



中泛控股有限公司

CHINA OCEANWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 715

ANNUAL REPORT 2017 | 年報





This report is printed on environmentally friendly paper 本報告以環保紙印製

CONTENTS

目錄

2	Corporate Information 公司資料
4	Information for Shareholders 股東資訊
5	Definitions 釋義
7	Chairman's Statement 主席報告
19	Management Discussion and Analysis 管理層討論及分析
29	Biographical Details of Directors and Senior Management 董事及高級管理層簡歷
34	Report of the Directors 董事會報告
66	Corporate Governance Report 企業管治報告
93	Independent Auditor's Report 獨立核數師報告
102	Consolidated Income Statement 綜合收益表
103	Consolidated Statement of Comprehensive Income 綜合全面收益表
104	Consolidated Statement of Financial Position 綜合財務狀況表
106	Consolidated Statement of Cash Flows 綜合現金流量表
109	Consolidated Statement of Changes in Equity 綜合權益變動表
112	Notes to the Consolidated Financial Statements 綜合財務報表附註
225	Five Year Financial Summary 五年財務概要
226	Particulars of Major Properties 主要物業資料

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS**Executive Directors**

Mr. HAN Xiaosheng (*Chairman*)
 Mr. LIU Bing
 Mr. LIU Hongwei
 Mr. ZHANG Xifang
 (Appointed on 15 August 2017)
 Mr. LIU Guosheng

Non-executive Directors

Mr. ZHAO Yingwei
 Mr. ZHANG Fubiao
 (Appointed on 29 March 2018)
 Mr. ZHENG Dong (*Deputy Chairman*)
 (Resigned on 22 June 2017)
 Mr. QIN Dingguo (*Deputy Chairman*)
 (Resigned on 15 August 2017)
 Mr. QI Zixin
 (Resigned on 14 December 2017)

Independent Non-executive Directors

Mr. LIU Jipeng
 Mr. CAI Hongping
 Mr. YAN Fashan
 Mr. LO Wa Kei, Roy

BOARD COMMITTEES**Audit Committee**

Mr. LIU Jipeng (*Committee Chairman*)
 Mr. ZHAO Yingwei
 Mr. LO Wa Kei, Roy

Remuneration Committee

Mr. CAI Hongping (*Committee Chairman*)
 Mr. HAN Xiaosheng
 Mr. YAN Fashan

董事會**執行董事**

韓曉生先生(*主席*)
 劉冰先生
 劉洪偉先生
 張喜芳先生
 (於2017年8月15日獲委任)
 劉國升先生

非執行董事

趙英偉先生
 張福彪先生
 (於2018年3月29日獲委任)
 鄭東先生(*副主席*)
 (於2017年6月22日辭任)
 秦定國先生(*副主席*)
 (於2017年8月15日辭任)
 齊子鑫先生
 (於2017年12月14日辭任)

獨立非執行董事

劉紀鵬先生
 蔡洪平先生
 嚴法善先生
 盧華基先生

董事委員會**審核委員會**

劉紀鵬先生(*委員會主席*)
 趙英偉先生
 盧華基先生

薪酬委員會

蔡洪平先生(*委員會主席*)
 韓曉生先生
 嚴法善先生

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

Nomination Committee

Mr. HAN Xiaosheng (*Committee Chairman*)
Mr. LIU Jipeng
Mr. YAN Fashan

Authorised Representatives

Mr. HAN Xiaosheng
Ms. LAM Wai Yee Sophie

COMPANY SECRETARY

Ms. LAM Wai Yee Sophie

AUDITOR

PricewaterhouseCoopers

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

www.oceanwide.hk

提名委員會

韓曉生先生(委員會主席)
劉紀鵬先生
嚴法善先生

授權代表

韓曉生先生
林慧怡女士

公司秘書

林慧怡女士

核數師

羅兵咸永道會計師事務所

主要往來銀行

香港上海滙豐銀行有限公司

網站

www.oceanwide.hk

INFORMATION FOR SHAREHOLDERS

股東資訊

LISTING INFORMATION

上市資料

Place of Listing: The Stock Exchange of Hong Kong Limited
 上市地點：香港聯合交易所有限公司

Stock Code: 715
 股份代號：

PUBLIC FLOAT CAPITALISATION

公眾持股市值

As at 31 December 2017:
 於2017年12月31日：
 approximately HK\$2.305 billion, representing approximately 25.05% of the
 issued share capital of the Company
 約港幣23.05億元，佔本公司已發行股本約25.05%

FINANCIAL CALENDAR

財務日誌

2017 Annual Results Announcement	29 March 2018
公佈2017年全年業績	2018年3月29日
Closure of Registers of Members	14–17 May 2018
暫停辦理股份過戶登記	2018年5月14日至17日
2018 Annual General Meeting	17 May 2018
2018年股東周年大會	2018年5月17日
2018 Interim Results Announcement	August 2018
公佈2018年中期業績	2018年8月

REGISTERED OFFICE

註冊辦事處

Clarendon House, 2 Church Street, Hamilton HM11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

總辦事處及主要營業地點

64th Floor, Bank of China Tower, 1 Garden Road, Hong Kong
 香港花園道1號中銀大廈64樓

BERMUDA PRINCIPAL SHARE REGISTRAR

百慕達股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
 26 Burnaby Street, Hamilton HM11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR

香港股份過戶登記分處

Computershare Hong Kong Investor Services Limited
 香港中央證券登記有限公司
 Shops 1712–1716, 17th Floor, Hopewell Centre
 183 Queen's Road East, Wan Chai, Hong Kong
 香港灣仔皇后大道東183號
 合和中心17樓1712–1716號舖

CORPORATE INFORMATION

公司資訊

Press releases, financial reports and other investor information of the Company are available at the website of the Company
 本公司的新聞稿、財務報告及其他投資者資訊登載於本公司網站

DEFINITIONS

釋義

“Board” 「董事會」	means 指	the board of Directors 董事會
“Bye-laws” 「公司細則」	means 指	the memorandum of association and bye-laws of the Company 本公司組織章程大綱及公司細則
“China Oceanwide Group” 「中泛集團」	means 指	China Oceanwide Group Limited, a company incorporated with limited liability under the laws of Hong Kong and a direct wholly-owned subsidiary of Oceanwide Holdings 中泛集團有限公司，一家根據香港法例註冊成立的有限公司，為泛海控股的直接全資附屬公司
“China Oceanwide Holdings Group” 「中國泛海控股集團」	means 指	China Oceanwide Holdings Group Co., Ltd.*, a company incorporated in the PRC with limited liability and the controlling shareholder of Oceanwide Holdings 中國泛海控股集團有限公司，一家於中國註冊成立之有限公司，為泛海控股的控股股東
“Company” 「本公司」	means 指	China Oceanwide Holdings Limited (Stock Code: 715), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange 中泛控股有限公司(股份代號：715)，一家於百慕達註冊成立的有限公司，其股份於聯交所主板上市
“Director(s)” 「董事」	means 指	the director(s) of the Company 本公司董事
“Group” 「本集團」	means 指	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港幣」	means 指	Hong Kong dollars, the lawful currency of Hong Kong 港幣，香港的法定貨幣
“Hong Kong” 「香港」	means 指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“IDR” 「印尼盾」	means 指	Indonesian Rupiah, the lawful currency of Indonesia 印尼盾，印尼的法定貨幣
“Indonesia” 「印尼」	means 指	the Republic of Indonesia 印度尼西亞共和國
“Listing Rules” 「上市規則」	means 指	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	means 指	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄10所載的上市發行人董事進行證券交易的標準守則

DEFINITIONS (CONTINUED)

釋義(續)

“Oceanwide Holdings”	means	Oceanwide Holdings Co., Ltd.* (Stock Code: 000046), a joint stock company established in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange and the indirect controlling Shareholder of the Company
「泛海控股」	指	泛海控股股份有限公司(股份代號：000046)，一家於中國成立的股份有限公司，其股份於深圳證券交易所上市，為本公司的間接控股股東
“PRC”	means	the People’s Republic of China, which for the purpose of this annual report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
「中國」	指	中華人民共和國，就本年報而言，不包括香港、中國澳門特別行政區及台灣
“RMB”	means	Renminbi, the lawful currency of the PRC
「人民幣」	指	人民幣，中國的法定貨幣
“SFO”	means	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
「證券及期貨條例」	指	證券及期貨條例(香港法例第571章)
“Share(s)”	means	ordinary share(s) of HK\$0.10 each in the share capital of the Company
「股份」	指	本公司股本中每股面值港幣0.10元的普通股
“Shareholder(s)”	means	holder(s) of the Shares
「股東」	指	股份持有人
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
「聯交所」	指	香港聯合交易所有限公司
“U.S.”	means	United States of America
「美國」	指	美利堅合眾國
“US\$”	means	U.S. dollars, the lawful currency of the U.S.
「美元」	指	美元，美國之法定貨幣
“%”	means	per cent.
「%」	指	百分比

Unless otherwise specified, in this annual report, conversions of US\$ into HK\$, RMB into HK\$ and IDR into HK\$ in this annual report are based on the exchange rate of US\$1.00 = HK\$7.8169, RMB1.00 = HK\$1.1963 and IDR1.00 = HK\$0.00058 respectively for illustration purpose only. No representation is made that any amounts in US\$, RMB, IDR or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

除另有指明外，於本年報內，美元兌港幣、人民幣兌港幣及印尼盾兌港幣乃分別按1.00美元兌港幣7.8169元、人民幣1.00元兌港幣1.1963元及印尼盾1.00元兌港幣0.00058元的匯率換算，僅供說明之用。概無表示任何美元、人民幣、印尼盾或港幣款項可以或應可以於有關日期按上述匯率或按任何其他匯率兌換。

* for identification purpose only 僅供識別



CHAIRMAN'S STATEMENT

主席報告

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

China Oceanwide Holdings Limited (“China Oceanwide Holdings” or the “Company”, together with its subsidiaries, the “Group”), being the major listed platform of the overseas businesses of Oceanwide Holdings Co., Ltd.* (“Oceanwide Holdings”, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000046)), is committed to the development and management of overseas U.S. dollar denominated assets, and is principally engaged in, among others, the development of high quality real estate projects in the U.S., investments in commercial properties in prime locations of Shanghai, development of energy projects in Indonesia and finance investment and others in Hong Kong. As an investment holding company with a foothold in U.S. dollar denominated assets and investments, the Group, taking advantages from the diversified investing and financing management channels, globalised capital and excellent professionals in the Hong Kong market, maintained continuous growth in assets last year and has successfully established itself as an internationally integrated investment holding conglomerate. With the unremitting efforts of the management and execution teams as well as benefiting from favourable circumstances such as the economic recovery, the Group’s projects under construction are progressing well. At the same time, the Group expects to reap potential benefits from its projects in the U.S. and cement the foundation for future profits in anticipation of further economic growth in the U.S. boosted by the tax reform and multiple financial stimuli implemented by the federal government. While focusing on preserving business growth, exploring new revenue stream and expanding its operation and investment scale, the Group will also follow the principle of prudent financial management and maintain sound liquidity position in order to maximise shareholders’ value in a sustainable manner. By fully leveraging the substantial resources, extensive experience and visionary ideas of the controlling shareholder, the Group will continue to exploit the strategic advantages and resources of our platforms in Hong Kong.

中泛控股有限公司(「中泛控股」或「本公司」, 連同其附屬公司「本集團」)作為泛海控股股份有限公司(「泛海控股」, 其股份於深圳證券交易所上市(股份代號: 000046))目前海外產業的核心上市平台, 致力於發展境外美元資產的開發及管理, 目前主要業務包括美國的優質房地產開發項目、上海的核心地段商用物業投資、印尼的能源電力開發項目及香港的財務投資及其他業務。作為一間立足於控股美元資產及投資業務的投資控股型公司, 本集團憑藉香港市場的多元化投融資管理、國際化資本以及優秀專業人才, 於去年資產規模持續高速增長, 目前已成功發展成一家具規模的國際性綜合投資控股型企業。在管理層和執行團隊的不懈努力下, 同時受惠於經濟回暖等利好環境影響, 本集團各在建項目進展良好。同時, 美國稅改和聯邦政府不斷推出財政振興措施, 預期美國經濟將被刺激推動成長, 本集團位於美國的項目潛力將得到進一步提升, 為未來的盈利釋放奠定了更為穩固的基礎。本集團將致力不斷推動業務增長及開拓收益來源, 在積極進行業務拓展及投資的同時, 本集團會採取審慎的理財原則, 維持穩健的資金流動性, 務求為股東持續創造最大的價值。在充分借助控股股東的強大資源、豐富經驗和領先理念的同時, 繼續發揮香港平台的戰略及資源性優勢。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

In 2017, although China enjoyed economy prosperity under the steady recovery of the worldwide economy, the government, in view of the rapid growth in the scale of overseas investment by Chinese corporations, has tightened and refined its control on investment abroad, which, together with the interest hikes in the U.S., imposed dual pressure on overseas expansion by the Chinese corporations. Nevertheless, the management has, through flexible use of various financing channels, not only maintained sufficient cash flows, but also successfully raised net financing proceeds of HK\$2,038.2 million to finance and support the development of its real estate projects in the U.S. and the power plants in Indonesia. The controlling shareholder also provided the Group with unceasing financial support to maintain sufficient liquidity. As at 31 December 2017, the Group has drawn loans from the controlling shareholders totalling approximately HK\$3,120.5 million (2016: HK\$1,694.5 million). In addition, the controlling shareholder granted an additional unsecured shareholder's loan of US\$650.0 million (equivalent to approximately HK\$5,081.0 million) on 29 December 2017, demonstrating its staunch support for the Group.

FINANCIAL RESULTS

The Group has transformed from a company engaging solely in property investment into a conglomerate integrating property investment, real estate development, energy and strategic finance investment. As at 31 December 2017, total assets of the Group, inclusive of five existing real estate projects in the U.S. and the energy project in Indonesia, amounted to HK\$21,458.1 million, representing an increase of 26% as compared to HK\$16,967.2 million in last year. In particular, the scale of investment properties increased by 48% to HK\$3,400.5 million from that of 2016, while the scale of properties under development increased by 25% to HK\$12,131.6 million from that of 2016. Mainly located in prime locations in major cities in the U.S., these properties under development will be developed into diversified residential, hotel and commercial properties partly for sale and partly for holding in the future and are expected to bring ample profits and returns to the Group.

2017年中國經濟景氣上升，全球經濟總體穩健復甦，但國內監管由於對外投資規模迅速發展而收緊並轉向，對於眾多在海外發展業務的中資企業而言，國內管控收緊及美國市場加息對海外擴張形成了雙重壓力。然而，管理層通過靈活運用各種融資管道以維持充足現金流，共籌得融資款項淨額港幣20.382億元，主要用以投入及支持美國房地產項目及印尼電廠項目的開發。本集團亦不斷得到控股股東的財務支持，以保證本集團流動資金充裕，於2017年12月31日，本集團已從控股股東提得貸款總額約港幣31.205億元(2016年：港幣16.945億元)。除此以外，於2017年12月29日再獲授予6.500億美元(相等於約港幣50.810億元)的無抵押股東貸款，足見控股股東對本集團的鼎力支持。

財務業績

本集團已從單一的物業投資轉型為集物業投資、房地產開發、能源電力及戰略性財務投資於一體的綜合企業。計及現有的五個美國房地產開發項目及印尼能源電力項目，本集團於2017年12月31日的總資產達港幣214.581億元，比去年的港幣169.672億元增加了26%。其中，投資物業規模增長至港幣34.005億元，較2016年增長48%；發展中物業規模增長至港幣121.316億元，較2016年增長25%。上述物業主要位於美國主流城市的黃金地段，將於未來被開發成多元化的住宅、酒店及商用物業，銷售與自持並存，預期會給本集團帶來豐厚的盈利回報。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

During the year ended 31 December 2017 (the "Year"), the consolidated profit attributable to the shareholders amounted to HK\$70.4 million (2016: HK\$136.2 million), while earnings per share amounted to HK0.44 cent (2016: HK0.90 cent). Excluding other net gains after tax of HK\$29.2 million¹ (2016: HK\$95.1 million), recurring consolidated profits attributable to the shareholders amounted to HK\$41.3 million (2016: HK\$41.1 million).

Revenue for the Year amounted to HK\$142.2 million (2016: HK\$153.4 million), and earnings before interest expense and tax ("EBIT") for the Year amounted to HK\$86.6 million (2016: HK\$257.4 million). Excluding other net gains of HK\$29.2 million² (2016: HK\$189.1 million), recurring EBIT for the Year amounted to HK\$57.4 million (2016: HK\$68.3 million). The decrease in recurring EBIT was mainly due to the decrease in revenue for the Year.

1 Other net gains after tax and non-controlling interests for 2017 of HK\$29.2 million represented net gains from the disposal of available-for-sale financial assets of HK\$47.6 million, changes in fair value of financial assets at fair value through profit or loss of HK\$2.5 million and net foreign exchange losses of HK\$20.9 million; other net gains after tax and non-controlling interests for 2016 of HK\$95.1 million represented changes in the fair value of investment properties after tax and non-controlling interests of HK\$179.4 million, net gains from the disposal of available-for-sale financial assets after tax of HK\$3.2 million and impairment provision of available-for-sale financial assets of HK\$87.5 million.

2 Other net gains before tax and non-controlling interests for 2017 of HK\$29.2 million represented net gains from the disposal of available-for-sale financial assets of HK\$47.6 million, changes in fair value of financial assets at fair value through profit or loss of HK\$2.5 million and net foreign exchange losses of HK\$20.9 million; other net gains before tax and non-controlling interests for 2016 of HK\$189.1 million represented changes in the fair value of investment properties before tax and non-controlling interests of HK\$273.4 million, net gains from the disposal of available-for-sale financial assets before tax of HK\$3.2 million and impairment provision of available-for-sale financial assets of HK\$87.5 million.

本集團截至2017年12月31日止年度(「年內」或「本年度」)股東應佔綜合利潤為港幣7,040萬元(2016年:港幣1.362億元),每股盈利為港幣0.44仙(2016年:港幣0.90仙)。撇除除稅後其他淨利得港幣2,920萬元¹(2016年:港幣9,510萬元),經常性股東應佔綜合利潤為港幣4,130萬元(2016年:港幣4,110萬元)。

年內收入為港幣1.422億元(2016年:港幣1.534億元),而年內的未扣除利息支出及稅項前盈利(「利息及稅前盈利」)則為港幣8,660萬元(2016年:港幣2.574億元)。撇除其他淨利得港幣2,920萬元²(2016年:港幣1.891億元),年內經常性利息及稅前盈利為港幣5,740萬元(2016年:港幣6,830萬元)。經常性利息及稅前盈利減少主要是由於年內收入減少所致。

1 2017年其他淨利得(除稅及非控股權益後)港幣2,920萬元為出售可供出售財務資產之淨利得港幣4,760萬元、按公允價值計入損益之財務資產公允價值變動港幣250萬元及外幣匯兌淨虧損港幣2,090萬元;2016年其他淨利得(除稅及非控股權益後)港幣9,510萬元為投資物業公允價值變動(除稅及非控股權益後)港幣1.794億元;出售可供出售財務資產淨利得(除稅後)港幣320萬元和可供出售財務資產之減值撥備港幣8,750萬元。

2 2017年其他淨利得(除稅及非控股權益前)港幣2,920萬元為出售可供出售財務資產之淨利得港幣4,760萬元、按公允價值計入損益之財務資產公允價值變動港幣250萬元及外幣匯兌淨虧損港幣2,090萬元;2016年其他淨利得(除稅及非控股權益前)港幣1.891億元為投資物業公允價值變動(除稅及非控股權益前)港幣2.734億元;出售可供出售財務資產淨利得(除稅前)港幣320萬元和可供出售財務資產之減值撥備港幣8,750萬元。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

DIVIDEND

In order to retain sufficient capital for the future business development and operation of the Group, the Board does not recommend the payment of any final dividend for the Year (2016: Nil).

BUSINESS OVERVIEW**Property Investment**

During the Year, the property investment segment continued to contribute stable rental income and profits with the two office and commercial properties in Shanghai. As at 31 December 2017, the average occupancy rate of these two office and commercial properties in Shanghai was 98%. In addition, through successful public tender, the Group won the bid for all the equity interests held by the original non-controlling shareholder of two subsidiaries in Shanghai and entered into share transfer agreements with this shareholder during the Year. The Group currently owns the entire equity interests of these two Shanghai subsidiaries, which contribute additional net profit to the Group, thereby facilitating the restructuring and realisation of the value of the two office and commercial properties in Shanghai.

Real Estate Development

In view of the recovery of the U.S. economy and the continuing appreciation of the U.S. dollar, the Group maintained its focus on the development of its U.S. real estate projects. All projects are located in prime locations of major cities in the U.S. and are positioned as mid- to high-end luxurious property complexes and new regional landmarks. As at 31 December 2017, the Group has five real estate development projects as follows:

Los Angeles Project

In October 2015, the Group successfully acquired the real estate project in Los Angeles, the U.S. from a subsidiary of its parent company, Oceanwide Holdings. This project is located in the core of Los Angeles near landmark buildings such as Staples Center (home to the Lakers and the Clippers), Microsoft Theater,

股息

為預留充足的資金予本集團將來發展及營運之用，董事會並不建議派發本年度的末期股息(2016年：無)。

業務概覽**物業投資**

物業投資板塊透過其位於上海的兩幢辦公室及商用物業於年內繼續帶來穩定的租金收益和利潤。於2017年12月31日，上海的兩幢辦公室及商用物業的平均出租率為98%。此外，本集團於年內透過公開招標成功競得兩間上海附屬公司的原非控股股東持有的全部股權，並與原非控股股東簽署股份轉讓協議。本集團現時擁有兩間上海附屬公司的所有股權，為本集團貢獻額外的淨利潤，更有利於上海兩幢辦公室及商用物業價值的重塑及進一步釋放。

房地產開發

着眼於美國經濟復甦和美元持續強勁，本集團致力發展美國房地產項目，各項目集中於美國主流城市的黃金地段，項目定位皆為中高端豪華綜合物業及區域新地標。於2017年12月31日，本集團共有以下五個房地產開發項目：

洛杉磯項目

2015年10月，本集團成功向母公司泛海控股的附屬公司購入了美國洛杉磯房地產開發項目，該項目位於洛杉磯市核心地帶，毗鄰斯台普斯中心(湖人隊和快船隊主場)、微軟劇場、洛杉磯

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Los Angeles Convention Center and The Ritz-Carlton. With considerable flow of people and customers, it is an excellent site for the development of commercial complex. The project covers a total land area of approximately 18,662 square meters ("sqm") with a gross floor area of approximately 138,249 sqm. It is planned to be developed into a large scale mixed use urban commercial complex with three upscale condominiums, a luxury five-star hotel under the "Park Hyatt" brand, which is the top-notch hotel brand under the Hyatt group, a shopping mall with a gross floor area of approximately 15,476 sqm, and the largest LED signage panel in the west coast of the U.S.. The construction of the project has commenced in the second half of 2014. Currently, the project is entering the main construction stage. The construction of the whole main structure and the facade panel installation works for 25th-39th floors of the North Tower (i.e. the No. 1 Building), comprising the hotel and branded residences, have been basically completed, while the construction of the whole main structure of the South Tower (consisting of the No. 2 Building and No. 3 Building) and the facade panel installation works for 18th-35th floors of the No. 2 Building and for 15th-37th floors of the No. 3 Building of the South Tower have been completed. Having received the letters of intent to lease from various large- and medium-scale enterprises, signing of the lease contracts of the commercial portion have been started. As at 31 December 2017, total funds invested in the project were approximately US\$733.0 million (equivalent to approximately HK\$5,729.8 million).

