通股	74.93%

# Directors' Report

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES (CONTINUED)

#### Long positions in shares and underlying shares of the company: (continued)

Notes:

- (1) The entire issued shares of HK Guoxin were owned by Mr. Li Feng Mao.
- (2) On 14 December 2017, the Company was notified by DION system, five DI notices were filed with the Stock Exchange pursuant to section 324 of Part XV of the Securities and Futures Ordinance from Clever Robust, Huarong Inv. Stock, Right Select, China Huarong Int'l and 中國華融資產。According to these notices, Clever Robust became having securities interest in 2,112,395,735 shares of the Company (the "Shares") which beneficially owned by HK Guoxin, the Shares were charged to Clever Robust on 11 December 2017, while Huarong Inv. Stock, Right Select, China Huarong Int'l and 中國華融資產 own corporate interests of the Shares through its interest in Clever Robust.
- (3) On 20 December 2018, the Company was notified by received two DI notices pursuant to section 324 of Part XV of the Securities and Futures Ordinance from Messrs. Osman Mohammed Arab and Lai Wing Lun. According to these notices, Messrs. Osman Mohammed Arab and Lai Wing Lun were appointed as Joint and Several Receivers and Managers (the "Receivers") of the charged shares held by HK Guoxin.

Save as disclosed above, as at 31 December 2018, the Company had not been notified of any other persons (other than persons who were directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 12 August 2016, the Company accepted a facility letter relating to a two-year term loan facility in an aggregate amount of HK\$200,000,000 (the "Facility") (the "Facility Letter") offered by a licensed bank in Hong Kong (the "Bank"). Such facility has been renewed in August 2018.

As one of the undertakings requested by the Bank in the Facility Letter, Mr. Li Feng Mao (the ultimate controlling shareholder of the Company), shall hold, directly or indirectly, over 50% controlling shares of the Company during the Facility period. A breach of the aforesaid undertaking may constitute an event of default and all amounts (including principal and interest) due or owing by the Company to the Bank shall become immediately due and payable by the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

### 主要股東之股份權益(續)

#### 於本公司股份及相關股份之好倉：(續)

附註：

- (1) 香港國信全部已發行股份由李丰茂先生擁有。
- (2) 於二零一七年十二月十四日，本公司獲線上權益披露系統通知，Clever Robust、華融投資股份、Right Select、中國華融國際及中國華融資產根據證券及期貨條例第XV部第324條向聯交所提交五份權益披露通知書。根據該等權益披露通知書，Clever Robust已於2,112,395,735股由香港國信實益擁有之本公司股份(「股份」)中擁有證券權益，有關股份於二零一七年十二月十一日質押予Clever Robust，而華融投資股份、Right Select、中國華融國際及中國華融資產則透過其於Clever Robust之權益擁有股份之法團權益。
- (3) 於二零一八年十二月二十日，馬德民先生及黎頴麟先生根據證券及期貨條例XV部第324條通過兩份披露權益通知會本公司。根據該等通知，馬德民先生及黎頴麟先生已獲委任為香港國信押記的股份之共同及個別接管人及經理(「該等接管人」)。

除上文所披露者外，於二零一八年十二月三十一日，本公司不知悉任何其他人士(本公司董事及主要行政人員除外)按照本公司根據證券及期貨條例第336條之規定所存置之登記冊所記錄於本公司之股份及相關股份擁有權益或淡倉。

### 附帶控股股東特定表現契約之貸款協議

於二零一六年八月十二日，本公司接納由一家香港持牌銀行(「該銀行」)授出，總額為200,000,000港元之兩年期定期貸款(「貸款」)之貸款協議(「貸款協議」)。該貸款已於二零一八年八月獲延長期限。

該銀行於貸款協議列出所要求之其中一項保證，是李丰茂先生(本公司之最終控股股東)須於貸款期間內直接或間接持續持有本公司超過50%的控制性股權。違反前述保證可構成一項違約事件，本公司可被要求即時償還本公司應付或結欠該銀行的所有尚未償還金額(包括本金及利息)。

### 購買、出售或贖回本公司上市證券

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



# Directors' Report

## 董事會報告

### PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the directors, as at the date of the report, the Company has maintained the prescribed public float under the Listing Rules.

### AUDITORS

A resolution was approved by shareholders at the annual general meeting held on 27 May 2016, Crowe Horwath (HK) CPA Limited ("Crowe Horwath") was appointed as auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. But after taking into account several factors including the level of audit works required, the level of audit fees and its available internal resources, Crowe Horwath resigned as the auditor of the Company with effect from 12 May 2017.

A resolution was approved by shareholders at the annual general meeting held on 28 May 2018, RSM Hong Kong ("RSM") was appointed as auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. Since the Company and RSM could not arrive at a consensus on the audit fee, RSM resigned as the auditor of the Company with effect from 27 December 2018.

Afterwards, a resolution was approved by the shareholders at the special general meeting of the Company held on 30 January 2019, ZHONGHUI ANDA CPA Limited ("ZHONGHUI") was appointed as the new auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements of the Company for the year ended 31 December 2018 were audited by ZHONGHUI. ZHONGHUI shall retire as auditor of the Company at the forthcoming annual general meeting. A resolution for the re-appointment of ZHONGHUI as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Zhou Chen**

*Executive Director*

Hong Kong, 29 March 2019

### 公眾持股量

根據本公司可公開獲得之資料，及據董事所知，於本報告日期本公司已維持上市規則規定之公眾持股量水平。

### 核數師

股東於二零一六年五月二十七日舉行的股東週年大會上批准一項決議案，國富浩華(香港)會計師事務所有限公司(「國富浩華」)獲委任為本公司核數師，任期直至本公司下屆股東週年大會結束為止，惟經考慮所需的審計工作量、審計費用及其可用的內部資源等數項因素後，國富浩華已辭任本公司核數師，自二零一七年五月十二日起生效。

股東於二零一八年五月二十八日舉行的股東週年大會上批准一項決議案，中瑞岳華(香港)會計師事務所(「中瑞岳華」)獲委任為本公司核數師，任期直至本公司下屆股東週年大會結束為止。由於本公司及中瑞岳華無法就審計收費達成共識，中瑞岳華辭任本公司核數師，自二零一八年十二月二十七日起生效。

其後，股東在本公司於二零一九年一月三十日舉行的股東特別大會上批准一項決議案，中匯安達會計師事務所有限公司(「中匯」)已獲委任為本公司之新核數師，任期直至本公司下屆股東週年大會結束為止。

本公司截至二零一八年十二月三十一日止年度之綜合財務報表由中匯審核。中匯將於應屆股東週年大會退任本公司核數師。於應屆股東週年大會上將提呈一項決議案重新委聘中匯為本公司核數師。

代表董事會

**周晨**

*執行董事*

香港，二零一九年三月二十九日

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) believes that good corporate governance is crucial to improve the efficiency and performance of the Company and to safeguard the interests of the shareholders.

During the year ended 31 December 2018, the Company had applied the principles of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and complied with all the applicable code provisions of the Code, except that the Chairman of the Board was absent from the general meeting of the Company due to other important engagement at the relevant time.

The Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than the Code. The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors’ securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

### BOARD OF DIRECTORS

#### Composition of the Board of Directors

The composition of the Board during the year of 2018 and up to the date of this Report was as follows:

#### **Executive directors:**

Mr. Chen Meng  
Mr. Zhou Chen  
(appointed on 1 February)

#### **Non-executive director:**

Mr. Li Feng Mao (Chairman)

### 企業管治常規

本公司董事會(「董事會」)相信良好的企業管治對提升本公司的效率及表現和保障股東的權益而言至為關鍵。

截至二零一八年十二月三十一日止年度，本公司已採用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載的企業管治守則(「企業管治守則」)原則，並已遵守企業管治守則所有適用守則條文，惟董事會主席因須於相關時間處理其他重要公務而缺席本公司股東大會除外。

本公司認為已採取充足措施，確保本公司的企業管治常規不遜於企業管治守則。本公司將參考最新的企業管治發展，定期審閱及改善其企業管治常規。

### 董事證券交易

本公司已採納上市規則附錄10上市發行人董事進行證券交易的標準守則(「標準守則」)所載有關董事進行證券交易之操守守則。本公司經作出具體查詢後，所有董事確認，彼等於全年內一直遵守標準守則所載規定準則。

### 董事會

#### 董事會的組成

於二零一八年及直至本報告日期的董事會成員如下：

#### **執行董事：**

陳猛先生  
周晨先生  
(於二零一八年二月一日委任)

#### **非執行董事：**

李丰茂先生(主席)

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS (CONTINUED)

#### Composition of the Board of Directors (Continued)

##### Independent non-executive directors:

Mr. Wang Song Ling  
 Mr. Li Wai Kwan (Resigned on 30 November 2018)  
 Mr. Li Jing Bo (Resigned on 28 December 2018)  
 Mr. Gao Han (Appointed on 28 February 2019)  
 Mr. Chow Chi Ping (Appointed on 28 February 2019)

The following table shows the attendance of each individual member of the Board at the respective meetings of the Board and the respective Board Committees as well as the general meeting held during the year ended 31 December 2018:

Name of Directors	董事姓名	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	General Meeting 股東大會
<i>Executive directors:</i>						
Mr. Chen Meng	陳猛先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Zhou Chen <sup>(Note 1)</sup>	周晨先生 <sup>(附註1)</sup>	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<i>Non-executive director:</i>						
Mr. Li Feng Mao	李丰茂先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1
<i>Independent non-executive directors:</i>						
Mr. Wang Song Ling	王松岭先生	5/5	3/3	2/2	2/2	0/1
Mr. Li Jing Bo <sup>(Note 2)</sup>	李景波先生 <sup>(附註2)</sup>	4/4	3/3	2/2	2/2	0/1
Mr. Li Wai Kwan <sup>(Note 3)</sup>	李偉君先生 <sup>(附註3)</sup>	3/4	3/3	1/2	1/2	1/1

##### Notes:

- Mr. Zhou Chen was appointed on 1 February 2018
- Mr. Li Jing Bo resigned on 28 December 2018
- Mr. Li Wai Kwan (appointed on 1 February 2018 and resigned on 30 November 2018)
- Mr. Gao Han and Mr. Chow Chi Ping were appointed as the directors of the Company on 28 February 2019, so that they did not participate in the meetings of the Company during the year of 2018.

### 董事會 (續)

#### 董事會的組成 (續)

##### 獨立非執行董事：

王松岭先生  
 李偉君先生 (於二零一八年十一月三十日辭任)  
 李景波先生 (於二零一八年十二月二十八日辭任)  
 高寒先生 (於二零一九年二月二十八日獲委任)  
 周啟平先生 (於二零一九年二月二十八日獲委任)

下表載列董事會各個別成員出席於截至二零一八年十二月三十一日止年度舉行的各次董事會及董事委員會會議和股東大會的記錄：

##### 附註：

- 周晨先生已於二零一八年二月一日獲委任
- 李景波先生已於二零一八年十二月二十八日辭任
- 李偉君先生已於二零一八年二月一日獲委任，其於二零一八年十一月三十日辭任
- 高寒先生及周啟平先生乃於二零一九年二月二十八日獲委任為本公司董事，故此彼等並無參與本公司於二零一八年內舉行之會議。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS (CONTINUED)

#### Functions of the Board

The Board supervises the management of the business and affairs of the Company and its subsidiaries (the "Group"). Apart from its statutory duties, the Board reviews and approves the Group's strategic plans, key operational initiatives, major investments and funding decisions, annual business plans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management personnel.

Guidelines are established which specify certain material transactions that require the Board's approval which include mergers and acquisitions, divestments and major capital expenditure.

The Board has separate and independent access to management and the company secretary. Management provides the Board with reports of the Group's performance, financial position and prospects, and these are reviewed by the Board at Board meeting. Directors may obtain independent professional advice in furtherance of their duties at the Group's expense.

The Company has arranged for appropriate liability insurance for the Directors for indemnifying their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

#### Independent non-executive directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, there are three independent non-executive directors representing at least one-third of the Board. Among the three independent non-executive directors, one of them has appropriate professional qualifications in accounting or relevant financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considered all of them to be independent.

### 董事會(續)

#### 董事會的職能

董事會監督本公司及其附屬公司(「本集團」)之業務及事務管理。除法定職責外，董事會亦負責審閱及批准本集團之策略規劃、主要營運措施、重大投資及融資決策、年度業務規劃、審閱本集團之財務表現，以及評估高級管理人員之表現及薪酬。

已制定列明必須經董事會批准之若干重大交易(包括合併及收購、撤資及重大資本開支)之指引。

董事會可分開及獨立地接觸管理層及公司秘書。管理層向董事會提供本集團之表現、財務狀況及前景之報告，該等報告由董事會於董事會會議時審閱。董事可就履行其職責獲取獨立專業意見，費用由本集團承擔。

本公司已為董事安排合適的責任保險，以彌償彼等因企業活動而產生的責任，並每年檢討保險保障。

#### 獨立非執行董事

為遵守上市規則第3.10(1)及3.10A條的規定，董事會中有三名獨立非執行董事，最少佔董事會三分之一。根據上市規則第3.10(2)條，三名獨立非執行董事中，其中一名具備適合的會計專業資格或相關金融管理專長。

本公司已收到每位獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認，本公司認為彼等均為獨立。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS (CONTINUED)

#### Directors' continuous professional development

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills.

During the year, all directors received briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to rules and regulations applicable to the Company were provided to them. The Company has received from each of Directors the confirmation on and training record of taking continuous professional training.

### CHAIRMAN

During the year of 2018, Mr. Li Feng Mao ("Mr. Li") performed the role of the Chairman of the Company. Mr. Li focuses on formulating the corporate direction and strategies of the Company.

### NON-EXECUTIVE DIRECTORS

All the non-executive and independent non-executive directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the Bye-laws of the Company, including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings of the Company at least once every three years.

### 董事會 (續)

#### 董事持續專業發展

本公司鼓勵董事參與持續專業發展，以建立及更新彼等的知識及技術。

年內，全體董事獲發有關本集團業務、營運、風險管理及企業管治事宜的簡介及最新資料，亦獲提供有關本公司適用規則及法規的新發展或變動的材料。本公司接獲各董事就接受持續專業培訓發出的確認及培訓記錄。

### 主席

於二零一八年，李丰茂先生（「李先生」）擔任本公司的主席。李先生專注於制定本公司的企業方針及策略。

### 非執行董事

全體非執行董事及獨立非執行董事已與本公司訂立委任函，為期三年，須遵守上市規則及本公司之公司細則的規定，包括至少每三年一次在本公司的股東週年大會上輪席退任並膺選連任或尋求重選連任的規定。



# Corporate Governance Report

## 企業管治報告

### BOARD COMMITTEES

#### Audit committee

The Company established an audit committee (the "Audit Committee") with written terms of reference. The audit committee is responsible for reviewing and monitoring the financial reporting process and internal control system of the Company, and shall assist the Board to fulfill its responsibility over the audit process.

During the year of 2018 and up to the date of this Report, the Audit Committee comprises all independent non-executive directors of the Company, they are as follows:

Mr. Chow Chi Ping (*Chairman of the Committee*)

(Appointed on 28 February 2019)

Mr. Gao Han (Appointed on 28 February 2019)

Mr. Wang Song Ling

Mr. Li Wai Kwan (*the Chairman of the Committee*)

(Resigned on 30 November 2018)

Mr. Li Jing Bo (Resigned on 28 December 2018)

During the year ended 31 December 2018, the Audit Committee met three occasions with the presence of external auditors and discharged its responsibilities in its review of the interim and annual results. The work performed by the Audit Committee for the year ended 31 December 2018 included reviewing and discussion of the following:

- the consolidated financial statements for the year ended 31 December 2017 of the Group, with a recommendation to the Board for approval;
- the consolidated financial statements for the six months ended 30 June 2018 of the Group, with are recommendation to the Board for approval;
- the appointment of the external auditor, the remuneration and terms of engagement of external auditor, with a recommendation to the Board for approval;
- the risk management and internal control system of the Group;
- the audit process and its effectiveness, audit fees and independence and objectivity of the external auditors for the year ended 31 December 2018, with a recommendation to the Board for approval; and

### 董事委員會

#### 審核委員會

本公司已成立審核委員會(「審核委員會」)，並制定書面職權範圍。審核委員會負責審閱及監察本公司的財務申報程序及內部監控系統，並須在審核過程中協助董事會履行其責任。

於二零一八年及直至本報告日期，審核委員會由本公司全體獨立非執行董事組成，包括：

周啟平先生(*委員會主席*)

(於二零一九年二月二十八日獲委任)

高寒先生(於二零一九年二月二十八日獲委任)

王松岭先生

李偉君先生(*委員會主席*)

(於二零一八年十一月三十日辭任)

李景波先生(於二零一八年十二月二十八日辭任)

於截至二零一八年十二月三十一日止年度，審核委員會在外聘核數師在場的情況下舉行叁次會議，並已履行其審閱中期及全年業績的責任。審核委員會就截至二零一八年十二月三十一日止年度所履行的工作包括審閱及討論以下各項：

- 本集團截至二零一七年十二月三十一日止年度的綜合財務報表，並推薦董事會批准；
- 本集團截至二零一八年六月三十日止六個月的綜合財務報表，並推薦董事會批准；
- 委任外聘核數師以及委聘外聘核數師之薪酬及條款，並推薦董事會批准；
- 本集團的風險管理及內部監控系統；
- 截至二零一八年十二月三十一日止年度外聘核數師的審核程序及其有效性、審核費及獨立性和客觀性，並推薦董事會批准；及

# Corporate Governance Report

## 企業管治報告

### BOARD COMMITTEES (CONTINUED)

#### Audit committee (Continued)

- f. the compliance status of the Group with the Listing Rules and legal requirements in relation to financial reporting.

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2018 of the Group, with a recommendation to the Board for approval.

#### Remuneration committee

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference. The primary responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all directors and senior management of the Company.

During the year of 2018 and up to the date of this Report, the Remuneration Committee comprises all independent non-executive directors of the Company, they are as follows:

- Mr. Gao Han (*Chairman of the Committee*)  
(Appointed on 28 February 2019)  
Mr. Chow Chi Ping (Appointed on 28 February 2019)  
Mr. Wang Song Ling  
Mr. Li Jing Bo (*the Chairman of the Committee*)  
(Resigned on 28 December 2018)  
Mr. Li Wai Kwan (Resigned on 30 November 2018)

For the year ended 31 December 2018, the Remuneration Committee held two meetings and preformed the work included the followings:

- a. reviewing and discussing the remuneration package of the existing and new appointment of the directors of the Company; and  
b. making recommendation of new remuneration packages of the directors and communicating to the Board.

The remuneration of directors is determined with reference to their duties and responsibilities, market conditions and performance of the Group. Details of emoluments of directors for the year ended 31 December 2018 are set out in note 15 to the financial statements.

