



# 中國農業生態有限公司 China Eco-Farming Limited

(Continued into Bermuda with limited liability) (於百慕達存續之有限公司)  
(Stock Code 股份代號: 8166)



Annual Report 年報

# 2017

## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report will remain on the Company’s website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*

### 香港聯合交易所有限公司（「聯交所」）GEM之特色

**GEM之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。GEM之較高風險及其他特色表示GEM較適合專業及其他經驗豐富投資者。**

**由於GEM上市公司新興的性質所然，在GEM買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在GEM買賣之證券會有高流通量之市場。**

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*中國農業生態有限公司（「本公司」）董事（「董事」）願就本報告之資料共同及個別地承擔全部責任，本報告之資料乃遵照聯交所的GEM證券上市規則（「GEM上市規則」）之規定而提供有關本公司之資料；各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成分，及並無遺漏任何其他事實致使本報告所載任何陳述產生誤導。*

**本報告將自登載日期起計在本公司網站<http://www.aplushk.com/clients/8166chinaeco-farming/index.html>及GEM網站「最新公司公告」頁內保留最少七日。**

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**BOARD OF DIRECTORS**

**Executive Directors**

Mr. So David Tat Man  
Mr. Lai Yick Fung  
Mr. Ng Cheuk Fan, Keith  
Mr. Au Yeung Po Leung  
(resigned on 30 September 2017)

**Independent Non-executive Directors**

Mr. Yick Ting Fai, Jeffrey  
Mr. Zhang Min  
Ms. Yuen Wai Man

**AUTHORISED REPRESENTATIVES**

Mr. So David Tat Man  
Mr. Lai Yick Fung

**AUDIT COMMITTEE**

Ms. Yuen Wai Man (*Chairman*)  
Mr. Yick Ting Fai, Jeffrey  
Mr. Zhang Min

**NOMINATION COMMITTEE**

Mr. Zhang Min (*Chairman*)  
Ms. Yuen Wai Man  
Mr. Yick Ting Fai, Jeffrey

**REMUNERATION COMMITTEE**

Mr. Yick Ting Fai, Jeffrey (*Chairman*)  
Ms. Yuen Wai Man  
Mr. Zhang Min

**COMPLIANCE OFFICER**

Mr. So David Tat Man

**COMPANY SECRETARY**

Mr. Lai Yick Fung

**AUDITOR**

SHINEWING (HK) CPA Limited  
43/F., Lee Garden One,  
33 Hysan Avenue,  
Causeway Bay,  
Hong Kong

**董事會**

**執行董事**

蘇達文先生  
賴益豐先生  
吳卓凡先生  
歐陽寶樑先生  
(於二零一七年九月三十日辭任)

**獨立非執行董事**

易庭暉先生  
張民先生  
袁慧敏女士

**法定代表**

蘇達文先生  
賴益豐先生

**審核委員會**

袁慧敏女士 (*主席*)  
易庭暉先生  
張民先生

**提名委員會**

張民先生 (*主席*)  
袁慧敏女士  
易庭暉先生

**薪酬委員會**

易庭暉先生 (*主席*)  
袁慧敏女士  
張民先生

**監察主任**

蘇達文先生

**公司秘書**

賴益豐先生

**核數師**

信永中和(香港)會計師事務所有限公司  
香港  
銅鑼灣  
希慎道33號  
利園一期43樓

# CORPORATE INFORMATION

## 公司資料

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 2303-06, 23/F.,  
Great Eagle Centre,  
23 Harbour Road, Wanchai,  
Hong Kong

### REGISTERED OFFICE

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
Bermuda

### PRINCIPAL SHARE REGISTRAR

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F.,  
Two Chinachem Exchange Square,  
338 King's Road, North Point,  
Hong Kong

### PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking  
Corporation Limited  
Hang Seng Bank Limited  
Industrial Bank Co., Ltd

### GEM STOCK CODE

8166

### WEBSITE ADDRESS

[www.aplushk.com/clients/8166chinaeco-farming/index.html](http://www.aplushk.com/clients/8166chinaeco-farming/index.html)

### 總辦事處及主要營業地點

香港灣仔港灣道23號  
鷹君中心  
23樓2303-06室

### 註冊辦事處

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
Bermuda

### 股份過戶登記總處

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

### 香港股份過戶登記分處

聯合證券登記有限公司  
香港北角英皇道338號華懋交易廣場  
2期33樓3301-04室

### 主要往來銀行

香港上海滙豐銀行有限公司  
  
恒生銀行有限公司  
興業銀行有限公司

### GEM股份代號

8166

### 網址

[www.aplushk.com/clients/8166chinaeco-farming/index.html](http://www.aplushk.com/clients/8166chinaeco-farming/index.html)

### EXECUTIVE DIRECTORS

**Mr. So David Tat Man (“Mr. So”)** (蘇達文先生), aged 33, is an executive Director. Mr. So holds a bachelor degree in surveying from The Hong Kong Polytechnic University and is a member of The Royal Institution of Chartered Surveyors and The Hong Kong Institute of Directors. Mr. So started his career in the investment department of Savills (Hong Kong) Limited and then worked in a company that specialized in China property investment prior to joining the Company. He has extensive experience in investment in China and Hong Kong. Mr. So was a non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), a company listed on the GEM on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) from 1 April 2014 to 31 December 2016. Mr. So joined the Group in January 2014.

**Mr. Lai Yick Fung (“Mr. Lai”)** (賴益豐先生), aged 47, is an executive Director and the company secretary of the Company. Mr. Lai obtained a Master of Science Degree in Financial Management in the University of London and a Bachelor of Arts Degree in Accountancy in The Hong Kong Polytechnic University. He is an associate member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators in the United Kingdom, The Hong Kong Institute of Chartered Secretaries and The Taxation Institute of Hong Kong. Mr. Lai had worked for an international accounting firm and a number of listed companies in Hong Kong and the United States as senior management and has over 20 years of experience in auditing, accounting and financial management. Mr. Lai joined the Group in April 2015.

### 執行董事

蘇達文先生(「蘇先生」), 33歲, 為執行董事。蘇先生持有香港理工大學測量學學士學位, 並為英國皇家特許測量師學會及香港董事學會之會員。加盟本公司前, 蘇先生於第一太平戴維斯(香港)有限公司的投資部開展其事業, 及後於一間專門從事中國物業投資的公司任職。彼於中國及香港投資方面擁有豐富經驗。蘇先生自二零一四年四月一日至二零一六年十二月三十一日為香港聯合交易所有限公司(「聯交所」) GEM上市公司華人飲食集團有限公司(股份代號: 8272)的非執行董事。蘇先生自二零一四年一月加入本集團。

賴益豐先生(「賴先生」), 47歲, 為執行董事及本公司的公司秘書。賴先生取得倫敦大學財務管理學碩士學位及香港理工大學會計學文學學士學位。彼為香港會計師公會、英國特許秘書及行政人員公會、香港特許秘書公會及香港稅務學會之會員。賴先生曾任職於一間國際會計師行, 且於多間香港及美國上市公司擔任高級管理層, 並擁有逾二十年的審計、會計及財務管理經驗。賴先生自二零一五年四月加入本集團。

## PROFILE OF THE DIRECTORS 董事履歷

### EXECUTIVE DIRECTORS (continued)

**Mr. Ng Cheuk Fan, Keith (“Mr. Ng”)** (吳卓凡先生), aged 56, is an executive Director. Mr. Ng graduated from the University of Alberta, Canada, with a Bachelor’s degree in Commerce, majoring in Accounting. He also obtained a Master of Commerce degree in Professional Accounting from the University of New South Wales, Australia and is a Certified Public Accountant in Australia and a member of The Hong Kong Institute of Certified Public Accountants. Mr. Ng has over 20 years of management and accounting experience.

Mr. Ng was an executive director of U-RIGHT International Holdings Limited (“U-RIGHT”) from July 2011 to December 2017 (stock code: 627), a company listed on the Stock Exchange, which received petitions from the Hong Kong Court against the company and its wholly owned subsidiary, Uni-Capital Limited filed by Detusche Bank A.G., Hong Kong Branch on 6 October 2008, before Mr. Ng’s tenure of office. The winding-up petition against U-RIGHT was subsequently dismissed pursuant to the order of the Hong Kong Court dated 16 September 2013. Mr. Ng was also an executive director of China Fortune Financial Group Limited (stock code: 290), a company listed on the Main Board of the Stock Exchange from December 2007 to July 2016. Mr. Ng was appointed as an independent non-executive Director in September 2014 and was redesignated as an executive Director in September 2016.

### 執行董事 (續)

吳卓凡先生 (「吳先生」), 56歲, 為執行董事。吳先生畢業於加拿大University of Alberta, 並取得商業學學士學位, 主修會計。彼亦於澳洲新南威爾斯大學取得專業會計商業碩士學位, 並為澳洲會計師公會及香港會計師公會會員。吳先生於管理及會計方面擁有超過20年經驗。

於二零一一年七月至二零一七年十二月, 吳先生曾為聯交所上市公司佑威國際控股有限公司 (「佑威」) (股份代號: 627) 之執行董事。佑威接獲德意志銀行香港分行於二零零八年十月六日 (於吳先生任職前) 就公司及其全資附屬公司立暉有限公司向香港法院提出的呈請。針對佑威的清盤呈請其後根據香港法院日期為二零一三年九月十六日之法令駁回。吳先生於二零零七年十二月至二零一六年七月亦為中國富強金融集團有限公司 (股份代號: 290, 一間於聯交所主板上市的公司) 之執行董事。吳先生於二零一四年九月獲委任為獨立非執行董事及於二零一六年九月獲調任為執行董事。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Yick Ting Fai, Jeffrey (“Mr. Yick”)** (易庭暉先生), aged 33, is an independent non-executive Director. Mr. Yick is also the chairman of the remuneration committee and members of the audit committee and nomination committee of the Company. Mr. Yick graduated from The Hong Kong Polytechnic University with a Bachelor of Science degree. He subsequently obtained the Juris Doctor degree as well as the Postgraduate Certificate in Laws (PCLL) from The Chinese University of Hong Kong. Mr. Yick was admitted to practice law as a solicitor in Hong Kong in 2012. He has been a member of The Law Society of Hong Kong since then. Mr. Yick worked in both international and reputable local law firms and is currently working as a solicitor with emphasis on corporate finance practice at a local law firm. Mr. Yick principally engages in Hong Kong listing projects and assists in legal compliance of Hong Kong listed companies.

Mr. Yick is currently an independent non-executive director of Mengke Holdings Limited (stock code: 1629), a company listed on the Main Board of the Stock Exchange. Mr. Yick joined the Group in September 2014.

**Mr. Zhang Min (“Mr. Zhang”)** (張民先生), aged 60, is an independent non-executive Director. He is also the chairman of the nomination committee, members of the audit committee and remuneration committee of the Company. Mr. Zhang holds a Bachelor of Philosophy Degree from the Beijing Normal College and a Master of Laws Degree from the Renmin University of China.

Mr. Zhang is currently the chief executive officer and an executive director of Junefield Department Store Group Limited (stock code: 758), a company listed on the Main Board of the Stock Exchange.

### 獨立非執行董事

易庭暉先生(「易先生」), 33歲, 為獨立非執行董事。易先生亦為本公司薪酬委員會主席以及審核委員會及提名委員會成員。易先生畢業於香港理工大學並獲取理學士學位。彼其後取得香港中文大學之法律博士學位以及法學專業證書(PCLL)。易先生於二零一二年獲准作為律師在香港從事法律事務, 及自此成為香港律師會會員。易先生曾於國際及具聲譽的本地律師事務所任職, 而目前於一間本地律師事務所擔任律師, 專責企業融資事務。易先生主要從事香港上市項目及協助香港上市公司處理有關法律合規事宜。

易先生現為盟科控股有限公司(股份代號: 1629, 一間於聯交所主板上市的公司)的獨立非執行董事。易先生於二零一四年九月加入本集團。

張民先生(「張先生」), 60歲, 為獨立非執行董事。張先生亦為本公司提名委員會主席, 以及審核委員會及薪酬委員會成員。張先生持有北京師範大學哲學學士學位及中國人民大學法學碩士學位。

張先生現為莊勝百貨集團有限公司(股份代號: 758, 一間於聯交所主板上市的公司)的行政總裁及執行董事。



## PROFILE OF THE DIRECTORS 董事履歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Zhang was appointed as a non-executive director of China Fortune on 8 December 2010. He was re-designated and appointed as chairman of the board, executive director and a member of the remuneration committee of China Fortune from 12 April 2011 to 30 June 2014. In addition, Mr. Zhang was an independent non-executive director of Silver Base Group Holdings Limited (stock code: 886), a company listed on the Main Board of the Stock Exchange, from 28 January 2011 to 1 April 2014. He was also the chief marketing officer of the China Cinda Asset Management Co., Ltd from 28 April 2011 to 31 August 2013 and was the chief executive of China Construction Bank Corporation, Hong Kong Branch, from September 2006 to March 2011 and a director of CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited from August 2006 to March 2011. Both CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited are wholly-owned subsidiaries of China Construction Bank Corporation (stock code: 939) (together with its subsidiaries referred to as the "CCBC Group"), a joint stock company incorporated in the People's Republic of China with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange. He was the president of the Beijing Banking Association from 2003 to 2005 and the Beijing Investment Institution from 2001 to 2006. Mr. Zhang possesses over 20 years' experience in the banking industry through his work with the CCBC Group. Mr. Zhang joined the Group in March 2015.

### 獨立非執行董事(續)

張先生於二零一零年十二月八日獲委任為中國富強非執行董事，並於二零一一年四月十二日至二零一四年六月三十日期間，獲調任為該公司之董事會主席、執行董事及薪酬委員會成員。此外，自二零一一年一月二十八日至二零一四年四月一月期間，張先生曾擔任聯交所主板上市公司銀基集團控股有限公司(股份代號：886)之獨立非執行董事。自二零一一年四月二十八日至二零一三年八月三十一日期間，彼亦為中國信達資產管理股份有限公司之市場總監，而自二零零六年九月至二零一一年三月期間，彼一直擔任中國建設銀行股份有限公司香港分行行長，並自二零零六年八月至二零一一年三月期間出任建銀國際(控股)有限公司及中國建設銀行(亞洲)股份有限公司董事。建銀國際(控股)有限公司及中國建設銀行(亞洲)股份有限公司均為中國建設銀行股份有限公司(股份代號：939)(連同其附屬公司統稱為「中國建設銀行集團」)之全資附屬公司，而中國建設銀行股份有限公司為於中華人民共和國註冊成立之股份有限公司，且其已發行股份於聯交所主板上市。他曾於二零零三年至二零零五年期間為北京銀行業協會主席，以及於二零零一年至二零零六年期間為北京投資學會主席。張先生於銀行業擁有超過20年經驗，期間一直於中國建設銀行集團任職。張先生於二零一五年三月加入本集團。

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Ms. Yuen Wai Man (“Ms. Yuen”)** (袁慧敏女士), aged 46, is appointed as an independent non-executive Director. Ms. Yuen is also the chairman of the audit committee and members of the nomination committee and remuneration committee. Ms. Yuen graduated from The University of Hong Kong with a degree in Business Administration in 1994. She is the fellow member of The Association of Chartered Certified Accountants, fellow member of The Hong Kong Institute of Certified Public Accountants and overseas member of The Chinese Institute of Certified Public Accountants. Ms. Yuen has worked in accounting and auditing area for over 23 years. Ms. Yuen is currently an independent non-executive director of Chinese Strategic Holdings Limited (stock code: 8089), a company listed on the GEM of the Stock Exchange. Ms. Yuen was also an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145), a company listed on the Main Board of the Stock Exchange from November 2011 to November 2017. Ms Yuen joined the Group in September 2016.

### 獨立非執行董事 (續)

袁慧敏女士(「袁女士」), 46歲, 獲委任為獨立非執行董事。袁女士亦為審核委員會主席以及提名委員會及薪酬委員會成員。袁女士於一九九四年畢業於香港大學, 並持有工商管理學士學位。彼乃英國特許公認會計師公會資深會員、香港會計師公會資深會員及中國註冊會計師協會海外會員。袁女士已從事會計及審核工作逾23年。袁女士現為華人策略控股有限公司(股份代號: 8089, 一間於聯交所GEM上市之公司)之獨立非執行董事。自二零一一年十一月至二零一七年十一月, 袁女士亦為香港建屋貸款有限公司(股份代號: 145, 一間於聯交所主板上市之公司)之獨立非執行董事。袁女士於二零一六年九月加入本集團。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS OVERVIEW

During the year ended 31 December 2017, the Company and its subsidiaries (collectively, the "Group") was principally engaged in the business of one-stop value chain services, property investment, trading of grocery food products, trading of consumables and agricultural products, provision of money lending services and provision of financial services.

During the year ended 31 December 2017, the Group recorded revenue of approximately HK\$63,028,000 (2016: HK\$72,470,000), representing a decrease of approximately 13% as compared to that of last year. Loss for the year attributable to owners of the Company amounted to approximately HK\$71,648,000 (2016: HK\$29,955,000). The basic loss per share of the Company was approximately HK1.18 cents (2016: HK0.60 cents).

### Property Investment

During the year ended 31 December 2017, the property investment segment reported revenue of approximately HK\$3,919,000 (2016: HK\$3,586,000), representing an increase of approximately 9.3%, as compared to the last year. At 31 December 2017, the Group held properties in the People's Republic of China (PRC), Taiwan and Hong Kong for investment purpose amounted to approximately HK\$169,173,000 (2016: HK\$174,850,000). The portfolio's rental yield was shown in the table below.

### Key performance – data of property investment

Average occupancy level	平均佔用水平
Average monthly rental income per square metre (sq.m)	每平方米(平方米)的 月均租金收入

Definition and calculation: Average occupancy level, being percentage of floor area occupied by tenant. Average monthly rental income per sq.m. being average rental income charged to tenant per sq.m. of floor area leased.

### 業務概覽

截至二零一七年十二月三十一日止年度，本公司及其附屬公司（統稱「本集團」）主要從事提供一站式價值鏈服務、物業投資、糧油食品貿易、消耗品及農產品貿易、提供放債服務及金融服務之業務。

截至二零一七年十二月三十一日止年度，本集團錄得收益約63,028,000港元（二零一六年：72,470,000港元），較去年減少約13%。本公司擁有人應佔本年度虧損約71,648,000港元（二零一六年：29,955,000港元）。本公司每股基本虧損約為1.18港仙（二零一六年：0.60港仙）。

### 物業投資

截至二零一七年十二月三十一日止年度，物業投資分類錄得收益約3,919,000港元（二零一六年：3,586,000港元），較去年增加約9.3%。於二零一七年十二月三十一日，本集團於中華人民共和國（中國）、台灣及香港持作投資用途的物業約為169,173,000港元（二零一六年：174,850,000港元）。投資組合的租金收益率如下表所示。

### 關鍵表現 – 物業投資數據

	2017 二零一七年	2016 二零一六年
Average occupancy level	67.2%	63.3%
Average monthly rental income per square metre (sq.m)	HK\$99港元	HK\$84港元

定義及計算：平均佔用水平為租戶所佔用樓面面積的百分比。每平方米的月均租金收入為按每平方米出租樓面面積向租戶收取的平均租金收入。

**BUSINESS OVERVIEW (continued)**

**One-stop Value Chain Services**

During the year ended 31 December 2017, the one-stop value chain services segment reported a revenue of approximately HK\$16,177,000 (2016: HK\$35,955,000), representing a slump of approximately 55%, as compared to the last year. The relatively weak performance in this segment was expected but the Group is working on improvement plan.

**Key performance – data of one-stop value chain services**

Gross profit margin

毛利率

2017 二零一七年	2016 二零一六年
2.8%	3.2%

Definition and calculation: Gross profit margin, being percentage of gross profit to segment turnover.

**關鍵表現 – 一站式價值鏈服務的數據**

2017 二零一七年	2016 二零一六年
2.8%	3.2%

定義及計算：毛利率為毛利佔分類營業額的百分比。

**Trading of Consumables and Agricultural Products**

During the year ended 31 December 2017, this business segment reported a revenue of approximately HK\$5,870,000 (2016: HK\$5,712,000). The surge in revenue was mainly due to acquisition of reusable bags trading business in August 2016. The business segment demonstrates huge potential and the Group is optimistic about its future contribution.

**Key performance – data of trading of consumables and agricultural products**

Gross profit margin

毛利率

2017 二零一七年	2016 二零一六年
26.4%	11.6%

Definition and calculation: Gross profit margin, being percentage of gross profit to segment turnover.

**消耗品及農產品貿易**

截至二零一七年十二月三十一日止年度，本年業務分類錄得收益約5,870,000港元（二零一六年：5,712,000港元）。收益急增主要由於二零一六年八月收購可循環再用袋貿易業務。業務分類顯示有龐大潛力及本集團對其未來貢獻是樂觀的。

**關鍵表現 – 消耗品及農產品貿易的數據**

2017 二零一七年	2016 二零一六年
26.4%	11.6%

定義及計算：毛利率為毛利佔分類營業額的百分比。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS OVERVIEW (continued)

#### Trading of Grocery Food Products

The Group's trading of grocery food products segment consists of distribution (i) in the catering channel in Hong Kong for "Mengniu" liquid milk and pasteurized dairy products, under the "Mengniu" brand; and (ii) in peanut oil, corn oil and canola oil under the "Jinlongyu" brand via supermarkets, convenience stores and small-scale stores in Hong Kong. In addition, the Group is also the sole and exclusive distributor for the sale and distribution of ramen and udon products under the brand of "Nittin" (日丁) in Hong Kong, Macau and Taiwan. During the year ended 31 December 2017, this segment reported a revenue of approximately HK\$29,902,000 (2016: HK\$22,409,000).

#### Key performance – data of trading of grocery food products

Gross profit margin

毛利率

Definition and calculation: Gross profit margin, being percentage of gross profit to segment turnover.

#### Performance guarantee – Mengniu and Jinlongyu

Pursuant to the sale and purchase agreement dated 28 October 2015 entered into between Hexin Limited ("Hexin"), Fantastic Alliance Investments Limited and the Company, Hexin will be entitled to obtain 118,320,000 new shares to be issued by the Company if YIHE Enterprise Holding Limited ("YIHE") successfully meet the target profit of HK\$7,000,000 for the year ended 31 December 2017. Since YIHE recorded a loss of approximately HK\$940,000 instead, no shares of the Company will be issued to Hexin. As a result, goodwill arising from acquisition of YIHE was impaired by approximately HK\$3,968,000 whereas contingent consideration in the amount of approximately HK\$1,839,000 was written back to the consolidated statement of profit or loss and other comprehensive income.

### 業務概覽 (續)

#### 糧油食品貿易

本集團的糧油食品貿易分類，包括(i)於香港餐飲渠道分銷「蒙牛」液態奶及「蒙牛」品牌下的巴氏奶類產品；及(ii)透過香港的超級市場、便利店及小規模店鋪分銷「金龍魚」品牌下的花生油、粟米油及芥花籽油。加上，本集團亦為「日丁」(Nittin)品牌的唯一及獨家分銷商，於香港、澳門及台灣銷售及分銷拉麵及烏冬麵產品。截至二零一七年十二月三十一日止年度，本分類錄得收益約29,902,000港元(二零一六年：22,409,000港元)。

#### 關鍵表現－糧油食品貿易數據

	2017 二零一七年	2016 二零一六年
Gross profit margin	7.8%	6.3%

定義及計算：毛利率為毛利佔分類營業額的百分比。

#### 表現保證－蒙牛及金龍魚

根據合欣(香港)有限公司(「合欣」)、Fantastic Alliance Investments Limited與本公司訂立日期為二零一五年十月二十八日的買賣協議，倘宜合企業控股有限公司(「宜合」)於截至二零一七年十二月三十一日止年度，成功達到目標溢利7,000,000港元，合欣將有權獲得本公司發行118,320,000股新股份。因宜合錄得約940,000港元的虧損，本公司將不會發行股份予合欣。因此，自收購宜合產生的商譽減值約3,968,000港元，而或然代價約1,839,000港元已於綜合損益及其他全面收益撇銷。

### BUSINESS OVERVIEW (continued)

#### Trading of Grocery Food Products (continued)

##### *Performance guarantee – Mengniu and Jinlongyu (continued)*

After a series of discussion and careful consideration, the Group decided to not to renew the sole distributorship agreements with respective principals of Mengniu and Jinlongyu products. The Group is unable to come up with a satisfactory turnaround plan with the management of Huge Famous Corporation Limited due to the tough trading environment resulting in the products' low gross margin. The Group will focus on Nittin brand of ramen and udon products within this segment.

#### Provision of money lending services

During the year ended 31 December 2017, the Group's money lending services segment managed to contribute stable return. With majority of the loans secured by properties or company shares, we demonstrated our strategy of balanced approach between protecting the Group's position yet allowing certain flexibility to cater for customer needs.

#### *Key performance – loan interest data*

Interest rate earned 已賺取利息

Definition and calculation: Interest rate earned, being percentage of interest income divided by loan amount.

### 業務概覽(續)

#### 糧油食品貿易(續)

##### *表現保證 – 蒙牛及金龍魚(續)*

經過一系列的討論及認真考慮後，本集團決定不再與蒙牛及金龍魚各自續簽獨家分銷協議。由於艱困的貿易環境導致產品毛利率低，本集團未能與銘鵬有限公司管理層達成令人滿意的周轉計劃。本集團將取聚焦本分類的日丁品牌拉麵及烏冬麵產品。

#### 提供放債服務

截至二零一七年十二月三十一日止年度，本集團的放債服務分類錄得穩定回報。大部分以物業或公司股份作為抵押的貸款，我們展示我們在保障本集團的地位及允許一定的靈活性以滿足客戶需求之間達成平衡的策略。

#### *關鍵表現 – 貸款利息數據*

	2017 二零一七年	2016 二零一六年
Interest rate earned 已賺取利息	12.7%	10.4%

定義及計算：已賺取利息，即利息收入百分比除以貸款額。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS OVERVIEW (continued)

#### Provision of financial services

During the year ended 31 December 2017, the Group successfully stepped into the business provision of financial services. On 17 August 2017, China AF Asset Management Limited ("CAFAM"), a wholly-owned subsidiary, obtained Type 9 (asset management) licence under Securities and Futures Commission (the "SFC"). On 5 September 2017, the Group completed the acquisition of 70% interest in China AF Corporate Finance Limited ("CAFCF", formerly known as Royal Excalibur Corporate Finance Company Limited), a company holding Type 6 (advising on corporate finance) licence under the SFC. While CAFAM is building up its management portfolio, CAFCF has demonstrated its value to customers, recording revenue for the year ended 31 December 2017 of HK\$3,664,900 (2016: HK\$3,590,000).

#### Environmental Policies and Performance

The Board admits the responsibility to environmental protection. Over the years, the Group has committed to reduce waste and pollution with a view of effective and efficient resources utilisation in the office spaces. Staff are reminded from time to time the Group's direction in this respect.

### 業務概覽(續)

#### 提供金融服務

截至二零一七年十二月三十一日止年度，本集團已成功進入提供金融服務之業務領域。於二零一七年八月十七日，中國農信資產管理有限公司（「CAFAM」，一間全資附屬公司），已取得證券及期貨事務監察委員會（「證監會」）第9類牌照（資產管理）。於二零一七年九月五日，本集團完成收購中國農信財務顧問有限公司（「CAFCF」，前稱為皇家駿溢財務顧問有限公司，一間持有證監會第6類牌照（就企業融資提供意見）的公司）的70%股權。於CAFAM建立其管理投資組合的同時，CAFCF已向客戶展示其價值，截至二零一七年十二月三十一日止年度錄得收益3,664,900港元（二零一六年：3,590,000港元）。

#### 環保政策及表現

董事會承認有責任保護環境。為有效及高效地使用辦公場所的資源，本集團多年來一直承諾減少廢物及污染。員工不時獲提醒本集團在此方面的方針。

### BUSINESS OVERVIEW (continued)

#### Compliance with the Relevant Laws and Regulations

The Group's main business and operation work within common trade practice environment and the Group endeavours to comply with all legal and regulatory requirements. In relation to the human resources, the Group is committed to comply with the requirements of the applicable laws and regulations, such as the Employment Ordinance, ordinances in relation to discrimination, the Privacy Ordinance and the Minimum Wage Ordinance. The Group also values good conduct of the employees and has set out clear guidelines to prevent bribery and to regulate the acceptance of benefits by the employees. On the corporate level, the Group continuously complies with the requirements under the Rules Governing the Listing of Securities on the GEM ("GEM Listing Rules") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") and the Securities and Futures Ordinance ("SFO"), such as disclosure of interests, corporate governance, Model Code for Securities Transactions by Directors of the Listed Issuers and "Inside Information" disclosure. The Group employs legal and financial advisers when undergoing acquisitions or other corporate exercises. During the year ended 31 December 2017, there was no material breach of or non-compliance with the applicable laws and rules by the Group.

#### Relationships with Employees, Customers and Suppliers

The Group recognises importance of retaining talents to ensure the ongoing execution of business plans. The Group has established all-rounded staff policy and guidelines for staff welfare, provide a safe workplace, and support the development of talent. The Group provides incentives to its employees based on their performance. The Group encouraged employees to update their work-related knowledge, skill by providing training offered by external organisations. During the year ended 31 December 2017, the employee voluntary turnover rate of the Group was kept at a low level. During the year, no violation of labour law was recorded. The key customers of the Group include the long term trading customers and tenants of the investment properties. The key suppliers of the Group are the suppliers of the trading business. The Group has established long term and solid business relationship with the suppliers which ensures stable supply and quality products which meet customers' demand. During the year, there was no material dispute between the Group and the customers/suppliers.

### 業務概覽 (續)

#### 遵守相關法例及法規

本集團主要業務及營運工作於一般商業環境進行，且本集團努力遵循所有法律和監管規定。至於人力資源方面，本集團承諾遵守適用法例及法規的規定，如僱傭條例、有關歧視的條例、私隱條例及最低工資條例。本集團亦重視員工的良好操守，並已制定清晰指引，以防止賄賂及規範僱員接受利益。於企業層面上，本集團持續遵守香港聯合交易所有限公司（「聯交所」）GEM證券上市規則（「GEM上市規則」）以及證券及期貨條例（「證券及期貨條例」）的規定，如權益披露、企業管治、上市發行人董事進行證券交易的標準守則及「內幕消息」披露。本集團進行收購及其他企業活動時，會聘用法律及財務顧問。截至二零一七年十二月三十一日止年度，本集團並無重大違反或不遵守適用法例及規則。

#### 與僱員、顧客及供應商的關係

本集團認同挽留人才的重要性，以確保業務計劃得以持續。本集團已就員工福利建立全面的員工政策及指引，以提供安全的工作環境並支持人才的發展。本集團按照其表現向僱員提供獎勵。本集團透過提供由外部機構舉辦的培訓，鼓勵僱員更新彼等與工作相關的知識、技能。於截至二零一七年十二月三十一日止年度，本集團的員工自願離職率保持於低水平。年內，概無違反勞工法例的紀錄。本集團的主要客戶包括長期貿易客戶及投資物業的租戶。本集團的主要供應商為貿易業務的供應商。本集團與該等供應商已建立長期及穩定的業務關係，此確保可獲得迎合客戶要求的穩定供應及優質產品。年內，本集團與客戶／供應商並無任何重大爭議。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

For the year ended 31 December 2017, the Group recorded a revenue of approximately HK\$63,028,000 (2016: HK\$72,470,000), representing a decrease of approximately 13% as compared to that of last year. The expansion of trading of agricultural and consumables products and trading of grocery food products were insufficient to make good the setback of revenue from one-stop value chain service.

Cost of sales for the year under review was approximately HK\$47,716,000 (2016: HK\$61,800,000), representing a decrease of approximately 22.8% as compared to that of last year. The decrease of cost of sales was in line with the drop in revenue. The increase in absolute amount of gross profit was due to increase in the trading of grocery food product which has higher gross margin.

Administrative expenses for the year under review was approximately HK\$58,635,000 (2016: HK\$61,592,000), representing a decrease of approximately 4.8% as compared to that of last year. The decrease was mainly attributable to decreases in exchange loss of approximately HK\$6 million, share option expense of approximately HK\$2.8 million, provision for damage caused of an investment property of approximately HK\$2.8 million and consultancy fees of approximately HK\$1.6 million, which was partially offset by increases in impairment loss of approximately HK\$2.9 million, rental expense of approximately HK\$2.3 million, legal and professional fees of approximately HK\$2.2 million, staff salary of approximately HK\$1.0 million and depreciation of approximately HK\$1.0 million.

Finance costs for the year under review was approximately HK\$10,873,000 (2016: HK\$7,456,000), representing an increase of approximately 45.8% as compared to that of last year. The increase was mainly due to increase of the interest paid and payable for the secured loans and margin loan.

The Group recorded a loss for the year attributable to owners of the Company in the amount of approximately HK\$71,648,000 (2016: HK\$29,955,000). Basic loss per share of the Company increased from HK0.60 cents for the year ended 31 December 2016 to HK1.18 cents for the year ended 31 December 2017.

### 財務回顧

截至二零一七年十二月三十一日止年度，本集團錄得收入約為63,028,000港元（二零一六年：72,470,000港元），較去年減少約13%。農產品及消耗品及糧油食品貿易的擴充已不足以抵償一站式價值鏈服務的收入倒退。

回顧年度之銷售成本約為47,716,000港元（二零一六年：61,800,000港元），較去年下跌約22.8%。銷售成本下跌乃與收入下降趨勢一致。毛利絕對數額增加乃由於毛利較高的糧油食品貿易額有所增加。

回顧年度之行政開支約為58,635,000港元（二零一六年：61,592,000港元），較去年下跌約4.8%。下跌主要由於匯兌虧損減少約6百萬港元、購股權開支約2.8百萬港元、用於投資物業造成的損失撥備約2.8百萬港元及顧問費用約1.6百萬港元，其由減值虧損增加約2.9百萬港元、租金開支約2.3百萬港元、法律及專業費用約2.2百萬港元、員工薪金約1.0百萬港元及折舊約1.0百萬港元部分抵銷。

回顧年度內融資成本約為10,873,000港元（二零一六年：7,456,000港元），較去年增加約45.8%。此增長乃主要由於有抵押貸款及保證金貸款的已付及應付利息增加所致。

本集團錄得本公司擁有人應佔本年度虧損金額約為71,648,000港元（二零一六年：29,955,000港元）。本公司每股基本虧損由截至二零一六年十二月三十一日止年度之0.60港仙上升至截至二零一七年十二月三十一日止年度之1.18港仙。

### FINANCIAL REVIEW (continued)

#### Liquidity and Financial Resources

The Group financed its business operations mainly with its internally generated resources and borrowings during the year under review. At 31 December 2017, the bank balances and cash of the Group was approximately HK\$5,111,000 (2016: HK\$22,298,000).

At 31 December 2017, the net assets of the Group was approximately HK\$320,233,000 (2016: HK\$362,127,000) and the net current assets was approximately HK\$23,669,000 (2016: HK\$94,681,000).

#### Gearing Ratio

At 31 December 2017, the total liabilities of the Group amounted to approximately HK\$170,648,000 (2016: HK\$155,779,000), which mainly comprised of trade and other payables, interest-bearing bank borrowings, margin loans payable, other loan payable, amount due to non-controlling interests, loan from non-controlling interests, liability component of convertible bonds and deferred tax liabilities. These liabilities are denominated in Hong Kong dollars, Renminbi and New Taiwan Dollars.

At 31 December 2017, the Group had total assets of approximately HK\$490,881,000 (2016: HK\$517,906,000). The gearing ratio of the Group, expressed as the ratio of total liabilities to total assets, turned to 0.35 as at 31 December 2017 (2016: 0.30).

#### Segmental Information

An analysis of the Group's performance for the year ended 31 December 2017 by business segment is set out in note 7 to the consolidated financial statements.

### 財務回顧 (續)

#### 流動資金及財務資源

於回顧年度，本集團主要以內部資源及借款為其業務經營提供資金。於二零一七年十二月三十一日，本集團的銀行結餘及現金約為5,111,000港元（二零一六年：22,298,000港元）。

於二零一七年十二月三十一日，本集團之資產淨值約為320,233,000港元（二零一六年：362,127,000港元）及流動資產淨值約為23,669,000港元（二零一六年：94,681,000港元）。

#### 資產負債比率

於二零一七年十二月三十一日，本集團之負債總額約為170,648,000港元（二零一六年：155,779,000港元），主要包括應付賬款及其他應付款項、計息銀行借款、應付保證金貸款、應付其他貸款、應付非控股股東權益款項、非控股股東權益貸款、可換股債券之負債部分及遞延稅項負債。該等負債以港元、人民幣及新台幣計值。

於二零一七年十二月三十一日，本集團之總資產約為490,881,000港元（二零一六年：517,906,000港元）。於二零一七年十二月三十一日，本集團之資產負債比率（以總負債與總資產比率表示）上升至0.35（二零一六年：0.30）。

#### 分類資料

截至二零一七年十二月三十一日止年度，本集團按業務分類劃分之業務表現分析載於綜合財務報表附註7。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Employees and Remuneration Policies

As at 31 December 2017, the Group had 44 (2016: 44) total number of full-time employees. Staff costs, including directors' emoluments of the Company for the year ended 31 December 2017 were approximately HK\$24,023,000 in total (2016: HK\$25,008,000). The Group determines the remuneration and compensation payable to its staff based on individual performance and expertise. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

#### Capital Structure

As at 31 December 2017, the Company's issued ordinary share capital was HK\$122,071,049.76 divided into 6,103,552,488 shares of HK\$0.02 each ("Shares") (2016: HK\$120,006,828.48 divided into 6,000,341,424 shares).

#### Fund Raising Activities

##### *Issue of Convertible Bonds II as a consideration of an acquisition*

On 13 December 2013, Skyline Top Limited ("Skyline Top"), a wholly-owned subsidiary of the Company and Mr. So Pan entered into a sale and purchase agreement, pursuant to which (i) Mr. So Pan has agreed to sell to Skyline Top, and Skyline Top has agreed to purchase from Mr. So Pan the sale shares of Konson Global Investments Limited; and (ii) Mr. So Pan has agreed to assign to Skyline Top, and Skyline Top has agreed to accept the assignment of, the sale loan at an aggregated consideration of HK\$40,000,000, of which: (i) HK\$20,000,000 shall be satisfied by Skyline Top by cheque or cashier order upon the completion; and (ii) HK\$20,000,000 shall be satisfied by the Skyline Top's procuring of the issue of the convertible bonds ("Convertible Bonds II") at the conversion price of HK\$0.17 (note) per conversion share by the Company to Mr. So Pan upon completion.

Upon exercise of conversion rights attaching to the Convertible Bonds II, 117,647,058 (note) new shares shall be issued.

The completion of the acquisition involving the issue of convertible bonds as a consideration took place on 31 March 2014.

### 財務回顧 (續)

#### 僱員及薪酬政策

於二零一七年十二月三十一日，本集團擁有合共44名全職僱員（二零一六年：44名）。本公司截至二零一七年十二月三十一日止年度之員工成本（包括董事酬金）合共約24,023,000港元（二零一六年：25,008,000港元）。本集團主要根據僱員之個別表現及專才釐定薪金及報酬。除基本薪金外，可根據本集團之業績以及個別僱員之貢獻向合資格僱員授予購股權。

#### 股本架構

於二零一七年十二月三十一日，本公司已發行普通股本為122,071,049.76港元，分為6,103,552,488股每股面值0.02港元之股份（「股份」）（二零一六年：120,006,828.48港元，分為6,000,341,424股之股份）。

#### 集資活動

##### 發行可換股債券二作為收購代價

於二零一三年十二月十三日，本公司全資附屬公司天際高有限公司（「天際高」）與蘇斌先生訂立買賣協議，據此，(i)蘇斌先生已同意向天際高出售，而天際高已同意自蘇斌先生購買康信環球投資有限公司的銷售股份；及(ii)蘇斌先生已同意向天際高轉讓及天際高已同意接受所轉讓的銷售貸款，總代價為40,000,000港元，其中：(i) 20,000,000港元將由天際高於完成後以支票或本票支付；及(ii)20,000,000港元將由天際高於完成後通過促使本公司按換股價每股換股股份0.17港元（附註）向蘇斌先生發行可換股債券（「可換股債券二」）支付。

於可換股債券二隨附的兌換權獲行使後，117,647,058股（附註）新股份將予以發行。

涉及發行可換股債券作為代價的收購事項於二零一四年三月三十一日完成。

### FINANCIAL REVIEW (continued) Fund Raising Activities (continued)

#### *Issue of Convertible Bonds II as a consideration of an acquisition (continued)*

Included in the audited financial statements of the Property Investment Subsidiary (as defined in the Company's circular dated 19 February 2014) dated 28 April 2017 was the profit before tax of the Property Investment Subsidiary for the period commencing from the Placing Completion Date (as defined in the Company's circular dated 19 February 2014) up to 31 December 2016 of HK\$46,541,792 which was audited by the auditor of the Company. As a result, principal portion of Convertible Bond II amounted to HK\$8,364,552 was cancelled by the Company pursuant to the terms and conditions of the Convertible Bond II. On 23 May 2017, 68,443,811 new shares of the Company were issued to Mr. So Pan upon his exercise in full of the remaining portion of Convertible Bond II.

Further details of the issue of convertible bonds as a consideration of an acquisition are set out in the announcements of the Company dated 13 December 2013, 7 March 2014 and 31 March 2014 and the circular of the Company dated 19 February 2014.

Note: On 2 July 2015, a placing of 629,000,000 new shares of the Company was completed and pursuant to the terms and conditions of the bond instruments of the Convertible Bonds, the conversion price was revised from HK\$0.188 to HK\$0.17. As a result, number of new shares to be issued upon exercise of conversion attaching to the Convertible Bonds was revised from 106,382,978 to 117,647,058.

### 財務回顧(續) 集資活動(續)

#### *發行可換股債券二作為收購代價(續)*

物業投資附屬公司(定義見本公司日期為二零一四年二月十九日之通函)日期為二零一七年四月二十八日之經審核財務報表已計入物業投資附屬公司自配售事項完成日期(定義見本公司日期為二零一四年二月十九日之通函)起直至二零一六年十二月三十一日的除稅前溢利46,541,792港元,該金額已經本公司核數師審核。因此,可換股債券二本金部分8,364,552港元由本公司根據可換股債券二之條款及條件註銷。於蘇斌先生悉數行使可換股債券二之餘下部分後,於二零一七年五月二十三日,本公司向蘇斌先生發行68,443,811股新股份。

有關發行可換股債券作為收購代價的更多詳情,載於本公司日期為二零一三年十二月十三日、二零一四年三月七日及二零一四年三月三十一日之公佈,以及本公司日期為二零一四年二月十九日之通函。

附註:於二零一五年七月二日,629,000,000股本公司新股份之配售已完成,且根據可換股債券的債券文據的條款及條件,有關換股價已自0.188港元修訂為0.17港元。因此,可換股債券所附帶兌換獲行使而將予發行的新股份數目自106,382,978股修訂為117,647,058股。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Fund Raising Activities (continued)

##### *Placing of new shares under general mandate – successful*

On 15 June 2015, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, and the placing agent has conditionally agreed to procure, on a best-effort basis, not less than six places for the subscription of up to a maximum of 629,000,000 placing shares at the placing price of HK\$0.20 per placing share under the General Mandate. The completion of the placing took place on 2 July 2015, where a total of 629,000,000 placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.20 per placing share. The gross proceeds from the placing were approximately HK\$125.8 million and the net proceeds after deducting the placing commission and other selected expenses were approximately HK\$124.4 million. Further details of the placing are set out in the announcements of the Company dated 16 June 2015 and 2 July 2015.

### 財務回顧(續)

#### 集資活動(續)

##### *根據一般授權配售新股份 – 成功*

於二零一五年六月十五日，本公司與配售代理訂立配售協議，據此本公司已有條件地同意配售，而配售代理已有條件地同意盡最大努力促使不少於六名承配人根據一般授權按配售價每股配售股份0.20港元認購最多629,000,000股配售股份。配售事項於二零一五年七月二日完成，合共629,000,000股配售股份已成功由配售代理向不少於六名承配人按配售價每股配售股份0.20港元進行配售。配售事項所得款項總額約為125.8百萬港元，而所得款項淨額（經扣除配售佣金及其他相關支出）約為124.4百萬港元。有關配售的更多詳情載於本公司日期為二零一五年六月十六日及二零一五年七月二日的公佈。

**FINANCIAL REVIEW (continued)**

**Fund Raising Activities (continued)**

**Placing of new shares under general mandate – successful (continued)**

The net proceeds from placing were used as follows:

**財務回顧 (續)**

**集資活動 (續)**

**根據一般授權配售新股份 – 成功 (續)**

配售事項所得款項淨額乃按以下方式使用：

Period under review	Aggregate amount used during the year under review	Purpose of usage	Remaining balance of placing proceeds as the last date of the year under review
回顧期間	於回顧年度所使用的總額	使用目的	配售事項所得款項於回顧年度最後日期的餘額
Since completion of placing on 2 July 2015 up to and including 31 December 2017	HK\$55.9 million	General working capital	Nil
自配售事項於二零一五年七月二日完成起直至及包括二零一七年十二月三十一日	55.9百萬港元	一般營運資金	無
	HK\$68.5 million	Future business development	Nil
	68.5百萬港元	未來業務發展	無

On 25 April 2016, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, and the placing agent has conditionally agreed to procure, on a best-effort basis, not less than six places for the subscription of up to a maximum of 420,000,000 placing shares at the placing price of HK\$0.10 per placing share under the general mandate. The completion of the placing took place on 3 May 2016, where a total of 420,000,000 placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.10 per placing share. The gross proceeds from the placing were approximately HK\$42.0 million and the net proceeds after deducting the placing commission and other relevant expenses were approximately HK\$41.5 million. Further details of the placing are set out in the announcements of the Company dated 25 April 2016 and 3 May 2016.

於二零一六年四月二十五日，本公司與配售代理訂立配售協議，據此本公司已有條件地同意配售，而配售代理已有條件地同意盡最大努力促使不少於六名承配人根據一般授權按配售價每股配售股份0.10港元認購最多420,000,000股配售股份。配售事項於二零一六年五月三日完成，合共420,000,000股配售股份已成功由配售代理向不少於六名承配人按配售價每股配售股份0.10港元進行配售。配售事項的所得款項總額約為42.0百萬港元，而所得款項淨額（經扣除配售佣金及其他相關開支）約為41.5百萬港元。有關配售事項的進一步詳情載於本公司日期為二零一六年四月二十五日及二零一六年五月三日之公佈。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Fund Raising Activities (continued)

#### Placing of new shares under general mandate – successful (continued)

The net proceeds from placing were used as follows:

Period under review	Aggregate amount used during the year under review	Purpose of usage	Remaining balance of placing proceeds as the last date of the year under review
回顧期間	於回顧年度所使用的總額	使用目的	配售事項所得款項於回顧年度最後日期的餘額
Since completion of placing on 3 May 2016 up to and including 31 December 2017	HK\$41.5 million	General working capital	Nil
自配售事項於二零一六年五月三日完成起直至及包括二零一七年十二月三十一日	41.5百萬港元	一般營運資金	無

#### Issue of Convertible Bond III & Convertible Bond IV as a consideration of an acquisition

On 28 May 2015, Skyline Top Limited and Yardley Wealth Management Limited (“Yardley”) became shareholders (the “JV Partners”) of Delightful Hope Limited (the “JV Company”) for the purpose of the proposed acquisition. The JV Company is owned as to 50% by each of the JV Partners. The directors of the Company considered the JV Company is the subsidiary of the Company in accordance with HKFRS10 *Consolidated Financial Statement*.

Upon formation of JV Company, the JV Partners have agreed to make provision for the management and administration of the JV Company’s affairs, and set out their respective obligations and rights on the terms and conditions set in the shareholders’ agreement (the “Shareholders’ Agreement”).

### 財務回顧 (續)

#### 集資活動 (續)

#### 根據一般授權配售新股份—成功 (續)

配售事項所得款項淨額乃按以下方式使用：

Period under review	Aggregate amount used during the year under review	Purpose of usage	Remaining balance of placing proceeds as the last date of the year under review
回顧期間	於回顧年度所使用的總額	使用目的	配售事項所得款項於回顧年度最後日期的餘額
Since completion of placing on 3 May 2016 up to and including 31 December 2017	HK\$41.5 million	General working capital	Nil
自配售事項於二零一六年五月三日完成起直至及包括二零一七年十二月三十一日	41.5百萬港元	一般營運資金	無

#### 發行可換股債券三及可換股債券四作為收購代價

於二零一五年五月二十八日，天際高有限公司與溢利財富管理有限公司（「溢利」）就建議收購事項成為希愉有限公司（「合營公司」）的股東（「合營夥伴」）。合營公司由合營夥伴各自擁有50%。本公司董事認為，根據香港財務報告準則第10號綜合財務報表，合營公司為本公司之附屬公司。

待組成合營公司後，合營夥伴已同意就管理合營公司之事務作出規定，並按照股東協議（「股東協議」）所載條款及條件訂明彼等各自的義務及權利。

**FINANCIAL REVIEW (continued)**

**Fund Raising Activities (continued)**

**Issue of Convertible Bond III & Convertible Bond IV as a consideration of an acquisition (continued)**

On 29 May 2015, the Company, the JV Company, Yardley and Rich Best Asia Limited (the "Vendor") entered into the sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which (i) the Vendor has agreed to sell and the JV Company has agreed to purchase entire equity interest in China Smart Asia Limited, a subsidiary of Chinese Strategic Holdings Limited ("Chinese Strategic"), which the shares of Chinese Strategic are listed on the GEM of the Stock Exchange (stock code: 8089); and (ii) the Vendor has agreed to assign the JV Company, and the JV Company has agreed to accept the assignment of sale loan at an aggregate consideration of HK\$93,000,000, which shall be settled and discharged by the JV Company in accordance with the time, mode and manner set out under the Sale and Purchase Agreement: (i) forthwith upon the execution of the Sale and Purchase Agreement, the JV Company and Yardley shall jointly and severally pay the sum of HK\$20,000,000 either in cash or by cashier order to Chinese Strategic for and on behalf of the Vendor as deposit (the "Deposit"), and the Deposit shall be applied for partial payment of the consideration at completion; (ii) the JV Company and Yardley shall jointly and severally pay a further sum of HK\$26,500,000 either in cash or by cashier order to Chinese Strategic for and on behalf of the Vendor for partial payment of the balance of the consideration at completion; and (iii) the remaining balance of the consideration in the sum of HK\$46,500,000 shall be settled and discharged by the Company's issuance to the Vendor (or any nominee of the Vendor) (i) the convertible bonds ("Convertible Bond-III") in the principal amount of HK\$23,000,000; and (ii) the convertible bonds ("Convertible Bond-IV") in the principal amount of HK\$23,500,000 at completion.

**財務回顧 (續)**

**集資活動 (續)**

**發行可換股債券三及可換股債券四作為收購代價 (續)**

於二零一五年五月二十九日，本公司、合營公司、溢利與Rich Best Asia Limited (「賣方」) 訂立買賣協議 (「買賣協議」)，據此，(i) 賣方已同意出售及合營公司已同意購買華人策略控股有限公司 (「華人策略」，華人策略的股份於聯交所GEM上市 (股份代號：8089)) 之附屬公司華杰亞洲有限公司全部股權；及(ii) 賣方已同意向合營公司轉讓及合營公司已同意接受轉讓銷售貸款，總代價為93,000,000港元，並將由合營公司根據買賣協議所載列的時間、模式及方法結付及清償：(i) 緊隨簽立買賣協議後，合營公司及溢利須共同及個別地以現金或銀行本票向華人策略 (代表賣方) 支付總數20,000,000港元作為按金 (「按金」)，而按金將於完成時用作支付部份代價；(ii) 合營公司及溢利須共同及個別地進一步以現金或銀行本票向華人策略 (代表賣方) 支付總數26,500,000港元，作為於完成時部份支付代價的結餘；(iii) 代價餘額合共為46,500,000港元，須由本公司於完成時向賣方 (或賣方的任何提名人) 發行(i) 本金額為23,000,000港元的可換股債券 (「可換股債券三」)；及(ii) 本金額為23,500,000港元的可換股債券 (「可換股債券四」) 作結付及清償。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Fund Raising Activities (continued)

##### *Issue of Convertible Bond III & Convertible Bond IV as a consideration of an acquisition (continued)*

Upon exercise of conversion rights attaching to the Convertible Bond-III & Convertible Bond-IV, 186,000,000 new shares shall be issued.

The completion of the acquisition involving the issue of Convertible Bond-III & Convertible Bond-IV as a part of the consideration took place on 20 August 2015.

Further details of the issue of convertible bonds as a consideration of an acquisition are set out in the announcements of the Company dated 29 May 2015, 20 August 2015 and the circular of the Company dated 27 July 2015.

Convertible Bond III expired on 31 March 2017 and subsequently the Company received a redemption notice from the Convertible Bond III holder for the principal amount of HK\$23,000,000. As at the date of this report, the amount remained outstanding and the Company has agreed with the Convertible Bond III holder to pay an interest of 5% per annum from 1 April 2017 up to the date of settlement.

### 財務回顧 (續)

#### 集資活動 (續)

##### *發行可換股債券三及可換股債券四作為收購代價 (續)*

可換股債券三及可換股債券四所附帶兌換權獲行使後，186,000,000股新股份將獲發行。

涉及發行可換股債券三及可換股債券四作為部分代價的收購事項於二零一五年八月二十日完成。

有關發行可換股債券作為收購代價的更多詳情載於本公司日期為二零一五年五月二十九日、二零一五年八月二十日的公佈及本公司日期為二零一五年七月二十七日的通函。

可換股債券三於二零一七年三月三十一日到期，其後本公司接獲可換股債券三持有人之贖回通知，本金額為23,000,000港元。於本報告日期，金額尚未償還，且本公司已同意可換股債券三持有人自二零一七年四月一日起直至結算日期支付年利率5%。

**FINANCIAL REVIEW (continued)**

**Significant Investments, Acquisitions and Disposal**

***Disposal of an investment property***

On 3 December 2016, the Group entered into and signed a sale and purchase agreement with an independent third party to dispose of one of the investment properties held by the Group which is located in the PRC with fair value of approximately RMB17,500,000 (equivalent to approximately HK\$19,447,000) as at 31 December 2016. Such property was classified as asset held for sale in the consolidated statement of financial position as at 31 December 2016. The transaction was completed on 14 March 2017 with a gain of disposal between the sale proceed over the cost of acquisition of approximately HK\$4,685,000.

***Acquisition of Shunxin Holdings Limited and placing of convertible bonds***

*(a) The acquisition of Shunxin Holdings Limited (the "Acquisition")*

On 29 May 2017, Cosmic Bliss Limited as the vendor (the "Vendor"), Champion Front Limited as the purchaser (the "Purchaser") and the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the entire issued share capital of Shunxin Holdings Limited, the target company, at the maximum consideration of HK\$120,000,000, which shall be settled by the issue of the consideration CBs (the "Consideration CBs").

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the outstanding shareholder loan due to the Vendor at the consideration of HK\$1, which shall be settled by cash at completion.

**財務回顧 (續)**

**重大投資、收購及出售**

**出售一項投資物業**

於二零一六年十二月三日，本集團與獨立第三方訂立及簽訂買賣協議，出售一項由本集團持有的投資物業，其位於中國，於二零一六年十二月三十一日，公平值約為人民幣17,500,000元（相當於約19,447,000港元）。於二零一六年十二月三十一日，該物業獲分類為綜合財務狀況表中持作出售資產。該交易已於二零一七年三月十四日完成，銷售所得款項減收購成本的出售收益約為4,685,000港元。

**收購順欣控股有限公司及配售可換股債券**

*(a) 收購順欣控股有限公司 (「收購事項」)*

於二零一七年五月二十九日，宇福有限公司作為賣方（「賣方」）、Champion Front Limited作為買方（「買方」）及本公司訂立買賣協議（「買賣協議」），據此，賣方已同意向買方出售而買方已同意向賣方購買順欣控股有限公司（目標公司）全部已發行股本，代價最多為120,000,000港元，須透過發行代價可換股債券（「可換股債券」）予以清償。

根據買賣協議，賣方已同意向買方出售而買方已同意向賣方購買應付賣方的尚未清償股東貸款，代價為1港元，須於完成時以現金清償。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Significant Investments, Acquisitions and Disposal (continued)

##### **Acquisition of Shunxin Holdings Limited and placing of convertible bonds (continued)**

(a) *The acquisition of Shunxin Holdings Limited (the "Acquisition") (continued)*

The Consideration CBs are convertible at the conversion price of HK\$0.06 per consideration conversion share. Assuming the Consideration CBs in the principal amount of HK\$120,000,000 are fully converted at the initial conversion price of HK\$0.06, 2,000,000,000 new shares will be allotted and issued by the Company under specific mandate to authorise the Directors to allot and issue the conversion shares under conversion of the Consideration CBs.

Upon completion of the Acquisition, the target company and its subsidiaries will become wholly-owned subsidiaries of the Company and accordingly, their financial results will be consolidated into the accounts of the Company.

(b) *Placing of convertible bonds (the "Placing")*

On 29 May 2017, Kingston Securities Limited (the "Placing Agent") and the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Company has agreed to appoint the Placing Agent as the placing agent and the Placing Agent has agreed to procure subscribers to subscribe for the placing CBs (the "Placing CBs") in the aggregate principal amount of HK\$360,000,000, on a best effort basis, on the terms and conditions set out in the Placing Agreement.