New York Project

In March 2016, the acquisition of the sites in New York was completed. This project involves two parcels of land situated in the core area of the Seaport District, Lower Manhattan, the U.S., and are adjacent to the East River and close to the famous Brooklyn Bridge on its east, looking toward the New York Harbour and the Statue of Liberty on its south, facing the World Trade Center on its west and overlooking the skyline of the whole Manhattan Island on its north. With a land area of approximately 1,367 sqm and a development area of 75,975 sqm, the site is well-positioned for hotel and residential development. The project has obtained the certification from the City Planning Commission of the City of New York, with a plan to develop into a mixed use building comprising high-end hotel

會展中心、麗思卡爾頓酒店等地標建築，人流及客流相當可觀，是絕佳的商業綜合體開發用地。項目總地塊面積約18,662平方米，計容面積約138,249平方米，計劃發展成為一個大型多用途都市商業綜合體，包括三幢高檔公寓、一間使用凱悅集團旗下最高端的酒店品牌「柏悅酒店」的五星級豪華酒店、約15,476平方米的購物中心及美國西岸最大的LED廣告牌。項目於2014年下半年動工，現在建設已進展到主體施工階段。包含酒店及掛牌公寓的北塔(即1號樓)現已基本完成主體結構封頂，幕牆安裝施工至25-39層，南塔(包括2號樓及3號樓)已完成主體結構封頂，2號樓幕牆安裝施工至18-35層，3號樓幕牆安裝則施工至15-37層。商業租賃已開始租賃合同的簽署工作，並收到多家大中型企業的租賃意向書。於2017年12月31日，已投入項目的資金約7.330億美元(相等於約港幣57.298億元)。

紐約項目

紐約地塊的收購於2016年3月完成交割。項目是位於美國曼哈頓下城海港區核心地帶的兩個地塊，東臨東河，緊依著名的布魯克林大橋，南眺紐約港、自由女神像，西望紐約世界貿易中心，北面則盡覽整個曼哈頓島的天際線，佔地面積約1,367平方米，可發展面積為75,975平方米，是絕佳的酒店及住宅開發用地。項目已獲得紐約市城市規劃委員會認證，計劃發展成一幢包含高端酒店和住宅的混合用途大廈，現已完成項目概念設計，正在進行方案

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

and residential units. The conceptual design of the project has been completed and the schematic design is currently in progress. As at 31 December 2017, total funds invested in the project were approximately US\$401.4 million (equivalent to approximately HK\$3,137.7 million).

Hawaii Projects*Ko Olina No. 2 Land*

In December 2015, the Group acquired certain parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S., one of the world's most popular tourist destinations. These land parcels are one of the scarce sites available for hotel development on Oahu Island and have rich natural resources and beautiful coastline with a land area of approximately 70,000 sqm and an estimated gross floor area of approximately 92,292 sqm. It is planned to develop into two luxury branded hotel and residential condominium buildings on these parcels of land. The project is currently at its conceptual design stage. As at 31 December 2017, total funds invested in the project were approximately US\$203.6 million (equivalent to approximately HK\$1,591.5 million).

Ko Olina No. 1 Land

In September 2016, the Group completed the acquisition of three parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S. with an area of approximately 106,311 sqm. The Group reached an agreement with the holding company of the "Atlantis" brand in December 2016 to develop the land parcels into an international luxury resort under the "Atlantis" brand, which shall consist of a hotel component comprising approximately 800 guestrooms, an aquarium, restaurants, bars, spas, gyms, conference facilities, outdoor pools and bars, etc.; and a branded residence component which shall contain approximately 524 luxury residences marked in association with the "Atlantis" brand. The project is currently at its conceptual design stage. As at 31 December 2017, total funds invested in the project were approximately US\$287.8 million (equivalent to approximately HK\$2,249.7 million).

設計。於2017年12月31日，已投入項目的資金約4.014億美元(相等於約港幣31.377億元)。

夏威夷項目*科琳娜二號地*

本集團於2015年12月成功購入位於全球熱門旅遊地區之一的美國夏威夷州歐胡島科琳娜區的若干地塊，為歐胡島的罕有酒店發展用地，擁有豐富的自然資源和優美的海岸線，面積約70,000平方米，預計總建築面積約92,292平方米，計劃發展為兩間豪華品牌酒店及公寓。該項目現時正處於概念設計階段。於2017年12月31日，已投入項目資金約2.036億美元(相等於約港幣15.915億元)。

科琳娜一號地

本集團於2016年9月完成收購位於美國夏威夷州歐胡島科琳娜區的三幅地塊，面積約106,311平方米。本集團並於2016年12月與「Atlantis」(亞特蘭蒂斯)品牌公司達成協議，將發展一個以「Atlantis」品牌命名的國際豪華度假村，內設約800間客房、水族館、餐廳、酒吧、水療中心、健身房、會議設施、室外游泳池與酒吧等；另包括一個品牌住宅部分，內設約524個與「Atlantis」品牌相關的豪華住宅。該項目現時正處於概念設計階段。於2017年12月31日，已投入項目資金約2.878億美元(相等於約港幣22.497億元)。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Kapolei

In October 2016, the Group completed the acquisition of certain parcels of land in the Kapolei area on Oahu Island in Hawaii, the U.S. with an area of approximately 2.07 million sqm. These parcels of land are adjacent to the above-mentioned land parcels in Ko Olina District on Oahu Island and can create synergies and enhance brand values. The land is planned to be used for the construction of commercial properties, residential properties and community facilities. The first phase of infrastructure construction of this project is underway. As at 31 December 2017, total funds invested in the project were approximately US\$116.5 million (equivalent to approximately HK\$910.7 million).

Energy

In 2015, the Group acquired an energy project to develop two coal-fired steam power plants (with a net capacity of 150 megawatt each) in the Medan industrial zone of Indonesia (the "Medan Project"). The project company for the Medan Project, PT Mabar Elektrindo (the "Project Company"), has entered into a power purchase agreement with the local state-owned power grid company, PT Perusahaan Listrik Negara (Persero) ("PLN"). The foundation work of the Medan Project has been completed and the structural construction has commenced. The equipment of the power plants has been moved in successively for installation. After the commencement of operations, the Medan Project is expected to contribute stable revenue to the Group. During the Year, a short-term loan of US\$79.0 million (equivalent to approximately HK\$617.5 million) secured by letter of credit has been raised. As at 31 December 2017, total funds invested in the Medan Project were approximately US\$362.0 million (equivalent to approximately HK\$2,829.7 million).

卡珀雷區

本集團於2016年10月完成收購位於美國夏威夷州歐胡島卡珀雷區的多幅地塊，面積約207萬平方米，鄰近上文所述的歐胡島科琳娜區的若干地塊，可帶來協同效應及提升品牌價值。地塊計劃發展成商業、住宅及社區建設。該項目現正進行第一期基礎設施工程。於2017年12月31日，已投入項目資金約1.165億美元(相等於約港幣9.107億元)。

能源電力

本集團於2015年併入了一個能源電力項目以開發位於印尼棉蘭工業區的兩座燃煤蒸氣發電廠(各自淨產能為150兆瓦)(「棉蘭項目」)。棉蘭項目公司PT Mabar Elektrindo(「項目公司」)與當地國有電網公司PT Perusahaan Listrik Negara (Persero)(「PLN」)簽署了電力購買協議。棉蘭項目已完成地基作業，土建工程已全面開展，電廠設備陸續進場進行安裝，預計棉蘭項目投產後，將為本集團帶來穩定的收入來源。年內已完成短期信用證貸款7,900萬美元(相等於約港幣6.175億元)。於2017年12月31日，已投入棉蘭項目資金約為3.620億美元(相等於約港幣28.297億元)。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Litigation Involving the Project Company

As stated in the announcement of the Company dated 8 February 2018, regarding the land title dispute between the Project Company and PT. Karya Prajona Nelayan ("KPN"), an independent third party, on 13 October 2017, the Project Company entered into a settlement agreement (the "Settlement Agreement") with KPN, pursuant to which the parties agreed, among other matters, (a) the legal and beneficial title of a plot of land with an area of 104 hectares (the "Land in Dispute") overlapping with the plot of land with an area of approximately 119.89 hectares acquired by the Project Company shall vest with the Project Company and the Project Company shall be the sole legal and beneficial owner of the Land in Dispute; (b) not to seek compensation or damages by any means pursuant to the judgments and verdicts of the District Court and the High Court; (c) to waive; not to exercise; and agree not to file to the court to enforce the judgments and verdicts of the District Court and the High Court; (d) all legal proceedings related to the Land in Dispute shall be vacated and no parties shall commence any legal proceedings, including but not limited to any appeal, rehearing and enforcement of judgment related to the Land in Dispute against each other; and (e) not to commence any form of opposition, legal proceedings nor claim for damages against the HGB Title registration certificate (No. BX 418093) issued to the Project Company by the Office of the Provincial Board of Deli Serdang of North Sumatra, Indonesia on 25 July 2017. Subsequent to the entering into of the Settlement Agreement, the parties to the litigation made an application to register the Settlement Agreement and an application for court decision and/or court certificate of settlement to the Head of the District Court. On 19 October 2017, the Head of the District Court issued a letter to acknowledge the parties' will and the disputes between the parties regarding the Land in Dispute were closed accordingly.

涉及項目公司的訴訟

誠如本公司2018年2月8日的公告所述關於項目公司與一名獨立第三方PT. Karya Prajona Nelayan (「KPN」) 之間的土地權爭議，於2017年10月13日，項目公司與KPN訂立和解協議(「和解協議」)，據此，雙方同意(其中包括)(a)面積104公頃土地(與項目公司所購入面積約119.89公頃的土地重疊，「爭議土地」)的法定及實益所有權歸屬項目公司，項目公司為爭議土地的唯一法定實益擁有人；(b)根據區域法院及高等法院的判決及裁決，不得以任何方式尋求補償或賠償；(c)放棄；不執行；且同意不向法院提出執行區域法院及高等法院的判決及裁決；(d)與爭議土地有關的所有法律訴訟應予撤銷且雙方不得開展任何法律訴訟，包括但不限於針對另一方就有關爭議土地的上訴、覆審及執行判決；及(e)不得就印尼蘇北省日裡雪梨冷縣委員會辦公室於2017年7月25日向項目公司發出的HGB所有權的登記證書(編號：BX 418093)以任何形式作出反對、法律訴訟或賠償申索。訴訟雙方於訂立和解協議後向區域法院院長申請登記和解協議以及申請法院判決及/或法院的和解證明書。2017年10月19日，區域法院院長發函確認雙方意願，雙方就爭議土地的糾紛即告完結。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Immediately upon entering into of the Settlement Agreement, the parties to the litigation regarding the land title in the Land in Dispute entered into a land title transfer agreement pursuant to which KPN agreed to transfer the land title of the Land in Dispute to the Project Company by assisting the Project Company to renew the land title certificate and hand over the land to the Project Company. On 18 January 2018, the renewed land title certificate (No. 02.04.24.20.3.00001) was obtained and all the original land title documents have been delivered to the Project Company for safe keeping.

As substantial time, efforts and resources have been used to handle the litigation and negotiate the settlement, the construction of the Medan Project has been delayed. The Project Company will speed up the construction of the Medan Project and negotiate and secure new loans with various financial institutions to ensure the orderly progress of the Medan Project.

Finance Investment and Others

The Group holds various listed securities, including, among others, China Huiyuan Juice Group Limited (Stock Code: 1886) and GF Securities Co., Ltd. (Stock Code: 1776), as financial investments. During the Year, the Group disposed of certain equity and debt securities and realised total net gains of HK\$47.6 million (2016: HK\$3.2 million). In August 2017, the Group subscribed for US\$10.0 million of participating shares in an investment fund. The objective of this investment fund is to achieve stable and competitive overall returns on a mid- to long-term basis by investing primarily in U.S. dollar denominated bonds issued by real estate corporations in Greater China. In the future, the Group will continue to invest in fixed income products in order to increase its revenue and short-term returns that complement the long-term returns of its business investments, so as to strengthen the financial position and achieve continuous business growth of the Group.

就爭議土地的土地所有權的訴訟雙方於訂立和解協議後隨即訂立土地所有權轉讓協議，據此，KPN同意將爭議土地的土地所有權轉讓予項目公司，並會協助項目公司辦理土地所有權證續期，以及將該幅土地交還項目公司。2018年1月18日，項目公司取得續期土地所有權證(編號：02.04.24.20.3.00001)，全部關於土地所有權的文件正本亦交由其保管。

鑒於耗費大量時間、精力及資源處理訴訟及磋商和解，以致延誤棉蘭項目的建設。項目公司會致力加快棉蘭項目的建設，並與各金融機構進一步磋商以取得新貸款，確保棉蘭項目能有序推進。

財務投資及其他

本集團持有多個上市證券作為財務性投資，其中包括中國匯源果汁集團有限公司(股份代號：1886)及廣發證券股份有限公司(股份代號：1776)，年內，本集團擇機出售部分股票及債券，共錄得已變現淨利得港幣4,760萬元(2016年：港幣320萬元)。於2017年8月，本集團以1,000萬美元認購一項投資基金的參與股份，該投資基金透過主要投資於大中華區房地產公司所發行的美元計價債券而實現中長期穩定且具競爭力的總體回報。未來，本集團將繼續投資固定收益類產品以增加收入來源及短期回報，以與產業投資的長期回報互為補充，令本集團的財務狀況更趨穩健，實現持續的規模化增長。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

OUTLOOK

While scaling up all its business segments, the Group focuses on building up a portfolio of both long- and short-term U.S. dollar denominated investments. All projects are being executed and carried out on track. Looking forward, the Group will continue to develop its business segments and complete the development of its projects as soon as possible in order to generate investment returns.

The property investment segment will contribute stable rental revenue and profit to the Group by maintaining satisfactory occupancy rates of the two properties in Shanghai.

The real estate development segment will, while strictly controlling its costs and risks, advance its existing projects and ensure their completion and sales on schedule so as to realise profits for the Group.

The energy segment will endeavour to facilitate the construction of the Medan Project, enforce stringent quality, safety and cost control and procure the safe and efficient completion of the Medan Project in order to commence the production and broaden the source of stable income of the Group.

Furthermore, the Group will continue to identify investment and business expansion opportunities prudently and thoroughly, capitalise on its funds to diversify its business, distinguish viable projects and acquire quality assets in order to enhance shareholders' returns as well as the scale and quality of the Group's assets. With the experience and support of the controlling shareholder, the management is committed to strengthening and broadening the property investment, real estate development, energy and finance investment segments to enhance the long-term returns of the shareholders.

展望

本集團迅速拓展各個業務板塊，目前投資組合中注重美元項目，長期與短期投資項目並存，各項目執行和運營均已步入軌道。展望未來，本集團將繼續致力拓展各業務板塊規模，盡快完成各項目的建設以取得投資回報。

物業投資板塊將透過維持其位於上海的兩幢物業的理想出租率，為本集團貢獻穩定的租金收益及利潤。

房地產開發板塊將致力發展各個現有項目，在貫徹執行嚴格的成本及風險控制下，確保項目如期完成及投入銷售，帶領本集團進入盈利釋放期。

能源電力板塊致力推進棉蘭項目建設，並嚴控質量、安全及成本，力求安全高效地完成棉蘭項目，從而推進到投產期，以擴闊本集團穩定收入的來源。

此外，本集團將繼續謹慎和周全地物色投資及業務拓展機會，善用資金擴展業務領域，繼續尋求可發展項目，併入優質資產，以增加股東回報，令本集團資產規模及質量得以提升。憑藉本集團控股股東的經驗及支援，管理層矢志把物業投資、房地產開發、能源電力及財務投資板塊持續壯大，以提升股東的長遠回報。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

APPRECIATION

On behalf of the Board, I would like to express its gratitude to all our staff for their hard work and dedication and to thank all our shareholders, business partners and customers for their continuous support.

HAN Xiaosheng*Chairman*


Hong Kong, 29 March 2018

致謝

本人謹代表董事會，向全體員工的努力不懈及克盡己責表示衷心感謝。本人亦藉此機會感謝本公司全體股東、業務夥伴及客戶長久以來的鼎力支持。

韓曉生*主席*

香港，2018年3月29日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論
及分析

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

BUSINESS REVIEW

The Group has developed into a conglomerate with synergetic development in four major business segments, namely “Property Investment”, “Real Estate Development”, “Energy” and “Finance Investment and Others”, forming a sound business development strategy. During the year, all real estate development projects progressed as planned, and the management actively procured financing through various financing channels according to the capital requirements. All segments have taken shape with bright development outlook. For the finance investment segment, management has strategically restructured its portfolio and disposed of certain assets when opportunity arises so as to realise profit for further investment in order to achieve promising targets. After settling the litigation regarding the land, the construction of power plant project in Indonesia has been speeding up to ensure an orderly progress. While preserving business development and expanding revenue stream, the Group will follow prudent financial management principals and maintain sound liquidity in order to maximise shareholders’ value in a sustainable manner.

業務回顧

本集團已發展成為「物業投資」、「房地產開發」、「能源電力」及「財務投資及其他」四大板塊協同發展的綜合控股型企業，形成了一套穩健的業務發展策略。年內各個房地產項目按計劃不斷發展，管理層積極配合資金需求從多方管道安排融資，各個板塊整體佈局已初具規模，具有廣闊的發展前景；財務投資方面擇機重組投資組合，出售獲利資產，投入具盈利潛質的投資；印尼發電廠項目在解決了土地訴訟後，致力加快項目建設，確保項目能有序推進。本集團將致力不斷推動業務增長及開拓收益來源，同時採取審慎的理財原則，維持穩健的資金流動性，務求為股東持續創造最大的價值。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Property Investment

During the year ended 31 December 2017 (the “Year”), revenue generated from the two office and commercial properties in Shanghai under the property investment segment amounted to HK\$92.2 million (2016: HK\$96.3 million). Earnings before interest expense and tax (“EBIT”) were HK\$75.2 million (2016: HK\$352.2 million). Excluding the gains from the fair value changes of investment properties in 2016 of HK\$273.4 million, recurring EBIT decreased by 5% from HK\$78.8 million for the corresponding period of 2016 to HK\$75.2 million for the Year. The decreases in revenue and EBIT were mainly due to a drop in occupancy rates during the Year. As at 31 December 2017, the average occupancy rate of the two properties was approximately 98%.

Real Estate Development

With the unique and strategic foresights of our management team, the real estate development segment has successively acquired several quality projects in the U.S. and is now in possession of over 2.26 million square meters (“sqm”) of land in prime locations of various major cities in the U.S. for development. Boosted by the tax reforms and multiple financial stimuli implemented by the federal government, further economic growth in the U.S. is expected. With the continuously strong U.S. dollar, the total asset value of the Group’s projects in the

物業投資

截至2017年12月31日止年度(「年內」或「本年度」)，物業投資板塊兩幢位於上海的辦公室及商用物業帶來的收入為港幣9,220萬元(2016年：港幣9,630萬元)。未扣除利息支出及稅項前盈利(「利息及稅前盈利」)為港幣7,520萬元(2016年：港幣3.522億元)。撇除2016年投資物業公允價值變動所增加之港幣2.734億元，年內經常性利息及稅前盈利為港幣7,520萬元，較2016年同期之港幣7,880萬元減少5%，收入和利息及稅前盈利下跌主要由於年內出租率下跌導致。於2017年12月31日，兩幢物業的平均出租率約為98%。

房地產開發

憑藉管理層獨到的先見性和戰略眼光，房地產開發板塊於年前不斷併入美國優質的項目，現已在美國主要城市擁有超過226萬平方米的土地面積以作發展之用，在美國稅改和聯邦政府不斷推出財政振興措施下，預期美國經濟將被刺激推動成長，加上美元持續強勁，於2017年12月31日，本集團的美國項目總資產

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

U.S. has surged to HK\$15,045.3 million with a total investment of US\$1,742.3 million (equivalent to approximately HK\$13,619.4 million) as at 31 December 2017. A brief description of each project is set out in the following table:

已達港幣150.453億元，累計總投入17.423億美元(相等於約港幣136.194億元)，下表為各項目的基本概況：

Project Name 項目名稱	Site Area (sqm) 土地面積 (平方米)	Fund Invested as at 31 December 2017 (In US\$' million) 於2017年 12月31日 已投入資金 (百萬美元)	Current Project Status 項目現時情況	Project Development 項目發展
Los Angeles Project 洛杉磯項目	18,662	733.0	The project is entering the main construction stage. The construction of the whole main structure and the facade panel installation works for 25th–39th floors of the North Tower (i.e. the No. 1 Building), comprising the hotel and branded residences, have been basically completed, while the construction of the whole main structure of the South Tower (consisting of the No. 2 Building and No. 3 Building) and the facade panel installation works for 18th–35th floors of the No. 2 Building and for 15th–37th floors of the No. 3 Building have been completed. 主體施工階段，包含酒店及掛牌公寓的北塔(即1號樓)現已基本完成主體結構封頂，幕牆安裝施工至25–39層，南塔(包括2號樓及3號樓)已完成主體結構封頂，2號樓幕牆安裝施工至18–35層，3號樓幕牆安裝則施工至15–37層。	Upscale condominiums, a luxury five-star hotel under the "Park Hyatt" brand, a large-scale shopping mall and the largest LED signage panel in the west coast of the U.S. 高尚公寓、以「柏悅酒店」品牌命名的五星級豪華酒店、大型購物商場及美國西岸最大的LED廣告牌
New York Project 紐約項目	1,367	401.4	Conceptual design has been completed and schematic design is currently in progress. 已完成概念設計，正在進行方案設計。	A mixed use building comprising high-end hotel and residential units 包含高端酒店和住宅的混合用途大廈
Hawaii Ko Olina No. 2 Land Project 夏威夷科琳娜二號地項目	70,000	203.6	Conceptual design is currently in progress. 正在進行概念設計。	Two luxury branded hotels and residential condominiums 兩間奢華品牌酒店及公寓
Hawaii Ko Olina No. 1 Land Project 夏威夷科琳娜一號地項目	106,311	287.8	Conceptual design is currently in progress. 正在進行概念設計。	An international luxury resort under the "Atlantis" brand with luxury residences and a hotel 以「Atlantis」品牌命名的國際豪華度假村，包含豪華公寓及酒店
Hawaii Kapolei Project 夏威夷卡珀雷區項目	2,066,286	116.5	Phase 1 of infrastructure construction is currently in progress. 正在進行一期基礎設施工程。	Commercial properties, residential properties and community facilities 商業、住宅及社區建設

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

During the Year, revenue of the real estate development segment amounted to HK\$1.6 million (2016: HK\$6.3 million), which was mainly attributable to the rental income from properties acquired for the Hawaii Ko Olina No. 1 Land project prior to the commencement of its development. Losses before interest expense and tax (“LBIT”) of the real estate development segment for 2017 amounted to HK\$20.6 million (2016: HK\$7.4 million), which mainly comprised preliminary operating expenses of the projects. The increase in LBIT was mainly due to the increases in employee and operating costs arising from the commencement of the development of certain projects during the Year.