### 董事委員會 (續)

#### 審核委員會 (續)

- f. 本集團就財務申報遵守上市規則及法律規定的情況。

審核委員會已審閱本集團截至二零一八年十二月三十一日止年度的綜合財務報表，並推薦董事會批准。

#### 薪酬委員會

本公司已成立薪酬委員會(「薪酬委員會」)，並制定書面職權範圍。薪酬委員會的主要職責是審閱本公司全體董事及高級管理層的整體薪酬政策及架構，並向董事會作出推薦建議。

於二零一八年及直至本報告日期，薪酬委員會由本公司全體獨立非執行董事組成，包括：

- 高寒先生(委員會主席)  
(於二零一九年二月二十八日獲委任)  
周啟平先生(於二零一九年二月二十八日獲委任)  
王松嶺先生  
李景波先生(委員會主席)  
(於二零一八年十二月二十八日辭任)  
李偉君先生(於二零一八年十一月三十日辭任)

於截至二零一八年十二月三十一日止年度，薪酬委員會曾舉行兩次會議並進行包括以下各項在內的工作：

- a. 審閱及討論本公司現任董事及新委任董事之薪酬待遇；及  
b. 就董事的新薪酬待遇向董事會作出推薦建議，並與董事會溝通。

董事的薪酬乃參考彼等的職務及責任、市況及本集團的表現釐定。截至二零一八年十二月三十一日止年度的董事酬金詳情載於財務報表附註15。

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### BOARD COMMITTEES (CONTINUED)

#### Nomination committee

The Company established a nomination committee (the "Nomination Committee") with written terms of reference. The primary responsibilities of the Nomination Committee are to review the structure, size, composition and diversity of the Board on a regular basis and to make recommendations to the Board the suitable candidates for directorship after consideration of the nominees' independence and quality in order to ensure fairness and transparency of all nominations.

During the year of 2018 and up to the date of this Report, the Nomination Committee comprises all independent non-executive directors of the Company, they are as follows:

Mr. Wang Song Ling (*the Chairman of the Committee*)  
Mr. Gao Han (Appointed on 28 February 2019)  
Mr. Chow Chi Ping (Appointed on 28 February 2019)  
Mr. Li Jing Bo (Resigned on 28 December 2018)  
Mr. Li Wai Kwan (Resigned on 30 November 2018)

For the year ended 31 December 2018, the Nomination Committee held two meetings and preformed the work included the followings:

- reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board;
- reviewing the new appointment of the Executive Director and the Independent Non-Executive Directors;
- reviewing the re-appointment of retiring directors for re-election;
- assessing the independence of the Independent Non-Executive Directors; and
- making recommendation to the Board on the appointment of director.

### 董事委員會 (續)

#### 提名委員會

本公司已成立提名委員會(「提名委員會」)，並制定書面職權範圍。提名委員會的主要職責是定期審閱董事會的架構、人數、組成及多元化，並在考慮提名人的獨立性及資格後，就適當的董事候選人向董事會作出推薦建議，藉此確保所有提名公平及透明。

於二零一八年及直至本報告日期，提名委員會由本公司全體獨立非執行董事組成，包括：

王松岭先生(委員會主席)  
高寒先生(於二零一九年二月二十八日獲委任)  
周啟平先生(於二零一九年二月二十八日獲委任)  
李景波先生(於二零一八年十二月二十八日辭任)  
李偉君先生(於二零一八年十一月三十日辭任)

於截至二零一八年十二月三十一日止年度，提名委員會曾舉行兩次會議並進行包括以下各項在內的工作：

- 審閱董事會的架構、人數、組成及多元化(包括但不限於性別、年齡、文化及教育背景、專業經驗、技術、知識及服務年期)；
- 審閱新委任執行董事及獨立非執董事的委任事宜；
- 審閱參與重選的退任董事的重新委聘事宜；
- 評估獨立非執行董事的獨立性；及
- 就委任董事向董事會作出推薦建議。

# Corporate Governance Report

## 企業管治報告

### NOMINATION POLICY

The secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

### BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

### CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board pursuant to the applicable code provisions of the CG Code which include:

- a. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- b. to review and monitor the training and continuous professional development of the directors and senior management of the Company;
- c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the directors of the Company; and

### 提名政策

本公司秘書須召開提名委員會會議，並邀請董事會成員提名候選人，以供提名委員會考慮。提名委員會亦可提名並非由董事會成員提名之候選人。提名委員會於評估建議董事候選人之適合性時，用作參考之因素包括（其中包括）誠信聲譽、專業資格、技術、與本公司業務及公司策略相關之知識及經驗、願意投入充足時間履行作為董事會成員職責、董事會成員多元性以及對本公司業務而言屬適當之其他因素。提名委員會須作出推薦建議供董事會考慮及批准。

### 董事會多元化政策

建立多元化董事會可改善本公司運作質素，有關益處獲本公司認可及歡迎。候選人之選舉將基於廣泛多元化角度，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。最終決定將取決於獲選候選人將給予董事會之價值及貢獻。

### 企業管治職能

本公司之企業管治職能由董事會根據企業管治守則之適用守則條文而履行，當中包括：

- a. 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- b. 檢討及監察本公司董事及高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- d. 制定、檢討及監察適用於本公司僱員及董事之操守守則及合規手冊（如有）；及



# Corporate Governance Report

## 企業管治報告

- e. to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Board had reviewed the corporate governance matters of the Company for the year ended 31 December 2018, except for the deviation disclosed previously, the Company had complied with the principles and applicable code provisions of the CG Code and was not aware of any non-compliance to relevant applicable legal and regulatory requirements.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements for the financial year ended 31 December 2018, which give a true and fair view of the state of affairs of the Company and of the Group at the date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the statutory requirements and accounting standards. The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 33 to 39 of the Annual Report 2018.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the auditor of the Company and its subsidiaries would receive approximately HK\$830,000 (2017: HK\$705,000) for audit and audit related services, and HK\$60,000 (2017: HK\$60,000) for other non-audit services.

### COMPANY SECRETARY

During the year of 2018, Mr. Zhou Chen ("Mr. Zhou") was the Company Secretary of the Company, who has complied with all the qualifications under the Listing Rules. Mr. Zhou took no less than 15 hours of relevant professional training during the year ended 31 December 2018 as required by the Listing Rules.

- e. 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

董事會已檢討本公司截至二零一八年十二月三十一日止年度之企業管治事宜。除上文所披露之偏離者外，本公司已遵守企業管治守則之原則及適用守則條文，而並不知悉任何違反有關適用法律及法規要求之情況。

### 董事就財務報表須承擔之責任

董事確認其負責編製截至二零一八年十二月三十一日止財政年度之財務報表，該等財務報表真實而公平地反映本公司及本集團於該日之財務狀況，及截至該日止年度本集團之業績及現金流量，並根據法定規例及會計準則採用持續經營基準妥為編製。董事並不知悉任何重大不確定因素涉及事件或情況，從而可能對本集團的持續經營能力造成重大疑慮。

本公司核數師就其有關本公司財務報表之申報責任作出之聲明載於二零一八年年報第33頁至第39頁之獨立核數師報告。

### 核數師薪酬

於截至二零一八年十二月三十一日止年度，本公司及其附屬公司之核數師合共就審核及審核相關服務收取約830,000港元（二零一七年：705,000港元），及就其他非審核服務收取60,000港元（二零一七年：60,000港元）。

### 公司秘書

於二零一八年，周晨先生（「周先生」）為本公司的公司秘書。周先生符合上市規則所有資格規定。於截至二零一八年十二月三十一日止年度，周先生已按照上市規則的規定接受不少於15小時的相關專業培訓。



# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

#### Convening a special general meeting

Pursuant to the Bye-law 58 of the Company, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. The Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business. If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act of Bermuda.

#### Putting enquiries to the board

Shareholders may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the principal place of business in Hong Kong and the Company Secretary shall then forward the same to the appropriate executives of the Company or members in the Board for further handling.

#### Putting forward proposals at shareholders' meeting

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

### 股東權利

#### 應股東請求召開股東特別大會

根據本公司之公司細則第58條，倘持有不少於本公司已發行股本（附有於本公司任何股東大會上之投票權）及證券十分之一之股東提出請求，則董事會可召開股東特別大會。股東須將書面請求寄往本公司之香港主要營業地點，向本公司董事會或公司秘書提出請求。該書面請求須列明股東之持股資料、其聯絡詳情及有關任何具體交易／事宜之建議及其支持文件。

董事會須於接獲有關書面請求後兩(2)個月內舉行該股東大會。本公司須送達所需之股東大會通告，當中註明會議舉行時間、地點及將於會上考慮之決議案內容以及該事項之一般性質。倘董事會未能於接獲該書面請求後二十一(21)日內召開該股東特別大會，則根據百慕達公司法第74(3)條之條文，該股東可召開該大會。

#### 向董事會提出查詢

股東可以書面方式將其向董事會提出的查詢及關注事項郵寄至香港主要營業地點，註明公司秘書收，公司秘書其後會將有關查詢及關注事項轉交本公司適當的執行人員或董事會成員進一步跟進。

#### 於股東大會上提出建議

股東可將書面呈請遞交至香港主要營業地點予本公司董事會或公司秘書，列明股東的持股資料、其聯絡資料及其擬於股東大會上就任何具體交易／事宜提呈的建議和其支持文件。

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### INVESTOR RELATIONS

The Directors meet and communicate with shareholders at the general meeting of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of the general meeting.

Our Company's website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

### AMENDMENT TO BYE-LAWS

The Company did not amend its Bye-laws during the year ended 31 December 2018.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has formulated a policy and procedures on disclosure of inside information (the "Policy") in accordance with Part XIVA of the Securities and Futures Ordinance, the Listing Rules and the Guidelines on Disclosure of Inside Information published by the Securities and Futures Commission. The policy applies to all employees of the Company. The Board will be responsible for adopting and periodically reviewing and updating the Policy.

Moreover, the Company has employed an external consultant to review and comment the Group's financial reporting procedures, system and internal controls for the year ended 31 December 2018. The consultant has provided to the Board a review report (the "Report") which contain recommendations to address the identified control design and implementation effectiveness. The Board has reviewed the Report and has made the improvement to the Company's risk management and internal control systems.

A year-end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate.

### 投資者關係

董事於本公司股東大會上與股東會面及溝通。主席就將予考慮之各項事宜提呈獨立決議案，並將每項提呈之決議案以投票方式進行表決。投票表決結果將於股東大會當日在本公司網站登載。

本公司之網址載有公司資料，企業管治常規、本公司所刊發的中期及年度報告、公佈及通函，以便本公司股東及時得悉本公司的最新消息。

### 公司細則修訂

於截至二零一八年十二月三十一日止年度，本公司無修訂其公司細則。

### 風險管理及內部監控

董事會全權負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並維持本集團合適及有效的風險管理及內部監控系統。該等系統的設計為管理未能實現業務目標之風險；對重大錯誤陳述或損失，只能提供合理的，而不是絕對的保證。

本公司已根據證券及期貨條例第XIVA部、上市規則以及證券及期貨事務監察委員會頒佈的內幕消息披露指引，制定有關披露內幕消息的政策及程序（「該政策」）。該政策適用於本公司全體僱員。董事會將負責採納以及定期檢討及更新該政策。

另外，本公司已委聘一名外部顧問，以審閱本集團截至二零一八年十二月三十一日止年度的財務申報程序、系統及內部監控，並就此提出意見。顧問已為董事會提供審閱報告（「報告」），當中載有解決已識別監控設計及實施效能的推薦建議。董事會已審閱報告，並已改良本公司的風險管理及內部監控系統。

本公司及其附屬公司的風險管理及內部監控系統每年進行一次年終效能審閱，有關系統被視為有效及充足。

# Directors' Biographies

## 董事履歷

### EXECUTIVE DIRECTOR

**Mr. Chen Meng**, aged 46, was appointed as an executive director of the Company on 6 November 2015. Mr. Chen has abundance experience in corporate management, investment and capital management. Mr. Chan is currently the General Manager of Xin Tian Di Group Jilin Investment Company Limited and Xin Tian Di Investment Group Changchun Zhi Ye Company Limited. He was the general manager of Jilin Long Xin Asset Management Company from 2003 to 2006. Prior to that he was in charge of the Finance department of the Changchun office of China Petroleum Shares Company Limited. He is also a director of several subsidiaries of the Company.

**Mr. Zhou Chen**, aged 37, was appointed as an executive director of the Company on 1 February 2018. He then was appointed as the company secretary of the Company on 1 March 2018. Mr. Zhou has extensive experience in auditing, accounting, financial management and corporate finance. He was the chief treasury officer of the Company from June 2016 to January 2018, where he was in charge of the Group's accounting and corporate finance matters. Mr. Zhou has been the chief financial officer of Yamada Green Resources Limited (stock code: BJV), a company listed on the Singapore Exchange (the "SGX") since January 2018. From October 2015 to June 2016, Mr. Zhou was the chief financial officer and the company secretary of Asia Fashion Holdings Limited (stock code: BQI), a company listed on the Singapore Exchange. During the period from October 2013 to October 2015, he had been a general manager of investment and corporate finance of Bayon Airlines Holdings Limited, an enterprise risk manager and internal control manager of Tee International Limited (stock code: M1Z), a company listed on the SGX, and the finance manager of a Singapore private company where he was in charge of accounting and initial public offering process. Between 2008 and 2013, Mr. Zhou worked at Singapore local audit firms and was responsible for, amongst others, auditing companies incorporated in China and listed on the SGX.

Mr. Zhou is an affiliate of The Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants. He also is an associate member of the Hong Kong Institute of Directors. He obtained an advanced diploma in accountancy from Xiamen University in December 2016. Mr. Zhou graduated from Oxford Brookes University in the United Kingdom with a bachelor of science degree in applied accounting in July 2008.

Mr. Zhou is currently an independent non-executive director of a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), namely Wuzhou International Holdings Limited (stock code: 1369) since December 2017. He is also a director of several subsidiaries of the Company.

### 執行董事

**陳猛先生**，46歲，於二零一五年十一月六日獲委任為本公司執行董事。陳先生在企業管理、投資及資產管理方面擁有豐富經驗。陳先生現亦為新天地集團吉林投資有限公司及新天地投資集團長春置業有限公司的總經理。彼曾於二零零三年至二零零六年擔任吉林龍信資產管理公司的總經理。在此之前，他曾主管中國石油股份有限公司長春分公司財務部。彼亦為本公司若干附屬公司之董事。

**周晨先生**，37歲，於二零一八年二月一日獲委任為本公司執行董事。其後，彼於二零一八年三月一日獲委任為本公司公司秘書。周先生於審核、會計、財務管理及企業融資方面擁有豐富經驗。彼於二零一六年六月至二零一八年一月期間曾任本公司的庫務總監，專責本集團的會計及企業融資事宜。周先生自二零一八年一月起一直擔任新加坡證券交易所有限公司（「新交所」）上市公司Yamada Green Resources Limited（股份代號：BJV）的財務總監。自二零一五年十月至二零一六年六月期間，周先生曾任新交所上市公司Asia Fashion Holdings Limited（股份代號：BQI）的財務總監及公司秘書。於二零一三年十月至二零一五年十月，周先生曾任巴戎航空股份有限公司的投資及企業融資總經理及新交所上市公司Tee International Limited（股份代號：M1Z）的企業風險管理師及內部監控經理，以及新加坡一家私營公司的財務經理，主要負責會計及首次公開發售程序。於二零零八年至二零一三年間，周先生效力新加坡當地數家審計事務所，專責（其中包括）對多家於中國註冊成立及於新交所上市的公司進行審計工作。

周先生為特許公認會計師公會（ACCA）準會員，並為新加坡註冊會計師公會會員。彼亦為香港董事學會附屬會員。周先生於二零一六年十二月獲廈門大學頒授會計專業專科文憑。周先生於二零零八年七月畢業於英國Oxford Brookes University，並獲頒授應用會計理學士學位。

周先生自二零一七年十二月起至今擔任一間香港聯合交易所有限公司（「聯交所」）主板上市公司，即五洲國際控股有限公司（股份代號：1369）之獨立非執行董事。彼亦為本公司若干附屬公司之董事。



# Directors' Biographies

## 董事履歷

### NON-EXECUTIVE DIRECTOR

**Mr. Li Feng Mao**, aged 49, was appointed as a non-executive director and the Chairman of the Company on 6 November 2015. Mr. Li is an entrepreneur who focused on investment holding and corporate management and has investments in various enterprises mainly located in the Jilin province, China. The business of these enterprises cover railroad communication & logistics, mining and refinery, natural resources, property development, banking, and financial leasing, etc. Mr. Li holds a Doctor of Philosophy Degree awarded by the Jilin University of China. Mr. Li is the sole owner of HK Guoxin Investment Group Limited, the controlling shareholder of the Company. He is also director of several subsidiaries of the Company.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Wang Song Ling, aged 65, was appointed as an independent non-executive director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company on 21 July 2017. Mr. Wang was the Chairman of the Board of China Jilin Province International Economic and Technological Cooperation Company (中國吉林省國際經濟技術合作公司) since 2004 until his retirement in 2011. Prior to that, he was the director of China Jilin Forest Industry Group Company (中國吉林省森林工業集團公司) and the director of China Jilin Forest Industry Group Co., Ltd. (吉林森林工業集團有限責任公司) of that group, which is listed on the Shanghai Stock Exchange in China and one of the four largest enterprises in the forestry industry in China. Mr. Wang was also the general manager and the first Chairman of Jilin Forestry Resources Development Company (吉林省林業資源開發公司) and Jilin Quanyangquan Drinks Company (吉林省泉陽泉飲品公司) respectively, and succeeded in developing the Quanyangquan mineral water (泉陽泉礦泉水) for its launching.

Mr. Wang is a postgraduate from Party School of Jilin Provincial Committee (吉林省委黨校), and graduated from its Economics and Management Department (經濟管理專業研究院) in 2004. He also graduated from the Institute of Education in Siping City (四平市教育學院) and the Agriculture and Mechanics College in Jilin Province (吉林省農業機械化學校) respectively. He has extensive experience in corporate planning and management.

### 非執行董事

**李丰茂先生**，49歲，於二零一五年十一月六日獲委任為本公司非執行董事及董事會主席。李先生為企業家，專注於投資控股及企業管理，投資主要分佈在中國吉林省的多家企業。企業業務涵蓋鐵路運輸及物流、採礦及提煉、自然資源、房地產開發、銀行及融資租賃等。李先生持有中國吉林大學頒發的哲學博士學位。李先生乃本公司控股股東香港國信興業投資集團有限公司的唯一擁有人。彼亦為本公司若干附屬公司之董事。

### 獨立非執行董事

**王松嶺先生**，65歲，於二零一七年七月二十一日獲委任為本公司獨立非執行董事、提名委員會主席以及審核委員會及薪酬委員會成員。王先生自二零零四年起出任中國吉林省國際經濟技術合作公司董事長直至二零一一年退休為止，在此之前出任中國吉林省森林工業集團公司之董事，並在該集團內兼任吉林森林工業集團有限責任公司之董事，該公司於中國上海證券交易所上市，為中國森林工業四大企業之一，王先生亦曾分別兼任吉林省林業資源開發公司以及吉林省泉陽泉飲品公司之總經理及首任董事長，並成功開發出泉陽泉礦泉水上市。

王先生持有吉林省委黨校研究生學歷，於二零零四年於該校經濟管理專科畢業，在此之前亦分別於四平市教育學院以及吉林省農業機械化學校畢業，彼於企業策劃及管理等方面擁有非常豐富經驗。

# Directors' Biographies

## 董事履歷

### INDEPENDENT NON-EXECUTIVE DIRECTOR (CONTINUED)

**Mr. Gao Han ("Mr. Gao")**, aged 42, has been working in the financial industry over 21 years, previously working with Goldman Sachs as a proprietary trader and working for China Investment Corporation (CIC) as Head of Trading. He later founded Sinolink Securities (HK). Since 2016, He headed China team of HKEX group which designed and implemented stock connects, bond connects and various products and services. Mr. Gao obtained his BS degree from Tsinghua University, and Masters in both Statistics and Computer Science & Ph.D in Computer Science from the University of Chicago. Mr. Gao is currently the Managing Director of China Eagle Asset Management.