### 財務回顧 (續)

#### 重大投資、收購及出售 (續)

##### **收購順欣控股有限公司及配售可換股債券 (續)**

(a) *收購順欣控股有限公司 (「收購事項」) (續)*

代價可換股債券可按換股價每股代價換股股份0.06港元進行轉換。假設本金額為120,000,000港元之代價可換股債券按初步換股價0.06港元獲悉數兌換，則本公司將根據特別授權配發及發行2,000,000,000股新股份以授權董事根據代價可換股債券之轉換配發及發行換股股份。

於收購事項完成後，目標公司及其附屬公司將成為本公司之全資附屬公司，因此，該等公司的財務業績將併入於本公司的賬目。

(b) *配售可換股債券 (「配售事項」)*

於二零一七年五月二十九日，金利豐證券有限公司 (「配售代理」) 與本公司訂立配售協議 (「配售協議」)，據此，本公司已有條件地同意委任配售代理作為配售代理，而配售代理已同意盡最大努力按配售協議載列的條款及條件，促使認購人認購本金總額360,000,000港元的配售可換股債券 (「配售可換股債券」)。

**FINANCIAL REVIEW (continued)**

**Significant Investments, Acquisitions and Disposal  
(continued)**

**Acquisition of Shunxin Holdings Limited and placing of convertible bonds (continued)**

(b) *Placing of convertible bonds (the "Placing") (continued)*  
Completion of the Placing shall be conditional upon, among other things, the completion of the Acquisition. Assuming the Placing CBs in the principal amount of HK\$360,000,000 are fully converted at the initial conversion price of HK\$0.06, 6,000,000,000 new shares will be allotted and issued by the Company under the specific mandate to authorise the Directors to allot and issue the conversion shares under conversion of the Placing CBs.

On 2 January 2018, the Company announced that the Acquisition was terminated as certain conditions precedent of the Sale and Purchase have not fulfilled or waived by the long stop date. As a result, the Company also announced that the Placing was terminated accordingly.

**Acquisition of interest in certain properties in Shenzhen, the PRC**

On 17 July 2017, Yardley Wealth Management Limited ("YWML") and Skyline Top Limited ("STL"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") pursuant to which the YWML has agreed to sell and the STL has agreed to purchase the sale shares (the "Sale Shares"), representing 50% of the issued share capital of Delightful Hope Limited (the "Target Company") for cash consideration of HK\$55,000,000. The Target Company is a non-wholly owned subsidiary of the Company and is owned as to 50% by each of YWML and STL. Following completion, the Target Company will be wholly owned by the STL and will become an indirect wholly-owned subsidiary of the Company.

**財務回顧 (續)**

**重大投資、收購及出售 (續)**

**收購順欣控股有限公司及配售可換股債券 (續)**

(b) *配售可換股債券 (「配售事項」) (續)*  
配售事項之完成須待 (其中包括) 收購事項完成後方可作實。假設本金額為 360,000,000 港元之配售可換股債券以初步換股價 0.06 港元獲悉數兌換, 則本公司將根據特別授權配發及發行 6,000,000,000 股新股份以授權董事根據配售可換股債券之兌換配發及發行換股股份。

於二零一八年一月二日, 本公司宣布終止收購事項, 因買賣協議的若干先決條件尚未達成或獲豁免。因此, 本公司亦宣布配售事項已相應終止。

**收購於中國深圳的若干物業權益**

於二零一七年七月十七日, 溢利財富管理有限公司 (「溢利財富管理」) 與天際高有限公司 (「天際高」) (本公司之全資附屬公司) 訂立一項協議 (「該協議」), 據此, 溢利財富管理已同意出售且天際高已同意購買銷售股份 (「銷售股份」), 佔希愉有限公司 (「目標公司」) 已發行股本之 50%, 以獲得 55,000,000 港元之現金代價。目標公司為本公司之非全資附屬公司且由溢利財富管理及天際高各自擁有 50%。於完成後, 目標公司將由天際高全資擁有且將成為本公司之間接全資附屬公司。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW (continued)

#### Significant Investments, Acquisitions and Disposal (continued)

##### *Acquisition of interest in certain properties in Shenzhen, the PRC (continued)*

The principal assets of the Target Company consist of properties comprise 8 commercial units of a total gross floor area of approximately 1,690 sq.m. in Shenzhen City, Guangdong Province, the PRC, and a residential house in Shenzhen City, Guangdong Province, the PRC of a total gross floor area of approximately 315.23 sq.m. According to the audited consolidated account of the Target Company, the book value of the properties was approximately HK\$110,236,000 as at 31 December 2016.

The consideration payable by the STL to the YWML for the Sale Shares is HK\$55,000,000 and shall be satisfied by the STL's payment in cash to the YWML or its nominee in the following manner: (a) as to the part payment in the sum of HK\$20,000,000, within 14 days after the date of the Agreement; (b) as to the balance of HK\$35,000,000, upon completion.

On 31 July 2017, a supplemental agreement was entered into between the parties that the part payment in the sum of HK\$20,000,000 shall be paid on or before 28 August 2017 or such later date as the parties may agree in writing. As at the date of this report, HK\$20,000,000 of the above part payment has been paid.

On 17 January 2018, the parties had entered into a second supplemental agreement whereas the timing of payment of the balance of HK\$35,000,000 was extended from 17 January 2018 to 17 January 2019.

### 財務回顧 (續)

#### 重大投資、收購及出售 (續)

##### *收購於中國深圳的若干物業權益 (續)*

目標公司之主要資產包括位於中國廣東省深圳市的總建築面積約1,690平方米之八個商業單位，及位於中國廣東省深圳市的總建築面積約315.23平方米之一幢住宅。根據目標公司的經審核綜合賬目，於二零一六年十二月三十一日，該等物業的賬面值約為110,236,000港元。

天際高就銷售股份應向溢利財富管理支付的代價為55,000,000港元且須由天際高按下列方式以現金向溢利財富管理或其代名人支付：(a) 合共20,000,000港元之部分付款，於該協議日期後十四日內；(b) 35,000,000港元之結餘，於完成後。

於二零一七年七月三十一日，訂約方訂立補充協議，部分付款合共20,000,000港元須於二零一七年八月二十八日（或該協議訂約方可能書面協定之較後日期）或之前支付。於本報告日期，上述部分付款20,000,000港元已支付。

於二零一八年一月十七日，訂約方訂立第二份補充協議，據此，結餘35,000,000港元之償付時間由二零一八年一月十七日延至二零一九年一月十七日。

### FINANCIAL REVIEW (continued)

#### Charges on Group's Assets

As at 31 December 2017, the Group had charges on one of its investment properties to obtain a mortgage financing from a bank in Taiwan of approximately HK\$9,233,000 (2016: HK\$9,181,000). Investments held for trading have been pledged to brokers' account to obtain a margin loan financing of approximately HK\$20,022,000 (31 December 2016: HK\$16,768,000). Further, the Group had charges on certain investment properties in the PRC to obtain term loans from a money lender in the PRC of approximately HK\$47,956,000 (31 December 2016: Nil).

#### Contingent Liabilities

At 31 December 2017, the Group did not have any significant contingent liabilities (2016: Nil).

#### Capital Commitments

At 31 December 2017, the Group had capital commitment amounting to approximately HK\$35,000,000 (2016: HK\$2,451,000).

#### Exposure to Fluctuation in Exchange Rates

All of the Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollars or Renminbi or New Taiwan dollars. The Directors do not consider that the Group is exposed to any material foreign currency exchange risk. Therefore, no hedging devices or other alternative have been implemented.

#### Events after the Reporting Period

Details are set out in note 51 to the consolidated financial statements.

### OUTLOOK AND PROSPECTS

Looking ahead, the global economic activities are expected continue to strengthen in 2018. Benefit from economic growth in PRC, a firm US economy and low interest rate, the Hong Kong economic outlook in 2018 is rather optimistic. However, the Group continues to allocate resources carefully in different business segments to optimise the investment strategies.

### 財務回顧(續)

#### 本集團資產抵押

於二零一七年十二月三十一日，本集團已抵押其中一項投資物業，以自一間台灣的銀行取得按揭融資約9,233,000港元(二零一六年：9,181,000港元)。持作買賣之投資已抵押予經紀賬戶以獲取保證金貸款融資約20,022,000港元(二零一六年十二月三十一日：16,768,000港元)。此外，本集團已抵押於中國的若干投資物業，自中國放債人獲取定期貸款約47,956,000港元(二零一六年十二月三十一日：無)。

#### 或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債(二零一六年：無)。

#### 資本承擔

於二零一七年十二月三十一日，本集團的資本承擔為約35,000,000港元(二零一六年：2,451,000港元)。

#### 匯率波動風險

本集團所有資產、負債及交易乃主要以港元或人民幣或新台幣計算。董事認為本集團並無面對任何重大外匯風險。因此，並無採取對沖或其他措施。

#### 報告期後事項

有關詳情載列於綜合財務報表附註51。

#### 展望及前景

展望未來，預期於二零一八年環球經濟活動會持續加強，自中國經濟增長獲益，穩健而低利率的美國經濟，於二零一八年香港的經濟前景仍然樂觀。然而，本集團持續謹慎分配資源予不同的業務分部以優化投資策略。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### OUTLOOK AND PROSPECTS (continued)

#### One-stop value chain services

During the year, the Group noticed that the performance of this segment was weaker than previous year. Nevertheless, the Group is working on improvement plan. We expect that this business segment will continue contribute to the Group's revenue and gross profit.

#### Property investment

During the year under review, the Group entered into an agreement to consolidate its interest in a commercial property in Shenzhen City, Guangdong Province, the PRC. Upon completion, the Group will wholly own 8 commercial units of a total gross floor area of approximately 1,690 sq.m.

The Group will continue monitor its property investment portfolio and grasp the opportunity to be benefited from the potential capital gain of the assets together but also balance with enhanced rental yields.

#### Trading of consumables and agricultural products

The business segment for trading of consumables and agricultural products was expanded through the acquisition of re-usable bags trading business in 2016. The business segment demonstrates huge potential and the Group is optimistic about its future contribution.

### 展望及前景 (續)

#### 一站式價值鏈服務

於年內，本集團注意到此分部較上年度疲弱。然而，本集團正制定改善計劃。我們預計此業務分部將持續貢獻本集團的收益及毛利。

#### 物業投資

於回顧年度，本集團訂立協議整合其於中國廣東省深圳市一處商業物業的權益。於完成時，本集團將全資擁有總樓面面積約1,690平方米的8個商業單位。

本集團將持續監察其物業投資組合並抓住機會自潛在資產的資本增益中受益，但亦平衡增加租金收益。

#### 消耗品及農產品貿易

消耗品及農產品貿易業務分部已於二零一六年透過收購可循環再用袋業務的方式拓展。此業務分部顯示龐大的潛力及本集團對其未來的貢獻表示樂觀。

### OUTLOOK AND PROSPECTS (continued)

#### Trading of grocery food products

Since the Group has decided not to renew the sale distributorship agreements with respective principals of Mengniu and Jinlongyu products, the Group will focus its resources on Nittin brand of ramen and udon products in this segment.

#### Provision of money lending services

The Group's money lending service segment continue to make stable contribution to the Group's revenue. The Group will continue its tight credit control policy and look to further expand this business segment if and when financial resources are available.

#### Provision of financial services

The Group has now 2 licensed subsidiaries providing asset management and advising on corporate finance services. With the relatively optimistic outlook in Hong Kong in 2018, the Group is confident that this segment will continue to grow and make positive contribution to the Group's revenue and profit.

### 展望及前景 (續)

#### 糧油食品貿易

因本集團已決定不再與蒙牛及金龍魚產品各自重訂分銷協議，本集團將專注其於此分部的日丁品牌拉麵及烏冬麵產品。

#### 提供放債服務

本集團的放債服務分部持續對本集團的貢獻穩定收益。本集團將持續其嚴謹信用控制政策並於當有可用的財政資源時期待近一步擴展此業務分部。

#### 提供金融服務

本集團現有兩間持牌附屬公司提供資產管理及企業融資顧問服務。於二零一八年在香港有相對樂觀的前景，本集團有信心此分部將持續增長並對本集團的收益及溢利帶來正面貢獻。



## DIRECTORS' REPORT

### 董事會報告

The Directors present the annual report and audited consolidated financial statements for the year ended 31 December 2017.

#### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 47 to the consolidated financial statements.

#### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 86 of this annual report.

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

#### BUSINESS REVIEW

Discussion and analysis of the principal activities of the Group as required by Schedule 5 to the Hong Kong Companies Ordinance can be found in the Management Discussion and Analysis set out on pages 10 to 31 of this annual report. These discussions form part of this Directors' Report.

#### FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 270 of this annual report.

#### PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group during the year ended 31 December 2017 are set out in Note 15 to the consolidated financial statements.

#### MAJOR CUSTOMERS AND SUPPLIERS

The largest customer accounted for approximately 53.7% (2016: 64.4%) of the Group's turnover, and the largest supplier accounted for approximately 85% (2016: 81.2%) of the Group's cost of sales, for the year ended 31 December 2017. To the best knowledge of the Directors, at no time during the year ended 31 December 2017, any Director or his associates or any shareholder (who owned more than 5% of the Company's issued share capital) has any interest in the above-mentioned customers or suppliers.

董事謹此提呈截至二零一七年十二月三十一日止年度年報及經審核綜合財務報表。

#### 主要業務

本公司為一家投資控股公司。各附屬公司之主要業務載於綜合財務報表附註47。

#### 業績及股息

本集團截至二零一七年十二月三十一日止年度業績載於本年報第86頁之綜合損益及其他全面收益表。

董事並不建議就截至二零一七年十二月三十一日止年度派付末期股息（二零一六年：無）。

#### 業務回顧

香港公司條例附表5所規定的本集團主要業務的討論及分析載於本年報第10頁至第31頁所載的管理層討論及分析。該等討論構成本董事會報告的一部分。

#### 財務概要

本集團於最近五個財政年度之已公佈業績與資產及負債概要載於本年報第270頁。

#### 廠房及設備

本集團截至二零一七年十二月三十一日止年度廠房及設備變動詳情載於綜合財務報表附註15。

#### 主要客戶及供應商

截至二零一七年十二月三十一日止年度，本集團最大客戶之銷售額佔本集團營業額約53.7%（二零一六年：64.4%），而最大供應商之採購額佔本集團銷售成本約85%（二零一六年：81.2%）。就董事所盡悉，截至二零一七年十二月三十一日止年度概無董事、其聯繫人士或擁有本公司已發行股本5%以上之股東於上文披露之客戶或供應商擁有任何權益。

**SHARE CAPITAL**

Details of movements during the year ended 31 December 2017 in the share capital of the Company are set out in Note 34 to the consolidated financial statements.

**RESERVES**

Details of movements in the reserves of the Group are presented in the consolidated statement of changes in equity on page 90 to 91 of this annual report.

**DISTRIBUTABLE RESERVES**

As at 31 December 2017, the Company did not have any reserves available for cash/in specie dividend distribution to shareholders of the Company.

**CLOSURE OF REGISTER OF MEMBERS**

**For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting (the "AGM")**

Latest time to lodge transfers	4:00 p.m. on 4 May 2018 (Friday)
Book close date	7 May 2018 (Monday) To 10 May 2018 (Thursday) (both dates inclusive)
Record date	10 May 2018 (Thursday)
AGM date	10 May 2018 (Thursday)

In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong before the above latest time to lodge transfers.

**SHARE OPTION SCHEME**

The Company has adopted a new share option scheme on 6 May 2011 (the "Share Option Scheme").

**股本**

本公司之股本於截至二零一七年十二月三十一日止年度變動詳情載於綜合財務報表附註34。

**儲備**

本集團儲備之變動詳情已於本年報第90至91頁之綜合權益變動表內呈列。

**可供分派儲備**

於二零一七年十二月三十一日，本公司概無現金／可用作實物形式的股息分派予本公司股東之任何儲備。

**暫停辦理股份過戶登記手續**

就確定股東出席應屆股東週年大會（「股東週年大會」）及於會上投票表決的權利

遞交過戶文件以作登記的最後時間	二零一八年五月四日（星期五） 下午四時正
暫停辦理股份過戶登記日期	二零一八年五月七日（星期一）至 二零一八年五月十日（星期四） （首尾兩天包括在內）
記錄日期	二零一八年五月十日（星期四）
股東週年大會日期	二零一八年五月十日（星期四）

為符合資格出席股東週年大會及於會上投票表決的權利，所有股份過戶文件連同有關股票須於上述遞交過戶文件以作登記的最後時間前送達本公司之香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室。

**購股權計劃**

本公司二零一一年五月六日採納一個新購股權計劃（「購股權計劃」）。

### SHARE OPTION SCHEME (continued)

The Share Option Scheme will remain in force for a period of 10 years from 6 May 2011 to 5 May 2021, unless terminated otherwise as in accordance with the provisions of the Share Option Scheme. The purpose of the Share Option Scheme is to enable the Group to grant options to eligible participants the Directors may at its absolute discretion select as incentives or rewards for their contribution to the Group. Eligible participants include any employee (whether full-time or part-time, including executive directors, non-executive directors and independent non-executive directors), shareholder, customer, supplier of the Company, any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest; any person or entity that provides research, development or other technological support, any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the Shareholders' approval in general meeting of the Company. Where any grant of options to a substantial Shareholder or an independent non-executive director of the Company or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5 million; such further grant of options must be approved by the Shareholders in general meeting.

### 購股權計劃(續)

購股權計劃將自二零一一年五月六日至二零二一年五月五日之十年期間維持有效，惟根據購股權計劃之規定以其他方式終止者除外。購股權計劃旨在使本集團向董事可能全權決定推選出之合資格參與者授出購股權，作為彼等對本集團所作出貢獻的獎勵或回報。合資格參與者包括本公司、其任何附屬公司或本集團持有股權之任何實體（「投資實體」）之任何僱員（不論全職或兼職與否，並包括執行董事、非執行董事及獨立非執行董事）、股東、客戶、供應商；提供研究、開發或其他技術支援之任何人士或實體；本集團或任何投資實體之任何業務範疇或業務發展之任何顧問（專業人士或其他專業人士）或顧問；及已經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他組別或類別參與者。

已發行股份總數及因行使根據購股權計劃及本集團任何其他購股權計劃所授出之購股權（包括已獲行使或尚未行使之購股權）而可能於任何十二個月期間內向各名參與者發行的股份總數，不得超逾本公司現時已發行股本之1%（「個人限額」）。倘在截至進一步授出購股權當日（包括該日）止的任何十二個月內，任何進一步授出超逾個人限額之購股權，須於本公司之股東大會取得股東批准。倘向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士授予任何購股權，則可能導致有關股份會因行使於截至有關人士獲授購股權當日（包括該日）止十二個月期間內已授予及將授予該人士之所有購股權（包括已行使、已註銷及尚未行使之購股權）而獲發行及將獲發行：(i)合共佔已發行股份0.1%以上；及(ii)按每次授出購股權當日有關股份收市價計算之合共價值超逾5百萬港元；則進一步授出該等購股權須於股東大會上獲股東批准。

### **SHARE OPTION SCHEME (continued)**

An option may be exercised at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination as set out in the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The subscription price for shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

At the annual general meeting of the Company held on 6 May 2011, the Company was also authorised to issue up to 242,459,969 shares (i.e. 121,229,984 consolidated shares upon the share consolidation effective on 11 October 2013) upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group, being 10% of the shares in issue on 6 May 2011 (the "General Scheme Limit"). The Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit to participants specifically identified by the Company before such approval is sought. Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

### **購股權計劃 (續)**

購股權可於董事所決定並知會各承授人之期間內任何時間獲行使，該期間可始於接納授出購股權之提呈日期，惟在任何情況下將不遲於確定提呈要約授出購股權之日起計十年結束（根據載於購股權計劃之提早條款終止購股權者除外）。除非董事另有決定及在提呈授予承授人購股權之要約中列明，購股權計劃並無規定持有至可行使購股權之最短期間。

名義代價1港元須於授出購股權獲接納時支付。根據購股權計劃之股份認購價為由董事釐定之價格，惟不得少於以下三者之最高者：(i)本公司股份於授予購股權日期（須為交易日）在聯交所每日報價表所列之收市價；(ii)本公司股份於授予購股權日期前五個交易日在聯交所每日報價表所列之平均收市價；及(iii)本公司股份面值。

於二零一一年五月六日舉行之本公司股東週年大會上，本公司於根據購股權計劃及本集團任何其他購股權計劃將予授出全部購股權（不包括，就此而言，根據購股權計劃及本集團任何其他購股權計劃條款已失效之購股權）獲行使後，亦獲授權發行最多242,459,969股股份（即股份合併於二零一三年十月十一日生效後之121,229,984股合併股份，亦即於二零一一年五月六日已發行股份之10%（「一般計劃上限」））。本公司於股東大會上亦可尋求股東另行批准，向本公司在尋求該批准前已特別指定之參與者授出超過一般計劃上限之購股權。儘管如上所述，根據購股權計劃及本集團任何其他購股權計劃授出但尚未行使的購股權獲行使後將予發行股份總數最多不得超過本公司不時已發行股本的30%。

# DIRECTORS' REPORT

## 董事會報告

### SHARE OPTION SCHEME (continued)

During the year ended 31 December 2017, no option was granted under the Share Option Scheme.

During the year ended 31 December 2017, 54,425,000 shares options were lapsed.

As at 31 December 2017, the number of Shares in respect of which options had been granted and accepted and remained outstanding under the Share Option Scheme was 403,625,000 (2016: 488,800,000), representing approximately 6.61% (2016: 8.15%) of the Company's issued share capital as at that date.

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors who held office during the year ended 31 December 2017 and up to the date of this report were:

#### Executive Directors

Mr. So David Tat Man

Mr. Lai Yick Fung

Mr. Ng Cheuk Fan, Keith

Mr. Au Yeung Po Leung

(resigned on 30 September 2017)

#### Independent Non-executive Directors

Mr. Yick Ting Fai, Jeffrey

Mr. Zhang Min

Ms. Yuen Wai Man

### 購股權計劃(續)

截至二零一七年十二月三十一日止年度，概無根據購股權計劃授出購股權。

截至二零一七年十二月三十一日止年度，54,425,000份購股權已失效。

於二零一七年十二月三十一日，有關根據購股權計劃授出及獲接納及尚未行使購股權的股份數目為403,625,000股(二零一六年：488,800,000股)，佔本公司於該日期的已發行股本約6.61%(二零一六年：8.15%)。

### 董事及董事服務合約

於截至二零一七年十二月三十一日止年度及直至本年報日期任職的董事為：

#### 執行董事

蘇達文先生

賴益豐先生

吳卓凡先生

歐陽寶樑先生

(於二零一七年九月三十日辭任)

#### 獨立非執行董事

易庭暉先生

張民先生

袁慧敏女士

**DIRECTORS AND DIRECTORS' SERVICE CONTRACTS**  
**(continued)**

Each independent non-executive Director has signed an appointment letter with the Company for a fixed term of two years and may be terminated by not less than three months prior notice in writing served by either party to the other in accordance with the provisions set out in the respective appointment letter.

Each executive Director has entered into a service agreement with the Company for an initial fixed term of two years and will continue thereafter until terminated by not less than six months' notice in writing served by either party to the other in accordance with the provisions set out in the respective service agreement. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by the Board at its absolute discretion having regard to the operation results of the Company and performance of the Directors.

None of the Directors who are proposed for re-election at the AGM 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.

**INDEPENDENCE CONFIRMATION**

The Company has received, from each of the independent non-executive Directors, namely, Mr. Yick Ting Fai, Jeffrey, Mr. Zhang Min and Ms. Yuen Wai Man, an annual confirmation of their independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all of the independent non-executive Directors are independent.

**DIRECTORS' INTERESTS IN CONTRACTS**

There was no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 December 2017.

**董事及董事服務合約 (續)**

各獨立非執行董事已與本公司簽署一份委任書，固定任期為兩年，而其中一方根據彼等各自委任書載有之條文向另一方發出不少於三個月之事先書面通知予以終止。

每位執行董事已與本公司簽訂服務協議，初步固定任期為兩年，並將於其後繼續，直至任何一方根據各自的服務協議所載條文向另一方發出不少於六個月的書面通知予以終止為止。各執行董事或可酌情收取花紅，有關金額將由董事會全權酌情按本公司之經營業績及董事的表現而釐定。

本公司概無與任何於股東週年大會上擬膺選連任的董事訂立任何不可於一年內由本公司終止而毋須作出賠償（法定賠償除外）的服務合約。

**確認獨立性**

本公司已接獲各獨立非執行董事（即易庭暉先生、張民先生及袁慧敏女士）按照GEM上市規則第5.09條發出之獨立性年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

**董事於合約之權益**

本公司或其任何附屬公司概無訂立於截至二零一七年十二月三十一日止年度內或年底時仍有效及本公司董事直接或間接擁有重大權益之重大合約。

# DIRECTORS' REPORT

## 董事會報告

### EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in Notes 11 and 12 to the consolidated financial statements, respectively.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

Long position in the underlying shares in respect of the share options of the Company (which were regarded as unlisted physically settled equity derivatives) granted under the Share Option Scheme adopted by the Company on 6 May 2011:

Name	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
姓名	授出日期	每股股份行使價 (港元)	行使期		年內授出	年內行使	年內失效	
So David Tat Man 蘇達文	13 July 2015 二零一五年七月十三日	0.212	14 July 2016 – 13 July 2017 二零一六年七月十四日至 二零一七年七月十三日	12,825,000	-	-	(12,825,000)	-
			14 July 2017 – 13 July 2018 二零一七年七月十四日至 二零一八年七月十三日	21,375,000	-	-	-	21,375,000

### 董事、最高行政人員及五位最高薪人士酬金

董事及本集團最高行政人員及五位最高薪人士的酬金詳情分別載於綜合財務報表附註11及12。

### 董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益或淡倉

於二零一七年十二月三十一日，本公司董事或最高行政人員擁有根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部須知會本公司及聯交所（包括根據證券及期貨條例之該等條文彼等被視為或當作擁有之權益或淡倉）或根據證券及期貨條例第352條須記入本公司存置之股東登記冊之本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券之權益或淡倉，或根據GEM上市規則第5.46條至5.67條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉如下：

有關根據本公司於二零一一年五月六日所採納的購股權計劃授出的本公司購股權（其視為非上市以實物交收的股本衍生工具）的相關股東好倉：

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (continued)**

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益或淡倉(續)

Name	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
姓名	授出日期	每股股份行使價(港元)	行使期		年內授出	年內行使	年內失效	
	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	15,600,000	-	-	-	15,600,000
			13 September 2017 – 12 September 2019 二零一七年九月十三日至二零一九年九月十二日	15,600,000	-	-	-	15,600,000
			13 September 2018 – 12 September 2019 二零一八年九月十三日至二零一九年九月十二日	20,800,000	-	-	-	20,800,000
Lai Yick Fung 賴益豐	13 July 2015 二零一五年七月十三日	0.212	14 July 2016 – 13 July 2017 二零一六年七月十四日至二零一七年七月十三日	3,000,000	-	-	(3,000,000)	-
			14 July 2017 – 13 July 2018 二零一七年七月十四日至二零一八年七月十三日	5,000,000	-	-	-	5,000,000
	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	12,000,000	-	(6,000,000)	-	6,000,000
			13 September 2017 – 12 September 2019 二零一七年九月十三日至二零一九年九月十二日	12,000,000	-	-	-	12,000,000
			13 September 2018 – 12 September 2019 二零一八年九月十三日至二零一九年九月十二日	16,000,000	-	-	-	16,000,000



# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (continued)

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益或淡倉(續)

Name	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
姓名	授出日期	每股股份行使價(港元)	行使期					
Ng Cheuk Fan, Keith 吳卓凡	13 July 2015 二零一五年七月十三日	0.212	14 July 2016 – 13 July 2017 二零一六年七月十四日至二零一七年七月十三日	1,200,000	-	-	(1,200,000)	-
			14 July 2017 – 13 July 2018 二零一七年七月十四日至二零一八年七月十三日	2,000,000	-	-	-	2,000,000
	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	12,000,000	-	-	-	12,000,000
Yick Ting Fai, Jeffrey 易庭輝	13 July 2015 二零一五年七月十三日	0.212	14 July 2016 – 13 July 2017 二零一六年七月十四日至二零一七年七月十三日	1,200,000	-	-	(1,200,000)	-
			14 July 2017 – 13 July 2018 二零一七年七月十四日至二零一八年七月十三日	2,000,000	-	-	-	2,000,000
	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	1,500,000	-	-	-	1,500,000
			13 September 2017 – 12 September 2019 二零一七年九月十三日至二零一九年九月十二日	1,500,000	-	-	-	1,500,000
			13 September 2018 – 12 September 2019 二零一八年九月十三日至二零一九年九月十二日	2,000,000	-	-	-	2,000,000

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (continued)**

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益或淡倉(續)

Name	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Outstanding as at 1 January 2017 於二零一七年一月一日尚未行使	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
姓名	授出日期	每股股份行使價(港元)	行使期		年內授出	年內行使	年內失效	
Zhang Min 張民	13 July 2015 二零一五年七月十三日	0.212	14 July 2016 – 13 July 2017 二零一六年七月十四日至二零一七年七月十三日	1,200,000	-	-	(1,200,000)	-
			14 July 2017 – 13 July 2018 二零一七年七月十四日至二零一八年七月十三日	2,000,000	-	-	-	2,000,000
	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	1,500,000	-	-	-	1,500,000
13 September 2017 – 12 September 2019 二零一七年九月十三日至二零一九年九月十二日	1,500,000		-	-	-	1,500,000		
13 September 2018 – 12 September 2019 二零一八年九月十三日至二零一九年九月十二日	2,000,000		-	-	-	2,000,000		
Yuen Wai Man 袁慧敏	12 September 2016 二零一六年九月十二日	0.11	13 September 2016 – 12 September 2019 二零一六年九月十三日至二零一九年九月十二日	1,500,000	-	-	-	1,500,000
			13 September 2017 – 12 September 2019 二零一七年九月十三日至二零一九年九月十二日	1,500,000	-	-	-	1,500,000
			13 September 2018 – 12 September 2019 二零一八年九月十三日至二零一九年九月十二日	2,000,000	-	-	-	2,000,000

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above, at no time during the Reporting Period, there subsisted arrangements to which the Company or any of its subsidiaries is a party, being arrangements whose subjects are, or one of whose objects is, to enable any of the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate, and none of the directors of the Company, their spouse or their children under the age of 18, had any right to subscribe for the securities of the Company during the year ended 31 December 2017.

### SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware of and having made due enquiries, as at 31 December 2017, the following parties, other than the Directors or the chief executive of the Company, had interests or short positions directly or indirectly in the shares and underlying shares of the Company disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

### 董事及主要行政人員購買股份或債務證券的權利

除上文「董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益或淡倉」一節所披露者外，於報告期間內任何時間，概無本公司或其任何附屬公司參與訂立的安排，而該等安排的主題為（或該等安排的目標之一是）讓本公司董事或主要行政人員藉購入本公司或任何其他法人團體的股份或債務證券（包括債券）而獲取利益，且本公司任何董事、彼等的配偶或彼等未滿十八歲的子女於截至二零一七年十二月三十一日止年度概無任何權利認購本公司的證券。

### 主要股東

就董事所知並經作出適當查詢，於二零一七年十二月三十一日，以下人士（本公司董事或主要行政人員除外）於本公司股份及相關股份擁有以下須根據證券及期貨條例第XV部第2及3分部條文向本公司披露或記錄於本公司根據證券及期貨條例第336條存置之登記冊的直接或間接權益或淡倉：

**SUBSTANTIAL SHAREHOLDERS (continued)**  
**Long positions in the shares and underlying shares of the Company:**

**主要股東 (續)**  
於本公司股份及相關股份之好倉：

Name of shareholders 股東名稱	Number of shares of the Company (Personal Interests) 本公司股份數目 (個人權益)	Number of shares of the Company (Corporate Interests) 本公司股份數目 (公司權益)	Number of underlying shares of the Company 本公司相關股份數目	Total 總數	Approximate percentage of the issued share capital 佔已發行股本的概約百分比 (Note 1) (附註1)
Yardley Finance Limited (Note 2) 溢利財務有限公司 (附註2)	-	471,600,000	-	471,600,000	7.73%
Chan Kin Sun (Note 2) 陳建新 (附註2)	-	471,600,000	-	471,600,000	7.73%
Sun Hui 孫輝	395,840,000	-	-	395,840,000	6.48%

Notes:

- As at 31 December 2017, the Company's issued ordinary share capital was HK\$122,071,049.76 divided into 6,103,552,488 Shares of HK\$0.02 each.
- These shares were held by Yardley Finance Limited ("Yardley Finance"), a company incorporated in Hong Kong with limited liability. Since Yardley Finance is wholly-owned by Chan Kin Sun, Chan Kin Sun was deemed to be interested in these shares.

附註：

- 於二零一七年十二月三十一日，本公司已發行普通股股本為122,071,049.76港元，分為6,103,552,488股每股面值0.02港元之股份。
- 該批股份由溢利財務有限公司（「溢利財務」，一間於香港註冊成立之有限公司）持有。由於溢利財務由陳建新全資擁有，故陳建新被視為於該批股份中擁有權益。

# DIRECTORS' REPORT

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS (continued)

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

Save as disclosed above, the Company is not aware of any other person, other than a director or the chief executive of the Company, who held interests or short positions in the shares and underlying shares of the Company as at 31 December 2017 as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### REPURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

### CONNECTED TRANSACTIONS

#### 1. Continuing Connected Transactions – sale and distribution of grocery food products

On 4 Feb 2016, Chan Kee and Right Ocean entered into the Sole Distributorship Agreement whereas Chan Kee has agreed to appoint Right Ocean as its sole and exclusive distributor for sale and distribution of the Products within the territories of Hong Kong, Macau and Taiwan (the "Sale Transactions").

Right Ocean is indirectly held as to 51% by the Company and 49% by Ms. Yoo, Chan Kee (90% held by Mr. Chan, the spouse of Ms. Yoo) is therefore connected person at subsidiary level of the Company under Chapter 20 of the GEM Listing Rules and the Sale Transactions contemplated under the Sole Distributorship Agreement constitute continuing connected transactions on the part of the Company subject to reporting, announcement and annual review requirements of Chapter 20 of the GEM Listing Rules.

### 主要股東 (續)

#### 於本公司股份及相關股份之好倉：(續)

除上文披露者外，於二零一七年十二月三十一日，本公司並不知悉有任何其他人士（除本公司董事或行政總裁外）於本公司股份及相關股份中擁有根據證券及期貨條例第336條記錄於本公司存置之登記冊內的權益或淡倉。

### 購回、贖回或出售上市證券

於截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

### 關連交易

#### 1. 持續關連交易－銷售及分銷糧油食品

於二零一六年二月四日，陳記與威海訂立單一分銷權協議，陳記已同意委任威海作為其單一及獨家分銷商，於香港、澳門及台灣地區銷售及分銷該等產品（「銷售交易」）。

威海由本公司間接持有51%及由俞女士持有49%。根據GEM上市規則第20章，陳記（由俞女士之配偶陳先生持有90%）因而為本公司於附屬公司層面之關連人士及單一分銷權協議項下擬進行之銷售交易構成本公司之持續關連交易，須符合GEM上市規則第20章有關申報、公佈及年度檢閱規定。

**CONNECTED TRANSACTIONS (continued)**

**1. Continuing Connected Transactions – sale and distribution of grocery food products (continued)**

***The Master Agreement***

*The Sole Distributorship Agreement*

Date: 4 February 2016  
日期：二零一六年二月四日

Parties: (i) Chan Kee  
訂約方：(i) 陳記  
(ii) Right Ocean  
(ii) 威海

Duration: Commencing from the date of the Sole Distributorship Agreement up to 31 December 2018 (both days inclusive)  
持續時期：自單一分銷權協議日期開始，直至二零一八年十二月三十一日（包括首尾兩日）

Subject matter: The Sale Transactions  
主要事項：銷售交易

Annual Caps: The Sale Transactions will be subject to the following annual caps:  
年度上限：銷售交易將須符合下列年度上限：  
The aggregate amounts payable by Right Ocean to Chan Kee for the Sale Transactions for the period from the date of the Sole Distributorship Agreement up to 31 December 2016 and for each of the two financial years ending 31 December 2017 and 31 December 2018 shall not exceed HK\$25 million, HK\$35 million and HK\$40 million, respectively  
自單一分銷權協議日期直至二零一六年十二月三十一日及截至二零一七年十二月三十一日及二零一八年十二月三十一日止兩個財政年度各年的期間，威海根據銷售交易應付予陳記的總金額，分別不得超過25百萬港元、35百萬港元及40百萬港元

Transaction amount: For the year ended 31 December 2017: approximately HK\$4.8 million  
交易金額：於截至二零一七年十二月三十一日止年度：約4.8百萬港元

Terms: On normal commercial terms and at rates no less favourable from independent third parties in respect of the transactions similar to the Sale Transactions. Detailed payment terms are specified in individual contracts governing particular transactions.  
條款：按一般商業條款及按不遜於獨立第三方就銷售交易類似交易的基準。詳細支付條款於載有特定交易的個別合約中訂明。

Details were set out in the Company's announcement dated 4 February 2016.

詳情載於本公司日期為二零一六年二月四日的公佈。

**關連交易（續）**

**1. 持續關連交易－銷售及分銷糧油食品（續）**

**主要協議**

**單一分銷權協議**

### CONNECTED TRANSACTIONS (continued)

#### 1. Continuing Connected Transactions – sale and distribution of grocery food products (continued)

##### Definitions

“Chan Kee” 「陳記」	指	Chan Kee Holdings Limited 陳記集團有限公司
“Products” 「該等產品」	指	various products being packaged ramen and udon noodles sold by Chan Kee and purchased by and to be distributed by Right Ocean 由陳記出售及由威海購買及分銷的多種包裝拉麵及烏冬麵產品
“Right Ocean” 「威海」	指	Right Ocean Asia Limited 威海亞洲有限公司
“Sole Distributorship Agreement” 「單一分銷權協議」	指	the agreement entered into between Chan Kee and Right Ocean dated 4 February 2016 in respect of the Sale Transactions 陳記與威海就銷售交易於日期為二零一六年二月四日訂立的協議

The above transactions have complied with the requirements for continuing connected transactions under Chapter 20 of the GEM Listing Rules.

The Directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

Pursuant to the Listing Rules, the Independent Non-executive Directors have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iv) have not exceeded the relevant maximum amount capped in accordance with the announcements of the Company dated 4 February 2016.

### 關連交易 (續)

#### 1. 持續關連交易—銷售及分銷糧油食品 (續)

##### 釋義

上述交易已符合GEM上市規則第20章項下持續關連交易的要求。

董事認為上述交易為於本集團正常業務過程中進行。

根據上市規則，獨立非執行董事已審閱上述持續關連交易及已確認該等持續關連交易乃(i)於本集團正常及日常業務過程內訂立；(ii)按正常商業條款或不遜於本集團給予獨立第三方或由獨立第三方提供之條款訂立；(iii)根據規管該等交易之有關協議及按公平合理及符合本公司及其全體股東利益之條款訂立；及(iv)根據本公司日期為二零一六年二月四日的公佈，並無超出相關最高上限。

**CONNECTED TRANSACTIONS (continued)**

**1. Continuing Connected Transactions – sale and distribution of grocery food products (continued)**

***Definitions (continued)***

SHINEWING (HK) CPA Limited, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. SHINEWING (HK) CPA Limited have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

**RELATED PARTY TRANSACTIONS**

Details of the related party transactions during the year ended 31 December 2017 are set out in Note 45 to the consolidated financial statements.

**關連交易 (續)**

**1. 持續關連交易-銷售及分銷糧油食品 (續)**

***釋義 (續)***

本公司核數師信永中和(香港)會計師事務所有限公司獲委聘根據香港會計師公會頒佈的香港保證應聘服務準則第3000號「審核或審閱過往財務資料以外之保證應聘」,及參考執行指引第740號「根據香港上市規則發出的持續關連交易核數師函件」,以就本集團持續關連交易作出報告。信永中和(香港)會計師事務所有限公司已根據GEM上市規則第20.54條出具無保留意見函件,當中載有對本集團披露的上述持續關連交易的調查結果和總結。本公司已將核數師函件副本送呈聯交所。

**關連人士交易**

於截至二零一七年十二月三十一日止年度內之關連人士交易詳情載於綜合財務報表附註45。



# DIRECTORS' REPORT

## 董事會報告

### COMPETING INTERESTS

None of the Directors or controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business or interest that compete with the business of the Group or has or may have any other conflict of interest with the Group during the year ended 31 December 2017.

### RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in Note 40 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there is no restriction against such under the laws in Bermuda.

### CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this report.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Details of the Company's environmental, social and governance practices are set out in the "Environmental, Social and Governance Report" section of this report.

### EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set up by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out under the section headed "Share Option Scheme" above and also in Note 39 to the consolidated financial statements.

### 競爭權益

於截至二零一七年十二月三十一日止年度，本公司之董事、控股股東或彼等各自之聯繫人士（定義見GEM上市規則）概無擁有與本集團業務出現競爭或已經或可能與本集團存在任何其他利益衝突的業務或權益。

### 退休福利計劃

退休福利計劃詳情載於綜合財務報表附註40。

### 優先購買權

儘管百慕達法例並無有關優先購買權之限制，惟本公司之公司細則亦無任何優先購買權條文。

### 企業管治

有關本公司企業管治常規之詳情載於本報告「企業管治報告」一節。

### 環境、社會及管治

有關本公司環境、社會及管治常規的詳情載於本報告「環境、社會及管治報告」一節。

### 薪酬政策

本集團僱員及高級管理層的薪酬政策乃由本公司薪酬委員會根據其長處、資歷及能力訂立。

董事的薪酬由本公司薪酬委員會於考慮到市場競爭力、個人表現及成績後釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員的激勵，有關該計劃的詳情載於上文「購股權計劃」一節及綜合財務報表附註39。

### **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the GEM Listing Rules during the year ended 31 December 2017 and up to the date of this report.

### **AUDIT COMMITTEE**

The Company established an audit committee (the "Audit Committee") on 31 July 2001 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. The Audit Committee currently comprises three independent non-executive Directors; namely Ms. Yuen Wai Man (Chairman), Mr. Yick Ting Fai, Jeffrey and Mr. Zhang Min.

The audited financial results of the Group for the year ended 31 December 2017 have been reviewed by the Audit Committee.

### **AUDITOR**

SHINEWING (HK) CPA Limited ("SHINEWING") was appointed as auditor of the Company on 18 December 2008 and subsequently re-appointed as auditor of the Company at the last three annual general meetings of the Company held on 2 June 2015, 4 May 2016 and 9 May 2017. The consolidated financial statements for the years ended 31 December 2014, 2015 and 2016 of the Company were audited by SHINEWING. A resolution for the re-appointment of SHINEWING as auditor of the Company will be proposed at the forthcoming AGM.

By Order of the Board  
**So David Tat Man**  
*Executive Director*

Hong Kong, 28 March 2018

### **足夠公眾持股量**

根據本公司循公開途徑取得的資料並據董事所知，本公司於截至二零一七年十二月三十一日止年度及直至本報告日期，維持GEM上市規則要求的足夠公眾持股量。

### **審核委員會**

本公司於二零零一年七月三十一日成立審核委員會（「審核委員會」）並遵守GEM上市規則訂立書面職權範圍。審核委員會的主要職責為審閱及監督本集團之財務申報程序及內部監控及風險管理系統。審核委員會目前由三名獨立非執行董事（分別為袁慧敏女士（主席）、易庭暉先生及張民先生）組成。

審核委員會已審閱本集團截至二零一七年十二月三十一日止年度之經審核財務業績。

### **核數師**

於二零零八年十二月十八日，信永中和（香港）會計師事務所有限公司（「信永中和」）獲委任為本公司核數師，其後二零一五年六月二日、二零一六年五月四日及二零一七年五月九日舉行之本公司上三屆股東週年大會上獲續聘為本公司核數師。本公司截至二零一四年、二零一五年及二零一六年十二月三十一日止年度之綜合財務報表乃由信永中和審核。本公司將於應屆股東週年大會上提呈一項決議案，以續聘信永中和為本公司之核數師。

承董事會命  
執行董事  
**蘇達文**

香港，二零一八年三月二十八日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INTRODUCTION

The board of Directors (the “Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders of the Company.

The Company has complied with the applicable code provisions on Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules throughout the year under review except for the following deviation:

The code provision A.2.1 of the Code provides, among others, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Throughout the year ended 31 December 2017, the Company did not appoint a chairman. The Board will keep reviewing the structure of the Board from time to time. If candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the post of chairman as appropriate.

Under code provision A.2.7 of the Code, the chairman of board should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. As the Company does not have the Chairman, no such meeting was held in this regard for the year ended 31 December 2017.

### 引言

本公司董事會（「董事會」）及管理層致力維持高水準之企業管治常規及程序。

本公司之企業管治原則著重高質素的董事會、良好之內部監控以及針對所有本公司股東之透明度和問責性。

本公司於整個回顧年度內一直遵守GEM上市規則附錄十五所載之企業管治守則及企業管治報告（「企業管治守則」）之適用守則條文，惟下文所述之偏離行為除外：

守則之守則條文第A.2.1規定（其中包括），主席與行政總裁之角色應有區分，並不應由一人同時兼任。於截至二零一七年十二月三十一日止整個年度，本公司並無委任主席。董事會將繼續不時檢討董事會架構。若物色到具備適當知識、技能及經驗的人選，本公司將於適當時間作出委任以填補主席之空缺。

守則之守則條文第A.2.7條規定，董事會主席須在執行董事缺席的情況下，最少每年與非執行董事（包括獨立非執行董事）舉行會議。由於本公司並無主席，故截至二零一七年十二月三十一日止年度內並無就此舉行有關會議。

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in such code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2017.

### BOARD OF DIRECTORS

The Board currently comprises six Directors, three are executive Directors and three are independent non-executive Directors.

The Board members for the year ended 31 December 2017 and up to the date of this report were:

#### Executive Directors

Mr. So David Tat Man  
Mr. Lai Yick Fung  
Mr. Ng Cheuk Fan, Keith  
Mr. Au Yeung Po Leung  
(resigned on 30 September 2017)

#### Independent Non-executive Directors

Mr. Yick Ting Fai, Jeffrey  
Mr. Zhang Min  
Ms. Yuen Wai Man

The Directors' biographical information are set out on pages 5 to 9 in this report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board.

### 董事進行證券交易

本公司已採納GEM上市規則第5.48至5.67條所載之規則作為董事進行證券交易之操守守則。經向所有董事作出具體查詢之後，據本公司所知，於截至二零一七年十二月三十一日止整個年度，董事一直遵守有關董事進行證券交易之操守守則所載之規定標準。

### 董事會

董事會現時由六名董事組成，三名為執行董事及三名為獨立非執行董事。

於截至二零一七年十二月三十一日止年度及直至本報告日期之董事會成員為：

#### 執行董事

蘇達文先生  
賴益豐先生  
吳卓凡先生  
歐陽寶樑先生  
(於二零一七年九月三十日辭任)

#### 獨立非執行董事

易庭暉先生  
張民先生  
袁慧敏女士

董事履歷詳情載於本報告第5至第9頁。所有執行董事均就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需之足夠經驗，以有效且具效率地執行其職務。董事會成員之間並無關係。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS (continued)

The Company is committed to having a diversity of the Board to complement the Company's corporate strategy. The Company considers that having a Board with diverse culture would assure Directors that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated. The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Throughout the year ended 31 December 2017, the Board consisted of three independent non-executive Directors who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of the shareholders of the Company. One of the independent non-executive Directors has appropriate professional qualification or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules. Each independent non-executive Director has signed an appointment letter with the Company for an initial fixed term of two years and may be terminated by not less than three months prior notice in writing served by either party to the other or in accordance with the provisions set out in the respective appointment letter.

The Board considers that all of the independent non-executive Directors are independent and have received from each of them the annual confirmation of independence required by Rule 5.09 of the GEM Listing Rules.

The Board is responsible for approving and monitoring of the Group's overall strategies and policies; approving of business plans; evaluating the performance of the Group and overseeing the management. The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

### 董事會 (續)

本公司致力推動董事會成員多元化，以配合本公司的企業策略。本公司認為，董事會成員具有多元化文化可確保董事會有聆聽董事的意見、考慮彼等的顧慮及讓彼等在一個於任何事宜亦不容許偏見、歧視及騷擾的環境服務。董事會已採納董事會成員多元化政策，當中載列達致董事會成員多元化的方針。董事會的任命均以用人唯才為原則，並在考慮人選時會以客觀準則顧及董事會成員多元化的利益，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。

於截至二零一七年十二月三十一日止整個年度，董事會由三名獨立非執行董事組成，彼等皆具備合適資格及充足經驗以執行職務，以保障本公司股東利益。其中一名獨立非執行董事具備GEM上市規則第5.05(2)條所規定的合適專業資格或會計或相關財務管理專業知識。各獨立非執行董事已與本公司簽署一份委任書，初步固定任期為兩年，而其中一方可向另一方發出不少於三個月之事先書面通知或根據彼等各自委任書載有之條文予以終止。

董事會認為所有獨立非執行董事均為獨立人士，並如GEM上市規則第5.09條所規定，接獲彼等各自之獨立性年度確認書。

董事會負責批准及監察本集團之整體策略及政策；批准業務計劃；檢討本集團之表現及監督管理層。董事會著重整體策略及政策，特別關注本集團之增長及財務表現。

**BOARD OF DIRECTORS (continued)**

The Board delegates day-to-day operations of the Group to the executive Directors and senior management, while reserving certain key matters for its approval. Decisions of the Board are communicated to the management through executive Directors who have attended Board meetings.

The Company has arranged insurance coverage on Directors' and officers' liabilities in respect of any legal actions which may be taken against its Directors and officers in the execution and discharge of their duties or in relation thereto.

**BOARD MEETINGS AND DIRECTORS' ATTENDANCE**

The Board meets regularly at least four times a year to review the financial and operating performance of the Group.

Details of the attendance record of each Director at the meetings of the Board and general meetings of the Company are as follows:

**董事會 (續)**

董事會授權執行董事及高級管理層進行本集團之日常經營，但保留若干重要事務予董事會批准。董事會透過出席董事會會議之執行董事，傳達董事會之決定予管理層。

本公司已為董事及行政人員購買責任保險，保障彼等因履行其職責或相關事宜時可能要承擔的訴訟責任。

**董事會會議及董事出席率**

董事會至少每年定期舉行四次會議，以審閱本集團財務及營運表現。

各董事於本公司董事會會議及股東大會之出席記錄如下：

		Attendance of 出席	
		Board Meetings 董事會會議	General Meetings 股東大會
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. So David Tat Man	蘇達文先生	7/7	1/1
Mr. Lai Yick Fung	賴益豐先生	7/7	1/1
Mr. Ng Cheuk Fan, Keith	吳卓凡先生	7/7	1/1
Mr. Au Yeung Po Leung (resigned on 30 September 2017)	歐陽寶樑先生 (於二零一七年 九月三十日辭任)	6/6	1/1
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Yick Ting Fai, Jeffrey	易庭暉先生	7/7	1/1
Mr. Zhang Min	張民先生	6/7	1/1
Ms. Yuen Wai Man	袁慧敏女士	7/7	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD PRACTICES

Apart from the four regular Board meetings of the year ended 31 December 2017, the Board met on other occasions when a board-level decision on a particular matter was required. The Directors received detailed agenda and documents prior to the meetings of the Board to ensure that the Directors were able to make informed decisions regarding the matters discussed in the meetings. All Directors may access the advice, regulatory updates on governance and regulatory matters from professional parties if necessary.

The Company Secretary and the company secretarial team are responsible to take and keep minutes of all Board meetings and committee meetings and ensure compliance with the procedures of the Board meetings and general meetings of the Company. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

### TRAINING FOR DIRECTORS

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

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at the Board meetings. Trainings conducted by professional service provider regarding Listing Rules' updates on corporate governance have been provided to the Directors to ensure a high standard of corporate governance is upheld and that the Directors possess up-to-date information to discharge their duties.

The Directors are committed to complying with Code Provision A.6.5 of the CG Code on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the year ended 31 December 2017 to the Company.

### 董事會常規

除截至二零一七年十二月三十一日止年度的四次定期董事會會議外，董事會將於特定事宜需要董事會決定時舉行會議。董事於每次董事會會議前均會獲發待決議之議程項目。董事將於董事會會議舉行前獲得詳細資料文件，以確保董事在知情情況下就會議上討論事項作出決定。如有需要，所有董事均可自專業人士獲得有關管治及監管事宜的意見及條例更新資料。

公司秘書及公司秘書團隊負責撰寫及保存所有董事會會議及委員會會議之紀錄，並負責本公司董事會會議及股東大會程序的合規性。會議紀錄草稿一般會於每次會議後的合理時間內供董事傳閱及批閱，而最終稿則可供董事查詢。

### 董事培訓

所有新委任的董事均獲提供必要的入職培訓及資料，確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下的責任有適當程度的了解。

本公司於董事會會議上就有關本集團業務以及立法及監管環境的變動及發展為董事提供定期更新及簡報。董事已獲得專業服務供應商所提供的上市規則企業管治更新之培訓，以確保達致高水平的企業管治且董事掌握最新資料以履行職務。

董事致力遵守企業管治守則內有關董事培訓的守則條文第A.6.5條。全體董事已參與持續專業發展，以發展及更新知識及技能，並已向本公司提供彼等於截至二零一七年十二月三十一日止年度所接受培訓的紀錄。

#### TRAINING FOR DIRECTORS (continued)

All of the Directors have either attended seminars organised by external professionals relevant to the business or directors' duties or read professional materials publicated by regulators or professional bodies for the year ended 31 December 2017.

#### CHAIRMAN AND CHIEF EXECUTIVE

The positions and roles of chairman of the Board and chief executive of the Company should be held and performed separately by two individuals to ensure their respective independence, accountability and responsibility. During the year ended 31 December 2017, the Company did not appoint a chairman or a chief executive.

The Board will keep reviewing the current structure from time to time. If candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the posts as appropriate.

#### REMUNERATION OF DIRECTORS

The remuneration committee of the Company (the "Remuneration Committee") had been formed in 2005 pursuant to a resolution passed by the Board. Following the re-domicile of the Company from the Cayman Islands into Bermuda in October 2007, it was re-established pursuant to a resolution passed by the Board on 15 February 2008 and specific terms of reference were adopted. As at the date of this report, the Remuneration Committee comprises three members, all are independent non-executive Directors, namely Mr. Yick Ting Fai, Jeffrey, Ms. Yuen Wai Man and Mr. Zhang Min. Mr. Yick Ting Fai, Jeffrey is the chairman of the Remuneration Committee.

#### 董事培訓 (續)

截至二零一七年十二月三十一日止年度，本公司全體董事已出席由外部專業人員所舉辦有關業務或董事職務的研討會或已閱畢由監管機關或專業團體出版之專業刊物。

#### 主席及行政總裁

董事會主席及本公司行政總裁此等職位應由兩名人士分別擔任，確保彼等各自之獨立性、問責性及負責制。截至二零一七年十二月三十一日止年度，本公司並無委任主席或行政總裁。

董事會將繼續不時檢討目前的架構。若發現具備適當知識、技能及經驗的人選，本公司將於適當時間作出委任以填補以上職位之空缺。

#### 董事薪酬

本公司之薪酬委員會（「薪酬委員會」）於二零零五年根據董事會通過的決議案成立。隨著本公司於二零零七年十月從開曼群島遷冊往百慕達後，薪酬委員會已根據董事會於二零零八年二月十五日通過的決議案重新成立，並採納明確職權範圍。於本報告日期，薪酬委員會由三名成員組成，全部均為獨立非執行董事，包括易庭暉先生、袁慧敏女士及張民先生。易庭暉先生為薪酬委員會主席。



### REMUNERATION OF DIRECTORS (continued)

The role and function written in the terms of reference of the Remuneration Committee are no less exacting terms than the Code. The Remuneration Committee makes recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also reviews and recommends the Board on its proposals relating to the remuneration of the executive Directors with reference to the Board's corporate goal and objectives. No Directors or any of his/her associates can be involved in deciding his/her own remuneration. Factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration are considered by the Remuneration Committee to determine the remuneration package of individual executive Directors including benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment; or relating to dismissal or removal for misconduct to ensure that it is consistent with contractual terms and is otherwise fair, not excessive, reasonable and appropriate.

### Frequency of Meetings and Attendance

For the year ended 31 December 2017, the Remuneration Committee of the Company held one meeting to review the remuneration packages of all Directors and senior management and to advise on remuneration packages of newly appointed Directors. Details of the attendance of the meeting are as follows:

Name of members	成員名稱	Attendance 出席次數
Mr. Yick Ting Fai, Jeffrey ( <i>Chairman</i> )	易庭暉先生 (主席)	1/1
Ms. Yuen Wai Man	袁慧敏女士	1/1
Mr. Zhang Min	張民先生	1/1

### 董事薪酬 (續)

薪酬委員會書面職權範圍所載的角色及功能不遜於守則之條款。薪酬委員會就本公司董事及高級管理層所有薪酬之政策及架構以及為發展薪酬政策而成立正式及具透明度的程序向董事會提出建議。薪酬委員會亦就其有關執行董事薪酬(經參考董事會的企業方針及目的)的計劃書作出檢討及向董事會提出建議。概無董事或任何其聯繫人可參與決定其本身薪酬。薪酬委員會考慮可資比較公司支付的薪金、董事投放的時間及職責、本集團其他僱用條件及與表現掛鈎薪酬的成效等因素，從而釐定個別執行董事的薪酬待遇，包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；或關於因行為失當而解僱或罷免的賠償，以確保該等安排與合約條款一致，若未能與合約條款一致，賠償亦須公平合理及合適，不致過多。

### 會議次數及出席率

截至二零一七年十二月三十一日止年度，本公司薪酬委員會共召開一次會議，以檢討所有董事及高級管理層的薪酬待遇，並就新委任董事的薪酬待遇提供建議。會議之出席詳情如下：

### NOMINATION OF DIRECTORS

The nomination committee of the Company (the "Nomination Committee") had been formed in 2005 pursuant to a resolution passed by the Board. Following the re-domicile of the Company from the Cayman Islands into Bermuda in October 2007, the Nomination Committee was re-established pursuant to a resolution passed by the Board on 15 February 2008 and specific terms of reference were adopted. As at the date of this report, the Nomination Committee comprises three members, of which all of them are independent non-executive Directors, namely, Mr. Yick Ting Fai, Jeffrey, Mr. Zhang Min and Ms. Yuen Wai Man. Mr. Zhang Min is the chairman of the Nomination Committee.