Energy

In 2015, the Group acquired a project to develop two coal-fired steam power plants (with a net capacity of 150 megawatt each) in the Medan industrial zone of Indonesia (the “Medan Project”). The Medan Project company (the “Project Company”) has entered into a power purchase agreement with the local state-owned power grid company, PT Perusahaan Listrik Negara (Persero) (“PLN”). The foundation work of the Medan Project has been completed and the structural construction has commenced. The equipment of the power plants has been moved in successively for installation. As at 31 December 2017, total funds invested in the Medan Project was approximately US\$362.0 million (equivalent to approximately HK\$2,829.7 million).

As the Medan Project is still at its construction stage, LBIT of the energy segment for the Year amounted to HK\$9.7 million, representing a decrease of 43% from HK\$16.9 million for 2016. The decrease in LBIT was mainly attributable to the increase in capitalised operating costs during the Year.

年內，房地產開發板塊帶來的收入港幣160萬元(2016：港幣630萬元)，主要為發展夏威夷科琳娜一號地項目開始前，出租為開發而收購的物業租金收益。於2017年，房地產開發板塊未扣除利息支出及稅項前虧損(「利息及稅前虧損」)為港幣2,060萬元(2016年：港幣740萬元)，主要為項目的前期營運費用，利息及稅前虧損增加主要由於年內多個項目開始發展令僱員成本和營運成本增加導致。

能源電力

本集團於2015年併入了項目以開發位於印尼棉蘭工業區的兩座燃煤蒸氣發電廠(各自淨產能為150兆瓦)(「棉蘭項目」)。棉蘭項目公司(「項目公司」)與當地國有電網公司PT Perusahaan Listrik Negara (Persero)(「PLN」)簽署了電力購買協議。棉蘭項目已完成地基作業，土建工程已全面開展，電廠設備陸續進場進行安裝。截至2017年12月31日，已投入棉蘭項目資金約為3.620億美元(相等於約港幣28.297億元)。

由於棉蘭項目尚處於建設階段，能源電力板塊年內利息及稅前虧損為港幣970萬元，較2016年之港幣1,690萬元減少43%。利息及稅前虧損減少主要由於年內營運成本資本化增加導致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Finance Investment and Others

For the Year, revenue of the finance investment and others segment amounted to HK\$48.4 million, representing a decrease of 5% from HK\$50.8 million in 2016. EBIT amounted to HK\$41.7 million, as compared to LBIT of HK\$70.5 million for the corresponding period of 2016. Excluding other net gains for 2017 and other net losses for 2016¹, recurring EBIT decreased by 9% from HK\$13.8 million for the corresponding period of 2016 to HK\$12.6 million.

The Group holds various listed securities, including, among others, China Huiyuan Juice Group Limited (Stock Code: 1886) and GF Securities Co., Ltd. (Stock Code: 1776), as financial investments. During the Year, the Group disposed of certain equity and debt securities and realised total net gains of HK\$47.6 million (2016: HK\$3.2 million). As at 31 December 2017, the fair value of the Group's listed and unlisted equity securities, debt and fund investments was HK\$989.4 million (31 December 2016: HK\$1,357.0 million).

FUTURE DEVELOPMENT STRATEGY OF THE GROUP

The Group has been actively identifying quality investment opportunities in the real estate, finance and energy sectors and continuously expanding its business and enhancing its market position outside the PRC so as to bring stable overall returns and value growth for the Shareholders and to strengthen the competitive advantages of the Group as a whole. Each of the investment decisions is made for the benefit of the Shareholders in the long run by considering the market conditions in different locations and the risk of and return on each project.

1 Other net gains for 2017 of HK\$29.2 million represented net gains from the disposal of available-for-sale financial assets of HK\$47.6 million, changes in fair value of financial assets at fair value through profit or loss of HK\$2.5 million and net foreign exchange losses of HK\$20.9 million; other net losses for 2016 of HK\$84.3 million represented impairment provision of available-for-sale financial assets of HK\$87.5 million less net gains from the disposal of available-for-sale financial assets of HK\$3.2 million.

財務投資及其他

年內財務投資及其他板塊之收入為港幣4,840萬元，較2016年之港幣5,080萬元減少5%；利息及稅前盈利為港幣4,170萬元，2016年同期則為虧損港幣7,050萬元。撇除2017年其他淨利得及2016年其他淨虧損¹，經常性利息及稅前盈利為港幣1,260萬元，較2016年同期港幣1,380萬元下跌9%。

本集團持有多個上市證券作為財務性投資，其中包括中國匯源果汁集團有限公司(股份代號：1886)及廣發證券股份有限公司(股份代號：1776)。年內，本集團擇機出售部分股票及債券，共錄得已變現淨利得港幣4,760萬元(2016年：港幣320萬元)。於2017年12月31日，本集團之上市及非上市股票證券、債券及基金投資公允值為港幣9.894億元(2016年12月31日：港幣13.570億元)。

本集團未來的發展策略

本集團一直積極於中國境外市場物色優質房地產、金融及能源電力行業方面之投資機會，持續拓展中國境外之業務發展及市場地位，以期為股東帶來整體穩定回報及締造價值增長及有助提升本集團整體競爭優勢。各項投資決定皆以股東長遠利益為依歸，並按各地市場情況及項目的風險與回報作考慮。

1 2017年其他淨利得港幣2,920萬元為出售可供出售財務資產之淨利得港幣4,760萬元、按公允價值計入損益之財務資產公允價值變動港幣250萬元及外幣匯兌淨虧損港幣2,090萬元；2016年其他淨虧損港幣8,430萬元為可供出售財務資產之減值撥備港幣8,750萬元減去出售可供出售財務資產淨利得港幣320萬元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

FINANCIAL OVERVIEW

Fund Management

The primary treasury and funding policies of the Group focus on liquidity management and maintaining an optimum level of liquidity, while funding subsidiary operations in a cost-efficient manner. The management closely monitors the liquidity position of the Group to ensure that the liquidity structure, comprising assets, liabilities and commitments, of the Group can meet its funding requirements. The Group's finance department will raise funds by way of borrowings and issue of debts and new shares when necessary. Operating as a centralised service, the finance department manages the Group's capital requirements and monitors financial risks, such as those relating to interest and foreign exchange rates as well as counterparties.

During the Year, the Group did not enter into any transactions pertaining to any interest or currency swaps or other financial derivatives.

Interest rate exposure

The Group has no significant interest-bearing assets and liabilities except for cash and bank deposits, loans receivables, listed debt securities included in available-for-sale financial assets, bank loans, amount due to an intermediate holding company, amount due to a fellow subsidiary and other loans. The interest rates for the loans receivables, listed debt securities, amount due to an intermediate holding company, amount due to a fellow subsidiary and other loans are fixed.

Foreign exchange exposure

The Group's revenue and operating costs are denominated in Hong Kong dollar ("HK\$"), US\$ and RMB. The Group is exposed to other currency movements, primarily in terms of investments in the U.S. and Indonesia, bank deposits, available-for-sale financial assets, financial assets at fair value through profit or loss and bank and other loans denominated in US\$.

財務概覽

資金管理

本集團之主要資金及融資政策重點為流動資金管理以達致最佳的流動性，並以有成本效益的方式為附屬公司運作提供資金支持。管理層密切監察本集團之流動資金狀況，確保本集團資產、負債及承擔之流動資金結構足以應付資金需求。本集團之財務部門將在有需要時以借款、發債及發行新股方式引入資金。財務部門以中央管理形式運作，負責管理本集團之資金需要並監察財務風險，例如關於利息、外匯匯率及交易對方之風險。

年內，本集團並無進行任何利息或貨幣掉期或其他財務衍生工具交易。

利率風險

除現金及銀行存款、應收貸款、包含於可供出售之財務資產內之上市債務證券、銀行貸款、應付一間中間控股公司款項、應付一間同系附屬公司款項及其他貸款外，本集團並無其他重大計息資產和負債。應收貸款、上市債務證券、應付一間中間控股公司款項、應付一間同系附屬公司款項及和其他貸款之利率為固定。

外匯風險

本集團之收入及經營成本乃按港幣、美元及人民幣計算。本集團承受其他貨幣變動風險，主要為按美元計算之於美國及印尼的投資、銀行存款、可供出售之財務資產、按公允價值計入損益之金融資產以及銀行及其他貸款。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Market price risk

The Group's main market price risk exposures relate to its available-for-sale financial assets, which mainly comprise listed debt and equity securities. The Group's management closely monitors price movements and market changes that may have an impact on the value of these financial assets in order to manage the risk.

Credit exposure

Surplus funds of the Group are managed in a prudent manner, usually in the form of bank deposits with financial institutions with good credit ratings. The senior management of the Group regularly monitors price movements and credit ratings of financial institutions and counterparties and sets limits for the total amount of credit granted to each counterparty in order to manage and control default and credit risks.

The Group's listed debt securities included in available-for-sale financial assets are mainly listed in Singapore with credit ratings of A3/A- given by Moody's and Standard & Poor's as at 31 December 2017. As at 31 December 2017, the loans receivables of the Group were mainly loans receivables made to the non-controlling shareholder of the jointly developed Medan Project.

Liquidity and Working Capital

As at 31 December 2017, the Group's total unsecured and unrestricted cash, liquid funds and listed investments amounted to HK\$1,221.4 million (2016: HK\$1,304.3 million), 26.7%, 64.6% and 8.6% of which were denominated in US\$, HK\$ and RMB respectively and the remainder were denominated in various other currencies.

市場價格風險

本集團的主要市場價格風險與可供出售之財務資產有關，該等資產以上市債務證券及上市股票證券為主。本集團管理層密切監察可能對該等財務資產價值有所影響的價格變動及市況轉變以管理此風險。

信貸風險

本集團的盈餘資金以審慎方式管理，通常以銀行存款方式存放於具有良好信貸評級之金融機構。為管控違約信貸風險，本集團之高級管理人員定期監察金融機構及其對手方的價格變動、信貸評級及其為其各對手方所設的信貸總額。

本集團包含於可供出售之財務資產之上市債券證券主要於新加坡上市，並於2017年12月31日獲得穆迪及標準普爾評為A3/A-信貸評級。於2017年12月31日，本集團的應收貸款主要為應收共同發展棉蘭項目的非控股股東貸款。

流動資金及營運資金

於2017年12月31日，本集團之未抵押及未受限制現金、流動資金及上市投資共值港幣12.214億元(2016年：港幣13.043億元)，其中26.7%以美元計算，64.6%以港幣計算，8.6%以人民幣計算，其餘則按其他不同貨幣計算。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As at 31 December 2017, the Group had bank and other loans of HK\$5,328.4 million (2016: HK\$3,116.0 million), of which HK\$3,981.4 million (2016: HK\$2,359.9 million) were floating-rate borrowings repayable within one year, HK\$280.0 million (2016: nil) were fixed-rate borrowings repayable within one year, and HK\$1,067.0 million (2016: HK\$756.1 million) were fixed-rate borrowings repayable in two to five years. The Group also had amount due to an intermediate holding company of HK\$3,120.5 million (2016: HK\$1,694.5 million), of which HK\$1,942.3 million (2016: HK\$1,694.5 million) was interest-free borrowing repayable on demand, HK\$1,178.2 million (2016: nil) was fixed-rate borrowing repayable on demand. As at 31 December 2017, the Group's gearing ratio (being calculated as total bank and other loans divided by total equity) was 47.7% (2016: 27.6%).

The Group will seek to secure additional financing for its continuous development and construction. The management expects to obtain adequate new financing through bank loans to finance the construction costs of the projects and the operations of the Group. In the event that any or all of the above loans cannot be secured, the Group will be able to obtain additional working capital through alternative fund raising activities, such as equity financing and/or loans from the Company's intermediate holding companies and/or any other parties, with the financial support of the Company's controlling shareholder.

Cash Flows

During the Year, net cash used in operating activities and investing activities amounted to HK\$1,724.2 million (2016: HK\$6,638.1 million) and HK\$1,228.2 million (2016: HK\$1,499.5 million), respectively. The decrease in net cash used in operating activities was mainly attributable to the acquisition of various real estate development projects in 2016. Net cash generated from financing activities for the Year amounted to HK\$3,024.5 million (2016: HK\$7,688.1 million), mainly comprised bank and other loans as well as amount due to an intermediate holding company.

本集團於2017年12月31日的銀行及其他貸款為港幣53.284億元(2016年:港幣31.160億元),當中有港幣39.814億元(2016年:港幣23.599億元)為浮息借貸並須於一年內償還,港幣2.800億元(2016年:無)為定息借貸並須於一年內償還,港幣10.670億元(2016年:港幣7.561億元)為定息借貸並須於二年後但五年內償還。本集團亦擁有應付中間控股公司之款項港幣31.205億元(2016年:港幣16.945億元),其中有港幣19.423億元(2016年:港幣16.945億元)為免息借貸及按需求償還,港幣11.782億元(2016年:無)為定息借貸及按需求償還。於2017年12月31日,本集團之資本負債比率(按銀行及其他貸款總額除以權益總額計算)為47.7%(2016年:27.6%)。

本集團將為其持續發展及建設尋求額外融資。管理層預期將通過獲得銀行貸款獲得足夠新融資以支付各項目的建設成本及為本集團提供營運資金。倘若上述任何或全部貸款未能實現,在本公司控股股東的財務支持下,本集團將可透過其他融資活動獲得額外營運資金,如股本融資及/或獲得來自本公司之中間控股公司及/或任何其他人士之貸款。

現金流量

年內,經營業務及投資業務所用現金淨額分別為港幣17.242億元(2016年:港幣66.381億元)及港幣12.282億元(2016年:港幣14.995億元)。經營業務所用現金淨額減少主要為2016年有多個房地產開發項目併入所致。年內融資業務所產生現金淨額為港幣30.245億元(2016年:港幣76.881億元),大部分融資現金流入主要為銀行及其他貸款和應付一間中間控股公司之款項。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Charges and contingent liabilities

Details of the Group's pledged assets as at 31 December 2017 are set out in Note 31 to the consolidated financial statements to this annual report.

Apart from those set out in Note 31, the Group had not provided any other guarantee or created any other contingent liabilities during the years ended 31 December 2017 and 2016.

HUMAN RESOURCES

As at 31 December 2017, the Group employed 131 (2016: 114) employees. Total staff remuneration costs (including the Directors' emoluments) for the Year amounted to HK\$97.6 million (2016: HK\$69.2 million).

The Group ensures that the remuneration packages of its employees are competitive and that individual performance is rewarded according to the remuneration management policy of the Group. The remuneration packages of the employees are reviewed annually.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this annual report are historical in nature, and past performance does not provide any guarantee for the future results of the Group. Any forward-looking statements and opinions contained in this annual report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from the expectations discussed in such forward-looking statements and opinions. The Group, the Directors, and the employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this annual report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

抵押及或有負債

於2017年12月31日，本集團之資產抵押詳情載於本年報的綜合財務報表附註31。

除附註31外，於截至2017年及2016年12月31日止年度內，本集團並無提供任何其他擔保或其他或有負債。

人力資源

於2017年12月31日，本集團僱用131名僱員(2016年：114名)。年內，僱員薪酬成本總額(包括董事酬金)為港幣9,760萬元(2016年：港幣6,920萬元)。

本集團確保僱員薪酬福利水平具有競爭力，並會就僱員之個別表現按本集團之薪酬管理制度作出獎勵。僱員之薪酬福利每年均會進行檢討。

過往表現及前瞻性陳述

本年報所載本集團之表現及營運業績僅屬歷史數據性質，過往表現並不保證本集團日後之業績。本年報或載有基於現有計劃、估計與預測作出之前瞻性陳述及意見，而當中因此涉及風險及不明朗因素。實際業績可能與該等前瞻性陳述及意見中論及之預期表現有重大差異。本集團、各董事、僱員及代理概不承擔(a)更正或更新本年報所載前瞻性陳述或意見之任何義務；及(b)倘因任何前瞻性陳述或意見不能實現或變成不正確而引致之任何責任。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

DIRECTORS

Executive Directors

Mr. HAN Xiaosheng, aged 61, has been an executive Director since November 2014 and the chairman and chief executive officer of the Company since December 2014. Mr. HAN is also a chairman of the nomination committee (the “Nomination Committee”) and a member of the remuneration committee (the “Remuneration Committee”) under the Board as well as a director of several subsidiaries of the Company. He is a senior accountant in the PRC and is currently an executive director and chief executive officer of Oceanwide Holdings. He is also an executive director and the chairman of China Oceanwide International Financial Limited (“China Oceanwide International Financial”, formerly known as Quam Limited*, whose shares are listed on the Stock Exchange (Stock Code: 952)). He obtained a Master’s degree in economics from Renmin University of China in July 1996.

Mr. LIU Bing, aged 60, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is currently the chairman of the supervisory committee of Oceanwide Holdings and the vice chairman of Minsheng Holdings Co., Ltd.* (“Minsheng Holdings”), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000416). He is also a non-executive director of China Oceanwide International Financial. Mr. LIU obtained his Master’s degree in business administration from Sacred Heart University in the US in August 1989.

Mr. LIU Hongwei, aged 51, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is currently a supervisor of Oceanwide Holdings. Mr. LIU is also a non-executive director of CuDECO Limited, whose shares are listed on the Australian Securities Exchange (Stock Code: CDU). He is also an executive director of China Oceanwide International Financial. Mr. LIU obtained a Bachelor’s degree in engineering from Dalian Ocean University (formerly known as Dalian Fisheries College) in July 1989 and a Master’s degree in management from Massey University in New Zealand in April 2006.

董事

執行董事

韓曉生先生，61歲，自2014年11月起出任執行董事，並自2014年12月起出任本公司主席兼總裁。韓先生亦為本公司董事會（「董事會」）轄下提名委員會（「提名委員會」）主席和董事會轄下薪酬委員會（「薪酬委員會」）成員，並為本公司多家附屬公司的董事。彼為中國高級會計師，現任泛海控股執行董事兼總裁，以及中國泛海國際金融有限公司（「中國泛海國際金融」，前稱華富國際控股有限公司，其股份於聯交所（股份代號：952）上市）執行董事兼主席。彼於1996年7月獲中國人民大學經濟學碩士學位。

劉冰先生，60歲，自2014年11月起出任執行董事。劉先生亦為本公司多家附屬公司的董事。彼現任泛海控股監事會主席和民生控股股份有限公司（「民生控股」，其股份於深圳證券交易所（股份代號：000416）上市）副董事長，以及中國泛海國際金融非執行董事。劉先生於1989年8月獲美國聖心大學工商管理碩士學位。

劉洪偉先生，51歲，自2014年11月起出任執行董事。劉先生亦為本公司多家附屬公司的董事，彼現任泛海控股監事。劉先生亦為CuDECO Limited（其股份於澳洲證券交易所（股份代號：CDU）上市）非執行董事及中國泛海國際金融執行董事。劉先生於1989年7月獲大連海洋大學（前稱大連水產學院）工程學學士學位，並於2006年4月獲新西蘭梅西大學管理學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡歷(續)

Mr. ZHANG Xifang, aged 45, has been an executive Director since August 2017. Mr. ZHANG is also a director of several subsidiaries of the Company. He is currently a director and executive vice president of Oceanwide Holdings and an executive director of China Oceanwide International Financial. He served as the head of the operation division of the finance and asset management department and the deputy director of the finance and asset management department of State Grid Corporation of China, the deputy general manager of State Grid Asset Management Co., Ltd.*, the deputy general manager of State Grid Yingda International Holdings Group Co., Ltd.*, the general manager of Yingda Taihe Property Insurance Co., Ltd.* and the chairman of Yingda Insurance Asset Management Co., Ltd.*. Mr. ZHANG studied the undergraduate programme of accounting at Central University of Finance and Economics from September 1991 to June 1995 and obtained a Bachelor's degree of economics. After that, he studied the programme of business administration at Tsinghua University School of Economics and Management from March 2006 to January 2009 and received a Master's degree in business administration.