**Mr. David Chi-ping Chow ("Mr. Chow")**, aged 61, Mr. Chow is currently a venture capital partner of InterTech Ventures LLC in New York and InAmerica Ventures LLC in Los Angeles. He is the annual innovation incubator of the United States-New York R/GA Accelerator strategic cooperative investor representative, a Partner of Mt. Wilson Ventures Venture Capital Fund, Pasadena, California, the representative of China region of Parsons School of Design, New York, an advisor to the board of directors of Los Angeles New Egg E-Commerce, and a consultant of PwC Consulting Business. Mr. Chow was an independent non-executive director of the Grand Field Group Holdings Limited (stock code: 115) from 2008 to 2014, the company is listed on the Hong Kong Stock Exchange. Mr. Chow was the managing director of Tekhill Holdings Ltd. Mr. Chow had been the general manager of China Region of Interclients LLC and a partner of Shanghai China Bay. Mr. Chow is a United States Certified Public Accountant and an American Certified Tax Practitioner. He has 38 years of experience in financial planning, corporate internal control and audit, strategic planning and implementation. Mr. Chow was the chief financial officer for China of General Mills and Haagen-Dazs, the chief financial officer of Xian Janssen Pharmaceutical, a subsidiary of Johnson & Johnson group. He was the chief financial officer for Greater China of Pillsbury and Haagen-Dazs, the chief financial officer for China and Vice-President of Supply Chain of Nabisco. He was a financial analyst of Motorola. Mr. Chow graduated with a Bachelor Degree in Accounting from Santa Clara University, California. He also received management training from Columbia University and Northwestern University.

### 獨立非執行董事 (續)

**高寒先生 (「高先生」)**，42歲，在金融行業工作超過21年，之前曾在高盛擔任自營交易員，並曾在中國投資有限公司(中投，CIC)擔任自營交易與投資主管。他後來成立了國金證券(香港)有限公司。自2016年起，他領導香港交易所集團中國團隊，設計並實施股票通，債券通及各種產品和服務。高先生獲得清華大學學士學位，芝加哥大學統計學碩士學位和計算機科學碩士學位，以及芝加哥大學計算機博士學位。高先生現職華鷹資產管理公司董事總經理。

**周啟平先生 (「周先生」)**，現年61歲，周先生現為紐約InterTech Ventures LLC及洛杉磯InAmerica Ventures LLC風投合伙人，美國福布斯年度創新孵化器—紐約R/GA加速器戰略合作投資方代表，加州帕薩迪納Mt. Wilson Ventures風投基金Venture Partner，紐約帕森斯設計學院中國區代表，加洲洛杉磯新蛋電子商務董事長顧問，及普華永道諮詢業務顧問。周先生曾於二零零八年至二零一四年擔任鈞濠集團有限公司(股份代號：115)之獨立非執行董事，該公司在香港證券交易所上市。周先生亦曾為太河控股有限公司之董事總經理。周先生曾為Interclients LLC中國區總經理及上海華灣合夥人。周先生為美國執業會計師及美國註冊稅務師。彼在財務策劃、企業內部監控及審計、戰略規劃及執行方面有38年經驗。周先生歷任General Mills及哈根達斯之中國業務財務總監以及西安楊森製藥有限公司(強生集團之附屬公司)財務總監，並曾任Pillsbury及哈根達斯大中華業務財務總監，納貝斯克中國財務總監及供應鏈副總裁。彼亦曾為摩托羅拉之財務分析師。周先生畢業於加州Santa Clara University，獲會計學士學位。彼亦於哥倫比亞大學及西北大學接受管理學培訓。



# Independent Auditor's Report

## 獨立核數師報告



### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA GRAPHENE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

#### Qualified Opinion

We have audited the consolidated financial statements of China Graphene Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 114, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致中國烯谷集團有限公司各股東之獨立核數師報告  
(於百慕達註冊成立之有限公司)

#### 保留意見

本行已審核載於第40至114頁的中國烯谷集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，該綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況報表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要的綜合財務報表附註。

本行認為，除本行的報告保留意見之基準所述事項可能產生之影響外，綜合財務報表已根據由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公允地反映貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

# Independent Auditor's Report

## 獨立核數師報告

### Basis for Qualified Opinion

#### 1. Investment in associates

##### *Five Color Stone Technology Corporation ("Five Color Stone")*

No sufficient evidence has been provided to satisfy ourselves as to (i) the recoverable amount of the investment in Five Color Stone with carrying value of approximately HK\$12,211,000 and HK\$12,541,000 as at 31 December 2018 and 2017, respectively and (ii) whether share of loss of approximately HK\$330,000 and HK\$223,000 of Five Color Stone is properly recognised for the year ended 31 December 2018 and 2017, respectively.

#### 2. Limited accounting books and records of subsidiaries

##### *WI Capital Co., Limited ("WI Capital") and WI Graphene Co., Limited ("WI Graphene")*

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the WI Capital and WI Graphene for the years ended 31 December 2018 and 2017, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2018 and 2017 and the assets and liabilities as at those dates, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been properly recorded and accounted for in the consolidated financial statements:

### 保留意見之基準

#### 1. 於聯營公司之投資

##### *Five Color Stone Technology Corporation ("Five Color Stone")*

本行並無獲提供充分證據足以信納(i)於二零一八及二零一七年十二月三十一日，於Five Color Stone投資之可收回金額賬面值分別約為12,211,000港元及12,541,000港元；及(ii)於截至二零一八年及二零一七年十二月三十一日止年度於Five Color Stone之應佔虧損分別約330,000港元及223,000港元是否分別妥為確認。

#### 2. 會計帳簿及附屬公司紀錄之限制

##### *WI Capital Co., Limited ("WI Capital")及WI Graphene Co., Limited ("WI Graphene")*

由於有關WI Capital及WI Graphene截至二零一八年及二零一七年十二月三十一日止年度之會計帳簿及記錄之證明文件及解釋不充足，本行未能採納審計程序以令本行信納下列截至二零一八年及二零一七年十二月三十一日止年度之收入及開支及於二零一八年及二零一七年十二月三十一日之資產及負債，以及分部資料及其他與貴集團有關之相關披露附註(貴集團綜合財務報表所載者)是否已於綜合財務報表準確記錄及妥為入賬：

# Independent Auditor's Report

## 獨立核數師報告

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Income and expenses for the years ended 31 December:</b>	<b>截至十二月三十一日止年度 之收入及開支：</b>		
<b>Revenue</b>	<b>收益</b>	<b>432</b>	63
Cost of sales	銷售成本	<b>(431)</b>	(57)
<b>Gross profit</b>	<b>毛利</b>	<b>1</b>	6
Other revenue	其他收益	<b>291</b>	29
Other losses	其他虧損	-	(70)
Write-off prepayment for property, plant and equipment	物業、廠房及設備預付 款項之撇銷	<b>(54,516)</b>	-
Administrative expenses	行政開支	<b>(14,300)</b>	(16,817)
<b>Loss from operations</b>	<b>經營虧損</b>	<b>(68,524)</b>	(16,852)
<b>Other comprehensive income after tax:</b>	<b>稅後其他全面收益：</b>		
Items that may be reclassified to profit or loss:	可重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算境外業務而產生的 匯兌差額	<b>1,412</b>	815
<b>Other comprehensive income for the year, net of tax</b>	<b>年內其他全面收益(除稅後)</b>	<b>1,412</b>	815
<b>Total comprehensive expenses for the year</b>	<b>年內全面開支總額</b>	<b>(67,112)</b>	(16,037)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Assets and liabilities as at 31 December:</b>	<b>於十二月三十一日之資產 及負債：</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>2,353</b>	3,774
Prepayment for property, plant and equipment	物業、廠房及設備之預付 款項	-	37,442
		<b>2,353</b>	41,216
<b>Current assets</b>	<b>流動資產</b>		
Trade and other receivables	貿易及其他應收賬項	<b>1,801</b>	1,821
Cash and cash equivalents	現金及現金等價物	<b>13</b>	19,263
		<b>1,814</b>	21,084
<b>Current liability</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付賬項	<b>5,322</b>	1,830
<b>Net current (liabilities)/assets</b>	<b>流動(負債)/資產淨值</b>	<b>(3,508)</b>	19,254
<b>Net (liabilities)/assets</b>	<b>(負債)/資產淨值</b>	<b>(1,155)</b>	60,470

# Independent Auditor's Report

## 獨立核數師報告

Any adjustments to the figures as described from points 1 and 2 above might have consequential effects on the consolidated financial performance and consolidated cash flows for the two years ended 31 December 2018 and 2017 and the consolidated financial positions of the Group as at 31 December 2018 and 2017, and the related disclosures thereof in the consolidated financial statements.

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

### Material Uncertainty Related to the Going Concern

We draw attention to note 2 to the consolidated financial statements which states that the Group incurred a loss of approximately HK\$88,822,000 for the year ended 31 December 2018 and as at 31 December 2018, the Group’s current liabilities exceeded its current assets by approximately HK\$196,641,000 and the Group had a net operating cash outflows of approximately HK\$38,761,000 for the year ended 31 December 2018. These conditions indicate a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

上述第1至第2項所述之任何數字調整可能對 貴集團截至二零一八年及二零一七年十二月三十一日止年度之綜合財務表現及綜合現金流量及 貴集團於二零一八年及二零一七年十二月三十一日之綜合財務狀況，以及綜合財務報表之有關披露造成相應影響。

本行已根據香港會計師公會頒布之香港審計準則（「香港審計準則」）進行審計。本行在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》（「守則」），本行獨立於 貴集團，並已履行守則中的其他專業道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的保留意見提供基礎。

### 關於持續經營的重大不確定因素

本行謹請 閣下垂注綜合財務報表附註2，當中提及 貴集團於截至二零一八年十二月三十一日止年度產生虧損約88,822,000港元，而於二零一八年十二月三十一日， 貴集團的流動負債超過其流動資金約196,641,000港元，而 貴集團於截至二零一八年十二月三十一日止年度的經營業務之現金流出淨值約38,761,000港元。該等情況顯示存在重大不確定因素，將對 貴集團繼續持續經營的能力存有重大疑問。本行的意見並無就該事項作出修訂。

### 關鍵審計事項

關鍵審計事項是本行根據職業判斷，認為對本期綜合財務報表審計最為重要的事項。這些事項的應對以對綜合財務報表整體進行審計並形成審計意見為背景，本行不對這些事項單獨發表意見。除「保留意見之基準」及「關於持續經營的重大不確定因素」中所述事項外，本行決定，下文所述事項為本行的報告中討論的關鍵審核事項。

# Independent Auditor's Report

## 獨立核數師報告

### Investment Properties

Refer to Note 19 to the consolidated financial statements

The Group measured its investment properties at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balance of investment properties of HK\$369,200,000 as at 31 December 2018 and the fair value gain of HK\$10,800,000 for the year then ended are material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation reports and discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the investment properties is supported by the available evidence.

### Emphasis of Matter

We draw attention to note 1 to the consolidated financial statements which states that the Company became aware that a winding-up petition was made against HK Guoxin Investment Group Limited ("HK Guoxin"), which is the immediate parent of the Company and receivers were appointed in respect of the 2,112,395,735 shares held by HK Guoxin in the Company.

We draw attention to note 26 to the consolidated financial statements which states that the Company has violated several covenants attached to the interest-bearing borrowings. Breaches in meeting the covenants would permit the bank to immediately call borrowings.

Our opinion is not modified in respect of these matters.

### 投資物業

請參閱綜合財務報表附註 19

貴集團按公平值計量投資物業，並於綜合損益內確認公平值變動。該公平值計量對本行的審計意義重大，因為投資物業於二零一八年十二月三十一日的結餘為369,200,000港元及截至該日止年度的公平值收益為10,800,000港元，對綜合財務報表而言屬重大。此外，貴集團之公平值涉及應用判斷及乃基於假設及估計。

本行的審計程序包括(其中包括)：

- 評估客戶所委聘外部估值師的能力、獨立性及操守；
- 取得外部估值師報告及討論及質疑估值過程、所用方法及市場憑證，以支持於估值模式中使用的重大判斷及假設；
- 檢查估值模式中的主要假設及輸入數據以支持憑據；
- 檢查估值模式的計算是否準確；及
- 評估綜合財務報表內公平值計量的披露。

本行認為 貴集團就投資物業的公平值計量有可得證據支持。

### 強調事項

本行謹請 閣下垂注綜合財務報表附註1，當中提及 貴公司獲悉香港國信興業投資集團有限公司(「香港國信」)(貴公司的直接母公司)被發出一項清盤呈請，及已為香港國信持有的 貴公司2,112,395,735股股份委任接管人。

本行謹請 閣下垂注綜合財務報表附註26，當中提及 貴公司違反若干計息借貸之契諾。違反履行契諾，銀行可即時催還借貸。

本行的意見並無就該等事項作出修訂。



# Independent Auditor's Report

## 獨立核數師報告

### Other Information

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

### Responsibilities of 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### 其他資料

董事須對其他資料負責。其他資料包括 貴公司年報中所包含的所有資料，但不包括綜合財務報表及本行的核數師報告。其他資料預期將在核數師報告日期後提供給本行。

本行對綜合財務報表的意見並未涵蓋其他資料，本行亦不對該等其他資料發表任何形式的核證結論。

結合本行對綜合財務報表的審核，本行的責任為閱讀上文指出可以向本行提供的其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審核過程中所得知的情況存在重大抵觸，或者似乎存在重大錯誤陳述。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定，編製真實及公平的綜合財務報表，以及進行董事認為必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），除非董事有意將 貴集團清盤或停止經營，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

# Independent Auditor's Report

## 獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

#### ZHONGHUI ANDA CPA Limited

*Certified Public Accountants*

Pang Hon Chung

Audit Engagement Director

Practising Certificate Number P05988

Hong Kong, 29 March 2019

### 核數師就審核綜合財務報表須承擔的責任

本行的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。本行僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本行並不會就本報告的內容對任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

有關本行就審核綜合財務報表須承擔的責任的進一步詳情位於香港會計師公會網站：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該詳情構成本行核數師報告的一部分。

#### 中匯安達會計師事務所有限公司

執業會計師

彭漢忠

執業證書編號 P05988

香港，二零一九年三月二十九日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>	7	<b>16,529</b>	14,572
Cost of sales	銷售成本		(1,590)	(703)
<b>Gross profit</b>	<b>毛利</b>		<b>14,939</b>	13,869
Other income	其他收入	8	2,604	541
Other gains and losses	其他收益及虧損	9	(43,808)	110,237
Operating and administrative expenses	經營及行政開支		(56,267)	(67,973)
(Loss)/profit from operations	經營(虧損)/溢利		(82,532)	56,674
Finance costs	融資成本	11	(5,943)	(4,553)
Share of losses of associates	應佔聯營公司虧損		(330)	(223)
<b>(Loss)/profit before taxation</b>	<b>除稅前(虧損)/溢利</b>		<b>(88,805)</b>	51,898
Income tax expenses	所得稅開支	12	(17)	–
<b>(Loss)/profit for the year attributable to owners of the Company</b>	<b>本公司擁有人應佔年內(虧損)/溢利</b>	13	<b>(88,822)</b>	51,898
<b>Other comprehensive income</b>	<b>其他全面收益</b>			
<i>Items that may be reclassified to profit or loss:</i>	<i>可重新分類至損益之項目：</i>			
Exchange differences on translating foreign operations	換算境外業務而產生的匯兌差額		1,412	815
<b>Other comprehensive income for the year, net of tax</b>	<b>年內其他全面收益(除稅後)</b>		<b>1,412</b>	815
<b>Total comprehensive (expenses)/income for the year attributable to owners of the Company</b>	<b>本公司擁有人應佔年內全面(開支)/收益總額</b>		<b>(87,410)</b>	52,713
<b>(Loss)/earnings per share</b>	<b>每股盈利/(虧損)</b>	17		
Basic (HK cent(s) per share)	基本(港仙/每股)		3.15	1.84
Diluted (HK cent(s) per share)	攤薄(港仙/每股)		3.15	1.84

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日  
(Expressed in Hong Kong dollars) (以港元計值)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>			
Property, plant and equipment	18	4,218	6,700
Investment properties	19	369,200	358,400
Investment in associates	20	12,211	12,541
Pledged bank deposits	24	6,368	13,769
Deposits paid for investment properties	22	1,500	–
Prepayment for property, plant and equipment	22	–	37,442
		<b>393,497</b>	<b>428,852</b>
<b>Current assets</b>			
Inventories	21	527	462
Trade and other receivables	22	6,329	7,466
Investments at fair value through profit or loss	23	645	737
Cash and cash equivalents	24	5,359	57,422
		<b>12,860</b>	<b>66,087</b>
<b>Current liabilities</b>			
Trade and other payables	25	9,484	10,673
Current tax liabilities		17	–
Bank borrowings	26	200,000	200,000
		<b>209,501</b>	<b>210,673</b>
<b>Net current liabilities</b>		<b>(196,641)</b>	<b>(144,586)</b>
<b>NET ASSETS</b>		<b>196,856</b>	<b>284,266</b>
<b>Capital and reserves</b>			
Share capital	28	140,955	140,955
Reserves	30	55,901	143,311
<b>TOTAL EQUITY</b>		<b>196,856</b>	<b>284,266</b>

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 29 March 2019 and are signed on its behalf by:

該等綜合財務報表已獲董事會於二零一九年三月二十九日批准，並由下列董事代表簽署：

**Chen Meng**  
陳猛  
Director  
董事

**Zhou Chen**  
周晨  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

		Share capital	Share premium	Capital redemption reserve	Foreign currency translation reserve	Retained profits	Total equity
		股本	股份溢價	股本 贖回儲備	外幣 匯兌儲備	保留溢利	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	140,955	26,770	121	(7,656)	71,363	231,553
Total comprehensive income for the year	年內全面收益總額	-	-	-	815	51,898	52,713
At 31 December 2017	於二零一七年 十二月三十一日	140,955	26,770	121	(6,841)	123,261	284,266
At 1 January 2018	於二零一八年一月一日	<b>140,955</b>	<b>26,770</b>	<b>121</b>	<b>(6,841)</b>	<b>123,261</b>	<b>284,266</b>
Total comprehensive expenses for the year	年內全面開支總額	-	-	-	1,412	(88,822)	(87,410)
At 31 December 2018	於二零一八年 十二月三十一日	<b>140,955</b>	<b>26,770</b>	<b>121</b>	<b>(5,429)</b>	<b>34,439</b>	<b>196,856</b>



# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

	Note	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	附註		
<b>Cash flows from operating activities</b>			
(Loss)/profit before taxation		<b>(88,805)</b>	51,898
Adjustments for:			
Deficit on revaluation of building		2	4
Depreciation of property, plant and equipment		2,036	2,041
Fair value gain on investment properties		<b>(10,800)</b>	(110,081)
Interest income		(2)	(1)
Finance costs		5,943	4,553
Fair value changes in investments at fair value through profit and loss		92	(156)
Net foreign exchange gain		-	(1)
(Reversal of) allowance for trade receivables		<b>(164)</b>	191
Write off bad debts		37	-
(Reversal of) allowance for inventories		(2)	149
Loss on litigation	36a	269	-
Reversal of over-provided expenses in prior years		<b>(1,483)</b>	-
Provision for long services payment		198	-
Write-off prepayment for property, plant and equipment		54,516	-
Gain on disposals of property, plant and equipment		<b>(278)</b>	-
Share of losses of associates		330	223
Operating cash flows before working capital changes		<b>(38,111)</b>	(51,180)
Change in inventories		<b>(63)</b>	(180)
Change in trade and other receivables		<b>(184)</b>	(36,442)
Change in trade and other payables		<b>(403)</b>	(6,287)
<b>Cash used in operations</b>		<b>(38,761)</b>	(94,089)
Income tax paid		-	-
<b>Net cash used in operating activities</b>		<b>(38,761)</b>	(94,089)

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Cash flows from investing activities</b>	<b>投資活動所得現金流量</b>		
Purchase of property, plant and equipment	購入物業、廠房及設備	(137)	(2,301)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	962	-
(Payment) refund of escrow money	(支付) 退還託管金	(16,302)	20,844
Investment in associates	於聯營公司之投資	-	(12,764)
Change in pledged bank deposits	已抵押銀行存款變動	7,401	(5,649)
Interest received	已收利息	2	1
<b>Net cash (used in)/generated from investing activities</b>	<b>投資活動(所用)/所得之現金淨額</b>	<b>(8,074)</b>	<b>131</b>
<b>Cash flows from financing activities</b>	<b>融資活動所得現金流量</b>		
Borrowings raised	借貸所得款項	-	80,000
Interest paid	已付利息	(5,779)	(4,389)
<b>Net cash (used in)/generated from financing activities</b>	<b>融資活動(所用)/所產生之現金淨額</b>	<b>(5,779)</b>	<b>75,611</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物之減少淨額</b>	<b>(52,614)</b>	<b>(18,347)</b>
Effect of foreign exchange rate changes	匯率變動之影響	551	182
<b>Cash and cash equivalents at beginning of year</b>	<b>於年初之現金及現金等價物</b>	<b>57,422</b>	<b>75,587</b>
<b>Cash and cash equivalents at end of year</b>	<b>於年末之現金及現金等價物</b>	<b>5,359</b>	<b>57,422</b>
<b>Analysis of cash and cash equivalents</b>	<b>現金及現金等價物之分析</b>		
Bank and cash balances	銀行及現金結餘	5,359	57,422

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 1. GENERAL INFORMATION

China Graphene Group Limited (the “Company”) was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 1908-1916, 19/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

In the opinion of the directors of the Company (the “Directors”), as at the date of issue of these consolidated financial statements, (i) the Company became aware that a winding-up petition was made against HK Guoxin Investment Group Limited (“HK Guoxin”) by 吉林省國信興業投資集團有限公司 (the “Petitioner”) in the High Court of Hong Kong on 10 December 2018 on the ground that HK Guoxin is indebted towards the Petitioner a debt of HK\$170,000,000, and (ii) RSM Corporate Advisory (Hong Kong) Limited claiming that Messrs. Osman Mohammed Arab and Lai Wing Lun have been appointed as receivers (the “Receivership”) of the 2,112,395,735 shares held by HK Guoxin in the Company. The Company is not in the position to ascertain the validity of the Petition and the Receivership and the outcome thereof. The Company is now in the course of taking legal advice on the matters mentioned above in order to assess its legal positions. Up to the date of these consolidated financial statements, no significant information has been received by the Company so far. Before the winding-up petition and claiming from the receivers, HK Guoxin, which is a company incorporated in Hong Kong, is the immediate parent and Mr. Li Feng Mao, the sole beneficial owner of HK Guoxin and a director of the Company, is the ultimate controlling party of the Company.

### 1. 一般資料

中國烯谷集團有限公司(「本公司」)為於百慕達註冊成立的有限公司。註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。主要營業地點則為香港灣仔港灣道 30 號新鴻基中心 19 樓 1908-1916 室。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註 37。

本公司董事(「董事」)認為，於公佈該等綜合財務報表之日，(i)本公司獲悉吉林省國信興業投資集團有限公司(「呈請人」)於二零一八年十二月十日於香港高等法院對香港國信興業投資集團有限公司(「香港國信」)發出清盤呈請，理由為香港國信結欠呈請人一項 170,000,000 港元的債務；及(ii)羅申美企業顧問有限公司聲稱馬德民先生及黎穎麟先生已獲委任為香港國信持有的本公司 2,112,395,735 股股份的接管人。本公司無法確定呈請及接管之有效性及其結果。本公司目前正就上述事宜尋求法律意見，以評估其法律狀況。截至本公佈日期，本公司迄今並無收到重大資料。於該項清盤呈請及聲稱委任接管人發生前，香港國信，(一間於香港註冊成立之公司為直接母公司)，而李丰茂先生(香港國信之唯一實益擁有人兼本公司董事)為本公司最終控制方。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK\$88,822,000 for the year ended 31 December 2018, the Group had net current liabilities of approximately HK\$196,641,000 as at 31 December 2018 and had net cash outflow from operating activities of approximately HK\$38,761,000 during the year. Notwithstanding this fact, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for at least the next twelve months based on its projected cash flow forecasts. The Group's Directors have reviewed the financial position of the Group as at 31 December 2018, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months and the Directors consider that the Group is financially viable to continue as a going concern.

In addition, the Group can also improve its financial position, immediate liquidity and cash flows, by adopting the following measures:

- (a) the Directors will take action to reduce costs;
- (b) the Directors will renew bank borrowings; and
- (c) the Directors are in the process to sell certain investment properties.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

### 2. 持續經營基準

本集團於截至二零一八年十二月三十一日止年度出現虧損約88,822,000港元。本集團於截至二零一八年十二月三十一日錄得流動負債淨值約196,641,000港元及於年內錄得產生自經營業務之現金流出淨值約38,761,000港元。儘管如此，董事認為以持續經營基準編製綜合財務報表屬恰當，原因為基於本集團之預計現金流量預測，預期本集團將擁有充足財務資源以應付最少未來十二個月到期之責任。本集團之董事已審閱本集團於二零一八年十二月三十一日之財務狀況，包括其營運資金以及銀行及現金結餘連同未來十二個月之預計現金流量預測，且董事認為本集團在財務上能夠按持續經營基準繼續營運。

此外，本集團可透過採取下列措施，改善其財務狀況、即時流動資金及現金流量：

- (a) 董事將採取行動降低成本；
- (b) 董事將重續銀行借款；及
- (c) 董事正在着手出售若干投資物業。

倘本集團未能持續經營，將須對綜合財務報表作出調整，以將本集團資產價值調整至其可收回金額、就任何日後可能產生之更多負債計提撥備以及將非流動資產重新分類為流動資產。該等潛在調整之影響並無於綜合財務報表內反映。

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### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the investment properties and certain financial instruments which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

### 3. 採納新訂及經修訂香港財務報告準則

本年本集團已採納所有香港會計師公會（「香港會計師公會」）頒佈與本集團經營業務有關並於二零一八年一月一日開始生效之新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則對本集團之會計政策、本集團於本年度及過往年度之財務報表及申報金額並未造成重大變動。

本集團並未應用已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團已開始評估該等新訂及經修訂香港財務報告準則的影響，但目前仍未能指出該等新訂及經修訂香港財務報告準則會否對經營業績及財務狀況造成重大影響。

### 4. 重要會計政策

該綜合財表報表已按照香港會計師公會頒佈的香港財務報告準則、香港公認會計原則及依照香港聯合交易所有限公司證券上市規則及香港公司條例之適用規定編製。

該等綜合財務報表乃按歷史成本法編製，並已就重估按公平值列賬之投資物業及若干金融工具作出修訂。

編製符合香港財務報告準則的綜合財務報表需要採用若干關鍵假設及估計。董事亦須在應用會計政策的過程中作出判斷。涉及關鍵判斷、假設及估計對綜合財務報表而言屬重大的範疇均於綜合財務報表附註5披露。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The significant accounting policies applied in the preparation of the consolidated financial statements are set out below.

#### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

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

### 4. 重要會計政策(續)

編製該等綜合財務報表時應用之重要會計政策載列如下。

#### (a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司是由本集團控制的實體。倘本集團因參與實體的業務而可獲得或有權獲得可變回報，且有能力透過對實體行使權力而影響其回報，則對該實體擁有控制權。當本集團之現有權力賦予其目前能掌控有關業務(即大幅影響實體回報之業務)之能力時，則本集團對該實體擁有權力。

評估控制權時，本集團會考慮其潛在投票權以及由其他各方持有的潛在投票權以決定其是否擁有控制權。僅在持有人能實際行使潛在投票權之情況下方予以考慮該權利。

附屬公司在控制權轉移至本集團當日起綜合入賬。附屬公司在控制權終止當日起停止綜合入賬。

集團內公司間交易、結餘及未變現溢利均予以對銷。未變現虧損亦會予以對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

### 4. 重要會計政策(續)

#### (b) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響乃有權參與而非控制或共同控制有關實體之財務及營運政策決定。於評估本集團是否對另一實體有重大影響力時，將考慮是否存在目前可行使或可轉換的潛在投票權(包括由其他實體持有的潛在投票權)以及其影響。在評估潛在投票權有否構成重大影響時，不會考慮持有人行使或轉換該權力之意圖及財務能力。

於聯營公司之投資乃採用權益法於綜合財務報表內入賬，並初步按成本確認。所收購聯營公司之可識別資產及負債乃按其於收購當日之公平值計量。倘收購成本超出本集團應佔聯營公司之可識別資產及負債之公平淨值，則差額列作商譽。該商譽乃計入投資之賬面值，並於有客觀證據顯示投資出現減值時於各報告期末連同投資一併進行減值測試。倘本集團應佔可識別資產及負債之公平淨值超逾收購成本，則有關差額將於綜合損益內確認。

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## 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

### 4. 重要會計政策(續)

#### (b) 聯營公司(續)

本集團應佔聯營公司收購後損益於綜合損益內確認，而其應佔聯營公司收購後儲備變動則於綜合儲備中確認。累計收購後變動就投資之賬面值作出調整。倘本集團應佔聯營公司虧損相等於或超逾其於聯營公司之權益(包括任何其他無抵押應收款項)時，則本集團不會進一步確認虧損，除非本集團已產生義務或已代聯營公司支付款項。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利等於其應佔未確認虧損後，才會恢復確認其應佔之該等溢利。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限。未變現虧損亦會予以對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

#### (c) 外幣換算

##### (i) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體營運主要經濟環境所採用之貨幣(「功能貨幣」)計量。綜合財務報表乃以港元呈列，即本公司之功能及呈列貨幣。

##### (ii) 各實體財務報表之交易及結餘

外幣交易於初步確認時按交易日期之適用匯率換算為功能貨幣。以外幣呈列之貨幣資產及負債按各報告期末之匯率換算。此換算政策所產生之盈虧於損益確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Foreign currency translation (Continued)

##### (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

### 4. 重要會計政策(續)

#### (c) 外幣換算(續)

##### (iii) 綜合賬目換算

所有功能貨幣有別於本公司呈列貨幣之本集團實體之業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 各份財務狀況表內所列之資產及負債按該財務狀況表日期之收市匯率換算；
- 收入及開支按平均匯率換算，除非此平均匯率不足以合理概約反映於交易日期適用匯率之累計影響，則在此情況下，收入及開支按交易日期之匯率換算；及
- 所有由此而產生之匯兌差額均於外幣匯兌儲備內累計。

於綜合賬目時，因換算構成於海外實體投資淨額而產生之匯兌差額及借貸，於外幣匯兌儲備內確認。當出售海外經營業務時，該等匯兌差額將於綜合損益確認，作為出售盈虧之一部份。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such buildings is recognised in other comprehensive income and accumulated in properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in consolidated profit or loss, in which case the increase is credited to consolidated profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in consolidated profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued buildings is recognised in consolidated profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

### 4. 重要會計政策(續)

#### (d) 物業、廠房及設備

用作生產或供應貨品或服務或用作行政用途而持有之樓宇之重估值(即重估當日之公平值)減去其後累計折舊及其後累計減值虧損於綜合財務狀況表內列賬。本集團會定期進行重估,使賬面值不會與各報告期末使用公平值所釐定者出現重大差異。

重估該等樓宇所產生之任何重估增值均於其他全面收益內確認並累計於物業重估儲備,除非此項增值撥回就同一資產過往於綜合損益確認的重估減值,於此情況下,重估之增值將計入綜合損益內,惟以先前已扣除的減值為限。重估該等樓宇所產生的賬面值減少乃於綜合損益確認,惟以其超過於有關該資產過往重估之物業重估儲備中持有之結餘(如有)為限。

經重估樓宇之折舊於綜合損益內確認。其後出售或棄用經重估物業時,物業重估儲備內剩餘之應佔重估盈餘將直接轉撥至保留盈利。

就生產或供應貨品或服務,或用作行政用途而持有之其他物業、廠房及設備,乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表內列賬。

僅在與項目相關之未來經濟利益有可能流入本集團,以及能可靠計量項目成本之情況下,其後成本方會計入資產賬面值或確認為個別資產(如適用)。所有其他維修及保養於其產生期間在綜合損益確認。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold land	Over the term of the lease of 52 years
Buildings	Over their estimated useful lives of 40 years
Leasehold improvement	Over the lease terms
Furniture, equipment and motor vehicles	2 to 5 years

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in consolidated profit or loss.

#### (e) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are recognised in consolidated profit or loss for the period in which they arise.

If an inventory becomes an investment property, any resulting difference between the carrying amount and the fair value of this item at the date of transfer is recognised in consolidated profit or loss.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in consolidated profit or loss.

### 4. 重要會計政策(續)

#### (d) 物業、廠房及設備(續)

物業、廠房及設備以直線法根據估計可使用年期按足以撇銷其成本或重估金額減剩餘價值之比率計算折舊。主要使用年期如下：

租賃土地	按租約年期52年
樓宇	按其估計可使用年期40年
租賃裝修	按租約年期
傢俬、設備及汽車	2至5年

本集團會於各報告期末檢討及調整(如適用)可使用年期及折舊方法。

出售物業、廠房及設備之盈虧為出售所得款項淨額與相關資產之賬面值兩者間之差額，並於綜合損益確認。

#### (e) 投資物業

投資物業乃就賺取租金及/或作資本增值持有之土地及/或樓宇。投資物業初步按其成本(包括物業應佔之所有直接成本)計量。

於初步確認後，投資物業按其公平值列值。投資物業之公平值變動所產生之盈虧於其產生期間之綜合損益內確認。

倘某項存貨成為投資物業，該項目之賬面值與其轉撥當日之公平值兩者間之任何差額於綜合損益確認。

出售投資物業之盈虧為出售所得款項淨額與該物業賬面值兩者間之差額，並於綜合損益確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Leases

##### *The Group as lessee*

##### (i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

##### *The Group as lessor*

##### (ii) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### (g) Inventories

##### (i) Horticultural plants

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period 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 period 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 period in which the reversal occurs.

### 4. 重要會計政策(續)

#### (f) 租賃

##### 本集團作為承租人

##### (i) 經營租約

資產所有權之所有風險及回報未實質上轉移至本集團之租賃，列為經營租賃。租賃款項(扣除自出租人收取之任何優惠)於租期內以直線法確認為開支。

##### 本集團作為出租人

##### (ii) 經營租約

資產所有權之所有風險及回報未實質上轉移至承租人之租賃，列為經營租賃。經營租約之租金收入於相關租期內按直線法確認。

#### (g) 存貨

##### (i) 園藝植物

存貨按成本及可變現淨值兩者之較低者入賬。成本乃採用加權平均法釐定。製成品及在製品之成本包括原材料、直接工資及所有生產經常開支之適當比例以及(倘適用)分包開支。可變現淨值乃日常業務過程中之估計售價扣除估計完工成本及進行銷售所需之估計成本。

於出售存貨後，其賬面值計入相關收益確認之期間之費用。存貨撇減至可變現淨值之任何撇減金額及虧損之金額確認為撇銷或虧損發生之期間之費用。撥回就存貨撇減之任何金額乃於撥回產生之期間確認為已確認存貨之減值及列作一項開支。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in consolidated profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in consolidated profit or loss.

#### (i) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in consolidated profit or loss.

### 4. 重要會計政策(續)

#### (h) 確認及終止確認金融工具

當本集團成為金融工具合約條文之訂約方時，金融資產及金融負債於綜合財務狀況表內予以確認。

倘自資產收取現金流量之合約權利屆滿時；本集團轉移資產之絕大部分所有權風險及回報時；或本集團並無轉移或保留資產之絕大部分所有權風險及回報，亦無保留該資產之控制權時，則終止確認金融資產。於終止確認一項金融資產時，該資產之賬面值與已收代價之總和兩者間之差額乃於綜合損益確認。

倘有關合約所訂明之責任獲解除、取消或屆滿時，則終止確認金融負債。已終止確認之金融負債之賬面值與已付代價兩者間之差額於綜合損益確認。

#### (i) 金融資產

倘金融資產乃根據合約買賣，且有關係款規定須於有關市場所制訂時限內交付資產時，則該資產以交易日期為基準確認及終止確認，並初步按公平值加直接應佔交易成本確認，惟透過損益按公平值列賬之投資則除外。收購透過損益按公平值列賬之投資之直接應佔交易成本即時於損益確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Financial assets (Continued)

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost; and
- Investments at fair value through profit or loss.

#### (i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

#### (ii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

### 4. 重要會計政策(續)

#### (i) 金融資產(續)

本集團之金融資產按以下類別劃分：

- 按攤銷成本列賬之金融資產；及
- 透過損益按公平值列賬之投資。

#### (i) 按攤銷成本列賬之金融資產

倘金融資產(包括應收賬款及其他應收賬項)符合以下條件則歸入此分類：

- 持有資產的業務模式是為收取合約現金流；及
- 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

該等資產其後使用實際利息法按攤銷成本減預期信貸虧損之虧損撥備計量。

#### (ii) 透過損益按公平值列賬之投資

倘金融資產不符合按攤銷成本計量的條件及於其他全面收益按公平值計算的債務投資條件，除非本集團於初步確認時將並非持作買賣的股本投資指定為於其他全面收益按公平值計量，則金融資產分類至此類別。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Financial assets (Continued)

##### (ii) Investments at fair value through profit or loss (Continued)

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in consolidated profit or loss. The fair value gains or losses recognised in consolidated profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in consolidated profit or loss.

#### (j) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in consolidated profit or loss as an impairment gain or loss.