The functions of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and senior management.

Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an independent non-executive Director, the Company's needs and other relevant statutory requirements and regulations.

### 董事之提名

本公司之提名委員會（「提名委員會」）於二零零五年根據本公司董事會通過的決議案成立。隨著本公司於二零零七年十月從開曼群島遷冊往百慕達後，提名委員會已根據董事會於二零零八年二月十五日通過的決議案重新成立，並採納明確職權範圍。於本報告日期，提名委員會由三名成員組成，全部為獨立非執行董事，包括易庭暉先生、張民先生及袁慧敏女士。張民先生為提名委員會主席。

提名委員會之功能為檢討及監督董事會之架構、規模及組成；物色合資格人士出任董事會成員；評估獨立非執行董事之獨立性，以及向董事會就委任及重新委任董事及高級管理層作出推薦建議。

倘董事會出現空缺，提名委員會將因應有關人選之技能、經驗、專業知識、個人誠信及所能付出之時間及其獨立性（倘為獨立非執行董事），以及本公司之需要及其他相關法定規定及規例，以進行甄選程序。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NOMINATION OF DIRECTORS (continued)

The Board has also adopted a board diversity policy which sets out the approach to achieve diversity on the Board. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

### Frequency of Meetings and Attendance

For the year ended 31 December 2017, the Nomination Committee held one meeting to review the composition, size and structure of the Board, to assess the independence of the independent non-executive Directors and to make recommendations to the Board on the appointment of Directors. Details of the attendance of the meetings are as follows:

### 董事之提名(續)

董事會亦已採納董事會成員多元化的政策，當中載有達致董事會成員多元化的方針。因此，在甄選董事會成員之候選人時，會以多項可計量目標為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗及資歷、技能、知識及服務任期，並應考慮本公司本身的業務模式及不時的具體需要。鑒於現時董事會成員來自不同業務及專業背景，本公司認為，董事會擁有均衡之技能、經驗、專長及多元化觀點，以配合本公司業務所需。

### 會議次數及出席率

截至二零一七年十二月三十一日止年度，提名委員會共召開一次會議，以檢討董事會的組成、規模及架構，評估獨立非執行董事的獨立性，並就董事之委任向董事會作出建議。會議之出席詳情如下：

Name of members	成員名稱	Attendance 出席次數
Mr. Zhang Min ( <i>Chairman</i> )	張民先生(主席)	1/1
Ms. Yuen Wai Man	袁慧敏女士	1/1
Mr. Yick Ting Fai, Jeffrey	易庭暉先生	1/1

### **AUDIT COMMITTEE**

The Company established an audit committee (the “Audit Committee”) on 31 July 2001 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Ms. Yuen Wai Man, Mr. Yick Ting Fai, Jeffrey and Mr. Zhang Min. Ms. Yuen Wai Man is the chairman of the Audit Committee.

The responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the quarterly, interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of risk management and internal control systems of the Group. The Audit Committee had during the year performed such functions and reviewed the unaudited quarterly and interim results and audited annual results for the year ended 31 December 2017.

### **Frequency of Meetings and Attendance**

For the year ended 31 December 2017, the Audit Committee of the Company held four meetings to review and supervise the financial reporting process, and corporate governance and internal control review and make recommendation to the Board on reappointment of the external auditor. They had, in conjunction with the external auditor of the Company, reviewed the annual results of the Group and recommended to the Board for their consideration and approval. The Audit Committee of the Company was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

### **審核委員會**

本公司於二零零一年七月三十一日成立審核委員會（「審核委員會」）並遵守GEM上市規則訂立書面職權範圍。審核委員會的主要職責為審閱及監督本集團之財務申報程序以及風險管理及內部監控系統。於本報告日期，審核委員會由三名獨立非執行董事組成，包括袁慧敏女士、易庭暉先生及張民先生。袁慧敏女士為審核委員會主席。

審核委員會負責就外聘核數師之委聘、續聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱季度報告、中期報告、年報及本集團賬目；以及監察財務申報程序及本集團風險管理及內部監控系統是否有效。審核委員會已於本年度履行其職責並審閱截至二零一七年十二月三十一日止年度之未經審核季度及中期業績及經審核年度業績。

### **會議次數及出席率**

截至二零一七年十二月三十一日止年度，本公司審核委員會已召開四次會議，以檢討及監察財務報告過程、企業管治及內部監控檢討工作以及就續聘外聘核數師向董事會提出建議。彼等連同本公司外聘核數師已審閱本集團的季度、中期及全年業績，並向董事會提出建議以供考慮及批准。本公司審核委員會認為，該等業績之編製乃符合適用會計準則及規定，且已作出足夠披露。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDIT COMMITTEE (continued)

#### Frequency of Meetings and Attendance (continued)

Details of the attendance of the Company's Audit Committee meetings are as follows:

### 審核委員會(續)

#### 會議次數及出席率(續)

本公司審核委員會會議的出席詳情如下：

Name of members	成員名稱	Attendance 出席次數
Ms. Yuen Wai Man ( <i>Chairman</i> )	袁慧敏女士(主席)	4/4
Mr. Yick Ting Fai, Jeffrey	易庭暉先生	4/4
Mr. Zhang Min	張民先生	3/4

### CORPORATE GOVERNANCE FUNCTION

The Board is also responsible for performing the corporate governance duties with its written terms of reference as set out below:

### 企業管治職能

董事會亦負責履行企業管治職能，其書面職權範圍載列如下：

- |   |                                    |
|---|------------------------------------|
| a) to develop and review the Company's policies and practices on corporate governance;  | a) 制訂及檢討本公司有關企業管治的政策及常規；           |
| b) to review and monitor the training and continuous professional development of Directors and senior management;               | b) 檢討及監察董事及高級管理層的培訓及持續專業發展；        |
| c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;             | c) 檢討及監察本公司就法律及監管要求之合規性的政策及常規；     |
| d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and | d) 制訂、檢討及監察僱員及董事適用的操守守則及合規手冊(如有)；及 |
| e) to review the Company's compliance with the corporate governance code and disclosure in the Corporate Governance Report.     | e) 檢討本公司就企業管治常規及企業管治報告中的披露事項之合規性。  |

### AUDITORS' REMUNERATION

An amount of approximately HK\$940,000 (2016: approximately HK\$725,000) was charged to the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017. Remuneration to the auditors of the Company, SHINEWING (HK) CPA Limited, amounted to HK\$760,000 and HK\$180,000 respectively for the provision of annual audit services and other non-audit services for the year ended 31 December 2017. A resolution for re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting. The Board concurs with the views of the Audit Committee in determining the re-appointment of auditors of the Company. There has been no change in auditors in any of the preceding five financial years.

### DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's account for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the audited consolidated financial statements for the year ended 31 December 2017, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The auditors of the Company acknowledge their responsibilities in the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2017.

### 核數師酬金

約940,000港元(二零一六年: 725,000港元)列入本集團截至二零一七年十二月三十一日止年度之綜合損益及其他全面收益表。截至二零一七年十二月三十一日止年度,本公司核數師信永中和(香港)會計師事務所有限公司就提供年度審核服務及其他非審核服務之酬金分別為760,000港元及180,000港元。本公司將於應屆股東週年大會上提呈一項決議案,以續聘信永中和(香港)會計師事務所有限公司為本公司核數師。董事會就決定續聘本公司核數師與審核委員會的意見一致。在任何以往五個財政年度內均並無更換核數師。

### 董事及核數師對綜合財務報表之責任

董事會肩負於每個財政期間編製本集團賬目之職責,該等賬目可真實公平地反映本集團業務狀況及該期間之業績及現金流量。編製截至二零一七年十二月三十一日止年度之經審核綜合財務報表時,董事會已揀選及貫徹應用合適會計政策;作出審慎、公平及合理之判斷及估計。董事會負責採取一切合理所需步驟保障本集團資產,並且防止及偵查欺詐及其他不正常情況。

本公司之核數師於本集團截至二零一七年十二月三十一日止年度之綜合財務報表之獨立核數師報告內確認彼等所承擔之責任。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPANY SECRETARY

During the year ended 31 December 2017, Mr. Lai Yick Fung was the Company Secretary. Pursuant to Rule 5.15 of the GEM Listing Rules, Mr. Lai has taken no less than 15 hours of relevant professional training during the year ended 31 December 2017.

### SHAREHOLDERS' RIGHTS

#### Right to convene special general meeting

The Directors, on the requisition of shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the rights, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company in Bermuda and its principal place of business in Hong Kong for the attention of the Company Secretary.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of two months from the said date.

### 公司秘書

於截至二零一七年十二月三十一日止年度，賴益豐先生獲委任為公司秘書。根據GEM上市規則第5.15條，賴先生於截至二零一七年十二月三十一日止年度已接受不少於15小時的相關專業訓練。

### 股東權利

#### 召開股東特別大會之權利

董事於接獲本公司股東之要求，而有關股東於遞交要求當日持有不少於十分之一之本公司繳足股本（其附帶於本公司股東大會上投票之權利），則董事有權於任何時間以書面向董事會或公司秘書要求董事會就有關請求書所載明的任何事項召開股東特別大會。

請求書必須闡明會議目的，且必須由請求人簽署及送交本公司位於百慕達之註冊辦事處及香港主要營業地點，並註明收件人為公司秘書。

如董事在遞交請求書日期起計21天內未有正式召開會議，則該等請求人可自行召開會議，惟按此召開之會議不得於上述日期起計兩個月屆滿後舉行。

**SHAREHOLDERS' RIGHTS (continued)**

**Right to put enquiries to the Board**

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the head office of the Company in Hong Kong or the registered office in Bermuda, or by e-mail to [info@chinaeco-farming.com](mailto:info@chinaeco-farming.com) for the attention of the Company Secretary.

**Right to put forward proposals at general meetings**

On the requisition in writing of either (i) any number of shareholder(s) of the Company representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders, the Company shall, at the expense of the requisitionists: (a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; (b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the head office and principal place of business in Hong Kong of the Company for the attention of the Company Secretary.

**股東權利 (續)**

**向董事會作出查詢的權利**

股東有權向董事會作出查詢。所有查詢必需以書面作出，並郵寄至本公司於香港的總辦事處或於百慕達的註冊辦事處，或發送電子郵件至 [info@chinaeco-farming.com](mailto:info@chinaeco-farming.com)，並註明收件人為公司秘書。

**於股東大會提出議案之權利**

在(i)於遞交要求當日持有不少於全體股東(其賦有於要求所涉股東大會上投票之權利)總投票權二十分之一之任何數目本公司股東;或(ii)不少於一百名股東以書面方式提出要求下，本公司將會(而有關費用將由請求人承擔): (a)向有權接收下一屆股東週年大會通告之本公司股東發出通知，以告知任何可能於該大會上正式動議並擬於會上動議之決議案; (b)向有權接收任何股東大會通告之股東傳閱任何不超過一千字之陳述書，以告知該大會上任何提呈之決議案所述事宜或將處理之事項。

有關要求必須由請求人簽署，並送達本公司之總辦事處及於香港的主要營業地點，並註明收件人為公司秘書。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognises the importance of maintaining clear, timely and effective communication with the shareholders of the Company and investors. The Company has disclosed all necessary information to its shareholders and investors in compliance with the GEM Listing Rules. Moreover, the Board maintains close communications with the shareholders and investors of the Company through a number of formal communication channels which include (i) the publication of the Company's latest business developments and financial performance through its annual, interim and quarterly reports, notices, announcements and circulars; (ii) the general meetings providing an opportunity for the shareholders of the Company to raise comments and exchanging views with the Board; and (iii) the Company's website provides an effective communication platform between the Company and its investors.

During the year of 2017, there has been no significant changes in the Company's constitutional documents.

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Goals and objectives

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalize the risk management of the Group, to build up a standard and effective risk management system, improve the ability of risk prevention, so as to ensure the Group is operating in a safety and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

### 投資者及股東關係

董事會認同與本公司股東及投資者保持清楚、及時及有效溝通的重要性。本公司已遵守GEM上市規則，向其股東及投資者披露所有必要資料。此外，董事會透過多種正式溝通渠道，包括(i)通過其年度、中期及季度報告、通告、公佈及通函刊發本公司最新業務發展及財務表現；(ii)舉行股東大會，為本公司股東提供機會向董事會提問及交換意見；及(iii)本公司網站，為本公司及其投資者提供有效的溝通平台。

於二零一七年年末，本公司的憲章文件概無重大變動。

### 風險管理及內部監控

#### 目標及目的

董事會確認其負責風險管理及內部監控系統，並持續檢討該等系統的有效性。該等風險管理及內部監控系統乃為管理風險而非免除未能達成業務目標的風險，而僅可對重大錯誤陳述或虧損作出合理保證而非絕對保證。

風險管理政策已獲制定，以規範化本集團的風險管理、建立標準及有效的風險管理系統、改善預防風險的能力，從而確保本集團正於安全及穩定的環境中營運，而經營管理水平可獲提升，且亦可達致本集團的經營策略及目標。目前的常規將會定期獲檢討及更新，以跟隨最新的企業管治常規。

**RISK MANAGEMENT AND INTERNAL CONTROL  
(continued)**

**Main features of the risk management and internal control systems**

The Board resolved to delegate its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee. Terms of reference of the Audit Committee included the followings: (i) review the Group's financial controls, internal control and risk management systems; (ii) discuss the risk management system and internal control systems with management to ensure that management has performed its duty to have an effective internal control systems; and (iii) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings.

The Audit Committee (on behalf of the Board) oversees management in the design, implementation and monitoring of the risk management and internal control systems for the year ended 31 December 2017.

To ensure the efficient and effective operation of the business and operations, relevant internal control policies and procedures have been set up for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. These policies and procedures are monitored and reviewed from time to time and updated where necessary. All employees are made aware of the policies and procedures in place, with understanding enhanced by staff communications and training.

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems, at least quarterly, through the Audit Committee.

**風險管理及內部監控 (續)**

**風險管理及內部監控系統的主要功能**

董事會決議將其有關風險管理及內部監控的責任 (連同相關權限) 委派予審核委員會。審核委員會的職權範圍包括以下: (i) 檢討本集團的財務監控、內部監控及風險管理系統; (ii) 與管理層討論風險管理系統及內部監控系統, 以確保管理已履行其設立有效內部監控系統的職務; 及(iii) 按董事會委派或主動研究對風險管理及內部監控事宜的主要調查結果及管理層對上述結果的回應。

截至二零一七年十二月三十一日止年度, 審核委員會 (代表董事會) 監督設計、實施及監察風險管理及內部監控系統的管理。

為確保業務及營運能具效地有效經營, 相關內部監控政策及程序已獲設立, 以保障資產不被擅自挪用或處置、控制資本開支、妥為保存會計賬目及確保業務及出版所用財務資料的可靠性。該等政策及程序會不時獲監察及檢討, 並會適時獲更新。全體僱員均須知悉已設立政策及程序, 並透過員工溝通及培訓加深對此的認識。

董事會透過審核委員會最少每季度一次檢討本集團風險管理及內部監控系統的充足性及有效性。

### RISK MANAGEMENT AND INTERNAL CONTROL (continued)

#### Process Used to Identify, Evaluate and Manage Significant Risks

As a routine procedure and part of the risk management and internal control systems, executive Directors and management would meet on monthly basis to review the financial and operating performance of each department. The management of the key operating subsidiaries is also required to keep executive Directors updated of material development of the department's business and implementation of the strategies and policies set by the Board on regular basis.

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

#### **Risk Identification**

- Identifies risks that may potentially affect the key processes of the Group's business and operations.

#### **Risk Assessment**

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact on the business and the likelihood of their occurrence.

#### **Risk Response**

- Prioritizes the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

#### **Risk Monitoring and Reporting**

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and

### 風險管理及內部監控 (續)

#### 識別、評估及管理重大風險所用的過程

作為恒常程序以及風險管理及內部監控系統的一部分，執行董事及管理層會每月會面，以檢討各部門的財務及經營表現。主要經營附屬公司的管理層亦須就部門業務的重大發展及董事會制定的策略及政策的推行定期向執行董事提供最新資料。

本集團識別、評估及管理重大風險所用的過程概述如下：

#### **識別風險**

- 識別可能對本集團業務及經營的主要過程有潛在影響的風險。

#### **評估風險**

- 利用管理層開發的評估準則評估已識別風險；及
- 考慮對業務的影響及出現有關影響的可能性。

#### **回應風險**

- 透過比較風險評估的結果為風險排列優先次序；及
- 釐定風險管理策略及內部監控過程，以預防、避免或減輕該等風險。

#### **監察及匯報風險**

- 持續及定期監察風險，並確保已設有合適的內部監控過程；
- 於情況出現任何重大變化，則修訂風險管理策略及內部監控過程；及

**RISK MANAGEMENT AND INTERNAL CONTROL  
(continued)**

**Process Used to Identify, Evaluate and Manage  
Significant Risks (continued)**

**Risk Monitoring and Reporting (continued)**

- Report the results of risk monitoring to the management and the Board regularly.

The Group has engaged an independent professional adviser (the “Internal Control Adviser”) to conduct the annual review of the effectiveness of the risk management and internal control systems for the year ended 31 December 2017. The scope of review included revenue and receipt cycle, procurement and expenditure cycle, cash management and treasury cycle, and financial reporting cycle for one of our operating subsidiary. Internal Control Adviser has reported major findings and areas for improvement to the Audit Committee. All recommendations from Internal Control Adviser would be followed up closely to ensure that they are implemented within a reasonable period of time. The Group therefore considered that the Group’s risk management and internal control processes are adequate to meet the needs of the Company in its current business environment and that nothing has come to its attention to cause the Board to believe the Group’s risk management and internal control systems are inadequate.

**Inside Information Disclosure Policy**

An inside information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure are made in accordance with the GEM Listing Rules.

On behalf of the Board  
**So David Tat Man**  
*Executive Director*

Hong Kong, 28 March 2018

**風險管理及內部監控 (續)**

**識別、評估及管理重大風險所用的過程 (續)**

**監察及匯報風險 (續)**

- 定期向管理層及董事會匯報監察風險的結果。

於截至二零一七年十二月三十一日止年度，本集團已委聘獨立專業顧問（「內部監控顧問」），以對風險管理及內部監控系統的有效性進行年度檢討。檢討範圍包括我們其中一間經營附屬公司的收益及收款週期、採購及開支週期、現金管理及庫務週期及財務報告週期。內部監控顧問已向審核委員會匯報主要檢討結果及需改善的範疇。內部監控顧問的所有建議均會獲密切跟進，以確保於一段合理時間內獲實施。因此，本集團認為，本集團的風險管理及內部監控過程足以應付本公司於其目前營商環境中的需求，以及董事會概無注意到任何事項令其相信本集團的風險管理及內部監控系統不足。

**內幕消息披露政策**

內幕消息披露政策已獲制定，以確保潛在內幕消息會獲保存而有關資料會被保密，直至有關消息已根據GEM上市規則作出一致且及時的披露為止。

代表董事會  
執行董事  
蘇達文

香港，二零一八年三月二十八日

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### ABOUT THIS ESG REPORT

This is the second Environmental, Social and Governance Report (the “ESG Report”) of China Eco-Farming Limited (the “Company”/“we”) and its subsidiaries (collectively known as the “Group”) to disclose the sustainability strategy and performance regarding to our business operation.

The content of this ESG Report has been prepared in compliance with the applicable disclosure requirements of the “Environmental, Social and Governance Reporting Guide” as set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). For information on our corporate governance, please refer to the “Corporate Governance Report” on pages 50 to 67 of the annual report of the Company for the year ended 31 December 2017.

### SCOPE OF THIS ESG REPORT

During the year ended 31 December 2017, the Group was principally engaged in business of trading of grocery food products, trading of consumables and agricultural products, property investment, provision of money lending services, one-stop value chain services and provision of financial services.

As our operations are principally taken place in Hong Kong, this ESG report covers the Group’s business operations in Hong Kong from 1 January 2017 to 31 December 2017 (the “Reporting Period”) unless otherwise specified.

### COMMUNICATION WITH STAKEHOLDERS

We maintain ongoing dialogues with our stakeholders including customers, suppliers, employees, shareholders, community, governance and regulatory bodies. We convene annual shareholders’ meeting which provides an effective platform for the board of directors of the Company to exchange views with shareholders. In addition to the shareholders’ meeting, for maintaining close relationship with customers, suppliers, employees and other stakeholders, we communicate from time to time with various stakeholders and listen to their views and needs through visits, meetings, phone conference, e-mails, etc.

### 關於本報告

此為中國農業生態有限公司（「本公司／我們」，連同其附屬公司統稱「本集團」）的第二份環境、社會及管治報告（「環境、社會及管治報告」），披露關於我們業務營運的可持續發展戰略及表現。

環境、社會及管治報告的內容已遵照香港聯合交易所有限公司GEM證券上市規則（「GEM上市規則」）附錄二十項下《環境、社會及管治報告指引》之適用披露規定而編製。有關本公司管治的資料，請參閱本公司截至二零一七年十二月三十一日止年度的年報的第50至67頁的「企業管治報告」。

### 本環境、社會及管治報告的範圍

截至二零一七年十二月三十一日止年度，本集團主要從事糧油食品貿易、消耗品及農產品貿易、物業投資、提供放債服務、一站式價值鏈服務及提供金融服務之業務。

由於我們的業務主要於香港進行，除另有說明外，本環境、社會及管治報告涵蓋本集團於二零一七年一月一日至二零一七年十二月三十一日（「報告期間」）的香港業務營運。

### 與持份者的溝通

我們與包括客戶、供應商、員工、股東、社區、政府及監管機構等持份者保持持續對話。我們召開股東週年大會，其為本公司董事會與股東交換意見提供了有效平台。除股東大會外，為保持與客戶、供應商、員工及其他持份者的密切關係，我們不時與各持份者進行溝通，並通過訪問、會議、電話會議、電子郵件等方式聆聽其意見及需要。

### STAKEHOLDERS' FEEDBACK

We believe that understanding the views and opinions of our stakeholders is of paramount importance to the long-term success and growth of an environmental protection enterprise. We sincerely welcome your comments and suggestions with regard to this ESG Report and our sustainability performance. Please send your feedback to us via post at Unit 2303-06, 23/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

### SUSTAINABILITY BELIEF

We aspire to infuse sustainability into our day to day work across the Group, so that it shapes our thinking and the way we do business. We exercise our due care to and always aim for the best interest of our shareholders and stakeholders. To take the corporate social responsibility, we promise to strictly comply with the local laws and regulations and consider all important impacts caused to the environment and society when developing future business plan or performing business daily operation.

### ENVIRONMENTAL

Notwithstanding the fact that the Group is a service oriented enterprise with no significant impact on environment, we strive to protect the environment by integrating a range of environmental initiatives across our business and commits to minimise the environmental impact of the Group's activities by reinforcing environmental awareness and implementing measures for use of resources in responsible manner, energy saving and waste management.

### 持份者的反饋

我們相信，理解持份者的觀點及意見，對於環保企業的長期成功及成長至關重要。我們真誠歡迎閣下對本環境、社會及管治報告及我們的可持續發展表現提出意見及建議。請通過郵件將閣下的反饋發送至香港灣仔港灣道23號鷹君中心23樓2303-06室。

### 可持續信念

我們致力於將可持續發展融入本集團的每日工作中，從而塑造我們的思維及業務方式。我們對股東及持份者的最佳利益保持謹慎及始終如一的目標。承擔企業社會責任，我們承諾嚴格遵守當地的法例及規定，並於制定未來的業務計劃或開展日常業務經營時考慮對環境及社會造成的所有重大影響。

### 環境

儘管本集團是一間對環境沒有重大影響的服務型企業，但我們努力通過在我們的業務中整合一系列環保措施來保護環境，並致力於通過加強環保意識及本集團活動對環境的影響減至最低，以負責任的態度實施資源利用、節能及廢棄物管理。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### ENVIRONMENTAL (continued)

Purchased electricity and fuels for motor vehicles have been identified as the main sources of emission for our business operation. To reduce the amount of Green House Gas (“GHG”) emission, the Group has implemented several practical measures in saving energy as further described in the next section “Energy Management”.

### 環境 (續)

已購電力及汽車燃料已識別為我們業務營運的主要排放來源。為減少溫室氣體（「溫室氣體」）排放量，本集團已實施多項節能措施，詳見下一節「能源管理」。

Gas emissions	氣體排放	kg 公斤
Nitrogen oxides (“NOx”)	氮氧化物（「NOx」）	5.7
Sulphur oxides (“SOx”)	硫氧化物（「SOx」）	0.2
Particulate Matter (“PM”)	微粒物質（「PM」）	0.4
GHG emission <sup>1</sup>	溫室氣體排放 <sup>1</sup>	Tonnes of CO <sub>2</sub> e 噸二氧化碳當量
Scope 1 – Direct emission from vehicle fuel	範圍1—車輛燃料直接排放	37.2
Scope 2 – Indirect emission from purchased electricity	範圍2—已購電力的間接排放	30.1
Scope 3 – Other indirect emission from air travel <sup>2</sup>	範圍3—航空旅程的其他間接排放 <sup>2</sup>	6.9
Total GHG emissions	溫室氣體排放總量	74.2

<sup>1</sup> Emission factors were made reference to Appendix 20 of the GEM Listing Rules and their referred documentation as set out by The Stock Exchange of Hong Kong Limited, unless stated otherwise.

<sup>2</sup> Emission factors for air travel were made reference to the International Civil Aviation Organization Carbon Emissions Calculator.

<sup>3</sup> The scope of total electricity consumption excluded those usage in shared office rented by few subsidiaries, which the electricity consumption data were included in the management fee paid and unable to be obtained for the occupied areas.

<sup>1</sup> 除非另有說明，否則排放因素乃參考GEM上市規則附錄二十及香港聯合交易所有限公司所指明的文件。

<sup>2</sup> 航空旅行的排放因素經參考國際民航組織碳排放計算器。

<sup>3</sup> 總耗電量範圍不包括少數附屬公司租用的共用辦公室耗電量，其耗電量數據獲納入已付管理費且不能於佔用區間獲得。

### ENVIRONMENTAL (continued)

#### Energy management

During the Reporting Period, the total electricity consumption<sup>3</sup> was 39,186 kWh, with an energy intensity of 50.30 kWh per square meter. To save energy and reduce carbon footprint, the following measures have been adopted:

- Remind the last employee leaving the office to switch off all unnecessary electronics appliances
- Install energy-efficient light tubes and use natural sunlight in high extent
- Maintain the office temperature at 25.5 degree Celsius
- Consider with higher grading of energy efficiency when acquiring office equipment

#### Water consumption

Since our business operation is mainly office based, water consumption is not immense. We promote water saving behaviors and culture among employees by posting water-saving reminders in office. As we operated in leased office premises in Hong Kong of which both the water supply and discharge were solely controlled by the respective building management. Hence, the water usage data was unable to be obtained by us as an individual occupant.

#### Waste management

During the Reporting Period, we did not generate any hazardous waste. The key non-hazardous wastes generated by us included office waste papers. The total non-hazardous paper waste for the Reporting Period was approximately 1.45 tonnes with an intensity of 1.86 kg per square meter. In order to address indirect emissions relating to paper waste deposited at landfills, we encourage employees to apply computer technology such as emails and storage devices to reduce paper consumption, print on both sides of a sheet of paper, avoid unnecessary printing or copying on paper, and adjust documents and use space efficiency formats to optimise use of paper.

### 環境 (續)

#### 能源管理

於報告期內，總耗電量為39,186千瓦，能耗強度為每平方米50.30千瓦。為節能及減少碳足跡，已採取了下列措施：

- 提醒最後一名離開辦公室的員工關閉所有不必要的電子設備
- 安裝高能效燈管，並在很高程度上使用自然光
- 保持辦公室溫度在25.5攝氏度
- 購置辦公室設備時考慮高效能的產品

#### 耗水量

由於我們的業務主要以辦公室為基礎，耗水量並不大。通過在辦公室張貼單張提醒節水，促進員工的節水行為及文化。由於我們在香港的租賃辦公室經營業務，其供水及排水均由各自的大廈管理層單獨控制。因此，作為個人使用者，我們無法獲得用水量數據。

#### 廢棄物管理

於報告期內，我們並未產生任何有害廢棄物。我們產生的主要無害廢棄物包括辦公用廢紙。報告期內非危害廢紙總量約為1.45噸，強度為每平方米1.86公斤。為解決堆放在堆填區的廢紙的間接排放問題，我們鼓勵員工應用電子郵件及存儲設備等電腦技術以減少紙張消耗，在紙張的兩面打印，避免不必要的打印或複印紙張，並調整文件善用空間的格式來優化紙張的使用。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### ENVIRONMENTAL (continued)

#### Waste management (continued)

With the implementation of the measures above, we believe the objectives of saving energy, reducing waste and preserving the environment can be achieved. We will continue to look for opportunities to reduce further emissions and wastes on an ongoing basis in order to minimize our impacts of activities on the environment and natural resources.

#### Compliance

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations related to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste. The Group did not have any significant impact on the environment and natural resources.

### EMPLOYMENT

#### Equal opportunities

We care about labour rights persistently and understands that employees are the most important assets of the Group. We provide equal opportunities for employees in respect of recruitment, training and development, job advancement, compensation and benefits. Employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. We have maintained whistleblowing policy, which provided our staff a private channel to bring any concerns about possible discrimination or harassment to immediate attention of Human Resources Department. In the process of making a complaint, the personal data of the employee are strictly protected.

### 環境 (續)

#### 廢棄物管理 (續)

隨著上述措施的實行，我們認為可以實現節能、減廢及保護環境的目標。我們將持續尋找進一步減少排放及廢棄物的機會，以盡量減少我們的活動對環境及自然資源的影響。

#### 合規

於報告期內，本集團並不知悉有任何不遵守有關空氣及溫室氣體排放、排放入水及土地、危害及無危害廢物產生的相關法例及法規的事件。本集團對環境及自然資源沒有任何重大影響。

### 僱用

#### 平等機會

我們始終關注勞工權益，並理解員工是本集團最重要的資產。我們為員工於招聘、培訓及發展、工作晉升、薪酬及福利方面提供平等機會。員工不因性別、種族、背景、宗教、膚色、年齡、婚姻狀況、家庭狀況、退休、殘疾、懷孕或適用法律禁止的任何其他歧視而歧視或剝奪此等機會。我們一直維持舉報政策，為我們的員工提供私人渠道，以便對可能存在的歧視或騷擾提出任何關切的事件，以便人力資源部立即予以關注。於投訴過程中，員工的個人資料受到嚴格保護。

### EMPLOYMENT (continued)

#### Compensation and benefits package

The Group understand a comprehensive and competitive remuneration package can effectively enhance the staff morale and satisfaction. Salary is reviewed and adjusted yearly based on performance appraisals and market trend. Employees with outstanding performance will receive promotion or plus salary increase as rewards. In addition, employees within the Group can enjoy the statutory holidays, annual leaves, compassionate leaves and maternity leaves regarding to the laws and regulations of the place of business operation.

#### Compliance

During the Reporting Period, the Group was not aware of any incidents of non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.

#### Employee health and safety

The Group is committed to safeguarding the health and safety of the employees. We make our best endeavors to provide a healthy and safe work environment in order to protect our employees from occupational hazards. Apart from providing medical insurance and business travel insurance, the following measures have been implemented in protecting our staff from work-related accidents or injuries:

- Equip first aid kit at each work station and office
- Prohibit smoking in all areas of the offices
- Perform regular check on the fire equipment

Furthermore, we promote a work-life balance for employees by providing five-day working week as we believe this can maintain not only the good work performance of employees, but most importantly, the health and well-being of employees.

### 僱用 (續)

#### 補償及福利待遇

本集團了解全面而富有競爭力的薪酬待遇，可有效提升員工士氣及滿意程度。薪酬根據表現考核及市場趨勢每年進行審查及調整。有突出表現的員工將獲得升職機會或薪金調升作為獎勵。此外，本集團內的員工可根據當地營業場所的法例及法規享受法定節假日、年假、體恤假期及產假。

#### 合規

於報告期內，本集團並不知悉有任何對本集團造成重大影響的不遵守有關法例及法規的事件，包括補償及解僱、招聘及晉升、工作時間、休息時間、平等機會、多元、反歧視以及其他待遇及福利。

#### 員工健康及安全

本集團致力維護員工的健康與安全。我們盡最大努力提供健康安全的工作環境，以保護員工免受職業危害。除提供醫療保險及商務旅遊保險外，為保護員工免受工作相關事故或傷害，已實施以下措施：

- 於每個工作地點及辦公室配備急救箱
- 於辦公室的所有區域禁煙
- 定期檢查消防設備

此外，我們通過提供為期五天的工作週來促進員工的工作與生活平衡，因我們相信不僅能夠保持員工的良好工作表現，且最重要保持員工的健康及良好狀態。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境·社會及管治報告

### EMPLOYMENT (continued)

#### Training and development

We place great importance on the development of talents. We actively promote on-the-job training at all levels of employees, who are recommended to participate in various training courses, forums and seminars, with an aim to enhancing their knowledge and working skills, and in turn they can create competitive advantages together with the Group. We also provide educational subsidies to our employees to participate in continued education and practice life-long learning, so as to achieve continuous self-development.

#### Compliance

During the Reporting Period, the Group was not aware of any incidents of non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. We also did not receive any reports on work-related injuries or casualties during the year ended 31 December 2017.

### LABOUR STANDARDS

The Group strictly complies with the employment laws and regulations of Hong Kong and upholds the principle of fairness, openness and voluntariness for staff employment. The Group prohibits the employment of child labour and forced labour, and once any breach of regulations is discovered, the labour relationship will be terminated immediately. All recruitment procedure and promotion are supervised by Human Resource Department to ensure no child labour or forced labour.

#### Compliance

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations on preventing child or forced labour.

### 僱用 (續)

#### 培訓與發展

我們非常重視人才的發展。我們積極推動各級員工的在職培訓，建議其參加各種培訓課程、論壇及研討會，目的是提高其知識及工作技能，從而共同創造競爭優勢。我們亦為員工提供教育補貼，參與持續教育及實踐終身學習，以實現持續的自我發展。

#### 合規

於報告期內，本集團並不知悉有任何有關提供安全工作環境及保護僱員免受職業危害，對本集團有重大影響的不遵守有關法例及法規的事件。截至二零一七年十二月三十一日止年度，我們亦無接獲任何有關工傷或受傷的報告。

#### 勞工準則

本集團嚴格遵守香港的勞工法例及法規，在僱傭方面堅持公平、公開、自願的原則。本集團禁止僱用童工及強迫勞工，一旦發現違規行為，僱傭關係將立即終止。所有招聘程序及晉升均由人力資源部監督，確保無童工或強制勞工。

#### 合規

報告期內，本集團並不知悉有任何不遵守有關防止童工或強制勞工的法例及法規的事件。

### SUPPLY CHAIN MANAGEMENT

Supply chain management includes management of suppliers, materials, services sourcing and purchases. The Group's main suppliers include suppliers of computer accessories, food products and general office supplies. We generally select suppliers based on their scale of business and reputation. Our suppliers should comply with all relevant local and national laws and regulations. When a supplier is found to be inconsistent with our policy or contractual requirements, we will terminate future cooperation until the situation has been improved.

During the Reporting Period, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of human rights issues.

### PRODUCT RESPONSIBILITY

#### Product safety and quality for grocery food products

As one of the principal business of our Group is trading of grocery food products, our Group is subject to the regulations of the Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong) (the "Food Safety Ordinance") and Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) (the "Public Health Ordinance"). We have always endeavoured to provide the best products to our customers. We have registered as a food importers/food distributors under the Food Safety Ordinance. In order to demonstrate that we are committed to selecting cooking oil suppliers with adequate and appropriate records, we have registered as registered supplier to the Hong Kong Cooking Oil Registration Scheme under Hong Kong Quality Assurance Agency ("HKQAA") on voluntary basis.

In addition, we also pay very close attention to the food alerts released by Centre for Food Safety as well as to relevant market information, which will be immediately followed with response action. As soon as we are confirmed that a certain batch of products are involved with quality and safety issues and must be recalled, we will fully cooperate with the regulatory authorities and, as soon as practicable, withdraw the relevant products according to their instructions, announce the recall arrangement and handle the recalled items properly.

### 供應鏈管理

供應鏈管理包括供應商、物料、服務採購及採購的管理。本集團的主要供應商包括電腦配件、食品及一般辦公用品供應商。我們通常根據企業規模及聲譽來篩選供應商。我們的供應商應遵守所有相關的地方及國家的法例及法規。當供應商被發現與我們的政策或合同要求不一致時，我們將終止未來的合作，直到情況得到改善。

於報告期內，本集團並不知悉任何主要供應商對商業道德、環境保護、人權及勞工行為有重大實際及潛在負面影響，亦無任何關鍵供應商於人權問題上都有任何不合規事件。

### 產品責任

#### 糧油食品的產品安全及質量

由於本集團其中一項主要業務為從事糧油食品貿易，本集團須遵守香港法例第612章食物安全條例（「食物安全條例」）及香港法例第132章公眾衛生及市政條例（「公眾衛生條例」）。我們一直致力於為客戶提供最佳產品。根據食物安全條例，我們已註冊為食物進口商／食物分銷商。為證明我們致力於篩選具有足夠及合適記錄的食用油供應商，我們已自願註冊為香港品質保證局（「香港品質保證局」）香港食用油認證計劃的註冊供應商。

此外，我們亦非常重視食物安全中心發布的食物警報及相關的市場資訊，並會立即採取應對措施。一旦我們確認某批產品涉及質量及安全問題並必須召回，我們將盡快與監管部門合作，並在可行的情況下盡快根據其指示將相關產品下架，並宣布召回安排並妥善處理召回物品。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境·社會及管治報告

### PRODUCT RESPONSIBILITY (continued)

#### Personal data privacy

The Group respects the privacy of individuals. Since our businesses cover various financing services on money lending and asset management, we highly emphasize on the privacy of our client's personal data. Pursuant to Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong), we are committed to protecting privacy and confidentiality of personal data of our employees, business partners and other identifiable individuals. Our employees are instructed to handle confidential information with due care. We collect and use information in a responsible and non-discriminatory manner by restricting the use of the information for the purposes consistent with those identified in the contracts.

#### Compliance

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations that constitutes a significant impact on the Group in relation to health and safety, advertising, labelling and privacy matters.

### ANTI-CORRUPTION

As the cornerstone of our corporate culture, we attach great emphasis to maintaining the highest standard of integrity and honesty. We adopt our zero-tolerance policy for misconduct. We have no hesitation to adopt disciplinary actions upon any proven misconduct case.

In addition, whistleblowing policy has been implemented so as to enable our staff to raise concerns and to report information which the staff have reasonable grounds to believe a malpractice or impropriety. During the Reporting Period, no legal cases concerned with corrupt practices were brought against the Group or Directors or employees.

### 產品責任 (續)

#### 個人資料私隱

本集團尊重個人私隱。由於我們的業務涵蓋放債及資產管理的各種金融服務，我們高度重視客戶的個人資料私隱。根據香港法例第486章個人資料(私隱)條例，我們致力保護員工、業務夥伴及其他可識別人士的個人資料的私隱及保密。我們的員工獲指示妥善處理機密資料。我們以負責任及非歧視的方式限制資料的使用符合合約中確定的目的收集及使用資料。

#### 合規

於報告期內，本集團並不知悉任何對本集團的健康及安全、廣告、標籤及私隱事宜構成重大影響的重大不遵守有關法例及法規的情況。

### 反貪污

作為我們企業文化的基石，我們非常重視維護誠信及誠實的最高標準。我們對不當行為採取零容忍政策。我們毫不猶豫對任何經證實的不當行為案件採取紀律處分。

此外，已實施了舉報政策，使我們的員工可提出關注並報告員工有合理的理由相信不當行為或不當行為的資料。於報告期內，概無針對本集團或董事或員工提起涉及貪污行為的法律案件。

### CONTRIBUTION TO COMMUNITY

We believe that a successful business do not only consider the benefit brought from its operation. Instead, the sustainable development of the society is the more important perspective which gain attention nowadays. The Group was presented with the Caring Company Award 2017/2018. The Caring Company Scheme is organised by The Hong Kong Council of Social Service. The goal of the Caring Company Scheme is “to build a caring community spirit through cultivating corporate citizenship and strategic partnership between the business and social service sectors.”

During the Reporting Period, the Group also supported a wide range of community sponsorship and donation programmes. The Group made contributions to various charitable organization, such as Yan Oi Tong and Ten Percent Donation Scheme Foundation with a total amount of approximately HK\$458,000. We have also been invited to attend Annual Charity Ball 2017 and “Yan Oi Tong Cup” Horse Racing Event of Yan Oi Tong.

### 對社區的貢獻

我們相信，成功的企業不僅要考慮營運帶來的裨益。相反，社會的可持續發展為當今更受關注且更重要。本集團獲頒二零一七年／二零一八年年度商界展關懷獎。「商界展關懷」計劃由香港社會服務聯會主辦。「商界展關懷」計劃的目標是「透過培育商界及社會服務界的企業公民意識及策略夥伴關係，建立關愛社區的精神」。

於報告期內，本集團亦廣泛支持的社區贊助及捐贈計劃。本集團向仁愛堂及十分關愛基金會捐款合共約458,000港元。我們亦獲邀參加仁愛堂二零一七年慈善舞會及仁愛堂的「仁愛堂杯」賽馬比賽。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



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33 Hysan Avenue  
Causeway Bay, Hong Kong

信永中和(香港)  
會計師事務所有限公司  
香港銅鑼灣  
希慎道33號利園一期43樓

### TO THE MEMBERS OF CHINA ECO-FARMING LIMITED

*(Incorporated in the Cayman Islands and continued into Bermuda with limited liability)*

#### OPINION

We have audited the consolidated financial statements of China Eco-Farming Limited (the "Company") and its subsidiaries (the "Group") set out on pages 86 to 269, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致中國農業生態有限公司各股東

*(於開曼群島註冊成立並於百慕達存續之有限公司)*

#### 意見

吾等已審核列載於第86至第269頁中國農業生態有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,當中包括於二零一七年十二月三十一日的綜合財務狀況表,與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要。

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財政狀況及其於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的披露規定妥為編製。

### BASIS FOR OPINION

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

### MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$77,712,000 and net operating cash outflows of approximately HK\$47,505,000 during the year ended 31 December 2017. These conditions, along with other matters as set forth in note 1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on 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 “Material Uncertainty Relating to Going Concern” section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### 意見的基礎

吾等根據香港會計師公會頒布的香港審計準則（「香港審計準則」）進行審核。在該等準則下，吾等在該等準則項下的責任在吾等的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的國際職業會計師道德守則（「守則」），吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

### 有關持續經營的重大不明朗因素

吾等注意到綜合財務報表附註1顯示，貴集團截至二零一七年十二月三十一日止年度產生虧損淨額約77,712,000港元及營運現金流出淨額約47,505,000港元。此狀況連同綜合財務報表附註1所載的其他事項，顯示有重大不確定性的存在，或對貴集團持續經營的能力構成重大疑問。我們在這方面並無修訂意見。

### 關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的綜合財務報表中最重要的事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。除於有關持續經營部分之重大不確定事項所描述者外，吾等已於吾等以下之報告中釐定將予溝通之關鍵審核事項。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (continued)

#### Impairment assessment on loan and interest receivables

Refer to note 22 to the consolidated financial statements and the accounting policies on page 119 to 123.

#### The key audit matter

##### 關鍵審核事項

The carrying value of the loan and interest receivables was approximately HK\$49,734,000 as at 31 December 2017.

Impairment allowances represent the management's best estimate of the losses incurred on the loan and interest receivables based on the existence of any impairment indicators, including the default of payments from the borrowers, the timing of the overdue receivables, the existence of deterioration of credit worthiness of the borrowers, as well as based on any security received from the borrowers.

Due to the significance of the amounts and the involvement of significant judgment in relation to the estimation of impairment allowances, we therefore consider the impairment of loans and interest receivables as a key audit matter.

於二零一七年十二月三十一日之應收貸款及利息的賬面值約為49,734,000港元。

減值撥備指管理層基於任何現存減值跡象（包括借款人付款違約、逾期應收款項之時限、現存借款人信譽惡化）及基於自借款人收取之任何抵押品，對應收貸款及利息產生的虧損之最佳估計。

由於金額龐大且涉及有關減值撥備估計的重大判斷，吾等因此認為應收貸款及利息之減值為關鍵審核事項。

### 關鍵審核事項（續）

#### 應收貸款及利息的減值評估

請參閱綜合財務報表附註22及第119至123頁的會計政策。

#### How the matter was addressed in our audit

##### 吾等在審核中的處理方法

Our audit procedures were designed to review the management's assessment of the indications of impairment, including understanding and challenging the impairment allowances basis as well as identifying any long outstanding and past due loan and interest receivables for which no impairment has been made.

We have discussed the indicators of possible impairment with the management and, where such indicators were identified, assessed the management's impairment testing. We have challenged the assumptions and critical judgment used by the management by assessing the reliability of the management's past estimates and taking into account the ageing at year end and cash received after year end, as well as the recent creditworthiness of each debtor and the appropriateness of valuation of the collaterals from the borrowers as assessed by the management.

In relation to the valuation of the collaterals from the borrowers, we have assessed the valuation methodologies used and the appropriateness of the key assumptions adopted by the management. We had also checked, on a sample basis, the accuracy and relevance of the input data used.

吾等的審核程序旨在審閱管理層對減值跡象的評估，包括理解並檢視減值撥備基準、識別任何概無作出減值之長期未償還及逾期應收貸款和利息。

吾等已與管理層討論可能減值跡象，並於識別出該等跡象之處評估管理層之減值測試。吾等已檢視管理層所用之該等假設及重要判斷，此乃透過評估管理層過往估計之可靠性，並經慮及於年結日之賬齡及於年結日後收取之現金，以及各債務人目前信譽及借款人抵押品之估值的合適性（經管理層評估）。

就借款人抵押品的估值而言，吾等已評估管理層所用之估值方法及所採納之關鍵假設的合適性。吾等亦採取抽樣方式檢查所用輸入數據之準確性及相關性。

**KEY AUDIT MATTERS (continued)**

**Valuation of investment properties**

Refer to note 16 to the consolidated financial statements and the accounting policies on page 115.

**The key audit matter**

**關鍵審核事項**

Management has estimated the fair value of the Group's investment properties to be HK\$169,173,000 as at 31 December 2017 with a net revaluation gain for the year ended 31 December 2017 recorded in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$2,124,000. Independent external valuations were obtained in respect of the entire portfolio in order to support management's estimates.

We consider valuation of investment properties as a key audit matter because of its significance to the consolidated financial statements and the valuations are dependent on certain key assumptions that require significant management judgment including capitalisation rates and fair market rents.

管理層已估計 貴集團於二零一七年十二月三十一日投資物業公平值為169,173,000港元，且已計及於綜合損益及其他全面收益表錄得截至二零一七年十二月三十一日止年度之重估收益淨額約2,124,000港元。管理層已獲取有關整個組合的獨立外部估值以支持其估計。

吾等認為投資物業之估值為關鍵審核事項，此乃由於其對綜合財務報表屬重大且估值取決於若干需要管理層重大判斷的關鍵假設（包括資本化比率及公平市值租金）。

**關鍵審核事項（續）**

**投資物業之估值**

請參閱綜合財務報表附註16及第115頁的會計政策。

**How the matter was addressed in our audit**

**吾等在審核中的處理方法**

Our audit procedures in relation to management's valuation of investment properties included assessing the valuation methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry. We had also checked, on a sample basis, the accuracy and relevance of the input data used.

吾等有關管理層對投資物業的估值的審核程序包括基於吾等對地產行業的知識，評估所用估值方法及關鍵假設的合適性。吾等亦採取抽樣方式檢查所用輸入數據之準確性及相關性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

### RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors the Company 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### 其他資料

貴公司董事負責其他資料。其他資料包括整份年報包括的資料（綜合財務報表及吾等核數師報告除外）。

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

結合吾等對綜合財務報表的審計，吾等的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或吾等在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，如果吾等認為其他信息存在重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

### 貴公司董事及管治層就綜合財務報表須承擔的責任

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

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

## RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## 貴公司董事及管治層就綜合財務報表須 承擔的責任 (續)

管治層須負責監督 貴集團的財務報告過程。

## 核數師就審計綜合財務報表承擔的責任

吾等的目標，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，並出具包括吾等意見的核數師報告。根據吾等已同意的僱用條款，吾等僅向閣下（作為整體）報告，除此之外別無其他目的。吾等不會就本報告的內容向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》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

### 核數師就審計綜合財務報表承擔的責任 (續)

- 與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價 貴公司董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對 貴公司事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則吾等應當發表非無保留意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審計意見承擔全部責任。

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Hon Kei, Anthony.

#### SHINEWING (HK) CPA Limited

*Certified Public Accountants*

**Wong Hon Kei, Anthony**

Practising Certificate Number: P05591

Hong Kong  
28 March 2018

### 核數師就審計綜合財務報表承擔的責任 (續)

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

吾等還向管治層提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是黃漢基先生。

信永中和(香港)會計師事務所有限公司

執業會計師

**黃漢基**

執業證書編號：P05591

香港  
二零一八年三月二十八日

# 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 2017  
截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
Turnover	營業額	5	<b>63,028</b>	72,470
Revenue	收益	5	<b>55,868</b>	67,662
Cost of sales	銷售成本		<b>(47,716)</b>	(61,800)
Gross profit	毛利		<b>8,152</b>	5,862
Provision of money lending services income	提供放債服務收入	5	<b>5,750</b>	4,808
Provision of financial services income	提供金融服務收入	5	<b>1,410</b>	–
			<b>15,312</b>	10,670
Other (loss) gain, net	其他(虧損)收益淨額	6	<b>(1,830)</b>	13,324
Increase in fair value of investment properties, net	投資物業公平值增加淨額	16	<b>2,124</b>	1,809
(Decrease) increase in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值(減少)增加		<b>(20,621)</b>	25,467
Impairment loss recognised on goodwill	商譽確認減值虧損	17	<b>(3,968)</b>	(14,446)
Selling and distribution expenses	銷售及分銷開支		<b>(1,493)</b>	(1,103)
Administrative expenses	行政開支		<b>(58,635)</b>	(61,592)
Share of results of associates	分佔聯營公司業績	19	<b>2,637</b>	(1,030)
Finance costs	融資成本	8	<b>(10,873)</b>	(7,456)
Loss before taxation	除稅前虧損		<b>(77,347)</b>	(34,357)
Taxation	稅項	9	<b>(365)</b>	308
Loss for the year	本年度虧損	10	<b>(77,712)</b>	(34,049)
Other comprehensive income (expense):	其他全面收入(開支):			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目:</i>			
Fair value change of available-for-sale investments	可供出售投資之公平值變動		<b>402</b>	4,662
Exchange differences arising on translating foreign operations	換算海外業務產生之匯兌差額		<b>10,889</b>	(8,428)
Other comprehensive income (expense) for the year	本年度其他全面收入(開支)		<b>11,291</b>	(3,766)
Total comprehensive expense for the year	本年度全面開支總額		<b>(66,421)</b>	(37,815)

# 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 2017

截至二零一七年十二月三十一日止年度

		NOTE 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
Loss for the year attributable to:	應佔本年度虧損：			
Owners of the Company	本公司擁有人		<b>(71,648)</b>	(29,955)
Non-controlling interests	非控股股東權益		<b>(6,064)</b>	(4,094)
			<b>(77,712)</b>	(34,049)
Total comprehensive expense for the year attributable to:	應佔本年度全面 開支總額：			
Owners of the Company	本公司擁有人		<b>(56,844)</b>	(34,989)
Non-controlling interests	非控股股東權益		<b>(9,577)</b>	(2,826)
			<b>(66,421)</b>	(37,815)
LOSS PER SHARE	每股虧損	14		
Basic and diluted (HK cents)	基本及攤薄 (港仙)		<b>(1.18)</b>	(0.60)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2017

於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Plant and equipment	廠房及設備	15	7,984	6,791
Investment properties	投資物業	16	169,173	155,457
Goodwill	商譽	17	4,272	7,465
Intangible asset	無形資產	18	–	4,679
Interests in associates	於聯營公司之權益	19	75,813	73,176
Loan and interest receivables	應收貸款及利息	22	1,675	3,814
Available-for-sale investments	可供出售投資	20	59,180	58,778
Deposit paid for acquisition of plant and equipment	已付收購廠房及設備之按金		–	778
			<b>318,097</b>	<b>310,938</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories, finished goods	存貨(製成品)		1,002	1,215
Trade and other receivables	應收賬款及其他應收款項	21	53,428	36,576
Loan and interest receivables	應收貸款及利息	22	48,059	45,444
Loan to an associate	向聯營公司作出貸款	23	24,856	2,773
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	24	40,328	79,269
Bank balances and cash	銀行結餘及現金	25	5,111	22,298
			<b>172,784</b>	<b>187,575</b>
Asset classified as held for sale	分類為持作出售之資產	26	–	19,393
			<b>172,784</b>	<b>206,968</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	27	35,801	20,545
Amounts due to non-controlling interests	應付非控股股東權益款項	28	2,995	2,995
Borrowings	借款	29	67,189	19,181
Loan payable	應付貸款	30	–	20,000
Margin loans payable	應付保證金貸款	31	20,022	16,768
Convertible bonds	可換股債券	32	21,687	31,551
Contingent consideration payable	應付或然代價	43	512	1,047
Income tax payable	應付所得稅		909	200
			<b>149,115</b>	<b>112,287</b>
Net current assets	流動資產淨額		<b>23,669</b>	<b>94,681</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2017  
於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Total assets less current liabilities	總資產減流動負債		<b>341,766</b>	405,619
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bonds	可換股債券	32	–	19,786
Contingent consideration payable	應付或然代價	43	–	1,929
Deferred tax liabilities	遞延稅項負債	33	<b>21,533</b>	21,777
			<b>21,533</b>	43,492
Net assets	資產淨額		<b>320,233</b>	362,127
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	34	<b>122,071</b>	120,007
Reserves	儲備		<b>162,580</b>	198,122
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>284,651</b>	318,129
Non-controlling interests	非控股股東權益		<b>35,582</b>	43,998
Total equity	權益總額		<b>320,233</b>	362,127

The consolidated financial statements on pages 86 to 269 were approved and authorised for issue by the board of directors on 28 March 2018 and are signed on its behalf by:

第86至269頁的綜合財務報表由董事會於二零一八年三月二十八日批准及授權發行，並經下列人士簽署：

**So David Tat Man**

蘇達文  
Director  
董事

**Lai Yick Fung**

賴益豐  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

Attributable to owners of the Company  
本公司擁有人應佔

		Share Capital	Share premium	Equity component of convertible bonds	Investment revaluation reserve	Share options reserve	Translation reserve	Special reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本	股份溢價	可換股債券權益部分	投資重估儲備	購股權儲備	換算儲備	特別儲備	累計虧損	合計	非控股股東權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 36)		(Note 34)	(Note 20)	(Note 41)		(Note (a))		(Note (a))		(Note (a))
		(附註36)		(附註34)	(附註20)	(附註41)		(附註(a))		(附註(a))		(附註(a))
At 1 January 2016	於二零一六年一月一日	90,574	304,528	24,918	-	2,300	(8,029)	6,026	(192,687)	227,630	46,235	273,865
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(29,955)	(29,955)	(4,094)	(34,049)
Other comprehensive income (expense) for the year	本年度其他全面收入(開支):											
Fair value change of available-for-sale investments	可供出售投資之公平值變動	-	-	-	4,662	-	-	-	-	4,662	-	4,662
Exchange differences arising on translating foreign operations	換算海外業務所產生的匯兌差額	-	-	-	-	-	(9,696)	-	-	(9,696)	1,268	(8,428)
Other comprehensive income (expense) for the year	本年度其他全面收入(開支)	-	-	-	4,662	-	(9,696)	-	-	(5,034)	1,268	(3,766)
Total comprehensive income (expense) for the year	本年度其他全面收入(開支)總額	-	-	-	4,662	-	(9,696)	-	(29,955)	(34,989)	(2,826)	(37,815)
Issue of shares upon conversion of convertible bonds (Note 34(d))	兌換可換股債券時發行股份(附註34(d))	10,000	(1,386)	(8,594)	-	-	-	-	-	20	-	20
Placing of new shares (Note 34(a))	配售新股份(附註34(a))	8,400	33,600	-	-	-	-	-	-	42,000	-	42,000
Transaction costs attributable to placing of new shares	配售新股份之交易成本	-	(418)	-	-	-	-	-	-	(418)	-	(418)
Issue of shares (Note 34(h))	發行股份(附註34(h))	5,760	37,440	-	-	-	-	-	-	43,200	-	43,200
Arising of non-controlling interests on acquisition of subsidiary (Note 41(i))	收購附屬公司產生的非控股股東權益(附註41(i))	-	-	-	-	-	-	-	-	-	159	159
Issue of shares in consideration for the acquisition of an associate (Note 34(c))	作為收購聯營公司的代價而發行股份(附註34(c))	5,273	24,255	-	-	-	-	-	-	29,528	-	29,528
Cancellation of convertible bonds (Note 34(e))	註銷可換股債券(附註34(e))	-	-	(3,477)	-	-	-	-	3,477	-	-	-
Recognition of equity-settled share based payments (Note 39)	確認以權益結算及以股份為基礎的付款(附註39)	-	-	-	-	11,588	-	-	-	11,588	-	11,588
Share option lapsed during the year (Note 39)	年內已失效購股權(附註39)	-	-	-	-	(720)	-	-	720	-	-	-
Acquisition of additional equity interest in a subsidiary from non-controlling interests	自非控股股東權益收購一間附屬公司之額外權益	-	-	-	-	-	-	-	(430)	(430)	430	-
At 31 December 2016	於二零一六年十二月三十一日	120,007	398,019	12,847	4,662	13,168	(17,725)	6,026	(218,875)	318,129	43,998	362,127

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
		Share Capital	Share premium	Equity component of convertible bonds	Investment revaluation reserve	Share options reserve	Translation reserve	Special reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total
		股本	股份溢價	可換取債券權益部分	投資重估儲備	購股權儲備	換算儲備	特別儲備	其他儲備	累計虧損	合計	非控股股東權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note 34)	(Note 34)	(Note 32)	(Note 20)	(Note 39)	(Note 39)	(Note (a))	(Note (b))	(Note (a))	(Note (b))	(Note (a))	(Note (b))
		(附註34)	(附註34)	(附註32)	(附註20)	(附註39)	(附註39)	(附註(a))	(附註(b))	(附註(a))	(附註(b))	(附註(a))	(附註(b))
At 1 January 2017	於二零一七年一月一日	120,007	398,019	12,847	4,662	13,168	(17,725)	6,026	-	(218,875)	318,129	43,998	362,127
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(71,648)	(71,648)	(6,064)	(77,712)
Other comprehensive income (expense) for the year	本年度其他全面收入(開支):	-	-	-	-	-	-	-	-	-	-	-	-
Fair value change of available-for-sale investments	可供出售投資之公平值變動	-	-	-	402	-	-	-	-	-	402	-	402
- Exchange differences arising on translating foreign operations	- 換算海外業務產生之匯兌差額	-	-	-	-	-	14,402	-	-	-	14,402	(3,513)	10,889
Other comprehensive income for the year	本年度其他全面收入	-	-	-	402	-	14,402	-	-	-	14,804	(3,513)	11,291
Total comprehensive income (expense) for the year	本年度全面收入(開支)總額	-	-	-	402	-	14,402	-	-	(71,648)	(56,844)	(9,577)	(66,421)
Issue of shares upon conversion of convertible bonds (Note 34(e))	兌換可換取債券時發行股份(附註34(e))	1,369	13,795	(4,194)	-	-	-	-	-	-	10,970	-	10,970
Issue of shares upon settlement of contingent consideration (Note 34(g))	於結算或然代價時發行股份(附註34(g))	80	442	-	-	-	-	-	-	-	522	-	522
Exercise of share options (Note 34(f))	行使購股權(附註34(f))	615	4,153	-	-	(1,385)	-	-	-	-	3,383	-	3,383
Change in ownership interest in a subsidiary that do not result in loss of control (Note 44)	附屬公司擁有權變動不導致失去控制權(附註44)	-	-	-	-	-	-	-	(764)	-	(764)	764	-
Expiration of conversion option of convertible bonds	可換取債券兌換購股權過期	-	-	(2,954)	-	-	-	-	-	2,954	-	-	-
Acquisition of a subsidiary (Note 41)	收購附屬公司(附註41)	-	-	-	-	-	-	-	-	-	-	397	397
Recognition of equity-settled share based payments (Note 39)	確認以權益結算及以股份為基礎的付款(附註39)	-	-	-	-	9,255	-	-	-	-	9,255	-	9,255
Share option lapsed during the year (Note 39)	年內已失效購股權(附註39)	-	-	-	-	(2,211)	-	-	-	2,211	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	122,071	416,409	5,699	5,064	18,827	(3,323)	6,026	(764)	(285,358)	284,651	35,582	320,233

Note:

附註:

- (a) The special reserve represents the difference between the nominal amount of share and share premium of the former subsidiary of the Company and the nominal amount of the Company's shares issued pursuant to a group reorganisation in 2002.
- (a) 特別儲備指本公司前附屬公司股份面值及股份溢價與根據二零零二年集團重組而發行的本公司股份面值之間的差額。
- (b) The other reserve has been set up and dealt with in accordance with the accounting policies for the changes in ownership interests in a subsidiary that do not result in a loss of control. Details of changes in ownership in interests in a subsidiary that do not result in loss of control is set out in note 44.
- (b) 其他儲備乃根據一間附屬公司所有權變動所採納的會計政策而設立並處理。一間附屬公司所有權變動之詳情(不會導致失去控制權)之詳情載於附註44。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	<b>(77,347)</b>	(34,357)
Adjustments for:	就下列項目作出調整：		
Finance costs	融資成本	<b>10,873</b>	7,456
Depreciation for plant and equipment	廠房及設備折舊	<b>2,684</b>	1,690
Amortisation of an intangible asset	無形資產攤銷	<b>1,604</b>	1,604
Share based payments (Note 39)	以股份為基礎的付款(附註39)	<b>9,255</b>	11,588
Increase in fair value of investment properties, net	投資物業公平值增加淨額	<b>(2,124)</b>	(1,809)
Decrease (increase) in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值減少(增加)	<b>20,621</b>	(25,467)
Gain on cancellation of convertible bonds (Note 32(e))	註銷可換股債券收益(附註32(e))	-	(7,854)
Impairment loss recognised on goodwill	就商譽確認之減值虧損	<b>3,968</b>	14,446
Impairment loss recognised on trade receivables	就貿易應收款項確認之減值虧損	<b>302</b>	-
Gain on fair value change of contingent consideration payable	應付或然代價公平值變動收益	<b>(1,942)</b>	(11,326)
Loss on disposal of interest in a subsidiary	出售一間附屬公司的權益虧損	-	881
Loss on written off of intangible assets	撇銷無形資產虧損	<b>3,075</b>	-
Loss on written-off of plant and equipment	撇銷廠房及設備之虧損	<b>382</b>	14
Share of results of associates	分佔聯營公司業績	<b>(2,637)</b>	1,030
Interest income	利息收入	<b>(1,560)</b>	(114)
Dividend income from financial assets at FVTPL	來自按公平值計入損益金融資產的股息收入	<b>(288)</b>	(25)
Operating cash flows before movements in working capital	計及營運資金變動前之經營現金流量	<b>(33,134)</b>	(42,243)
Decrease (increase) in financial assets at fair value through profit or loss	按公平值計入損益金融資產減少(增加)	<b>18,320</b>	(19,780)
Decrease (increase) in inventories	存貨減少(增加)	<b>213</b>	(46)
Increase in loan and interest receivables	應收貸款及利息增加	<b>(476)</b>	(20,357)
Decrease (increase) in trade and other payables	應付賬款及其他應付款項減少(增加)	<b>(14,735)</b>	10,465
Net cash used in operations	業務所用現金淨額	<b>(47,266)</b>	(99,767)
Income tax paid	已付所得稅	<b>(239)</b>	-
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	<b>(47,505)</b>	(99,767)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
<b>INVESTING ACTIVITIES</b>			
Proceeds on disposal of asset classified as held for sale	投資活動 出售分類為持作出售之資產的所得款項	19,447	11,290
Interest received	已收利息	1,560	114
Net cash inflow (outflow) from acquisition of a subsidiary (Note 41)	收購一間附屬公司之現金流入(流出)淨額(附註41)	363	(2,276)
Dividend income from financial assets at FVTPL	按公平值計入損益金融資產之股息收入	288	25
Loan advance to an associate	墊付予一間聯營公司之貸款	(22,083)	(2,773)
Purchase of plant and equipment	購買廠房及設備	(3,321)	(2,145)
Purchase of available-for-sale investments	購買可供出售投資	-	(54,116)
Deposit paid for acquisition of plant and equipment	已付收購廠房及設備之按金	-	(778)
Net cash inflow from disposal of a subsidiary (Note 42)	出售一間附屬公司之現金流入淨額(附註42)	-	8,097
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>投資活動產生(所用)現金淨額</b>	<b>(3,746)</b>	<b>(42,562)</b>
<b>FINANCING ACTIVITIES</b>			
New borrowing raised	融資活動 新籌措借款	57,956	30,000
Exercise of share options	行使購股權	3,383	-
Increase in margin loans	保證金貸款增加	3,254	16,768
Repayment of loan payable	償還應付貸款	(20,000)	-
Repayment of borrowing	償還借款	(10,727)	(400)
Issue of shares	發行股份	-	43,200
Interest paid	已付利息	(248)	(2,393)
Advance from non-controlling interests	非控股股東權益之墊款	-	983
Proceeds from placing of new shares	配售新股份之所得款項	-	42,000
Transaction costs attribute to placing of new shares	配售新股份應佔交易成本	-	(418)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金淨額</b>	<b>33,618</b>	<b>129,740</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值減少淨額</b>	<b>(17,633)</b>	<b>(12,589)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>年初之現金及現金等值</b>	<b>22,298</b>	<b>36,871</b>
Effect of foreign exchange rate changes	外匯匯率變動之影響	446	(1,984)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>	<b>年末之現金及現金等值，以銀行結餘及現金列示</b>	<b>5,111</b>	<b>22,298</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 1. GENERAL AND BASIS OF PREPARATION

#### General

China Eco-Farming Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Company Law of the Cayman Islands on 30 November 2000.