Mr. LIU Guosheng, aged 49, has been an executive Director since November 2014. Mr. LIU is also a director of several subsidiaries of the Company. He is a senior accountant in the PRC. Mr. LIU is currently the chief financial officer of Oceanwide Holdings. Mr. LIU obtained a Bachelor's degree in economics from Hangzhou Dianzi University (formerly known as Hangzhou Institute of Electronic Industry) in July 1991 and a Master's degree in economics from Wuhan University in December 2008.

Non-executive Directors

Mr. ZHAO Yingwei, aged 47, has been a non-executive Director since November 2014. Mr. ZHAO is also a member of the audit committee (the "Audit Committee") under the Board. He is a senior accountant in the PRC and is currently the executive director of Oceanwide Holdings and the chairman of the supervisory committee of Minsheng Holdings. He is also a non-executive director of China Oceanwide International Financial. Mr. ZHAO obtained a Bachelor's degree in economics from Renmin University of China in January 1997 and a Master's degree in engineering from Beihang University in January 2013.

張喜芳先生，45歲，自2017年8月起出任本公司執行董事。張先生亦為本公司多間附屬公司的董事。現任泛海控股董事兼執行副總裁，以及中國泛海國際金融執行董事。彼歷任國家電網有限公司金融資產管理部運行處處長和金融資產管理部副主任、國網資產管理有限公司副總經理、國網英大國際控股集團有限公司副總經理、英大泰和財產保險股份有限公司總經理及英大保險資產管理有限公司董事長。張先生於1991年9月至1995年6月在中央財經大學學習會計本科課程，獲經濟學學士學位。彼於2006年3月到2009年1月在清華大學經濟管理學院學習工商管理課程，獲工商管理碩士學位。

劉國升先生，49歲，自2014年11月起出任執行董事。劉先生亦為本公司多家附屬公司的董事。彼為中國高級會計師，現任泛海控股財務總監。劉先生於1991年7月獲杭州電子科技大學(前稱杭州電子工業學院)經濟學學士學位，並於2008年12月獲武漢大學經濟學碩士學位。

非執行董事

趙英偉先生，47歲，自2014年11月起出任非執行董事。趙先生亦為本公司董事會轄下審核委員會(「審核委員會」)成員。彼為中國高級會計師，現任泛海控股執行董事和民生控股監事會主席，以及中國泛海國際金融非執行董事。趙先生於1997年1月獲中國人民大學經濟學學士學位，並於2013年1月獲北京航空航天大學工程學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡歷(續)

Mr. ZHANG Fubiao, 53, has been a non-executive Director since March 2018. He previously served as a chief financial officer of Minsheng Insurance Brokers Co., Ltd.*, chief financial officer, deputy general manager and chief financial officer of Oceanwide Energy Investment Baotou Co., Ltd.* (“Oceanwide Energy Investment Baotou”), deputy vice president and risk management director of Oceanwide Energy Holdings Co., Ltd.* (“Oceanwide Energy Holdings”), chief financial officer of Oceanwide Real Estate Investment Management Co., Ltd.*, and risk management director of Oceanwide Power Holdings Co., Ltd.* (“Oceanwide Power Holdings”). Mr. ZHANG is currently a director of Oceanwide Power Holdings and a deputy general manager of Oceanwide Energy Investment Baotou. He is also a risk management director of Oceanwide Energy Holdings and a deputy general manager and risk management director of Oceanwide Energy Investment Baotou. In addition, he is an accountant holding a Master’s degree in accounting from the Finance Academy of the Ministry of Finance of the People’s Republic of China in July 1999.

Independent Non-executive Directors

Mr. LIU Jipeng, aged 61, has been an independent non-executive Director since November 2014. He is also the chairman of the audit committee and a member of the Nomination Committee under the Board. Mr. LIU is a senior economist and certified public accountant in the PRC. He is currently an independent non-executive director of Wanda Hotel Development Company Limited, whose shares are listed on the Stock Exchange (Stock Code: 169), China Minsheng Banking Corp., Ltd., whose shares are dually listed on the Stock Exchange (Stock Code: 1988) and the Shanghai Stock Exchange (Stock Code: 600016), and China Oceanwide International Financial; an independent director of Zhongjin Gold Corp., Ltd.*, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600489), and Chongqing Changan Automobile Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000625). He also previously served as an independent non-executive director of various companies whose shares are listed on the Stock Exchange, including Dalian Wanda Commercial Properties Co., Ltd. (Stock Code: 3699, delisted in September 2016) (from 2012 to 2016), Huaneng Power International, Inc. (Stock Code: 902) (from 2005 to 2011) and Stone Group Holdings Limited (Stock Code: 409, delisted in November 2009) (from 2006 to 2009). Mr. Liu obtained a Bachelor’s degree in economics from Capital University of Economics and Business (formerly known as Beijing School of Economics) in July 1983 and a Master’s degree in economics from Graduate School of Chinese Academy of Social Sciences in July 1986.

張福彪先生，53歲，自2018年3月起出任非執行董事。彼歷任民生保險經紀有限公司財務總監、泛海能源投資包頭有限公司(「泛海能源投資包頭」)財務總監、副總經理兼財務總監、泛海能源控股股份有限公司(「泛海能源控股」)副總裁、風險控制總監、泛海不動產投資管理有限公司財務總監及泛海電力控股有限公司(「泛海電力控股」)風險控制總監。張先生現任泛海電力控股董事、泛海能源控股風險控制總監及泛海能源投資包頭副總經理兼風險控制總監。彼為會計師，於1999年7月獲中國財政部財政研究所會計學碩士學位。

獨立非執行董事

劉紀鵬先生，61歲，自2014年11月起出任獨立非執行董事。彼亦為董事會轄下審核委員會主席與提名委員會成員。劉先生為中國高級經濟師及註冊會計師，彼現任萬達酒店發展有限公司(其股份於聯交所(股份代號：169)上市)、中國民生銀行股份有限公司(其股份同時於聯交所(股份代號：1988)及上海證券交易所(股份代號：600016)上市)及中國泛海國際金融獨立非執行董事；中金黃金股份有限公司(其股份於上海證券交易所(股份代號：600489)上市)及重慶長安汽車股份有限公司(其股份於深圳證券交易所(股份代號：000625)上市)獨立董事。彼先前曾分別於多間股份於聯交所上市的公司擔任獨立非執行董事，包括大連萬達商業地產股份有限公司(股份代號：3699，於2016年9月退市)(2012年至2016年)、華能國際電力股份有限公司(股份代號：902)(2005年至2011年)及四通控股有限公司(股份代號：409，於2009年11月退市)(2006年至2009年)。劉先生於1983年7月獲首都經濟貿易大學(前稱北京經濟學院)經濟學學士學位，並於1986年7月獲中國社會科學院研究生院經濟學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡歷(續)

Mr. CAI Hongping, aged 63, has been an independent non-executive Director since November 2014. He is also chairman of the Remuneration Committee. He was the executive chairman of corporate finance, Asia Pacific in Deutsche Bank. He is currently an independent non-executive director of China Eastern Airlines Corporation Limited, whose shares are dually listed on the Stock Exchange (Stock Code: 670) and the Shanghai Stock Exchange (Stock Code: 600115), and COSCO SHIPPING Development Co., Ltd.* (formerly known as China Shipping Container Lines Company Limited), whose shares are dually listed on the Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866). Mr. CAI obtained an associate degree in journalism from Fudan University in June 1988.

Mr. YAN Fashan, aged 66, has been an independent non-executive Director since November 2014. Mr. YAN is also a member of the Remuneration Committee and the Nomination Committee. He is currently a professor in the school of economics in Fudan University and an independent director of Pengqi Technology Development Company Limited (formerly known as Shanghai Dingli Technology Development Group Co. Ltd.*), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600614). He obtained a Master's degree in economics from Fudan University in 1981 and a Doctor of Philosophy degree in economics from Fudan University in June 1998.

Mr. LO Wa Kei, Roy, aged 46, has been an independent non-executive Director since November 2014. He is also a member of the Audit Committee. Mr. Lo is a certified public accountant in Hong Kong, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the CPA Australia and an associate of The Institute of Chartered Accountants in England and Wales. Mr. LO is currently an independent non-executive director of several companies whose shares are listed on the Stock Exchange, including Sheen Tai Holdings Group Company Limited (Stock Code: 1335), Sun Hing Vision Group Holdings Limited (Stock Code: 125), China Zhongwang Holdings Limited (Stock Code: 1333), Xinming China Holdings Limited (Stock Code: 2699), China Oceanwide International Financial, Wan Kei Group Holdings Limited (Stock Code: 1718) and G-Resources Group Limited (Stock Code: 1051). He also previously served as an independent non-executive director of various companies whose Shares are listed on the Stock Exchange, including CGN

蔡洪平先生，63歲，自2014年11月起出任獨立非執行董事。彼亦為薪酬委員會主席。彼歷任德意志銀行亞太區企業融資部執行主席。彼現任中國東方航空股份有限公司(其股份同時於聯交所(股份代號：670)和上海證券交易所(股份代號：600115)上市)和中遠海運發展股份有限公司(前稱中海集裝箱運輸股份有限公司，其股份同時於聯交所(股份代號：2866)及上海證券交易所(股份代號：601866)上市)獨立非執行董事。蔡先生於1988年6月獲復旦大學新聞學專科學位。

嚴法善先生，66歲，自2014年11月起出任獨立非執行董事。嚴先生亦為薪酬委員會與提名委員會成員。彼現任復旦大學經濟學院教授和上海騰起科技發展(集團)股份有限公司(前稱上海鼎立科技發展(集團)股份有限公司(其股份於上海證券交易所(股份代號：600614)上市))獨立董事。彼於1981年獲復旦大學經濟學碩士學位，並於1998年6月獲復旦大學經濟學博士學位。

盧華基先生，46歲，自2014年11月起出任獨立非執行董事。彼亦為審核委員會成員。盧先生為香港執業會計師、香港會計師公會資深會員、澳洲會計師公會資深會員及英格蘭及威爾士特許會計師協會會員。盧先生現任多間股份於聯交所上市的公司之獨立非執行董事，包括順泰控股集團有限公司(股份代號：1335)、新興光學集團控股有限公司(股份代號：125)、中國忠旺控股有限公司(股份代號：1333)、新明中國控股有限公司(股份代號：2699)、中國泛海國際金融、宏基集團控股有限公司(股份代號：1718)及國際資源集團有限公司(股份代號：1051)。彼先前曾分別於多間股份於聯交所上市的公司擔任獨立非執行董事，包括中廣核礦業有限公司(股份代

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層簡歷(續)

Mining Company Limited (Stock Code: 1164) and Chinese Strategic Holdings Limited (Stock Code: 8089) (from 2004 to 2006), Panda Green Energy Group Limited (formerly known as United Photovoltaics Group Limited) (Stock Code: 686) (from 2004 to 2010) and North Mining Shares Company Limited (Stock Code: 433) (from 2004 to 2015). He also serves as the managing director of Shinewing (HK) CPA Limited, a member of the Shanghai Pudong New Area Committee of the Chinese People's Political Consultative Conference and the executive vice-president and council member of the Hong Kong Independent Non-Executive Director Association. Mr. Lo obtained a Bachelor's degree in business administration from University of Hong Kong in November 1993 and a Master's degree in professional accounting from Hong Kong Polytechnic University in November 2000.

Senior Management

Mr. WU Chen, aged 47, has been a deputy chief executive officer of the Company since December 2014. Mr. WU is an engineer in the PRC. He is currently the vice president of Oceanwide Holdings. Mr. Wu obtained a Master's degree in business administration from Roosevelt University in the US.

Mr. SHI Yuehong, aged 54, has been the risk control director of the Company since December 2014. Mr. SHI is a senior engineer. He holds a degree in construction engineering from Tongji University.

Ms. WAN Wing Sze May, aged 41, has been the chief financial officer of the Company since March 2015. Ms. WAN joined the Company in January 2004. Ms. Wan holds a Bachelor of business administration degree in accounting. Ms. WAN is a fellow member of the Hong Kong Institute of Certified Public Accountants and has more than 18 years of experience in auditing, accounting, financial management and business control. Ms. WAN also has extensive experience in corporate restructuring.

號：1164)及華人策略控股有限公司(股份代號：8089)(2004年至2006年)、熊貓綠色能源集團有限公司(前稱聯合光伏集團有限公司)(股份代號：686)(2004年至2010年)及北方礦業股份有限公司(股份代號：433)(2004年至2015年)。彼亦擔任信永中和(香港)會計師事務所有限公司之管理合夥人、中國人民政治協商會議上海市浦東新區委員會委員及香港獨立非執行董事協會常務副會長及理事。盧先生於1993年11月獲香港大學工商管理學士學位，並於2000年11月獲香港理工大學專業會計碩士學位。

高級管理層

武晨先生，47歲，自2014年12月起出任本公司副總裁。武先生為中國工程師，現任泛海控股副總裁。武先生持有美國羅斯福大學工商管理碩士學位。

石悅宏先生，54歲，自2014年12月起出任本公司風險控制總監。石先生為高級工程師。彼持有同濟大學建築工程專業學位。

溫穎思女士，41歲，自2015年3月起出任本公司財務總監，彼於2004年1月加入本公司。溫女士持有會計學工商管理學士學位。彼為香港會計師公會資深會員，並於審計、會計、財務管理及業務監控方面擁有逾18年經驗。溫女士於企業重組方面亦擁有豐富經驗。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present to the Shareholders its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are property investments in the PRC, real estate development in the U.S. and the development in the energy sector in Indonesia as well as finance investment and others. Particulars of the Company's principal subsidiaries are set out in Note 35 to the consolidated financial statements.

The analysis of the revenue and results by principal activities and geographical locations of the operations of the Group during the year are set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 102 of this annual report.

No final dividend is recommended by the Board for the year ended 31 December 2017.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting (the "AGM") of the Company to be held on Thursday, 17 May 2018, the register of members of the Company will be closed from Monday, 14 May 2018 to Thursday, 17 May 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 11 May 2018.

董事會欣然向全體股東提呈其報告及本集團截至2017年12月31日止年度之經審核綜合財務報表。

主要業務與經營地區之分析

本公司之主要業務為投資控股，其附屬公司之主要業務為於中國從事物業投資，並於美國從事房地產開發及於印尼從事能源電力開發，以及財務投資及其他業務。本公司主要附屬公司的詳情載於綜合財務報表附註35。

本集團於年內之主要業務和經營地區之收入與業績分析載於綜合財務報表附註5。

業績及利潤分配

本集團截至2017年12月31日止年度之業績載於本年報第102頁之綜合收益表內。

董事會不建議派發截至2017年12月31日止年度之末期股息。

暫停辦理股份過戶登記

為確定有權出席本公司將於2018年5月17日(星期四)舉行之股東周年大會(「股東周年大會」)並於會上投票之資格，本公司將於2018年5月14日(星期一)至2018年5月17日(星期四)(包括首尾兩日)暫停辦理股份過戶登記手續，在此期間將不會辦理股份過戶登記手續。為確保符合資格出席股東周年大會並於會上投票，所有股份過戶表格連同有關股票，必須不遲於2018年5月11日(星期五)下午4時30分送達本公司香港股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)以辦理登記手續。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the Chairman's Statement and Management Discussion and Analysis from pages 7 to 18 and pages 19 to 28 of this annual report respectively. Description of the risks and uncertainties faced by the Group are disclosed in this annual report.

MAJOR PROJECTS AND EVENTS

Details regarding major projects undertaken by the Group and events that have taken place during the year ended 31 December 2017 are set out in the Management Discussion and Analysis from pages 19 to 28 of this annual report.

RESERVES

Particulars on the movements in the reserves of the Company and the Group during the year are set out in Note 36 to the consolidated financial statements and the consolidated statement of changes in equity from pages 109 to 111 of this annual report respectively.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2017 calculated under the Companies Act of Bermuda amounted to HK\$280,754,000.

PROPERTIES, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of the movements of properties, plant and equipment, investment properties and properties under development during the year are set out in Notes 14, 15 and 20 to the consolidated financial statements, respectively.

PROPERTIES

Particulars of major properties of the Group are set out from pages 226 to 228 of this annual report.

業務回顧

本集團截至2017年12月31日止年度之業務回顧分別載於本年報第7頁至18頁之主席報告及第19頁至28頁之管理層討論及分析中。關於本集團面對的風險及不明朗因素的敘述於本年報內披露。

主要項目與事項

本集團截至2017年12月31日止年度進行之主要項目及事項的詳情載於本年報第19頁至28頁之管理層討論及分析中。

儲備

本公司及本集團年內之儲備變動分別詳列於綜合財務報表附註36及本年報第109頁至111頁的綜合權益變動表。

可供分派儲備

根據百慕達公司法計算，本公司於2017年12月31日之可供分派儲備為港幣280,754,000元。

物業、機器及設備、投資物業及發展中物業

物業、機器及設備、投資物業及發展中物業於本年度內之變動詳情分別載列於綜合財務報表附註14、15及20。

物業

本集團主要物業詳列於本年報第226頁至228頁。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 25 to the consolidated financial statements.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors

HAN Xiaosheng
LIU Bing
LIU Hongwei
ZHANG Xifang
(Appointed on 15 August 2017)
LIU Guosheng

Non-executive Directors

ZHAO Yingwei
ZHANG Fubiao
(Appointed on 29 March 2018)
ZHENG Dong
(Resigned on 22 June 2017)
QIN Dingguo
(Resigned on 15 August 2017)
QI Zixin
(Resigned on 14 December 2017)

Independent Non-executive Directors

LIU Jipeng
CAI Hongping
YAN Fashan
LO Wa Kei, Roy

In accordance with Bye-law 95 of the Bye-laws, Mr. ZHANG Fubiao, a non-executive Director appointed on 29 March 2018, shall retire at the AGM and, being eligible, will offer himself for re-election and, being eligible, will offer himself for re-election at the AGM.

In accordance with Bye-law 112 of the Bye-laws, Messrs. LIU Jipeng, CAI Hongping, YAN Fashan and LO Wai Kei, Roy shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

股本

本公司股本於年內之變動詳情載於綜合財務報表附註25。

董事

於年內及截至本年報日期之董事為：

執行董事

韓曉生
劉冰
劉洪偉
張喜芳
(於2017年8月15日獲委任)
劉國升

非執行董事

趙英偉
張福彪
(於2018年3月29日獲委任)
鄭東
(於2017年6月22日辭任)
秦定國
(於2017年8月15日辭任)
齊子鑫
(於2017年12月14日辭任)

獨立非執行董事

劉紀鵬
蔡洪平
嚴法善
盧華基

根據公司細則第95條之規定，張福彪先生於2018年3月29日獲委任為非執行董事，須於股東周年大會上告退，惟彼符合資格並願意於股東周年大會上重選連任。

根據公司細則第112條，劉紀鵬先生、蔡洪平先生、嚴法善先生及盧華基先生須於股東周年大會上輪值告退，惟彼等符合資格並願意於股東周年大會上重選連任。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out from pages 29 to 33 of this annual report.

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and confirmations from the Directors, the changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Company's 2017 interim report are set out below:

Name of Director 董事姓名	Details of Change 變動詳情
ZHAO Yingwei 趙英偉	Appointed as non-executive director of China Oceanwide International Financial on 28 March 2018. 於2018年3月28日獲委任為中國泛海國際金融非執行董事。
LIU Jipeng 劉紀鵬	Appointed as independent non-executive director of China Oceanwide International Financial on 18 December 2017. 於2017年12月18日獲委任為中國泛海國際金融獨立非執行董事。

ANNUAL CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors (the "INED(s)") an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all of them to be independent.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the businesses of the Group, to which the Company, its holding company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事及高級管理層簡歷

本公司董事及高級管理層簡歷載於本年報第29至33頁。

根據上市規則第13.51B(1)條更新董事資料

經本公司具體查詢及各董事確認後，於本公司2017年中期報告日期後，根據上市規則第13.51B(1)條須披露的董事資料之變動載列如下：

獨立非執行董事的年度獨立性確認

本公司已接獲各獨立非執行董事(「獨立非執行董事」)根據上市規則第3.13條就其獨立性出具的年度確認函，並認為彼等各自均屬獨立人士。

董事於合約之權益

年終或年內任何時間並無任何由本公司訂立、與本集團業務有關且董事於當中擁有重大權益(不論直接或間接)之重大合約存續。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS' SERVICE CONTRACT

None of the Directors being proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year and without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2017, the following Directors had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Group conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

董事之服務合約

擬於股東周年大會上膺選連任之董事概無與本公司簽訂任何不可於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

董事於競爭業務之權益

截至2017年12月31日止年度內，下列董事在透過下列公司、其附屬公司、聯營公司或其他投資形式經營而被視為與本集團於年度內經營之主要業務直接或間接構成或可能構成競爭之下列業務(本公司或其附屬公司業務除外)中擁有權益，而須根據上市規則第8.10(2)條作出之披露如下：

Name of Director 董事姓名	Name of Company 公司名稱	Position(s) of Director 董事職位	Nature of Competing Business 競爭業務性質
HAN Xiaosheng 韓曉生	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director 執行董事	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Executive Director, Chief Executive Officer 執行董事、總裁	Real estate development and investment 房地產開發與投資
LIU Bing 劉冰	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director, Executive Vice President, Risk Management Director 執行董事、執行副總裁、風險控制總監	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Chairman of Supervisory Committee 監事會主席	Real estate development and investment 房地產開發與投資

REPORT OF THE DIRECTORS (CONTINUED)
董事會報告(續)

Name of Director 董事姓名	Name of Company 公司名稱	Position(s) of Director 董事職位	Nature of Competing Business 競爭業務性質
LIU Hongwei 劉洪偉	China Oceanwide Holdings Group 中國泛海控股集團	Vice President 副總裁	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Supervisor 監事	Real estate development and investment 房地產開發與投資
ZHANG Xifang 張喜芳	Oceanwide Holdings 泛海控股	Director, Executive Vice President 董事、執行副總裁	Real estate development and investment 房地產開發與投資
LIU Guosheng 劉國升	Oceanwide Holdings 泛海控股	Chief Financial Officer 財務總監	Real estate development and investment 房地產開發與投資
ZHAO Yingwei 趙英偉	China Oceanwide Holdings Group 中國泛海控股集團	Executive Director, Executive Vice President, Chief Financial Officer 執行董事、執行副總裁、財務總監	Real estate investment 房地產投資
	Oceanwide Holdings 泛海控股	Executive Director 執行董事	Real estate development and investment 房地產開發與投資

As the Board is independent of the boards of directors of the above entities, the Group has been able to carry on its businesses independently of, and at arm's length with, the above entities. Further, although the above entities are also engaged in real estate development and investment, no competition is considered to exist among members of the Group (which focus on offshore investments) and the above entities (which focus on onshore investments).