### 4. 重要會計政策(續)

#### (i) 金融資產(續)

##### (ii) 透過損益按公平值列賬之投資(續)

按公平值計入損益之投資其後按公平值計量，公平值變動產生之任何收益或虧損於綜合損益中確認。於綜合損益確認之公平值收益或虧損乃減去所有利息收入及股息收入。利息收入及股息收入於綜合損益中確認。

#### (j) 預期信貸虧損之虧損撥備

本集團按攤銷成本確認金融資產的預期信貸虧損之虧損撥備。預期信貸虧損乃加權平均信貸虧損，並以發生相關違約風險之金額作為加權數值。

於各報告期末，本集團計量金融工具的虧損撥備，金額等於該金融工具預計年期內所有可能違約事件所產生貿易應收賬款的預期信貸虧損（「全期預期信貸虧損」），或自初步確認後該金融工具的信貸風險大幅增加。

倘於報告期末，金融工具（應收賬款除外）的信貸風險自初步確認後並無大幅增加，本集團會按相等於反映該金融工具可能於報告期後12個月內發生的違約事件所引致預期信貸虧損的全期預期信貸虧損部分的金額，計量該金融工具之虧損撥備。

於報告期末將虧損撥備調整至所需金額的預期信貸虧損或撥回金額，於綜合損益中確認為減值收益或虧損。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (k) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

#### (l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### (m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### (n) Other financial liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (o) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 4. 重要會計政策(續)

#### (k) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物乃指銀行及手頭現金、銀行及其他金融機構之活期存款以及可隨時兌換為已知數額之現金之短期高流動投資，該等投資所面對之價值變動風險並不重大。

#### (l) 金融負債及股本工具

金融負債及股本工具乃按所訂立合約安排之內容及香港財務報告準則下金融負債及股本工具之定義分類。股本工具為任何能證明本集團扣除所有負債後於資產剩餘權益之合約。就特定金融負債及股本工具所採納之會計政策載列如下。

#### (m) 借貸

借貸初步按公平值扣除所產生交易成本確認，其後以實際利率法按攤銷成本計量。

除非本集團具有無條件權利將負債還款期遞延至報告期後至少12個月，否則借貸將被分類為流動負債。

#### (n) 其他金融負債

貿易及其他應付賬款初步按公平值確認，其後以實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下，則按成本列賬。

#### (o) 股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本入賬。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

### 4. 重要會計政策(續)

#### (p) 收益確認

收益乃根據與客戶訂立的合約所指明的代價參考慣常業務慣例計量，並不包括代表第三方收取的金額。對於客戶付款及轉移協定產品或服務期間超過一年的合約，代價會就重大融資部分的影響進行調整。

本集團於完成向客戶轉讓產品或服務控制權的履約責任時確認收益。視乎合約條款及有關合約適用的法例，履約責任可隨時間或於某個時間點完成。倘屬以下情況，履約責任則可隨時間內達成：

- 客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約創建或提升一項於創建或提升時由客戶控制的資產；或
- 本集團履約並無創建供本集團用於其他用途的資產，且本集團有權就迄今為止已完成的履約部分強制收回款項。

倘履約責任可隨時間內達成，收益乃根據完成有關履約責任的進度確認。否則，收益於客戶獲得產品或服務控制權的時間點確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Other revenue

Rental income is recognised on a straight-line basis over the lease terms.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

#### (r) Employee benefits

##### (i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (ii) Pension obligations

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income. Contributions to the plan vest immediately.

### 4. 重要會計政策(續)

#### (q) 其他收益

租金收入採用直線法按租約年期確認。

利息收入以實際利率法確認。

股息收入於股東收取付款之權利確立時確認。

#### (r) 僱員福利

##### (i) 僱員應享假期

僱員可享有之年假及長期服務假期權利乃於僱員應享有時確認。本集團已就截至報告期末止僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員可享有之病假及產假於提取假期時方予確認。

##### (ii) 退休金責任

本集團根據香港強制性公積金計劃條例對於香港僱用條例管轄範圍內僱用之僱員執行強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理之界定供款退休計劃。根據強積金計劃，僱主及僱員各自須按僱員有關收入之5%向該計劃供款。該計劃之供款乃即時歸屬。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (r) Employee benefits (Continued)

##### (ii) Pension obligations (Continued)

The employees of the Group's subsidiaries registered in Japan are members of the pension scheme operated by the Japan local government. The subsidiaries in Japan are required to contribute certain pre-fixed amounts of contribution, according to the level of income for each employee to the pension scheme to fund the benefits. The only obligation of the Group in respect of the pension scheme is the required contributions under the pension scheme.

##### (iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

#### (s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All borrowing costs are recognised in consolidated profit or loss in the period in which they are incurred.

### 4. 重要會計政策(續)

#### (r) 僱員福利(續)

##### (ii) 退休金責任(續)

本集團於日本註冊的附屬公司的僱員均為由日本地方政府營辦的退休金計劃的成員。於日本的附屬公司須按每名僱員的收入水平向退休金計劃作出預設金額供款，以支付有關福利。本集團對退休金計劃的唯一責任是作出退休金計劃所需之供款。

##### (iii) 離職福利

離職福利於本集團不能撤回提供該等福利時及本集團確認重組成本並涉及支付離職福利時(以較早者為準)確認。

#### (s) 借貸成本

因收購、建設或生產合資格資產(需要一段長時間方能達致其擬定用途或出售者)而直接產生之借貸成本乃資本化為該等資產之成本一部分，直至該等資產大致上可準備用作其擬定用途或出售時為止。在特定借款撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借款成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本金額乃按用於該資產之開支資本化比率計算。資本化比率為適用於本集團該期間內尚未償還借貸(不包括就取得合資格資產而借入之特定借款)之加權平均借貸成本。

所有借貸成本均在其產生期間於綜合損益確認。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in consolidated profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 4. 重要會計政策(續)

#### (t) 稅項

所得稅為即期稅項與遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括其他年度之應課稅收入或可扣減之收支項目並且不包括毋須課稅或不可扣減之項目，與綜合損益中確認之溢利不同。本集團即期稅項乃按報告期末前已頒佈或實質頒佈之稅率計算。

遞延稅項乃按綜合財務報表中資產及負債之賬面值與用作計算應課稅溢利之相應稅基間之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時性差異予以確認，而遞延稅項資產乃於應課稅溢利將可能抵銷可扣減暫時性差額、未動用稅項虧損或未動用稅項抵免時方會確認。倘因商譽或於一項交易中其他資產及負債之初步確認(業務合併除外)而產生之暫時性差額不影響應課稅溢利及會計溢利，則不會確認該等資產及負債。

遞延稅項負債就投資於附屬公司及聯營公司而產生之應課稅暫時性差額確認，除非本集團能控制撥回暫時性差額以及暫時性差額可能在可見將來不會被撥回。

遞延稅項資產之賬面值於各報告期末均會作出檢討，並在可能不再有足夠應課稅溢利作抵銷全部或部份將予收回之資產時扣減。



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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (t) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in consolidated profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (u) Related parties

A related party is a person or entity that is related to the Group.

### 4. 重要會計政策(續)

#### (t) 稅項(續)

遞延稅項乃以預期於負債清償或資產變現期間適用之稅率計量，並以於報告期末已頒佈或大致頒佈之稅率為基準。遞延稅項會於綜合損益確認，倘遞延稅項與已於其他全面收益或直接於權益中確認之項目有關則除外，在此情況下，遞延稅項亦會於其他全面收益或直接於權益中予以確認。

遞延稅項資產及負債之計量反映按本集團預計於報告期末收回或清償其資產及負債之賬面值之稅務後果。

就採取公平值模式計量之投資物業之遞延稅項而言，該等物業之賬面值被假設可透過銷售予以收回，除非假設被推翻。當投資物業可予折舊，並以商業目標為隨著時間流逝而非透過銷售消耗投資物業所包含絕大部分經濟利益之商業模式持有，則此假設即被推翻。倘假設被推翻，該等投資物業之遞延稅項按物業可被收回之預計方式予以計量。

遞延稅項資產及負債於有合法強制執行權利將即期稅項資產與即期稅項抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團有意按淨額基準結算即期稅項資產及負債之情況下，方予以抵銷。

#### (u) 關連方

關連方乃與本集團有關連之人士或實體。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (u) Related parties (Continued)

##### (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 Company or of a parent of the Company.

##### (B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company 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. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (A);

### 4. 重要會計政策(續)

#### (u) 關連方(續)

##### (A) 倘屬以下人士，即該人士或該人士家庭近親成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司或本公司母公司的主要管理層成員。

##### (B) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)；
- (ii) 一間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) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關連；
- (vi) 實體受(A)所識別人士控制或共同控制；

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (u) 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); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

#### (v) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### 4. 重要會計政策(續)

#### (u) 關連方(續)

**(B) 倘符合下列任何條件，即實體與本集團有關連：(續)**

- (vii) 於附註(A)(i)所識別人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；或
- (viii) 該實體，或其所屬集團之任何成員，向本公司或本公司之母公司提供主要管理層服務。

#### (v) 非金融資產減值

於各報告期末，本集團審閱其非金融資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損，惟遞延稅項資產、存貨及應收款項除外。倘若出現任何有關跡象，則估計資產之可收回金額，以釐定任何減值虧損。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減出售成本與使用價值兩者中較高者。在評估使用價值時，估計日後現金流按反映當時市場對貨幣時值之評估及資產特定風險的稅前折現率折算至其現值。

倘若估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額。減值虧損即時於綜合損益內確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (v) Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures 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 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 is remote.

#### (x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### 4. 重要會計政策(續)

#### (v) 非金融資產減值(續)

倘若減值虧損其後撥回，資產或現金產生單位之賬面值乃增至其經重新估計之可收回金額，惟已增加賬面值不得超過於過往年度並無確認資產或現金產生單位減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於綜合損益內確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

#### (w) 撥備及或然負債

本集團因過往事件須承擔現有法定或推定責任，而履行責任時有可能導致經濟利益流出並能可靠估計責任金額的情況下，則會對此等不確定時間或金額之負債確認撥備。倘貨幣之時間價值重大，則撥備按預期履行責任之支出現值列賬。

倘不大可能需要流出經濟利益，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。僅透過日後出現或不出現一項或多項事件確定其存在與否之潛在責任，亦披露為或然負債，除非經濟利益流出之可能性極低則另作別論。

#### (x) 報告期後事項

提供有關本集團於報告期末狀況之額外資料或顯示持續經營假設並不適合之報告期後事項均屬於調整事項，並於綜合財務報表內反映。並非調整事項之重大報告期後事項則於綜合財務報表附註中披露。



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### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

#### Critical judgments in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### (a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon certain measures taken by the Directors to improve the Group's financial position, immediate liquidity, cash flows, profitability and operations as explained in note 2 to the consolidated financial statements.

#### (b) Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the Directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

### 5. 重大判斷及關鍵估計

#### 應用會計政策之重大判斷

於應用會計政策之過程中，董事已作出以下對於綜合財務報表中確認之數額具最大影響之判斷(於下文處理涉及估計者除外)。

#### (a) 持續經營基準

該等綜合財務報表乃按持續經營基準編制，其有效性取決於董事為改善本集團之財務狀況、即時流動資金、現金流量、盈利能力及營運(如綜合財務報表附註2所闡述)而採取之若干措施。

#### (b) 投資物業之遞延稅項

就採用公平值模型計量之投資物業之遞延稅項而言，董事已審閱本集團之投資物業組合，並得出結論認為本集團之投資物業並非以目標為隨著時間流逝而非透過銷售消耗投資物業所包含絕大部分經濟利益之商業模式而持有。因此，在釐定本集團投資物業之遞延稅項時，董事已採納按公平值模式計量之投資物業可透過銷售予以收回之假設。

#### 估計不確定因素之主要來源

下文討論有關未來之主要假設及於報告期末估計不確定因素之其他主要來源，而該等假設及不確定因素來源具有導致資產及負債賬面值於下一財政年度內作出大幅調整之重大風險：



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### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

#### Key sources of estimation uncertainty (Continued)

##### (a) Fair value of investment properties

The Group appointed an independent professional valuer to assess the fair value of the investment properties. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The Directors have exercised their judgment and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

##### (b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts, in particular of a loss event, requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

##### (c) Income tax

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, the management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

### 5. 重大判斷及關鍵估計(續)

#### 估計不確定因素之主要來源(續)

##### (a) 投資物業之公平值

本集團已委聘獨立專業估值師評估投資物業之公平值。釐定公平值時，估值師採用涉及若干估計之估值方法。董事已行使其判斷，並信納所用估值方法及輸入資料可反映當前市況。

##### (b) 呆壞賬減值虧損

本集團乃根據貿易及其他應收賬項可收回性之評估(包括各債務人之目前信譽及過往還款記錄)作出呆壞賬減值虧損。倘發生任何事件或情況出現變動顯示餘額可能無法收回時會出現減值。識別呆壞賬需要作出判斷及估計，特別是虧損事件。倘實際結果與原來估計不同，則該等差額將會影響有關估計出現變動年度之貿易及其他應收賬項之賬面值以及呆賬開支。

##### (c) 所得稅

釐定所得稅撥備涉及對某些交易未來稅務處理的判斷。管理層評估各項交易的稅務影響，並計提相應的稅項撥備。本集團定期重新考慮這些交易的稅務處理，以及稅務法規的所有修訂。遞延稅項資產是就未利用稅損和可抵扣暫時差異而確認。由於遞延稅項資產只限在很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅利潤時才會確認，所以需要管理層判斷獲得未來應稅利潤的可能性。本集團不斷審閱管理層的評估，如果很可能獲得能利用遞延稅項資產的未來應稅利潤，便會確認遞延稅項資產。

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### 6. FINANCIAL RISK MANAGEMENT

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

#### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, including HKD and Japanese Yen ("JPY"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

#### (b) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The Directors monitor the price risk and will consider other necessary actions when significant price risks is anticipated. The Group's equity price risk is mainly concentrated on equity securities quoted on the Stock Exchange. The Group has minimal equity price risk.

### 6. 財務風險管理

本集團業務使其面對多種財務風險：外匯風險、價格風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃專注於金融市場之不可預測性，並力求將其對本集團財務表現之潛在不利影響減至最低。

#### (a) 外匯風險

由於本集團之大部分業務交易、資產及負債主要以本集團實體之功能貨幣（包括港元及日圓（「日圓」））計值，故本集團所承受之外匯風險甚微。本集團目前並無就外幣交易、資產及負債設立外匯對沖政策。本集團密切監察其外匯風險，並將於需要時考慮對沖重大外匯風險。

#### (b) 價格風險

本集團主要因其於股本證券投資承受股本價格風險。董事監察價格風險，並於預期到重大價格風險時考慮採取其他必要行動。本集團的股本價格風險主要集中於聯交所所報股本證券。本集團承受之股本價格風險極微。

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, investments at fair value through profit or loss and cash and cash equivalents. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. The credit risks on bank and cash balances and investments at fair value through profit or loss are limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

### 6. 財務風險管理(續)

#### (c) 信貸風險

本集團之信貸風險主要來自其貿易及其他應收賬項、透過損益按公平值列賬之投資及現金及現金等價物。為盡量降低信貸風險，董事已委派團隊負責釐定信貸限額、信用審批及其他監察程序。此外，董事定期審閱各項個別貿易債務之可收回金額，以確保就不可收回債務確認足夠減值虧損。由於交易對手是獲國際評級機構授予高信貸評級的銀行及金融機構，故現金及現金等價物及透過損益按公平值列賬之投資的信貸風險有限。就此而言，董事認為本集團之信貸風險大幅降低。

本集團已落實政策確保向具有良好信用記錄之客戶進行銷售。

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Credit risk (Continued)

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers.

A significant increase in credit risk is presumed if a customer is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

### 6. 財務風險管理(續)

#### (c) 信貸風險(續)

- 內部信貸評級；
- 預期導致客戶履行責任能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；
- 客戶經營業績之實際或預期重大變動；
- 客戶預期表現及行為之重大變動，包括客戶之付款狀況變動。

倘涉及合約付款之客戶逾期超過30日，則假定信貸風險大幅增加。當交易對手無法於合約付款到期時60日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回(例如客戶無法與本集團達成還款計劃)時撇銷。倘債務人於逾期後180日未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團(在實際可行及符合經濟效益之情況下)繼續採取強制行動試圖收回到期應收款項。

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

	Effective interest rate	Effective interest rate	Less than	Between	Between	Total	Total
			1 year	1 and 2 years	2 and 5 years	undiscounted cash flows	carrying amount
		實際利率	少於一年	一至兩年	兩至五年	未貼現現金 流量總額	總賬面值
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元
<b>At 31 December 2018</b>							
於二零一八年十二月三十一日							
Trade and other payables	貿易及其他應付賬項	-	9,112	-	-	9,112	9,112
Bank borrowings (note)	銀行借貸(附註)	2.972%	201,563	-	-	201,563	200,000
			<b>210,675</b>	<b>-</b>	<b>-</b>	<b>210,675</b>	<b>209,112</b>
<b>At 31 December 2017</b>							
於二零一七年十二月三十一日							
Trade and other payables	貿易及其他應付賬項	-	10,432	-	-	10,432	10,432
Bank borrowings (note)	銀行借貸(附註)	2.656%	204,478	-	-	204,478	200,000
			<b>214,910</b>	<b>-</b>	<b>-</b>	<b>214,910</b>	<b>210,432</b>

Note:

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 year" time band in the above maturity analysis. Taking into account the Group's financial position and breach of the undertaking as stated in bank facilities, the Directors believe all amounts due or owing by the Company to the bank (including principal and interest accrued thereon) shall become immediately due and payable by the Company.

### 6. 財務風險管理(續)

#### (d) 流動資金風險

本集團之政策乃定期監察目前及預期之流動資金需求以確保其維持充足現金儲備，滿足其短期及長期之流動資金需求。

本集團金融負債之到期日分析如下：

附註：

附有按要求償還條文之銀行借貸計入上述到期日分析「按要求或少於一年」時段。考慮到本集團之財務狀況及違反於銀行融資訂明的承諾，董事認為所有本公司應付或結欠該銀行之款項(包括本金及應計利息)將立即到期及須由本公司償付。



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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (e) Interest rate risk

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and Prime rate arising from the Group's HKD denominated borrowing.

At 31 December 2018, if the interest rates had been 100 basis points lower with all other variables held constant, consolidated loss for the year would have been HK\$2,000,000 lower (2017: consolidated profit would have been HK\$2,000,000 higher), arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated loss for the year would have been HK\$2,000,000 higher (2017: consolidated profit would have been HK\$2,000,000 lower), arising mainly as a result of higher interest expense on bank borrowings.