The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 February 2002.

During the year ended 31 December 2007, the Company re-domiciled from the Cayman Islands into Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The change of domicile was approved by the shareholders of the Company on 15 October 2007 and the Company was continued into Bermuda with limited liability with effect from 29 October 2007.

The addresses of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is Suites 2303-06, 23/F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The directors of the Company do not consider any company to be the ultimate holding company and parent company of the Company.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the business of one-stop value chain services, property investment, trading of consumables and agricultural products, trading of grocery food products, provision of money lending services and provision of financial services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. Other than those subsidiaries established in the People’s Republic of China (the “PRC”) and incorporated in Taiwan whose functional currencies are Renminbi (“RMB”) and New Taiwan dollars (“NTD”) respectively, the functional currency of the Company and its subsidiaries is HK\$.

### 1. 一般事項及編製基準

#### 一般事項

中國農業生態有限公司(「本公司»)於二零零零年十一月三十日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。

本公司股份已於二零零二年二月五日在香港聯合交易所有限公司(「聯交所»)GEM上市。

截至二零零七年十二月三十一日止年度，本公司透過於開曼群島取消註冊及根據百慕達法例作為獲豁免公司存續，自開曼群島遷冊至百慕達。遷冊已獲本公司股東於二零零七年十月十五日批准，而本公司已自二零零七年十月二十九日起作為有限公司於百慕達存續。

本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而主要營業地點則為香港灣仔港灣道23號鷹君中心23樓2303-06室。本公司董事並無考慮任何公司將成為本公司的最終控股公司及母公司。

本公司及其附屬公司(統稱「本集團»)主要從事一站式價值鏈服務、物業投資、消耗品及農產品貿易、糧油食品貿易、提供放債服務及提供金融服務之業務。

綜合財務報表以港元(「港元»)呈列，港元亦為本公司之功能貨幣。除該等於中華人民共和國(「中國»)成立及於台灣註冊成立之附屬公司分別以人民幣(「人民幣»)及新台幣(「新台幣»)為功能貨幣外，本公司及其附屬公司之功能貨幣均為港元。

### 1. GENERAL AND BASIS OF PREPARATION (continued)

#### Basis of preparation

During the year ended 31 December 2017, the Group incurred a net loss of approximately HK\$77,712,000 and net operating cash outflows of approximately HK\$47,505,000 during the year ended 31 December 2017. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Although the Group has been continuously incurring losses in these years, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its operating cash flows as and when they fall due for the next twelve months from the end of the reporting period given that:

- (i) on 9 March 2018, the Company entered into a placing agreement with the placing agent. The Company announced to place a maximum of 1,200,000,000 placing shares of HK\$0.083 per placing share with the net proceeds of approximately HK\$96,900,000 after deducting placing transaction costs;
- (ii) the directors of the Company will continuously review the cost structure of the Group and formulate appropriate cost saving measures to improve the performance and the cash flows of the Group's operations;
- (iii) the directors of the Company anticipate that the Group will generate positive cash flows from its operations; and the existence of stand-by facility to the Company for the period of one year.

### 1. 一般事項及編製基準 (續)

#### 編製基準

截至二零一七年十二月三十一日止年度，本集團產生虧損淨額約77,712,000港元及營運現金流出淨額約47,505,000港元。此狀況顯示有重大不確定性的存在，或對本集團持續經營的能力構成重大疑問。

本集團於近年來持續產生虧損。儘管如此，本公司董事認為，本集團將有足夠營運資金應付其自報告期末起未來十二個月內到期之經營現金流，此乃基於：

- (i) 於二零一八年三月九日，本公司與配售代理訂立配售協議。本公司宣布配售最多1,200,000,000股配售股份，每股配售股份約0.083港元，其所得款項淨額約為96,900,000港元，扣除配售交易成本；
- (ii) 本公司董事將持續審閱本集團的成本結構，並制訂合適的節省成本措施，以改善本集團營運的表現及現金流量；
- (iii) 本公司董事預期，本集團將自其營運產生正現金流量；且本公司於一年期間存在備用融資。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 1. GENERAL AND BASIS OF PREPARATION (continued)

#### Basis of preparation (continued)

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare these consolidated financial statements for the year ended 31 December 2017 on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Except as described below, the application of other new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

### 1. 一般事項及編製基準 (續)

#### 編製基準 (續)

因此，本公司董事認為，按持續經營基準編製截至二零一七年十二月三十一日止年度的該等綜合財務報表乃屬合適。綜合財務報表並不包括倘本集團未能持續經營而可能屬必要的任何有關資產及負債的賬面值及重新分類的調整。

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

於本年度，本集團已應用下列由香港會計師公會 (「香港會計師公會」) 頒佈的新訂及經修訂香港財務報告準則，當中包括香港財務報告準則、香港會計準則 (「香港會計準則」)、修訂本及詮釋 (「詮釋」)。

香港財務報告準則之修訂本	二零一四年至二零一六年週期之香港財務報告準則之年度改進：香港財務報告準則第12號之修訂本
香港會計準則第7號之修訂本	披露主動性
香港會計準則第12號之修訂本	就未實現虧損確認遞延稅項資產

除以下所述者外，於本年度應用其他新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載之披露事項並無重大影響。

#### 香港會計準則第7號之修訂本披露主動性

該等修訂要求實體提供信息披露，以使財務報表用戶可評估融資活動所產生之負債變動，包括現金流量及非現金流量變動。該等修訂並無限定達成新披露規定之指定方法。然而，該等修訂指出其中一個方法為提供融資活動產生之負債之期初及期末結餘之對賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### Amendments to HKAS 7 Disclosure Initiative (continued)

The application of amendments to HKAS 7 has resulted in additional disclosures on the Group’s financing activities, especially a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is provided in note 49. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods. Apart from the additional disclosure in note 49, the directors of the Company considered that these amendments have had no impact on the Group’s consolidated financial statements.

#### New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港會計準則第7號之修訂本披露主動性（續）

應用香港會計準則第7號之修訂本導致本集團融資活動作出額外披露，尤其是是融資活動產生之負債於綜合財務狀況表的期初與期末結餘之對賬於附註49提供。於首次應用該修訂本時，本集團毋須提供過往期間的比較資料。除於附註49額外披露外，本公司董事認為該等修訂對本集團綜合財務報表並無任何影響。

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號 (二零一四年)	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合約收入 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港財務報告準則之修訂本	二零一四年至二零一六年週期之香港財務報告準則之年度改進 <sup>1</sup>
香港財務報告準則之修訂本	二零一五年至二零一七年週期之香港財務報告準則之年度改進 <sup>2</sup>
香港財務報告準則第2號之修訂本	以股份為基礎的付款交易之分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂本	與香港財務報告準則第4號保險合約一併應用的香港財務報告準則第9號金融工具 <sup>1</sup>

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## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

#### New and revised HKFRSs issued but not yet effective (continued)

Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>

1 Effective for annual periods beginning on or after 1 January 2018.

2 Effective for annual periods beginning on or after 1 January 2019.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號之修訂本	提早還款特性及負補償 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營或合營企業之間的資產出售或注資 <sup>4</sup>
香港會計準則第28號之修訂本	於聯營公司及合營企業的長期權益 <sup>2</sup>
香港會計準則第40號之修訂本	轉讓投資物業 <sup>1</sup>
香港（國際財務報告詮釋委員會）—詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港（國際財務報告詮釋委員會）—詮釋第23號	所得稅處理的不確定性 <sup>2</sup>

1 於二零一八年一月一日或之後開始之年度期間生效。

2 於二零一九年一月一日或之後開始之年度期間生效。

3 於二零二一年一月一日或之後開始之年度期間生效。

4 生效日期尚未釐定。

除下文所述者外，本公司董事預期應用其他新訂及經修訂香港財務報告準則不會對本集團的業績及財務狀況構成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### New and revised HKFRSs issued but not yet effective (continued)

##### HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an “expected credit loss” model for impairment assessments.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

##### 香港財務報告準則第9號（二零一四年） 金融工具

於二零零九年頒佈之香港財務報告準則第9號引入金融資產分類及計量之新規定。香港財務報告準則第9號其後於二零一零年經修訂，以包括有關分類及計量金融負債及取消確認之規定。於二零一三年，香港財務報告準則第9號獲進一步修訂，以落實對沖會計法之實質性修訂，從而將使實體於財務報表中更能反映風險管理活動。香港財務報告準則第9號的最終版本於二零一四年頒佈，藉就若干金融資產引入「按公平值計入其他全面收益」（「按公平值計入其他全面收益」）的計量類別，以納入過往年度所頒佈香港財務報告準則第9號的全部規定，且對有關分類及計量作出有限修訂。香港財務報告準則第9號的最終版本亦就減值評估引入「預期信貸虧損」模式。

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## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKFRS 9 (2014) to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號（二零一四年）金融工具（續）

香港財務報告準則第9號（二零一四年）之主要規定載述如下：

- 所有屬香港財務報告準則第9號（二零一四年）之已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，目的是收取合約現金流量之業務模式內持有之債務投資，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於其後會計期間結算日按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之業務模式中持有之債務工具，以及金融資產的合約性條款令於特定日期產生之現金流量純粹為支付本金及尚未償還本金之利息的債務工具，按公平值計入其他全面收益之方式計量。所有其他債務投資及權益投資均於其後報告期末按公平值計量。此外，根據香港財務報告準則第9號（二零一四年），實體可作出不可撤回之選擇，以於其他全面收益呈列權益投資（並非持作買賣者）公平值之其後變動，一般只有股息收入於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號（二零一四年）金融工具（續）

- 就指定為按公平值計入損益處理之金融負債之計量而言，香港財務報告準則第9號（二零一四年）規定該金融負債之信貸風險變動以致該負債公平值變動之金額於其他全面收益內呈列，除非於其他全面收益中確認該負債信貸風險變動影響會導致或擴大損益上之會計錯配。金融負債之信貸風險引致之金融負債公平值變動其後不會重新分類至損益中。根據香港會計準則第39號，指定為按公平值計入損益處理之金融負債之整筆公平值變動金額於損益中呈列。
- 就減值評估而言，加入了有關實體對其金融資產及提供延伸信貸承擔之預期信貸虧損之會計減值規定。該等規定消除了香港會計準則第39號就確認信貸虧損的門檻。根據香港財務報告準則第9號（二零一四年）之減值方法，於確認信貸虧損前毋須已發生信貸事件。反之，實體須一直將預期信貸虧損以及此等預期信貸虧損之變動入賬。於各報告日期對預期信貸虧損之金額進行更新，以反映自初次確認以來信貸風險之變動，並因此提供更適時之預期信貸虧損資料。

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## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號（二零一四年） 金融工具（續）

- 香港財務報告準則第9號（二零一四年）引入新模式，允許公司在對沖彼等之金融及非金融風險時更好地利用所進行的風險管理活動調整對沖會計。香港財務報告準則第9號作為一種以原則為基礎的方法，著眼於風險的確認及計量，但並不區分金融項目和非金融項目。新模式亦允許實體利用內部產生的資料進行風險管理作為對沖會計的基準。根據香港會計準則第39號，有必要使用僅用作會計目的量度來展現相對於香港會計準則第39號的合格性及合規性。新模式亦包括合格性標準，但該等標準基於就對沖關係強度進行的經濟評估，此可利用風險管理數據釐定。相較於香港會計準則第39號之對沖會計內容，此應可降低實行成本，因其降低了僅為會計處理所需進行的分析量。

香港財務報告準則第9號（二零一四年）將於二零一八年一月一日或之後開始之年度期間生效，且可允許提前應用。

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

The directors of the Company has performed a preliminary analysis of the Group’s financial instruments as at 31 December 2017 based on the fact and circumstances existing at that date. The directors of the Company have assessed the impact of adoption of HKFRS 9 (2014) on the Group’s results and financial position, including the classification categories and the measurement of financial assets, and disclosures, as follows:

#### (a) Classification and measurement

The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated with irrevocable election to present in other comprehensive income the changes in fair value. For the available-for-sale equity investments that are not held for trading and are currently stated at cost less impairment, the Group has made an irrevocable election to present in other comprehensive income the changes in fair value.

#### (b) Impairment

The directors of the Company expect to apply the simplified approach and record lifetime expected credit losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables, loan and interest receivables and loan to an associate. The application of the expected credit loss model may result in earlier recognition of credit losses for trade and other receivables, loan and interest receivables and loan to an associate and increase the amount of impairment allowance recognised for these items.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號（二零一四年）金融工具（續）

本公司董事已根據當時存在的事實及情況，於二零一七年十二月三十一日對本集團的金融工具進行初步分析。本公司董事已評估採納香港財務報告準則第9號（二零一四年）對本集團業績及財務狀況（包括分類類別及金融資產計量及披露）的影響如下：

#### (a) 分類及計量

本集團之可供出售投資（包括現時以成本扣除減值列賬者）將按公平值計入損益計量或指定以不可撤回之選擇於其他全面收益呈列公平值變動。就並非持作買賣及現時按成本減扣除值列賬的可供出售權益投資而言，本集團已作出不可撤回之選擇，以於其他全面收益呈列公平值變動。

#### (b) 減值

本公司董事預期採納簡化方式，並根據所有應收賬款及其他應收款項以及應收貸款及利息及貸款予一間聯營公司的剩餘年期內所有現金虧損的現值估計期限預期信貸虧損。應用預期信貸虧損模型可能導致應收賬款及其他應收款項以及應收貸款及利息及貸款予一間聯營公司的信貸虧損提早確認，並增加就該等項目確認的減值撥備金額。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

#### HKFRS 9 (2014) Financial Instruments (continued)

##### (b) Impairment (continued)

The directors of the Company will perform a more detailed analysis which considers all reasonable and supportable information for the estimation of the effect of adoption of HKFRS 9 (2014). Based on the preliminary assessment, the directors of the Company expect that the adoption of HKFRS 9 (2014) will not have other material impact on amounts reported in the Group's consolidated financial statements.

#### HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- (i) Identify the contract with the customer;
- (ii) Identify the performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號（二零一四年）金融工具（續）

##### (b) 減值（續）

本公司董事將進行更詳細之分析，其考慮估計採納香港財務報告準則第9號（二零一四年）之影響的所有合理及可靠資料。根據初步評估，本公司董事預期採納香港財務報告準則第9號（二零一四年）將不會對本集團綜合財務報表所呈報金額產生其他重大影響。

#### 香港財務報告準則第15號客戶合約收入

香港財務報告準則第15號的核心原則為實體應確認收益以向客戶描述轉讓已承諾貨品或服務的金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。故此，香港財務報告準則第15號引入應用於客戶合約收入的模式，當中擁有交易的合約基礎五個步驟分析，以釐定是否須要確認收益，及確認收益的金額及時間。該五個步驟載列如下：

- (i) 識別與客戶之合約；
- (ii) 識別合約內履行之責任；
- (iii) 釐定交易價格；
- (iv) 按履行之責任分配交易價格；及
- (v) 當（或於）實體履行責任時確認收入。

香港財務報告準則第15號亦引入大量定性及定量披露規定，旨在讓財務報表使用者瞭解來自與客戶所訂立合約產生之收益及現金流量之性質、金額、時間及不確定性。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### HKFRS 15 Revenue from Contracts with Customers (continued)

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The major sources of revenue of the Group are sales of goods, provision of services and rental income. Under HKFRS 15, revenue is recognised for each of the performance obligations when control over a good or service is transferred to a customer. The directors of the Company have preliminarily assessed each type of the performance obligations and consider that the performance obligations are similar to the current identification of separate revenue components under HKAS 18 *Revenue*. Furthermore, HKFRS 15 requires the transaction price to be allocated to each performance obligation on a relative stand-alone selling price basis, which may affect the timing and amounts of revenue recognition, and results in more disclosures in the consolidated financial statements. However, the directors of the Company expect that the adoption of HKFRS 15 will not have a material impact on the timing and amounts of revenue recognised based on the existing business model of the Group as at 31 December 2017.

#### HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第15號客戶合約收入（續）

於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋的收益確認指引。

香港財務報告準則第15號將於二零一八年一月一日或之後開始之年度期間生效，且可提前應用。

本集團的主要收入來源為貨品銷售，提供服務及租金收入。根據香港財務報告準則第15號，相應貨品或服務的控制權轉移至客戶時，將就該等履約責任確認收益。本公司董事已初步確認各個類型的履約責任並認為履約責任與根據香港會計準則第18號收益對獨立收益組成部分的現行分類相類似。此外，香港財務報告準則第15號規定將交易價格按相對獨立售價準則分配至各履約責任，其或會影響收益確認的時間及數量，並導致於綜合財務報表中出現更多披露。然而，本公司董事預期，根據於二零一七年十二月三十一日本集團現有業務模式，採納香港財務報告準則第15號將不會對確認收益的時間及金額產生重大影響。

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號為租賃安排的識別以及其於出租人及承租人財務報表的處理方式提供一個綜合模型。

就承租人會計處理而言，該準則引入單一承租人會計模式，規定承租人須確認所有租賃的資產及負債，租期均多於12個月，惟相關資產價值較低則除外。

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## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(S)") (continued)

#### HKFRS 16 Leases (continued)

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 *Leases* and the related interpretations when it becomes effective.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續）

承租人須於租賃開始日期按成本確認使用權資產，使用權資產包括租賃負債的初始計量金額，加上於開始日期或之前向出租人作出的任何租賃付款減任何已接獲的租賃獎勵及承租人所產生的初始估計修復成本及任何初始直接成本。租賃負債於租賃付款尚未支付當日的現值初步確認。

隨後，使用權資產按成本減任何累計折舊及任何累計減值虧損計量，並就任何租賃負債重新計量而可予調整。租賃負債隨後透過增加賬面值（以反映租賃負債的權益）、減少賬面值（以反映所作出的租賃付款）及重新計量賬面值（以反映任何重估或租賃修改或以反映經修訂實質性固定租賃付款）的方式計量。使用權資產的折舊及減值開支（如有）將根據香港會計準則第16號物業、廠房及設備於損益內扣除，而租賃負債的應計利息將於損益內扣除。

就出租人會計處理而言，香港財務報告準則第16號實質上繼承香港會計準則第17號租賃的出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方式將該兩類租賃入賬。

香港財務報告準則第16號生效後，將取代現有租賃準則，包括香港會計準則第17號租賃及相關詮釋。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”) (continued)

#### HKFRS 16 Leases (continued)

HKFRS 16 will become effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of approximately HK\$8,928,000 as disclosed in note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The directors of the Company are in the process to determine the amounts of right-of-use assets and lease liabilities to be recognised in the consolidated statement of financial position, after taking into account all practical expedients and recognition exemption under HKFRS 16. The directors of the Company expect that the adoption of HKFRS 16 will not have material impact on the Group’s result but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續）

香港財務報告準則第16號將於二零一九年一月一日或之後開始的年度期間生效，可提前應用，但前提是有關實體於初步應用香港財務報告準則第16號當日或之前已應用香港財務報告準則第15號客戶合約收入。

於二零一七年十二月三十一日，本集團擁有不可撤銷經營租賃承擔約8,928,000港元（誠如附註37所披露）。初步評估表明，該等安排符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非在應用香港財務報告準則第16號後其符合低價值或短期租賃。此外，如上文所述，應用新的規定或會導致計量、呈列及披露變化。根據香港財務報告準則第16號，本公司董事經考慮所有實際權宜及確認豁免後，正釐定將於綜合財務狀況表確認之使用權資產及租賃負債的金額。本公司董事預期採納香港財務報告準則第16號將不會對本集團業績造成重大影響，惟該等租賃承擔的若干部分將須於綜合財務狀況表內確認為使用權資產及租賃負債。

### 3. 重大會計政策

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所GEM證券上市規則及香港公司條例所規定之適用披露事項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principle accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

### 3. 重大會計政策 (續)

綜合財務報表乃根據歷史成本基準編製，惟投資物業及若干按公平值計量之金融工具（如下文會計政策所闡釋）除外。歷史成本一般按交換貨品及服務之代價之公平值計算。

公平值界定為市場參與者之間於現行市場下於計量日期在主要市場（或最有利之市場）進行之有序交易所出售資產可收取或轉讓負債須支付之價格（即平倉價），不論該價格是否直接觀察或使用另一估值技術估計所得。有關公平值計量的詳情闡述於下文所載會計政策。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及受其控制實體（即附屬公司）之財務報表。倘附屬公司編製其財務報表時使用的會計政策有別於其在綜合財務報表中，就類似交易及於類似情況下之事件所採納者，則附屬公司在編製財務報表時，須對其財務報表作出調整，以確保符合本集團的會計政策。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation (continued)

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

### 3. 重大會計政策(續)

#### 綜合基準(續)

控制乃指本集團擁有：(i)對被投資方擁有權力；(ii)面對或擁有自其參與被投資方產生之可變回報之風險或權利；及(iii)有能力行使其權力以影響其回報時，即對被投資方擁有控制權。當本集團對於被投資方的投票權少於大多數時，則可基於相關事實及情況透過下列方式對被投資方取得控制權力：(i)與其他投票持有人訂立合約安排；(ii)來自其他合約安排產生的權利；(iii)本集團的投票權及潛在投資權；或(iv)綜合上述各項。

倘有事實及情況顯示，有一項或以上該等上述控制權元素出現變動，則本公司重新評估其是否對被投資方擁有控制權。

當本集團對附屬公司取得控制權時，則開始將附屬公司綜合入賬，並在本集團對附屬公司失去控制權時終止綜合入賬。

附屬公司收入及開支自本集團取得控制權當日起，計入綜合損益及其他全面收益表，並直至本集團不再控制該附屬公司當日為止。

附屬公司之損益及其他全面收益各個部分乃歸屬於本公司擁有人及非控股股東權益。附屬公司之全面開支總額亦歸屬於本公司擁有人及非控股股東權益，即使此舉可引致非控股股東權益產生虧絀結餘。

有關本集團實體交易涉及集團內公司間之所有資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group.

#### Business combinations

Businesses combinations are accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except deferred tax assets or liabilities arising from the assets acquired and the liabilities assumed in the business combinations are recognised and measured in accordance with HKAS 12 *Income Taxes*.

### 3. 重大會計政策 (續)

#### 本集團於現有附屬公司之所有權權益變動

當本集團失去對附屬公司的控制權：(i) 在失去控制權當日取消確認附屬公司的資產（包括商譽）及負債的賬面值，(ii) 失去控制權當日取消確認於前附屬公司的任何非控股權益的賬面值（包括彼等應佔其他全面收益的任何部份），及(iii) 確認已收代價的公平值及任何保留權益的公平值總額，而所產生之任何差額則確認為本集團應佔損益內的收益或虧損。

#### 業務合併

業務合併乃以收購法列賬。於業務合併轉撥之代價按公平值計量，其乃按本集團轉撥之資產、本集團產生之對被收購方前擁有人之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值總和計算。完成業務合併所引致之與收購事項相關之成本於產生時於損益中確認。

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟業務合併中已收購資產及承擔負債產生的遞延稅項資產或負債根據香港會計準則第12號所得稅確認及計量。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Business combinations (continued)

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

### 3. 重大會計政策(續) 業務合併(續)

商譽乃以所轉讓代價、任何非控股股東權益於被收購方中所佔金額、及本集團以往持有之被收購方股權之公平值(如有)之總和,超出所收購之可識別資產及所承擔之負債於收購日期之差額計量。倘經重估後,所收購之可識別資產及所承擔負債於收購日期之淨額高於轉讓之代價、任何非控股股東權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公平值(如有)之總和,則差額即時於損益內確認為議價收購。

非控股股東權益(除非因其他準則有所規定)乃按收購日期的公平值計量,惟屬於現時所有權權益並賦予其持有人在清盤時按比例分佔實體淨資產之非控股股東權益成份,方可按逐項交易基準之公平值或以現時之所有權工具按比例分佔被收購方可識別淨資產之已確認金額計量。

倘本集團在業務合併中所轉讓代價包括或然代價安排所產生之資產或負債,則或然代價按其於收購日期之公平值計量,並計入作為業務合併中所轉讓部分代價。合資格進行計量期間調整之或然代價公平值變動將會追溯調整,並相應調整商譽。計量期間調整指在「計量期間」(不得超過收購日期起計一年)所得涉及於收購日期已存在事實及情況之新資料而引致之調整。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that is within the scope of HKAS 39 is measured at fair value at each reporting date, and changes in fair value are recognised in profit or loss in accordance with HKAS 39. Other contingent consideration that is not within the scope of HKAS 39 is measured at fair value at each reporting date and changes in fair value are recognised in profit or loss.

#### Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU(s)") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3. 重大會計政策 (續)

#### 業務合併 (續)

或然代價公平值變動如不符合於計量期間進行調整之資格，則其後續會計處理須視乎或然代價如何分類而定。分類為權益之或然代價於其後報告日期不會重新計量，而其後結算則會在權益中入賬。屬香港會計準則第39號範圍的其他或然代價按各報告日期的公平值計量，而公平值變動乃根據香港會計準則第39號於損益確認。不屬香港會計準則第39號範圍的其他或然代價按各報告日期的公平值計量，公平值變動於損益確認。

#### 商譽

業務合併產生的商譽以成本減任何累計減值虧損 (如有) 列賬。

就減值測試而言，商譽會分配至預期可從合併的協同效益中獲益的本集團各個現金產生單位 (「現金產生單位」) (或現金產生單位組別)。

獲分配商譽的現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時經常進行減值測試。就於報告期間因收購產生的商譽而言，獲分配商譽的現金產生單位會於該報告期末前進行減值測試。倘現金產生單位的可收回金額少於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。任何商譽減值虧損直接於損益內確認。就商譽確認的減值虧損不會於其後期間撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Goodwill (continued)

The Group's policy for goodwill relating to an associate that included in the carrying amount of the investment is set out in "interests in associates" below.

#### Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's interests in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, interests in associates are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associates are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an associate equals or exceeds its interests in the associate, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net interests in the associates, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Interests in associates are accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associates is recognised as goodwill and is included in the carrying amount of the investment.

### 3. 重大會計政策(續) 商譽(續)

本集團就聯營公司的商譽入賬為投資賬面值的政策載列於下文「於聯營公司之權益」。

#### 於聯營公司之權益

聯營公司乃本集團對其擁有重大影響力之實體。重大影響力乃參與被投資方之財務及經營政策決策之權力，但並非對該等政策擁有控制權或共同控制權。

本集團於聯營公司之投資在綜合財務報表內採用權益法入賬。根據權益法，於聯營公司之投資初始按成本確認。本集團分佔聯營公司溢利或虧損及其他全面收益之變動於收購日期後分別於損益及其他全面收益內確認。倘本集團分佔聯營公司之虧損相等於或超出其於該聯營公司之權益（其以權益法釐定連同任何長期權益，而該長期權益實質上構成本集團於該聯營公司投資淨額之一部分），則本集團不再繼續確認其分佔之進一步虧損。本集團僅會在其須於代表該聯營公司承擔法律或推定責任，或代其支付款項之情況下，方會就額外虧損作出撥備及確認負債。

於聯營公司之權益乃自該獲投資公司成為聯營公司當日起使用權益法入賬。於收購投資時，收購成本較本集團分佔該聯營公司的可資識別資產及負債的公平淨值之溢出金額會確認為商譽，並計入投資賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Interests in associates (continued)

After application of the equity method, including recognising the associates' losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its interests in the associates. Goodwill that forms part of the carrying amount of interests in associates is not separately recognised. The entire carrying amount of the interests (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the interests in the associates. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Gains and losses resulting from transactions between the Group and its associates are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associates. The Group's share in the associates' gains or losses resulting from these transactions is eliminated.

#### Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### 3. 重大會計政策 (續)

#### 於聯營公司之權益 (續)

應用權益法後並且確認聯營公司之虧損 (如有), 本集團釐定是否需要就其於聯營公司之權益確認任何額外減值虧損。組成於聯營公司之權益賬面值一部分的商譽並非分開確認。權益的全部賬面值 (包括商譽) 作為單一資產進行減值測試, 方式為比較其可收回金額 (使用價值與公平值減出售成本之較高者) 與其賬面值。任何已確認減值虧損會構成於聯營公司之權益賬面值之一部分。有關減值虧損之任何撥回於該項投資可收回金額其後增加時確認。

本集團與其聯營公司進行交易產生的收益及虧損, 以無關的投資者於聯營公司的權益為限, 於綜合財務報表確認。本集團分佔該等交易產生的聯營公司的收益或虧損予以撇除。

#### 廠房及設備

廠房及設備按成本減去隨後之累計折舊及累計減值虧損 (倘有) 後於綜合財務狀況表入賬。

折舊於其估計可使用年期內以直線法攤銷廠房及設備之成本確認。估計可使用年期及折舊法於各報告期期末檢討, 估計變動之影響按預先計提之基準入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Plant and equipment (continued)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (Calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

#### Intangible asset acquired in a business combination

Intangible asset acquired in a business combinations are recognised separately from goodwill and are initially recognised at its fair value at the acquisition date (which is regarded as their cost).

### 3. 重大會計政策(續) 廠房及設備(續)

廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。廠房及設備項目之於出售或停用所產生之任何收益或虧損根據銷售所得款項與資產賬面值之差額釐定並於損益中確認。

#### 投資物業

投資物業為持作賺取租金及／或作資本增值之物業。

投資物業初始按成本計算，包括任何直接應佔支出。於初始確認後，投資物業以其公平值計算。投資物業公平值變動產生之損益，已計入其產生期間之損益內。

投資物業於出售時或在投資物業永久不再使用及預期出售該等物業不會產生未來經濟利益時取消確認。取消確認物業所產生之收益或虧損列入取消確認有關物業（按出售所得款項淨額及資產賬面值的差額計算）期間之損益。

#### 於業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開確認，並按其收購日期的公平值初始確認（視為其成本）。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Intangible asset acquired in a business combination (continued)

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below). Amortisation for intangible asset with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above.

### 3. 重大會計政策 (續)

#### 於業務合併中收購的無形資產 (續)

於初始確認後，具有有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬（見下文有關有形資產及無形資產減值虧損之會計政策）。具有有限可使用年期的無形資產攤銷於其估計可使用年期內按直線法確認。估計可使用年期及攤銷法於各報告期末檢討，而估計之任何變動影響按未來適用法予以入賬。

無形資產乃於出售後或當預期使用或出售該資產不會產生未來經濟利益時終止確認。終止確認無形資產產生之收益或虧損（以該資產之出售所得款項淨額與賬面值之差額計算）將於終止確認該資產時在損益中確認。

#### 存貨

存貨以成本與可變現淨值兩者中的較低者列賬。存貨成本乃以先進先出法計算。變現淨值指估存貨銷售價減所有估計完成成本及銷售所需成本。

#### 現金及現金等值

綜合財務狀況表中的現金及短期存款包括存放於銀行及自行持有的現金。

就綜合現金流量表而言，現金及現金等值包括上文所界定之現金及短期存款。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

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

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

#### (i) Financial assets

The Group’s financial assets are classified into one of three categories, including financial assets at FVTPL, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 3. 重大會計政策 (續)

#### 金融工具

金融資產及金融負債乃當集團實體成為該等工具合約條文之訂約方時，在綜合財務狀況表中確認。金融資產及金融負債乃按公平值作初始計算。

因收購或發行金融資產及金融負債（以公平值計入損益之金融資產除外（「按公平值計入損益」））而直接產生之交易成本於初始確認時新增至金融資產或金融負債之公平值或自公平值扣除（如適用）。收購按公平值計入損益金融資產及金融負債而直接產生之交易成本即時於損益中確認。

#### (i) 金融資產

本集團將其金融資產劃分為三類，分別為以公平值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。有關分類乃按金融資產的性質及目的，並於初始確認當時釐定。所有從正常渠道買賣之金融資產均以交易日為基準確認及取消確認。從正常渠道買賣乃買賣須於市場規例或慣例設立之期間內交付資產之金融資產。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (i) Financial assets (continued)

###### *Effective interest method*

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

Interest income is recognised on an effective interest basis for debt instruments (other than those financial assets at FVTPL) of which interest income is included in other (loss) gain, net.

###### *Financial assets at FVTPL*

Financial assets at FVTPL are held for trading on initial recognition.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### (i) 金融資產 (續)

###### *實際利率法*

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率指按債務工具之預計可使用年期或較短期間(如適用)內將估計未來現金收入(包括構成實際利率不可或缺部分已付及已收之一切開支、交易成本及其他溢價或折讓)準確貼現至初次確認時之賬面淨值之利率。

利息收入乃就債務工具(該等按公平值計入損益之金融資產除外)其利息收入計入淨(虧損)收益)按實際利率基準確認。

###### *按公平值計入損益之金融資產*

按公平值計入損益之金融資產即於初始確認時持作買賣之金融資產。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (i) Financial assets (continued)

##### Financial assets at FVTPL (continued)

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the “other (loss) gain, net” line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 36(c).

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan and interest receivables, trade and other receivables, loan to an associate and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy in respect of impairment loss on financial assets below).

### 3. 重大會計政策 (續) 金融工具 (續)

#### (i) 金融資產 (續)

##### 按公平值計入損益之金融資產 (續)

在如下情況，金融資產方可分類為持作買賣之金融資產：

- 其已被收購，主要目的乃於近期出售；或
- 於初始確認時，其為本集團共同管理之已識別金融工具組合之一部份並於近期實際具有短期謀利模式；或
- 其為非指定而實際為對沖工具之衍生工具。

按公平值計入損益之金融資產乃按公平值計量，而因重新計量所產生之公平值變動則於產生期內直接於損益確認。於損益確認之淨收入或虧損（不包括任何股息或就金融資產賺取之利息）計入損益及其他全面收益綜合報表中的「其他（虧損）收益淨額」。公平值乃按附註36(c)所述之方式釐定。

##### 貸款及應收款項

貸款及應收款項乃並無於活躍市場報價而具有固定或可釐定付款之非衍生金融資產。初次確認後，貸款及應收款項（包括貸款及應收利息、應收賬款及其他應收款項、向一間聯營公司作出貸款以及銀行結餘及現金）均採用實際利率法按攤銷成本減去任何已識別減值虧損計量（請參閱下文有關金融資產減值虧損之會計政策）。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (i) Financial assets (continued)

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

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

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

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

### 3. 重大會計政策 (續) 金融工具 (續)

#### (i) 金融資產 (續)

##### *可供出售金融資產*

可供出售金融資產為指定為可供出售或未分類為按公平值計入損益之金融資產、貸款及應收款項或持至到期投資之非衍生工具。

本集團所持有並分類為可供出售金融資產及於活躍市場買賣之股本證券乃按於各報告期末之公平值計量。與外幣匯率變動有關之可供出售貨幣金融資產之賬面值變動、採用實際利率法計算之利息收入及可供出售股本投資之股息均於損益內確認。可供出售金融資產賬面值之其他變動乃於其他全面收入確認及於投資重估儲備項下累計。當投資乃出售或釐定為減值時，先前於投資重估儲備內累計之累計收益或虧損乃重新分類至損益（見下文有關金融資產減值虧損之會計政策）。

可供出售權益工具的股息會於本集團確立收取股息之權利時在損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (i) Financial assets (continued)

##### *Available-for-sale financial assets (continued)*

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy in respect of impairment loss on financial assets below).

##### *Impairment loss on financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 重大會計政策(續) 金融工具(續)

#### (i) 金融資產(續)

##### *可供出售金融資產(續)*

就並無活躍市場報價且其公平值不能可靠地計量之可供出售權益投資乃於報告期末按成本減任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

##### *金融資產減值虧損*

金融資產(按公平值計入損益之金融資產除外)於各報告期末評估是否有減值跡象。倘有客觀證據顯示金融資產因於初始確認金融資產後發生之一項或多項事件,金融資產之估計未來現金流量已受到影響時即表示金融資產被視為出現減值。

就可供出售權益投資而言,該投資之公平值大幅或持續下跌至低於其成本乃視為減值之客觀證據。

就全部其他金融資產而言,減值之客觀證據可包括:

- 發行人或交易對手出現重大財政困難;或
- 違反合約,如未能繳付或拖欠支付利息或本金;或
- 借款人有可能面臨破產或財務重組;或
- 由於財務困難導致金融資產失去活躍市場。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (i) Financial assets (continued)

###### *Impairment loss on financial assets (continued)*

For certain categories of financial assets, such as trade and other receivables and loan and interest receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

### 3. 重大會計政策 (續)

#### 金融工具 (續)

##### (i) 金融資產 (續)

###### *金融資產減值虧損 (續)*

就若干類別之金融資產 (如應收賬款及其他應收款項以及應收貸款及利息) 而言, 評定為並無個別出現減值之資產亦會彙集一併評估減值。應收款項組合之客觀減值證據可包括本集團過往之收款記錄、組合內超逾平均信貸期之拖欠付款的數目增加, 以及國家或地區經濟狀況出現明顯變化導致未能償還應收款項。

就按攤銷成本列賬之金融資產而言, 已確認減值虧損金額乃資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值間之差額。

就按成本列賬之金融資產而言, 減值虧損金額以資產賬面值與估計未來現金流按類似金融資產目前市場回報率貼現之現值兩者的差額計算。有關減值虧損將不會於往後期間撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (i) Financial assets (continued)

##### *Impairment loss on financial assets (continued)*

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, loan and interest receivables and loan to an associate where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable, loan and interest receivable and loan to an associate is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

### 3. 重大會計政策(續) 金融工具(續)

#### (i) 金融資產(續)

##### *金融資產減值虧損(續)*

與所有金融資產有關之減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易及其他應收款項、貸款及應收利息、向一間聯營公司作出貸款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收賬款或其他應收款項、應收貸款及利息、向一間聯營公司作出貸款被視為不可收回時，其將於撥備賬內撇銷。其後重新收回之先前已撇銷款項將計入損益。

當可供出售金融資產被視為減值時，先前於其他全面收益確認之累計收益或虧損於發生減值之期間內重新分類至損益。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少且能客觀地證明與確認減值虧損後所發生之事件有關，則先前確認之減值虧損會透過損益撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時的攤銷成本。

可供出售權益投資的減值虧損不會於損益中撥回。於減值虧損後公平值之任何增加乃直接於其他全面收入確認，並於投資重估儲備中累計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

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

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

The Group's financial liabilities are classified into either financial liabilities at FVTPL or other financial liabilities.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading on initial recognition.

A financial liability is classified as held for trading if:

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

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in the other gains and losses line item in profit or loss. Fair value is determined in a manner described in note 36.

### 3. 重大會計政策 (續) 金融工具 (續)

#### (ii) 金融負債及權益工具

債務及集團實體發行之權益工具，乃根據所訂立合約安排之實際內容及金融負債與權益工具之定義分類為金融負債或權益。

本集團之金融負債獲分類為按公平值計入損益金融負債或其他金融負債。

#### 按公平值計入損益之金融負債

倘金融負債為持作買賣首次確認時計入損益，則金融負債乃分類為按公平值計入損益。

倘若出現下列情況，則金融負債分類為持作買賣：

- 產生之主要目的為於不久將來購回；或
- 於初步確認時，其為本集團聯合管理之已識別財務工具組合之一部分，而近期實際具備短期獲利之模式；或
- 其為非指定及非有效作為對沖工具之衍生工具。

按公平值計入損益之金融負債按公平值計量，因重新計量產生的任何收益或虧損於其產生的期間直接於損益表確認。淨收益或虧損列入損益中的其他收益和虧損項目中。公平值按附註36所述類型確定。

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (ii) Financial liabilities and equity instruments (continued)

##### *Other financial liabilities*

Other financial liabilities including trade and other payables, amounts due to non-controlling interests, borrowings, loan payable, margin loans payable and debt component of convertible bonds, are subsequently measured at amortised cost, using the effective interest method.

##### *Effective interest method*

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

Interest expense is recognised on an effective interest basis.

##### *Equity instruments*

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

### 3. 重大會計政策 (續) 金融工具 (續)

#### (ii) 金融負債及權益工具 (續)

##### *其他金融負債*

其他金融負債包括應付賬款及其他應付款項、應付非控股股東權益款項、借款、應付貸款、應付抵押貸款、應付保證金貸款以及可換股債券的債務部分，有關項目其後以實際利率法按攤銷成本計量。

##### *實際利率法*

實際利率法為計算金融負債之攤銷成本及於有關期間分配利息支出之方法。實際利率法為可準確透過金融負債之預計年期或在較短期間（倘適用）內對估計未來現金付款（包括所有構成實際利率不可或缺部分的一切即場已付或已收費用、交易成本及其他溢價或折讓）進行貼現之利率。

利息開支按實際利率法確認。

##### *權益工具*

權益工具為帶有實體資產剩餘權益（經扣除其所有負債）之任何合約。本公司發行之權益工具按已收所得款項扣除直接發行成本記錄。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (ii) Financial liabilities and equity instruments (continued)

*Convertible bonds containing liability and equity components*

Convertible bonds issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (equity component of convertible bonds).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in equity component of convertible bonds until the embedded option is exercised (in which case the balance stated in equity component of convertible bonds will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in equity component of convertible bonds will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

### 3. 重大會計政策 (續) 金融工具 (續)

#### (ii) 金融負債及權益工具 (續)

*可換股債券包括負債及權益部分*

本公司所發行包括負債及可換股期權部分之可換股債券，乃於初始確認時根據合約安排的實質事項及金融負債及權益工具之定義，被分別分類為相關之項目。以兌換固定金額現金或以固定數目之本公司本身權益工具之其他金融資產結算之可換股期權為股本工具。

於初始確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部分之公平值之差額，即代表可讓持有人將債券兌換為股本權益之認購期權應列入股本（可換股債券權益部分）。

於往後期間，可換股債券之負債部分乃使用實際利率法按攤銷成本列賬。股本部分（即可將負債部分兌換為本公司普通股之期權）將保留於可換股債券權益儲備，直至嵌入式期權獲行使為止（在此情況下，可換股債券權益儲備之結餘將轉移至股份溢價）。倘期權於到期日尚未獲行使，可換股債券權益儲備之結餘將撥至累計虧損。期權兌換或到期時將不會於損益中確認任何盈虧。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Financial instruments (continued)

#### (ii) Financial liabilities and equity instruments (continued)

*Convertible bonds containing liability and equity components (continued)*

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

#### (iii) Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

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

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

### 3. 重大會計政策 (續) 金融工具 (續)

#### (ii) 金融負債及權益工具 (續)

*可換股債券包括負債及權益部分 (續)*

發行可換股債券有關之交易成本，按所得款項之分配比例撥往負債及股本部分。股本部分有關之交易成本會直接於股本內扣除。負債部分有關之交易成本計入負債部分之賬面金額，並利用實際利率法於可換股債券期限內予以攤銷。

#### (iii) 取消確認

當從資產收取現金流量之合約權利屆滿，或金融資產及對該資產所有權之絕大部分風險及回報轉移至其他實體時，方取消確認金融資產。

一旦全面取消確認金融資產，該項資產之賬面值與已收及應收的代價與已於其他全面收益中確認及於投資重估儲備累計之累計盈虧之總和間之差額於損益中確認。

當本集團之責任獲解除、註銷或屆滿時，方取消確認金融負債。獲取消確認之金融負債之賬面值與已付或應付代價間之差額於損益中確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Non-current asset held for sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current asset classified as held for sale is measured at the lower of its previous carrying amount and fair value less costs of disposal.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 3. 重大會計政策 (續)

#### 持作出售之非流動資產

倘非流動資產之賬面值可透過出售交易收回，而非透過持續使用收回，則分類為持作出售之資產。該項分類規定，僅當出售有關資產之一般及常規條款且其具有很高的出售可能性時，資產方必須可以現狀即時出售。管理層必須承諾有關銷售，而有關銷售須於分類日後一年內合資格確認為一項完整出售。

分類為持作出售之非流動資產乃按其前的賬面值及公平值之較低者減銷出成本計量。

#### 收益確認

收益乃根據已出售貨品及服務之已收或應收代價之公平值計算，並指於一般業務過程中售出貨品及提供服務之應收款項。

銷售貨品所得收益於貨品送達且所有權已轉移時，符合下列所有條件時予以確認：

- 本集團已將貨品所有權之絕大部份風險及回報轉移至買方；
- 本集團並無參與一般與已售貨品有關的持續管理，亦無保留一般與已售貨品有關的實際控制權；
- 收益金額可以可靠計量；
- 與交易相關之經濟利益很可能流入本集團；及
- 有關交易所產生或將予產生之成本可以可靠計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Revenue recognition (continued)

Provision of financial services is recognised when the underlying services have been rendered in accordance with the terms of service agreement.

Rental income from operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating lease is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the terms of the relevant leases.

### 3. 重大會計政策(續) 收益確認(續)

提供金融服務，於根據服務協議條款提供有關服務或完成相關交易時確認。

來自經營租約之租金收入於有關租約年期內以直線法確認。

金融資產產生之利息收入於經濟利益可能將流向本集團及收入金額能可靠地計量時予以確認。金融資產產生之利息收入是參考未償還之本金，按時間及適用之實際利率計算。有關利率乃將金融資產於估計年期預計收取之未來現金準確貼現至該等資產於初始確認時之賬面淨值之利率。

投資產生的股息收入於確認股東之收取股息權利事項時入賬。

#### 租約

倘租約條款將所有權之絕大部分風險及回報轉歸承租人所有，有關租約分類為融資租約。所有其他租約列作經營租約。

#### *本集團作為出租人*

來自經營租約之租金收入於有關租約年期內以直線法於損益內確認。

#### *本集團作為承租人*

經營租約付款於有關租約年期內按直線法被確認開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserves (attributable to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### 3. 重大會計政策 (續)

#### 外幣

編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）進行之該等交易乃按交易日現行之匯率以各功能貨幣（即該實體營運所在之主要經濟環境之貨幣）記錄。於報告期末，以外幣計值之貨幣項目乃按結算日之現行匯率重新換算。以外幣計值按公平值列賬之非貨幣項目，按釐定公平值當日之現行匯率重新換算。以外幣計值按歷史成本計量之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於產生期間內在損益賬中確認。重新換算以公平值列賬之非貨幣項目產生之匯兌差額計入該期間之損益內。

就呈報綜合財務報表而言，本集團海外業務之資產及負債使用各報告期末之現行匯率換算為本集團之呈報貨幣（即港元），而其收入及開支項目按該年度之平均匯率換算。產生之匯兌差異（如有）乃於其他全面收入中確認並於權益換算儲備項下累計（按照適用情況歸入非控股股東權益）。

收購海外業務產生的已收購可識別資產的商譽及公平值調整會視為該海外業務的資產及負債，並於各報告期末按現行匯率重新換算。匯兌差額於其他全面收益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

#### Retirement benefits scheme contributions

Payments to the defined contribution plans in Hong Kong, the PRC and Taiwan are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation as reported in the consolidated statement of profit or loss and other comprehensive income 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.

### 3. 重大會計政策(續)

#### 借貸成本

直接歸因於收購、建設或生產合資格資產(此為必須經過相當時間方可作其擬定用途或銷售的資產)的借款成本會計入該等資產的成本,直到資產大致可作其擬定用途或銷售為止。

所有其他借款成本於產生期間內在損益中確認。

#### 退休福利計劃供款

香港、中國及台灣的已界定退休福利計劃供款之付款於僱員提供有權收取供款之服務時確認為開支。

#### 短期僱員福利

與工資及薪金相關之僱員福利於提供有關服務之期間按預期交換有關服務需支付之福利之未折現金額確認為負債。

就短期僱員福利確認之負債乃按預期交換有關服務需支付之福利之未折現金額計算。

#### 稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表及其他綜合全面收益表中所呈報之除稅前虧損不同,此乃由於不計及其他年度之應課稅或可扣稅收入或開支項目,亦不計及毋須課稅或不能扣稅之項目。本集團之即期稅項負債乃用於報告期末之前已頒佈或大致頒佈之稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

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. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax 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 associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets 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.

### 3. 重大會計政策 (續)

#### 稅項 (續)

遞延稅項乃就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債一般會按所有應課稅暫時差額確認。遞延稅項資產一般會就所有應扣減暫時差額確認，且限於可能出現可動用應扣減暫時差額可對銷應課稅溢利時確認。若因商譽或因業務合併以外原因初始確認其他資產及負債而引致之暫時差額不影響應課稅溢利或會計溢利，則不會確認該等遞延稅項資產及負債。

與附屬公司及聯營公司的投資相關之應課稅暫時差額確認為遞延稅項負債，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

於負債可結算或資產可變現之期間內，遞延稅項資產及負債按預期於該期間內可應用之稅率以於報告期末已頒佈或實質上已頒佈之稅率（及稅法）為基準計量。

遞延稅項負債及資產之計量反映稅務影響，可按本集團於報告期末預期之方式以收回或結算其資產及負債之賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Taxation (continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within 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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### Share-based payment transactions

##### *Equity-settled share-based payment transactions*

###### *Share options granted to employees*

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

### 3. 重大會計政策 (續) 稅項 (續)

就計量利用公平值模型計量之投資物業之遞延稅項負債或遞延稅項資產而言，該等物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻。當投資物業可予折舊及於業務模式（其業務目標是隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益）內持有時，有關假設會被推翻。

即期及遞延稅項於損益確認，惟當其與於其他全面收入中確認或直接於權益中確認的項目相關，則即期及遞延稅項亦分別於其他全面收入或直接於權益中確認。倘因業務合併的初步會計處理而產生即期或遞延稅項，有關稅務影響乃計入業務合併的會計處理內。

#### 以股份支付之交易

##### *以股份支付之交易 (以股本結算)*

###### *授予僱員之購股權*

所獲服務之公平值乃參考購股權於授出日期之公平值釐定，以直線法於歸屬期內確認為開支，並相應增加股本（購股權儲備）。

於報告期末，本集團修訂其預期最終歸屬之購股權數目之估計。歸屬期內，修訂原有估計之影響（如有）於損益確認，以致累計開支反映經修訂估計，並相應調整購股權儲備。

當購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日尚未行使時，則先前於購股權儲備確認之金額將轉撥至累計虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payment transactions (continued)

##### Equity-settled share-based payment transactions

###### Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the counterparties render services, unless the services qualify for recognition as assets.