Save as disclosed above, as at 31 December 2017, none of the Directors or their respective associates had any interest in a business, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

由於董事會獨立於上述實體之董事會，因此本集團能獨立於上述實體公平開展其業務。另外，儘管上述實體亦從事房地產發展及投資，但本集團之成員公司（重心為境外投資）及上述實體（重心為境內投資）間概無被視為存在競爭。

除上文所披露者外，於2017年12月31日，根據上市規則，董事或彼等各自之聯繫人概無於與或可能與本集團業務直接或間接構成競爭之業務中擁有權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS' EMOLUMENTS

The Directors' emoluments for the year ended 31 December 2017 are set out in Note 13 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company's existing share option scheme (the "Share Option Scheme") was conditionally adopted on 19 May 2015, under which the Directors may grant options to eligible persons to subscribe for the Shares, subject to the terms and conditions as stipulated therein.

The following is a summary of the principal terms of the Share Option Scheme:

1. Purpose

The purpose of the Share Option Scheme is to provide the participants (the "Participants") with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group.

2. Participants

The Board may, at their discretion, invite any Directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time) and any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed or will contribute to the Company or the Group, as the Participants.

董事酬金

截至2017年12月31日止年度之董事酬金載於綜合財務報表附註13。

購股權計劃

本公司現有購股權計劃(「購股權計劃」)於2015年5月19日獲有條件採納。根據購股權計劃，董事可向合資格人士授出購股權以認購股份，惟須受限於其所訂明之條款及條件。

購股權計劃之主要條款概述如下：

1. 目的

購股權計劃旨在向參與者(「參與者」)提供獲得本公司股權之機會，通過將個人權益與本集團權益掛鉤，繼而激勵彼等更好地為本集團利益服務。

2. 參與者

董事會可全權酌情邀請其認為曾經或將會對本公司或本集團作出貢獻之本公司或本集團任何董事(無論為執行或非執行及無論為獨立或非獨立)、任何僱員(無論為全職或兼職)以及任何諮詢人或顧問(無論為聘用或合約或義務性質，亦無論是否受薪)為參與者。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

3. Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares available for issue under the Share Option Scheme must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (i.e. 19 May 2015), being 1,076,176,870 Shares.

4. Maximum entitlement of each Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to each Participant in any 12-month period shall not exceed 1% of the number of Shares in issue as at the date of grant unless approved by the Shareholders in general meeting.

5. Subscription price

The subscription price shall be such price to be determined by the Board in its absolute discretion and notified to the Participant in the offer and shall be at least the higher of:

- (a) the closing price per Share as stated in the daily quotations sheet issued by the Stock Exchange on the offer date;
- (b) the average closing price per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) consecutive business days immediately preceding the offer date; and
- (c) the nominal value per Share.

3. 根據購股權計劃可供發行之股份總數

根據購股權計劃可供發行之股份最高數目合共不得超過批准購股權計劃當日(即2015年5月19日)已發行股份之10%，即1,076,176,870股股份。

4. 每名參與者之最高配額

除非於股東大會上獲股東批准，否則在任何12個月期間內根據購股權計劃向每名參與者授出之購股權獲行使時已發行及可能將予發行之股份總數不得超過於授出日期已發行股份數目之1%。

5. 認購價

認購價須為董事會絕對酌情釐定之價格，並於要約時通知參與者，且不低於以下較高者：

- (a) 聯交所於要約日期發出每日報價表所示之每股股份收市價；
- (b) 聯交所於緊接要約日期前連續五(5)個營業日發出每日報價表所示之每股股份平均收市價；及
- (c) 每股股份面值。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

6. Term of the Share Option Scheme

No option may be granted under the Share Option Scheme on or after the date of the tenth anniversary of the date on which the Share Option Scheme becomes unconditional (the "Scheme Period"), but in respect of all options which remain outstanding and exercisable on the expiry of the Scheme Period, the provisions of the Share Option Scheme shall remain in full force and effect.

No option has been granted by the Company under the Share Option Scheme since its date of adoption.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed in the section headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

RIGHTS ISSUE

No rights issues were conducted by the Company during the year.

DEBENTURES

No debentures were issued by the Company during the year.

DONATIONS

Donations amounted to HK\$792,000 (2016: Nil) were made by the Group during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement which enables the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

6. 購股權計劃之期限

於由購股權計劃成為無條件之日起滿第十週年當日(「計劃期間」)或之後不得根據購股權計劃授出任何購股權，惟就於計劃期間屆滿時仍未行使及可行使之所有購股權而言，購股權計劃之條文將仍具十足效力及作用。

本公司自採納購股權計劃當日起，並無根據購股權計劃授出購股權。

股票掛鈎協議

除上文「購股權計劃」一節所披露之購股權計劃外，本公司概無於年內訂立或於年末存續之股票掛鈎協議。

供股

年內，本公司並無進行供股。

債券

年內，本公司並無發行債券。

捐款

年內，本集團作出慈善捐款港幣792,000元(2016年：無)。

董事購買股份或債券之權利

本公司或其任何附屬公司於年內並無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

REPORT OF THE DIRECTORS (CONTINUED)
董事會報告(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES IN THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2017, the interests and short positions of the Directors and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Company's own Model Code for Securities Transactions by Directors (the "Securities Code") were as follows:

(I) Long positions in Shares

Name of Director 董事姓名	Capacity 身份	Nature of Interests 權益性質	Number of Shares held 所持股份數目	Approximate%
				of shareholding in the Company 佔本公司 股權之概約 百分比
LIU Jipeng 劉紀鵬	Beneficial owner 實益擁有人	Personal interest 個人權益	9,212,000	0.06

董事於本公司及其相聯法團之股份、相關股份及債券中之權益及淡倉

於2017年12月31日，董事及彼等各自之聯繫人於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有，並已根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之該等條文董事被視為或被當作擁有之權益及淡倉)，或已列入本公司根據證券及期貨條例第352條規定備存之登記冊內，或已根據本公司本身之董事進行證券交易的標準守則(「證券守則」)知會本公司及聯交所之權益及淡倉如下：

(I) 於股份之好倉

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(II) Long positions in the shares of Oceanwide Holdings**(II) 於泛海控股股份之好倉**

Name of Director 董事姓名	Capacity 身份	Nature of Interests 權益性質	Number of ordinary shares in Oceanwide Holdings held 所持泛海控股普通股數目	Approximate% of shareholding in Oceanwide Holdings 佔泛海控股股權之概約百分比
HAN Xiaosheng 韓曉生	Beneficial owner 實益擁有人	Personal interest 個人權益	2,880,000	0.06
LIU Hongwei 劉洪偉	Beneficial owner 實益擁有人	Personal interest 個人權益	30,000	0.0007

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

除上文所披露者外，於2017年12月31日，本公司董事及最高行政人員及彼等各自之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有，而根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何其他權益或淡倉(包括根據證券及期貨條例之該等條文彼等被視為或被當作擁有之權益及淡倉)，或根據證券及期貨條例第352條須列入該條例所指之登記冊內，或根據證券守則須知會本公司及聯交所之任何其他權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED)
董事會報告(續)

**INTERESTS AND SHORT POSITIONS OF
SUBSTANTIAL SHAREHOLDERS AND
OTHER PERSONS IN SHARES AND
UNDERLYING SHARES**

So far as is known to the Directors, as at 31 December 2017, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long positions in the Shares

Name 姓名/名稱	Capacity 身份	Number of Shares held 所持股份數目	Approximate% of shareholding in the Company 佔本公司股權之 概約百分比
LU Zhiqiang 盧志強	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 1) (附註1)	74.95
HUANG Qiongzi 黃瓊姿	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 1) (附註1)	74.95
Tohigh Holdings Co., Ltd.* 通海控股有限公司	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 2) (附註2)	74.95
Oceanwide Group Co., Ltd.* 泛海集團有限公司	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 3) (附註3)	74.95
China Oceanwide Holdings Group 中國泛海控股集團	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 3) (附註3)	74.95

**主要股東及其他人士於股份及
相關股份之權益及淡倉**

就董事所知，於2017年12月31日，下列人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉，或已列入本公司須按證券及期貨條例第336條存置之登記冊或以其他方式知會本公司及聯交所之權益或淡倉：

於股份之好倉

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Name 姓名/名稱	Capacity 身份	Number of Shares held 所持股份數目	Approximate% of shareholding in the Company 佔本公司股權之 概約百分比
Oceanwide Holdings 泛海控股	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 4) (附註4)	74.95
China Oceanwide Group 中泛集團	Interest of controlled corporations 受控制公司之權益	12,098,515,178 (Note 5) (附註5)	74.95
Oceanwide Holdings International Co., Ltd 泛海控股國際有限公司	Beneficial owner 實益擁有人	11,267,476,178 (Note 5) (附註5)	69.80

Notes:

- (1) Mr. LU Zhiqiang and Ms. HUANG Qiongzi (spouse of Mr. LU Zhiqiang) together held more than one-third of the voting power at general meetings of Tohigh Holdings Co., Ltd.* By virtue of the SFO, Mr. LU Zhiqiang and Ms. HUANG Qiongzi were deemed to be interested in all the Shares in which Tohigh Holdings Co., Ltd.* is interested.
- (2) Tohigh Holdings Co., Ltd.* held the entire issued share capital of Oceanwide Group Co., Ltd.* By virtue of the SFO, Tohigh Holdings Co., Ltd.* was deemed to be interested in all the Shares in which Oceanwide Group Co., Ltd.* was interested.
- (3) Oceanwide Group Co., Ltd.* held 98% interest in the issued share capital of China Oceanwide Holdings Group. By virtue of the SFO, Oceanwide Group Co., Ltd.* was deemed to be interested in all the Shares in which China Oceanwide Holdings Group was interested.
- (4) China Oceanwide Holdings Group directly and indirectly held 67.15% interest in the issued share capital of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Holdings Group was deemed to be interested in all the Shares in which Oceanwide Holdings was interested.

附註:

- (1) 盧志強先生及黃瓊姿女士(盧志強先生之配偶)合共持有通海控股有限公司股東大會上超過三分之一之投票權。根據證券及期貨條例, 盧志強先生及黃瓊姿女士被視為於通海控股有限公司擁有權益之所有股份中擁有權益。
- (2) 通海控股有限公司持有泛海集團有限公司之全部已發行股本。根據證券及期貨條例, 通海控股有限公司被視為於泛海集團有限公司擁有權益之所有股份中擁有權益。
- (3) 泛海集團有限公司持有中國泛海控股集團已發行股本之98%權益。根據證券及期貨條例, 泛海集團有限公司被視為於中國泛海控股集團擁有權益之所有股份中擁有權益。
- (4) 中國泛海控股集團直接及間接持有泛海控股已發行股本之67.15%權益。根據證券及期貨條例, 中國泛海控股集團被視為於泛海控股擁有權益之所有股份中擁有權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

(5) Oceanwide Holdings International Co., Ltd, Oceanwide Holdings International Finance Limited and Oceanwide Real Estate International Company Limited are the wholly-owned subsidiaries of China Oceanwide Group, which in turn is a wholly owned subsidiary of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Group and Oceanwide Holdings were deemed to be interested in an aggregate of 12,098,515,178 Shares, including: (i) 11,267,476,178 Shares held by Oceanwide Holdings International Co., Ltd; (ii) 751,500,000 Shares held by Oceanwide Holdings International Finance Limited; and (iii) 79,539,000 Shares held by Oceanwide Real Estate International Company Limited. Oceanwide Holdings International Co., Ltd has charged its equity interest in 7,970,327,582 Shares to secure a loan facility from China CITIC Bank International Limited ("Citic Bank"). The Ka Wah Bank (Nominees) Limited, the shareholder of Citic Bank, was in turn, the registered owner of such 7,402,480,582 Shares.

(5) 泛海控股國際有限公司、泛海控股國際金融有限公司及泛海建設國際有限公司為中泛集團之全資附屬公司，而中泛集團則為泛海控股之全資附屬公司。根據證券及期貨條例，中泛集團及泛海控股被視為於合共12,098,515,178股股份中擁有權益，包括：(i) 泛海控股國際有限公司持有之11,267,476,178股股份；(ii) 泛海控股國際金融有限公司持有之751,500,000股股份；及(iii) 泛海建設國際有限公司持有之79,539,000股股份。泛海控股國際有限公司抵押其7,970,327,582股股份之股權以取得中信銀行(國際)有限公司(「中信銀行」)的貸款融資，而中信銀行的股東The Ka Wah Bank (Nominees) Limited則為該7,402,480,582股股份之登記持有人。

MATERIAL RELATED PARTY TRANSACTIONS

Details of material related party transactions entered by the Group during the year ended 31 December 2017 are set out in Note 32 to the consolidated financial statements, of which (a) the transactions summarised in Note 32a(iii), b(i), c(i), d(ii) and e(i) constituted non-exempted continuing connected transactions under the Listing Rules in respect of which the Company has complied with the applicable requirements under Chapter 14A of the Listing Rules; and (b) the transactions summarised in Note 32a(i) to (ii), b(ii) to (v), d(i) and e(ii) constituted continuing connected transactions which are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14.76(1) of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions and continuing connected transactions entered by the Group during the year are required to be disclosed in this annual report:

重大關連人士交易

本集團於截至2017年12月31日止年度訂立之重大關連人士交易載於綜合財務報表附註32，其中(a)附註32a(iii)、b(i)、c(i)、d(ii)及e(i)概述之交易構成上市規則項下之不獲豁免持續關連交易，本公司已就此遵守上市規則第十四A章項下的適用規定；及(b)附註32a(i)至(ii)、b(ii)至(v)、d(i)及e(ii)概述之交易構成持續關連交易，獲完全豁免遵守上市規則第14.76(1)條項下之報告、年度審核、公告及獨立股東批准規定。

關連交易及持續關連交易

根據上市規則第14A章規定，本集團於年內進行的以下關連交易及持續關連交易須於本年報內披露：

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

CONNECTED TRANSACTIONS**Consulting Services Agreement**

On 30 December 2015, China Oceanwide International Investment Company Limited (“China Oceanwide International Investment”) entered into a consulting services agreement (the “Consulting Services Agreement”) with China Oceanwide Power Co., Limited (“China Oceanwide Power”) pursuant to which China Oceanwide International Investment shall provide consultancy services for the two coal fuel steam power plant facilities with net capacity of 150 megawatt (“MW”) each developed by PT. Mababar Elektrindo (“PT Mababar”), a wholly-owned of the Company in Indonesia, in the Medan Industrial Area, North Sumatra, Indonesia (the “Medan Project”) to China Oceanwide Power and PT Mababar and assist China Oceanwide Power and PT Mababar in the financing and insurance arrangement in respect of the Medan Project.

Subject to China Oceanwide International Investment successfully assisting China Oceanwide Power or PT Mababar in securing a loan facility of not less than US\$400,000,000 (equivalent to approximately HK\$3,126.8 million) from the relevant banks or financial institutes during the course of providing the above consultancy services, China Oceanwide Power agreed to pay a service fee of not more than US\$1,000,000 (equivalent to approximately HK\$7.8 million) (exclusive of tax) (the “Service Fee”) to China Oceanwide International Investment.

The Service Fee was agreed on arm-length basis by the negotiation between China Oceanwide Power and China Oceanwide International Investment with reference to China Oceanwide International Investment’s cost for the provision of the consultancy services and the market price of consultancy services of similar nature offered by unrelated third parties.

PT Mababar agreed that it shall be responsible for all the cost and fees (including but not limited to the Service Fee) payable by China Oceanwide Power under the Consulting Services Agreement.

關連交易**諮詢服務協議**

2015年12月30日，中國泛海國際投資有限公司(「中國泛海國際投資」)與中國泛海電力有限公司(「中國泛海電力」)訂立諮詢服務協議(「諮詢服務協議」)，據此，中國泛海國際投資須就本公司一家印尼全資附屬公司PT. Mababar Elektrindo (「PT Mababar」)於印尼北蘇門答臘省棉蘭工業區開發之兩座燃煤蒸氣發電廠設施(各自淨產能為150兆瓦)(「棉蘭項目」)向中國泛海電力及PT Mababar提供諮詢服務，並在棉蘭項目的融資及保險安排方面協助中國泛海電力及PT Mababar。

倘若中國泛海國際投資於提供上述諮詢服務過程中成功協助中國泛海電力或PT Mababar自有關銀行或金融機構取得不少於400,000,000美元(相等於約港幣3,126,800,000元)之貸款融資，則中國泛海電力同意向中國泛海國際投資支付不超過1,000,000美元(相等於約港幣7,800,000元)(不包括稅項)之服務費(「服務費」)。

服務費乃由中國泛海電力與中國泛海國際投資公平磋商協定，並參考了中國泛海國際投資提供諮詢服務之成本及由無關連第三方提供類似性質之諮詢服務的市場價格。

PT Mababar同意負責中國泛海電力根據諮詢服務協議應付之所有成本及費用(包括但不限於服務費)。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The entering into of the Consulting Services Agreement facilitates the financing process of the business of China Oceanwide Power and PT Mabar. Meanwhile, it is beneficial for the Group to enter into the Consulting Services Agreement with China Oceanwide International Investment to fully utilise the human and business resources of its controlling Shareholder to assist the development of PT Mabar.

During the year ended 31 December 2017, nil fee was paid by China Oceanwide Power under the Consulting Services Agreement.

The Consulting Services Agreement had expired on 29 December 2017 and an amendment to Consulting Services Agreement was entered into between China Oceanwide International Investment and China Oceanwide Power on 1 February 2018 to extend the service period of China Oceanwide International Investment to 31 January 2021.

CONTINUING CONNECTED TRANSACTIONS

Consulting and Technical Support Services Agreement

On 20 August 2015, Oceanwide Real Estate Group (USA) Corp. ("Oceanwide US"), Oceanwide Plaza LLC ("Oceanwide Plaza") and Oceanwide Holdings entered into a consulting and technical support services agreement (the "Consulting and Technical Support Services Agreement") pursuant to which Oceanwide Holdings shall provide consulting and technical support services to Oceanwide US in relation to the U.S. based real estate development projects held through Oceanwide Plaza for a term of three years, effective from 1 January 2015 and ended on 31 December 2017.

The provision of consulting and technical support services by Oceanwide Holdings to Oceanwide US and Oceanwide Plaza under the Consulting and Technical Support Services Agreement shall continue to be conducted on an arm's length basis between the parties and on normal commercial terms with reference to: (i) the cost of the provision of services and assistance; (ii) a mark-up on such cost; and (iii) applicable taxes.

The maximum aggregate amount payable by Oceanwide US under the Consulting and Technical Support Services Agreement was not expected to exceed HK\$10,000,000 (equivalent to

訂立諮詢服務協議有利於促進中國泛海電力與PT Mabar之業務融資過程。同時，與中國泛海國際投資訂立諮詢服務協議有利於本集團充分利用其控股股東的人力及業務資源，有助PT Mabar的發展。

截至2017年12月31日止年度，中國泛海電力並無根據諮詢服務協議支付任何費用。

諮詢服務協議於2017年12月29日屆滿，2018年2月1日，中國泛海國際投資與中國泛海電力訂立諮詢服務協議之修訂，以將中國泛海國際投資的服務期延長至2021年1月31日。

持續關連交易

顧問及技術支援服務協議

2015年8月20日，泛海建設集團(美國)股份有限公司(「泛海美國」)、泛海廣場有限公司(「泛海廣場」)及泛海控股訂立顧問及技術支援服務協議(「顧問及技術支援服務協議」)，據此，泛海控股將就泛海美國透過泛海廣場持有之美國房地產開發項目向其提供顧問及技術支援服務，由2015年1月1日起 至2017年12月31日止 為期三年。

泛海控股根據顧問及技術支援服務協議向泛海美國及泛海廣場提供顧問及技術支援服務應持續由各方公平及按正常商業條款，並參考(i) 提供服務及支援之成本；(ii) 按有關成本加成利潤；及(iii) 適用稅項進行。

於截至2017年12月31日止三個財政年度各年，泛海美國根據顧問及技術支援服務協議應付之預計最高總額不超過港幣

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

approximately US\$1,279,280) for each of the three financial years ended 31 December 2017, and if the actual amount payable in respect of the services would exceed HK\$10,000,000 in any financial year, the excess amount above HK\$10,000,000 should not be payable unless and until the Company has complied with the relevant requirements of the Listing Rules.

During the year ended 31 December 2017, nil fee was paid by Oceanwide US in respect of the support services provided by Oceanwide Holdings under the Consulting and Technical Support Services Agreement.

The Consulting and Technical Support Services Agreement has expired on 31 December 2017 without being renewed.

Apartment and Office Lease Agreements

On 18 January 2015, PT. China Oceanwide Indonesia ("PT COI") and PT Mababar entered into an apartment lease agreement pursuant to which PT Mababar agreed to lease certain apartments located in Jln. Senopati Raya No. 44, Jakarta Selatan from 1 February 2015 to 31 December 2017.

On 18 May 2015, PT COI and PT Mababar entered into an office lease agreement pursuant to which PT Mababar agreed to lease certain office space located in Jl. KH. Mas Mansyur Kav. 126, Jakarta 12920-Indonesia from 1 June 2015 to 31 December 2017.

On 18 June 2015, PT COI and PT Mababar entered into an apartment lease agreement pursuant to which PT Mababar agreed to lease certain apartments located in Jln. Senopati Raya No. 44, Jakarta Selatan from 1 July 2015 to 31 December 2017 (together with the above apartment lease agreement and office lease agreement, the "Expired Agreements").

On 29 December 2017, PT COI and PT Mababar entered into a renewed apartment lease agreement and a renewed office lease agreement (collectively the "Renewed Agreements") to renew the Expired Agreements for a term of three years commencing from 1 January 2018 to 31 December 2020.