#### (f) Categories of financial instruments

### 6. 財務風險管理(續)

#### (e) 利率風險

本集團現金流量利率風險主要集中於本集團以港元計值借貸所產生之香港銀行同業拆息及最優利率的波動。

於二零一八年十二月三十一日，倘利率下跌100個基點而其他所有可變因素維持不變，則年內綜合虧損將下跌約2,000,000港元(二零一七年：綜合溢利將增加約2,000,000港元)，主要是由於銀行借貸利息開支減少。倘利率上升100個基點而其他所有可變因素維持不變，則年內綜合虧損將增加約2,000,000港元(二零一七年：綜合溢利將下跌約2,000,000港元)，主要是由於銀行借貸利息開支增加。

#### (f) 金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Financial assets:</b>	<b>金融資產：</b>		
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量金融資產 (包括現金及現金等價物)	16,549	76,231
Investments at fair value through profit or loss – Designated as such upon initial recognition	透過損益按公平值列賬之投資 – 於初始確認時指定	645	737
		17,194	76,968
<b>Financial liabilities:</b>	<b>金融負債：</b>		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	209,112	210,432

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (g) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### 6. 財務風險管理(續)

#### (g) 公平值

公平值乃指市場參與者之間於計量日期進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格。以下為使用公平值層級之公平值計量披露，有關層級將用以計量公平值之估值方法之輸入數據分為三個層級：

第一級輸入數據：本集團於計量日期可取得相同資產或負債於活躍市場之報價(未經調整)。

第二級輸入數據：資產或負債之直接或間接可觀察輸入數據(第一級包括的報價除外)。

第三級輸入數據：資產或負債之不可觀察輸入數據。

本集團之政策為於導致轉撥之事件或情況出現變動當日確認自三個層級中的任何一個層級之轉入及轉出。

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## 綜合財務報表附註

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6. 財務風險管理(續)

#### (g) Fair values (Continued)

#### (g) 公平值(續)

##### (a) Disclosures of level in fair value hierarchy:

##### (a) 公平值層級水平披露

Description 項目		Fair value measurement using: 公平值計量採用之層級:			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日				
<b>Investments at fair value through profit or loss:</b>	透過損益按公平值列賬之 投資:				
— Listed equity securities	— 上市股本證券	645	—	—	645
<b>Property, plant and equipment</b>	物業、廠房及設備				
— Building held for own use – Hong Kong	— 持作自用之樓宇—香港	—	—	85	85
<b>Investment Properties</b>	投資物業				
— Residential units – Hong Kong	— 住宅單位—香港	—	369,200	—	369,200
		645	369,200	85	369,930
<b>At 31 December 2017</b>	於二零一七年 十二月三十一日				
<b>Investments at fair value through profit or loss:</b>	透過損益按公平值列賬之 投資:				
— Listed equity securities	— 上市股本證券	737	—	—	737
<b>Property, plant and equipment</b>	物業、廠房及設備				
— Building held for own use – Hong Kong	— 持作自用之樓宇—香港	—	—	90	90
<b>Investment Properties</b>	投資物業				
— Residential units – Hong Kong	— 住宅單位—香港	—	358,400	—	358,400
		737	358,400	90	359,227

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (g) Fair values (Continued)

##### (b) Reconciliation of assets measured at fair value based on level 3:

Description 項目		2018	2017
		二零一八年	二零一七年
		Buildings held for own use – Hong Kong 持作 自用之樓宇 – 香港	Buildings held for own use – Hong Kong 持作 自用之樓宇 – 香港
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	90	97
Depreciation charge for the year (#)	年度折舊費用(#)	(3)	(3)
Net losses recognised in consolidated profit or loss (#)	於綜合損益確認淨虧損(#)	(2)	(4)
At 31 December	於十二月三十一日	85	90
(#) Include gains or losses for assets held at end of reporting period	(#) 包括於報告期末持有資產之盈虧	(5)	(7)

The total gains or losses recognised in consolidated profit or loss and depreciation charge for the year including those for assets held at end of reporting period are presented in operating and administrative expenses in the consolidated statement of profit or loss.

於報告期末在綜合損益中確認之盈虧總額及年度折舊費用(包括持有資產之盈虧)乃於綜合損益表內的經營及行政開支呈列。

### 6. 財務風險管理(續)

#### (g) 公平值(續)

##### (b) 根據第三級按公平值計量之資產對賬:

# Notes to the Consolidated Financial Statements

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (g) Fair values (Continued)

##### (c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018 and 2017:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least once a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly:

#### — Cost of construction

Cost per square feet to completion was estimated based on the type of building structure and taking into account market data on current construction costs for similar properties.

#### — Estimated depreciation

Deducting all sources of depreciation by straight-line method over the estimated useful life, including physical deterioration and functional and economic obsolescence and adjusting by the physical condition of the building.

#### Level 2 fair value measurements 第二級公平值計量

Description 項目	Valuation technique 估值方法	Inputs 輸入數據
Residential units located in Hong Kong 位於香港之住宅單位	Direct comparison approach 直接比較法	Comparable sales transaction 可比較銷售交易
		Capitalised net rental income 資本化租金收入淨額

### 6. 財務風險管理(續)

#### (g) 公平值(續)

##### (c) 於二零一八年及二零一七年十二月三十一日，本集團使用之估值程序以及公平值計量所採用估值方法及輸入數據之披露：

本集團財務總監負責就財務報告進行所需的資產及負債之公平值計量，包括第三級公平值計量。財務總監直接向董事會匯報此等公平值計量。財務總監與董事會每年至少進行一次估值程序及結果之討論。

就第三級公平值計量而言，本集團將通常聘請具備獲認可專業資格及最近進行估值經驗之外部估值專家。

第三級公平值計量所採用之主要不可觀察輸入數據主要是：

#### — 建築成本

估值師按類似用途的建築物結構類別並計及現時建築成本的市場數據估計的每平方米落成成本。

#### — 估計折舊

估計折舊應用直線法將樓宇在預計可使用年期內扣減各來源的折舊，包括實質損耗及功能性及經濟陳舊，並按樓宇實際狀況而作出調整。

#### Fair value 公平值

2018 二零一八年 HK\$'000 千港元		2017 二零一七年 HK\$'000 千港元	
Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
369,200	-	358,400	-



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 6. 財務風險管理(續)

#### (g) Fair values (Continued)

#### (g) 公平值(續)

(c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018 and 2017: (Continued)

(c) 於二零一八年及二零一七年十二月三十一日，本集團使用之估值程序以及公平值計量所採用估值方法及輸入數據之披露：(續)

Level 3 fair value measurements  
第三級公平值計量

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs	Fair value 公平值			
				2018 二零一八年 HK\$'000 千港元		2017 二零一七年 HK\$'000 千港元	
項目	估值方法	不可觀察輸入數據	輸入數據增加對公平值之影響	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
Building held for own use — Hong Kong 持作自用之樓宇 — 香港	Based on net replacement cost 淨重置成本法	Cost of construction of HK\$1,210 (2017: HK\$1,294) per square feet 建築成本為每平方呎1,210港元 (二零一七年：1,294港元)	Increase 增加				
			Decrease 減少	85	-	90	-
		Estimated depreciation over the useful life of 58 years (2017: 58 years) 於可使用年期58年 (二零一七年：58年)的估計折舊					

During the two years, there were no changes in the valuation techniques used.

兩年內所用估值方法並無變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 7. REVENUE

An analysis of the Group's revenue for the year is as follows:

### 7. 收益

年內本集團收益之分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental income	租金收入	10,747	10,126
Provision of property management services	來自提供物業管理服務之收益	289	201
Sale of plants and provision of horticultural services	來自銷售植物及提供園藝服務之收益	4,894	4,122
Loan interest income	貸款利息收入	167	60
Sale of graphene	石墨烯銷售	432	63
		<b>16,529</b>	<b>14,572</b>

### 8. OTHER INCOME

### 8. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	2	1
Dividend income from equity investments	股本投資所得之股息收入	29	26
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	278	-
Reversal of over-provided expenses in prior years	過往年度開支超額撥備撥回	1,483	-
Reversal of allowance for trade receivables	貿易應收賬項撥備撥回	164	-
Others	其他	648	514
		<b>2,604</b>	<b>541</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 9. OTHER GAINS AND LOSSES

### 9. 其他收益及虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value gain on investment properties	投資物業之公平值收益	10,800	110,081
Fair value (loss) gain on investments at fair value through profit or loss	透過損益按公平值列賬之投資之公平值(虧損)收益	(92)	156
Write-off prepayment for property, plant and equipment	物業、廠房及設備預付款項之撇銷	(54,516)	-
		<b>(43,808)</b>	110,237

### 10. SEGMENT INFORMATION

### 10. 分類申報

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company's Directors.

本集團乃按主要營運決策者為分配資源至各分類及評估表現而定期審閱本集團各部門的內部報告識別經營分類。主要營運決策者為本公司董事。

The Group has five operating segments as follows:

本集團有五個經營分類如下：

Property investment – engages in leasing out residential properties

物業投資 – 從事住宅物業出租。

Horticultural services – provides horticultural services

園藝服務 – 提供園藝服務。

Graphene manufacturing and sales – manufactures and sells graphene and graphene-related products

石墨烯生產及銷售 – 生產及銷售石墨烯及石墨烯相關產品。

Property management and other related services – provides building management services

物業管理及其他相關服務 – 提供樓宇管理服務。

Money lending – provides loan financing to corporate entities and individuals

借貸業務 – 向公司實體及個人提供貸款。

# Notes to the Consolidated Financial Statements

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### 10. SEGMENT INFORMATION (CONTINUED)

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include unallocated administrative expenses, share of losses of associates, unallocated other income, unallocated other gains and losses, finance costs and income tax expense. Segment assets do not include pledged bank deposits, interests in associates and unallocated corporate assets. Segment liabilities do not include bank borrowings, unallocated corporate liabilities, current tax liabilities and deferred tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

### 10. 分類申報(續)

集團報告分類指提供不同產品及服務之策略性業務單位，並由於各業務所需之技術及營銷策略有別，故有關業務會分開管理。

經營分類的會計政策與綜合財務報表附註4所述者相同。分類溢利或虧損並不包括未分配行政開支、應佔聯營公司虧損、未分配其他收入、未分配其他收益及虧損、融資成本以及所得稅開支。分類資產並不包括已抵押銀行存款、於聯營公司之權益及未分配公司資產。分類負債並不包括銀行借貸、未分配公司負債、即期稅項負債及遞延稅項負債。

本集團將分類間銷售及轉讓列賬，猶如有關銷售及轉讓乃向第三方(即按現時市價)作出。

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### 10. SEGMENT INFORMATION (CONTINUED)

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service and geographical location of customers is as follows:

### 10. 分類申報(續)

#### (a) 分拆收益

按主要產品或服務及客戶地理位置劃分的來自客戶合約之收入分拆如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Disaggregated by major products or services	按主要產品或服務分拆		
– Provision of property management services	– 物業管理服務之提供	289	201
– Sale of plants and provision of horticultural services	– 來自銷售植物及提供園藝服務	4,894	4,122
– Sale of graphene	– 石墨烯銷售	432	63
Revenue from contracts with customers	來自客戶合約之收入	5,615	4,386
– Rental income	– 租金收入	10,747	10,126
– Loan interest income	– 貸款利息收入	167	60
Total revenue	收入總額	16,529	14,572
Disaggregated by geographical location of customers	按客戶地理位置分拆		
– Hong Kong	– 香港	5,183	4,323
– Japan	– 日本	432	63
		5,615	4,386



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### 10. SEGMENT INFORMATION (CONTINUED)

#### (a) Disaggregation of revenue (Continued)

		Timing of revenue recognition 收益確認時間					
		2018 二零一八年			2017 二零一七年		
		At a point in time 於某個 時間點確認	Over time 隨着時間 推移而確認	Total 總計	At a point in time 於某個 時間點確認	Over time 隨着時間 推移而確認	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Provision of property management services	物業管理服務之提供	-	289	289	-	201	201
Sale of plants and provision of horticultural services	來自銷售植物及提供園藝服務	897	3,997	4,894	578	3,544	4,122
Sale of graphene	石墨烯銷售	432	-	432	63	-	63
<b>Total</b>	<b>總計</b>	<b>1,329</b>	<b>4,286</b>	<b>5,615</b>	<b>641</b>	<b>3,745</b>	<b>4,386</b>

#### **Provision of property management services**

Revenue from property management services recognised when the services are rendered.

#### **Sale of plants and provision of horticultural services**

The Group sells plants to the customers. Sales are recognised when control of the plants has transferred, being when the plants are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the plants and the customer has obtained legal titles to the plants.

Revenue from horticultural services is recognised when the services are rendered.

Sale of plants and provision of horticultural services to customers are normally made with credit terms of 30 days. A receivable is recognised when the plants are delivered or services are rendered to the customers as this is the point in time or over time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### **物業管理服務之提供**

提供物業管理服務產生的收益於提供服務時確認。

#### **銷售植物及提供園藝服務**

本集團向客戶銷售植物。銷售於植物交付到客戶轉移控制權時確認。客戶接納植物、概無可能影響客戶接納植物之未履行責任，且客戶已取得植物的合法擁有權。

來自提供園藝服務產生的收益於提供服務時確認。

向客戶銷售植物及提供園藝服務一般按30日的信貸期作出。應收賬項於植物交付予客戶或提供服務時確認，因從那一刻開始或隨時間推移，付款之到期僅須待時間的流逝，故收取代價成為無條件。

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### 10. SEGMENT INFORMATION (CONTINUED)

#### (a) Disaggregation of revenue (Continued)

##### *Sale of graphene*

The Group sells graphene to the customers. Sales are recognised when control of the graphene has transferred, being when the graphene is delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the graphene and the customer has obtained legal titles to the graphene.

Sales to customers are normally made with credit terms of 30 days. A receivable is recognised when the graphene is delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### (b) Information about operating segment profit or loss, assets and liabilities:

Information regarding the Group's reportable segments as provided to the chief operation decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

Certain comparative figures on segment information have been reclassified to conform to the current year's presentation. The new classification on segment information was considered to provide a more appropriate presentation.

### 10. 分類申報(續)

#### (a) 分拆收益(續)

##### *石墨烯銷售*

本集團向客戶銷售石墨烯。銷售於石墨烯交付到客戶轉移控制權時確認。客戶接納石墨烯、概無可能影響客戶接納石墨烯之未履行責任，且客戶已取得石墨烯的合法擁有權。

向客戶銷售石墨烯一般按30日的信貸期作出。應收賬項於石墨烯交付予客戶時確認，因從那一刻開始，付款之到期僅須待時間的流逝，故收取代價成為無條件。

#### (b) 有關經營分類損益、資產及負債之資料

有關本集團供主要營運決策者決定本年度資源分配及評估分類表現的報告分類資料載列如下。

載於分類資料之若干比較數字已經重列，以與本年度之呈報方式一致。分類之新分類方式可提供更適當之呈列方式。

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### 10. SEGMENT INFORMATION (CONTINUED)

#### (b) Information about operating segment profit or loss, assets and liabilities: (Continued)

### 10. 分類申報(續)

#### (b) 有關經營分類損益、資產及負債之資料(續)

		Property investment	Horticultural services	Graphene manufacturing and sales	Property management and other related services	Money lending	Total
		物業投資	園藝服務	石墨烯生產及銷售	物業管理及其他相關服務	借貸業務	總計
		2018	2018	2018	2018	2018	2018
		二零一八年	二零一八年	二零一八年	二零一八年	二零一八年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Years ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>						
Revenue from customers	來自客戶之收益	10,747	4,984	432	289	167	16,619
Intersegment revenue	分類間收益	-	(90)	-	-	-	(90)
Revenue from external customers	來自對外客戶之收益	10,747	4,894	432	289	167	16,529
Segment profit/(loss)	分類溢利/(虧損)	52	(2,326)	(68,524)	224	47	(70,527)
Depreciation	折舊	1,086	-	934	-	-	2,020
Additions to segment non-current assets	添置分類非流動資產	42	-	95	-	-	137
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>						
Segment assets	分類資產	378,419	2,256	4,173	790	884	386,522
Segment liabilities	分類負債	2,391	639	5,322	10	186	8,548

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### 10. SEGMENT INFORMATION (CONTINUED)

### 10. 分類申報(續)

#### (b) Information about operating segment profit or loss, assets and liabilities: (Continued)

#### (b) 有關經營分類損益、資產及負債之資料(續)

	Property investment	Horticultural services	Graphene manufacturing and sales	Property management and other related services	Money lending	Total
	物業投資	園藝服務	石墨烯生產及銷售	物業管理及其他相關服務	借貸業務	總計
	2017	2017	2017	2017	2017	2017
	二零一七年	二零一七年	二零一七年	二零一七年	二零一七年	二零一七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
<b>Years ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>					
Revenue from customers	10,126	4,243	63	201	60	14,693
Intersegment revenue	-	(121)	-	-	-	(121)
Revenue from external customers	10,126	4,122	63	201	60	14,572
Segment profit/(loss)	92,014	(10,324)	(9,064)	191	49	72,866
Depreciation	1,081	-	945	-	-	2,026
Additions to segment non-current assets	26	-	2,275	-	-	2,301
As at 31 December 2017	於二零一七年十二月三十一日					
Segment assets	369,153	2,775	62,302	876	4,503	439,609
Segment liabilities	5,456	719	1,830	43	85	8,133

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 10. SEGMENT INFORMATION (CONTINUED)

#### (b) Information about operating segment profit or loss, assets and liabilities: (Continued) Reconciliations of segment revenue and profit or loss

### 10. 分類申報(續)

#### (b) 有關經營分類損益、資產及負債之資料(續) 分類收益及損益之對賬

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>		
Total revenue of reportable segments	報告分類之總收益	16,619	14,693
Elimination of intersegment revenue	抵銷分類間收益	(90)	(121)
Consolidated revenue	綜合收益	16,529	14,572
<b>Profit or loss</b>	<b>損益</b>		
Total (loss)/profit of reportable segments	報告分類之(虧損)/溢利總額	(70,527)	72,866
Elimination of intersegment profits	抵銷分類間溢利	(90)	(121)
Share of losses of associates	應佔聯營公司虧損	(330)	(223)
Unallocated amounts:	未分配款項：		
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	(16)	(15)
– Finance costs	– 融資成本	(5,943)	(4,553)
– Others gains and losses	– 其他收益與虧損	460	508
– Unallocated corporate expenses	– 未分配公司開支	(12,359)	(16,564)
Consolidated (loss)/profit before tax	除稅前綜合(虧損)/溢利	(88,805)	51,898

#### Reconciliations of segment assets and liabilities

#### 分類資產及負債對賬

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>		
Total assets of reportable segments	報告分類之總資產	386,522	439,609
Investments in associates	於聯營公司之投資	12,211	12,541
Unallocated:	未分配：		
– Pledged bank deposits	– 已抵押銀行存款	6,368	13,769
– Cash and cash equivalents	– 現金及現金等價物	168	28,432
– Other assets	– 其他資產	1,088	588
Consolidated total assets	綜合資產總額	406,357	494,939



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### 10. SEGMENT INFORMATION (CONTINUED)

**(b) Information about operating segment profit or loss, assets and liabilities: (Continued)**  
**Reconciliations of segment assets and liabilities (Continued)**

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Liabilities</b>	<b>負債</b>		
Total liabilities of reportable segments	報告分類之總負債	<b>8,548</b>	8,133
Unallocated:	未分配：		
– Bank borrowings	– 銀行借貸	<b>200,000</b>	200,000
– Other liabilities	– 其他負債	<b>936</b>	2,540
– Current tax liabilities	– 即期稅項負債	<b>17</b>	–
Consolidated total liabilities	綜合負債總額	<b>209,501</b>	210,673

**Geographical information:**

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

**地區資料：**

按經營地點分類本集團來自對外客戶的收益及有關其非流動資產之地點的資料載列如下：

		Revenue 收益		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	<b>16,097</b>	14,509	<b>372,565</b>	361,326
Japan	日本	<b>432</b>	63	<b>2,353</b>	41,216
Consolidated total	綜合總額	<b>16,529</b>	14,572	<b>374,918</b>	402,542

**Revenue from major customers contributing 10% or more to the Group's revenue are as follows:**

來自佔本集團收益10%或以上的主要客戶之收益如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental income – Customer A	租金收入 – 客戶A	<b>3,840</b>	3,840

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### 11. FINANCE COSTS

### 11. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	5,943	4,553

### 12. INCOME TAX EXPENSES

### 12. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax Provision for the year	即期稅項 – 香港利得稅 本年撥備	17	–

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2018. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against assessable profits for the year ended 31 December 2017.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