#### Impairment losses on tangible assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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 the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

### 3. 重大會計政策 (續)

#### 以股份支付之交易 (續)

##### 以股份為基礎的付款交易

###### 向顧問授予購股權

換取商品或服務而發行的購股權乃按所收取服務的公平值計量，除非公平值不能可靠計量，在此情況下，收取的服務乃參考授出購股權的公平值計量。在本集團取得貨品或交易對手提供服務時，除非該等服務符合資格確認為資產，否則所收取貨品或服務的公平值會確認為開支並相應增加權益（購股權儲備）。

#### 有形資產及無形資產之減值虧損（載於以上商譽的會計政策之商譽減值除外）

於報告期末，本集團審閱其有限可使用年期之有形及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則估算資產之可收回款項以釐定減值虧損（如有）之程度。倘不能估計單一資產的可收回金額，則本集團會估計其資產所屬現金產生單位之可收回金額。於可識別合理及按一貫分配基準之情況下，企業資產亦會被分配至個別的現金產生單位，否則或會被分配到可合理及按一貫分配基準而識別的最小的現金產生單位中。

可收回金額乃公平值減出售成本和在用價值兩者中較高者。評估在用價值時，採用除稅前折現率將估計未來現金流量折現至現值。該折現率應能反映市場當時所評估的貨幣時間價值和該資產的獨有風險，且估計未來現金流並無作出調整。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued) Impairment losses on tangible assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above) (continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) 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 had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of goodwill for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

### 3. 重大會計政策 (續) 有形資產及無形資產之減值虧損 (載於以上商譽的會計政策之商譽減值除外) (續)

倘估計資產 (或現金產生單位) 之可收回金額少於其賬面值時, 則該資產 (或現金產生單位) 之賬面值會扣減至其可收回金額。任何減值虧損即時於損益確認。

倘其後撥回減值虧損, 則資產 (或現金產生單位) 之賬面值會增加至其可收回金額之經修訂估計, 惟所增加之賬面值不可超過倘過往年度並無就該資產 (或現金產生單位) 確認減值虧損而已釐定之賬面值。減值虧損撥回即時於損益確認。

#### 公平值計量

就計量公平值 (本集團以股份支付之交易、租賃交易、存貨之可變現淨值及就減值評估而言使用中之商譽價值除外) 時, 本集團考慮該等市場參與者於計量日對資產或負債定價時所考慮之資產或負債之特點。

非金融資產之公平值計量則參考市場參與者能自最大限度使用該資產達致最佳用途, 或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者, 所產生的經濟效益。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### 3. 重大會計政策 (續)

#### 公平值計量 (續)

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以儘量使用相關可觀察輸入數據及儘量減少使用不可觀察輸入數據。具體而言，本集團根據輸入數據之特點，將公平值計量分類為以下三個等級：

- 第一級 — 相同資產或負債於活躍市場的市場報價（未經調整）。
- 第二級 — 對公平值計量而言屬重大的可直接或間接觀察最低層輸入數據的估值方法。
- 第三級 — 對公平值計量而言屬重大的不可觀察最低層輸入數據的估值方法。

於報告期末，本集團透過審閱按公平值計量的資產及負債的相關公平值計量，以定期釐定該等資產及負債的公平值等級的各級之間有否出現轉撥。

### 4. 重大會計判斷及估計不確定因素之主要來源

於應用附註3所述的本集團會計政策時，本公司董事須就並非可從其他資料來源輕易獲取之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為屬相關之其他因素。實際結果可能與該等估計有所不同。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

##### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

##### *Going concern and liquidity*

The assessment of the going concern assumptions involves making judgement by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. Please refer to note 1 in relation to the going concern assumptions adopted by the directors of the Company.

##### *Acquisition of subsidiaries*

The Group determines whether an acquisition of subsidiaries qualifies as acquisition of business in accordance with HKFRS 3 (Revised) Business Combination or acquisition of assets that requires judgment. The directors of the Company consider the substance of the acquisition of subsidiaries that constitute a business will be accounted for in accordance with HKFRS 3 (Revised) Business Combination, in case the acquisition of subsidiaries does not constitute a business, it is classified as acquisition of assets. Details of acquisition of subsidiaries by the Group during the year are set out in note 41.

#### 4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計及相關假設乃按持續基準審閱。對會計估計進行修訂乃於估計修訂期間(倘修訂僅影響該期間)或於修訂期間及未來期間(倘修訂同時影響本期間及未來期間)確認。

##### 應用會計政策之關鍵判斷

以下為本公司董事在應用本集團之會計政策過程中作出之關鍵判斷(除涉及之估計外(見下文))，以及其對綜合財務報表已確認之金額及作出之披露具有最重大之影響。

##### *持續經營及流動資金*

持續經營假設的評估涉及由本公司董事於特定時間就本身具有不確定因素的事件或情況的未來結果作出判斷。有關本公司董事所採納的持續經營假設，請參閱附註1。

##### *收購附屬公司*

本集團釐定收購附屬公司是否等同根據香港財務報告準則第3號(經修訂)業務合併或收購資產須要判斷。本公司董事認為，收購附屬公司構成一項業務的內容將根據香港財務報告準則第3號(經修訂)業務合併或收購資產列賬。當收購附屬公司並不構成一項業務，則被分類為資產收購。本集團於年度期間收購附屬公司之詳情載於附註41。

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### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Key sources of estimation uncertainty

The following are 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.

#### *Estimated impairment loss on interests in associates*

The directors of the Company determined whether interests in associates are impaired by reference to an estimation of recoverable amount of investment. The recoverable amount of interests in associates requires the Group to estimate the future cash flow expected to arise from the associates and a suitable discount rate including the risk adjustment in order to calculate the present value. The assumption includes management best estimate of the set of economic condition in the future.

As at 31 December 2017, the carrying amount of interests in associates is approximately HK\$75,813,000 (2016: HK\$73,176,000). No impairment loss on interests in associates was recognised for the year ended 31 December 2017 and 2016.

### 4. 重大會計判斷及估計不確定因素之主要來源 (續)

#### 估計不確定因素之主要來源

下文討論於報告期末極可能導致資產與負債賬面值於下一財政年度需要作出重大調整之未來相關重要假設及估計不確定因素之其他主要來源。

#### *有關於聯營公司之權益之估計減值虧損*

當本公司董事釐定於聯營公司之權益是否減值時，須參考投資之估計可收回金額。於聯營公司之權益可收回金額要求集團估計聯營公司預期產生之未來現金流及適當貼現率（包括風險調整），以便計量現值。該假設包括管理層對日後經濟所有條件之最佳估計。

於二零一七年十二月三十一日，於聯營公司之權益之賬面值約為75,813,000港元（二零一六年：73,176,000港元）。於截至二零一七年及二零一六年十二月三十一日止年度，概無就於聯營公司之權益確認減值虧損。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

###### *Allowance for doubtful debts*

Allowance for doubtful debts is made based on the assessment of the recoverability of trade and other receivables, loan and interest receivables and loan to an associate. The identification of doubtful debts requires the directors of the Company to make judgement and estimates. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of each debtor as well as the collateral received by the Group. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of trade and other receivables, and loan and interest receivables and doubtful debt expenses/written back in the period in which the estimate has been changed.

As at 31 December 2017, the carrying amounts of trade receivables were approximately HK\$5,268,000 (net of allowance for doubtful debts of HK\$302,000) (2016: carry amount of approximately HK\$5,424,000). While carrying amounts of other receivables and deposits were approximately HK\$43,827,000 (net of allowance for doubtful debts of approximately HK\$1,006,000) (2016: carrying amount of approximately HK\$25,144,000) (net of allowance for doubtful debts of approximately HK\$1,006,000). Impairment loss on trade and other receivables recognised for the year ended 31 December 2017 amounting to approximately HK\$302,000 (2016: nil). No impairment loss on other receivables and deposits recognised for the year ended 31 December 2017 and 2016.

As at 31 December 2017, the carrying amount of loan and interest receivables was approximately HK\$49,734,000 (net of allowance for doubtful debts of approximately HK\$4,149,000) (2016: HK\$49,258,000 (net of allowance for doubtful debts of approximately HK\$4,149,000)). No impairment loss on loan and interest receivables has been recognised for the year ended 31 December 2017 and 2016.

#### 4. 重大會計判斷及估計不確定因素之主要來源 (續)

##### 估計不確定因素之主要來源 (續)

###### *呆賬撥備*

呆賬撥備乃按應收賬款及其他應收款項、收貸款及利息及貸款予聯營公司的可收回程度評估作出。本公司董事於識別呆賬時需作出判斷及估計。在評估該等應收款項的最終變現時需要作大量判斷，包括目前信譽、各債務人的過往收款紀錄及本集團所收取的抵押品。若實際情況或對未來之預測有別於原有估計，則有關差額將對估計改變期間之應收賬款及其他應收款項以及應收貸款及利息之賬面值以及呆賬開支／回撥構成影響。

於二零一七年十二月三十一日，應收賬款及其他應收款項之賬面值約為5,268,000港元（扣除呆賬撥備302,000港元）（二零一六年：賬面值約為5,424,000港元，而其他應收款項及按金的賬面值約為43,827,000港元（扣除呆賬撥備約為1,006,000港元））（二零一六年：賬面值約25,144,000港元（扣除呆賬撥備約1,006,000港元））。截至二零一七年十二月三十一日止年度，應收賬款及其他應收款項減值虧損約為302,000港元（二零一六年：零）。於截至二零一七年及二零一六年十二月三十一日止年度，概無就其他應收款項及按金確認減值虧損。

於二零一七年十二月三十一日，應收貸款及利息賬面值約為49,734,000港元（經扣除呆賬撥備4,149,000港元）（二零一六年：49,258,000港元（經扣除呆賬撥備約4,149,000港元））。截至二零一七年及二零一六年十二月三十一日止年度，已確認概無應收貸款及利息減值虧損。

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### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

##### *Allowance for doubtful debts (continued)*

As at 31 December 2017, the carrying amount of loan to an associate was approximately HK\$24,856,000 (2016: carrying amount of approximately HK\$2,773,000). No impairment loss on loan to an associate was recognised for the year ended 31 December 2017 and 2016.

##### *Fair value of investment properties*

Investment properties are carried in the consolidated statement of the financial position at 31 December 2017 at their fair value of approximately HK\$169,173,000 (2016: HK\$155,457,000). The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

##### *Estimated impairment loss on available-for-sale investments*

The Group follows the guidance of HKAS 39 Financial Instruments: Recognition and Measurement to determine when an available-for-sale investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates among other factors, the duration and extent to which the carrying amount of financial asset is less than its present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset; and the financial health of and short-term business outlook for the investee, including operational and financing cash flow. At 31 December 2017, the carrying amount of available-for-sale investments stated at cost was approximately HK\$41,116,000 (2016: HK\$41,116,000). No impairment loss has been recognised for the years ended 31 December 2017 and 2016.

### 4. 重大會計判斷及估計不確定因素之主要來源 (續)

#### 估計不確定因素之主要來源 (續)

##### *呆賬撥備 (續)*

於二零一七年十二月三十一日，向聯營公司貸款之賬面值約為24,856,000港元（二零一六年：賬面值約為2,773,000港元）。截至二零一七年及二零一六年十二月三十一日止年度，並無確認向一間聯營公司貸款之減值虧損。

##### *物業投資之公平值*

物業投資乃以其公平值約169,173,000港元（二零一六年：155,457,000港元）計入於二零一七年十二月三十一日之綜合財務狀況表。公平值乃基於一間獨立公司之專業估值人士應用物業估值方法（包括若干市場情況之假設）對該等物業所進行的估值而作出。該等假設之有利或不利變動或會對本集團的物業投資之公平值及於綜合損益表及其他全面收入表中呈報之損益賬之相應調整造成變動。

##### *可供出售投資之估計減值虧損*

本集團遵循香港會計準則第39號金融工具：確認及計量之指引釐定可供出售投資是否減值。該項釐定須作出重大判斷。於作出本判斷時，本集團會評估（其中包括）以金融資產賬面值低於其估計未來現金流按類似金融資產目前市場回報率貼現之現值之年期及程度；以及投資對象之財務穩健程度及短期業務展望，包括經營及融資現金流。於二零一七年十二月三十一日，可供出售投資（按成本列值）之賬面值約為41,116,000港元（二零一六年：41,116,000港元）。於截至二零一七年及二零一六年十二月三十一日止年度均無確認減值虧損。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

###### *Fair value of share options*

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Company's directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

###### *Fair value of contingent consideration*

Fair value of contingent consideration is measured by independent qualified professional valuers. The valuation involves, inter-alia, certain estimates, including financial assumptions, probabilities assigned to different scenarios and discount rate. In relying on the valuation, management has exercised judgement and is satisfied that the method of valuation. As at 31 December 2017, the carrying amount of contingent consideration is HK\$512,000 (2016: HK\$2,976,000).

#### 4. 重大會計判斷及估計不確定因素之主要來源 (續)

##### 估計不確定因素之主要來源 (續)

###### *購股權之公平值*

二項式模式已獲採用作估計購股權之公平值。計算購股權公平值所用的變動及假設乃基於本公司董事的最佳估計。購股權的價值會因若干主觀假設的不同變數而有所不同。

###### *或然代價之公平值*

或然代價之公平值乃由獨立合資格專業估值師計量。估值涉及(其中包括)若干估計,包括財務假設、分配至不同情況的機率以及折現率。依賴估值時,管理層已作出判斷並信納估值方式。於二零一七年十二月三十一日,或然代價的賬面值為512,000港元(二零一六年: 2,976,000港元)。

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### 5. TURNOVER

Turnover represents revenue arising on one-stop value chain services, rental income, trading of consumables and agricultural products, trading of grocery food products, provision of money lending services and provision of financial services for the year. An analysis of the Group's revenue recognised in turnover for the year is as follows:

### 5. 營業額

營業額指一站式價值鏈服務、租金收入、消耗品及農產品貿易、糧油食品貿易、提供放債服務及提供金融服務於年內產生的收益。本集團於年內已確認的營業額分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
One-stop value chain services	一站式價值鏈服務	16,177	35,955
Rental income (Note)	租金收入(附註)	3,919	3,586
Trading of consumables and agricultural products	消耗品及農產品貿易	5,870	5,712
Trading of grocery food products	糧油食品貿易	29,902	22,409
		<b>55,868</b>	67,662
Provision of money lending services income	提供放債服務收入	5,750	4,808
Provision of financial services income	提供金融服務收入	1,410	-
		<b>7,160</b>	4,808
Turnover	營業額	<b>63,028</b>	72,470

Note:

附註：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Gross rental income	租金收入總額	3,919	3,586
Less: outgoings (included in cost of sales)	減：支出(計入銷售成本)	(687)	(937)
Net rental income	租金收入淨額	<b>3,232</b>	2,649

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 6. OTHER LOSS OR GAIN, NET

### 6. 其他虧損或收益淨額

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
Loss on disposal of financial assets at FVTPL	出售按公平值計入損益之金融資產虧損	(7,168)	(5,783)
Bank interest income	銀行利息收入	8	8
Loan interest income on loan to an associate	貸款予聯營公司的貸款利息收入	1,552	106
Gain on fair value change of contingent consideration payable	應付或然代價之公平值變動收益	1,942	11,326
Loss on disposal of interest in a subsidiary (note 42)	出售一間附屬公司的權益虧損 (附註42)	-	(881)
Gain on cancellation of convertible bonds (Note 32(e))	註銷可換股債券之收益 (附註32(e))	-	7,854
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產股息收入	288	25
Exchange gain	匯兌收益	1,305	-
Sundry income	雜項收入	243	669
		<b>(1,830)</b>	<b>13,324</b>



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## 綜合財務報表附註

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### 7. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focus on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's operating and reporting segments under HKFRS 8 are as follows:

a.	One-stop value chain services	–	provision of total solution services including trading, packaging and logistics solutions
a.	一站式價值鏈服務	–	提供全套解決方案服務（包括貿易、包裝及物流解決方案）服務
b.	Property investment	–	generated rental income from operating leases of Group's investment properties
b.	物業投資	–	本集團投資物業經營租賃產生的一般租金收入
c.	Trading of consumables and agricultural products	–	trading of consumables and agricultural products
c.	消耗品及農產品貿易	–	消耗品及農產品貿易
d.	Trading of grocery food products	–	trading of grocery food products
d.	糧油食品貿易	–	糧油食品貿易
e.	Provision of money lending services	–	provision of money lending services
e.	提供放債服務	–	提供放債服務
f.	Provision of financial services	–	Provision of financial and investment advisory and corporate finance services
f.	提供金融服務	–	提供金融及投資意見及企業融資服務

The provision of financial and investment advisory services and corporate finance services were formally commenced during the year ended 31 December 2017 as a result of the acquisition of a subsidiary (Note 41). As a result, a new segment of provision of financial services was added under operating segments in the current year.

### 7. 分類資料

根據向本公司董事會（即主要營運決策者）報告的資料，本集團為進行資源分配及分類表現評估劃分的經營分類著重於所交付或提供的貨品或服務的類別。於達致本集團的可呈報分類時，主要營運決策者並無將所識別的經營分類總加。

尤其是，本集團根據香港財務報告準則第8號劃分的經營及可呈報分類如下：

因收購附屬公司（附註41），提供金融及投資意見及企業融資服務及企業融資服務已正式於二零一七年十二月三十一日止年度開展。因此，提供金融服務的新分部已於本年度加入營運分部。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December

		One-stop value chain services		Property investment		Trading of consumables and agricultural products		Trading of grocery food products		Provision of money lending services		Provision of financial services		Total	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收益														
External sales	對外銷售	16,177	35,955	3,919	3,586	5,870	5,712	29,902	22,409	5,750	4,808	1,410	-	63,028	72,470
Segment (loss) profit	分類(虧損)溢利	(529)	(254)	34	(4,183)	(2,045)	(396)	(482)	(17,957)	6,848	1,753	(52)	-	3,774	(21,037)
Unallocated corporate other (loss) gain, net	未分配公司其他(虧損)或收益淨額													(1,830)	13,324
Unallocated corporate expenses (Decrease) increase in fair value of financial assets at FVTPL	未分配公司開支 按公平值計入損益之 金融資產公平值 (減少)增加													(46,466)	(29,179)
Share of results of associates	分佔聯營公司業績													(20,621)	25,467
Impairment loss recognised on goodwill	商譽確認減值虧損													2,637	(1,030)
Finance costs	融資成本													(3,968)	(14,446)
														(10,873)	(7,456)
Loss before taxation	除稅前虧損													(77,347)	(34,357)

### 7. 分類資料(續)

#### 分類收益及業績

以下為本集團按可呈報及經營分類劃分之收益及業績分析：

截至十二月三十一日止年度

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss) profit represents the (loss from) profit earned by each segment without allocation of central administration costs, directors' emoluments, other (loss) or gain net, (decrease) increase in fair value of financial assets at FVTPL, share of results of associates and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

經營分類的會計政策與附註3所述的本集團會計政策相同。分類(虧損)溢利指各分類的(虧損)溢利，不包括分配中央行政成本、董事酬金、其他(虧損)或收益淨額、按公平值計入損益之金融資產公平值(減少)增加、分佔聯營公司業績及融資成本。此乃向主要營運決策者呈報之方法，以進行資源分配及表現評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

### 7. 分類資料 (續)

#### 分類資產及負債

以下為本集團按可呈報及經營分類劃分之資產與負債分析：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Segment assets</b>	<b>分類資產</b>		
One-stop value chain services	一站式價值鏈服務	21	403
Property investment	物業投資	193,917	179,584
Trading of consumables and agricultural products	消耗品及農產品貿易	5,991	9,094
Trading of grocery food products	糧油食品貿易	5,361	17,596
Provision of money lending services	提供放債服務	49,734	49,258
Provision of financial services	提供金融服務	867	–
Total segment assets	分類資產總值	255,891	255,935
Asset classified as held for sale	分類為持作出售之資產	–	19,393
Unallocated corporate assets	未分配公司資產	234,990	242,578
Consolidated assets	綜合資產	490,881	517,906
<b>Segment liabilities</b>	<b>分類負債</b>		
One-stop value chain services	一站式價值鏈服務	29	183
Property investment	物業投資	6,206	16,683
Trading of consumables and agricultural products	消耗品及農產品貿易	1,157	799
Trading of grocery food products	糧油食品貿易	351	968
Provision of money lending services	提供放債服務	232	78
Provision of financial services	提供金融服務	357	–
Total segment liabilities	分類負債總額	8,332	18,711
Unallocated corporate liabilities	未分配公司負債	162,316	137,068
Consolidated liabilities	綜合負債	170,648	155,779

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment, interests in associates, available-for-sale investments, certain other receivables, loan to an associate, deposit paid for acquisition of plant and equipment, financial assets at FVTPL and bank balances and cash; and
- all liabilities are allocated to operating segments other than other payables, amounts due to non-controlling interests, borrowings, certain income tax payable, loan from non-controlling interests, contingent consideration payable, liability component of convertible bonds, certain deferred tax liabilities, margin loans payable and loan payable.

### 7. 分類資料 (續)

#### 分類資產及負債 (續)

就監控各分類表現及向各分類分配資源而言：

- 所有資產均分配至經營分類於若干廠房及設備、於聯營公司之權益、可供出售投資、若干其他應收款項、向聯營公司作出的貸款、已付收購廠房及設備按金、按公平值計入損益之金融資產，以及銀行結餘及現金除外；及
- 所有負債已分配至經營分類其他應付款項、應付非控股股東權益款項、借款、應付所得稅、非控股股東權益貸款、應付或然代價可換股債券之負債部分、遞延稅項負債、應付保證金貸款及應付貸款除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (continued)

#### Other segment information

For the year ended 31 December

### 7. 分類資料 (續)

#### 其他分類資料

截至十二月三十一日止年度

	One-stop value chain services 一站式價值鏈服務		Property investment 物業投資		Trading of consumables and agricultural products 消耗品及農產品貿易		Trading of grocery food products 糧油產品貿易		Provision of money lending services 提供放債服務		Provision of financial services 提供金融服務		Unallocated 未分配		Total 總計		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Amounts included in the measure of segment profit or loss or segment assets	於計量分類損益或分類資產時已計入的金額																
Additions to non-current assets (Note)	-	-	522	478	-	3,502	-	-	-	-	3	-	3,578	33,277	4,103	37,257	
Increase in fair value of investment properties, net	-	-	(2,124)	(1,809)	-	-	-	-	-	-	-	-	-	-	(2,124)	(1,809)	
Depreciation for plant and equipment	52	52	1,026	525	423	420	-	-	-	-	2	-	1,181	693	2,684	1,690	
Loss on written off on intangible assets	-	-	-	-	-	-	(3,075)	-	-	-	-	-	-	-	(3,075)	-	
Loss on written off on property, plant and equipment	-	-	-	-	-	-	(382)	-	-	-	-	-	-	-	(382)	-	
Amortisation of an intangible asset	-	-	-	-	-	-	1,604	1,604	-	-	-	-	-	-	1,604	1,604	
Impairment loss recognised on goodwill	-	-	-	-	-	-	3,968	14,446	-	-	-	-	-	-	3,968	14,446	
Impairment loss on trade and other receivables	-	-	-	-	-	-	302	-	-	-	-	-	-	-	302	-	
Taxation	-	-	-	(206)	17	163	107	(265)	5	-	610	-	(374)	-	365	(308)	
Amounts regularly provided to chief operating decision maker but not included in the measure of segment profit or loss or segment assets:	定期提供予主要營運決策者但不計入分類損益或分類資產之計量的金額:																
Loss on disposal of financial assets at FVTPL	-	-	-	-	-	-	-	-	-	-	-	-	-	7,168	5,783	7,168	5,783
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	(1,560)	(114)	(1,560)	(114)	
Dividend income from financial assets at FVTPL	-	-	-	-	-	-	-	-	-	-	-	-	(288)	(25)	(288)	(25)	
Gain on cancellation of convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,854)	-	(7,854)	
Decrease (increase) in fair value of financial assets at FVTPL	-	-	-	-	-	-	-	-	-	-	-	-	20,261	(25,467)	20,261	(25,467)	
Loss on disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	881	-	881	
Gain on fair value change of contingent consideration payable	-	-	-	-	-	-	-	-	-	-	-	-	(1,942)	(11,326)	(1,942)	(11,326)	
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	(2,637)	1,030	(2,637)	1,030	
Interests in associates	-	-	-	-	-	-	-	-	-	-	-	-	75,813	73,176	75,813	73,176	
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	10,873	7,456	10,873	7,456	

Note: Non-current assets excluded those financial instruments.

附註：非流動資產不包括金融工具。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (continued)

#### Geographical information

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

### 7. 分類資料 (續)

#### 地區資料

本集團來自外部客戶的所得收益的資料乃按客戶地區呈列。本集團非流動資產乃按資產所在地區呈列。

		Revenue from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		For the year ended 31 December 截至十二月三十一日 止年度		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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
Hong Kong	香港	58,946	67,418	97,927	56,122
The PRC	中國	3,919	4,430	137,129	171,437
Taiwan	台灣	163	622	22,186	20,787
		<b>63,028</b>	<b>72,470</b>	<b>257,242</b>	<b>248,346</b>

Note:

Non-current assets excluded those financial instruments.

附註：

非流動資產不包括金融資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 7. SEGMENT INFORMATION (continued)

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

		For the year ended 31 December 截至十二月三十一日 止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A <sup>1</sup>	客戶A <sup>1</sup>	10,378	29,982
Customer B <sup>2</sup>	客戶B <sup>2</sup>	10,330	N/A 不適用 <sup>3</sup>

<sup>1</sup> Revenue from one-stop value chain services segment.

<sup>2</sup> Revenue from trading of grocery food products segment.

<sup>3</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

### 7. 分類資料 (續)

#### 有關主要客戶的資料

相應年度來自客戶之收入佔本集團總收入超過10%之情況如下：

<sup>1</sup> 來自一站式價值鏈服務分類之收益。

<sup>2</sup> 來自糧油食品貿易分類之收益。

<sup>3</sup> 相應收益佔本集團總收益不超過10%。

### 8. FINANCE COSTS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on bank borrowings	銀行借款利息	4,163	349
Interest on loan payable	應付貸款利息	—	220
Interest on margin loans payable	應付保證金貸款利息	2,142	408
Effective interest expense on convertible bonds (Note 32(d))	可換股債券之實際利息費用 (附註32(d))	4,568	6,479
		<b>10,873</b>	<b>7,456</b>

### 8. 融資成本

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 9. TAXATION

### 9. 稅項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	812	163
Deferred tax (note 33):	遞延稅項（附註33）：		
Current year	本年度	<b>(447)</b>	(471)
		<b>365</b>	(308)

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year ended 31 December 2017.

香港利得稅根據截至二零一七年十二月三十一日止年度的估計應課稅溢利按16.5%（二零一六年：16.5%）之稅率計算。

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008. No EIT is provided for the years ended 31 December 2017 and 2016 as the Group did not derive any assessable profit subject to EIT.

根據中華人民共和國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司的稅率為25%。由於本集團並無產生任何須繳納企業所得稅的應課稅溢利，故概無就截至二零一七年及二零一六年十二月三十一日止年度作出企業所得稅撥備。

The Taiwan Profit-Seeking Enterprise Income Tax is calculated at 17% of the estimated assessable profits for both years. No Profit-Seeking Enterprise Income Tax is provided for the years ended 31 December 2017 and 2016 as the Group did not derive any assessable profit subject to Profit-Seeking Enterprise Income Tax.

台灣營利事業所得稅已根據該兩個年度的估計應課稅溢利按17%之稅率計算。由於本集團並無產生任何須繳納營利事業所得稅的應課稅溢利，故概無就截至二零一七年及二零一六年十二月三十一日止年度作出營利事業所得稅撥備。



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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 9. TAXATION (continued)

The taxation for the years can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 9. 稅項 (續)

該等年度內稅項與綜合損益及其他全面收益的除稅前虧損的對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	<b>(77,347)</b>	(34,357)
Tax at the domestic income tax rate of 16.5% (2016: 16.5%)	按國內所得稅率16.5%計算的稅項(二零一六年: 16.5%)	<b>(12,762)</b>	(5,669)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	<b>6,652</b>	9,995
Tax effect of income not taxable for tax purpose	毋須課稅的收入的稅務影響	<b>(415)</b>	(9,789)
Tax effect of share of results of associates	分佔聯營公司業績的稅務影響	<b>(435)</b>	226
Tax effect of deductible temporary differences not recognised	未確認可扣除暫時差額之稅務影響	<b>176</b>	341
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	<b>7,017</b>	4,686
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	<b>(345)</b>	-
Utilisation of deductible temporary difference previously not recognised	動用先前未確認之可扣減暫時差額	-	(23)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於不同司法權區經營的附屬公司的不同稅率影響	<b>477</b>	(75)
Taxation for the year	年內稅項	<b>365</b>	(308)

Details of deferred taxation are set out in note 33.

有關遞延稅項的詳情載於附註33。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

### 10. 本年度虧損

本年度虧損於扣除下列各項後列賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Directors' emoluments (Note 11)	董事薪酬(附註11)	9,155	11,014
Other staff costs (excluding directors' emoluments)	其他員工成本(不包括董事薪酬)	9,447	8,469
Share-based payments (excluding directors)	以股份為基礎之付款(不包括董事)	3,792	3,889
Retirement benefits scheme contributions (excluding directors)	退休福利計劃供款(不包括董事)	589	540
		<b>22,983</b>	23,912
Auditors' remuneration	核數師酬金	790	730
Amount of inventories recognised as an expense	確認為開支之存貨款項	47,029	60,863
Amortisation of an intangible asset	無形資產攤銷	1,604	1,604
Depreciation for plant and equipment	廠房及設備折舊	2,684	1,690
Loss on written off of intangible assets	撇銷無形資產虧損	3,075	-
Loss on written-off of plant and equipment	撇銷廠房及設備之虧損	382	14
Impairment loss recognised on trade receivables	於貿易應收款項確認的減值虧損	302	-
Exchange loss, net	匯兌虧損淨額	-	3,745
Share-based payments to consultants	支付予顧問的以股份為基礎之付款	1,040	1,096
Minimum lease payments paid under operating leases in respect of office premises	有關辦公室物業的經營租賃的已付最低租賃款項	4,297	2,018

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 11. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the six (2016: seven) directors and the chief executive (the "Chief Executive") of the Company for the years ended 31 December 2017 and 2016 were as follows:

For the year ended 31 December 2017

### 11. 董事之酬金

截至二零一七年及二零一六年十二月三十一日止年度向本公司六位董事(二零一六年:七位)及行政總裁(「行政總裁」)各自已付或應付酬金如下:

截至二零一七年十二月三十一日止年度

		Executive directors 執行董事				Independent non-executive directors ("INED") 獨立非執行董事			
		So David Tat Man	Lai Yick Fung	Ng Cheuk Fan, Keith	Au Yeung Po Leung (resigned on 30 September 2017) 歐陽貫傑 (於二零一七年 九月三十日 辭任)	Zhang Min	Yuen Wai Man	Yick Ting Fai, Jeffery	Total
		蘇達文	賴益豐	吳卓凡		張民	袁慧敏	易庭輝	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings:	就該人士擔任本公司或其附屬公司之董事的已付酬金或應收款項:								
- Fees	- 袍金	-	-	-	-	180	180	180	540
- Other emoluments	- 其他酬金	1,200	1,200	1,184	540	-	-	-	4,124
- Retirement benefits scheme contributions	- 退休福利計劃供款	18	18	18	14	-	-	-	68
- Share-based payments	- 以股份為基礎之付款	1,667	928	835	580	158	97	158	4,423
Total emoluments	其他酬金	2,885	2,146	2,037	1,134	338	277	338	9,155

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 11. DIRECTORS' EMOLUMENTS (continued) For the year ended 31 December 2016

### 11. 董事之酬金 (續) 截至二零一六年十二月三十一日止年度

	Executive directors 執行董事				Independent non-executive directors ("INED") 獨立非執行董事 (「獨立非執行董事」)				Total
	So David Tat Man	Lai Yick Fung	Au Yeung Po Leung (appointed on 2 January 2016)	Ng Cheuk Fan, Keith (appointed on 1 September 2016)	Yuen Wai Man (appointed on 1 September 2016)	Zhang Min	Yick Ting Fai, Jeffery	Ng Cheuk Fan, Keith (re-designated as executive director on 1 September 2016) 吳卓凡 (於二零一六年 九月一日 獲調任為 執行董事)	
	蘇達文	賴益豐	歐陽寶傑 (於二零一六年 一月二日 獲委任)	吳卓凡 (於二零一六年 九月一日 獲委任)	張民	袁慧敏 (於二零一六年 九月一日 獲委任)	易冠輝	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings:	就該人士擔任本公司或其附屬公司之董事的已付酬金或應收款項:								
- Fees	-	-	-	-	180	60	180	-	420
- Other emoluments	1,300	1,300	778	433	-	-	-	120	3,931
- Retirement benefits scheme contributions	18	18	18	6	-	-	-	-	60
- Share-based payments	2,863	1,253	838	1,004	270	105	270	-	6,603
Total emoluments	4,181	2,571	1,634	1,443	450	165	450	120	11,014

There was no Chief Executive of the Company was appointed for the year ended 31 December 2017 and 2016.

No director of the Company waived or agreed to waive any emoluments paid by the Group during the two years ended 31 December 2017 and 2016.

During the two years ended 31 December 2017 and 2016, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一七年及二零一六年十二月三十一日止年度，本公司概無委任行政總裁。

概無本公司董事放棄或同意放棄本集團於截至二零一七年及二零一六年十二月三十一日止兩個年度支付的任何酬金。

於截至二零一七年及二零一六年十二月三十一日止兩個年度，本集團並無向本公司董事支付任何酬金，作為加入本集團或於加入時之獎勵，或作為離職賠償。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2016: four) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining one (2016: one) individuals was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	780	780
Share-based payments	以股份為基礎之付款	95	105
Retirement benefits scheme contributions	退休福利計劃供款	18	18
		<b>893</b>	<b>903</b>

The emoluments of each of the above employees were within the band from nil to HK\$1,000,000 during the two years ended 31 December 2017 and 2016.

During the two years ended 31 December 2017 and 2016, no emoluments were paid by the Group to the highest paid individuals (including the directors of the Company) as an inducement to join or upon joining the Group or as compensation for loss of office.

### 13. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

### 12. 僱員酬金

本集團五位最高薪酬人士中，四位（二零一六年：四位）為本公司董事，彼等酬金已於上文附註11中披露。其餘一位（二零一六年：一位）個別人士之酬金如下：

上述每位僱員於截至二零一七年及二零一六年十二月三十一日止兩個年度的薪金均處於零至1,000,000港元的範圍。

於截至二零一七年及二零一六年十二月三十一日止兩個年度內，本集團並無向最高薪酬人士（包括本公司董事）支付任何酬金，作為加入本集團或於加入時之獎勵，或作為離職賠償。

### 13. 股息

截至二零一七年十二月三十一日止年度概無派付或建議支付任何股息，且自報告期末起亦無建議支付任何股息（二零一六年：無）。

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### 綜合財務報表附註

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#### 14. LOSS PER SHARE

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

##### Loss

Loss for the year attributable to owners of the Company

本公司擁有人應佔本年度虧損

##### 虧損

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
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<b>(71,648)</b>	<b>(29,955)</b>
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##### Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share

普通股加權平均數  
(就每股基本虧損而言)

##### 股份數目

2017 二零一七年	2016 二零一六年
---------------	---------------

<b>6,053,925,449</b>	<b>4,991,602,228</b>
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Diluted loss per share is same as basic loss per share for the years ended 31 December 2017 and 2016. The computation of diluted loss per share does not assume the conversion/exercise of the Company's outstanding convertible bonds set out in note 32 and options to subscribe for additional shares set out in note 39 since their conversion/exercise would result in an anti-dilutive effect on the basic loss per share for the years ended 31 December 2017 and 2016.

於截至二零一七年及二零一六年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同。每股攤薄虧損的計算並不假設附註32所載的本公司尚未行使可換股債券及附註39所載的可認購額外股份的購股權獲兌換／行使，此乃由於該等兌換／行使會對截至二零一七年及二零一六年十二月三十一日止年度的每股基本虧損構成反攤薄影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 15. PLANT AND EQUIPMENT

### 15. 廠房及設備

		Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$'000 千港元	Computer, network and related equipment 電腦、網絡及相關設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>							
At 1 January 2016 於二零一六年一月一日							
At 1 January 2016	於二零一六年一月一日	2,025	598	877	234	3,930	7,664
Additions	添置	1,973	-	1,363	118	-	3,454
Written-off	撇銷	(11)	-	-	(15)	-	(26)
Exchange adjustment	匯兌調整	(41)	-	(27)	1	(33)	(100)
At 31 December 2016 於二零一六年十二月三十一日							
At 31 December 2016	於二零一六年十二月三十一日	3,946	598	2,213	338	3,897	10,992
Additions	添置	2,804	-	323	15	957	4,099
Written-off	撇銷	-	-	-	-	(1,685)	(1,685)
Acquired on acquisition of a subsidiary (note 41)	於收購一間附屬公司時收購(附註41)	-	-	4	-	-	4
Exchange adjustment	匯兌調整	83	-	95	11	121	310
At 31 December 2017 於二零一七年十二月三十一日							
At 31 December 2017	於二零一七年十二月三十一日	6,833	598	2,635	364	3,290	13,720
<b>DEPRECIATION</b>							
At 1 January 2016 於二零一六年一月一日							
At 1 January 2016	於二零一六年一月一日	679	598	221	155	924	2,577
Provided for the year	年內撥備	524	-	162	45	959	1,690
Eliminated on written-off	於撇銷時對銷	(9)	-	-	(3)	-	(12)
Exchange adjustment	匯兌調整	(18)	-	(20)	2	(18)	(54)
At 31 December 2016 於二零一六年十二月三十一日							
At 31 December 2016	於二零一六年十二月三十一日	1,176	598	363	199	1,865	4,201
Provided for the year	年內撥備	1,411	-	469	48	756	2,684
Eliminated on written-off	於撇銷時對銷	-	-	-	-	(1,303)	(1,303)
Exchange adjustment	匯兌調整	32	-	43	3	76	154
At 31 December 2017 於二零一七年十二月三十一日							
At 31 December 2017	於二零一七年十二月三十一日	2,619	598	875	250	1,394	5,736
<b>CARRYING VALUES</b>							
At 31 December 2017 於二零一七年十二月三十一日							
At 31 December 2017	於二零一七年十二月三十一日	4,214	-	1,760	114	1,896	7,984
At 31 December 2016 於二零一六年十二月三十一日							
At 31 December 2016	於二零一六年十二月三十一日	2,770	-	1,850	139	2,032	6,791

The above items of plant and equipment are depreciated over their estimated useful lives using the straight-line basis at the following rates per annum:

上文所述之廠房及設備項目於其估計可使用年期採用直線法按以下年率折舊：

Leasehold improvement	Over the term of leases	租賃物業裝修	於租賃期內
Plant and machinery	20%	廠房及機器	20%
Furniture, fixtures and equipment	20%	傢俬、裝置及設備	20%
Computer, network and related equipment	20%	電腦、網絡及相關設備	20%
Motor vehicles	20%	汽車	20%

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## 綜合財務報表附註

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### 16. INVESTMENT PROPERTIES

### 16. 投資物業

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
FAIR VALUE	公平值		
At 1 January	於一月一日	<b>155,457</b>	190,070
Disposal of a subsidiary (note 42)	出售一間附屬公司(附註42)	-	(9,000)
Net increase in fair value recognised in profit or loss	於損益中確認的公平值增加淨額	<b>2,124</b>	1,809
Reclassified to asset held for sale (note 26)	重新分類至持作出售資產(附註26)	-	(19,393)
Exchange adjustment	匯兌調整	<b>11,592</b>	(8,029)
At 31 December	於十二月三十一日	<b>169,173</b>	155,457
Net unrealised gain on property revaluation included in consolidated statement of profit or loss and other comprehensive income	計入綜合損益及其他全面收益表之物業重估未變現收益淨額	<b>2,124</b>	1,809

(a) The fair value of all of the Group's investment properties at 31 December 2017 and 2016 have been arrived at on the basis of a valuation carried out on the respective dates by Asset Appraisal.

(b) All of the Group's properties interests are held under operating leases to earn rentals or for capital appreciation purposes and are measured using the fair value model and are classified and accounted for as investment properties.

(c) The above investment properties are located in Hong Kong, the PRC and Taiwan.

(a) 本集團於二零一七年及二零一六年十二月三十一日之所有投資物業公平值乃根據中誠達於有關日期所進行之估值達致。

(b) 本集團之全部物業權益按經營租約持有以賺取租金或作資本升值之用，並按公平值模式計量，並分類為投資物業入賬。

(c) 上述投資物業位於香港、中國及台灣。



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## 綜合財務報表附註

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截至二零一七年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES (continued)

- (d) The fair value of the Group's investment properties as at 31 December 2017 and 2016 was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties. Details of the valuation techniques and assumptions are discussed below.
- (e) There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.
- (f) The investment properties located in Taiwan with the fair value of approximately HK\$21,359,000 as at 31 December 2017 (2016: HK\$19,691,000), have been pledged to a bank to secure the bank borrowing granted to the Group. Details of bank borrowing are set out in note 29.
- (g) The investment properties located in the PRC with the fair value of approximately RMB80,300,000 (equivalent to approximately HK\$96,272,000) (2016: nil) as at 31 December 2017 have been pledged to a bank to secure the bank borrowing granted to the Group. Details of bank borrowing are set out in note 29.
- (h) As at 31 December 2016, the investment properties located in Hong Kong with the fair value of approximately HK\$8,750,000 (2017: Nil), have been pledged to a bank to secure the bank borrowing granted to the Group. The property was released upon repayment of the bank borrowing. Details of bank borrowing are set out in note 29.

### 16. 投資物業 (續)

- (d) 本集團於二零一七年及二零一六年十二月三十一日的投資物業之公平值乃根據收入法釐定，而物業的所有可出租單位的市值租金則以投資者就此類物業所預期的市場收益進行評估及折讓。市值租金乃參考物業的可出租單位以及於附近出租類似物業所收取的租金進行評估。折讓率乃參考分析類似商用物業的銷售交易產生的收益，並經計及物業投資者的市場預期作調整後予以釐定，以反映本集團投資物業特定的因素。有關估值方法及假設的詳情討論於下文。
- (e) 往年所用的估值方法現時並無改變。估計該等物業之公平值時，該等物業最高及最佳用途乃其現時用途。
- (f) 位於台灣及於二零一七年十二月三十一日的公平值約21,359,000港元（二零一六年：19,691,000港元）的投資物業已抵押予銀行，以使本集團獲授銀行借款。有關銀行借款的詳情載於附註29。
- (g) 於二零一七年十二月三十一日，位於中國的公平值約為人民幣80,300,000元（相等於約96,272,000港元）（二零一六年：零）的投資物業已抵押予銀行以獲得授予本集團的銀行借貸。銀行借款詳情載於附註29。
- (h) 於二零一六年十二月三十一日，位於香港的投資物業（公平值約8,750,000港元（二零一七年：零））已抵押予銀行，以使本集團獲授銀行借款。物業已於償還銀行借款時解除。有關銀行借款的詳情載於附註29。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES (continued)

- (i) Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 and 2016 are as follows:

### 16. 投資物業 (續)

- (i) 有關本集團於二零一七年及二零一六年十二月三十一日之投資物業以及有關公平值等級資料之詳情如下：

		Fair value as at 31 December	
		於十二月三十一日的公平值	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Investment properties located in Hong Kong (categorised as Level 2)	位於香港的投資物業 (分類為第二級別)	9,100	8,750
Investment properties located in the PRC (categorised as Level 2)	位於中國的投資物業 (分類為第二級別)	99,833	96,334
Investment properties located in the PRC (categorised as Level 3)	位於中國的投資物業 (分類為第三級別)	38,881	30,682
Investment properties located in Taiwan (categorised as Level 3)	位於台灣的投資物業 (分類為第三級別)	21,359	19,691
		<b>169,173</b>	<b>155,457</b>

There was no transfer between levels of fair value hierarchy during the year.

年內，公平值等級中並無級別間轉撥。

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## 綜合財務報表附註

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### 16. INVESTMENT PROPERTIES (continued)

The following table gives information about how the fair values of the investment properties as at 31 December 2017 and 2016 are determined (in particular, the valuation techniques and inputs used):

### 16. 投資物業 (續)

下表提供投資物業於二零一七年及二零一六年十二月三十一日的公平值之釐定方法的資料 (尤其是估值方法及所用輸入數據) :

	Fair value hierarchy	Fair value as at 31 December 2017	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
	公平值等級	於二零一七年十二月三十一日的公平值	估值方法及主要輸入數據	未能觀察的重大輸入數據	公平值的主要輸入數據與未能觀察的重大輸入數據之間的關係
Investment Properties located in Hong Kong	Level 2	HK\$9,100,000 (2016: HK\$8,750,000)	Income approach – by reference to capitalised income derived from existing tenancies based on prevailing market rents and the reversionary potential of the properties	N/A	N/A
位於香港的投資物業	第二級別	9,100,000港元 (二零一六年: 8,750,000港元)	收入法—經參考基於現行市值租金的現有租戶可產生的資本化收入及該等物業的回報潛力	不適用	不適用
Investment Properties located in PRC	Level 2	RMB83,270,000 (Equivalent to approximately HK\$99,833,000) (2016: RMB86,690,000 (Equivalent to approximately HK\$96,334,000))	Income approach – by reference to capitalised income derived from existing tenancies based on the prevailing market rents and the reversionary potential of the properties	N/A	N/A
位於中國的投資物業	第二級別	人民幣83,270,000元 (相當於約99,833,000港元) (二零一六年: 人民幣86,690,000元 (相當於約96,334,000港元))	收入法—經參考基於現行市值租金的現有租戶可產生的資本化收入及該等物業的回報潛力	不適用	不適用
Investment Properties located in PRC	Level 3	RMB32,430,000 (Equivalent to approximately HK\$38,881,000) (2016: RMB27,610,000 (Equivalent to approximately HK\$30,682,000))	Income approach – by reference to capitalised income derived from existing tenancies and the reversionary potential of the properties	Adjusted prevailing market rents	The higher the prevailing market rent, the lower the fair value
位於中國的投資物業	第三級別	人民幣32,430,000元 (相當於約38,881,000港元) (二零一六年: 人民幣27,610,000元 (相當於約30,682,000港元))	收入法—經參考現有租戶可產生的資本化收入及該等物業的回報潛力	經調整現行市值租金	現行市值租金越高, 則公平值低
Investment Properties located in Taiwan	Level 3	NTD80,000,000 (Equivalent to approximately HK\$21,359,000) (2016: NTD79,400,000 (Equivalent to approximately HK\$19,691,000))	Income approach – by reference to capitalised income derived from existing tenancies and the reversionary potential of the properties	Adjusted prevailing market rents	The higher the prevailing market rent, the lower the fair value
位於台灣的投資物業	第三級別	新台幣80,000,000元 (相當於約21,359,000港元) (二零一六年: 新台幣79,400,000元 (相當於約19,691,000港元))	收入法—經參考現有租戶可產生的資本化收入及該等物業的回報潛力	經調整現行市值租金	現行市值租金越高, 則公平值低

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## 綜合財務報表附註

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### 16. INVESTMENT PROPERTIES (continued)

The reconciliation of Level 3 fair value measurements of investment properties on recurring basis is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At beginning of the year	於年初	50,373	52,135
Exchange adjustment	匯兌調整	4,146	(1,402)
Net increase (decrease) in fair value recognised in profit or loss	於損益確認的公平值增加(減少)淨額	5,721	(360)
At end of the year	於年末	60,240	50,373

During the year ended 31 December 2017 and 2016, the net increase in fair value recognised in profit or loss of approximately HK\$5,721,000 (2016: net decrease of approximately HK\$360,000) are included in increase in fair value of investment properties, net. Included in the net increase in fair value is amount of approximately HK\$2,124,000 (2016: HK\$1,809,000) that is attributable to the unrealised gain relating to investment properties held by the Group at the end of the reporting period.

### 16. 投資物業(續)

投資物業第三級公平值計量按經常性基礎之對賬：

截至二零一七年及二零一六年十二月三十一日止年度，於損益確認的公平值增加淨額約5,721,000港元(二零一六年：減少淨額約360,000港元)乃計入投資物業的公平值增加淨額。歸因於本集團所持投資物業於報告期末的未變現收益金額約2,124,000港元(二零一六年：1,809,000港元)計入公平值增加淨額。

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## 綜合財務報表附註

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### 17. GOODWILL

### 17. 商譽

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
COST			
	成本		
At 1 January	於一月一日	<b>22,819</b>	19,322
Arising on acquisition of subsidiaries (note 41)	自收購附屬公司產生 (附註41)	<b>775</b>	3,497
At 31 December	於十二月三十一日	<b>23,594</b>	22,819
IMPAIRMENT			
	減值		
At 1 January	於一月一日	<b>(15,354)</b>	(908)
Impairment loss recognised during the year	年內確認的減值虧損	<b>(3,968)</b>	(14,446)
At 31 December	於十二月三十一日	<b>(19,322)</b>	(15,354)
CARRYING VALUES			
	賬面值		
At 31 December	於十二月三十一日	<b>4,272</b>	7,465

Impairment loss is recognised after the assessment of the recoverable amount, being the value in use, made by the directors' of the Company.

減值虧損於本公司董事評估可收回金額(即使用價值)後確認。

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## 綜合財務報表附註

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### 17. GOODWILL (continued)

For the purposes of impairment testing, goodwill with indefinite useful lives set out above have been allocated to three individual CGUs, comprising one subsidiary group in the trading of grocery food products segment, one subsidiary group in the trading of consumables and agricultural products and one company in provision of financial services. The carrying amounts of goodwill as at 31 December 2017 and 2016 allocated to these units are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trading of grocery food products – YIHE Group (Note a)	糧油食品貿易 – 宜合集團 (附註a)	–	3,968
Trading of consumables and agricultural products – Inno-Bag (Note b)	消耗品及農產品貿易 – 成豐環保袋 (附註b)	<b>3,497</b>	3,497
Provision of financial services – China AF Corporate Finance Limited ("China AF") (Note c)	提供金融服務 – 中國農信財務顧問有限公司 (「中國農信」) (附註c)	<b>775</b>	–
		<b>4,272</b>	<b>7,465</b>

Notes:

- (a) During the year ended 31 December 2017, the Group recognised an impairment loss of approximately HK\$3,968,000 (2016: HK\$14,446,000) in relation to goodwill arising on the acquisition of YIHE Enterprise Holding Limited and its subsidiary (collectively referred as "YIHE Group"), which is engaged in trading of grocery food products. The management assessed the recoverable amount to be nil (2016: HK\$8,660,000) which was due to cessation of the business during the year ended 31 December 2017. Accordingly approximately HK\$3,968,000 was fully impaired.

### 17. 商譽 (續)

為進行減值測試，上文所載具有無限使用期的商譽已獲分配至三個不同的現金產生單位，包括糧油食品貿易分類的一組附屬公司、消耗品及農產品貿易分類的一組附屬公司及提供金融服務的一間公司。於二零一七年及二零一六年十二月三十一日，獲分配至該等單位的商譽賬面值如下：

附註：

- (a) 截至二零一七年十二月三十一日止年度，本集團就收購宜合企業控股有限公司及其附屬公司（統稱為「宜合集團」）（其從事糧油食品貿易）確認商譽減值虧損約3,968,000港元（二零一六年：14,446,000港元）。管理層評估可收回金額為零（二零一六年：8,660,000港元），由於截至二零一七年十二月三十一日止年度業務終止，因此約3,968,000港元已因業務終止而全數減值。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 17. GOODWILL (continued)

Notes: (continued)

(a) (continued)

For the year ended 31 December 2016, the recoverable amount of YIHE Group has been determined on the basis of a value in use calculation. The value in use calculation uses cash flow projections based on financial budgets approved by management covering a 4-year period, and a discount rate of 14.93%. The cash flows beyond the 4-year period are extrapolated using a steady 2.5% growth rate. The growth rate is based on the general inflation rate for the year 2016. Cash flow projections during the budget period for YIHE Group is also based on the budgeted sales and expected gross margins of the YIHE Group. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the YIHE Group to exceed the aggregate recoverable amount of YIHE Group.

(b) For the year ended 31 December 2017, the recoverable amount of Inno-Bag has been determined on the basis of a value in use calculation. The recoverable amount is based on certain similar key assumptions. The value in use calculations uses cash flow projections based on financial budgets approved by management covering a 5-years period, and a discount rate of 17.52% (2016: 18.16%). The cash flows beyond the 5-year period are extrapolated using a steady 3% (2016: 2.5%) growth rate. The growth rate is based on the general inflation rate for the years 2017. Cash flow projections during the budget period for Inno-Bag is also based on the budgeted sales and expected gross margins of Inno-Bag. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Inno-Bag to exceed the aggregate recoverable amount of Inno-Bag.

### 17. 商譽 (續)

附註：(續)

(a) (續)

截至二零一六年十二月三十一日止年度，宜合集團的可收回金額乃按使用價值計算釐定。使用價值計算使用現金流量預測，基於管理層批准的4年期財務預算，折現率為14.93%。超過四年的現金流量以穩定的2.5%增長率推算。增長率基於二零一六年的一般通貨膨脹率。宜合集團預算期間的現金流量預測也基於宜合集團的預算銷售額及預期毛利率。管理層認為，任何上述假設的任何合理可能變動均不會導致宜合集團的賬面總值超過宜合集團的可收回總額。

(b) 截至二零一七年十二月三十一日止年度，成豐環保袋的可收回金額按使用價值計算而釐定。可收回金額按照若干類似關鍵假設。使用價值的計算乃使用基於管理層所批准之五年期財政預算的現金流量預測，及折現率17.52%（二零一六年：18.16%），而超過五年期的現金流量採用穩定增長率3%（二零一六年：2.5%）作出推算。現金增長率乃基於二零一七年的一般通脹率。成豐環保袋於預算期內的現金流量預測亦按照成豐環保袋的預算銷售及預期毛利率。管理層相信，任何該等假設的任何合理可能變動不會導致成豐環保袋總賬面值超過成豐環保袋可收回總金額。

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### 17. GOODWILL (continued)

Notes: (continued)

- (c) The recoverable amount of China AF has been determined on the basis of a value in use calculation. The recoverable amount is based on certain similar key assumptions. The value in use calculations uses cash flow projections based on financial budgets approved by management covering a 5-years period, and a discount rate of 14.66%. The cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. The growth rate is based on the general inflation rate for the years 2017. Cash flow projections during the budget period for China AF are also based on the budgeted sales and expected gross margins of China AF. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of China AF to exceed the aggregate recoverable amount of China AF.

### 17. 商譽 (續)

附註: (續)

- (c) 中國農信的可收回金額按使用價值計算而釐定。可收回金額按照若干類似關鍵假設。使用價值的計算乃使用基於管理層所批准之五年期財政預算的現金流量預測，及折現率14.66%，而超過五年期的現金流量採用穩定增長率3%作出推算。現金增長率乃基於二零一七年的一般通脹率。中國農信於預算期內的現金流量預測亦按照中國農信的預算銷售及預期毛利率。管理層相信，任何該等假設的任何合理可能變動不會導致中國農信總賬面值超逾中國農信可收回總金額。



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### 18. INTANGIBLE ASSET

### 18. 無形資產

		HK\$'000 千港元
<b>COST</b>		
	成本	
At 1 January 2016, at 31 December 2016 and 1 January 2017	於二零一六年一月一日、 於二零一六年十二月三十一日及 二零一七年一月一日	6,416
		6,416
Written off	撇銷	(6,416)
At 31 December 2017	於二零一七年十二月三十一日	-
<b>AMORTISATION</b>		
	攤銷	
At 1 January 2016	於二零一六年一月一日	133
Charge for the year	本年度支出	1,604
At 31 December 2016	於二零一六年十二月三十一日	1,737
Charge for the year	本年度支出	1,604
Eliminated on written off	於撇銷時對銷	(3,341)
At 31 December 2017	二零一七年十二月三十一日	-
<b>CARRYING VALUES</b>		
	賬面值	
At 31 December 2017	二零一七年十二月三十一日	-
At 31 December 2016	於二零一六年十二月三十一日	4,679

In the opinion of the directors of the Company, the franchise has finite useful life and is amortised on a straight-line basis over 4 years. During the year ended 31 December 2017, the asset was fully written off due to the expiry of the franchise rights and the directors of the Company do not elect to renew with the counterparties.