10,000,000元(相等於約1,279,280美元),以及如於任何財政年度就該等服務應付之實際金額超過港幣10,000,000元,超出港幣10,000,000元之金額無需支付,除非及直至本公司已遵守上市規則之相關規定。

截至2017年12月31日止年度,泛海美國並無就泛海控股根據顧問及技術支援服務協議提供的支援服務支付費用。

顧問及技術支援服務協議於2017年12月31日屆滿,並無續期。

公寓及辦公室租賃協議

2015年1月18日,PT. China Oceanwide Indonesia(「PT COI」)與PT Mababar訂立公寓租賃協議,據此,PT Mababar同意租用位於Jln. Senopati Raya No. 44, Jakarta Selatan之部分公寓,租期由2015年2月1日起至2017年12月31日止。

2015年5月18日,PT COI與PT Mababar訂立辦公室租賃協議,據此,PT Mababar同意租用位於Jl. KH. Mas Mansyur Kav. 126, Jakarta 12920-Indonesia之部分辦公室場地,租期由2015年6月1日起至2017年12月31日止。

2015年6月18日,PT COI與PT Mababar訂立公寓租賃協議,據此,PT Mababar同意租用位於Jln. Senopati Raya No. 44, Jakarta Selatan之部分公寓,租期由2015年7月1日起至2017年12月31日止(連同上述公寓租賃協議及辦公室租賃協議統稱為「到期協議」)。

2017年12月29日,PT COI與PT Mababar訂立一份經重續公寓租賃協議及一份經重續辦公室租賃協議(統稱「續期協議」),以重續到期協議,由2018年1月1日起至2020年12月31日止為期3年。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The maximum aggregate amount of rent payable by PT Mababar under the Renewed Agreements, determined based on the annual rent stated in the Renewed Agreements is IDR12,479,544,000 (equivalent to approximately HK\$7.2 million, excluding value added tax (“VAT”), other fees and utility bills) for each of the three financial years ending 31 December 2020.

The annual cap under the Renewed Agreements was determined between PT COI and PT Mababar after arm’s length negotiation on normal commercial terms, taking into account the location of the relevant properties, the term of the Renewed Agreements, the prevailing market rates and conditions, and the historical annual rental amounts under the Expired Agreements (being US\$924,000, equivalent to approximately HK\$7.2 million, excluding VAT, other fees and utility bills) for each of the three financial years ended 31 December 2017.

During the year ended 31 December 2017, the rent paid by PT Mababar under the Expired Agreements was US\$924,000 (equivalent to approximately HK\$7.2 million).

Capital Contribution to PT Mababar

On 14 May 2014, China Oceanwide Power as lender and Shanghai Electric Power Construction Co., Ltd* (“SEPC”) as borrower entered into a loan agreement pursuant to which China Oceanwide Power agreed to make available a loan in the principal amount of up to US\$3,500,000 (equivalent to approximately HK\$27.4 million) at an interest rate equivalent to the rate of expected average financing cost for the power plant project developed by PT Mababar to SEPC. The purpose of this loan was to provide SEPC with funds to make capital contribution into PT Mababar in proportion to its 20% shareholding. The loan shall be repaid when SEPC obtains the approval of the State Administration of Foreign Exchange of the PRC (“SAFE”) for the transfer of its capital overseas. During the year ended 31 December 2016, SEPC has repaid the loan with the approval of SAFE. As at 31 December 2017, the interest receivable of the loan was approximately US\$531,000 (equivalent to approximately HK\$4.2 million).

截至2020年12月31日止三個財政年度各年，根據續期協議訂明之年租金釐定，PT Mababar根據續期協議應付之租金最高總金額為12,479,544,000印尼盾(相等於約港幣7,200,000元)(不包括增值稅、其他費用及公用賬單)。

續期協議項下之年度上限乃由PT COI與PT Mababar經公平協商後按正常商業條款，並經考慮相關物業之位置、續期協議之年期及現行市場租金及市況以及到期協議訂明的截至2017年12月31日止三個財政年度各年歷史年租金金額(即924,000美元(相等於約港幣7,200,000元)(不包括增值稅、其他費用及公用賬單))後釐定。

截至2017年12月31日止年度，PT Mababar根據到期協議已付的租金為924,000美元(相等於約港幣7,200,000元)。

向PT Mababar注資

2014年5月14日，中國泛海電力(作為貸款人)與上海電力建設有限責任公司(「SEPC」)(作為借款人)訂立一份貸款協議，據此，中國泛海電力同意向SEPC提供本金金額最多為3,500,000美元(相等於約港幣27,400,000元)的貸款，利率等同於PT Mababar所發展的發電廠項目之預計平均融資成本之利率。此貸款旨在向SEPC提供資金以按其20%股權比例向PT Mababar注資。該貸款須於SEPC獲得中國國家外匯管理局(「外管局」)批准向海外轉移其資本時償還。截至2016年12月31日止年度，SEPC取得外管局的批准，並償還貸款。於2017年12月31日，該貸款的應收利息約為531,000美元(相等於約港幣4,200,000元)。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Engineering, Procurement and Construction Contracts

On 23 December 2013, PT Mabar as employer and SEPC as contractor entered into a master agreement (the “Master Agreement”) pursuant to which PT Mabar engaged SEPC to provide all materials, parts, equipment and construction equipment, transportation to sites (including customs clearance) and other labour services and to perform all works, activities and services on a fixed lump sum turnkey basis for the design, engineering, procurement, construction, commissioning, testing and completion of, and making good of defects in relation to the power plant facilities of the Medan Project, for a cash consideration of US\$426,430,000 (equivalent to approximately HK\$3,333.4 million) which was determined through negotiations on an arm’s length basis with reference to market rates for such work and services and existing conditions. Pursuant to the Master Agreement, the project construction period is 28 months from the construction starting date.

To facilitate the provision of the engineering, procurement and construction services by SEPC under the Master Agreement, on 25 December 2013, PT Mabar and SEPC entered into an engineering, procurement and construction contract which specified the procedures, plans, specification and conditions for the provision of the engineering, procurement and construction services by SEPC. Pursuant to the contract, the cash consideration for the engineering, procurement and construction services is US\$370,800,000 (equivalent to approximately HK\$2,898.5 million) which constitutes part of the total cash consideration of US\$426,430,000 (equivalent to approximately HK\$3,333.4 million) under the Master Agreement.

工程、採購及建設合約

2013年12月23日，PT Mabar(作為僱主)與 SEPC(作為承包商)訂立一份總協議(「總協議」)，據此，PT Mabar委聘SEPC提供所有材料、零件、設備及建設設備、向現場運輸(包括報關)及其他勞工服務，並就設計、工程、採購、建設、調試、測試及完成棉蘭項目的發電廠設施，按固定總價全包基準履行所有工作、活動及服務，並保證並無缺陷，現金代價為426,430,000美元(相等於約港幣3,333,400,000元)，此乃透過參考有關工程及服務的市場價格和現有條件經公平磋商後釐定。根據總協議，項目建設期為自建設開始日期起計28個月。

為促進SEPC根據總協議提供工程、採購及建設服務，2013年12月25日，PT Mabar與SEPC訂立工程、採購及建設合約，訂明SEPC提供工程、採購及建設服務的程序、計劃、規格及條件。根據該合約，工程、採購及建設服務的現金代價為370,800,000美元(相等於約港幣2,898,500,000元)，為總協議項下總現金代價426,430,000美元(相等於約港幣3,333,400,000元)的一部分。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

To further define and elaborate on the scope of the work and services provided by SEPC under the Master Agreement, on 23 November 2014, PT Mabar and SEPC entered into a term sheet (the "Term Sheet"), which forms the basis on which PT Mabar and SEPC shall negotiate in good faith to agree on a definitive engineering, procurement and construction contract. Pursuant to the Term Sheet, the total contract price of the definitive engineering, procurement and construction contract shall be US\$426,430,000 (equivalent to approximately HK\$3,333.4 million) which is the same as the total cash consideration under the Master Agreement. The total contract price under the Term Sheet would be valid for one year from the date of the term sheet.

On 29 June 2015, PT Mabar and PT. Shanghai Electric Power Construction ("PT SEPC") (together with SEPC, collectively the "SEPC Group") entered into a supplemental agreement to the limited pre-notice-to-proceed agreement dated 3 December 2014 and its two supplemental agreements dated 21 January 2015 and 11 June 2015 respectively pursuant to which PT Mabar engaged PT SEPC to perform certain preparatory works in Indonesia to expedite the plant construction process and under which PT Mabar shall make an advance payment of US\$40,000,000 (equivalent to approximately HK\$312.7 million) to PT SEPC which constitutes part of the total consideration of US\$426,430,000 (equivalent to approximately HK\$3,333.4 million) under the master agreement.

On 23 November 2015, PT Mabar entered into two supplemental agreements with the SEPC Group pursuant to which the scope of work to be conducted by SEPC also include ground investigation, design and construction and the total consideration under the Master Agreement was adjusted to US\$431,930,000 (equivalent to approximately HK\$3,376.4 million).

On 8 June 2017, PT Mabar entered into an amendment of construction contract and an amendment of supply contract (the "Amendment to the Master Agreement"). The total consideration under the Amendment to the Master Agreement remained unchanged at US\$431,930,000 (equivalent to approximately HK\$3,376.4 million).

2014年11月23日，為進一步界定及詳述SEPC根據總協議應提供的工程和服務範疇，PT Mabar與SEPC訂立一份條款清單（「條款清單」），為PT Mabar與SEPC以誠信磋商和協定具體工程、採購及建設合約的基準。根據條款清單，具體工程、採購及建設合約的總合約價為426,430,000美元（相等於約港幣3,333,400,000元），與總協議項下的總現金代價相同。條款清單項下的總合約價自條款清單日期起計一年內有效。

2015年6月29日，PT Mabar與 PT. Shanghai Electric Power Construction（「PT SEPC」）（連同SEPC，統稱「SEPC集團」）就2014年12月3日的有限預先施工通知協議，以及兩份分別為2015年1月21日及2015年6月11日的補充協議訂立補充協議，據此，PT Mabar委聘PT SEPC於印尼進行部分籌備工作，以加快發電廠興建過程，PT Mabar須向PT SEPC作出預付40,000,000美元（相等於約港幣312,700,000元），為總協議項下總代價426,430,000美元（相等於約港幣3,333,400,000元）的一部分。

2015年11月23日，PT Mabar與SEPC集團訂立兩份補充協議，據此，SEPC的工作範圍增加了土地勘測、設計、施工，並將總協議項下的總代價調整為431,930,000美元（相等於約港幣3,376,400,000元）。

2017年6月8日，PT Mabar訂立建設合約之修訂及供應合約之修訂（「總協議之修訂」）。在總協議之修訂下，總代價維持431,930,000美元（相等於約港幣3,376,400,000元）不變。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The terms of the aforesaid agreements were negotiated and arrived at on an arm's length basis and in the ordinary and usual course of business of the China Oceanwide Power with reference to market rates.

During the year ended 31 December 2017, the amount paid by PT Mababar under the aforesaid agreements was US\$83,215,000 (equivalent to approximately HK\$650.5 million).

Loan Transaction

On 14 May 2014, China Oceanwide Power as lender entered into a loan agreement (the "Loan Agreement") with PT. Garda Sayap Garuda ("GSG") as borrower, making available a loan (the "Loan") in the principal amount of the lower of: (i) US\$22,442,400 (equivalent to approximately HK\$175.4 million); or (ii) the amount equivalent to the face value of 20% of the total registered capital of PT Mababar, at an interest rate equivalent to the financing interest rate of the Medan Project. GSG also pledged all the shares it owned in PT Mababar (i.e. 20% equity interest in PT Mababar), to China Oceanwide Power as security to guarantee the loan (the "GSG Share Pledge").

On 30 December 2015, China Oceanwide Power and GSG entered into a supplemental loan agreement pursuant to which the parties agreed to revise, among others, (i) the principal amount of the Loan to US\$28,353,000 (equivalent to approximately HK\$221.6 million); (ii) the loan period to three years commencing from the date of the Loan Agreement; and (iii) the interest rate equivalent to the financing interest rate (including but not limited to upfront fee, commitment fee, loan arrangement fee, bank advisory, agency and management fee etc.) of the Medan Project.

The principal amount of the Loan was arrived at after arm's length negotiations between China Oceanwide Power and GSG, and was determined with reference to the capital contribution need of GSG in proportion to its 20% shareholding in PT Mababar for the development of the Medan Project.

上述協議的條款乃經公平原則基準磋商，並於中國泛海電力之一般及日常業務過程中經參考市場水平而達致。

截至2017年12月31日止年度，PT Mababar根據上述協議所支付的款項為83,215,000美元(相等於約港幣650,500,000元)。

貸款交易

2014年5月14日，中國泛海電力(作為貸款人)與PT. Garda Sayap Garuda(「GSG」)(作為借款人)訂立貸款協議(「貸款協議」)，涉及貸款(「該貸款」)的本金金額為以下較低者：(i) 22,442,400美元(相等於約港幣175,400,000元)；或(ii)相等於PT Mababar註冊資本總額20%的面值金額，而利率相等於棉蘭項目的融資利率。GSG亦將其所持PT Mababar全部股份(即PT Mababar的20%股權)抵押予中國泛海電力，作為擔保貸款之抵押品(「GSG股份抵押」)。

2015年12月30日，中國泛海電力與GSG訂立補充貸款協議，據此，訂約方同意修訂(其中包括)(i)該貸款的本金金額為28,353,000美元(相等於約港幣221,600,000元)；(ii)貸款期限為自貸款協議日期起計為期三年；及(iii)利率相等於棉蘭項目的融資利率(包括但不限於預付費、承諾費、貸款安排費、銀行諮詢、代理及管理費等)。

該貸款的本金金額乃由中國泛海電力與GSG經公平磋商後達致，並參考GSG因應其於PT Mababar 20%股權而就發展棉蘭項目作注資的需要而釐定。

REPORT OF THE DIRECTORS (CONTINUED)
董事會報告(續)

The interest rate charged by China Oceanwide Power on the Loan was arrived at after arm's length negotiations between China Oceanwide Power and GSG, and shall be equivalent to the financing interest rate of the Medan Project (including but not limited to upfront fee, commitment fee, loan arrangement fee, bank advisory fee, agency and management fee etc.) of the Medan Project.

On 12 May 2017, China Oceanwide Power and GSG entered into a supplemental agreement (the "Supplemental Agreement") to renew the Loan Agreement for a term commencing from 17 May 2017 to 31 December 2019.

The annual caps under the Loan Agreement are set out as follows:

中國泛海電力就該貸款收取的利率乃由中國泛海電力與GSG經公平磋商後達致，並相等於棉蘭項目的融資利率(包括但不限於預付費、承諾費、貸款安排費、銀行諮詢費、代理及管理費等)。

2017年5月12日，中國泛海電力與GSG訂立補充協議(「補充協議」)，以續期貸款協議，年期由2017年5月17日起至2019年12月31日止。

貸款協議項下之年度上限載列如下：

For the year ended 31 December 2016 截至2016年12月31日止年度	For the period from 1 January 2017 to 14 May 2017 自2017年1月1日起至2017年5月14日止期間
US\$ 美元	US\$ 美元
31,500,000 (equivalent to approximately HK\$246.2 million) (相等於約港幣246,200,000元)	32,500,000 (equivalent to approximately HK\$254.0 million) (相等於約港幣254,000,000元)

The annual caps under the Loan Agreement were determined with reference to the principal amount of the Loan and based on the assumption that GSG would borrow up to US\$28,353,000 (equivalent to approximately HK\$221.6 million) for each of the above periods.

貸款協議項下之年度上限乃經參照貸款本金金額及基於假設GSG將於上述各期間借貸最多28,353,000美元(相等於約港幣221,600,000元)釐定。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The annual caps under the Supplemental Agreement are set out as follows:

補充協議項下之年度上限載列如下：

For the period from 17 May 2017 to 31 December 2017 自2017年5月17日起至 2017年12月31日止期間	For the year ending 31 December 2018 截至2018年12月31日止年度	For the year ending 31 December 2019 截至2019年12月31日止年度
US\$ 美元	US\$ 美元	US\$ 美元
33,500,000 (equivalent to approximately HK\$261.9 million) (相等於約港幣 261,900,000元)	35,500,000 (equivalent to approximately HK\$277.5 million) (相等於約港幣 277,500,000元)	37,500,000 (equivalent to approximately HK\$293.1 million) (相等於約港幣 293,100,000元)

The annual caps under the Supplemental Agreement were determined with reference to (i) the historical transaction amounts under the Loan Agreement; (ii) the principal amount of the Loan and the annual interest rate under the Supplemental Agreement; and (iii) the assumption that GSG will borrow up to US\$28,353,000 (equivalent to approximately HK\$221.6 million) for each of the above periods.

補充協議項下之年度上限乃經參照(i) 貸款協議項下之歷史交易金額；(ii) 貸款之本金金額及補充協議項下之年利率；及(iii) 假設GSG將於上述各期間借貸最多28,353,000美元(相等於約港幣221,600,000元)而釐定。

Save as the above amendments, all other terms of the Loan Agreement and the Undertaking Letter (as defined below) shall remain unchanged and continue in full force and effect.

除上述修訂外，貸款協議及承諾書(定義見下文)之所有其他條款維持不變及繼續具十足效力及作用。

During the year ended 31 December 2017, an interest income (before discounting) of approximately US\$1,963,000 (equivalent to approximately HK\$15.3 million) was accrued by China Oceanwide Power. As at 31 December 2017, the principal and interest receivable (before discounting) of the Loan was US\$33,027,000 (equivalent to approximately HK\$258.2 million).

截至2017年12月31日止年度，中國泛海電力取得利息收入(貼現前)約1,963,000美元(相等於約港幣15,300,000元)。於2017年12月31日，該貸款的本金及應收利息(貼現前)為33,027,000美元(相等於約港幣258,200,000元)。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

Discharge of GSG Share Pledge

On 30 June 2016, PT Mabbar as borrower, a syndicate of financial institutions as lenders (the “Lenders”) and certain parties including the facility agent, the mandated lead arrangers and the security agents entered into a facility agreement (the “Facility Agreement”). The Facility Agreement consists of banking facilities (the “Banking Facilities”) relating to (i) a term loan facility in an aggregate amount of US\$410,000,000 (equivalent to approximately HK\$3,204.9 million); (ii) a revolving loan facility in an aggregate amount of US\$10,000,000 (equivalent to approximately HK\$78.2 million); (iii) a standby letter of credit and/or bank guarantee in an aggregate amount of US\$13,120,000 (equivalent to approximately HK\$102.6 million); and (iv) a standby letter of credit and/or bank guarantee in an aggregate amount of US\$8,473,998 (equivalent to approximately HK\$66.2 million).

The Banking Facilities should only be used (i) to finance the construction and related facilities of the Medan Project; (ii) to finance payment under certain construction contracts in relation to the Medan Project as provided under the Facility Agreement; (iii) to repay certain shareholder loans as provided under the Facility Agreement; (iv) for general working capital purposes in connection with the Medan Project; and (v) for issuing standby letters of credit to certain suppliers and other entities as provided under the Facility Agreement.

Pursuant to the terms of the Facility Agreement, the security for the Banking Facilities should consist of, among others, all the assets of PT Mabbar (including fixed and floating assets, as well as cash and accounts receivables), and all the issued shares of PT Mabbar (the “Security”).

解除GSG股份抵押

2016年6月30日，PT Mabbar (作為借款人)、一間金融機構銀團(作為貸款人) (「貸款人」)及若干人士(包括融資代理、授權牽頭安排人及抵押品代理)訂立融資協議(「融資協議」)。融資協議包括關於(i) 總額為410,000,000美元(相等於約港幣3,204,900,000元)的定期貸款融資；(ii) 總額為10,000,000美元(相等於約港幣78,200,000元)的循環貸款融資；(iii) 總額為13,120,000美元(相等於約港幣102,600,000元)的備用信用證及／或銀行擔保；及(iv) 總額為8,473,998美元(相等於約港幣66,200,000元)的備用信用證及／或銀行擔保之銀行融資(「銀行融資」)。

銀行融資僅可用於(i) 為建設棉蘭項目及相關設施提供資金；(ii) 為融資協議所訂明之有關棉蘭項目之若干建設合約項下的付款提供資金；(iii) 償還融資協議所訂明的部分股東貸款；(iv) 作為棉蘭項目的一般營運資金用途；及(v) 融資協議所訂明之向若干供應商及其他實體發出備用信用證。

根據融資協議的條款，銀行融資的抵押品包括(其中包括)PT Mabbar的全部資產(包括固定及流動資產以及現金及應收賬款)和PT Mabbar的全部已發行股份(「抵押品」)。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

In order to satisfy the condition(s) under the Facility Agreement to provide the Security for the Banking Facilities, China Oceanwide Power and GSG execute an undertaking letter (the "Undertaking Letter") on 1 October 2016, in which the parties agree that the GSG Share Pledge will be discharged on the effective date of the Undertaking Letter on the basis that (i) GSG undertakes to pledge all the shares held by it in PT Mabar to the Lenders under the Facility Agreement as part of the Security; (ii) GSG undertakes that during such period in which its shares in PT Mabar is pledged to the Lenders, it will continue to pay China Oceanwide Power 70% of each dividend distribution it receives from PT Mabar; and (iii) upon full repayment of the Banking Facilities by PT Mabar (and discharge of the pledge by the Lenders), GSG undertakes to immediately re-pledge all the shares it holds in PT Mabar to China Oceanwide Power, and such pledge shall be discharged proportionally in accordance with the loan repayments by GSG to China Oceanwide Power.

Upon discharge of the GSG Share Pledge pursuant to the terms of the Undertaking Letter, the Loan Transaction was no longer on normal commercial terms or better and in the ordinary and usual course of business, and was not exempted under Rule 14A.101 of the Listing Rules accordingly.