香港利得稅乃按截至二零一八年十二月三十一日止年度的估計應評稅溢利之16.5%計提撥備。於綜合財務報表中並無計提香港利得稅撥備，此乃由於本集團的承前稅務虧損足以抵銷截至二零一七年十二月三十一日止年度的應評稅溢利。

其他地方的應評稅溢利根據本集團經營所在國家的現行法例、詮釋及實務按適用稅率計算稅項開支。

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## 綜合財務報表附註

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### 12. INCOME TAX EXPENSES (CONTINUED)

The reconciliation between the income tax expenses and the product of (loss)/profit before tax multiplied by the Hong Kong Profits Tax is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	<b>(88,805)</b>	51,898
Tax at the domestic income tax rate of 16.5% (2017: 16.5%)	按本地所得稅率 16.5% 計算的稅項 (二零一七年: 16.5%)	<b>(14,653)</b>	8,563
Tax effect of expenses that are not deductible	不可扣稅開支的稅項影響	<b>12,465</b>	3,870
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	<b>(1,854)</b>	(18,163)
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的稅務影響	<b>4,870</b>	8,496
Tax effect of utilisation of tax losses not previously recognised	動用先前未予以確認稅務虧損的稅務影響	<b>(91)</b>	(12)
Tax effect of temporary differences not recognised	未確認暫時差額的稅項影響	<b>(339)</b>	161
Effect of different tax rate of subsidiaries	附屬公司不同稅率的稅務影響	<b>(381)</b>	(2,915)
		<b>17</b>	-

### 12. 所得稅開支(續)

所得稅開支與除稅前(虧損)/溢利乘以香港利得稅之積的對賬如下:

### 13. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>2,036</b>	2,041
Fair value gain on investment properties	投資物業之公平值收益	<b>(10,800)</b>	(110,081)
Operating lease charges — Land and buildings	經營租約開支—土地及樓宇	<b>5,802</b>	5,773
Auditor's remuneration	核數師薪酬		
– Current	– 即期	<b>830</b>	705
– Under-provision in prior year	– 上年度撥備不足	-	250
Cost of inventories sold	已售存貨成本	<b>1,590</b>	703
(Reversal of) allowance for inventories (included in cost of sales)	存貨撥備(撥回)(已計入銷售成本)	<b>(2)</b>	149
Write-off bad debts	撇銷壞賬	<b>37</b>	-
(Reversal of) allowance for trade receivables	貿易應收賬項撥備(撥回)	<b>(164)</b>	191

### 13. 年內(虧損)/溢利

本集團之年內(虧損)/溢利經扣除/(計入)下列各項後列賬:

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### 14. EMPLOYEE BENEFITS EXPENSE

### 14. 僱員福利開支

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Staff costs including directors' remunerations: 員工成本(包括董事酬金):		
Salaries, bonuses and allowances 薪金、花紅及津貼	30,881	41,487
Retirement benefit scheme contributions 退休福利計劃供款	1,476	880
	<b>32,357</b>	<b>42,367</b>

#### Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2017: three) directors whose emoluments are reflected in the analysis presented in note 15. The emoluments of the remaining two (2017: two) individuals are set out below:

#### 五名最高薪酬人士

年內，本集團五名最高薪酬人士包括三名(二零一七年：三名)董事，其酬金已於附註15呈列之分析中反映。餘下兩名(二零一七年：兩名)人士之酬金載列如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Basic salaries and allowances 基本薪金及津貼	3,246	3,801
Retirement benefit scheme contributions 退休福利計劃供款	32	132
	<b>3,278</b>	<b>3,933</b>

The emoluments fell within the following band:

酬金介乎以下範圍：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$1,000,001 to HK\$1,500,000 1,000,001 港元至 1,500,000 港元	1	1
HK\$1,500,001 to HK\$2,000,000 1,500,001 港元至 2,000,000 港元	1	1

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### 15. BENEFITS AND INTERESTS OF DIRECTORS

### 15. 董事之利益及權益

#### (a) Directors' emoluments

#### (a) 董事酬金

		Fees	Salaries and allowances	Discretionary bonus	Retirement benefit contributions	Total
		袍金	薪金及津貼	酌情花紅	退休計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Name of Director</b>	<b>董事名稱</b>					
<b>Executive directors:</b>	<b>執行董事：</b>					
Chen Meng	陳猛	-	3,005	-	18	3,023
Zhou Chen (vi)	周晨 (vi)	-	2,850	-	18	2,868
		-	5,855	-	36	5,891
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Li Feng Mao, Chairman	李丰茂，主席	-	8,475	-	18	8,493
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Li Jing Bo (vii)	李景波 (vii)	356	-	-	-	356
Wang Song Ling (v)	王松岭 (v)	360	-	-	-	360
Li Wai Kwan (viii)	李偉君 (viii)	333	-	-	-	333
		1,049	8,475	-	18	9,542
<b>Total for 2018</b>	<b>二零一八年總計</b>	<b>1,049</b>	<b>14,330</b>	<b>-</b>	<b>54</b>	<b>15,433</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 15. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### 15. 董事之利益及權益(續)

#### (a) Directors' emoluments (continued)

#### (a) 董事酬金(續)

Name of Director	董事名稱	Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Retirement	Total 合計 HK\$'000 千港元
					benefit scheme contributions 退休計劃供款 HK\$'000 千港元	
<b>Executive directors:</b>						
Chen Meng	陳猛	-	3,000	-	18	3,018
Mak Tin Sang (i)	麥天生(i)	-	1,180	-	7	1,187
Yuan Li Min, Chief Executive Officer (ii)	原立民·行政總裁(ii)	-	8,000	-	18	8,018
		-	12,180	-	43	12,223
<b>Non-executive director:</b>						
Li Feng Mao, Chairman	李丰茂·主席	-	10,000	-	18	10,018
<b>Independent non-executive directors:</b>						
Leung Po Hon (iii)	梁寶漢(iii)	344	-	-	-	344
Li Jing Bo (vii)	李景波(vii)	360	-	-	-	360
Shigeki Tanaka (iv)	田中茂樹(iv)	122	-	-	-	122
Wang Song Ling (v)	王松岭(v)	161	-	-	-	161
		987	10,000	-	18	11,005
Total for 2017	二零一七年總計	987	22,180	-	61	23,228

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### 15. BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

#### (a) Directors' emoluments (continued)

None of the Directors waived any remuneration during the year ended 31 December 2018 (2017: Nil).

During the year ended 31 December 2018, there was no emoluments have been paid to the Directors as an inducement to join or upon joining the Group; or as compensation for loss of office.

Notes: (i) Mr. Mak Tin Sang resigned on 16 May 2017.

(ii) Mr. Yuan Li Min resigned on 16 January 2018.

(iii) Mr. Leung Po Hon resigned on 9 November 2017.

(iv) Mr. Shigeki Tanaka resigned on 2 May 2017.

(v) Mr. Wang Song Ling was appointed on 21 July 2017.

(vi) Mr. Zhou Chen was appointed on 1 February 2018.

(vii) Mr. Li Jing Bo resigned on 28 December 2018.

(viii) Mr. Li Wai Kwan was appointed on 1 February 2018 and resigned on 30 November 2018.

#### (b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 15. 董事之利益及權益(續)

#### (a) 董事酬金(續)

概無董事於截至二零一八年十二月三十一日止年度放棄任何薪酬(二零一七年:無)。

於截至二零一八年十二月三十一日止年度,概無向董事支付任何作為吸引彼等加入或於加入本集團時之獎勵;或作為離任之補償的酬金。

附註: (i) 麥天生先生已於二零一七年五月十六日辭任。

(ii) 原立民先生已於二零一八年一月十六日辭任。

(iii) 梁寶漢先生已於二零一七年十一月九日辭任。

(iv) 田中茂樹先生已於二零一七年五月二日辭任。

(v) 王松嶺先生於二零一七年七月二十一日獲委任。

(vi) 周晨先生於二零一八年二月一日獲委任。

(vii) 李景波先生已於二零一八年十二月二十八日辭任。

(viii) 李偉君先生於二零一八年二月一日獲委任,其於二零一八年十一月三十日辭任。

#### (b) 董事於交易、安排或合約中之重大權益

本公司董事及董事關連方概無就於年末或年內任何時間存續以本公司作為訂約方,且與本集團業務有關之重大交易、安排及合約中擁有重大權益(不論直接或間接)。

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### 16. DIVIDENDS

The board of directors (the "Board") does not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

### 17. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earning per share attributable to owners of the Company is based on the following data:

### 16. 股息

董事會(「董事會」)不建議就截至二零一八年十二月三十一日止年度派發任何股息(二零一七年：無)。

### 17. 每股(虧損)/盈利

計算本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃基於以下數據：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>(Loss)/profit:</b>	<b>(虧損)/溢利</b>		
(Loss)/profit for the purpose of calculating basic and diluted (loss)/earning per share attributable to owners of the Company	就計算本公司擁有人應佔每股基本及攤薄(虧損)/盈利而言的(虧損)/溢利	<b>(88,822)</b>	51,898
		<b>2018 二零一八年 '000 千股</b>	<b>2017 二零一七年 '000 千股</b>
<b>Number of shares:</b>	<b>股份數目：</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/ earning per share	就計算每股基本及攤薄(虧損)/盈利而言的普通股加權平均數	<b>2,819,102</b>	2,819,102

The basic and diluted (loss)/earning per share for the years ended 31 December 2018 and 2017 were the same as the Company had no dilutive potential ordinary shares in issue during the years.

由於本公司於截至二零一八年及二零一七年十二月三十一日止年度並無具攤薄潛力之已發行普通股，故該等年度之每股基本及攤薄(虧損)/盈利相同。

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### 18. PROPERTY, PLANT AND EQUIPMENT

### 18. 物業、廠房及設備

		Leasehold land	Building held for own use carried at fair value	Furniture and equipment	Leasehold improvement	Motor vehicles	Total
		租賃土地	以公平值列賬之 持作自用樓宇	傢俬及設備	租賃裝修	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Cost or valuation:</b>	<b>成本或估值：</b>						
1 January 2017	於二零一七年一月一日	600	97	2,137	1,172	4,588	8,594
Additions	添置	-	-	278	2,023	-	2,301
Disposals	出售	-	-	(237)	-	-	(237)
Deficit on revaluation	重估盈餘	-	(4)	-	-	-	(4)
Exchange differences	匯兌差額	-	-	(1)	(4)	-	(5)
Elimination of accumulated depreciation	累積折舊對銷	-	(3)	-	-	-	(3)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	600	90	2,177	3,191	4,588	10,646
Additions	添置	-	-	71	-	66	137
Disposals	出售	-	-	-	-	(1,725)	(1,725)
Deficit on revaluation	重估虧絀	-	(2)	-	-	-	(2)
Exchange differences	匯兌差額	-	-	1	59	(111)	(51)
Elimination of accumulated depreciation	累積折舊對銷	-	(3)	-	-	-	(3)
At 31 December 2018	於二零一八年十二月三十一日	600	85	2,249	3,250	2,818	9,002
<b>Accumulated depreciation</b>	<b>累計折舊</b>						
1 January 2017	於二零一七年一月一日	255	-	585	391	733	1,964
Charge for the year	本年度支出	12	3	445	542	1,039	2,041
Disposals	出售	-	-	(237)	-	-	(237)
Exchange differences	匯兌差額	-	-	-	-	181	181
Elimination on revaluation	重估時對銷	-	(3)	-	-	-	(3)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	267	-	793	933	1,953	3,946
Charge for the year	本年度支出	12	3	462	546	1,013	2,036
Disposals	出售	-	-	-	-	(1,041)	(1,041)
Exchange differences	匯兌差額	-	-	(4)	5	(155)	(154)
Elimination on revaluation	重估時對銷	-	(3)	-	-	-	(3)
At 31 December 2018	於二零一八年十二月三十一日	279	-	1,251	1,484	1,770	4,784
<b>Carrying amount</b>	<b>賬面淨值</b>						
At 31 December 2018	於二零一八年十二月三十一日	321	85	998	1,766	1,048	4,218
At 31 December 2017	於二零一七年十二月三十一日	333	90	1,384	2,258	2,635	6,700

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 December 2018, the leasehold land of approximately HK\$321,000 (2017: approximately HK\$333,000) and the buildings of approximately HK\$85,000 (2017: approximately HK\$90,000) are pledged as security for the Group's bank borrowings amounted to approximately HK\$406,000 (2017: approximately HK\$423,000).

The Group's buildings held for own use were revalued at 31 December 2018 and 2017 on net replacement cost approach by Cushman & Wakefield Limited, an independent firm of chartered surveyors.

If the buildings held for own use were stated on the historical cost basis, their carrying amounts would be as follows:

### 18. 物業、廠房及設備(續)

於二零一八年十二月三十一日，約321,000港元的租賃土地(二零一七年：約333,000港元)及約85,000港元之樓宇(二零一七年：約90,000港元)已抵押作為本集團約406,000港元(二零一七年：約423,000港元)銀行借貸之抵押品。

本集團持作自用之樓宇由獨立特許測量師行戴德梁行有限公司於二零一八年及二零一七年十二月三十一日按淨重置成本法進行重估。

倘持作自用之樓宇按歷史成本基準列賬，其賬面值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost	成本	780	780
Accumulated depreciation	累計折舊	(463)	(444)
		317	336



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## 綜合財務報表附註

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

### 19. 投資物業

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	358,400	-
Transfer from inventories	由存貨轉入	-	248,319
Fair value gains	公平值收益	10,800	110,081
At 31 December	於十二月三十一日	369,200	358,400

Investment properties were transferred from inventories on 31 December 2017. Investment properties were revalued as at 31 December 2018 on the direct comparison approach by reference to market evidence of recent transactions for similar properties by Cushman & Wakefield Limited, an independent firm of chartered surveyors.

At 31 December 2018, the carrying amount of investment properties pledged as security for the Group's bank borrowings amounted to HK\$369,200,000 (2017: HK\$358,400,000).

投資物業於二零一七年十二月三十一日自存貨轉入。投資物業由獨立特許測量師行戴德梁行有限公司經參考類似物業近期交易的市場憑證，於二零一八年十二月三十一日按直接比較法進行重估。

於二零一八年十二月三十一日，已抵押作為本集團銀行借貸之抵押品之投資物業的賬面值為369,200,000港元(二零一七年：358,400,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 20. INVESTMENT IN ASSOCIATES

### 20. 於聯營公司之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted investments:	非上市投資：		
Share of net assets	應佔資產淨值	12,211	12,541

Details of the Group's associates at 31 December 2018 are as follows:

本集團於二零一八年十二月三十一日於聯營公司之投資詳情如下：

Name 名稱	Place of incorporation/ registration 註冊成立及營業地點	Issued and paid-up capital 已發行及繳足股本	Percentage of ownership interest/voting power/ profit sharing 擁有權權益/投票權/ 利潤分攤之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Five Color Stone Technology Corporation	The Cayman Islands 開曼群島	30,000,000 ordinary shares of US\$0.195 each 30,000,000 股每股面值 0.195 美元的普通股	28%	-	Investment holding 投資控股
台灣烯谷應材股份有限公司	Taiwan 台灣	Registered capital of TWD1,000,000 註冊資本 1,000,000 新台幣	-	28%	Investment holding 投資控股
Taiwan Mutron Applied Materials Limited 台灣美創應材股份有限公司	Taiwan 台灣	Registered capital of TWD1,000,000 註冊資本 1,000,000 新台幣	-	22.4%	Manufacturing and sale of graphene and graphene-related products 生產及銷售石墨烯及石墨烯相關產品

### 21. INVENTORIES

### 21. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Horticultural plants	園藝植物	527	462

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 22. TRADE AND OTHER RECEIVABLES

### 22. 貿易及其他應收賬項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收賬項	2,032	958
Allowance for doubtful debts	呆賬撥備	(27)	(191)
		2,005	767
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	–	37,442
Deposits paid for investment properties (note 36a)	投資物業的已付按金(附註36a)	1,500	–
Other prepayments	其他預付款項	1,067	2,426
Rental and other deposits	已付之租金及其他按金	2,628	2,386
Other tax receivables	其他應收稅款	440	–
Other receivables	其他應收賬項	189	1,887
		7,829	44,908
<b>Analysed as:</b>	<b>分析為：</b>		
Current assets	流動資產	6,329	7,466
Non-current assets	非流動資產	1,500	37,442
		7,829	44,908

The credit term is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

信貸期一般為30日。本集團致力對其未獲償還應收賬項維持嚴格監控。董事定期檢討逾期結餘。

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

按發票日期計算之貿易應收賬項(扣除撥備)之賬齡分析如下：

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

### 22. 貿易及其他應收賬項(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 90 days	0至90日	1,883	705
91 to 180 days	91至180日	112	60
181 to 365 days	181至365日	8	2
Over 365 days	超過365日	2	-
		<b>2,005</b>	<b>767</b>

As at 31 December 2018, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$27,000 (2017: approximately HK\$191,000).

於二零一八年十二月三十一日，估計無法收回應收賬項之撥備為約27,000港元(二零一七年：約191,000港元)。

Reconciliation of allowance for trade receivables:

應收賬項之撥備對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	191	-
Allowance for the year	年內撥備	(164)	191
At 31 December	於十二月三十一日	<b>27</b>	<b>191</b>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on share credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

本集團應用香港財務報告準則第9號下的簡易方法就所有貿易應收賬項使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損，貿易應收賬項已根據共享信貸風險特徵及逾期日數分類。預期信貸虧損亦包含前瞻性資料。

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## 綜合財務報表附註

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### 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

### 22. 貿易及其他應收賬項(續)

		Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
		即期	逾期三個月或以下	逾期三至六個月	逾期六至十二個月	逾期超過十二個月	總計
At 31 December 2018	於二零一八年十二月三十一日						
Weighted average expected loss rate	加權平均預期虧損率	-	-	15%	100%	-	
Receivable amount (HK\$'000)	應收金額(千港元)	1,560	398	53	19	2	2,032
Loss allowance (HK\$'000)	虧損撥備(千港元)	-	-	(8)	(19)	-	(27)
At 31 December 2017	於二零一七年十二月三十一日						
Weighted average expected loss rate	加權平均預期虧損率	-	-	-	-	99%	
Receivable amount (HK\$'000)	應收金額(千港元)	471	234	60	-	193	958
Loss allowance (HK\$'000)	虧損撥備(千港元)	-	-	-	-	(191)	(191)

### 23. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 23. 按公平值計入損益之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities, at fair value	股本證券，按公平值		
Listed in Hong Kong	於香港上市	645	737

The fair values of listed securities are based on current bid prices.

上市證券之公平值乃按現行買入價進行計算。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 24. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

### 24. 已抵押銀行存款以及現金及現金等價物

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash at bank and on hand	銀行及手頭現金	11,727	71,191
Less: Pledged bank deposits	減：已抵押銀行存款	(6,368)	(13,769)
Cash and cash equivalents	現金及現金等價物	5,359	57,422

The Group's pledged bank deposits represented deposits pledged to bank to secure bank borrowings granted to the Group as set out in note 26 to the consolidated financial statements.

本集團已抵押銀行存款指已抵押予銀行作為授予本集團銀行借貸的抵押，詳情載於綜合財務報表附註26。

### 25. TRADE AND OTHER PAYABLES

### 25. 貿易及其他應付賬項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付賬項	96	150
Other payables and accrued charges	其他應付賬項及應計費用	9,016	8,618
Amount due to a director	應付一位董事金額	-	1,664
Other tax payables	其他應付稅項	127	-
Receipt in advance	預收款項	245	241
		9,484	10,673

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

貿易應付賬項按收取貨品日期劃分之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 90 days	0至90日	96	150

The amount due to a director is unsecured, interest-free and repayable on demand.