本公司董事認為，專營權具有有限使用期，其於四年內按直線法攤銷。截至二零一七年十二月三十一日止年度，由於特許經營權到期且本公司董事並未選擇與交易對手續約，資產已全部撇銷。

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### 19. INTERESTS IN ASSOCIATES

### 19. 於聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of unlisted investments in associates	於聯營公司之非上市投資成本	69,212	69,212
Share of post-acquisition results	分佔收購後業績	6,601	3,964
		<b>75,813</b>	<b>73,176</b>

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### 19. INTERESTS IN ASSOCIATES (continued)

As at 31 December 2017 and 2016, the Group had interests in the following associates:

### 19. 於聯營公司之權益 (續)

於二零一七年及二零一六年十二月三十一日，本集團於下列聯營公司中擁有權益：

Name of entity 實體名稱	Form of entity 實體形式	Place of incorporation/ establishment/ operation 註冊成立/成立/ 經營地點	Class of shares held 所持股份之類別	Proportion of ownership interests or participating shares held by the Group 本集團所持有所有權權益或參與股份之比例		Proportion of voting power held 所持投票權比例		Principal activity 主要業務
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
<b>Direct associates</b>								
<b>直接聯營公司</b>								
FDC Limited (note a) FDC Limited (附註a)	Limited Liability 有限公司	Samoa 薩摩亞	Ordinary shares 普通股	49%	49%	49%	49%	Inactive 無業務
中合華夏(北京)投資諮詢有限公司 Zhonghe Huaxia (Beijing) Investment Consulting Co., Ltd. ("Beijing HX") (note b)	Limited Liability 有限公司	PRC 中國	Paid up capital 繳足資本	40%	40%	40%	40%	Investment holding 投資控股
Gold Wide Holdings Limited (note d) 金弘集團有限公司(附註d)	Limited Liability 有限公司	HK 香港	Ordinary Shares 普通股	25%	25%	25%	25%	Investment holding 投資控股
<b>Indirect associates</b>								
<b>間接聯營公司</b>								
中合新農(北京)投資有限公司 Zhonghe Xinnong (Beijing) Investment Co., Ltd. ("Beijing XN") (note b)	Limited Liability 有限公司	PRC 中國	Paid up capital 繳足資本	22%	22% (note c)	22%	22%	Investment holding 投資控股
扶余中合新農市場置業有限公司 Fuyu Zhonghe Xinnong Market Real Estate Co., Ltd. ("Fuyu") (note b)	Limited Liability 有限公司	PRC 中國	Paid up capital 繳足資本	22%	22% (note c)	22%	22%	Properties development 物業發展

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#### 19. INTERESTS IN ASSOCIATES (continued)

Notes:

- (a) FDC Limited was inactive since its incorporation, the carrying amount attributable to the Group is not significant.
- (b) The English translation of the company name is for identification purpose only. The official names of these companies are in Chinese.
- (c) Fuyu is wholly owned by Beijing XN and 55% shareholding of Beijing XN is owned by Beijing HX, accordingly, the Group effectively holds 22% equity interest in Beijing XN and Fuyu.
- (d) On 6 October 2016, the Group acquired 25% equity interest in Gold Wide Holdings Limited from an independent third party, for an aggregate of 263,636,364 ordinary shares of the Company allotted and issued and HK\$1 cash consideration. After the acquisition, Gold Wide Holdings Limited becomes one of the associates of the Group and has been accounted for using equity method.

#### 19. 於聯營公司之權益 (續)

附註：

- (a) FDC Limited自註冊成立以來並無業務，而本集團應佔賬面值並不重大。
- (b) 公司名稱的英文翻譯乃僅供識別。該等公司的官方名稱均以中文列示。
- (c) 扶余由北京新農全資擁有，而北京新農則由北京華夏擁有55%，故本集團實際持有北京新農及扶余的22%權益。
- (d) 於二零一六年十月六日，本集團自一名獨立第三方收購金弘集團有限公司25%權益，合共263,636,364股本公司普通股已獲配發及發行，以及1港元現金代價。於收購後，金弘集團有限公司成為本集團其中一間聯營公司，及已按權益法入賬。

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## 綜合財務報表附註

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### 19. INTERESTS IN ASSOCIATES (continued)

The summarised financial information in respect of the material associate of the Group and is accounted for using equity method is set out below:

### 19. 於聯營公司之權益 (續)

本集團按權益法入賬的主要聯營公司的財務資料概要載列如下：

		<b>31 December 2017 二零一七年 十二月 三十一日 HK\$'000 千港元</b>	31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元
<b>Beijing HX and its subsidiaries</b>	<b>北京華夏及其附屬公司</b>		
Current assets	流動資產	<b>332,517</b>	300,832
Non-current assets	非流動資產	<b>227</b>	334
Current liabilities	流動負債	<b>(153,127)</b>	(123,019)
Non-current liabilities	非流動負債	<b>(11,625)</b>	(11,200)
Non-controlling interests	非控股股東權益	<b>(62,738)</b>	(60,814)
Net assets	資產淨值	<b>105,254</b>	106,133
		<b>Year ended 31 December 2017 截至 二零一七年 十二月 三十一日 止年度 HK\$'000 千港元</b>	Year ended 31 December 2016 截至 二零一六年 十二月 三十一日 止年度 HK\$'000 千港元
Revenue	收益	—	—
Loss for the year and total comprehensive expenses for the year	本年度虧損及本年度全面開支總額	<b>(877)</b>	(3,425)

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## 綜合財務報表附註

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### 19. INTERESTS IN ASSOCIATES (continued)

The reconciliation of the summarised financial information presented above to the carrying amount of the interests in associates are set out below:

### 19. 於聯營公司之權益 (續)

上文呈列財務資料概要與於聯營公司之權益賬面值之對賬載列如下：

		<b>31 December 2017 二零一七年 十二月 三十一日 HK\$'000 千港元</b>	31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元
Net assets of the associates attributable to the Group	本集團應佔聯營公司的資產淨值	<b>105,254</b>	106,133
Proportion of the Group's 40% ownership interest in Beijing HX and its subsidiaries	本集團於北京華夏及其附屬公司之40%所有權權益比例	<b>42,102</b>	42,453
Goodwill	商譽	<b>855</b>	855
Carrying amount of the Group's interest in Beijing HX and its subsidiaries	本集團於北京華夏及其附屬公司之權益賬面值	<b>42,957</b>	43,308
<b>Gold Wide Holdings Limited ("Gold Wide")</b>		<b>31 December 2017 二零一七年 十二月 三十一日 HK\$'000 千港元</b>	31 December 2016 二零一六年 十二月 三十一日 HK\$'000 千港元
Non-current assets	非流動資產	<b>121,198</b>	109,226
Current assets	流動資產	<b>23</b>	85
Current liabilities	流動負債	<b>(275)</b>	(315)
Net assets	資產淨值	<b>120,946</b>	108,996

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### 19. INTERESTS IN ASSOCIATES (continued)

### 19. 於聯營公司之權益 (續)

		<b>31 December 2017</b>	From 6 October 2016 to 31 December 2016
		二零一七年 十二月 三十一日	自二零一六年 十月六日至 二零一六年 十二月 三十一日
		<b>HK\$'000</b> 千港元	HK\$'000 千港元
Revenue	收益	—	—
Profit for the year/period and total comprehensive income for the year/period	本年度／期間溢利及 本年度／期間全面收益總額	<b>11,950</b>	1,362
		<b>31 December 2017</b>	31 December 2016
		二零一七年 十二月 三十一日	二零一六年 十二月 三十一日
		<b>HK\$'000</b> 千港元	HK\$'000 千港元
Net assets of the associate attributable to the Group	本集團應佔聯營公司的 資產淨值	<b>120,946</b>	108,996
Proportion of the Group's 25% ownership interest in Gold Wide	本集團於金弘之25%所有權 權益比例	<b>30,237</b>	27,249
Goodwill	商譽	<b>2,619</b>	2,619
Carrying amount of the Group's interest in Gold Wide	本集團於金弘之權益賬面值	<b>32,856</b>	29,868

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#### 19. INTERESTS IN ASSOCIATES (continued)

The goodwill arose from the acquisition of Gold Wide in 2016 are set out below:

#### 19. 於聯營公司之權益(續)

於二零一六年收購金弘產生的商譽載列如下：

		HK\$'000 千港元
Consideration transferred (note 34(c))	已轉讓代價(附註34(c)):	29,528
Less: net assets acquired	減: 所收購淨資產	(26,909)
Goodwill arising on acquisition	收購產生的商譽	<u>2,619</u>

#### 20. AVAILABLE-FOR-SALE INVESTMENTS

#### 20. 可供出售投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At cost:	按成本:		
Unlisted equity investments (note a and b)	非上市股本投資 (附註a及附註b)	41,616	41,616
Less: Accumulated impairment losses	減: 累計減值虧損	<u>(500)</u>	<u>(500)</u>
		41,116	41,116
At fair value:	按公平值:		
Listed equity investments (note c and d)	上市股本投資 (附註c及附註d)	<u>18,064</u>	<u>17,662</u>
		<u>59,180</u>	<u>58,778</u>



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## 綜合財務報表附註

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### 20. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes:

- (a) The unlisted equity investments of approximately HK\$500,000 represent investments in unlisted equity securities issued by a private entity incorporated in Hong Kong. They are measured at cost less accumulated impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably. As at 31 December 2015, it had been fully impaired.
- (b) The unlisted equity investments of approximately RMB37,000,000 (equivalent to approximately HK\$41,116,000) represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less accumulated impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.
- (c) The listed equity investments listed in Hong Kong with the fair value of approximately HK\$17,662,000 as at 31 December 2016, have been pledged to a bank to secure the bank borrowing granted to the Group. The listed equity investments was released upon repayment of the bank borrowing. Details of bank borrowing are set out in note 29.
- (d) The listed equity investments listed in Hong Kong with the fair value of approximately HK\$18,064,000 as at 31 December 2017 have been pledged to a financial institution for borrowing granted to the Group. Details of bank borrowing are set out in note 29.
- (e) During the year ended 31 December 2017, the Group recognised a fair value gain of approximately HK\$402,000 (2016: HK\$4,662,000) in the investment revaluation reserve.

### 20. 可供出售投資 (續)

附註：

- (a) 非上市股本投資約500,000港元指於香港註冊成立的私營實體發行的非上市股本證券之投資，其按成本值減報告期末的累計減值虧損計量，此乃由於合理公平值估計的範圍非常大，故本公司董事認為其公平值未能可靠計量。於二零一五年十二月三十一日，其已全數減值。
- (b) 非上市股本投資約人民幣37,000,000元（相當於約41,116,000港元）指於一間於中國註冊成立的私營實體發行的非上市股本證券之投資，其按成本值減報告期末的累計減值虧損計量，此乃由於合理公平值估計的範圍非常大，故本公司董事認為其公平值未能可靠計量。
- (c) 於香港上市的上市股本投資，於二零一六年十二月三十一日公平值約為17,662,000港元，已抵押予一間銀行作為授予本集團銀行借款的抵押。此項上市股本投資已於銀行借款獲償付後解除。銀行借款的詳情已列載於附註29。
- (d) 於二零一七年十二月三十一日，於香港上市之公平值約18,064,000港元之上市股本投資已抵押予金融機構以授予本集團借貸。銀行借款詳情載於附註29。
- (e) 於二零一七年十二月三十一日止年度，本集團於投資重估儲備確認公平值收益約402,000港元（二零一六年：4,662,000港元）。

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## 綜合財務報表附註

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### 21. TRADE AND OTHER RECEIVABLES

### 21. 應收賬款及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Restated) (經重列)
Trade receivables	應收賬款	5,570	5,424
Less: allowance for doubtful debts	減：呆賬撥備	(302)	-
		<b>5,268</b>	5,424
Prepayment to suppliers	向供應商預付款	4,333	6,008
Deposits (note a)	按金(附註a)	41,283	14,250
Other receivables (note b)	其他應收款項(附註b)	3,550	11,900
Less: allowance for doubtful debts	減：呆賬撥備	(1,006)	(1,006)
		<b>43,827</b>	25,144
		<b>53,428</b>	36,576

The Group does not hold any collateral over the trade and other receivables.

本集團並無就應收賬款及其他應收款項持有任何抵押品。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 21. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (a) During the year ended 31 December 2017, included in the deposit of approximately HK\$9,401,000 (2016: HK\$11,101,000) was paid for the purpose of acquisition of equity interests in three subsidiaries incorporated in Hong Kong and the PRC. During the year ended 31 December 2017, one of the subsidiaries was acquired mounted to HK\$1,700,000. Details please refer to note 41.

During the year ended 31 December 2017, included in the deposits of approximately HK\$4,168,000 was paid for the purpose of additional acquisition of equity interests in two subsidiaries incorporated in Hong Kong and the PRC. However, subsequent to the year ended 31 December 2017, such investments were terminated and the amount will be repaid in accordance with the repayment schedule.

During the year ended 31 December 2017, included in the deposits of approximately HK\$20,000,000 was paid for the purpose of acquisition of additional equity interest in a non-wholly owned subsidiary incorporated in Hong Kong. Pursuant to the supplementary agreement, the completion has been extended from 17 January 2018 to 17 January 2019. Details as disclosed in announcement dated on 17 January 2018.

During the year ended 31 December 2017, included in the deposit of approximately HK\$5,814,000 was paid for the purpose for acquisition of an investment property. The transaction was not completed as at the report date.

### 21. 應收賬款及其他應收款項 (續)

附註：

- (a) 截至二零一七年十二月三十一日止年度，計入按金約9,401,000港元（二零一六年：11,101,000港元）乃為收購於三間於香港及中國註冊成立的附屬公司之股權而支付。截至二零一七年十二月三十一日止年度，其中一間附屬公司獲收購為1,700,000港元。詳情請參閱附註41。

截至二零一七年十二月三十一日止年度，計入按金約4,168,000港元乃為支付額外收購兩間於香港及中國註冊成立的附屬公司的股權。然而，截至二零一七年十二月三十一日止年度後，該等投資已終止，且該款項將根據還款計劃償還。

截至二零一七年十二月三十一日止年度，已支付約20,000,000港元計入按金用於收購在香港註冊成立的非全資附屬公司的額外股權。根據補充協議，完成已由二零一八年一月十七日延長至二零一九年一月十七日。詳情於日期為二零一八年一月十七日的公佈披露。

截至二零一七年十二月三十一日止年度，已支付約5,814,000港元計入按金用作收購投資物業。於報告日期交易未完成。

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### 21. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (b) During the year ended 31 December 2016, include in the other receivable is the amount of RMB7,700,000 (equivalent to approximately HK\$8,557,000) hold by a third party custodian, which was related to the disposal of investment property held by the Group. The disposal was completed on 22 March 2017. Details of the transaction are disclosed in Note 26.
- (c) The credit period granted to the Group's trade customers generally ranges from 0 days to 90 days (2016: 0 days to 90 days). The ageing analysis of trade receivables presented based on the invoice dates, which approximates the respective revenues recognition dates, at the end of the reporting period, which is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	2,082	3,281
31 to 90 days	31至90日	1,146	1,923
Over 90 days	超過90日	2,040	220
		<b>5,268</b>	<b>5,424</b>

As at 31 December 2017, included in the Group's trade receivables balance were debtors with aggregate carrying amount of approximately HK\$2,150,000 (2016: HK\$1,204,000) which were past due at the end of the reporting period for which the Group had not provided for impairment loss.

### 21. 應收賬款及其他應收款項 (續)

附註: (續)

- (b) 截至二零一六年十二月三十一日止年度，其他應收款項包括由第三方託管人持有的人民幣7,700,000元（相當於約8,557,000港元），其與出售本集團所持投資物業出售事項已於二零一七年三月二十二日完成。該交易之詳情披露於附註26。
- (c) 本集團授予貿易客戶之信貸期一般介乎0日至90日（二零一六年：0日至90日）。應收賬款於報告期末根據發票日期（與相關收入確認日期相若）所呈報之賬齡分析如下：

於二零一七年十二月三十一日，本集團之應收賬款結餘包括賬面總值約2,150,000港元（二零一六年：1,204,000港元）之債權，有關債權將於報告期末逾期，本集團尚未就該等賬款作出減值虧損撥備。

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### 21. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (d) The movement in the allowance for doubtful debts of trade receivables is set out below:

At the beginning of the year	於年初	
Impairment losses recognised on trade receivables	貿易應收款項 已確認減值虧損	
At the end of the year	於年末	

Included in the allowance for impairment of trade receivables are individually impaired trade receivables which is considered uncollectible with an aggregate balance of approximately HK\$302,000 which are due to long outstanding.

- (e) The ageing analysis of trade receivables which are past due but not impaired is as follows:

0 to 30 days	0至30日
Over 30 days	超過30日

Trade receivables that were past due but not impaired relate to independent customers that have a good track record with the Group. Based on past experience and the financial standings of these customers, the directors of the Company believe that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable.

### 21. 應收賬款及其他應收款項 (續)

附註：(續)

- (d) 貿易應收款項呆賬撥備的變動載列如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	-	-
Impairment losses recognised on trade receivables	302	-
At the end of the year	302	-

計入貿易應收款項減值撥備的個別已減值貿易應收款項被視為無法收回，總餘額約302,000港元尚未償還。

- (e) 已逾期但未減值之應收賬款賬齡分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	352	1,164
Over 30 days	1,798	40
	2,150	1,204

已逾期但未減值之應收賬款與多名在本集團內擁有良好往績記錄之獨立客戶有關。根據過往經驗及該等客戶之財務狀況，本公司董事相信由於該等結餘並無令信貸質素產生重大變動及仍可悉數收回，故毋須就此作出減值虧損撥備。

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### 21. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (e) (continued)  
The Group's neither past due nor impaired trade receivables mainly represent sales made to creditworthy customers for whom there was no recent history of default.
- (f) The movement in the allowance for doubtful debts of deposit, other receivables and prepayments is set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At the beginning of the year	年初	1,006	3,366
Written-off during the year	於年內撇銷	-	(2,360)
At the end of the year	年末	1,006	1,006

Included in the allowance for impairment of deposit, other receivables and prepayments are individually impaired with an aggregate balance of approximately HK\$1,006,000 (2016: HK\$1,006,000). The individually impaired other receivables are recognised based on the credit history and the financial condition of its debtors or counterparties, such as financial difficulties or default in payments, and current market conditions.

- (g) The Group's deposit and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	4,364	3,738
EUR	歐元	-	73
USD	美元	-	26

### 21. 應收賬款及其他應收款項 (續)

附註: (續)

- (e) (續)  
本集團並無逾期及並無減值之應收賬款主要指向近期並無拖欠記錄、信譽良好之客戶作出之銷售額。
- (f) 按金及其他應收款項及預付款項之呆賬撥備變動載列如下:

結餘總額約為1,006,000港元(二零一六年: 1,006,000港元)之個別已減值已計入按金、其他應收款項及預付款項之減值撥備。各項已減值其他應收款項已根據債務人或交易對手的信用歷史及財務狀況(例如財務困難或付款違約)及目前市況予以確認。

- (g) 本集團以相關集團實體之功能貨幣以外的貨幣列值的按金及其他應收款項載列如下:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 22. LOAN AND INTEREST RECEIVABLES

### 22. 應收貸款及利息

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed-rate loan and interest receivables	固定利率的應收貸款及利息		
– Secured	– 有抵押	44,709	42,946
– Unsecured	– 無抵押	9,174	10,461
		<b>53,883</b>	53,407
Less: allowance for doubtful debts	減：呆賬撥備	<b>(4,149)</b>	(4,149)
		<b>49,734</b>	49,258
Analysed as	獲分析為		
Current asset (within one year)	流動資產（一年內）	<b>48,059</b>	45,444
Non-current asset	非流動資產	<b>1,675</b>	3,814

Notes:

- (a) The secured loan and interest receivables were past due nor impaired as of the end of the reporting period, as in the opinion of the directors of the Company that the outstanding amount can be fully recoverable by the collateral.
- (b) The loan receivables are entered into with independent third parties except for those mentioned in notes (e) and (f) below, with contractual maturity within six months to one year (2016: six months to one year). The Group seeks to maintain tight control over its loan and interest receivables in order to minimise credit risk by reviewing the borrowers' financial positions.
- (c) The secured loan and interest receivables are secured by the unlisted shares, properties of the borrowers and personal guarantee.
- (d) As at 31 December 2017, the current fair value of collaterals held by the Group is approximately HK\$100,753,000 (2016: HK\$56,156,000).

附註：

- (a) 於報告期末，有抵押應收貸款及利息過期或減值。本公司董事認為，未償還款項可以通過抵押品全部收回。
- (b) 應收貸款乃與獨立第三方訂立（惟下文附註(e)及附註(f)所述者除外），合約期為六個月至一年（二零一六年：六個月至一年）。本集團透過審閱借款人的財政狀況，致力維持對其應收貸款及利息的嚴格監控，以將信貸風險降至最低。
- (c) 有抵押應收貸款及利息乃以借款人之非上市股份、物業及個人擔保作抵押。
- (d) 於二零一七年十二月三十一日，本集團持有的抵押品現時公平值約為100,753,000港元（二零一六年：56,156,000港元）。

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## 綜合財務報表附註

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### 22. LOAN AND INTEREST RECEIVABLES (continued)

Notes: (continued)

- (e) As at 31 December 2017, included in the carrying amount is approximately HK\$2,400,000 being a renewal of the existing loan to the former director of the Company (2016: HK\$2,400,000). The maximum amount outstanding for the year ended 31 December 2017 was approximately HK\$2,400,000 (2016: HK\$2,400,000). The amount is secured by the unlisted shares in a PRC entity held by the former director of the Company, subject to a fixed interest rate of 8% (2016: 8%) per annum and is repayable within a year from the date of loan granted.
- (f) As at 31 December 2017, included in the carrying amount is approximately HK\$5,026,000 being a loan to the non-controlling interests of the Group (2016: HK\$6,312,000). The amount is secured by personal guarantee and subject to a fixed interest rate of 7% (2016: 7%) per annum and is repayable within 36 months from the date of loan granted.
- (g) The aging analysis presented based on the date of loan granted to customers and their contractual maturity dates at the end of the reporting period are as follows:

### 22. 應收貸款及利息(續)

附註:(續)

- (e) 於二零一七年十二月三十一日,向本公司一名前董事作出更新現有貸款約2,400,000港元(二零一六年:2,400,000港元)已計入賬面值。於截至二零一七年十二月三十一日止年度,未償還之最高金額約為2,400,000港元(二零一六年:2,400,000港元)。該金額由本公司前董事所持中國實體之非上市股份作抵押,須按固定年利率8%(二零一六年:8%)且須於貸款授出日期起一年內償還。
- (f) 於二零一七年十二月三十一日,向本集團非控股股東權益作出之約5,026,000港元貸款(二零一六年:6,312,000港元)已計入賬面值。該金額由個人擔保作抵押,固定年利率為7%(二零一六年:7%),並須於貸款授出日期起三十六個月內償還。
- (g) 於報告期末根據向客戶授出貸款日期及其合約到期日期呈報之賬齡分析如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 year	一年內	48,059	45,444
After 1 year but within two year	多於一年,兩年內	1,675	3,269
After two years but within five years	多於兩年,五年內	-	545
		<b>49,734</b>	<b>49,258</b>



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## 綜合財務報表附註

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### 22. LOAN AND INTEREST RECEIVABLES (continued)

Notes: (continued)

- (h) The exposure of the Group's fixed-rate loan receivables to interest rate risks and their contractual maturity dates are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed-rate loan receivables:	定息應收貸款：		
Within 1 year	一年內	48,059	45,444
After one year but within two years	一年後但兩年內	1,675	3,269
After two years but within five years	兩年後但五年內	-	545
		<b>49,734</b>	<b>49,258</b>

- (i) The ranges of effective interest rates (which are equal to contractual interest rates) on the Group's loan and interest receivables are as follows:

		2017 二零一七年	2016 二零一六年
Effective interest rate:	實際利率：		
Fixed-rate loan and interest receivables	固定利率的應收貸款及利息	<b>7% – 18%</b>	7% – 18%

- (j) The Group's loan and interest receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	<b>28,921</b>	27,368

### 22. 應收貸款及利息（續）

附註：（續）

- (h) 本集團定息應收貸款所面臨的利率風險及其合約期限載列如下：

- (i) 本集團應收貸款及利息的實際利率（其等同於合約利率）之範圍如下：

- (j) 以相關集團實體功能貨幣以外貨幣列值的本集團應收貸款及利息載列如下：

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### 22. LOAN AND INTEREST RECEIVABLES (continued)

Notes: (continued)

- (k) The movement in the allowance for impairment of loan and interest receivables is set out below:

At the beginning and end of the year	年初及年末
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Included in the allowance for impairment of loan and interest receivables are individually impaired loan and interest receivables with an aggregate balance of approximately HK\$4,149,000 (2016: HK\$4,149,000). The individually impaired loan and interest receivables are recognised based on the credit history and the financial condition of its debtors or counterparties, such as financial difficulties or default in payments, and current market conditions.

### 23. LOAN TO AN ASSOCIATE

As at 31 December 2017, Union World International Group Holdings Limited, an indirectly wholly-owned subsidiary of the Company, had a loan balance of RMB20,400,000 (equivalent to approximately HK\$23,198,000) (2016: RMB2,400,000 (equivalent to approximately HK\$2,667,000)) to Beijing HX and the accrued interest of the loan is approximately HK\$1,658,000 (2016: HK\$106,000). The amount was unsecured, fixed interest bearing at a fixed rate of 18% (2016: 12%) per annum and repayable on demand.

### 22. 應收貸款及利息(續)

附註：(續)

- (k) 應收貸款及利息減值撥備之變動載列如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>4,149</b>	4,149

應收貸款及利息減值撥備已計入結餘總額約4,149,000港元(二零一六年：4,149,000港元)的個別已減值應收貸款及利息。個別已減值應收貸款及利息已根據債務人或交易對手的信用歷史及財務狀況(例如財務困難或付款違約)及目前市況予以確認。

### 23. 向聯營公司作出貸款

於二零一七年十二月三十一日，本公司間接全資附屬公司聯和國際控股有限公司向北京華夏授出有一筆貸款結餘人民幣20,400,000元(相當於約23,198,000港元)(二零一六年：人民幣2,400,000元(相當於約2,667,000港元))。該筆貸款的應計利息約為1,658,000港元(二零一六年：HK\$106,000)，已計入結餘，該金額乃無抵押，按固定年利率18%(二零一六年：12%)計息且須按要求償還。

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### 綜合財務報表附註

For the year ended 31 December 2017

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#### 23. LOAN TO AN ASSOCIATE (continued)

The Group's loan to associate that is denominated in currency other than the functional currency of the relevant group entities is set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	24,856	2,773

#### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities:	上市證券：
– Equity securities listed in Hong Kong, at fair value	– 於香港上市之股本證券，按公平值

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	40,328	79,269

As at 31 December 2017, the listed equity investments listed in Hong Kong with the fair value of approximately HK\$39,598,000 (2016: HK\$71,669,000), have been pledged to a financial institution to secure the margin loans payable granted to the Group. Details of margin loans payable are set out in note 31.

For the valuation method of the financial asset at FVTPL, please refer to note 36(c).

#### 23. 向聯營公司作出貸款(續)

以相關集團實體非功能貨幣計值之本集團向聯營公司作出之貸款載列如下：

#### 24. 按公平值計入損益之金融資產

於二零一七年十二月三十一日，於香港上市的上市股本投資（公平值約39,598,000港元（二零一六年：71,669,000港元））已抵押予一間金融機構，以使本集團獲授應付保證金貸款。應付保證金貸款的詳情載列於附註31。

就有關按公平值計入損益之金融資產的估值方法，請參閱附註36(c)。

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## 綜合財務報表附註

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### 25. BANK BALANCES AND CASH

Bank balances carry interest at floating rates based on daily bank deposit rates.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

USD	美元
EUR	歐元

### 25. 銀行結餘及現金

銀行結餘利率根據每日銀行活期存款利率而變動。

本集團以相關集團實體之功能貨幣以外的貨幣列值的銀行結餘及現金載列如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
USD	141	14
EUR	—	25

### 26. ASSET CLASSIFIED AS HELD FOR SALE

On 3 December 2016, the Group entered into and signed a sales and purchase agreement with an independent third party to dispose of one of the investment properties held by the Group located in the PRC with fair value of RMB17,500,000 (equivalent to approximately HK\$19,447,000) as at 31 December 2016. The sales proceed is amounted to RMB17,500,000 (equivalent to approximately HK\$19,447,000) while the sales less cost of disposal is amounted to RMB17,451,000 (equivalent to approximately HK\$19,393,000). As at 31 December 2016, that property was classified as asset held for sale in the consolidated statement of financial position.

Deposit of approximately RMB8,600,000 (equivalent to HK\$9,557,000) had been received from the buyer and included in trade and other payables as at 31 December 2016. The remaining amount of RMB8,900,000 (equivalent to HK\$9,890,000) had been further settled by the buyer upon the completion of transaction.

### 26. 分類為持作出售之資產

於二零一六年十二月三日，本集團與一名獨立第三方訂立並簽訂一項買賣協議，以出售本集團所持有的其中一個位於中國的投資物業其於二零一六年十二月三十一日的公平值為人民幣17,500,000元（相當於約19,447,000港元）。銷售所得款項約人民幣17,500,000元（相當於約19,447,000港元），銷售減出售成本為人民幣17,451,000元（相當於約19,393,000港元）。於二零一六年十二月三十一日，該物業已於綜合財務狀況表中分類為持作出售之資產。

按金約人民幣8,600,000元（相當於9,557,000港元）已自買方收取及計入於二零一六年十二月三十一日的應付賬款及其他應付款項。餘額人民幣8,900,000元（相當於9,890,000港元）已於交易完成後由買方進一步支付。

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### 26. ASSET CLASSIFIED AS HELD FOR SALE (continued)

Of the total deposit received, amount of RMB7,700,000 (approximately HK\$8,557,000) was held by a third party custodian on behalf of the Group so that such amount was included in deposit and other receivables, and had been returned to the Group after the completion of the transaction.

The transaction was completed on 14 March 2017 with no gain or loss arose from this transaction.

### 27. TRADE AND OTHER PAYABLES

Trade payables	應付款項
Other payables	其他應付款項

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

0 to 30 days	0至30日
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The average credit period on purchases of goods is 15 days (2016:14 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

As at 31 December 2016, included in other payables was an amount of approximately RMB8,600,000 (equivalent to approximately HK\$9,557,000) (2017: nil), which represented the deposit received from the buyer for the purpose of disposal of investment properties held by the Group. The disposal was completed during the year ended 31 December 2017. Details as disclosed in note 26.

### 26. 分類為持作出售之資產 (續)

於已收取按金總額中，人民幣7,700,000元（約8,557,000港元）的款項由第三方託管人代表本集團持有，故該金額計入按金及其他應收款項並已於交易完成後退還本集團。

該交易於二零一七年三月十四日完成，自該交易概無產生收益或虧損。

### 27. 應付賬款及其他應付款項

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables	151	970
Other payables	35,650	19,575
	<b>35,801</b>	<b>20,545</b>

下表為於報告期末根據發票日期呈報之應付賬款之賬齡分析。

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	151	970

購買貨品之平均信貸期為15日（二零一六年：14日）。本集團設有金融風險管理政策，以確保所有應付賬款於信貸期內結清。

於二零一六年十二月三十一日，計入其他應付款項，為數約人民幣8,600,000元（相當於約9,557,000港元（二零一七年：零））之金額指收取買方之按金，目的為出售本集團所持投資物業。出售事項已於截至二零一七年十二月三十一日止年度完成。詳情於附註26披露。

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## 綜合財務報表附註

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### 27. TRADE AND OTHER PAYABLES (continued)

As at 31 December 2017, included in other payables of approximately HK\$23,000,000 represents the amount payable to the bondholder upon maturity of a convertible bond.

### 28. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts are unsecured, non-interest bearing and repayable on demand.

### 29. BORROWINGS

### 27. 應付賬款及其他應付款項(續)

於二零一七年十二月三十一日，計入其他應付款項約為23,000,000港元，相當於可換股債券到期時應付債券持有人的金額。

### 28. 應付非控股股東權益款項

有關款項乃無抵押、免息及須按要求償還。

### 29. 借款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank borrowings, secured (note a)	銀行借款·有抵押(附註a)	9,233	19,181
Other borrowings, unsecured (note b)	其他借款·無抵押(附註b)	10,000	-
Other borrowings, secured (note c)	其他借款·有抵押(附註c)	47,956	-
		57,956	-
Total borrowing	總借款	67,189	19,181

Notes:

(a) At 31 December 2017, the secured bank borrowing of approximately NTD34,577,000 (equivalent to approximately HK\$9,233,000) (2016: NTD37,022,000 (equivalent to HK\$9,181,000)) is secured by a mortgage over an investment property of the Group located in Taiwan with carrying amount of NTD80,000,000 (2016: NTD79,400,000), equivalent to approximately HK\$21,359,000 (2016: HK\$19,691,000) as disclosed in note 16. The bank borrowing carried a saving deposit rate plus a fixed spread of 0.62% per annum in the first year, 0.87% per annum in the second year and 0.97% per annum from the third to fifteen year.

附註:

(a) 誠如附註16所披露，於二零一七年十二月三十一日，有抵押銀行借款約新台幣34,577,000元（相當於約9,233,000港元）（二零一六年：約新台幣37,022,000元，相當於約9,181,000港元）乃以本集團位於台灣的投資物業，而賬面值為新台幣80,000,000元（二零一六年：新台幣79,400,000元）相當於約21,359,000港元（二零一六年：19,691,000港元）作按揭抵押。銀行借款乃按儲蓄存款利率加固定息差計息，年利率首年為0.62%，第二年為0.87%及第三至十五年為0.97%。

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### 29. BORROWINGS (continued)

Notes: (continued)

(a) (continued)

At 31 December 2016, the secured bank borrowing of HK\$10,000,000 (2017: nil) is secured by an investment property of the Company located in Hong Kong with fair value of approximately HK\$8,750,000 as disclosed in note 16 and the available-for-sale investment held by the Group with fair value of approximately HK\$17,662,000 as disclosed in Note 20. The bank borrowings were repaid during the year ended 31 December 2017. The bank borrowing carried a variable interest rate of HIBOR plus 4% per annum and repayable within 9 months. The loan is used for the acquisition of listed equities classified as available-for-sale investments. The secured bank borrowings were fully repaid during the year ended 31 December 2017.

(b) At 31 December 2017, the Group had drawn an unsecured loan of HK\$10,000,000 (2016: nil) from its credit facility with a fixed interest rate of 10% per annum from a financial institution which was secured by the listed securities in Hong Kong with fair value of approximately HK\$18,064,000 (2016: nil) as disclosed in Note 20.

(c) At 31 December 2017, the Group obtained new loans in the amount of approximately RMB40,000,000 (equivalent to HK\$47,956,000) (2016: nil) from a bank in PRC. The loans carried interest at fixed rates of 15.6% per annum and are secured by the Group's seven investment properties located in the PRC with carrying amount of RMB80,300,000, (equivalent to HK\$96,272,000) as disclosed in Note 16.

### 29. 借款(續)

附註:(續)

(a) (續)

於二零一六年十二月三十一日，有抵押銀行借款10,000,000港元(二零一七年：零)以本公司位於香港的投資物業公平值約8,750,000港元(誠如附註16披露)及本集團持有的可供出售投資公平值約17,662,000港元(誠如附註20所披露)作抵押。銀行借款於截至二零一七年十二月三十一日止年度償還。銀行借款乃按香港銀行同業拆息浮動年利率加4%計息及於九個月內償還。該貸款用作收購分類可供出售投資的上市股本證券。有抵押銀行借款已於截至二零一七年十二月三十一日止年度償還。

(b) 於二零一七年十二月三十一日，本集團自其信貸融資已提取無抵押貸款10,000,000(二零一六年：零)港元，固定年息為10%。由附註20所披露公平值約18,064,000港元(二零一六年：零)於香港上市證券作抵押的金融機構處理。

(c) 於二零一七年十二月三十一日，本集團自一間於中國的銀行獲得新貸款約人民幣40,000,000元(相當於47,956,000港元(二零一六年：零))。貸款按固定年利率15.6%計息，並由於附註16披露的位於中國之本集團七間投資物業作抵押，賬面值為人民幣80,300,000元(相當於96,272,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 29. BORROWINGS (continued)

Notes: (continued)

(d) Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

### 29. 借款 (續)

附註: (續)

(d) 應付賬面值 (基於貸款協議所載之已訂還款日期):

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	58,600	10,595
After one year but within two years	一年後·兩年內	656	607
After two years but within five years	兩年後·五年內	2,062	1,910
After five years	五年後	5,871	6,069
		<b>67,189</b>	<b>19,181</b>
Carrying amount of borrowings that is repayable within one year from the end of the reporting period	自報告期末起一年內償還的 借款的賬面值	<b>57,956</b>	10,000
Carrying amount of borrowings that is not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	自報告期末起一年內無法償還 但包含按要求償還條款 (於流動負債項下列示)的 借貸賬面值	<b>9,233</b>	9,181
Amounts shown under current liabilities	列示於流動負債的款項	<b>67,189</b>	<b>19,181</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 29. BORROWINGS (continued)

Notes: (continued)

- (e) The exposure of the Group's borrowings to interest rate changes is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fixed-rate borrowings	固定利率借款	57,956	–
Variable-rate borrowings	浮息借款	9,233	19,181
		<b>67,189</b>	<b>19,181</b>

### 30. LOAN PAYABLE

During the year ended 31 December 2016, the Company obtained a loan in the amount of HK\$20,000,000 from an independent third-party which was fully settled in 2017. The loan was unsecured, interest bearing at a fixed rate of 5% per annum and repayable within two weeks from the date of loan granted.

### 31. MARGIN LOANS PAYABLE

As at 31 December 2017, the margin loans payable was secured by the listed equity securities placed in a financial institution held by the Group as disclosed in note 24 under the margin accounts, with fair value of approximately HK\$39,598,000 (2016: HK\$71,669,000).

The margin loans payable is repayable on demand if it is subjected to margin call from the financial institution and carried a fixed interest rate at 10% per annum (2016: variable interest rate at P+5% per annum).

### 29. 借款(續)

附註:(續)

- (e) 借貸對利率變動的風險如下:

### 30. 應付貸款

截至二零一六年十二月三十一日止年度,本公司由獨立第三方獲得20,000,000港元的貸款,其於二零一七年全數結清。該貸款為無抵押、按固定年利率5%計息及須於授出貸款日期兩星期內償還。

### 31. 應付保證金貸款

於二零一七年十二月三十一日,應付保證金貸款已由存於一間金融機構的保證金賬戶的由本集團持有上市股本證券作抵押(誠如附註24披露),公平值約39,598,000港元(二零一六年:71,669,000港元)。

應付保證金貸款按要求償還,惟按該金融機構的要求償還,固定年利率為10%(二零一六年:浮動年利率P+5%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

#### 32. CONVERTIBLE BONDS (“CBs”)

##### (a) Convertible bonds I

On 30 April 2013, the Company issued convertible bonds (the “CB-I”) in a principal amount of HK\$34,500,000 with interest bearing at 5% per annum to Top Status. The CB-I had been matured on 31 December 2016 (the “Maturity Date”). The CB-I entitled the holder to convert the CB-I in full or in part (in multiples of HK\$500,000) into the ordinary shares of the Company at any time on or after the date of issue of the CB-I up to fifth business day prior to the Maturity Date at an initial conversion price of HK\$0.01 per share, subject to adjustment provisions which are standard terms for convertible securities of similar type. If the CB-I had not been converted by bondholder, it would be converted on Maturity Date by the Company.

On January 2014, Top Status transferred the 2013 CBs to Sino Coronet Limited, which is a connected party of Top Status.

Transaction costs directly attributable to issue of the CB-I amounted to approximately HK\$585,000 are allocated to liability and equity components on initial recognition.

#### 32. 可換股債券（「可換股債券」）

##### (a) 可換股債券一

本公司於二零一三年四月三十日向Top Status發行本金額為34,500,000港元及按年利率5%計息的可換股債券（「可換股債券一」）。可換股債券一已於二零一六年十二月三十一日（「到期日」）到期。可換股債券一賦予持有人權利於可換股債券一發行日期起直至到期日前第五個營業日任何時間按初步轉股價每股0.01港元將所有或部分（須為500,000港元之倍數）之可換股債券一兌換為本公司普通股，惟須符合調整條文（其為相似類型的可換股證券之標準條款）。倘可換股債券一未獲債券持有人兌換，則其會於到期日由本公司兌換。

於二零一四年一月，Top Status向其關連方中冠有限公司轉讓二零一三年可換股債券。

發行可換股債券一應佔交易成本約585,000港元於初始確認時分配至負債及權益部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (a) Convertible bonds I (continued)

The CB-I contained the following components that are required to be separately accounted for:

- (i) Liability component for the CB-I represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest at the date of issue with reference to the market rate for instruments of comparable credit status taking into account the credit risk of the Company as well as the amount of the CB-I without conversion option, plus allocated transaction costs. The effective interest rate of the liability component is 19.49%.
- (ii) Equity component represents the difference between the gross proceeds of the issue of the CB-I and the fair values assigned to the liability components less allocated transaction costs.

On 11 October 2013, as a result of the Company's share consolidation, the conversion price of the 2013 CBs was adjusted to HK\$0.02 per share.

During the year ended 31 December 2016, CB-I with principal amount of HK\$10,000,000 was converted into 500,000,000 ordinary shares of the Company at par at the conversion price of HK\$0.02 per ordinary share. (Note 34(d)). All CB-I had been converted as at 31 December 2016.

### 32. 可換股債券（「可換股債券」） （續）

#### (a) 可換股債券一（續）

可換股債券一包含以下須獨立入賬之部分：

- (i) 可換股債券一之負債部分指按發行日之利率貼現之合約釐定未來現金流現值，當中經參考信貸狀況可資比較的工具之市場利率，並計及本公司之信貸風險以及並無換股權的可換股債券一數目，再加上獲分配交易成本。負債部分之實際利率為19.49%。
- (ii) 權益部分指發行可換股債券一之總收益與分配予負債部分之公平值之差額減已分攤交易成本。

於二零一三年十月十一日，由於本公司進行股份合併，故二零一三年之可換股債券之換股價獲調整為每股0.02港元。

截至二零一六年十二月三十一日止年度，本金額為10,000,000港元之可換股債券一已按每股普通股0.02港元之換股價按面值轉換為500,000,000股本公司普通股（附註34(d)）。所有可換股債券一已於二零一六年十二月三十一日轉換。

32. CONVERTIBLE BONDS (“CBs”) (continued)

(b) Convertible bonds II

On 13 December 2013, Skyline Top Limited (“Skyline Top”), a wholly-owned subsidiary of the Company and Mr. So Pan entered into a sale and purchase agreement, pursuant to which (i) Mr. So Pan has agreed to sell to Skyline Top, and Skyline Top has agreed to purchase from Mr. So Pan the sale shares of Konson Global Investments Limited (“Konson”); and (ii) Mr. So Pan has agreed to assign to Skyline Top, and Skyline Top has agreed to accept the assignment of, the sale loan at an aggregate consideration of HK\$40,000,000, of which: (i) HK\$20,000,000 shall be satisfied by Skyline Top by cheque or cashier order upon the completion; and (ii) HK\$20,000,000 shall be satisfied by the Skyline Top’s procuring of the issue of the convertible bonds (“CB-II”) at the conversion price of HK\$0.17 (Note) per conversion share by the Company to Mr. So Pan upon completion.

Upon exercise of conversion rights attaching to the CB-II, 117,647,058 new shares of the Company shall be issued.

The completion of the acquisition involving the issue of CB-II as a consideration took place on 31 March 2014.

Transaction costs directly attributable to issue of the CB-II amounted to approximately HK\$352,000 is allocated to liability and equity components on initial recognition.

32. 可換股債券（「可換股債券」）  
（續）

(b) 可換股債券二

於二零一三年十二月十三日，本公司全資附屬公司天際高有限公司（「天際高」）與蘇斌先生訂立買賣協議，據此，(i)蘇斌先生已同意向天際高出售，而天際高已同意自蘇斌先生購買康信環球投資有限公司（「康信」）的銷售股份；及(ii)蘇斌先生已同意向天際高轉讓及天際高已同意接受所轉讓的銷售貸款，總代價為40,000,000港元，其中：(i) 20,000,000港元將由天際高於完成後以支票或本票支付；及(ii) 20,000,000港元將由天際高於完成後通過促使本公司按換股價每股換股股份0.17（附註）港元向蘇斌先生發行可換股債券（「可換股債券二」）支付。

於可換股債券二隨附的兌換權獲行使後，117,647,058股本公司新股份將予以發行。

涉及發行可換股債券二作為代價的收購事項於二零一四年三月三十一日完成。

發行可換股債券二的直接應佔交易成本約352,000港元乃於初始確認時分配至負債及權益部分。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (b) Convertible bonds II (continued)

As disclosed in the Company’s circular dated 19 February 2014 (the “Circular”), the principal terms of the CB-II are as follows:

Principal amount of the CB-II: HK\$20,000,000  
可換股債券二之本金額: 20,000,000港元

Authorised denomination: HK\$100,000 each and integral multiples thereof  
法定面額: 每份100,000港元及其整數倍

Conversion price: HK\$0.17  
換股價: 0.17港元

Interest: 3% per annum  
利息: 每年3%

Maturity date: 31 December 2017  
到期日: 二零一七年十二月三十一日

Conversion and transferability: Without prejudice to any condition under the bond instrument, there shall not be any transfer, conversion or redemption of any principal amount of the CB-II during the Restricted Period (as defined in the Circular), and further, the bondholder shall not, and shall not seek to, transfer, convert or redeem any principal amount of the CB-II during the Restricted Period.

轉換及可轉讓性: 在不影響債券文據任何條件之情況下，不可於受限制期間（定義見該通函）進行可換股債券二任何本金額之任何轉讓、轉換或贖回；再者，債券持有人不可及不可尋求於受限制期間轉讓、轉換或贖回可換股債券二之任何本金額。

Note:

As a result of the placing of 629,000,000 shares completed on 2 July 2015, the conversion price of the CB-II was adjusted from HK\$0.188 to HK\$0.17 per share.

附註:

由於有關629,000,000股股份之配售於二零一五年七月二日完成，故可換股債券之換股價由每股0.188港元調整至0.17港元。

### 32. 可換股債券（「可換股債券」） （續）

#### (b) 可換股債券二（續）

誠如本公司日期為二零一四年二月十九日之通函（「該通函」）所披露，可換股債券二之主要條款如下：

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## 綜合財務報表附註

For the year ended 31 December 2017  
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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (b) Convertible bonds II (continued)

##### **Conversion**

No conversion of the CB-II or of the Valid Principal Amount (as defined in the Circular), whichever shall be appropriate, shall take place prior to the expiration of the Restricted Period or prior to the happening of the Specific Event (as defined in the Circular) (as the Company may determine in its sole and absolute discretion).

Prior to the expiration of the Restricted Period or prior to the happening of the Specific Event (as the Company may determine in its sole and absolute discretion), the Company shall not, and shall not have to, recognise, accept, agree or register any conversion of any principal amount of the CB-II. In any event, the Company shall not, and shall not have to, recognise, accept, agree or register any conversion of any Cancelled Principal Amount (as defined in the Circular), and the bondholder shall not have any recourse whatsoever against the Company. The Company shall, and shall only have to, recognise, accept, agree or register any conversion of any Valid Principal Amount, and the Company shall have sole and absolute discretion in determining any or all issues on, over or concerning conversion of the CB-II.

Subject to conditions under the bond instrument, during the conversion period, bondholder shall have the right to convert the whole or any part (in multiples of HK\$100,000.00) of the Valid Principal amount, whichever shall be appropriate, into such number of conversion shares as will be determined by dividing the principal amount of the CB-II to be converted by the conversion price (subject to adjustment) in effect on the date of conversion.

### 32. 可換股債券（「可換股債券」） （續）

#### (b) 可換股債券二（續）

##### **轉換**

受限制期間屆滿前或特定事件（定義見該通函）發生前（本公司可全權酌情釐定），概不得進行可換股債券二或其有效本金額（定義見該通函）之轉換。

於受限制期間屆滿前或特定事件發生前（本公司可全權酌情釐定），本公司不得且不會承認、接受、同意或登記可換股債券二任何本金額之任何轉換。在任何情況下，本公司不得且不會承認、接受、同意或登記任何已註銷本金額（定義見該通函）之任何轉換，而債券持有人對本公司並無任何追索權。本公司會且僅會承認、接受、同意或登記任何有效本金額之任何轉換，而本公司須有唯一及絕對酌情權決定有關、關於或涉及可換股債券二轉換之任何或全部事宜。

在債券文據項下各項條件之規限下，於換股期內，債券持有人有權將有效本金額之全部或任何部份（100,000.00港元的倍數）（如適用）轉換為該等數目之換股股份，而有關數目將透過擬進行轉換之可換股債券二之本金額除以轉換日期生效之換股價（可予調整）進行確定。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (b) Convertible bonds II (continued)

##### **Redemption**

Redemption at maturity shall only be limited and applicable to the Valid Principal Amount. The Cancelled Principal Amount cannot, and shall not, be redeemed whatsoever. Subject to this as well as other conditions in the bond instrument, the Valid Principal Amount which has not been redeemed or converted in accordance with the conditions under the bond instrument by the maturity date, shall, at the sole and absolute discretion of the Company (and regardless of whether or not the bondholder concerned have requested for conversion of any principal amount of the CB-II into conversion shares) but subject to shareholders' approval (if required) as well as compliance with the GEM Listing Rules and/or requirements of regulatory authorities, either be redeemed by the Company on the maturity date at a redemption amount equal to 100% of Valid Principal Amount or such part thereof which is outstanding at that juncture, or be converted into conversion shares. For any avoidance of doubt, the Company shall not, and shall not be required to, redeem the Cancelled Principal Amount (as defined above) or any part thereof, and the bondholder shall not have any recourse or right of action whatsoever against the Company.

Further details of the issue of CB-II as a consideration of an acquisition are set out in the announcements of the Company dated 13 December 2013, 7 March 2014 and 31 March 2014 and the circular of the Company dated 19 February 2014.

### 32. 可換股債券（「可換股債券」） （續）

#### (b) 可換股債券二（續）

##### **贖回**

於到期日之贖回須僅限於及適用於有效本金額。已註銷本金額不會且不應被贖回。在本條及債券文據之其他條件的規限下，於到期日前尚未根據債券文據之條件贖回或轉換之有效本金額，須經本公司全權酌情（及不論債券持有人是否已要求將可換股債券二之任何本金額轉換為轉換股份）但須經股東批准（如需要）並遵守GEM上市規則及／或監管機構規定，由本公司於到期日按相等於有效本金額之100%或當時尚未償還之部份本金額進行贖回，或將其轉換成換股股份。為免生疑，本公司不會亦毋須贖回已註銷本金額（定義見上文）或其任何部份，而債券持有人對本公司並無任何追索權或起訴權。

有關發行可換股債券二作為收購代價的更多詳情，載於本公司日期為二零一三年十二月十三日、二零一四年三月七日及二零一四年三月三十一日之公佈，以及本公司日期為二零一四年二月十九日之通函。

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## 綜合財務報表附註

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截至二零一七年十二月三十一日止年度

### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (b) Convertible bonds II (continued)

##### **Redemption (continued)**

The CB-II contains the following components that are required to be separately accounted for:

- (i) Liability component for the CB-II represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest at the date of issue with reference to the market rate for instruments of comparable credit status taking into account the credit risk of the Company as well as the amount of the CB-II without conversion option, plus allocated transaction costs. The effective interest rate of the liability component is 17.37%.
- (ii) Equity component represents the difference between the fair value of the issue of the CB-II and the fair values assigned to the liability components less allocated transaction costs.

During the year ended 31 December 2017, the remaining CB-II has converted into 68,443,811 ordinary shares of the Company (Note 34(e)). All CB-II had been converted as at 31 December 2017.

During the year ended 31 December 2016, the liability and equity component of CB-II were cancelled by approximately HK\$7,854,000 and HK\$3,477,000 respectively in relation to the failure of Fuyu operation to meet the accumulated profit requirement as stated in profit guarantee. Further details are disclosed in note (e).

### 32. 可換股債券（「可換股債券」） （續）

#### (b) 可換股債券二（續）

##### **贖回（續）**

可換股債券二包含以下須獨立入賬之部分：

- (i) 可換股債券二之負債部分指按發行日之利率貼現之合約釐定未來現金流現值，當中經參考信貸狀況可資比較的工具之市場利率，並計及本公司之信貸風險以及並無換股權的可換股債券二數目，再加上獲分配交易成本。負債部分之實際利率為17.37%。
- (ii) 權益部分指發行可換股債券二之公平值與分配予負債部分之公平值之差額減已分攤交易成本。

截至二零一七年十二月三十一日止年度，剩餘可換股債券二已轉換為68,443,811股本公司普通股（附註34(e)）。所有可換股債券二已於二零一七年十二月三十一日轉換。

截至二零一六年十二月三十一日止年度，可換股債券二的負債及權益部分分別註銷約7,854,000港元及3,477,000港元，此與扶余營運未能達致溢利保證所載之累計溢利要求有關。進一步詳情披露於附註(e)。



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## 綜合財務報表附註

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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (c) Convertible bonds III and Convertible bonds IV

On 29 May 2015, Delightful Hope Limited (“Delightful Hope”), a subsidiary of the Company, Yardley Wealth Management Limited (“Yardley”), the non-controlling shareholder of Delightful Hope, and Rich Best Asia Limited, an entity owned by the shareholder of the Company, entered into a sale and purchase agreement pursuant to which Rich Best Asia Limited (“Rich Best Asia”) has agreed to sell and Delightful Hope has agreed to purchase 1 ordinary share in China Smart Asia Limited, which representing 100% equity interest, at a consideration of HK\$93,000,000, which shall be settled and discharged by Delightful Hope in accordance with the time, mode and manner set out under the sale and purchase agreement.

The aggregated consideration of HK\$93,000,000, of which (i) HK\$46,500,000 shall be satisfied by Delightful Hope and Yardley by cash or cashier order upon the completion of acquisition; and (ii) the remaining balance of the consideration in the sum of HK\$46,500,000 shall be settled and discharged by the issuance of the Company’s convertible bonds to the Chinese Strategic Holdings Limited, the ultimate holding company of Rich Best Asia, and as follows, (i) the Convertible bonds A (“CB-III”) in the principal amount of HK\$23,000,000; and (ii) the Convertible bonds B (“CB-IV”) in the principal amount of HK\$23,500,000 upon the completion of acquisition.

### 32. 可換股債券（「可換股債券」） （續）

#### (c) 可換股債券三及可換股債券四

於二零一五年五月二十九日，本公司附屬公司希愉有限公司（「希愉」）、希愉的非控股股東溢利財富管理有限公司（「溢利」）與本集團股東擁有的實體Rich Best Asia Limited訂立買賣協議，據此，Rich Best Asia Limited（「Rich Best Asia」）已同意出售，而希愉已同意購買華杰亞洲有限公司的1股普通股（其為100%權益），代價為93,000,000港元，並將由希愉根據買賣協議所載列的時間、模式及方法結付及清償。

總代價為93,000,000港元，其中 (i) 46,500,000港元須由希愉及溢利於收購事項完成後以現金或銀行本票支付；及(ii)代價餘額合共為46,500,000港元，須由本公司於收購事項完成時向Rich Best Asia最終控股公司華人策略控股有限公司發行(i)本金額為23,000,000港元的可換股債券（「可換股債券三」）；及(ii)本金額為23,500,000港元的可換股債券四（「可換股債券四」）作結付及清償。

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#### 32. CONVERTIBLE BONDS (“CBs”) (continued)

##### (c) Convertible bonds III and Convertible bonds IV (continued)

Upon exercise of conversion rights attaching to the CB-III and CB-IV, 92,000,000 and 94,000,000 new shares shall be issued.

The completion of the acquisition involving the issue of CB-III and CB-IV as a consideration took place on 20 August 2015.

For the year ended 31 December 2016, transaction costs directly attributable to issue of the CB-III and CB-IV amounted to approximately HK\$702,000 are allocated to liability and equity components on initial recognition.

#### 32. 可換股債券（「可換股債券」） （續）

##### (c) 可換股債券三及可換股債券四 （續）

於可換股債券三及可換股債券四附帶之換股權獲行使後，92,000,000股及94,000,000股新股份將予以發行。

涉及發行可換股債券三及可換股債券四作為代價的收購事項於二零一五年八月二十日完成。

截至二零一六年十二月三十一日止年度，發行可換股債券三及可換股債券四應佔直接交易成本約702,000港元於初始確認時分配至負債及權益部分。

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## 綜合財務報表附註

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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (c) Convertible bonds III and Convertible bonds IV (continued)

As disclosed in the Company’s circular dated 27 July 2015 (the “Circular-II”), the principal terms of the CB-III and CB-IV are as follows:

	CBIII 可換股債券三	CB-IV 可換股債券四
Principal amount: 本金額：	HK\$23,000,000 23,000,000港元	HK\$23,500,000 23,500,000港元
Conversion price: 換股價：	HK\$0.25 0.25港元	HK\$0.25 0.25港元
Interest: 利息：	The Convertible Bonds shall not bear any interest. 可換股債券並無任何利息。	The Convertible Bonds shall not bear any interest. 可換股債券並無任何利息。
Maturity date: 到期日：	31 March 2017 二零一七年三月三十一日	30 September 2018 二零一八年九月三十日
Transferability: 可轉讓性：	Subject to compliance with the GEM Listing Rules and regulatory requirements, the convertible bonds may be transferred to any person provided that where the convertible bonds is intended to be transferred to a connected person (as defined in the GEM Listing Rules) (other than the associates of the holders of the convertible bonds), such transfer shall comply with the requirements under the GEM Listing Rules and/or requirements imposed by the Stock Exchange, if any. Any transfer of the convertible bonds shall be in respect of the whole or any part (in multiples of HK\$500,000) of the outstanding principal amount of the convertible bonds. 於遵守GEM上市規則及監管規定的情況下，可換股債券可轉讓予任何人士，惟倘可換股債券擬轉讓予一名關連人士（定義見GEM上市規則）（可換股債券持有人之聯繫人除外），有關轉讓須符合GEM上市規則之規定及／或聯交所施加之規定（如有）。可換股債券之任何轉讓須為可換股債券尚未贖回本金額的全部或任何部分（500,000港元之倍數）。	

### 32. 可換股債券（「可換股債券」） （續）

#### (c) 可換股債券三及可換股債券四 （續）

誠如本公司日期為二零一五年七月二十七日之通函（「通函二」）所披露，可換股債券三及可換股債券四的主要條款如下：

32. CONVERTIBLE BONDS (“CBs”) (continued)

(c) Convertible bonds III and Convertible bonds IV (continued)

**Conversion**

Each holder of the CB-III and CB-IV shall have the right, exercisable during the Conversion Period (as defined in the Circular-II) to convert the whole or any part (in multiples of HK\$500,000) of the outstanding principal amount of the CB-III and CB-IV held by such holder of CB-III and CB-IV into such number of conversion shares as will be determined by dividing the principal amount of the CB-III and CB-IV to be converted by the conversion price in effect on the date of conversion. No fraction of a Share shall be issued on conversion of the CB-III and CB-IV. The Company shall pay a cash amount in HK\$ equal to such amount of CB-III and CB-IV that are not converted.