On 6 July 2016, written approval by Oceanwide Holdings International Co., Ltd which holds 11,267,476,178 Shares (representing approximately 69.80% in the issued Shares) on that day, has been obtained by the Company for the purposes of approving the Loan Transaction and the discharge of the GSG Share Pledge pursuant to the terms of the Undertaking Letter, in lieu of an approval from the Shareholders at a general meeting. Pursuant to Rule 14A.37 of the Listing Rules, the Company has made an application to the Stock Exchange for a waiver from the requirement for the Company to convene a Shareholders' meeting. The Stock Exchange has granted the waiver on 22 July 2016.

During the year ended 31 December 2017, the Facility Agreement was terminated, and nil has been received by China Oceanwide Power from GSG over the dividend distribution it received from PT Mabar.

為達成融資協議項下就銀行融資提供抵押品之條件，中國泛海電力與GSG於2016年10月1日簽訂承諾書(「承諾書」)，其中訂約方同意於承諾書之生效日期解除GSG股份抵押，惟須基於以下方面：(i) GSG承諾根據融資協議將其所持PT Mabar全部股份抵押予貸款人，作為抵押品的一部分；(ii) GSG承諾其所持PT Mabar股份抵押予貸款人的期間內，將繼續向中國泛海電力支付其自PT Mabar所收取之每次股息分派之70%；及(iii) 於PT Mabar悉數償還銀行融資(及貸款人解除抵押)後，GSG承諾即時將其所持PT Mabar的全部股份再次抵押予中國泛海電力，而有關抵押將根據GSG向中國泛海電力償還貸款之情況按比例解除。

根據承諾書之條款解除GSG股份抵押後，貸款交易不再按一般商業條款或更佳條款進行，亦並非於日常業務過程中進行，故未能根據上市規則第14A.101條獲豁免。

2016年7月6日，本公司取得泛海控股國際有限公司(其於當日持有11,267,476,178股股份，相當於已發行股份約69.80%)的書面批准，旨在批准貸款交易及根據承諾書之條款解除GSG股份抵押，以代替於股東大會之股東批准。根據上市規則第14A.37條，本公司向聯交所申請豁免本公司須召開股東大會之規定。聯交所於2016年7月22日授出豁免。

截至2017年12月31日止年度，融資協議經已終止，中國泛海電力並無就GSG自PT Mabar分派的股息收取任何款項。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Master Framework Agreement for Possible Subscription of Class A Shares In the Investment Fund

On 22 September 2016, China Oceanwide Capital Management Limited (“China Oceanwide Capital Management”), a direct wholly-owned subsidiary of the Company, as subscriber entered into a master framework agreement (the “Master Framework Agreement”) with China Oceanwide International Capital Management, an indirect wholly-owned subsidiary of China Oceanwide Holdings Group, as manager, pursuant to which China Oceanwide Capital Management might subscribe for class A shares (“Class A Shares”) in an investment fund known as China Oceanwide International Feeder Ocean for the amounts of up to US\$30,000,000 (equivalent to approximately HK\$234.5 million) for the period from 29 November 2016 to 31 December 2016 and up to US\$90,000,000 (equivalent to approximately HK\$703.5 million) for the period from 1 January 2017 to 31 December 2017.

At the special general meeting of the Company held on 29 November 2016, the independent Shareholders have approved the Master Framework Agreement and the subscription contemplated thereunder. During the year ended 31 December 2017, China Oceanwide Capital Management did not subscribe for any Class A Shares.

Services Transactions and Investment and Lending transactions

On 21 September 2017, the Company entered into a framework services agreement (the “Framework Services Agreement”) with China Oceanwide International Financial Limited (“China Oceanwide International Financial”), a fellow subsidiary of Oceanwide Holdings. Pursuant to the Framework Services Agreement, the Company and China Oceanwide International Financial have conditionally agreed to engage in various services transactions, and investment and lending transactions with each other for the period from 20 November 2017 to 31 December 2019. Oceanwide Holdings is the controlling shareholder of both the Company and China Oceanwide International Financial.

關於可能認購投資基金中A類股份的總框架協議

2016年9月22日，本公司的直接全資附屬公司中泛資本管理有限公司（「中泛資本管理」）作為認購人與中國泛海控股集團的間接全資附屬公司China Oceanwide International Capital Management作為管理人訂立總框架協議（「總框架協議」），據此，中泛資本管理可自2016年11月29日至2016年12月31日期間以金額最多為30,000,000美元（相當於約港幣234,500,000元），以及自2017年1月1日至2017年12月31日期間以金額最多為90,000,000美元（相當於約港幣703,500,000元）認購一項名為China Oceanwide International Feeder Ocean的投資基金中的A類股份（「A類股份」）。

於2016年11月29日召開的本公司股東特別大會上，總框架協議及其項下的認購事項獲獨立股東批准。截至2017年12月31日止年度，中泛資本管理並無認購任何A類股份。

服務交易與投資及貸款交易

2017年9月21日，本公司與泛海控股的同系附屬公司中國泛海國際金融有限公司（「中國泛海國際金融」）訂立框架服務協議（「框架服務協議」）。根據框架服務協議，本公司與中國泛海國際金融有條件同意彼此之間由2017年11月20日起至2019年12月31日止期間進行若干服務交易與投資及貸款交易。泛海控股為本公司及中國泛海國際金融的控股股東。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The annual caps for the period from 20 November 2017 to 31 December 2017 and for the two financial years ending 31 December 2018 and 2019 are shown below:

於2017年11月20日至2017年12月31日期間以及截至2018年及2019年12月31日止兩個財政年度之年度上限列明如下：

Type of Transactions 交易類型	For the period from 20 November 2017 to 31 December 2017 自2017年11月20日起至 2017年12月31日止期間 HK\$ million 港幣百萬元	Year ending 31 December 2018 截至2018年 12月31日止年度 HK\$ million 港幣百萬元	Year ending 31 December 2019 截至2019年 12月31日止年度 HK\$ million 港幣百萬元
(1) Service transactions 服務交易			
(a) Income from service transactions provided to China Oceanwide International Financial and its group companies (collectively, "COIFL Group") (including ancillary services) 向中國泛海國際金融及其所屬公司(統稱「中國泛海國際金融集團」)提供之服務交易(包括配套服務)之收益	0.5	5	5
(b) Expenses for service transactions provided by COIFL Group (including ancillary services) 就中國泛海國際金融集團提供之服務交易(包括配套服務)之費用	6.5	65	65
(2) Investment and lending transactions 投資及貸款交易			
(a) Maximum daily amount/outstanding balance for investment transactions provided to COIFL Group 向中國泛海國際金融集團提供之投資交易之最高每日金額/尚未支付結餘	100	200	200
(b) Maximum daily amount/outstanding balance for lending and underwriting transactions provided by COIFL Group 由中國泛海國際金融集團提供之貸款及包銷交易之最高每日金額/尚未支付結餘			
— Financial assistance 財務資助	300	300	300
— Underwriting 包銷	—	200	200

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

At the special general meeting of the Company held on 20 November 2017, the independent Shareholders have approved the Framework Services Agreement and the transactions contemplated thereunder.

During the year, the Company (i) accrued a referral income of HK\$469,000; (ii) borrowed a loan of HK\$280,000,000 and (iii) accrued an interest expense of HK\$460,000 under the Framework Services Agreement.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

The INEDs have reviewed the aforesaid continuing connected transactions and confirmed that (other than those expressly stated otherwise and separate compliance procedures have been conducted), the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

PricewaterhouseCoopers ("PwC"), the Company's auditor, were engaged to report on the aforesaid 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. PwC have issued their unqualified letter containing their findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the letter had provided by the Company to the Stock Exchange.

於2017年11月20日舉行之本公司股東特別大會上，框架服務協議及其項下擬進行之交易獲獨立股東批准。

年內，本公司根據框架服務協議(i)取得港幣469,000元的轉介費用收益；(ii)借入港幣280,000,000元之貸款；及(iii)預提港幣460,000元之利息費用。

持續關連交易的年度審核

獨立非執行董事已審閱上述持續關連交易，並確認(除另有訂明及已進行單獨合規程序者外)該等交易乃：

1. 於本集團日常及一般業務過程中訂立；
2. 按一般商業條款或更佳條款訂立；及
3. 根據規管該等交易之協議條款而訂立，交易條款公平合理，並且符合股東的整體利益。

本公司核數師羅兵咸永道會計師事務所(「羅兵咸永道」)獲委聘以按照香港會計師公會頒布的香港鑒證業務準則第3000號「非審核或審閱過往財務資料之鑒證工作」，並參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就上述持續關連交易作出報告。羅兵咸永道已根據上市規則第14A.56條出具無保留意見函件，當中載有彼對上述持續關連交易的審查結果和結論。本公司已將該函件副本送呈聯交所。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

CONTINUING DISCLOSURE OBLIGATION UNDER RULE 13.21 OF THE LISTING RULES**Facility Agreement Dated 24 November 2016**

On 24 November 2016, China Oceanwide Real Estate Development V Limited (the "COREDV"), a wholly-owned subsidiary of the Company, and the purchaser of three parcels of land in Hawaii (the "Project") as announced on 19 August 2016 and 19 September 2016, as borrower, entered into a facility agreement with a licensed bank in Hong Kong relating to a US\$300 million (equivalent to approximately HK\$2,345.1 million) facility. The facility has a term of one year and COREDV can opt to extend for another one year within 14 days prior to the maturity of a standby letter of credit provided by Oceanwide Holdings. The purpose of the facility is to refinance the investment in the Project and to finance its further investment.

As one of the conditions of the facility, Oceanwide Holdings, the controlling Shareholder, shall procure the issuance of a standby letter of credit (in an amount equivalent to the outstanding loan amount or more) in favour of the bank as security for the Facility, the breach of which the outstanding loan amount of the Facility is repayable in full on demand by the bank.

As at the date of this annual report, the above specific performance obligations imposed on Oceanwide Holdings continued to exist.

Facility Agreement Dated 11 February 2018

On 11 February 2018, the Company entered into a facility agreement with a licensed bank in Hong Kong relating to a US\$200 million (equivalent to approximately HK\$1,563.4 million) facility. The facility has a term of one year or 14 days prior to the maturity of the standby letter of credit provided by Oceanwide Holdings. The purpose of the facility is to repay the shareholders' loan owed to China Oceanwide Group, an intermediate holding company of the Company.

根據上市規則第13.21條的持續披露責任**2016年11月24日的融資協議**

2016年11月24日，本公司的全資附屬公司中泛房地產開發第五有限公司(「中泛房地產開發第五」，為位於夏威夷的三幅地塊(「該項目」)之買方(誠如2016年8月19日和2016年9月19日所公佈))作為借款人與一間香港持牌銀行就3億美元(相等於約港幣23.451億元)的融資訂立融資協議。該筆融資的期限為一年，中泛房地產開發第五可於泛海控股開出的備用信用證到期前14日內選擇延長一年。該筆融資旨在置換該項目的投資款項，並對其進一步投資提供資金。

該筆融資的其中一項條件為控股股東泛海控股須安排發行以銀行為受益人的備用信用證(金額相等於或多於尚欠貸款金額)作為該筆融資的抵押，如有違反，則須在銀行提出要求時悉數償還該筆融資項下的尚欠貸款金額。

於本年報日期，上述施加於泛海控股的特定履約責任繼續存在。

2018年2月11日的融資協議

2018年2月11日，本公司與一家香港持牌銀行就2億美元(相等於約港幣15.634億元)的融資訂立融資協議。該筆融資的期限為一年或泛海控股開出的備用信用證到期前14日。該筆融資的用途為向本公司的中介控股公司中泛集團償還一筆股東貸款結欠。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

As one of the conditions of the facility, Oceanwide Holdings shall procure the issuance of a standby letter of credit (equivalent to the outstanding loan amount or more) in favour of the bank as security for the facility, the breach of which the outstanding loan amount of the facility is repayable in full on demand by the bank.

As at the date of this annual report, the above specific performance obligation imposed on Oceanwide Holdings continued to exist.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties in their offices.

Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance for the directors and officers of the Group.

CONSTITUTIONAL DOCUMENTS

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

BORROWINGS

Details of borrowings of the Group as at 31 December 2017 are set out in Notes 27 and 32g to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company. In addition, the Company has not redeemed any of its listed securities during the year.

該融資的其中一項條件為泛海控股須安排發行以銀行為受益人的備用信用證(金額相當於或多於尚欠貸款金額)作為該融資的抵押,如有違反,則須在銀行提出要求時悉數償還該融資項下的尚欠貸款金額。

於本年報日期,上述施加於泛海控股的特定履約責任繼續存在。

獲准許彌償條文

根據公司細則,董事可從本公司之資產及溢利獲得彌償,而董事於執行其職責時因所作出、發生之作為或不作為而將或可能招致或蒙受之所有訴訟、費用、收費、損失、損害及開支,可獲確保免就此受任何損害。

有關獲准許彌償條文已於整個年度生效且仍然生效。此外,本公司已為本集團董事及行政人員安排適當的董事及行政人員責任保險。

憲章文件

截至2017年12月31日止年度,本公司之憲章文件並無重大變動。

借貸

本集團於2017年12月31日之借貸詳情載於綜合財務報表附註27及32g。

購買、出售或贖回本公司之上市證券

年內,本公司及其任何附屬公司概無購買或出售任何本公司之上市證券。此外,本公司於年內亦無贖回其任何上市證券。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

PRE-EMPTIVE RIGHTS

There were no provisions for pre-emptive rights under the Bye-laws, or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 225 of this annual report.

RETIREMENT BENEFIT SCHEMES

Information on the retirement benefits schemes of the Group is set out in Note 12 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's revenue (excluding interest and dividend incomes) for the year ended 31 December 2017 attributable to the major customers of the Group were as follows:

	Percentage of total revenue of the Group 佔本集團 總收入百分比
The largest customer 最大客戶	19.0%
Five largest customers in aggregate 五大客戶合計	45.3%

None of the Directors or any of their associates or any shareholders (which to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the major customers noted above.

During the year ended 31 December 2017, the Group has not made any purchases other than incurring rental outgoings and overhead expenses.

優先認購權

公司細則或百慕達法例並無關於優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股份。

五年財務概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第225頁。

退休福利計劃

本集團退休福利計劃之資料載於綜合財務報表附註12。

主要客戶和供應商

截至2017年12月31日止年度，本集團主要客戶佔本集團收入(不包括利息和股息收益)百分比之資料如下：

	Percentage of total revenue of the Group 佔本集團 總收入百分比
The largest customer 最大客戶	19.0%
Five largest customers in aggregate 五大客戶合計	45.3%

概無董事或彼等的任何聯繫人或任何股東(據董事所知擁有本公司已發行股本超過5%)於上述主要客戶中擁有任何權益。

截至2017年12月31日止年度，除產生租賃業務支出及經營費用外，本集團並無作出任何採購。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float in compliance with the requirement of the Listing Rules during the year and to the date of this annual report.

DISCLOSURE ON CORPORATE GOVERNANCE PRACTICES AND ENVIRONMENTAL AND SOCIAL INITIATIVES

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 66 to 92 of this annual report. The Group's environmental and social initiatives are set out in the Social Responsibility Report which is available on the Company's website at www.oceanwide.hk.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Board has adopted the Securities Code regulating Directors' dealings in securities of the Company, on terms no less exacting than the required standard of the Model Code. In response to specific enquiries made, all the Directors have confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 December 2017.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2017 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company is to be proposed at the AGM.

By Order of the Board
Han Xiaosheng
Chairman

Hong Kong, 29 March 2018

公眾持股量

根據本公司所得資料及董事所悉，本公司於年內及截至本年報日期已按照上市規則之規定維持充足的公眾持股量。

企業管治常規及環境和社會方面措施之披露

本公司之企業管治常規載於本年報第66至92頁之企業管治報告。本集團於環境和社會方面的措施載於本公司網站 www.oceanwide.hk 所登載的社會責任報告中。

董事進行證券交易之標準守則

董事會已採納證券守則以規管董事進行本公司之證券交易，其條款不比標準守則之規定標準寬鬆。經向全體董事作出特定查詢後，彼等均確認於截至2017年12月31日止年度內一直遵守證券守則及標準守則兩者所規定的標準。

核數師

羅兵咸永道會計師事務所已審核本集團截至2017年12月31日止年度之綜合財務報表並將告退，惟符合資格並願應聘連任。續聘羅兵咸永道會計師事務所為本公司核數師之決議將於股東周年大會上提呈。

承董事會命
韓曉生
主席

香港，2018年3月29日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to safeguarding interests of the Shareholders and other stakeholders and enhancing shareholders' value. To this end, the Board and our management make continuous effort to reinforce our standards of corporate governance with emphasis on independence, effective internal control, transparency and accountability to the Shareholders.

The Company has complied during the year ended 31 December 2017 with all applicable code provisions ("Code Provision(s)") and principles under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except for the following deviations which are explained below:

CODE PROVISION A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Han Xiaosheng currently performs the two roles of the Company's chief executive and chairman of the Board. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership with the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decision promptly and efficiently. The Board will regularly review the effectiveness of this structure to ensure that such structure is appropriate in view of the Company's prevailing circumstances.

企業管治常規

本公司相信有效的企業管治常規是保障股東及持份者權益與提升股東價值的基本要素，因此矢志維持最符合本集團需要與利益的良好企業管治水平。為此，董事會及管理層將不斷努力提升本集團之企業管治水平，尤其著重獨立性、有效之內部監控、透明度及對股東問責。

本公司於截至2017年12月31日止年度內已遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）的所有適用守則條文（「守則條文」）及原則，惟下述偏離除外：

守則條文第A.2.1條

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

韓曉生先生現時身兼本公司總裁和董事會主席兩職。董事會相信，由同一名人士兼任主席和總裁兩職可確保本集團貫徹之領導，更有效及有效率地計劃本集團之整體策略。董事會認為，現時之安排不會損害職權力及權限兩者之平衡，並認為此架構能使本公司及時有效作出及執行決定。董事會將定期檢討此架構之有效性，確保其適合本公司之現況。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

CODE PROVISION A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should, inter alia, attend general meetings.

Due to other business engagement, Mr. Cai Hongping, the INED, did not attend the 2017 AGM (the “2017 AGM”) of the Company held on 9 May 2017 and the special general meeting of the Company held on 20 November 2017, and Messrs. ZHENG Dong and QI Zixin, the former non-executive Directors, and Mr. LIU Jipeng, the INED, did not attend the 2017 AGM. The other non-executive Directors and INEDs were present at the above general meetings to enable the Board to develop a balanced understanding of the views of the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Board has adopted its own Model Code for Securities Transactions by Directors (the “Securities Code”) regulating Directors’ dealings in the Company’s securities on terms no less exacting than the required standard of the Model Code. In response to specific enquiries made, all the Directors have confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 December 2017.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises five executive Directors, two non-executive Directors and four INEDs.

At least one of the INEDs possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Directors are well-versed in respective areas such as accounting and finance, business management and industry knowledge and the Board as a whole has achieved an appropriate balance of skills and experience. The Directors’ biographical details are set out from pages 29 to 33 of this annual report.

守則條文A.6.7條

守則條文A.6.7條規定，獨立非執行董事及其他非執行董事應(其中包括)出席股東大會。

由於有其他事務在身，獨立非執行董事蔡洪平先生並無出席本公司於2017年5月9日舉行之2017年股東周年大會(「2017年股東周年大會」)及於2017年11月20日舉行之股東特別大會，而前非執行董事鄭東先生及齊子鑫先生以及獨立非執行董事劉紀鵬先生並無出席2017年股東周年大會。其他非執行董事及獨立非執行董事均有出席上述股東大會，以令董事會對股東之意見有公正的了解。

董事進行證券交易的標準守則

董事會已採納其董事進行證券交易的標準守則(「證券守則」)以規管董事進行本公司的證券交易，其條款不比標準守則之規定標準寬鬆。經本公司向全體董事作出特定查詢後，彼等均確認於截至2017年12月31日止年度內一直遵守證券守則及標準守則。

董事會

董事會成員組合

董事會現時由五名執行董事、兩名非執行董事及四名獨立非執行董事組成。

其中至少一名獨立非執行董事具備適當的專業資格或上市規則第3.10條規定之會計或相關財務管理專長。董事在會計與財務、業務管理及行業知識等各範疇擁有深入精闢之認識，而董事會整體更具備各方面之適當技能與經驗。董事的履歷詳情載於本年報第29至33頁。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

To the best of the Company's knowledge, there is no financial or family relationship among the Board members. All of them are free to exercise their independent judgment on all matters concerning the Company.

BOARD DIVERSITY POLICY

The Company adopted the board diversity policy (the "Board Diversity Policy") in 2013. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and as an essential element in maintaining strategic objectives and sustainable development of the Group. All appointment of the Board members will be based on merits against objective criteria and with due regards for benefits and balance of diversity on the Board. The Board diversity will be considered in terms of, among other things, gender, age, professional experience and qualifications and educational and cultural background, and any other factors that the Nomination Committee may consider relevant and applicable from time to time towards complementing and extending the skills, know-how and experience of the Board.

The Board Diversity Policy is available on the website of the Company at www.oceanwide.hk. The Nomination Committee will review and monitor from time to time the implementation of the policy to ensure its effectiveness and application.

DELEGATION BY THE BOARD

The Directors are collectively responsible for setting the Group's strategies, providing leadership and guidance to put them into effect, reviewing and monitoring the performance of the Group and are accountable to the Shareholders. To maximise the effectiveness of the Group's operations, the Board has delegated management and administration of the Group's daily operations to the executive Directors and the management (the "Management") while reserving several important matters for its approval. To this end, the Board has adopted written guidelines (the "Guidelines") laying down the division of functions between the Board and the Management.