應付一位董事金額為無抵押、免息及按要求的償還。

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## 綜合財務報表附註

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

### 26. 銀行借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank loans	銀行貸款	200,000	200,000

The bank borrowings are classified as current liabilities as they contain a repayment on demand clause. According to the repayment schedule, the bank borrowings are repayable as follow:

由於銀行借貸載有按要求償還條款，故分類為流動負債。根據償還時間表，銀行借貸將按以下期間償還：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 year	一年內	120,000	120,000
After 1 year but within 2 years	一年後但兩年內	80,000	80,000
		200,000	200,000

The carrying amounts of the Group's bank borrowings are denominated in HKD.

本集團之銀行借貸賬面值以港元計值。

The interest rate of the Group's bank borrowings as at 31 December 2018 and 2017 was 2% per annum over one-month HIBOR or 2% per annum below HKD prime rate, whichever is lower.

於二零一八年及二零一七年十二月三十一日，本集團銀行借貸按一個月香港銀行同業拆息加2%之年利率或港元最優利率減2%之年利率(以較低者為準)計息。

The bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

銀行借款按浮動利率作安排，因此本集團面臨現金流量利率風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 26. BANK BORROWINGS (CONTINUED)

Bank loans of HK\$200,000,000 (2017: HK\$200,000,000) are secured by (i) the investment properties of HK\$369,200,000 as disclosed in note 19 to the consolidated financial statements (2017: HK\$358,400,000), (ii) the land and buildings of approximately HK\$406,000 as disclosed in note 18 to the consolidated financial statements (2017: approximately HK\$423,000), (iii) bank deposits of not less than HK\$6,000,000 and (iv) assignment of rental income from properties to a designated bank account which is charged to the bank.

During the year, the Company has violated several covenants attached to the interest-bearing borrowings. Breaches in meeting the covenants would permit the bank to immediately call borrowings.

### 27. DEFERRED TAXATION

At 31 December 2018, the Group has unused tax losses of approximately HK\$335,161,000 (2017: approximately HK\$399,922,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. The tax losses of approximately HK\$301,259,000 (2017: approximately HK\$380,403,000) that are available for offsetting against future profits do not expire under current tax legislation. The tax loss of approximately HK\$33,902,000 (2017: approximately HK\$19,519,000) attributable to the Japan are available for offsetting against future profits that may be carried forward for nine years for Japan income tax purpose. All tax losses are subjected to be agreed by tax authorities.

### 26. 銀行借貸(續)

銀行借貸200,000,000港元(二零一七年: 200,000,000港元)以下列各項作抵押:(i)於綜合財務報表附註19所披露的投資物業369,200,000港元(二零一七年: 358,400,000港元), (ii)於綜合財務報表附註18所披露的土地及樓宇約406,000港元(二零一七年: 約423,000港元), (iii)銀行存款不少於6,000,000港元及(iv)轉讓物業的租金收入至抵押予銀行的指定銀行賬戶。

年內,本公司違反若干計息借貸之財務契約。倘違反履行契約,銀行可即時催還借貸。

### 27. 遞延稅項

於二零一八年十二月三十一日,本集團可供對銷未來溢利的未動用稅項虧損約為335,161,000港元(二零一七年: 約399,922,000港元)。由於難以預測未來溢利,故並無就該等稅項虧損確認遞延稅項資產。根據現行稅務法規,該等可用作抵銷將來溢利的稅項虧損約301,259,000港元(二零一七年: 約380,403,000港元)並未到期。用作抵銷將來溢利的應佔日本的稅項虧損約33,902,000港元(二零一七年: 約19,519,000港元),可就日本利得稅結轉9年。所有稅項虧損須取得稅務當局之同意。

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

### 28. 股本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised:	法定：		
20,000,000,000 ordinary shares of HK\$0.05 each	20,000,000,000 股每股 面值0.05港元的普通股	<b>1,000,000</b>	1,000,000
Issued and fully paid:	已發行及繳足：		
2,819,102,084 ordinary shares of HK\$0.05 each	2,819,102,084 股每股 面值0.05港元的普通股	<b>140,955</b>	140,955

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to shareholders through the optimisation of debt and equity balance.

本集團管理資本之目標旨在保障本集團持續經營之能力，透過優化債務與權益之平衡，為擁有人帶來最大回報。

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises bank borrowings. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves).

本集團按債務對調整後資本比率之基準監察資本。該比率按債務淨額除以經調整後資本計算。債務總額包括銀行借貸。經調整後資本包括權益之所有組成部分(即股本、保留溢利及其他儲備)。

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(Expressed in Hong Kong dollars) (以港元計值)

### 28. SHARE CAPITAL (CONTINUED)

The Group's long-term policy, which was unchanged from 2017, is that net debt should be in the range of 45% to 96% of adjusted capital. This policy aims to ensure that the Group secures access to finance at a reasonable cost and lowers its net of tax weighted average cost of capital. The debt-to-adjusted capital ratios at 31 December 2018 and at 31 December 2017 were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total debt	債務總額	200,000	200,000
Less: pledged bank deposits	減：已抵押銀行存款	(6,368)	(13,769)
Less: cash and cash equivalents	減：現金及現金等價物	(5,359)	(57,422)
Net debt	債務淨額	188,273	128,809
Total equity	總權益	196,856	284,266
Debt-to-adjusted capital ratio	債務對調整後資本比率	96%	45%

The increase in the debt-to-adjusted capital ratio during 2018 resulted primarily from decrease in bank balances. The externally imposed capital requirements for the Group are:

(i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2018, 25.07% (2017: 25.07%) of the shares were in public hands.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.

### 28. 股本(續)

本集團之長期政策與二零一七年相同，指債務淨額應在經調整資本之45%至96%範圍內。此政策旨在確保本集團成功以合理成本獲得融資，並降低其除稅後加權平均資本成本淨額。於二零一八年十二月三十一日及二零一七年十二月三十一日債務對經調整資本比率如下：

於二零一八年，債務對調整後資本比率增加主要是由於銀行結餘減少所致。本集團受限於以下外來資本規定：

(i) 為了維持於聯交所之上市地位，其公眾持股量至少維持25%之股份；及(ii) 履行計息借貸所附之財務契諾。

本集團每週接獲股份過戶登記處發出列示非公眾人士持有主要股份權益之報告，該報告顯示本集團於整個年度內一直遵守25%之最低公眾持股量規定。於二零一八年十二月三十一日，股份之公眾持股量為25.07%（二零一七年：25.07%）。

倘違反履行財務契諾，銀行可即時催還借貸。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY 29. 本公司財務狀況表及儲備變動

#### (a) Statement of financial position of the Company

#### (a) 本公司財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Interests in subsidiaries	於一間附屬公司之投資	7,813	7,813
Pledged bank deposits	已抵押銀行存款	6,368	13,769
		<b>14,181</b>	21,582
<b>Current assets</b>	<b>流動資產</b>		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬項	604	146
Due from subsidiaries	應收附屬公司款項	–	261,908
Cash and cash equivalents	現金及現金等價物	–	27,436
		<b>604</b>	289,490
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付賬項	911	681
Bank borrowings	銀行借貸	200,000	200,000
		<b>200,911</b>	200,681
<b>Net current (liabilities)/assets</b>	<b>流動(負債)/資產淨值</b>	<b>(200,307)</b>	88,809
<b>NET (LIABILITIES)/ASSETS</b>	<b>(負債)/資產淨值</b>	<b>(186,126)</b>	110,391
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	股本	140,955	140,955
Reserves	儲備	(327,081)	(30,564)
<b>TOTAL EQUITY</b>	<b>總權益</b>	<b>(186,126)</b>	110,391

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

#### (b) Reserve movement of the Company:

		Share premium	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	股本贖回儲備	繳入盈餘	累計虧損	小計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	26,770	121	234,897	(238,394)	23,394
Total comprehensive expenses for the year	年內全面支出總額	-	-	-	(53,958)	(53,958)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	26,770	121	234,897	(292,352)	(30,564)
Total comprehensive expenses for the year	年內全面支出總額	-	-	-	(296,517)	(296,517)
At 31 December 2018	於二零一八年十二月三十一日	26,770	121	234,897	(588,869)	(327,081)

### 29. 本公司財務狀況表及儲備變動(續)

#### (b) 本公司儲備之變動如下：

### 30. RESERVES

#### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

#### (b) Nature and purpose of reserves

##### (i) Share premium reserve

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. The application of the share premium account is governed by the Company Act 1981 of Bermuda.

##### (ii) Capital redemption reserve

The application of the capital redemption reserve is governed by the Company Act 1981 of Bermuda.

##### (iii) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company and the aggregate of the share capital and the share premium accounts of the subsidiaries acquired. Under the Company Act 1981 of Bermuda, the Company may make distributions to its members out of contributed surplus in certain circumstances.

### 30. 儲備

#### (a) 本集團

本集團之儲備金額及其變動於綜合損益及其他全面收益表以及綜合權益變動表內呈列。

#### (b) 儲備之性質及目的

##### (i) 股份溢價

股份溢價指因按超過每股面值之價格發行股份所產生之溢價。股份溢價賬之應用乃受百慕達一九八一年公司法所規管。

##### (ii) 資本贖回儲備

資本贖回儲備之應用乃受百慕達一九八一年公司法所規管。

##### (iii) 繳入盈餘

本公司繳入盈餘指本公司已發行股份之面值與所收購附屬公司之股本及股份溢價賬總額之差額。根據百慕達一九八一年公司法，本公司於若干條件下可向其成員公司分配繳入盈餘。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 30. RESERVES (CONTINUED)

#### (b) Nature and purpose of reserves (Continued)

##### (iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in notes to the consolidated financial statements.

### 30. 儲備(續)

#### (b) 儲備之性質及目的(續)

##### (iv) 外幣匯兌儲備

外幣匯兌儲備包括所有因換算海外業務財務報表產生之匯兌差額。該儲備乃根據綜合財務報表附註所列會計政策處理。

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

### 31. 綜合現金流量表附註

融資活動產生之負債對賬

		Bank borrowings 銀行借貸 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	120,000
Changes in cash flows	現金流變動	75,611
Non-cash changes	非現金變動	
– interest expenses	– 利息開支	4,553
– Accrued interest expenses recognised in trade and other payables	– 於貿易及其他應付賬項確認的應計利息開支	(164)
<b>At 31 December 2017 and 1 January 2018</b>	<b>於二零一七年十二月三十一日及二零一八年一月一日</b>	<b>200,000</b>
Changes in cash flows	現金流變動	(5,779)
Non-cash changes	非現金變動	
– interest expenses	– 利息開支	5,943
– Accrued interest expenses recognised in trade and other payables	– 於貿易及其他應付賬項確認的應計利息開支	(164)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>200,000</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 32. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	15,416	13,867

### 33. CONTINGENT LIABILITIES

In light that there was a change in a subsidiary's shareholdings during the year ended 31 December 2002 and the subsidiary has accumulated tax loss brought forward, Section 61B of the Hong Kong Inland Revenue Ordinance basically prevents the utilization of tax loss through the purchase of companies with accumulated tax losses. In view of the inherent uncertainties of change of shareholders, and the outcome of which cannot be estimated reliably at this stage, the Directors considered that no specific provision should be made in the consolidated financial statements.

### 34. LEASE COMMITMENTS

#### The Group as lessee

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases and were payable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	205	4,589

Operating lease payments represent rentals payable by the Group for certain of its offices. Leases are negotiated for an average term of two years and rentals are fixed over the lease terms and do not include contingent rentals.

### 32. 資本承擔

於報告期末，已簽訂但仍未產生之資本承擔如下：

### 33. 或然負債

由於截至二零零二年十二月三十一日止年度期間本集團一間附屬公司的股權發生變動及該附屬公司有累計承前稅項虧損，香港稅務條例第61B條基本上禁止透過以累計稅項虧損購買公司使用稅項虧損。鑒於股東變動之內在不確定性，而現階段無法可靠地估計其結果，本公司董事認為不應於綜合財務報表中作出具體撥備。

### 34. 租約承擔

#### 本集團作為承租人

於報告期末，根據不可撤銷經營租約項下日後應付之最低租約款項總額如下：

經營租約款項指本集團就其若干辦公室之應付租金。租約之租期經磋商後平均為期兩年，租約期內租金不變，且不包括或然租金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
(Expressed in Hong Kong dollars) (以港元計值)

### 34. LEASE COMMITMENTS (CONTINUED)

#### The Group as lessor

Property rental income earned during the year was approximately HK\$10,747,000 (2017: approximately HK\$10,126,000). All of the Group's investment properties are held for rental purposes. They are expected to generate rental yields of 3% (2017: 3%) on an ongoing basis.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases and were receivable as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	2,833	6,760
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	27	111
		<b>2,860</b>	<b>6,871</b>

### 35. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rental income from a director	來自一名董事之租金收入	195	300

### 34. 租約承擔(續)

#### 本集團作為出租人

本年度所賺取之物業租金收入為約10,747,000港元(二零一七年:約10,126,000港元)。本集團之所有投資物業均為持作租賃用途。預計該等物業將持續產生3%(二零一七年:3%)之租金收益率。

於報告期末,根據不可撤銷經營租約項下日後應收之最低租約款項總額如下:

### 35. 關聯方交易

除綜合財務報表其他部分所披露關聯方交易及結餘外,本集團於年內與其關聯方有以下交易:



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 36. EVENTS AFTER THE REPORTING PERIOD

- (a) Pursuant to a court judgement issued on 10 October 2018 regarding a claim made against the Group in relation to a residential flat it sold in December 2010, the Group was ordered to return the net purchase price of HK\$9,669,000 it received for the said flat back to the purchaser (the "Judgment Amount") and the legal and beneficial title of the said flat to be transferred back from the purchaser to the Group. The Judgment Amount has been settled on 11 January 2019 with the sum of HK\$1,500,000 paid into Court by the Defendant by way of a Notice of Sanctioned Payment date 11 January 2016 and completion took place on 25 January 2019.
- (b) The Group has entered into an 5-year loan agreement of approximately US\$956,000 (equivalent to approximately HK\$7,503,000) with an independent third party, which is secured by a residential flat and the entire issued shares of Super Homes Limited, an indirect wholly owned subsidiary of the Company as collaterals.

### 36. 報告期後事項

- (a) 根據於二零一八年十月十日就有關本集團二零一零年十二月出售之住宅單位向本公司作出的申索所發出的法院判決，本集團被命令退還所收取上述單位淨購買價9,669,000港元予買方（「判決金額」），且上述單位之合法及實益所有權由買方轉回予本集團。判決金額已於二零一九年一月十一日結付，由被告以發出日期為二零一六年一月十一日的附帶條款付款通知書的方式向法庭支付共1,500,000港元，並於二零一九年一月二十五日完成。
- (b) 本集團已與獨立第三方訂立約956,000美元（相當於約7,503,000港元），為期五年之貸款協議，以一間住宅單位及Super Homes Limited（本公司間接全資附屬公司）之全部已發行股本作抵押。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度  
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### 37. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries which principally affected the results, assets and liabilities of the Group as at 31 December 2018 were as follows:

Name 名稱	Place of incorporation and operation 註冊成立及營業地點	Particulars of issued and paid-up capital 已發行及繳足股本詳情	Percentage of ownership interest/voting power/ profit sharing 擁有權益/投票權/ 利潤分攤之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
China Graphene Holdings Limited	British Virgin Islands 英屬處女群島	100 Ordinary share of US\$1 each 每股面值1美元之100股普通股	100%	-	Investment holding 投資控股
Century Elegant Limited 進加有限公司	Hong Kong 香港	1 ordinary share 1股普通股	-	100%	Provision of property management services 提供物業管理服務
Cheung Kee Garden Limited 張記花園有限公司	Hong Kong 香港	100 ordinary share 450,000 non-voting deferred shares 100股普通股及450,000股無投票權遞延股	-	100%	Provision of horticultural services 提供園藝服務
Donwin Property Limited 棟榮置業有限公司	Hong Kong 香港	2 ordinary shares 2股普通股	-	100%	Property holding 物業持有
Sui Chong Finance Limited 瑞昌財務有限公司	Hong Kong 香港	2 ordinary shares 2股普通股	-	100%	Provision of financing and management services, money lending and trading of securities 提供融資及管理服務、借貸業務及證券交易
Sui Chong International Resources Limited 瑞昌國際資源有限公司	Hong Kong 香港	1,000 ordinary shares 1,000股普通股	-	100%	Provision of property, management and project management services 提供物業管理及項目管理服務
Super Homes Limited	Hong Kong 香港	100 ordinary shares 100 non-voting deferred shares 100股普通股及100股無投票權遞延股	-	100%	Investment properties holding 投資物業持有
WI Capital Co., Limited	Japan 日本	JPY800,000,000 800,000,000日圓	-	100%	Investment holding 投資控股
WI Graphene Co., Limited	Japan 日本	JPY384,000,000 384,000,000日圓	-	100%	Manufacturing and sale of graphene and graphene-related products 生產及銷售石墨烯及石墨烯相關產品

### 37. 本公司主要附屬公司詳情

於二零一八年十二月三十一日，對本集團業績、資產及負債構成主要影響之本公司附屬公司之詳情載列如下：

### 38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 29 March 2019.

### 38. 批核綜合財務報表

此等綜合財務報表已於二零一九年三月二十九日經董事會批准及授權刊發。

# Group Properties

## 集團物業

Particulars of the Group's major properties held for sale as at 31 December 2018 are as follows:

本集團於二零一八年十二月三十一日持作出售之主要物業詳情如下：

Location 地點	Existing Use 現在用途	Gross floor area 總建築面積 sq. m. 平方米	Percentage interest attributable to the Group 本集團應佔權益 百分比
30 units of THE ICON, 38 Conduit Road, Mid-levels, Hong Kong 香港半山干德道38號 THE ICON的30個單位	Residential 住宅	1,953	100%

# Summary Financial Information

## 財務資料概要

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

本集團按下列附註所載之基準編制之已公佈業績與資產及負債之概要如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	<b>16,529</b>	14,572	5,442	12,210	5,351
(Loss)/profit before tax	除稅前(虧損)/溢利	<b>(88,805)</b>	51,898	(43,947)	(26,469)	(24,043)
Income tax expenses	所得稅開支	<b>(17)</b>	-	-	-	-
(Loss)/profit for the year	年內(虧損)/溢利	<b>(88,822)</b>	51,898	(43,947)	(26,469)	(24,043)
Attributable to owners of the Company	本公司擁有人應佔	<b>(88,822)</b>	51,898	(43,947)	(26,469)	(24,043)

		As at 31 December 於十二月三十一日				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Non-current assets	非流動資產	<b>393,497</b>	428,852	14,750	10,835	4,545
Current assets	流動資產	<b>12,860</b>	66,087	354,001	282,919	295,316
Current liabilities	流動負債	<b>(209,501)</b>	(210,673)	(137,198)	(5,468)	(9,415)
Non-current liabilities	非流動負債	-	-	-	-	-
Net assets	資產淨值	<b>196,856</b>	284,266	231,553	288,286	290,446
Total equity	權益總額	<b>196,856</b>	284,266	231,553	288,286	290,446