**Redemption**

All CB-III and CB-IV which have not been redeemed or converted in accordance with the terms and conditions of the CB-III and CB-IV instruments by their maturity dates shall be redeemed by the Company on their maturity dates at a redemption amount equal to 100% of the principal amount of such CB-III and CB-IV.

32. 可換股債券（「可換股債券」）  
（續）

(c) 可換股債券三及可換股債券四  
（續）

**轉換**

每位可換股債券三及可換股債券四持有人有權於換股期（定義見通函二）將該名可換股債券三及可換股債券四持有人持有的可換股債券三及可換股債券四的全部或任何部分（500,000港元之倍數）尚未贖回本金額轉換為一定數目的換股股份，該數目會按將予轉換的可換股債券三及可換股債券四本金額除以轉換當日有效的換股價釐定。概不得就轉換可換股債券三及可換股債券四而發行碎股。本公司須以港元支付相等於未獲轉換之可換股債券三及可換股債券四金額之現金金額。

**贖回**

所有於到期日前尚未根據該等可換股債券三及可換股債券四文據之條款及條件贖回或轉換之可換股債券三及可換股債券四須由本公司於該等到期日按相等於該等可換股債券三及可換股債券四本金額100%之贖回金額由本公司贖回。

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## 綜合財務報表附註

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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

#### (c) Convertible bonds III and Convertible bonds IV (continued)

##### **Redemption (continued)**

The CB-III & CB-IV contains the following components that are required to be separately accounted for:

- (i) Liability component for the CB-III & CB-IV represented the present value of the contractually determined stream of future cash flows discounted at the rate of interest at the date of issue with reference to the market rate for instruments of comparable credit status taking into account the credit risk of the Company as well as the amount of the CB-III & CB-IV without conversion option, plus allocated transaction costs. The effective interest rate of the liability component for CB-III and CB-IV is 8.82% and 9.27%, respectively.
- (ii) Equity component represents the difference between the fair values of the CB-III & CB-IV and the fair values assigned to the liability components less allocated transaction costs. The fair values of the entire CB-III & CB-IV are HK\$23,000,000 and HK\$23,500,000 respectively, were valued by Asset Appraisal.
- (iii) CB-III was matured on 31 March 2017 and reclassify to other payable with principal amount of HK\$23,000,000 and accrued penalty interest calculated at the fixed rate of 5% per annum as agree with CB-III bonds holder. Details of which are set out in Note 27.

### 32. 可換股債券（「可換股債券」） （續）

#### (c) 可換股債券三及可換股債券四 （續）

##### **贖回（續）**

可換股債券三及可換股債券四包含以下須獨立入賬之部分：

- (i) 可換股債券三及可換股債券四之負債部分指按發行日之利率貼現之合約釐定未來現金流現值，當中經參考信貸狀況可資比較的工具之市場利率，並計及本公司之信貸風險以及並無換股權的可換股債券三及可換股債券四數目，再加上獲分配交易成本。可換股債券三及可換股債券四負債部分之實際利率分別為8.82%及9.27%。
- (ii) 權益部分指可換股債券三及可換股債券四之公平值與分配予負債部分之公平值之差額減已分攤交易成本。可換股債券三及可換股債券四的全部公平值分別為23,000,000港元及23,500,000港元乃由中誠達所估值。
- (iii) 可換股債券三於二零一七年三月三十一日到期，並重新分類為本金額為23,000,000港元的其他應付款項，應計罰金利息按可換股債券三的債券持有人所協定的固定年利率5%計算。有關詳情載於附註27。

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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

(d) The movements of the CBs are set out below:

### 32. 可換股債券（「可換股債券」） （續）

(d) 可換股債券之變動載列如下：

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	54,148	24,918	79,066
Interest paid	已付利息	(1,416)	-	(1,416)
Conversion of CB-I	兌換可換股債券一	(20)	(8,594)	(8,614)
Effective interest expense (Note 8)	實際利息支出（附註8）	6,479	-	6,479
Cancellation of CB-II (Note (e))	註銷可換股債券二 （附註(e)）	(7,854)	(3,477)	(11,331)
At 31 December 2016	於二零一六年 十二月三十一日	51,337	12,847	64,184
Interest paid	已付利息	(248)	-	(248)
Conversion of CB-II (Note (b))	兌換可換股債券二 （附註 (b)）	(10,970)	(4,194)	(15,164)
Effective interest expense (Note 8)	實際利息支出（附註8）	4,568	-	4,568
Lapse of CB-III	可換股債券三失效	-	(2,954)	(2,954)
Reclassify to other payable (Note 27)	重新分類為其他應付款項 （附註27）	(23,000)	-	(23,000)
At 31 December 2017	於二零一七年 十二月三十一日	21,687	5,699	27,386
			<b>2017</b> 二零一七年 <b>HK\$'000</b> 千港元	2016 二零一六年 HK\$'000 千港元
<b>Liability component</b>	<b>負債部分</b>			
Classification of convertible bonds:	可換股債券之分類：			
Current	即期		<b>21,687</b>	31,551
Non-current	非即期		-	19,786
			<b>21,687</b>	51,337

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### 32. CONVERTIBLE BONDS (“CBs”) (continued)

- (e) As part of the acquisition condition of Konson during the year ended 31 December 2014, the vendor, Mr. So Pan granted a profit guarantee (“Profit Guarantee”) to the Group in respect of the financial performance of the underlying business operation of the associate in the PRC (“Fuyu operation”). As stipulated in the agreement with Mr. So, if Fuyu fails to meet the accumulated profit before tax amount of HK\$80,000,000 from 31 March 2014 to 31 December 2016, the principal amount of convertible bonds issued by the Company would be reduced proportionately in accordance with the agreement.

As at 31 December 2016, the accumulated profit before tax of the Fuyu operation from 31 March 2014 to 31 December 2016 was approximately RMB39,364,000 (equivalent to approximately HK\$43,744,000), accordingly, convertible bonds with principal amount of HK\$20,000,000 issued by the Company were reduced proportionately. The corresponding carrying amount of liability component of convertible bonds would be cancelled by approximately HK\$7,854,000, upon the cancellation of convertible bonds liability component, the corresponding carrying amount of equity component of convertible bonds would be cancelled by approximately HK\$3,477,000.

### 32. 可換股債券（「可換股債券」） （續）

- (e) 作為於二零一四年十二月三十一日止年度收購康信的部份條件，賣方蘇斌先生就於中國的聯營公司基本業務營運的財務表現（「扶余營運」）向本集團授出溢利保證（「溢利保證」）。誠如與蘇先生訂立的協議所列明，倘扶余由二零一四年三月三十一日至二零一六年十二月三十一日期間未能達到除稅前累計溢利80,000,000港元，則本公司發行的可換股債券本金額將根據協議按比例減少。

於二零一六年十二月三十一日，由二零一四年三月三十一日至二零一六年十二月三十一日期間，扶余營運的累計稅前溢利約為人民幣39,364,000元（相當於43,744,000港元），由本公司發行本金額為20,000,000港元的可換股債券已按比例減少。可換股債券負債部分之相應賬面值將註銷約7,854,000港元，可換股債券負債部分註銷完成後，可換股債券權益部分的相應賬面值將註銷約3,477,000港元。

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## 綜合財務報表附註

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### 33. DEFERRED TAXATION

The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior reporting periods:

### 33. 遞延稅項

以下為本報告期間及過往報告期間主要已確認遞延稅項負債及有關變動：

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Fair value changes of investment properties 投資物業的 公平值變動 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	1,037	22,842	23,879
(Credited) charged to consolidated statement of profit or loss and other comprehensive income for the year	年度綜合損益及其他全面收益表(抵免)支出	(265)	(206)	(471)
Exchange differences arising from the balances	自結餘產生的匯兌差額	–	(1,631)	(1,631)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	772	21,005	21,777
Credited to consolidated statement of profit or loss and other comprehensive income for the year	年度綜合損益及其他全面收益表抵免	(445)	(2)	(447)
Exchange differences arising from the balances	自結餘產生的匯兌差額	–	203	203
At 31 December 2017	於二零一七年十二月三十一日	327	21,206	21,533

At the end of the reporting period, the Group has unused tax losses of approximately HK\$194,297,000 (2016: HK\$153,861,000) available for offsetting against future profits. No deferred tax has been recognised in respect of such losses (2016: nil) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

於報告期末，本集團擁有可用作抵銷未來溢利的尚未動用稅項虧損約194,297,000港元（二零一六年：153,861,000港元）。由於未能預測未來溢利流，故概無遞延稅項已就該等虧損（二零一六年：零）予以確認。虧損可無限定期地結轉。

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$3,658,000 (2016: HK\$2,591,000). No deferred tax asset has been recognised in respect of such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於報告期末，本集團的可扣減暫時差額約為3,658,000港元（二零一六年：2,591,000港元）。由於不大可能有應課稅溢利可動用與可扣減暫時差額抵銷，故並無就可扣減暫時差額確認遞延稅項資產。



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### 34. SHARE CAPITAL

### 34. 股本

		Nominal value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised ordinary shares:	法定普通股：			
At 1 January 2016 and 31 December 2016 and 1 January 2017 and 31 December 2017	於二零一六年一月一日及二零一六年十二月三十一日及二零一七年一月一日及二零一七年十二月三十一日	0.02	9,130,434,785	182,609
Issued and fully paid ordinary shares:	已發行及已繳足普通股：			
At 1 January 2016	於二零一六年一月一日	0.02	4,528,705,060	90,574
Placing of new shares (Note a)	配售新股份 (附註a)	0.02	420,000,000	8,400
Issue of shares (Note b)	發行股份 (附註b)	0.02	288,000,000	5,760
Issue of shares in consideration for the acquisition of an associate (Note c)	發行股份作為收購一間聯營公司之代價 (附註c)	0.02	263,636,364	5,273
Issue of shares upon conversion of convertible bonds (Note d)	可換股債券獲兌換而發行股份 (附註d)	0.02	500,000,000	10,000
At 31 December 2016 and 1 January 2017	二零一六年十二月三十一日及二零一七年一月一日	0.02	6,000,341,424	120,007
Issue of shares upon conversion of convertible bonds (Note e)	轉換可換股債券時發行股份 (附註e)	0.02	68,443,811	1,369
Exercise of share options (Note f)	行使購股權 (附註f)	0.02	30,750,000	615
Issue of shares in upon settlement of contingent consideration (Note g)	於結算或然代價時發行股份 (附註g)	0.02	4,017,253	80
At 31 December 2017	於二零一七年十二月三十一日		6,103,552,488	122,071
Authorised convertible preference shares:	法定可換股優先股：			
At 1 January 2016, 31 December 2016 and 1 January 2017 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年一月一日及二零一七年十二月三十一日	0.1	173,913,043	17,391
Issued and fully paid convertible preference shares:	已發行及已繳足的可換股優先股：			
At 1 January 2016, 31 December 2016 and 1 January 2017 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年一月一日及二零一七年十二月三十一日	0.1	-	-

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## 綜合財務報表附註

For the year ended 31 December 2017  
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### 34. SHARE CAPITAL (continued)

Notes:

- (a) On 25 April 2016, the Company and Sun International Securities Limited (the "Placing Agent") entered into the placing agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis a maximum of 420,000,000 ordinary shares of the Company at a placing price of HK\$0.1 per placing share (the "2016 Placing").

The gross proceeds from the 2016 Placing were HK\$42,000,000. The net proceeds after deducting the placing commission and other related expenses were approximately HK\$41,582,000. The relevant resolution was passed at the Company's special general meeting on 25 April 2016. The completion of the 2016 Placing took place on 3 May 2016. Further details of the 2016 Placing are set out in the Company's announcements dated 25 April 2016 and 3 May 2016.

- (b) On 19 July 2016, arrangements were made for a private placement to independent private investors, Mr. Sun Hui (the "Subscriber"). Pursuant to the subscription agreement, the Subscriber had conditionally agreed to subscribe for 288,000,000 subscription shares at a consideration of HK\$43,200,000 in the Company at a price of HK\$0.15 per share. The proceeds will utilise for investment purposes or working capital for operation of the Company. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 4th May, 2016 and rank pari passu with other shares in issue in all respects.

### 34. 股本 (續)

附註:

- (a) 於二零一六年四月二十五日,本公司與太陽國際證券有限公司(「配售代理」)訂立配售協議,據此本公司已有條件地同意透過共同配售代理盡最大努力按配售價每股配售股份0.1港元配售最多420,000,000股本公司普通股(「二零一六年配售事項」)。

二零一六年配售事項的所得款項總額為42,000,000港元。經扣除配售佣金及其他相關開支後,所得款項淨額約為41,582,000港元。相關決議案於二零一六年四月二十五日的本公司股東特別大會上獲通過。二零一六年配售事項於二零一六年五月三日完成。有關二零一六年配售事項的詳情載於本公司日期為二零一六年四月二十五日及二零一六年五月三日之公佈。

- (b) 於二零一六年七月十九日,已安排私人配售予獨立私人投資者孫輝先生(「認購方」)。根據認購協議,認購方已有條件同意認購288,000,000股認購股份,代價為43,200,000港元,每股0.15港元。所得款項將用作投資用途或本公司一般營運資金。該等新股份於本公司於二零一六年五月四日舉行的股東週年大會按一般授權予以發行授予董事,而於所有方面均與其他股份享有同等地位。

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## 綜合財務報表附註

For the year ended 31 December 2017

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### 34. SHARE CAPITAL (continued)

Notes: (continued)

- (c) On 20 September 2016, Allied Realty Limited (“Allied Realty”), a wholly-owned subsidiary of the Company and an independent third party Mr. Huang Zekai (“Mr. Huang”) entered into a sale and purchase agreement, pursuant to which (i) Mr. Huang has agreed to sell to Allied Realty 40,000 ordinary shares of Gold Wide Holdings Limited (“Gold Wide”), representing 25% of the entire issued share capital in Gold Wide, and (ii) Sale loan of net amount of approximately HK\$115,000 at the consideration of approximately HK\$29,528,000, settled by the issuance of 263,636,364 shares by the Company to Mr. Huang at closing price at the completion date of HK\$0.112 per share together with HK\$1 in cash. The transaction was completed on 6 October 2016. Further details of the acquisition are set out in the Company’s announcements dated 20 September 2016 and 6 October 2016. Details of the calculation of Goodwill raised from this acquisition are disclosed in note 19.
- (d) During the year ended 31 December 2016, CB-I with principal amount of HK\$10,000,000 was converted into 500,000,000 ordinary shares of the Company at par at the conversion price of HK\$0.02 per ordinary share.
- (e) During the year ended 31 December 2017, the remaining CB-II with principal amount of HK\$20,000,000 was converted into 68,443,811 ordinary shares of the Company at par at the conversion price of HK\$0.17 per ordinary shares. As a result of the conversion share capital and share premium have been increased by approximately HK\$1,369,000 and approximately HK\$13,795,000 respectively and equity component of convertible bonds has been decreased by approximately HK\$4,194,000.

### 34. 股本 (續)

附註：(續)

- (c) 於二零一六年九月二十日，本公司全資附屬公司Allied Realty Limited (「Allied Realty」)與獨立第三方黃澤凱先生(「黃先生」)訂立買賣協議，據此，(i)黃先生已同意向Allied Realty出售金弘集團有限公司(「金弘」)40,000股普通股，佔金弘全部已發行股本之25%，及(ii)銷售貸款淨額約115,000港元，代價為29,528,000港元(其將由本公司按以完成日期收市價每股0.112港元發行263,636,364股股份予黃先生連同現金1港元清償)。該交易已於二零一六年十月六日完成。收購的進一步詳情載列於本公司日期為二零一六年九月二十日及二零一六年十月六日的公佈。計算此次收購產生的商譽之詳情載於附註19。
- (d) 於截至二零一六年十二月三十一日止年度，可換股債券一本金額10,000,000港元已按面值以換股價每股普通股0.02港元轉換為500,000,000股本公司普通股。
- (e) 截至二零一七年十二月三十一日止年度，本金額20,000,000港元的剩餘可換股債券二已按面值以換股價每股普通股0.17港元轉換為68,443,811股本公司普通股。換股導致股本及股份溢價已分別增加約1,369,000港元及約13,795,000港元，而可換股債券的權益部分已減少約4,194,000港元。

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## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 34. SHARE CAPITAL (continued)

Notes: (continued)

(f) During the year ended 31 December 2017, 30,750,000 share options had been exercised by the holders an exercise price HK\$0.11 each for the issuance of shares at par. As a result of the exercise of share options, cash and cash equivalents, share capital and share premium have been increased by HK\$3,383,000, HK\$615,000 and HK\$4,153,000 respectively and share options reserves has been decreased by approximately HK\$1,385,000.

(g) On 29 July 2016, a wholly owned subsidiary of the Company, Treasure Max Investment Holdings Limited (the "Purchaser") and Ms. Kwok Shuk Kam (the "Vendor") entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell the Sale Shares (as defined in the Company's announcement dated 29 July 2016) to the Purchaser and the Purchaser has agreed to acquire the Sale Shares from the Vendor. The Consideration in the sum of up to HK\$4,212,000 (subject to adjustment) shall be satisfied by cash of HK\$2,600,000 and up to HK\$1,612,000 by issue of not more than 12,400,000 consideration shares at HK\$0.13 per consideration share under the General Mandate granted to the directors of the Company at the annual general meeting held on 4 May 2016.

During the year ended 31 December 2017, the Company issued 4,017,253 ordinary shares at par value of HK\$0.02 per share at a conversion price of HK\$0.13 per share on a pro rata basis to the Vendor since only 65% of the target profit after tax have been met. Details are set out in Note 43(b). As a result of this transaction, share capital and share premium have been increased by approximately HK\$80,000 and approximately HK\$442,000 respectively.

(h) All new shares rank pari passu with other shares in issue in all respects.

### 34. 股本 (續)

附註: (續)

(f) 截至二零一七年十二月三十一日止年度, 30,750,000份購股權已由持有人按行使價每股0.11港元行使以發行股份。由於行使購股權, 現金及現金等值、股本及股份溢價已分別增加3,383,000港元、615,000港元及4,153,000港元, 而購股權儲備已減少約1,385,000港元。

(g) 於二零一六年七月二十九日, 本公司全資附屬公司寶美投資控股有限公司(「買方」)與郭淑琴女士(「賣方」)訂立買賣協議, 據此, 賣方已同意向買方出售銷售股份(定義見本公司日期為二零一六年七月二十九日的公佈)而買方已同意自賣方收購銷售股份。代價合共最多為4,212,000港元(可予調整), 並以現金2,600,000港元支付, 以及根據一般授權(根據於二零一六年五月四日舉行之股東周年大會上授予本公司董事)按每股0.13港元發行不超過12,400,000股代價股份以支付最多1,612,000港元。

截至二零一七年十二月三十一日止年度, 本公司以換股價每股0.13港元按比例發行4,017,253股每股面值0.02港元的普通股予賣方, 因僅達到65%的目標除稅後溢利。詳情請參閱附註43(b)。由於此次交易, 股本及股份溢價已分別增加約80,000港元及約442,000港元。

(h) 所有新股份於所有方面均與其他已發行股份享有同等地位。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes amounts due to non-controlling interests and the debt component of convertible bonds, borrowings, loan payable and margin loans payable as disclosed in note 28, 32, 29, 30 and 31 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt or the redemption of existing debts.

### 35. 資本風險管理

本集團管理其資本乃為確保本集團實體將可持續經營，並透過債務及權益之優化，為股東帶來最大回報。本集團之整體策略與去年相比仍維持不變。

本集團之資本架構分別由債務淨額（包括來自應付非控股股東權益的款項及可換股債券的負債部分及銀行借款、應付貸款及應付保證金貸款（分別於附註28、32、29、30及31披露））、並經扣除現金及現金等值以及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事定期檢討其資本架構。是次檢討之其中一部分為本公司董事考慮資金成本及與各項資金類別相關之風險。根據本公司董事之推薦意見，本集團將透過發行新股發行及新增債務，或贖回現有債務而平衡其整體資本結構。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值)	89,413	84,024
Financial assets at FVTPL – held-for-trading	按公平值計入損益之金融資產 – 持作買賣	40,328	79,269
Available-for-sale investments	可供出售投資	59,180	58,778
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities at FVTPL – contingent consideration payable	按公平值計入損益的金融負債 – 應付或然代價	512	2,976
Other financial liabilities (at amortised cost)	其他金融負債 (按攤銷成本列值)	147,694	121,269

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, loan to an associate, trade and other receivables, loan and interest receivables, financial assets at FVTPL, bank balances and cash, trade and other payables, amounts due to non-controlling interests, borrowings, loan payable, margin loans payable, convertible bonds and contingent consideration payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### 36. 金融工具

#### (a) 金融工具之類別

#### (b) 金融風險管理目標及政策

本集團的主要金融工具包括可供出售投資、向聯營公司作出貸款、應收賬款及其他應收賬款、應收貸款及利息、按公平值計入損益的金融資產、銀行結餘及現金、應付賬款及其他應付款項、應付非控股股東權益款項、借款、應付貸款、應付保證金貸款、可換股債券及應付或然代價。有關金融工具的詳情披露於相關附註。與該等金融工具相關之金融風險包括市場風險（貨幣風險、利率風險及其他價格風險）、信貸風險及流動資金風險。有關如何減輕該等風險之政策載於下文。本公司董事對該等風險進行管理及監控，以確保及時有效地實施適當之措施。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### **Market risk**

##### (i) *Currency risk*

The Group has certain subsidiaries operate in the PRC and Taiwan, and the functional currency of these subsidiaries established in the PRC and Taiwan are RMB and NTD respectively. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### **市場風險**

##### (i) *貨幣風險*

本集團有若干附屬公司於中國及台灣經營，而該等於中國及台灣成立的附屬公司之功能貨幣分別為人民幣及新台幣。人民幣不能自由兌換成其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。

本集團目前並無外幣對沖政策。然而，管理層會監察外匯風險，並會於有需要時考慮對沖重大外幣風險。

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## 綜合財務報表附註

For the year ended 31 December 2017

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### (i) Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets, including bank balances, loan and interest receivables, loan to an associate and other receivables, and monetary liabilities including trade and other payables at the end of the reporting period are as follows:

RMB	人民幣
USD	美元
EUR	歐元

The Group is mainly exposed to RMB, USD and EUR.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### 市場風險 (續)

##### (i) 貨幣風險 (續)

本集團以外幣為單位的貨幣性資產(包括銀行結餘、應收貸款及利息、向聯營公司作出貸款及其他應收款項)及貨幣性負債(包括應付賬款及其他應付款項)於報告期末之賬面值如下:

##### Assets 資產

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
53,777	31,106
141	40
–	98

本集團主要面臨人民幣、美元及歐元的風險。



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## 綜合財務報表附註

For the year ended 31 December 2017

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### (i) Currency risk (continued)

The following table details the Group's sensitivity to a 5% (2016: 5%) change in Hong Kong dollars against the respective foreign currencies. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2016: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where Hong Kong dollars weaken against the respective foreign currencies. For a 5% (2016: 5%) strengthening of Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the post-tax loss and the balances below would be negative.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### 市場風險 (續)

##### (i) 貨幣風險 (續)

下表詳列本集團對港元兌相關外幣的匯率升值5% (二零一六年: 5%) 的敏感度。該5% (二零一六年: 5%) 波動乃向集團內部的主要管理人員匯報外幣風險時所使用的比率，並代表管理層對外幣匯率可能出現合理變動的評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目，並於報告期末時以外幣匯率變數5% (二零一六年: 5%) 作匯兌調整。下文正數數字反映港元兌有關外幣貶值時，稅後虧損則會減少。倘港元兌相關貨幣的匯率升值5% (二零一六年: 5%)，則會對除稅後虧損構成同等及相反的影響，而下列結餘將會負數。

	RMB impact 人民幣影響		EUR impact 歐元影響		USD impact 美元影響	
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Decrease in post-tax loss 除稅後虧損減少	2,245	1,299	-	4	6	2

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## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### **Market risk (continued)**

##### (ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan and interest receivables, loan to an associate, borrowings, loan payable and the liability component of convertible bonds, as set out in Notes 22, 23, 29 and 32, respectively. The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank balances as detailed in Note 25. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

For both 2017 and 2016, in view of the prevailing market saving interest rate for bank balance is low, in the opinion of the directors of the Company, the Group's exposures to interest rates risk are minimal, therefore no sensitivity analysis is presented.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### **市場風險 (續)**

##### (ii) 利率風險

本集團就分別於附註22、23、29及32所載定息應收貸款及利息、向聯營公司作出貸款、借款、應付貸款、及可換股債券的負債部分面臨公平值利率風險。本集團亦就其於附註25詳述之浮息銀行結餘，面臨現金流利率風險。本集團目前並無利率對沖政策。然而，管理層會監察利率風險，並會於有需要時考慮對沖重大利率風險。

於二零一七年及二零一六年，鑑於銀行結餘的現行市場儲蓄利率低，故本公司董事認為，本集團面臨的利率風險極微，故並無呈列敏感度分析。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### **Market risk (continued)**

##### (ii) Interest rate risk (continued)

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the bank borrowings and margin loans payable at the end of the reporting period. The analysis is prepared assuming the bank borrowing and margin loans payable outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2016: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2016: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2017 and 2016 would increase/decrease by approximately HK\$300,000 (2017: nil). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and margin loans payable.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### **市場風險 (續)**

##### (ii) 利率風險 (續)

##### 敏感度分析

以下敏感度分析乃根據銀行借款及應付保證金貸款於報告期末的利率風險釐定。有關分析乃假設於報告期末未償還的銀行借款及應付保證金貸款在整個年度均未償還而編製。上升或下降100個基點乃用於向主要管理人員內部匯報利率風險(二零一六年: 100個基點), 並代表管理層對利率合理可能變動作出的評估。

倘利率上升/下降100個基點(二零一六年: 100個基點), 而所有其他變數維持不變, 則本集團截至二零一七年及二零一六年十二月三十一日止年度的除稅後虧損將增加/減少約300,000港元(二零一七年: 無)。此乃主要來自本集團就其浮息銀行借款及應付保證金貸款面臨的利率風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### **Market risk (continued)**

##### (iii) Other price risk

The Group is exposed to equity price risk through its held for trading investments and available-for-sale investments. The management manages this exposure by maintaining the investments with appropriate risk level. In addition, price risk was monitored by the management of the Group who will consider hedging the risk exposure should the need arise.

If the price of respective equity instruments held had been 10% (2016: 10%) higher/lower

- Post-tax loss for the year would decrease/increase by approximately HK\$3,367,000 (2016: HK\$6,619,000) as a result of the changes in fair value of held for trading investments.
- Investment revaluation reserve would increase/decrease by approximately HK\$1,806,000 (2016: HK\$1,766,000) for the Group as a result of the changes in fair value of available-for-sale investment.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### **市場風險 (續)**

##### (iii) 其他價格風險

本集團通過其持作買賣之投資及可供出售投資面臨權益價格風險。管理層通過維持適當風險水平的投資管理該風險。此外，價格風險由本集團管理層監察，其將於需要時考慮對沖價格風險。

倘所持相關股本證券之價格高於／低於10% (二零一六年：10%)

- 由於持作買賣投資之公平值有所變動，故本年度除稅後虧損將減少／增加約3,367,000港元 (二零一六年：6,619,000港元)。
- 由於可供出售投資之公平值有所變動，故投資重估儲備將減少／增加約1,806,000港元 (二零一六年：1,766,000港元)。

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## 綜合財務報表附註

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截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk*

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets, mainly trade and other receivables, loan and interest receivables, loan to associates and bank balances, as stated in the consolidated statement of financial position.

For trade and other receivables, in order to minimise the credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts (including trade and other receivables). In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For loan and interest receivables, the Group's management manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. The management assesses the collateral and credit quality of each customer based on customer's background information, financial position, past experience and relevant factors. The Group also reviews from time to time the financial position of the customers.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### *信貸風險*

誠如綜合財務狀況表所述，於二零一七年十二月三十一日，本集團由於對手方未能履行責任而面臨將導致本集團財務虧損之最大風險乃由各已確認金融資產（主要為應收賬款及其他應收款項、應收貸款及利息、貸款予聯營公司以及銀行結餘）之賬面值而產生。

就應收賬款及其他應收款項而言，為將信貸風險降至最低，本公司管理層已授權一支團隊負責確定信貸限額、信貸審批及其他監管程序，以確保採取後續程序以收回逾期債務（包括應收賬款及其他應收款項）。此外，本集團於每一報告期末審查每項個別貿易債務之可收回金額以確保就不可收回金額作出適當減值虧損。就此而言，本公司董事認為，本集團信貸風險已大幅降低。

就應收貸款及利息而言，於提供標準支付條款及條件之前，本集團管理層會管理及分析新增及現有客戶各自的信貸風險。管理層基於客戶的背景資料、財務狀況、過往經驗及相關因素評估各個客戶的抵押及信貸質素。本集團亦會不時檢討客戶的財務狀況。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk (continued)*

For loan to an associates, the Group's management manages and analyses the credit risk of the associates based on its financial ability and prospects as at 31 December 2016 and 2017. As a result, it was not probable that the associates would default in repayment of the borrowings.

As at 31 December 2017, the Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 99% (2016: 99%) of the total trade receivables and 67% (2016: 62%) of the total loan and interest receivables.

As at 31 December 2017, the Group has concentration of credit risk as 16% (2016: nil) and 50% (2016: 50%) of the total trade receivables were due from the Group's largest customer and five largest customers respectively, all within trading of grocery food products (2016: trading of grocery food products).

As at 31 December 2017, the Group has concentration of credit risk as 20% (2016: 18%) and 71% (2016: 65%) of the total loan and interest receivables were due from the Group's largest borrower and five largest borrowers respectively.

However, the directors of the Company consider the credit risk is under control since the directors of the Company exercise due care in granting credit and checking the financial background of these debtors on a regular basis.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### *信貸風險 (續)*

就貸款予聯營公司而言，本集團管理層於二零一七年及二零一六年十二月三十一日管理及分析基於聯營公司的財務能力及前景的信貸風險。因此，聯營公司不大可能拖欠償還借貸。

於二零一七年十二月三十一日，本集團按地區劃分的信貸風險主要集中於香港，佔應收賬款總額的99%（二零一六年：99%）及應收貸款及利息總額的67%（二零一六年：62%）。

於二零一七年十二月三十一日，由於本集團最大客戶及五大客戶（均屬於糧油食品貿易（二零一六年：糧油食品貿易））分別佔總結欠應收賬款總額為16%（二零一六年：零）（二零一六年：50%），故本集團面臨集中信貸風險。

於二零一七年十二月三十一日，由於本集團最大借款人及五大借款人分別結欠應收貸款及利息總額之20%（二零一六年：18%）及71%（二零一六年：65%），故本集團面臨集中信貸風險。

然而，本公司董事認為信貸風險乃受到控制，此乃由於本公司董事審慎授出信貸，並定期檢查該等債務人的財政背景。

由於對手方為國際信貸評級機構授予較高信貸評級之銀行，故流動資金信貸風險有限。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Liquidity risk*

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group is exposed to liquidity risk as the Group had continuously incurring operating losses. The liquidity of the Group primarily depends on the future funding being available and the ability of the Group to meet its financial obligations as they fall due. Details of which are set out in Note 1.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### *流動資金風險*

在流動資金風險管理方面，本集團監管及維持本公司董事認為屬適當之現金及現金等值水平，以為本集團營運提供資金，並減輕現金流波動之影響。

由於本集團持續錄得經營虧損，故本集團面臨流動資金風險。本集團的流動資金主要取決於未來可得的資金以及本集團於到期時履行其財務責任的能力。有關詳情載於附註1。

下表詳列本集團非衍生金融負債之餘下合約期限。該表乃根據金融負債之非折現現金流基於本集團可能須予以支付之最早日期制訂。具體而言，具有按要求還款條文的銀行貸款乃計入最早時間範圍，而不論銀行選擇行使其權利的可能性。其他非衍生金融負債的到期日乃基於協定償還日期。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### 流動資金風險 (續)

該表包括利息及現金流量本金額兩者。倘利息流量按浮息計量，則未折現金額按報告期末之利率計算。

		Within 1 year or on demand 一年內或 按要求償還 HK\$'000 千港元	More than one year less than two years 多於一年 但少於兩年 HK\$'000 千港元	More than two years less than five years 多於兩年 但少於五年 HK\$'000 千港元	Total undiscounted cash flows 非貼現 現金流總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
<b>2017</b>	<b>二零一七年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade and other payables	應付賬款及其他應付款項	35,801	-	-	35,801	35,801
Amounts due to non-controlling interests	應付非控股股東權益款項	2,995	-	-	2,995	2,995
Borrowings	借款	71,896	-	-	71,896	67,189
Margin loans payable	應付保證金貸款	22,024	-	-	22,024	20,022
Convertible bonds	可換股債券	23,500	-	-	23,500	21,687
		<b>156,216</b>	<b>-</b>	<b>-</b>	<b>156,216</b>	<b>147,697</b>



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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued) (b) Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

		Within 1 year or on demand 一年內或 按要求償還 HK\$'000 千港元	More than one year less than two years 多於一年 但少於兩年 HK\$'000 千港元	More than two years less than five years 多於兩年 但少於五年 HK\$'000 千港元	Total undiscounted cash flows 非貼現現金 流總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
<b>2016</b>	<b>二零一六年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade and other payables	應付賬款及其他應付款項	10,988	-	-	10,988	10,988
Amounts due to non-controlling interests	應付非控股股東權益款項	2,995	-	-	2,995	2,995
Bank borrowings	銀行借款	19,181	-	-	19,181	19,181
Loan payable	應付貸款	20,115	-	-	20,115	20,000
Margin loans payable	應付保證金貸款	18,445	-	-	18,445	16,768
Convertible bonds	可換股債券	34,536	23,500	-	58,036	51,337
		<u>106,260</u>	<u>23,500</u>	<u>-</u>	<u>129,760</u>	<u>121,269</u>

Bank borrowings with a repayment on demand clause is included in the "within 1 year or on demand" time band in the above maturity analysis. As at 31 December 2017 and 2016, the aggregate undiscounted principal amounts of the bank borrowings amounted to approximately HK\$9,233,000 and HK\$9,181,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be settled in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$20,449,000 (2016: HK\$22,436,000).

### 36. 金融工具 (續) (b) 金融風險管理目標及政策 (續)

#### 流動資金風險 (續)

訂有按要求還款條文的銀行借款計入上述到期分析的「一年內或按要求」的時間範圍。於二零一七年及二零一六年十二月三十一日，銀行借款的未貼現本金總額分別約為9,233,000港元及9,181,000港元。經考慮本集團的財務狀況，本公司董事並不相信，銀行將行使其酌情權要求即時還款。本公司董事相信，該等銀行借款可按照貸款協議所載的已訂還款日期清償。屆時，本金總額及利息現金流出將約為20,449,000港元（二零一六年：22,436,000港元）。

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## 綜合財務報表附註

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### (c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial instruments.

##### (i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

### 36. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### 流動資金風險 (續)

倘浮動利率變動與於報告期末所釐定的估計利率有所不同，則上文所載有關非衍生金融負債的浮動利率工具的金額會予以更改。

#### (c) 金融工具的公平值計量

本附註提供有關本集團為其金融工具釐定公平值的方法之資料。

##### (i) 本集團定期計量公平值的金融工具之公平值

Financial assets	Fair value as at 31 December 2017	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
金融資產	於二零一七年十二月三十一日的公平值	公平值等級	估值技巧及主要輸入數據	未能觀察的重大輸入數據	公平值的主要輸入數據與未能觀察的重大輸入數據之間的關係
<b>Listed equity securities</b>					
<b>上市股本證券</b>					
Held-for-trading non-derivative financial assets classified as financial assets at FVTPL in the consolidated statement of financial position	HK\$40,328,000 (2016: HK\$79,269,000)	Level 1	Quoted closing prices in an active market	N/A	N/A
於綜合財務狀況表中分類為按公平值計入損益之金融資產之持作買賣非衍生金融資產	40,328,000港元 (二零一六年: 79,269,000港元)	第一級	於活躍市場的收市價報價	不適用	不適用
<b>Listed equity securities</b>					
<b>上市股本證券</b>					
Available-for-sale investments in the consolidated statement of financial position	HK\$18,064,000 (2016: HK\$17,662,000)	Level 1	Quoted closing prices in an active market	N/A	N/A
於綜合財務狀況表中分類為可供出售投資	18,064,000港元 (二零一六年: 17,662,000港元)	第一級	於活躍市場的收市價報價	不適用	不適用

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### 36. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair value measurements of financial instruments (continued)

##### (i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

For the year ended 31 December 2016, as the accumulated profit before tax of the Fuyu operation from 31 March 2014 to 31 December 2016 cannot meet the expected level. As a result of the above event, the liability component and the equity component of convertible bonds with approximately HK\$7,854,000 and HK\$3,477,000 were cancelled accordingly for the year ended 31 December 2016. Details please refer to note 32 (e).

As at 31 December 2017 and 31 December 2016, contingent consideration payable was resulted from the acquisition of YIHE Group and Inno-Bag.

The fair value of the contingent consideration arrangement of YIHE Group was approximately HK\$1,839,000 as at 31 December 2016, which was estimated by applying the income approach. The fair value estimates for the year ended 31 December 2016 are based on the volatility of the Company's shares ranged from 45.8% to 46.1% and assumed that YIHE Group has reached the net profit of not less than HK\$7,000,000 for each of the three years ending 31 December 2016, 2017 and 2018 respectively. This is a level 3 fair value measurement.

### 36. 金融工具 (續)

#### (c) 金融工具的公平值計量 (續)

##### (i) 本集團定期計量公平值的金融工具之公平值 (續)

截至二零一六年十二月三十一日止年度，扶余營運自二零一四年三月三十一日至二零一六年十二月三十一日的稅前累計溢利未能達到預期水平。截至二零一六年十二月三十一日止年度由於上述事件，可換股債券的負債部分及權益部分分別約7,854,000港元及3,477,000港元已被相應註銷。詳情請參閱附註32(e)。

於二零一七年十二月三十一日及二零一六年十二月三十一日，收購宜合集團及成豐環保袋產生應付或然代價。

宜合集團或然代價安排於二零一六年十二月三十一日的公平值約1,839,000港元)乃採用收入法估計。截至二零一六年十二月三十一日止年度，公平值估計乃基於本公司股份介乎45.8%至46.1%的波幅並假設宜合集團於截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度各年的純利分別不少於7,000,000港元。此為第三級別公平值計量。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair value measurements of financial instruments (continued)

##### (i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

However, due to the cessation of business of YIHE Group, the contingent consideration payable was not fulfilled and the respective contingent consideration payable was not fulfilled and the respective contingent consideration payable of approximately HK\$1,839,000 was written back and recognised in the consolidated statement of profit and loss and other comprehensive income.

The fair value of the contingent consideration arrangement of Inno-Bag was approximately HK\$512,000 (2016: HK\$1,137,000) as at 31 December 2017 which was estimated by applying the income approach. The fair value estimates are based on the volatility of the Company's shares ranged from 45.8% to 46.1% (2016: 45.8% to 46.1%) and assumed that Inno-Bag has reached the profit after tax of not less than HK\$1,200,000 for each of the two years ending 31 March 2017 and 2018 respectively. This is a level 3 fair value measurement.

During the year ended 31 December 2017, the Company issued 4,017,253 ordinary shares at par value of HK\$0.02 per share at a conversion price of HK\$0.13 per share on a pro rata basis to the Vendor since 65% of the target profit after tax have been met. Details are set out in Note 43(b).

### 36. 金融工具 (續)

#### (c) 金融工具的公平值計量 (續)

##### (i) 本集團定期計量公平值的金融工具之公平值 (續)

然而，因宜合集團業務停止，應付或然代價未獲償付而相關應付或然代價約1,839,000港元已撥回並於綜合損益及其他全面收益表中確認。

成豐環保袋的或然代價安排於二零一七年十二月三十一日的公平值約512,000港元(二零一六年: 1,137,000港元)乃採用收入法估計。公平值估計乃基於本公司股份介乎45.8%至46.1%(二零一六年: 介乎45.8%至46.1%)的波幅並假設成豐環保袋於截至二零一七年及二零一八年三月三十一日止兩個年度各年的稅前溢利分別不少於1,200,000港元。此為第三級別公平值計量。

截至二零一七年十二月三十一日止年度，本公司以換股價每股0.13港元按比例發行4,017,253股每股面值0.02港元的普通股予賣方，因已達到65%目標除稅後溢利。詳情請參閱附註43(b)。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair value measurements of financial instruments (continued)

##### (i) *Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)*

As at 31 December 2017, there was a loss on fair value of contingent consideration resulted from the acquisition of the YIHE Group of approximately HK\$1,839,000 (2016: gain HK\$11,326,000) recognised in profit or loss as at 31 December 2016, the fair value of the contingent consideration payable is determined by using the probabilistic method with reference to the projected net profit of the YIHE Group for the one financial years ended 31 December 2018.

Please see note 43 for the disclosure of the measurement of the contingent consideration.

Note: There were no transfers between levels of fair value hierarchy in the current reporting period.

### 36. 金融工具 (續)

#### (c) 金融工具的公平值計量 (續)

##### (i) 本集團定期計量公平值的金融工具之公平值 (續)

於二零一七年十二月三十一日，自收購宜合集團產生並於二零一六年十二月三十一日之損益確認或然代價公平值虧損約1,839,000港元(二零一六年：收益11,326,000港元)，應付或然代價的公平值乃使用概率方法並經參考宜合集團於截至二零一八年十二月三十一日止一個財政年度預測純利而釐定。

請參閱附註43或然代價計量的披露。

附註：於本報告期間，公平值計量級別之間並無轉撥。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 36. FINANCIAL INSTRUMENTS (continued)

#### (c) Fair value measurements of financial instruments (continued)

##### (i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements of financial instruments on recurring basis:

		Contingent consideration payable 應付或然代價 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	(13,165)
Additions	添置	(1,137)
Total profit:	總溢利:	
– In profit or loss	– 於損益	11,326
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 於二零一七年一月一日	(2,976)
Total profit:	總溢利:	
– In profit or loss	– 於損益	2,464
At 31 December 2017	於二零一七年十二月三十一日	(512)

(ii) The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to the short-term maturity or the impact of discounting was not significant.

### 36. 金融工具 (續)

#### (c) 金融工具的公平值計量 (續)

##### (i) 本集團定期計量公平值的金融工具之公平值 (續)

第三級別公平值計量於年內的結餘變動如下:

(ii) 本公司董事認為於綜合財務報表中確認的其他金融資產及金融負債之賬面值與其公平值相若，此乃由於其於短期到期及貼現影響並不重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 37. OPERATING LEASE COMMITMENTS

#### Commitments under operating lease

##### *The Group as lessee*

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	4,491	3,793
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	4,437	7,032
		<b>8,928</b>	<b>10,825</b>

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for terms of one to three years (2016: one to three years) and rentals are fixed over the terms of the leases.

### 37. 經營租約承擔

#### 經營租約項下之承擔

##### 本集團作為承租人

於報告期末，本集團根據於以下期間到期之不可撤銷經營租約於未來之最低租金款項承擔如下：

經營租約支付款項指本集團就其若干辦公室物業應付之租金。租約議定期限為一至三年（二零一六年：一年至三年），而租金於租期內固定不變。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 37. OPERATING LEASE COMMITMENTS (continued) Commitments under operating lease (continued) *The Group as lessor*

Property rental income earned during the year was approximately HK\$3,919,000 (2016: HK\$3,586,000). The properties generated annualised rental yields of 2.3% (2016: 2.6%) on an on-going basis. The properties leased out have committed tenants for the next two year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

### 37. 經營租約承擔 (續) 經營租約項下之承擔 (續) 本集團作為出租人

年內，所賺得之物業租賃收入約為3,919,000港元(二零一六年：3,586,000港元)。該等物業持續貢獻2.3%(二零一六年：2.6%)之年度租賃回報率。已出租物業於未來兩年均有租戶。

於報告期末，本集團已就下列日後最低租金款項與租戶訂約：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	6,276	3,279
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	11,622	1,399
		<b>17,898</b>	<b>4,678</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 38. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements

有關已訂約但未於綜合財務報表中撥備的收購廠房及設備的資本開支

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
—	2,451

### 39. SHARE OPTIONS

The Company has adopted a share option scheme on 24 January 2002 (the "Scheme 2002"). Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 6 May 2011, the Scheme 2002 was terminated and a new share option scheme (the "Scheme 2011") was adopted.

Under the Scheme 2002, the Company may only grant share options to the directors of the Company or any person who is an employee of members of the Group or any entity in which the Group holds any equity interests. However, the Scheme 2011 provides a broadened basis of and scope of eligible participation and enables the Group to reward the employees, the directors of the Company and other selected participants for their contributions to the Group. The Scheme 2002 was expired on 23 January 2012 and the directors of the Company consider that it is appropriate to adopt the new scheme.

### 38. 資本承擔

### 39. 購股權

本公司於二零零二年一月二十四日採納購股權計劃（「二零零二年計劃」）。根據於本公司在二零一一年五月六日舉行股東週年大會上通過的普通決議案，二零零二年計劃已終止，而新購股權計劃（「二零一一年計劃」）已獲採納。

根據二零零二年計劃，本公司僅可向本集團成員公司或本集團持有權益的實體之本公司董事或任何僱員授出購股權。然而，二零一一年計劃為合資格參與提供更廣泛的基礎及範圍，使本集團可獎勵本公司僱員、董事及其他經選定參與者，以表揚彼等對本集團的貢獻。二零零二年計劃已於二零一二年一月二十三日屆滿，而本公司董事認為採納新計劃乃屬合適。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

The purpose of the Scheme 2002 and Scheme 2011 is to enable the Company to grant options to selected employees to subscribe for shares of the Company as incentives or rewards for their contributions to the Group. The board of directors of the Company may, at its discretion, invite any full-time or part-time employees of the Company or any member of the Group, including any executive and non-executive directors of the Company, advisors and consultants of the Company or any subsidiary of the Company to take up options to subscribe for shares of the Company. The total number of shares of the Company available for issue under the Scheme 2002 and Scheme 2011 was initially 10% of the issued share capital as at the date of adoption of the Share Option Scheme.

The total number of shares of the Company available for issue under the Scheme 2002 and Scheme 2011 (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue from time to time. An option may be exercised at any time during a period to be determined and notified by the Board to each participant. Upon acceptance of the option, the employee should pay HK\$1.00 to the Company by way of consideration for the grant. The subscription price for the shares of the Company will be a price to be determined by the Board and will be the highest of (i) the closing price of the shares on the GEM as stated on the Stock Exchange's daily quotations sheet on the date of granting of the options; (ii) the average closing price of the shares on the GEM as stated on the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of granting of the options; and (iii) the nominal value of a share.

### 39. 購股權 (續)

二零零二年計劃及二零一一年計劃旨在讓本公司授出可認購本公司股份之購股權予經甄選僱員，以作為彼等對本集團作出貢獻之獎勵或報酬。本公司董事會可酌情邀請本公司或本集團任何成員公司之任何全職或兼職僱員（包括任何本公司執行董事及非執行董事、本公司或本公司任何附屬公司之顧問及諮詢人）接納購股權，以認購本公司股份。本公司根據二零零二年計劃及二零一一年計劃可予發行之股份總數初步佔於採納購股權計劃當日之已發行股本10%。

根據二零零二年計劃及二零一一年計劃（包括已行使及尚未行使的購股權）而可予發行的本公司股份總數，於任何12個月期間不得超過本公司不時已發行股份1%。購股權可於董事會釐定並知會各參與者之期限內隨時行使。在接納購股權時，僱員須向本公司支付1.00港元作為獲授購股權之代價。本公司股份之認購價將由董事會釐定，並將為：(i)股份於購股權授出當日在聯交所每日報價表上所列於GEM之收市價；(ii)股份於緊接購股權授出當日前五個交易日在聯交所每日報價表上所列於GEM之平均收市價；及(iii)股份面值三者中最高者。

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## 綜合財務報表附註

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截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

During the year ended 31 December 2016, 437,000,000 (2017: nil) share options had been granted under the Scheme 2011. The Group recognised the total expense of approximately HK\$9,255,000 for the year ended 31 December 2017 (2016: HK\$11,588,000) in relations to share options granted by the Company.

Details of specific categories of options are as follows:

#### For the year ended 31 December 2017

	Date of grant 授出日期	Vesting period 歸屬期間	Exercise period 行使期間	Exercise price 行使價格	Exercise dates 行使日期
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	-	13/9/2016-12/9/2019 二零一六年九月十三日至 二零一九年九月十二日	0.110	12/9/2019
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	1 Year 1年	13/9/2017-12/9/2019 二零一七年九月十三日至 二零一九年九月十二日	0.110	12/9/2019
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	2 Years 2年	13/9/2018-12/9/2019 二零一八年九月十三日至 二零一九年九月十二日	0.110	12/9/2019

#### For the year ended 31 December 2016

	Date of grant 授出日期	Vesting period 歸屬期間	Exercise period 行使期間	Exercise price 行使價格	Exercise dates 行使日期
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	-	13/9/2016-12/9/2019 二零一六年九月十三日至 二零一九年九月十二日	0.110	12/9/2019
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	1 Year 1年	13/9/2017-12/9/2019 二零一七年九月十三日至 二零一九年九月十二日	0.110	12/9/2019
Scheme 2011 二零一一年計劃	12/9/2016 二零一六年 九月十二日	2 Years 2年	13/9/2018-12/9/2019 二零一八年九月十三日至 二零一九年九月十二日	0.110	12/9/2019

The estimated fair value of the options lapsed during the year ended 31 December 2017 was approximately HK\$2,211,000 which has been transferred from share options reserve to accumulated losses (2016: HK\$720,000).

### 39. 購股權 (續)

截至二零一六年十二月三十一日止年度，本公司概無根據二零一一年計劃授出購股權437,000,000份（二零一七年：零）。本集團就本公司授出的購股權於截至二零一七年十二月三十一日止年度確認開支總額約9,255,000港元（二零一六年：11,588,000港元）。

購股權的特定別類詳情如下：

#### 截至二零一七年十二月三十一日止年度

#### 截至二零一六年十二月三十一日止年度

於截至二零一七年十二月三十一日止年度已失效購股權估計公平值約為2,211,000港元（二零一六年：720,000港元），其已自購股權儲備轉撥至累計虧損。

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

The following table discloses the movement of the Company's share options held by the directors of the Company, consultants and employees during the year:

### 39. 購股權 (續)

下表披露本公司董事、顧問及僱員持有的本公司購股權變動：

Grantees	Option grant date	Outstanding at 1/1/2016 於二零一六年一月一日 尚未行使 '000	Granted during the year 於年內授出 '000	Lapsed during the year 於年內失效 '000	Outstanding at 31/12/2016 於二零一六年十二月三十一日 尚未行使 '000
Directors 董事	13 July 2015 二零一五年七月十三日	64,750	-	(12,950)	51,800
	12 September 2016 二零一六年九月十二日	-	187,000	-	187,000
Consultants 顧問	13 July 2015 二零一五年七月十三日	-	-	-	-
	12 September 2016 二零一六年九月十二日	-	55,000	-	55,000
Employees 僱員	13 July 2015 二零一五年七月十三日	-	-	-	-
	12 September 2016 二零一六年九月十二日	-	195,000	-	195,000
Total 總計		64,750	437,000	(12,950)	488,800
Exercisable at the end of the year 於年末可行使					150,425
Weighted average exercise price (HK\$ per share) 加權平均行使價 (港元每股)		0.212	0.110	0.212	0.123

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## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

### 39. 購股權 (續)

Grantees	Option grant date	Outstanding at 1/1/2017 於二零一七年 一月一日 尚未行使 '000	Lapsed during the year 於年內失效 '000	Reclassified during the year 於年內 重新分類 '000	Exercised during the year 於年內行使 '000	Outstanding at 31/12/2017 於二零一七年 十二月三十一日 尚未行使 '000
承授人	購股權授出日期	'000	'000	'000	'000	'000
Directors 董事	13 July 2015 二零一五年七月十三日	51,800	(19,425)	-	-	32,375
	12 September 2016 二零一六年九月十二日	187,000	-	(28,000)	(18,000)	141,000
Consultants 顧問	13 July 2015 二零一五年七月十三日	-	-	-	-	-
	12 September 2016 二零一六年九月十二日	55,000	-	28,000	(6,750)	76,250
Employees 僱員	13 July 2015 二零一五年七月十三日	-	-	-	-	-
	12 September 2016 二零一六年九月十二日	195,000	(35,000)	-	(6,000)	154,000
Total 總計		488,800	(54,425)	-	(30,750)	403,625
Exercisable at the end of the year 於年末可行使						218,500
Weighted average exercise price (HK\$ per share) 加權平均行使價 (港元每股)		0.123	0.146	0.110	0.110	0.124

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

#### For the year ended 31 December 2016

During the year ended 31 December 2016, 437,000,000 (2017: nil) share options were granted on 12 September 2016. The estimated fair value of the options granted on this grant date is approximately HK\$20,146,048.

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

### 39. 購股權 (續)

截至二零一六年十二月三十一日止年度截至二零一六年十二月三十一日止年度，437,000,000份購股權於二零一六年九月十二日獲授出(二零一七年：零)。授出當日的購股權之估計公平值約為20,146,048港元。

公平值乃按二項式模式計算。該模式的輸入數據如下：

2016  
二零一六年

<b>Maturity date: 12/9/2019</b>	到期日：二零一九年九月十二日	
Weighted average share price	加權平均股價	HK\$0.110港元
Exercise price	行使價	HK\$0.110港元
Expected volatility	預期波幅	65.88%
Expected life	預期使用期	3 years 年
Risk-free rate	無風險利率	0.608%
Expected dividend yield	預期股息回報率	Nil 零
<b>Maturity date: 12/9/2019</b>	到期日：二零一九年九月十二日	
Weighted average share price	加權平均股價	HK\$0.110港元
Exercise price	行使價	HK\$0.110港元
Expected volatility	預期波幅	65.88%
Expected life	預期使用期	2 years 年
Risk-free rate	無風險利率	0.608%
Expected dividend yield	預期股息回報率	Nil 零
<b>Maturity date: 12/9/2019</b>	到期日：二零一九年九月十二日	
Weighted average share price	加權平均股價	HK\$0.110港元
Exercise price	行使價	HK\$0.110港元
Expected volatility	預期波幅	65.88%
Expected life	預期使用期	1 year 年
Risk-free rate	無風險利率	0.608%
Expected dividend yield	預期股息回報率	Nil 零

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 39. SHARE OPTIONS (continued)

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 4 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

### 40. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs capped at HK\$1,500 (2016: HK\$1,500) per month to MPF, in which the contribution is matched by employees.

Pursuant to the regulation of the relevant authorities in the PRC, the subsidiaries of the Group in this country participate in respective government retirement benefit schemes (the "Schemes") whereby the subsidiaries are required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contribution made to the Schemes is calculated base on the certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contribution under the Schemes.

Under the Labor Pension Act of Taiwan, Employees may choose a scheme where the rate of contribution by an employer should not be less than 6% of the employees' monthly salaries and the employees may also voluntarily contribute up to 6% of the monthly salaries to the provision fund account under the Labor Pension Act of Taiwan.

### 39. 購股權 (續)

預期波幅乃採用本公司股價於過往四年之歷史波幅予以釐定。該模式採用之預期可使用年期已根據管理層之最佳估計並就不可轉讓性、行使限制及行為代價之影響作出調整。

二項式模式已獲採用作估計購股權之公平值。計算購股權公平值所用的變動及假設乃基於董事的最佳估計。購股權的價值會因若干主觀假設的不同變數而有所不同。

### 40. 退休福利計劃

本集團為所有於香港的合資格僱員經營強積金。該等計劃的資產乃由受託人控制的資金，與本集團資產分開持有。本公司按相關工資成本的5%供款予強積金，上限為每月1,500港元（二零一六年：1,500港元），而僱員亦會作出相應供款。

根據中國有關當局之規例，本集團於該國家之附屬公司參與各項政府退休福利計劃（「該等計劃」），據此有關附屬公司須向該等計劃支付供款，以撥付合資格僱員之退休福利。向該等計劃作出之供款乃按照中國規例所訂明適用薪酬成本之若干百分比計算。中國有關當局負責向退休僱員支付應付之全數退休福利。本集團就該等計劃之責任僅為根據該等計劃持續支付所需供款。

根據台灣勞工退休金條例，僱員可選擇僱主供款比率不少於僱員月薪6%之計劃，亦可根據台灣勞工退休金條例自願向勞退準備金賬戶供款最高達月薪之6%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 40. RETIREMENT BENEFITS SCHEMES (continued)

The total expense recognised in consolidated statement of profit or loss and other comprehensive income of approximately HK\$657,000 (2016: HK\$600,000) represents contribution payable to MPF and the Schemes by the Group in respect of the current financial year.

### 41. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2017

#### China AF Corporate Finance Limited ("Formerly known as Royal Excalibur Corporate Finance Limited") ("CAFCF")

On 5 September 2017, Award Fortune Limited ("Award Fortune"), a wholly owned subsidiary of the Company, the Company and Mr. Chan Ka Leung Kevin (an independent third party) entered into a sales and purchase agreement pursuant to which Mr. Chan Ka Leung Kevin had agreed to sell and Award Fortune had agreed to purchase 700,000 ordinary shares in CAFCF, representing 70% of the entire issued share capital of CAFCF, at a consideration of HK\$1,700,000 which was paid during the year ended 31 December 2016 and included in deposits as at 31 December 2016.

This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK\$775,000.

CAFCF is principally engaged in provision of financial services. The Group has acquired CAFCF so as to expand to this new market segment.

### 40. 退休福利計劃 (續)

於綜合損益及其他全面收益確認的開支總額約657,000港元(二零一六年: 600,000港元)指本集團於本財政年度應付的強積金供款。

### 41. 收購附屬公司

截至二零一七年十二月三十一日止年度

中國農信財務顧問有限公司(前稱為皇家駿溢財務顧問有限公司)(「中國農信」)

於二零一七年九月五日,本公司全資附屬公司Award Fortune Limited(「Award Fortune」)與本公司及獨立第三方陳家良先生(一名獨立第三方)訂立買賣協議,據此陳家良先生已同意出售,而Award Fortune已同意以1,700,000港元代價向中國農信購入700,000股普通股,佔中國農信全部已發行股本70%,其於截至二零一六年十二月三十一日止年度支付且於二零一六年十二月三十一日計入按金。

此收購已使用收購法進行會計處理。因收購而產生的商譽金額約為775,000港元。

中國農信主要從事提供金融服務。本集團已收購中國農信,以擴大此新市場分部。

HK\$'000  
千港元

#### Consideration transferred:

#### 收轉讓代價

Cash

現金

1,700



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) China AF Corporate Finance Limited ("Formerly known as Royal Excalibur Corporate Finance Limited") ("CAFCF") (continued)

The fair values of the identifiable assets and liabilities of CAFCF recognised as at the date of acquisition were as follows:

### 41. 收購附屬公司(續)

中國農信財務顧問有限公司(前稱為皇家駿溢財務顧問有限公司)(「中國農信」)(續)

中國農信於收購日期確認的可識別資產及負債的公平值如下:

		Fair value recognised on acquisition 收購時確認的 公平值 HK\$'000 千港元
Plant and equipment	廠房及設備	4
Trade and other receivables	應收賬款及其他應收款項	1,195
Bank balances and cash	銀行結餘及現金	363
Income tax payable	應付所得稅	(140)
Trade and other payables	應付賬款及其他應付款項	(100)
Net assets	資產淨額	<u>1,322</u>

The fair value of trade and other receivables at the date of acquisition amounted to approximately HK\$1,195,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately HK\$1,195,000 at the date of acquisition. No uncollectible contractual cash flows were expected at the acquisition date.

於收購日期，貿易及其他應收款項之公平值約為1,195,000港元。於收購日期，該等已收購貿易及其他應收款項的總合約金額約為1,195,000港元。於收購日期，概無未收回合約現金流。

Goodwill arising on acquisition:

收購產生的商譽:

		HK\$'000 千港元
Consideration transferred	已轉讓代價	1,700
Plus: non-controlling interests (30% in CAFCF)	加: 非控股股東權益 (於中國農信擁有30%)	397
Less: net assets acquired	減: 所收購淨資產	<u>(1,322)</u>
Goodwill arising on acquisition	收購產生的商譽	<u>775</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) China AF Corporate Finance Limited ("Formerly known as Royal Excalibur Corporate Finance Limited") ("CAFCF") (continued)

None of the goodwill arising on the acquisitions is expected to be taxable for tax purposes.

The non-controlling interest in China AF recognised at acquisition date was measured by their proportionate share of net assets acquired.

Goodwill arose in the acquisition of China AF because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth and future market development of China AF. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

### 41. 收購附屬公司(續)

中國農信財務顧問有限公司(前稱為皇家駿溢財務顧問有限公司)(「中國農信」)(續)

預計收購產生的商譽不會為稅務目的徵稅。

於收購日確認的中國農信的非控股權益乃按所收購淨資產的比例計量。

商譽是在收購中國農信時產生的，因合併成本包括控制權溢價。此外，為合併支付的代價實際上包括與中國農信預期協同效益、收入增長及未來市場發展相關的金額。該等利益並未與商譽分開確認，因其不符合可識別無形資產的確認標準。

	HK\$'000 千港元
Net cash outflow on acquisition of CAFCF	
Cash consideration	—
Less: Bank balances and cash acquired	(363)
	<u>(363)</u>

Included in the loss for the year was profit of approximately HK\$69,000 attributable to the additional business generated by China AF. Revenue for the year includes approximately HK\$709,000 generated from China AF.

Had the acquisition been completed on 1 January 2017, total revenue of the Group for the year would have been approximately HK\$66,693,000, and loss for the year would have been approximately HK\$96,527,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

年度虧損包括中國農信就新增業務所產生的約69,000港元。年度收益包括中國農信所產生的約709,000港元。

倘收購於二零一七年一月一日完成，則本集團年度總收益約為66,693,000港元，而年度虧損約為96,527,000港元。備考資料乃僅供說明用途，且不一定為若收購事項於二零一七年一月一日完成而本集團實際應能實現之收益及經營業績之指標，亦無意作為未來業績之預測。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued)

For the year ended 31 December 2016

#### Inno-Bag Limited (“Inno-Bag”)

On 29 July 2016, Treasure Max Investment Holdings Limited (“Treasure Max”), a subsidiary of the Company, the Company and the Vendor (an independent third party) entered into a sale and purchase agreement pursuant to which the Vendor had agreed to sell and Treasure Max had agreed to purchase 1,200 ordinary shares in Inno-Bag, representing 60% of the entire issued share capital of Inno-Bag, at a consideration in the sum of up to HK\$4,212,000, which shall be satisfied by cash of HK\$2,600,000 and remaining amount of HK\$1,612,000 shall be settled by issue of not more than 12,400,000 shares of the Company at HK\$0.13 per share (upon the condition as stated in the sale and purchase agreement have been satisfied), and the consideration shares shall be allotted and issued by the Company to the Vendor in accordance with the time, mode and manner set out under the sale and purchase agreement (the “Acquisition”).

Details of the Acquisition were set out in the announcement of the Company dated 29 July 2016 and 25 August 2016. In accordance with the sale and purchase agreement, the settlement of purchase consideration was divided into two tranches, maximum 6,200,000 shares will be issued at each year during the first to second anniversary financial years of Inno-Bag upon the fulfillment of the level of profit after tax as prescribed in the sale and purchase agreement.

### 41. 收購附屬公司 (續)

截至二零一六年十二月三十一日止年度

#### 成豐環保袋企業有限公司 (「成豐環保袋」)

於二零一六年七月二十九日，寶美投資控股有限公司 (「寶美」) (本公司的一間全資附屬公司)、本公司及賣方 (獨立第三方) 訂立買賣協議，據此，賣方已同意出售且寶美已同意購買成豐環保袋的1,200普通股 (佔成豐環保袋全部已發行股本的60%)，代價合共最多為4,212,000港元，並須以現金2,600,000港元支付，而餘額1,612,000港元須按每股0.13港元發行不超過12,400,000股本公司股份予以支付 (待買賣協議所載條件獲達成後)，且代價股份須由本公司根據買賣協議所載列的時間、模式及方法向賣方配發及發行 (「收購事項」)。

收購事項詳情載於本公司日期為二零一六年七月二十九日及二零一六年八月二十五日之公佈。根據買賣協議，購買代價分兩批償付，最多6,200,000股股份將於買賣協議所指定之稅後溢利水平獲達成後，於成豐環保袋第一至第二週年財政年度每年獲發行。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) Inno-Bag Limited (“Inno-Bag”) (continued)

This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK\$3,497,000.

Inno-Bag is principally engaged in trading of recycle bags. The Group has acquired Inno-Bag so as to continue the expansion of the Group’s trading of consumables and agricultural products segment.

### 41. 收購附屬公司 (續)

成豐環保袋企業有限公司 (「成豐環保袋」) (續)

此項收購已按收購法入賬。因收購產生的商譽約為3,497,000港元。

成豐環保袋主要從事可循環再用袋的貿易。本集團已收購成豐環保袋，以持續擴充本集團消耗品及農產品貿易分類。

		HK\$'000 千港元
<hr/>		
<b>Consideration transferred:</b>	<b>已轉讓代價:</b>	
Cash	現金	2,600
Contingent consideration arrangement	或然代價安排	1,137
		3,737

Details of calculation of contingent consideration payable are set out in note 43.

計算應付或然代價之詳情載於附註43。

		HK\$'000 千港元
<hr/>		
Classification of contingent consideration payable as at completion of the acquisition	於收購事項完成時之應付或然代價之分類	
Current	即期	616
Non-current	非即期	521
		1,137

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) Inno-Bag Limited (“Inno-Bag”) (continued)

The fair values of the identifiable assets and liabilities of Inno-Bag recognised as at the date of acquisition were as follows:

		Fair value recognised on acquisition 收購時確認 的公平值 HK\$'000 千港元
Trade and other receivables	應收賬款及其他應收款項	203
Bank balances and cash	銀行結餘及現金	324
Trade and other payables	應付賬款及其他應付款項	(128)
Net assets	資產淨額	<u>399</u>

The fair value of trade and other receivables at the date of acquisition amounted to approximately HK\$203,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately HK\$203,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to approximately nil.

### 41. 收購附屬公司(續)

成豐環保袋企業有限公司(「成豐環保袋」)(續)

成豐環保袋於收購日期確認的可識別資產及負債的公平值如下：

應收賬款及其他應收款項於收購日期之公平值約為203,000港元。於收購日期，該等應收賬款及其他應收款項的總合約金額約為203,000港元。有關於收購日期預期不會收回的合約現金流之最佳估計約為零。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) Inno-Bag Limited (“Inno-Bag”) (continued)

Goodwill arising on acquisition:

		HK\$'000 千港元
Consideration transferred	已轉讓代價	3,737
Plus: non-controlling interests (40% in Inno-Bag)	加：非控股股東權益 (於成豐環保袋擁有40%)	159
Less: net assets acquired	減：所收購淨資產	(399)
Goodwill arising on acquisition	收購產生的商譽：	<u>3,497</u>

None of the goodwill arising on the acquisitions is expected to be taxable for tax purposes.

The non-controlling interest in Inno-Bag recognised at acquisition date was measured by their proportionate share of net assets acquired.

Goodwill arose in the acquisition of Inno-Bag because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth and future market development of Inno-Bag. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

### 41. 收購附屬公司(續)

成豐環保袋企業有限公司(「成豐環保袋」)(續)

收購產生的商譽：

概無收購產生的商譽收益預期就稅務而言為應課稅。

於收購日期確認的成豐環保袋非控股股東權益按彼等分佔所收購淨資產的比例計量。

收購成豐環保袋產生之商譽乃因合併成本包括控股溢價。此外，就合併支付的代價實際上包括與宜合集團的預期協同效應、收益增長及未來市場發展所帶來的利益有關的金額。該等利益並無與商譽分開確認，乃由於該等利益並不符合可識別無形資產的確認標準。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (continued) Inno-Bag Limited (“Inno-Bag”) (continued)

### 41. 收購附屬公司 (續) 成豐環保袋企業有限公司 (「成豐環保袋」) (續)

	HK\$'000 千港元
Net cash outflow in acquisition of Inno-Bag	收購成豐環保袋的現金流出淨額
Cash consideration	現金代價 2,600
Less: Bank balances and cash acquired	減：銀行結餘及所收購現金 (324)
	2,276

Included in the loss for the year was approximately profit of HK\$720,000 attributable to the additional business generated by Inno-Bag. Revenue for the year includes approximately HK\$1,736,000 generated from Inno-Bag.

年度虧損包括成豐環保袋就新增業務所產生的溢利約720,000港元。年度收益包括成豐環保袋所產生的約1,736,000港元。

Had the acquisition been completed on 1 January 2016, total revenue of the Group for the year would have been approximately HK\$75,612,000, and loss for the year would have been approximately HK\$33,413,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2016, nor is it intended to be a projection of future results.

倘收購於二零一六年一月一日完成，則本集團年度總收益約為75,612,000港元，而年度虧損約為33,413,000港元。備考資料乃僅供說明用途，且不一定為若收購事項於二零一六年一月一日完成而本集團實際應能實現之收益及經營業績之指標，亦無意作為未來業績之預測。

### 42. DISPOSAL OF INTEREST IN A SUBSIDIARY For the year ended 31 December 2016

On 22 August 2016, the Group disposed of the entire issued share capital of its wholly-owned subsidiary – Alpaco Company Limited, at cash consideration of approximately HK\$8,097,000. The disposal was completed on 22 September 2016. Alpaco Company Limited was an investment holding company with an investment property located in Hong Kong and its principal activity was provision of rental service during the year.

### 42. 出售於一間附屬公司之權益

截至二零一六年十二月三十一日止年度於二零一六年八月二十二日，本集團出售其全資附屬公司Alpaco Company Limited之全部已發行股本，現金代價約為8,097,000港元。該出售已於二零一六年九月二十二日完成。年內，Alpaco Company Limited為一間投資控股公司，其投資物業位於香港，且其主要業務為提供租賃服務。

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### 綜合財務報表附註

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#### 42. DISPOSAL OF INTEREST IN A SUBSIDIARY (continued)

#### 42. 出售於一間附屬公司之權益(續)

##### Analysis of asset and liabilities over which control was lost:

##### 喪失控制權之資產及負債分析：

		As at 22 September 2016 於二零一六年 九月二十二日 HK\$'000 千港元
Investment property	投資物業	9,000
Other receivables	其他應收款項	3
Deposits received	已收按金	(25)
Net assets disposed of		8,978
<b>Loss on disposal of a subsidiary:</b>		
<b>出售一間附屬公司之虧損：</b>		
Cash received	已收取之現金	8,097
Net assets disposed of	已出售資產淨值	(8,978)
Loss on disposal		(881)
Net cash inflow arising on disposal:		
出售產生之現金流入淨額：		
Cash consideration received	已收取現金代價	8,097
Less: bank balance and cash disposed of	減：已出售銀行結餘及現金	-
		8,097

During the period from 1 January to 22 September 2016, Alpaco Company Limited contributed to the Group's revenue and profit of approximately HK\$117,000 and HK\$46,000 respectively.

自二零一六年一月一日至二零一六年九月二十二日期間，Alpaco Company Limited對本集團之收益及溢利分別貢獻約117,000港元及約46,000港元。



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## 綜合財務報表附註

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### 43. CONTINGENT CONSIDERATION PAYABLE

#### (a) YIHE Group

The contingent consideration arrangement has the following requirements:

- (i) the Group will allot and issue the 118,320,000 Company's shares to Hexin if the net profit of YIHE Group for the year ended 31 December 2016 is higher than HK\$7,000,000 or if the net profit of the YIHE Group is less than HK\$7,000,000, the shares to be allotted and issued will be reduced on a pro-rata basis. No allotment and issuance will take place if the YIHE Group suffers loss for the year ended 31 December 2016.
- (ii) the Group will allot and issue the 118,320,000 Company's shares to Hexin if the net profit of the YIHE Group for the year ending 31 December 2017 is higher than HK\$7,000,000 or if the net profit of the YIHE Group is less than HK\$7,000,000, the shares to be allotted and issued will be reduced on a pro-rata basis. No allotment and issuance will take place if the YIHE Group suffers loss for the year ended 31 December 2017.

### 43. 應付或然代價

#### (a) 宜合集團

或然代價安排具有以下規定：

- (i) 倘宜合集團於截至二零一六年十二月三十一日止年度之純利高於7,000,000港元或倘宜合集團之純利少於7,000,000港元，本集團將配發及發行118,320,000股本公司股份予合欣，將予配發及發行之股份將按比例調減。倘宜合集團於截至二零一六年十二月三十一日止年度蒙受虧損，則配發及發行不會進行。
- (ii) 倘宜合集團於截至二零一七年十二月三十一日止年度之純利高於7,000,000港元或倘宜合集團之純利少於7,000,000港元，則本集團會配發及發行118,320,000股本公司股份予合欣，而將予配發及發行之股份將按比例減少。倘宜合集團於截至二零一七年十二月三十一日止年度錄得虧損，則配發及發行不會進行。

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## 綜合財務報表附註

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度

### 43. CONTINGENT CONSIDERATION PAYABLE (continued)

#### (a) YIHE Group (continued)

- (iii) the Group will allot and issue the 118,320,000 Company's shares to Hexin if the net profit of the YIHE Group for the year ending 31 December 2016, 31 December 2017 and 31 December 2018 respectively is higher than HK\$7,000,000 or if the net profit of the YIHE Group is less than HK\$7,000,000, the shares to be allotted and issued will be reduced on a pro-rata basis. No allotment and issuance will take place if the YIHE Group suffers loss for the year ending 31 December 2018.

As at 31 December 2016, the fair value of contingent consideration arrangement of approximately HK\$1,839,000 which was estimated by the income approach. The fair value estimates are based on the volatility of the Company's shares ranged from 36.8% to 41.3% and assumed that the YIHE Group has reached the net profit of less than HK\$7,000,000 for each of the three years ending 31 December 2016, 2017 and 2018 respectively. This is classified as a level 3 fair value measurement. As at 31 December 2017, due to the cessation of business, the contingent consideration payable was not fulfilled and the respective contingent consideration payable of approximately HK\$1,839,000 was written back and recognised in the consolidated statement of profit and loss and other comprehensive income.

### 43. 應付或然代價 (續)

#### (a) 宜合集團 (續)

- (iii) 倘宜合集團分別於截至二零一六年十二月三十一日、二零一七年十二月三十一日、二零一八年十二月三十一日止年度之純利高於7,000,000港元或倘宜合集團之純利少於7,000,000港元，則本集團會配發及發行118,320,000股本公司股份予合欣，而將予配發及發行之股份將按比例減少。倘宜合集團於截至二零一八年十二月三十一日止年度錄得虧損，則配發及發行不會進行。

於二零一六年十二月三十一日，或然代價安排的公平值約為1,839,000港元，乃以收入法估計。公平值估計乃基於本公司股份介乎36.8%至41.3%)並假設宜合集團於截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度各年的純利少於7,000,000港元。此獲分類為第三級別公平值計量。於二零一七年十二月三十一日，由於業務停止，應付或然代價未獲償付，相關應付或然代價約1,839,000港元已撥回並於綜合損益及其他全面收益表中確認。

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## 綜合財務報表附註

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### 43. CONTINGENT CONSIDERATION PAYABLE (continued)

#### (b) Inno-Bag

The contingent consideration arrangement has the following requirements:

- (i) the Group will allot and issue the 6,200,000 Company's shares to the Vendor if the profit after tax of Inno-Bag for the year ending 31 March 2017 is higher than HK\$1,200,000 or if the profit after tax of the Inno-Bag is less than HK\$1,200,000, the shares to be allotted and issued will be reduced on a pro-rata basis. No allotment and issuance will take place if the Inno-Bag suffers loss for the year ending 31 March 2017.
- (ii) the Group will allot and issue the 6,200,000 Company's shares to the Vendor if the profit after tax of Inno-Bag for the year ending 31 March 2018 is higher than HK\$1,200,000 or if the profit after tax of the Inno-Bag is less than HK\$1,200,000, the shares to be allotted and issued will be reduced on a pro-rata basis. No allotment and issuance will take place if the Inno-Bag suffers loss for the year ending 31 March 2018.

### 43. 應付或然代價(續)

#### (b) 成豐環保袋

或然代價安排具有以下規定：

- (i) 倘成豐環保袋於截至二零一七年三月三十一日止年度之除稅後溢利高於1,200,000港元或倘成豐環保袋之純利少於1,200,000港元，本集團將配發及發行6,200,000股本公司股份予賣方，將予配發及發行之股份將按比例調減。倘成豐環保袋於截至二零一七年三月三十一日止年度蒙受虧損，則配發及發行不會進行。
- (ii) 倘成豐環保袋於截至二零一八年三月三十一日止年度之除稅後溢利高於1,200,000港元或倘成豐環保袋之純利少於1,200,000港元，本集團將配發及發行6,200,000股本公司股份予賣方，將予配發及發行之股份將按比例調減。倘成豐環保袋於截至二零一八年三月三十一日止年度蒙受虧損，則配發及發行不會進行。

### 43. CONTINGENT CONSIDERATION PAYABLE (continued)

#### (b) Inno-Bag (continued)

The fair value of the contingent consideration arrangement of approximately HK\$512,000 (2016: HK\$1,137,000) was estimated by applying the income approach. The fair value estimates are based on the volatility of the Company's shares ranged from 45.8% to 46.1% and assumed that the Inno-Bag has reached the profit after tax of less than HK\$1,200,000 for each of the two years ending 31 March 2017 and 2018 respectively. This is classified as a level 3 fair value measurement.

For the contingent consideration of Inno-Bag, as of 31 December 2017, there was no fair value change recognised in profit or loss. As at 31 December 2017, the carrying amount of contingent consideration payable is approximately HK\$512,000 (2016: HK\$1,137,000). The contingent consideration payable was not fulfilled and the respective contingent consideration payable of approximately HK\$1,839,000 was written back and recognised in the consolidated profit and loss and other comprehensive income.

### 43. 應付或然代價 (續)

#### (b) 成豐環保袋 (續)

或然代價安排的公平值約512,000港元(二零一六年: 1,137,000港元)乃採用收入法估計。公平值估計乃基於本公司股份介乎45.8%至46.1%的波幅並假設成豐環保袋於截至二零一七年及二零一八年三月三十一日止兩個年度各年的除稅後溢利少於1,200,000港元。此獲分類為第三級別公平值計量。

就成豐環保袋的或然代價而言，於二零一七年十二月三十一日，概無於損益確認的公平值變動。於二零一七年十二月三十一日，應付或然代價的賬面值約為512,000港元(二零一六年: 1,137,000港元)。應付或然代價未獲償付，而相關應付或然代價約1,839,000港元已撥回並於綜合損益及其他全面收益中確認。

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### 43. CONTINGENT CONSIDERATION PAYABLE (continued)

#### (b) Inno-Bag (continued)

Movement of the contingent consideration payable for 31 December 2017 and 2016 are as below:

### 43. 應付或然代價(續)

#### (b) 成豐環保袋(續)

於二零一七年及二零一六年十二月三十一日之應付或然代價變動如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contingent consideration payable arising on:	以下各項產生之應付或然代價:		
YIHE Group	宜合集團		
– For the year ended 31 December 2017	– 截至二零一七年十二月三十一日止年度	–	4,462
– For the year ended 31 December 2018	– 截至二零一八年十二月三十一日止年度	<b>4,637</b>	4,637
Fair value changes	公平值變動	<b>(4,637)</b>	(7,260)
		–	1,839
Inno-Bag	成豐環保袋		
– For the year ended 31 March 2017	– 截至二零一七年三月三十一日止年度	–	625
– For the year ended 31 March 2018	– 截至二零一八年三月三十一日止年度	<b>512</b>	512
Fair value changes	公平值變動	–	–
		<b>512</b>	1,137
		<b>512</b>	2,976
Represented by:	按以下各項列示:		
Current	即期	<b>512</b>	1,047
Non-current	非即期	–	1,929

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### 44. CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY

#### Disposal of interest in a subsidiary without loss of control

During the year ended 31 December 2017, the Group entered into a sale and purchase agreement in regarding to the disposal of 100% equity interest in a subsidiary, Glory Delights Investment Limited to a non-wholly owned subsidiary, Wider Profit Investment Limited with nil consideration. The transaction was completed on 10 April 2017. This resulted in a decrease in the Group's equity interest in Glory Delights Investment Limited from 100% to 50%. Approximately HK\$764,000 representing the amounts of the interest disposed of Glory Delights Investment Limited was recognised in other reserve.

A schedule of the effect of disposal of interest in a subsidiary without loss of control is as follow:

### 44. 附屬公司擁有權變動

#### 出售附屬公司權益不失去控制權

截至二零一七年十二月三十一日止年度，本集團就出售一間附屬公司榮升投資有限公司100%股權予非全資附屬公司博潤投資有限公司訂立買賣協議，代價為零。該交易於二零一七年四月十日完成，使本集團於榮升投資有限公司的股權由100%下降至50%。約764,000港元，即出售榮升投資有限公司之權益於其他儲備中確認之金額。

出售的利息影響在附屬公司不失去控權的時間表如下：

		2017 二零一七年 HK\$'000 千港元
Carrying amount of the interest disposed	出售權益的賬面值	(1,528)
Less: disposal interest	減：出售權益	764
Difference recognised in other reserves within equity	在權益內的其他儲備中確認差額	(764)

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## 綜合財務報表附註

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### 45. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in the consolidated financial statements, the Group has entered into the following significant transactions with related parties during the year:

### 45. 關連人士交易

(a) 除綜合財務報表所披露者外，本集團年內與關連人士訂立以下重大交易：

Name of company 公司名稱	Nature of transaction 交易性質	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Au Yeung Po Leung (Note a) 歐陽寶樑(附註a)	Revenue-interest income 收益：收入利息	(192)	(90)
Beijing HX (Note b) 北京華夏(附註b)	Other loss and gain-interest income 其他虧損及收益－利息收入	(1,552)	(106)
Sino Coronet Limited (Note c) 中冠有限公司(附註c)	CB-I interest expense paid 已付可換股債券 －已付利息支出	–	81
Bright Kingdom International Limited (Note d) 皇輝國際有限公司(附註d)	Consultancy fee paid 已付顧問費用	600	600
Chan Kee Holdings Limited ("Chan Kee") (Note e) 陳記集團有限公司(「陳記」) (附註e)	Purchases of grocery food products 購買糧油食品	4,816	5,490
	Deposit paid 已付按金	688	565
	Consultancy fee paid 已付顧問費用	318	186
	Revenue Interest income 收益：利息收入	(358)	(312)

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### 45. RELATED PARTY TRANSACTIONS (continued)

#### (a) (continued)

Note a: Au Yeung Po Leung had been a director of the Company until 30 September 2017.

Note b: Beijing HX is an associate of the Group.

Note c: Sino Coronet Limited is wholly-owned by a shareholder of the Company.

Note d: Bright Kingdom International Limited is connected with a director of the Company.

Note e: On 4 February 2016, Maxford Wealth Limited ("Maxford Wealth"), a wholly-owned subsidiary of the Company, formed an entity named Right Ocean Asia Limited ("Right Ocean") with an independent third party Ms. Yoo (the spouse of Mr. Chan), and which Mr. Chan is the substantial shareholder of Chan Kee. Pursuant to the agreement entered into by Right Ocean and Mr. Chan, Ms. Yoo and Mr. Chan shall procure Chan Kee to enter into the trademark licence agreement and the sole distributorship agreement with Right Ocean, for the sole and exclusive sale and distribution of the grocery food products and right to use the trademark granted by Chan Kee at nil consideration within Hong Kong, Macau and Taiwan.

Upon the formation of Right Ocean, the equity of Right Ocean is held as to 51% by Maxford Wealth and 49% by Ms. Yoo. Therefore Right Ocean became a non-wholly owned subsidiary of the Company.

During the year ended 31 December 2016, a shareholder loan agreement was entered into between Maxford Wealth and Right Ocean, pursuant to which Maxford Wealth has agreed to lend a loan of HK\$11,000,000 to Right Ocean, with a fixed interest rate of 5% per annum and repayable on demand.

### 45. 關連人士交易 (續)

#### (a) (續)

附註a: 歐陽寶樑直至二零一七年九月三十日曾經為本公司董事。

附註b: 北京華夏為本集團之聯繫人士。

附註c: 中冠有限公司為本公司股東之全資公司。

附註d: 皇輝國際有限公司與本公司董事有關連。

附註e: 於二零一六年二月四日，Maxford Wealth Limited (「Maxford Wealth」) (本公司全資附屬公司) 與獨立第三方俞女士(陳先生之配偶)(陳先生為陳記的主要股東)成立名稱為威海亞洲有限公司(「威海」)的實體，根據威海與陳記訂立的協議，俞女士及陳先生須促使陳記與威海訂立商標特許權協議及單一分銷權協議以按零代價於香港、澳門及台灣單一及獨家銷售及分銷糧油食品及有權使用陳記所授出的商標。

待組成威海後，威海之權益由Maxford Wealth持有51%及由俞女士持有49%。因此，威海成為本公司非全資附屬公司。

截至二零一六年十二月三十一日止年度，Maxford Wealth與威海訂立股東貸款協議，據此Maxford Wealth已同意向威海提供貸款11,000,000港元，固定年利率為5%，且須按要求償還。



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### 45. RELATED PARTY TRANSACTIONS (continued)

#### (a) (continued)

Note e: (continued)

Another loan agreement was entered into between Right Ocean and Chan Kee, pursuant to which Right Ocean has agreed to lend a loan of HK\$6,000,000 to Chan Kee, with Mr. Chan's personal guarantee, a fixed interest rate of 7% per annum, repayable within 36 months after the date of drawdown for business operation. Details are disclosed in note 22(f).

Details are set out in the announcement of the Company's announcement dated 4 February 2016.

#### (b) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the year was as follows:

Short-term benefits	短期福利
Share-based payments	以股份為基礎付款
Post-employment benefits	僱用期後福利

The remuneration of directors of the Company and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 45. 關連人士交易 (續)

#### (a) (續)

附註e: (續)

威海與陳記訂立另一份貸款協議，據此威海已同意向陳記（以陳先生的個人擔保）借出一筆貸款6,000,000港元，固定年利率為7%，且須於提取作業務經營之日期後36個月內償還。有關詳情披露於附註22(f)。

更多詳情載於本公司日期為二零一六年二月四日之公佈。

#### (b) 主要管理人員薪酬

年內本公司董事及主要管理層其他成員之薪酬如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	6,433	6,442
Share-based payments	4,653	7,650
Post-employment benefits	340	132
	<b>11,426</b>	<b>14,224</b>

本公司董事及主要管理層之其他成員之薪酬乃由薪酬委員會根據個別人士的表現及市場趨勢而釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 46. 本公司財務狀況表

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資		135	135
Current assets	流動資產			
Other receivables	其他應收款項		331	184
Amounts due from subsidiaries	應收附屬公司款項		270,638	269,344
Bank balances and cash	銀行結餘及現金		374	16,846
			<b>271,343</b>	286,374
Current liabilities	流動負債			
Other payables	其他應付款項		27,409	3,056
Amounts due to subsidiaries	應付附屬公司款項		43,978	28,668
Loan payable	應付貸款		–	20,000
Convertible bonds	可換股債券		21,687	31,551
			<b>93,074</b>	83,275
Net current assets	流動資產淨額		<b>178,269</b>	203,099
Total assets less current liabilities	總資產減流動負債		<b>178,404</b>	203,234
Non-current liability	非流動負債			
Convertible bonds	可換股債券		–	19,786
Net assets	淨資產		<b>178,404</b>	183,448
Capital and reserves	資本及儲備			
Share capital	股本		122,071	120,007
Reserves	儲備	(a)	56,333	63,441
Total equity	總權益		<b>178,404</b>	183,448

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

#### (a) Reserves

		Share premium	Equity component of convertible bonds	Share options reserve	Special reserve	Other reserve	Accumulated losses	Total
		股份溢價 HK\$'000 千港元	可換股債券 權益部分 HK\$'000 千港元 (Note 34) (附註34)	購股權儲備 HK\$'000 千港元	特別儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	304,528	24,918	2,300	28,769	-	(371,899)	(11,384)
Loss for the year, representing total comprehensive expense for the year	本年度虧損·即為本年度全面開支總額	-	-	-	-	-	(21,660)	(21,660)
Issue of shares upon conversion of convertible bonds (note 34(d))	兌換可換股債券後發行股份(附註34(d))	(1,386)	(8,594)	-	-	-	-	(9,980)
Placing of new shares (note 34(a))	配售新股份(附註34(a))	33,600	-	-	-	-	-	33,600
Transaction costs attributable to placing of new shares	配售新股份之交易成本	(418)	-	-	-	-	-	(418)
Issue of shares (note 34(b))	發行股份(附註34(b))	37,440	-	-	-	-	-	37,440
Issue of shares in consideration for the acquisition of an associate (note 34(c))	作為收購聯營公司的代價而發行股份(附註34(c))	24,255	-	-	-	-	-	24,255
Cancellation of convertible bonds	註銷可換股債券	-	(3,477)	-	-	-	3,477	-
Recognition of equity-settled share based payments (note 39)	確認以權益結算及以股份為基礎的付款(附註39)	-	-	11,588	-	-	-	11,588
Transfer of share options reserve upon the lapse of share options(note 39)	購股權失效後購股權儲備之轉讓(附註39)	-	-	(720)	-	-	720	-
At 31 December 2016	於二零一六年十二月三十一日	398,019	12,847	13,168	28,769	-	(389,362)	63,441
At 1 January 2017	於二零一七年一月一日	398,019	12,847	13,168	28,769	-	(389,362)	63,441
Loss for the year, representing total comprehensive expense for the year	本年度虧損·即為本年度全面開支總額	-	-	-	-	-	(25,456)	(25,456)
Issue of shares upon conversion of convertible bonds (note 34(e))	兌換可換股債券後發行股份(附註34(e))	13,795	(4,194)	-	-	-	-	9,601
Lapse of conversion of convertible bonds	兌換可換股債券失效	-	(2,954)	-	-	-	-	(2,954)
Issue of shares in consideration for the acquisition of a subsidiary (note 34(g))	作為收購一間附屬公司的代價而發行股份(附註34(g))	442	-	-	-	-	-	442
Exercise of share options (note 34(f))	行使購股權(附註34(f))	4,153	-	(1,385)	-	-	-	2,768
Recognition of equity-settled share based payments (note 39)	確認以權益結算及以股份為基礎的付款(附註39)	-	-	9,255	-	-	-	9,255
Change in ownership interest in a subsidiary that do not result in loss of control (note 42)	於附屬公司的擁有權變動其不導致失去控制權(附註42)	-	-	-	-	(764)	-	(764)
Transfer of share options reserve upon the lapse of share options (note 39)	購股權失效後購股權儲備之轉讓(附註39)	-	-	(2,211)	-	-	2,211	-
At 31 December 2017	於二零一七年十二月三十一日	416,409	5,699	18,827	28,769	(764)	(412,607)	56,333

The Company has no distribution reserves as at 31 December 2017 and 2016.

於二零一七年及二零一六年十二月三十一日，本公司概無可分派儲備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 47. PARTICULARS OF SUBSIDIARIES

### 47. 附屬公司詳情

Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Kama Business Holdings Limited Kama Business Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Anson Development Limited 英順發展有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$100 100港元之普通股	100%	100%	-	-	Inactive 暫無業務
Hoi Fan Investment Limited 凱帆投資有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	100%	Inactive 暫無業務
Goodlink Corporation Limited 緯佳有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	One-stop value chain services 一站式價值鏈服務
Grand Protection Holdings Limited 宏保控股有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Alpaco Company Limited Alpaco Company Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$1 1美元之普通股	-	-	-	-	Property holding (note d) 持有物業(附註d)
Kaley Development Limited 嘉禮發展有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$1 1美元之普通股	-	-	100%	100%	Inactive 暫無業務
Cyberpress Limited 丰柏有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$100 100港元之普通股	-	-	100%	100%	Inactive 暫無業務
Wide Graceful Holdings Limited Wide Graceful Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Securities holding 證券投資
Joy Gold Trading Enterprises Limited 樂金貿易企業有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 47. PARTICULARS OF SUBSIDIARIES (continued)

### 47. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Ever Chance Management Limited 恒運管理有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$10,000 10,000港元之普通股	-	-	100%	100%	Group administration 集團管理
King Health Trading Limited 健盈貿易有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	Trading of consumables 消耗品貿易
Ease Chance Investment Limited 運宜投資有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$10,000 10,000港元之普通股	-	-	100%	100%	Investment holding 投資控股
Sky Success International Investments Limited 天昇國際投資有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$100 100港元之普通股	-	-	100%	100%	Investment holding 投資控股
Skyline Best Limited 天際佳有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Wise Success Holdings Limited Wise Success Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$50,000 50,000美元之普通股	-	-	100%	100%	Investment holding 投資控股
King Noble Holdings Limited King Noble Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$50,000 50,000美元之普通股	-	-	100%	100%	Investment holding 投資控股
Fine Champion Holdings Limited Fine Champion Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary share of US\$50,000 50,000美元之普通股	-	-	100%	100%	Investment holding 投資控股
On Good Investment Limited 健安投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary share of HK\$10,000 10,000港元之普通股	-	-	100%	100%	Investment holding 投資控股
Glory Delights Investment Limited 榮升投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary share of HK\$10,000 10,000港元之普通股	-	-	50%	100%	Investment holding (note b) 投資控股 (附註b)
Total Famous Investment Limited 全榮投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary share of HK\$10,000 10,000港元之普通股	-	-	100%	100%	Investment holding 投資控股
All Ready Holdings Limited All Ready Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Luster Shine Limited Luster Shine Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股

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## 綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

### 47. PARTICULARS OF SUBSIDIARIES (continued)

### 47. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Skyline Top Limited 天際高有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Great Hero Global Limited 偉雄環球有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Global Brands Management Limited 環球品牌管理有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$500,000 500,000港元之 普通股	-	-	51%	51%	Inactive 暫無業務
Splendor Health Holdings Limited 彩鏈控股有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Konson Global Investments Limited 康信環球投資有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$50,000 50,000美元之 普通股	-	-	100%	100%	Investment holding 投資控股
Union World International Group Holdings Limited 聯和國際控股有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$10,000 10,000港元之 普通股	-	-	100%	100%	Investment holding 投資控股
Top Yield Properties Limited 利高置業有限公司	Limited liability 有限責任公司	Hong Kong 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	Investment holding 投資控股
香港商利高置業有限公司 台北分公司	Limited liability 有限責任公司	Taiwan 台灣	Ordinary shares of NTD1,000,000 新台幣1,000,000元 之普通股	-	-	100%	100%	Property holding 持有物業
福建尚同投資有限公司	Limited liability 有限責任公司	PRC 中國	Paid up capital of RMB46,000,000 人民幣46,000,000元 之繳足資本	-	-	100%	100%	Property holding (note g) 持有物業(附註g)
煒鑫投資諮詢(深圳)有限公司	Limited liability 有限責任公司	PRC 中國	Paid up capital of RMB3,283,453 人民幣3,283,453元 之繳足資本	-	-	100%	100%	Investment holding 投資控股
旭堯投資諮詢(深圳)有限公司	Limited liability 有限責任公司	PRC 中國	Paid up capital of RMB100,000 人民幣100,000元 之繳足資本	-	-	50%	100%	Property holding (note b) 持有物業(附註b)

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## 綜合財務報表附註

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### 47. PARTICULARS OF SUBSIDIARIES (continued)

### 47. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
承望投資諮詢(深圳)有限公司	Limited liability	PRC	Paid up capital of RMB100,000	-	-	100%	100%	Inactive
承望投資諮詢(深圳)有限公司	有限責任公司	中國	人民幣100,000元之繳足資本					暫無業務
台灣農業生態科技開發股份有限公司	Limited liability	Taiwan	Ordinary shares of NTD7,230,000	-	-	100%	100%	Trading of agricultural products (note f)
台灣農業生態科技開發股份有限公司	有限責任公司	台灣	新台幣7,230,000元之普通股					農產品交易(附註f)
Delightful Hope Limited	Limited liability	BVI	Ordinary share of US\$100	-	-	50%	50%	Investment holding (note c)
希愉有限公司	有限責任公司	英屬處女群島	100美元之普通股					投資控股(附註c)
China Smart Asia Limited	Limited liability	HK	Ordinary shares of HK\$1	-	-	50%	50%	Investment holding (note c)
華杰亞洲有限公司	有限責任公司	香港	1港元之普通股					投資控股(附註c)
Shenzhen Shengshi Fuqiang Technology Co., Ltd	Limited liability	PRC	Ordinary share of US\$5,000,000	-	-	50%	50%	Property Holding (note c)
深圳市盛世富強科技有限公司	有限責任公司	中國	5,000,000美元之普通股					持有物業(附註c)
Main Supreme Limited	Limited liability	BVI	Ordinary shares of US\$1	-	100%	100%	-	Investment holding
銘優有限公司	有限責任公司	英屬處女群島	1美元之普通股					投資控股
China AF Finance Limited	Limited liability	HK	Ordinary shares of HK\$10,000	-	-	100%	100%	Money lending services
中國農信財務有限公司	有限責任公司	香港	10,000港元之普通股					放債服務
Harmony Alliance Holdings Limited	Limited liability	BVI	Ordinary shares of US\$1	100%	100%	-	-	Investment holding
Harmony Alliance Holdings Limited	有限責任公司	英屬處女群島	1美元之普通股					投資控股
Kingtop Asia Investment Limited	Limited liability	HK	Ordinary shares of HK\$1	-	-	100%	100%	Inactive
港亞投資有限公司	有限責任公司	香港	1港元之普通股					暫無業務
Glory Luck Holdings Limited	Limited liability	HK	Ordinary shares of HK\$10,000	-	-	51%	51%	Trading of agricultural products
朗運集團有限公司	有限責任公司	香港	10,000港元之普通股					農產品交易
Gold Goal International Limited	Limited liability	BVI	Ordinary shares of US\$1	100%	100%	-	-	Investment holding
Gold Goal International Limited	有限責任公司	英屬處女群島	1美元之普通股					投資控股
Success Royal Investment Limited	Limited liability	HK	Ordinary shares of HK\$1	-	-	100%	100%	Property holding
皇家投資有限公司	有限責任公司	香港	1港元之普通股					持有物業

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### 47. PARTICULARS OF SUBSIDIARIES (continued)

### 47. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Fantastic Alliance Investments Limited Fantastic Alliance Investments Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Sino Eco Green Limited 中綠環保有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	Inactive 暫無業務
YIHE Enterprise Holding Limited 宜合企業控股有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$50,000 50,000美元之 普通股	-	-	70%	70%	Investment holding 投資控股
Huge Famous Corporation Limited 銘騰有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$10,000 10,000港元之 普通股	-	-	70%	70%	Trading of grocery food products 糧油食品貿易
Maxford Wealth Limited Maxford Wealth Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Kingview Master Limited Kingview Master Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Udog Petechology Company Limited 優狗網絡科技有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	Inactive 暫無業務
Treasure Yield Investment Limited 寶譽投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	100%	100%	Inactive 暫無業務
Right Ocean Asia Limited 威海亞洲有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$10,000 10,000港元之 普通股	-	-	51%	51%	Trading of grocery food products 糧油食品貿易
Wider Profit Investment Limited 博潤投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	50%	50%	Investment holding 投資控股
Excelso Limited Excelso Limited	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	50%	50%	Inactive 暫無業務
Balini Limited Balini Limited	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	-	-	50%	50%	Inactive 暫無業務



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Name of subsidiary 附屬公司名稱	Legal form of entity 實體法定形式	Place of incorporation/ operations 註冊成立/營業地點	Issued and fully paid share capital 已發行及繳足股本	Proportion ownership interest held by the Company 本公司持有所有權益比例				Principal Activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Supreme Faith Investment Limited 信日投資有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1 1港元之普通股	100%	100%	-	-	Securities holding 持有證券
Treasure Max Investment Holdings Limited 寶美投資控股有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Inno-Bag Limited 成豐環保袋企業有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$2,000 2,000港元之普通股	-	-	60%	60%	Trading of recycle bag 環保袋貿易
Allied Realty Limited Allied Realty Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Champion Front Limited Champion Front Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Inactive 暫無業務
China Agricultural Finance Group Limited 中國農信金融集團有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	100%	100%	-	-	Investment holding 投資控股
Powerline Gain Limited Powerline Gain Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	100%	Investment holding 投資控股
China AF Securities Limited 中國農信證券有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$5,000,000 5,000,000港元之普通股	-	-	100%	100%	Inactive 暫無業務
Luxury Regal Limited Luxury Regal Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	100%	Investment holding 投資控股
China AF Asset Management Limited 中國農信資產管理有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1,900,000 1,900,000港元之普通股	-	-	100%	100%	Asset Management 資產管理
China AF Corporate Finance Limited 中國農信財務顧問有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1,400,000 1,400,000港元之普通股	-	-	78.57%	-	Advising on corporate finance 就企業融資提供意見
Award Fortune Limited Award Fortune Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	100%	Investment holding 投資控股
Success Future Holdings Limited Success Future Holdings Limited	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	-	Investment holding 投資控股
China AF Capital Limited 中國農信資本有限公司	Limited liability 有限責任公司	HK 香港	Ordinary shares of HK\$1,000,000 1,000,000港元之普通股	-	-	100%	-	Inactive 暫無業務
Allied Wisdom Investment Holdings Limited 明智投資控股有限公司	Limited liability 有限責任公司	BVI 英屬處女群島	Ordinary shares of US\$1 1美元之普通股	-	-	100%	-	Inactive 暫無業務

None of the subsidiaries has issued any debt securities at the end of both years.

於該兩個年度末，概無附屬公司已發行任何債務證券。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017  
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### 47. PARTICULARS OF SUBSIDIARIES (continued)

Notes:

- (a) Being the subsidiaries acquired or incorporated during the year ended 31 December 2017. For acquisition of subsidiaries, details are disclosed in note 41.
- (b) During the year ended 31 December 2017, the Group has disposed its equity interest in Glory Delights Investment Limited and its subsidiary 旭堯投資諮詢(深圳)有限公司 without loss of control. Details are set out in note 44.
- (c) The Group owns 50% equity shares in Delightful Hope, Smart Asia and Shenzhen Shengshi Fuqiang Technology Co., Limited (the "Delightful Hope Group") respectively. However, based on the shareholder's agreement between the Group and other investors, the Group has the power to appoint 2 out of 3 directors of the board of directors of the Delightful Hope Group. The relevant activities of the Group are determined by the board of directors of the Delightful Hope Group based on simple majority votes. Therefore, the directors of the Company concluded that the Group has control over the Delightful Hope Group and accordingly, they are classified as subsidiaries.
- (d) The subsidiary was disposed during the year ended 31 December 2016. Details are set out in note 42.
- (e) The Group owns 50% equity shares in Wider Profit Investment, Excelso and Balini Limited (the "Wider Profit Group") respectively. However, based on the shareholder's agreement between the Group and other investors, the Group has the power to appoint 3 out of 5 directors of the board of directors of the Wider Profit Group. The relevant activities of the Group are determined by the board of directors of the Wider Profit Group based on simple majority votes. Therefore, the directors of the Company concluded that the Group has control over the Wider Profit Group and accordingly, they are classified as subsidiaries.

### 47. 附屬公司詳情(續)

附註:

- (a) 截至二零一七年十二月三十一日止年度收購或註冊成立的附屬公司。有關收購附屬公司的詳情披露於附註41。
- (b) 於截至二零一七年十二月三十一日止年度，本集團已出售其於榮開投資有限公司及其附屬公司旭堯投資諮詢(深圳)有限公司之股權而不失去控制權。詳情載於附註44。
- (c) 本集團於希愉、華杰及深圳市盛世富強科技有限公司(「希愉集團」)分別擁有50%股權。然而基於本集團與其他投資者之間的股東協議，本集團有權委任希愉集團董事會中三名董事中的兩名董事。本集團相關活動由希愉集團董事會基於簡單大多數票方式釐定。因此，本公司董事結論本集團已控制希愉集團，而其相應獲分類為附屬公司。
- (d) 於截至二零一六年十二月三十一日止年度，該附屬公司已出售。詳情載於附註42。
- (e) 本集團於博潤投資、Excelso及Balini Limited(「博潤集團」)分別擁有50%股權。然而基於本集團與其他投資者之股東協議，本集團有權委任博潤集團之董事會的五名董事中的三名董事。本集團相關活動由博潤集團之董事會按簡單大多數票釐定。因此，本公司董事得出結論，本集團對博潤集團擁有控制權，而其相應獲分類為附屬公司。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 47. PARTICULARS OF SUBSIDIARIES (continued)

Notes: (continued)

- (f) During the year ended 31 December 2016, the Group has increased the share capital of 福建尚同投資有限公司 from RMB10,000,000 to RMB46,000,000.
- (g) During the year ended 31 December 2016, The Group has acquired additional 40.25% of the share capital of 台灣農業生態科技開發股份有限公司 from the non-controlling interest and therefore 台灣農業生態科技開發股份有限公司 had become an indirectly wholly-owned subsidiary of the Group as at 31 December 2016.

### 48. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2017, convertible bonds incurred an imputed interest of approximately HK\$4,568,000 (2016: HK\$6,479,000).
- (b) During the year ended 31 December 2017, convertible bonds with liability component and equity component of approximately HK\$10,970,000 and HK\$4,194,000 respectively were converted into approximately 68,443,811 ordinary shares of the Company of HK\$0.17 each. Details are disclosed in note 34(e).
- (c) As at 31 December 2017, convertible bonds of HK\$23,000,000 was reclassify to other payables. Details are disclosed in note 27.

### 47. 附屬公司詳情 (續)

附註：(續)

- (f) 截至二零一六年十二月三十一日止年度，本集團已將福建尚同投資有限公司的股本自人民幣10,000,000元增加至人民幣46,000,000元。
- (g) 截至二零一六年十二月三十一日止年度，本集團已自非控股股東權益增購台灣農業生態科技開發股份有限公司股本之40.25%，因此台灣農業生態科技開發股份有限公司於二零一六年十二月三十一日已成為本集團間接全資附屬公司。

### 48. 主要非現金交易

- (a) 截至二零一七年十二月三十一日止年度，可換股債券產生應計利息約4,568,000港元（二零一六年：6,479,000港元）。
- (b) 截至二零一七年十二月三十一日止年度，負債部分及權益部分分別約為10,970,000港元及4,194,000港元的可換股債券已轉換為本公司每股0.17港元之約68,443,811股普通股。詳情於附註34(e)披露。
- (c) 於二零一七年十二月三十一日，其他應付款項23,000,000港元已由可換股債券轉入。詳情於附註27披露。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017

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#### 48. MAJOR NON-CASH TRANSACTIONS (continued)

- (d) During the year ended 31 December 2017, 4,017,253 shares of the Company with par value of HK\$0.02 each were issued as the consideration shares for the settlement of the contingent consideration. Details are disclosed in note 34(g).
- (e) During the year ended 31 December 2017, 30,750,000 share options of the Company with par value of HK\$0.02 each were exercised. Details are disclosed in note 34(f).
- (f) During the year ended 31 December 2016, 263,636,364 shares of the Company with par value of HK\$0.02 each were issued to acquire an associate, Gold Wide, as partial settlement. Details are disclosed in note 34(c).

#### 48. 主要非現金交易(續)

- (d) 截至二零一七年十二月三十一日止年度，本公司已發行 4,017,253 股每股面值 0.02 港元之本公司股份作為代價股份以結算或然代價袋。詳情於附註 34(g) 披露。
- (e) 截至二零一七年十二月三十一日止年度，本公司每股面值港幣 0.02 元的 30,750,000 份購股權已獲行使。詳情於附註 34(f) 披露。
- (f) 截至二零一六年十二月三十一日止年度，本公司為收購一間聯營公司金弘而發行每股面值 0.02 港元之 263,636,364 股股份，作為部分償付。詳情披露於附註 34(c)。

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## 綜合財務報表附註

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### 49. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, both cash and non-cash changes. Liabilities arising from financing activities are those which cash flows were, of future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flow from financing activities.

### 49. 融資活動產生的負債對賬

下表列示本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量中未來現金流量所產生的負債，其將於本集團綜合現金流量表中獲分類為融資活動的現金流量。

		Borrowings	Loan payable	Margin loan payable	Liability component of convertible bonds	Total
		借款	應付貸款	應付保證金貸款	可換股債券的負債部分	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
At 31 December 2016	於二零一六年十二月三十一日	19,181	20,000	16,768	51,337	107,286
Financing cash flows	融資現金流量	47,229	(20,000)	3,254	-	30,483
Non-cash change	非現金變動					
Foreign exchange movement	外匯變動	779	-	-	-	779
Reclassify to other payables	重新分類為其他應付款項	-	-	-	(23,000)	(23,000)
Conversion of convertible bonds	轉換可換股債券	-	-	-	(10,970)	(10,970)
Imputed interest	應計利息	-	-	-	4,320	4,320
At 31 December 2017	於二零一七年十二月三十一日	67,189	-	20,022	21,687	108,898

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 50. COMPARATIVE FIGURES

Turnover is presented separately in the consolidated statement of profit and loss and other comprehensive income and the impairment loss recognised on goodwill presented in the consolidated statement of profit or loss and other comprehensive income were previously included in administrative expenses. To conform to current year's presentation, the above amount for the year ended 31 December 2016 have been separately disclosed in the consolidated statement of profit or loss and other comprehensive income. The consolidated statement of financial position at 1 January 2016 is not presented as there was no impact resulting from the above reclassification.

### 51. EVENTS AFTER THE REPORTING PERIOD

#### Placing of new shares

On 20 February 2018, the Company entered into the placing agreement with a placing agent, it is propose that the placing agent would propose to offer for subscription of 1,200,000,000 placing shares at HK\$0.0834 per placing shares ("Placing I") and the placing agent has agreed to procure subscriptions for the placing shares. The maximum gross proceeds from the Placing I will be approximately HK\$100,008,000. Details are set out in the announcement issued by the Company dated 20 February 2018.

On 9 March 2018, the Company announced to terminate the Placing I and will be replaced by a new placing agreement with a placing agent. It is propose that the placing agent would propose to offer for subscription of 1,200,000,000 placing shares at the placing price of HK\$0.083 per placing share. The maximum gross proceeds from the placing will be approximately HK\$99,600,000.

### 50. 比較數據

營業額單獨於綜合損益及其他全面收益表內呈列，且綜合損益及其他全面收益表內呈列的就商譽確認之減值虧損先計入行政開支。為符合本年度呈列，上述截至二零一六年十二月三十一日止年度的金額已於綜合損益及其他全面收益表中單獨披露。並無呈列於二零一六年一月一日的綜合財務狀況表，因上述重新分類無影響。

### 51. 報告期後事項

#### 配售新股份

於二零一八年二月二十日，本公司與配售代理訂立配售協議，建議配售代理建議以每股配售股份0.0834港元認購1,200,000,000股配售股份（「配售事項一」）而配售代理已同意，促使認購配售股份。配售事項一之最高所得款項總額將約為100,008,000港元。詳情載於本公司於二零一八年二月二十日刊發之公佈。

於二零一八年三月九日，本公司宣布終止先前配售事項一，並將與配售代理以新配售協議取代。其建議配售代理將提出認購要約，按配售價每股配售股份0.083港元認購1,200,000,000股配售股份。配售事項一之最高所得款項總額將約為99,600,000港元。

## FINANCIAL SUMMARY 財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years prepared on the basis set out in the notes below.

以下為按下列附註所載基準編製的本集團過往五個財政年度之已刊發業績及資產與負債的概要。

		Year ended 31 December 截至十二月三十一日止年度				
		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	2013 二零一三年 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>					
Turnover	營業額	<b>63,028</b>	72,470	59,748	45,541	19,194
Loss before taxation	除稅前虧損	<b>(77,347)</b>	(34,357)	(55,837)	(28,799)	(25,745)
Taxation	稅項	<b>(365)</b>	308	(2,863)	(48)	(15)
Loss after tax from continuing operations	來自持續經營業務的除稅後虧損	<b>(77,712)</b>	(34,049)	(58,700)	(28,847)	(25,760)
<b>Discontinued operations</b>	<b>已終止經營業務</b>					
Loss after tax from discontinued operations	來自已終止經營業務的除稅後虧損	-	-	(1,051)	-	-
Loss for the year	年內虧損	<b>(77,712)</b>	(34,049)	(59,751)	(28,847)	(25,760)
Non-controlling interests	非控股股東權益	<b>6,064</b>	4,094	537	1,454	14
Loss attributable to equity shareholders of the Company	本公司權益持有人應佔虧損	<b>(71,648)</b>	(29,955)	(59,214)	(27,393)	(25,746)

## ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

## 資產、負債及非控股股東權益

		Year ended 31 December 截至十二月三十一日止年度				
		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	2013 二零一三年 HK\$'000 千港元
Total asset	總資產	<b>490,881</b>	517,906	387,399	164,701	27,276
Total liabilities	總負債	<b>(170,648)</b>	(155,779)	(113,534)	(29,655)	(16,787)
Non-controlling interest	非控股股東權益	<b>(35,582)</b>	(43,998)	(46,235)	1,448	14
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>284,651</b>	318,129	227,630	136,494	10,503

The summary above does not form part of the audited financial statements.

以上概要並不構成已審核財務報表的一部分。

## INVESTMENT PROPERTY

### 投資物業

At 31 December 2017

於二零一七年十二月三十一日

Location 地點	Type 種類	Lease Term 租賃期	Effective held 實際持有
<b>Hong Kong</b>			
香港			
Unit 8D, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong 香港新界荃灣海盛路3號TML廣場8D室	Industrial 工業	medium-term lease 中期	100%
<b>PRC</b>			
中國			
Fulong Garden, Houhai Village, Baiqi Country, Quanzhou Taiwanese Impediment Zone, Fujian Province comprising flats 3005 to 3012 of commercial and residential building No.1 and flat 2905 of commercial and residential building No.3 中國福建省泉州台商投資區百崎鄉後海村福隆花園1號商住樓3005至3012號單位及3號商住樓2905號單位	Commercial and Residential 商住	long-term lease 長期	100%
Shop Nos. A-02 to A-04, Block 2, Hechang Garden, Southeast of the junction of Tian'an Road and Fengze Street, Fengze District, Quanzhou City, Fujian Province, PRC. 中國福建省泉州市豐澤區田安路與豐澤街交叉口東南側和昌花苑2號樓A-02·A-03及A-04	Commercial 商業	long-term 長期	100%
Unit 104, Block 4, Shijimingzhu, No.245 Hualin Road, Chayuan Sub-district, Jin'an District, Fuzhou City, Fujian Province, PRC. 中國福建省福州市晉安區茶園街道華林路245號世紀明珠4樓104單元	Residential 住宅	long-term 長期	100%



## INVESTMENT PROPERTY

### 投資物業

At 31 December 2017

於二零一七年十二月三十一日

Location 地點	Type 種類	Lease Term 租賃期	Effective held 實際持有
Suites A to H on the 33rd Floor of Shidai-Caifu Building, Futian District, Shenzhen City, Guangdong Province, the PRC 中國廣東省深圳市福田區時代財富大廈33樓A至H室	Commercial 商業	medium-term lease 中期	50% 50%
House on Land Lot No. G17102-16 Shuitousha Village, Nanao Town, Longgang District, Shenzhen City, Guangdong Province, the PRC 中國廣東省深圳市龍崗區南澳鎮水頭沙村 G17102-16宗地號之別墅	Residential 住宅	medium-term lease 中期	50% 50%
<b>Taiwan</b> 台灣			
Flat A3, 12th Floor, Block A with two car parking spaces in the building numbered 166 and 167 at Zenith City, Lane 235, Jingmaoer Road, Nangang District, Taipei City, Taiwan 台北市南港區經貿段235巷日升月恆大樓A棟A3戶12樓連地下2個166、167車位	Residential 住宅	free hold 永久	100% 100%



中國農業生態有限公司  
China Eco-Farming Limited