據本公司所深知，董事會成員之間概無財務或親屬關係。全體董事均可就本公司一切事宜自由作出獨立判斷。

董事會成員多元化政策

本公司於2013年採納董事會成員多元化政策(「董事會成員多元化政策」)。本公司明白並深信董事會成員多元化對提升公司的表現素質裨益良多，並且是支援本集團達到戰略目標及維持可持續發展的必要元素。董事會所有任命均以用人唯才為原則，並充分考慮董事會之利益及成員多元化方面保持平衡。權衡董事會多元化時計及的因素包括(其中包括)性別、年齡、專業經驗及資歷、教育及文化背景，以及提名委員會可能不時認為有助於補充及延展董事會技能、知識及經驗的任何其他相關及適用因素。

董事會成員多元化政策載於本公司網站 www.oceanwide.hk。提名委員會將不時檢討及監察該政策之執行情況以確保其成效及應用。

董事會的授權

董事須共同負責制訂本集團的策略，並為實行有關策略提供領導與指引，亦肩負檢討及監察本集團表現的責任，同時向股東負責。為盡量提升本集團的營運效益，董事會已授權執行董事及管理層(「管理層」)負責本集團日常營運的管理及行政工作，但某些重要事宜則須經其批准。就此而言，董事會已採納一套書面指引(「指引」)，列明董事會與管理層之間的職能劃分。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Pursuant to the Guidelines, the major functions of the Board and the Management are summarised as follows:

The Board is principally responsible for:

1. determining/approving the overall strategy and annual operating budget of the Group;
2. reviewing all significant policy matters of the Group;
3. monitoring the performance of the Management to ensure that the business operations of the Group are properly planned, authorised and undertaken; and
4. overseeing the Group's internal control and risk management systems on an ongoing basis, and reviewing the effectiveness of such systems at least annually.

The duties of the Management mainly include the following aspects:

1. is vested with all general powers of management and control as are vested in the Directors, save and except for those that may specifically be reserved by the Board and/or the Board committees for decision and implementation; or those that may only be exercised by the Board pursuant to the Listing Rules, the Bye-laws and/or the terms of reference of the Board Committees;
2. is authorised to perform all acts as may be performed by the Directors, save and except for those that may only be performed by the Board pursuant to the Companies Act of Bermuda, the Bye-laws, the Listing Rules and/or the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs;
3. is empowered to implement policies/measures for business activities, internal control, risk management and corporate governance of the Group; and
4. is empowered to implement any other matters as assigned by the Board from time to time.

根據指引，董事會及管理層的主要職能概述如下：

董事會主要負責：

1. 釐定／批准本集團的整體策略及年度營運預算；
2. 檢討本集團的所有重大政策事宜；
3. 監察管理層表現，確保本集團的業務營運妥善規劃、授權及進行；及
4. 持續監察本集團的內部監控及風險管理系統，並至少每年檢討該等系統的成效。

管理層的職責主要包括以下方面：

1. 被賦予董事所獲賦予有關管理及監管的所有一般權力，惟董事會及／或董事委員會可能就決策及實施而特別保留者；或根據上市規則、公司細則及／或董事委員會職權範圍僅可由董事會行使者除外；
2. 獲授權進行董事可進行的所有工作，惟根據百慕達公司法、公司細則、上市規則及／或香港公司收購、合併及股份回購守則僅可由董事會進行者除外；
3. 獲授權實施有關本集團業務活動、內部監控、風險管理及企業管治的政策／措施；及
4. 獲授權執行董事會不時指派的任何其他事宜。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board reviews those arrangements and the Guidelines on a periodic basis to ensure that they remain appropriate to the needs of the Group.

The Board has assessed the independence of INEDs and considers all of them to be independent having regard to (i) their annual confirmations on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment. Throughout the year, the number of INEDs on the Board meets the one-third requirement under the Listing Rules.

APPOINTMENT, RE-ELECTION AND REMOVAL

All the non-executive Directors are appointed for a term of three years, subject to renewal and re-election as and when required under the Listing Rules and the Bye-laws. However, any Director who is appointed by the Board to fill a casual vacancy shall hold office until the next following general meeting of the Company, or in the case of an additional appointment, until the next following annual general meeting of the Company, and shall be eligible for re-election at the relevant general meeting. All the Directors are subject to retirement from office and shall be eligible for re-election at the annual general meetings at least once every three years in accordance with the Bye-laws.

Newly appointed Directors will receive induction packages containing the duties and responsibilities of directors as required under the Listing Rules and other applicable rules and regulations.

董事會定期檢討該等安排及指引，確保其符合本集團的需要。

董事會已評估全體獨立非執行董事之獨立性，並經考慮彼等(i)按上市規則規定出具的年度獨立性確認函，(ii)並無參與本公司的日常管理，及(iii)並無影響彼等作出獨立判斷的任何關係或情況，董事會認為全體獨立非執行董事均屬獨立。董事會之獨立非執行董事人數於全年度均符合上市規則佔董事會成員最少三分之一的要求。

委任、重選及罷免

所有非執行董事的任期為三年，須根據上市規則及公司細則的規定重續及重選。然而，任何由董事會委任以填補臨時空缺之董事將任職至本公司下一次股東大會，如屬新增董事，將任職至本公司下屆股東周年大會，其將合資格於有關股東大會上重選連任。根據公司細則，所有董事均須至少每三年於股東周年大會上告退一次，並合資格於會上接受重選。

新委任之董事將收到一套入職指引文件，當中載有上市規則以及其他適用規則及規例所規定董事之職務及責任。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD MEETINGS

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, senior management of the Group provides to Directors, on a regular basis, monthly updates and other information with respect to the performance, and business activities and development of the Group. Throughout the year, the Directors participated in the deliberation and approval of routine and operational matters of the Company by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the Company Secretary or other executives as and when required. Details of material transactions of subsidiaries are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held. In addition, the Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors and they are at liberty to propose appropriate matters for inclusion in Board agendas.

With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances. Except for those circumstances permitted by the Bye-laws and the Listing Rules, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration abstains from voting on the relevant resolution and such Director is not counted for quorum determination purposes.

董事會會議

董事會定期會面，並每年最少舉行四次會議，會議日期於年初前編定。在預定的會議之間，本集團高級管理層定期向董事提供有關於本集團的每月最新資料以及有關表現及業務活動和發展的其他資料。年內，各董事透過附有理據說明資料的書面決議案，及於需要時由公司秘書或其他行政人員提供額外的口頭及／或書面補充資料，參與考慮與批核本公司的日常及營運事宜。有關附屬公司重大交易的詳細資料，亦會適時提供予各董事。在必要時，董事會會舉行額外的會議。此外，董事可隨時於彼等認為需要時全面取得本集團資料和獨立的專業意見，並可隨時提出適當事項以納入董事會會議議程。

有關董事會的定期會議，各董事一般於約一個月前獲得書面的會議通知，並於會議日期前不少於三天獲發送會議議程和相關董事會文件。至於其他會議，公司將視乎情況，在合理和實際可行的情況下盡早向董事發出通知。除公司細則及上市規則允許的情況外，於提呈董事會考慮的任何合約、交易、安排或任何其他類別建議中擁有重大利益的董事，須就有關決議案放棄表決權，而該董事亦不得計算在會議法定人數內。

CORPORATE GOVERNANCE REPORT (CONTINUED)
企業管治報告(續)

The following table shows the attendance of the Directors at the scheduled Board meetings during the year ended 31 December 2017:

下表列示董事於截至2017年12月31日止年度出席定期董事會會議的情況：

Name of Director 董事姓名		No. of the scheduled Board meetings attended/held 出席／舉行定期 董事會會議的次數
Executive Directors		
執行董事		
HAN Xiaosheng	韓曉生	5/5
LIU Bing	劉冰	1/5
LIU Hongwei	劉洪偉	5/5
ZHANG Xifang (Appointed on 15 August 2017)	張喜芳 (於2017年8月15日獲委任)	1/1
LIU Guosheng	劉國升	3/5
Non-executive Directors		
非執行董事		
ZHAO Yingwei	趙英偉	5/5
ZHENG Dong (Resigned on 22 June 2017)	鄭東 (於2017年6月22日辭任)	1/3
QIN Dingguo (Resigned on 15 August 2017)	秦定國 (於2017年8月15日辭任)	3/3
QI Zixin (Resigned on 14 December 2017)	齊子鑫 (於2017年12月14日辭任)	3/5
Independent non-executive Directors		
獨立非執行董事		
LIU Jipeng	劉紀鵬	3/5
CAI Hongping	蔡洪平	2/5
YAN Fashan	嚴法善	4/5
LO Wa Kei, Roy	盧華基	5/5

In addition to Board meetings, the Chairman holds regular meetings with the executive Directors and at least two meetings with the non-executive Directors (including INEDs) annually without the presence of the executive Directors. The non-executive Directors (including INEDs) freely provide their independent opinion to the Board.

除董事會會議外，主席與執行董事舉行定期會議，及在執行董事不在場的情況下，與非執行董事(包括獨立非執行董事)每年最少舉行兩次會議。非執行董事(包括獨立非執行董事)可自如地向董事會提供獨立意見。

CORPORATE GOVERNANCE REPORT (CONTINUED)
企業管治報告(續)

GENERAL MEETINGS

During the year, the Company held two general meetings. The following table shows the attendance of the Directors at the general meetings held during the year ended 31 December 2017:

股東大會

年內，本公司舉行了兩次股東大會。下表列示董事於截至2017年12月31日止年度出席股東大會的情況：

Name of Director 董事姓名		No. of general meetings attended/held 出席／舉行的股東大會次數
Executive Directors		
執行董事		
HAN Xiaosheng	韓曉生	1/2
LIU Bing	劉冰	1/2
LIU Hongwei	劉洪偉	2/2
ZHANG Xifang (Appointed on 15 August 2017)	張喜芳 (於2017年8月15日獲委任)	1/1
LIU Guosheng	劉國升	0/2
Non-executive Directors		
非執行董事		
ZHAO Yingwei	趙英偉	2/2
ZHENG Dong (Resigned on 22 June 2017)	鄭東 (於2017年6月22日辭任)	0/1
QIN Dingguo (Resigned on 15 August 2017)	秦定國 (於2017年8月15日辭任)	1/1
QI Zixin (Resigned on 14 December 2017)	齊子鑫 (於2017年12月14日辭任)	1/2
Independent non-executive Directors		
獨立非執行董事		
LIU Jipeng	劉紀鵬	1/2
CAI Hongping	蔡洪平	0/2
YAN Fashan	嚴法善	2/2
LO Wa Kei, Roy	盧華基	2/2

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

COMPANY SECRETARY

The Chairman has authorised the company secretary of the Company to prepare agenda for each Board meeting and to ensure that all Directors are properly briefed on issues to be discussed at Board meetings and receive adequate and accurate information in a timely manner.

Ms. LAM Wai Yee Sophie, the company secretary of the Company, is a fellow member of The Institute of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is a full time employee of the Company and is responsible for advising the Board on corporate governance matters and ensuring that the Board complies with the applicable rules and regulations. During the year ended 31 December 2017, Ms. LAM has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

The Company arranges and provides continuous professional development ("CPD") training and relevant reading materials to the Directors from time to time to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director. In addition, attendance at external forums or briefing sessions (including delivery of speeches) on the relevant topics also counts toward CPD training.

公司秘書

主席已授權本公司之公司秘書為每次董事會會議編製議程，並確保全體董事均獲得將會在董事會會議上討論之事項的適當簡報，並及時收到充分和準確的資料。

本公司公司秘書林慧怡女士為香港特許秘書公會與英國特許秘書及行政人員公會的資深會員。彼為本公司之全職僱員，負責向董事會提供關於企業管治事宜的意見，並確保董事會遵守適用規則及規例。於截至2017年12月31日止年度，林女士一直遵守上市規則第3.29條之規定，參與不少於15小時的相關專業培訓。

董事培訓與持續專業發展

本公司不時為董事安排及提供持續專業發展培訓及相關閱讀資料，以確保彼等獲悉與本集團經營業務相關的商業、法律與監管環境的最新變化，並更新彼等作為上市公司董事於角色、職能及職責方面的知識及技能。此外，出席相關主題的外界論壇或簡介會(包括發表演講)亦會計入持續專業發展培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Directors are required to provide the Company with details of the CPD training undertaken by them from time to time.

The Directors have to disclose to the Company their interests as director and other office in other public companies and organisations in a timely manner and update the Company on any subsequent changes.

During the year ended 31 December 2017, all the Directors have participated in the CPD by attending internal CPD training/seminars/programmes and/or reading materials relating to updates on corporate governance and regulations.

REMUNERATION MANAGEMENT POLICY

The remuneration management policy of the Group is to ensure that the Group's pay levels are competitive in attracting and retaining the Directors, senior management and employees as well as motivating them in the continual pursuit of the Group's goal.

The remuneration package of the Directors and senior management is performance-based and takes into account factors such as the Group's business performance and prevailing market practices. The key components of the Group's remuneration package include basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. No individual Director or senior management will be involved in deciding his or her own remuneration.

The Remuneration Committee under the Board will consult with chairman of the Board in respect of their recommendations in determining the remuneration of the executive Directors and senior management of the Company. The details of the Remuneration Committee is set out in the section headed "Board Committees" below.

董事須不時向本公司提供彼等所進行持續專業發展培訓的詳情。

董事須適時向本公司披露彼等於其他公眾公司與機構擔任董事和其他職位的利益，以及更新任何後續變動。

在截至2017年12月31日止年度，全體董事已透過出席有關企業管治及法規最新資料之內部持續專業發展培訓／講座／課程及／或閱讀相關材料參與持續專業發展。

薪酬管理制度

本集團的薪酬管理制度旨在確保本集團薪酬水平具有競爭力，可吸引及挽留董事、高級管理人員及僱員，並能激勵彼等繼續努力達成本集團的目標。

董事及高級管理人員的薪酬待遇與表現掛鉤，並計及本集團的業務表現及當時市場慣例等因素。本集團薪酬待遇的主要組成部分包括基本薪金、醫療保險、酌情現金花紅及退休福利計劃。董事或高級管理人員不得參與釐定其本身的薪酬。

董事會轄下薪酬委員會將諮詢董事會主席有關彼等就釐定本公司執行董事及高級管理人員薪酬的推薦意見。薪酬委員會的詳情載於下文「董事委員會」一節。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate directors' and officers' liability insurance to indemnify the Directors and senior staff of the Group for their potential liabilities incurred by them in discharging their respective duties. The Company reviews the insurance coverage for the Directors and the Group's senior staff on an annual basis.

BOARD COMMITTEES

The Board has established three Board committees including the Audit Committee, Remuneration Committee and Nomination Committee (collectively the "Committees") to oversee specific aspects of the Group's affairs. The Committees have been provided with sufficient resources to discharge their respective duties. Each of the Committees has adopted specific terms of reference covering its duties, powers and functions which will be reviewed by the Board from time to time. The terms of reference of the Committees have been posted on website of the Company at www.oceanwide.hk. The company secretary of the Company also acts as secretary of the Committees. The Committees adopt as far as practicable, the procedures and arrangement of the Board meeting in relation to the conduct of meetings, notice of meetings and recording of minutes. Further particulars of each of the Committees are set out below:

董事與高級職員責任保險

本公司已安排適當的董事與高級職員責任保險，以彌償董事及本集團高級職員因履行彼等各自職務而產生的潛在責任。本公司每年檢討董事及本集團高級職員的受保範圍。

董事委員會

董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會(統稱「委員會」)，以監察本集團事務的特定範疇。委員會已獲提供足夠資源以履行彼等各自之職務。各委員會已採納具體的職權範圍，包括其職務、權力及職能，並不時由董事會檢討。委員會的職權範圍已登載於本公司網站 www.oceanwide.hk。本公司之公司秘書亦擔任委員會秘書。在實際可行情況下，委員會就舉行會議、會議通告及記述會議紀錄方面盡量採納與董事會會議相同之程序與安排。各委員會的進一步詳情載列如下：

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Audit Committee

The Audit Committee is chaired by Mr. LIU Jipeng, the INED, with Mr. ZHAO Yingwei, the non-executive Director, and Mr. LO Wa Kei, Roy, the INED, as members. All of them possess the relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Company.

The principal duties of the Audit Committee are to oversee the relationship between the Company and its external auditor, review the preliminary results, interim and final results, and annual and interim financial statements of the Group, monitor the corporate governance of the Group including compliance with statutory and Listing Rules requirements, review the scope, extent and effectiveness of the activities of internal audit of the Group, engage independent legal and other advisers and conduct investigations as it determines to be necessary. All members of the Audit Committee have unrestricted access to the Group's external auditors and management.

The Audit Committee meets with the chief financial officer of the Company and other senior management of the Group from time to time for the purposes of reviewing the interim and final results, the interim report and annual report, and other financial, internal control, corporate governance and risk management matters of the Group. It considers and discusses the reports and presentations of the management, the internal and external auditors of the Group, with a view to ensuring that the consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Hong Kong. It also meets at least twice a year with the external auditor of the Company, to consider the reports of PwC on the scope, strategy, progress and outcome of its independent review of the interim financial report and its annual audit of the consolidated financial statements. In addition, the Audit Committee holds regular private meetings with PwC, the chief financial officer and the internal auditor separately without the presence of the management.

審核委員會

審核委員會由獨立非執行董事劉紀鵬先生擔任主席，成員為非執行董事趙英偉先生和獨立非執行董事盧華基先生。彼等均具備相關的商業及財務管理經驗及技能以了解財務報表及對本公司的財務管治、內部監控及風險管理作出貢獻。

審核委員會的主要職務為監察本公司與外聘核數師的關係、審閱本集團的初步業績、中期及年度業績以及年度及中期財務報表、監察本集團的企業管治，包括法定與上市規則規定的遵守情況、審訂本集團內部審核的工作範疇、規限與成效，在其認為有需要時委聘獨立的法律及其他顧問及進行調查。審核委員會全體成員均可不受限制地接觸本集團外聘核數師及管理層。

審核委員會不時與本公司財務總監及本集團其他高級管理人員會面，以審閱本集團的中期及全年業績、中期報告及年報，以及其他財務、內部監控、企業管治及風險管理事宜。委員會考慮及審議管理層、本集團內部和外聘核數師之報告與陳述，以確保本集團的綜合財務報表乃按照香港普遍採納的會計原則編製。委員會亦與本公司的外聘核數師每年最少會面兩次，以考慮羅兵咸永道就其獨立審閱中期財務報告及年度審核綜合財務報表的範疇、策略、進展和結果所作的報告。此外，審核委員會在並無管理層出席的情況下，分別與羅兵咸永道、財務總監及內部審計師定期會面。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management. It reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It receives and considers the presentations of the management in relation to the reviews on the effectiveness of the internal control systems of the Group and the adequacy of resources, qualifications and experience of staff in the accounting, internal audit and financial reporting function of the Group, as well as their training programmes and budget. In addition, the Audit Committee reviews with the internal auditor the work plans for its audits on the Group together with its resource requirements and considers the internal audit reports to the Audit Committee on the effectiveness of internal controls in the business operations of the Group. Further, it also receives the reports from the company secretary of the Company on the compliance status on regulatory requirements of the Group. These reviews and reports are taken into consideration by the Audit Committee when it makes its recommendation to the Board for approval of the consolidated financial statements for the year.

During the year ended 31 December 2017, the Audit Committee held three meetings to (1) review the management and accounting principles and practices adopted by the Group; (2) discuss financial reporting matters including the review of 2016 annual results and 2017 interim results of the Group; (3) review the adequacy of resources, accounting staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; (4) review the corporate governance structure and practices within the Group; and (5) review of the Group's internal control procedures, risk management, connected transactions and other related issues.

審核委員會協助董事會達到維持有效的內部監控和風險管理系統之責任。委員會檢討本集團評估監控環境與評核風險的程序，以及管理業務及監控風險的方式。委員會獲取並考慮管理層有關檢討本集團內部監控系統是否有效的陳述和員工在本集團會計、內部審核與財務匯報職能方面的資源、資格和經驗是否充足以及其培訓計劃和預算。此外，審核委員會與內部審計師檢討其對本集團的審核工作計劃及所需的資源，並審議有關本集團業務的內部監控成效向審核委員會的內部審計報告。另外，委員會亦獲本公司之公司秘書提交有關本集團遵守監管規定情況的報告。審核委員會根據此等檢討結果及報告，就批核年度綜合財務報表向董事會提出建議。

截至2017年12月31日止年度，審核委員會舉行三次會議，以(1)審閱本集團採納的管理及會計原則及慣例；(2)討論財務匯報事宜，包括審閱本集團2016年全年業績及2017年中期業績；(3)審閱本公司會計、內部審核及財務匯報職能的資源、會計人員資格及經驗、培訓計劃及預算是否充足；(4)審閱本集團內部的企業管治架構及常規；及(5)審閱本集團的內部監控程序、風險管理、關連交易及其他相關事宜。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors. The Audit Committee also met the external auditors at least twice without the presence of the executive Directors.

The following table shows the attendance of members of the Audit Committee at the Audit Committee meetings during the year ended 31 December 2017:

Name of Audit Committee member 審核委員會成員姓名	No. of Audit Committee meetings attended/held 出席 / 舉行的審核委員會 會議次數
LIU Jipeng 劉紀鵬	2/3
ZHAO Yingwei 趙英偉	3/3
LO Wai Kei, Roy 盧華基	3/3

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by Mr. CAI Hongping, an INED, with Mr. HAN Xiaosheng, chairman of the Board, and Mr. YAN Fashan, an INED, as members. The Remuneration Committee meets at least once a year to determinate the remuneration package of Directors and senior management of the Group. Remuneration matters are also considered and approved by the Remuneration Committee by way of written resolutions and additional meetings where warranted.

董事會與審核委員會之間就外聘核數師的甄選、委任、辭任或罷免概無異議。審核委員會亦已於並無執行董事在場的情況下與外聘核數師至少會面兩次。

下表列示審核委員會成員於截至2017年12月31日止年度出席審核委員會會議的情況：

薪酬委員會

薪酬委員會由三名具備人力資源與薪酬待遇方面專長的成員組成。薪酬委員會由獨立非執行董事蔡洪平先生擔任主席，成員為董事會主席韓曉生先生及獨立非執行董事嚴法善先生。薪酬委員會須至少每年舉行一次會議，以釐定董事及本集團高級管理人員的薪酬待遇。如有必要，薪酬事宜亦會經薪酬委員會以書面決議案及額外會議方式考慮及批准。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The principal duties of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy of the Group. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. Whilst the Board retains its power to determine the remuneration of non-executive Directors, the responsibility for reviewing and determining the remuneration package of individual executive Directors and senior management of the Group is delegated to the Remuneration Committee.

During the year ended 31 December 2017, the Remuneration Committee held one meeting to (1) review the remuneration policies of the Group; and (2) review the proposed 2017 and 2018 directors' fees for the INEDs.

The following table shows the attendance of members of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 December 2017:

薪酬委員會的主要職務是協助董事會達成其目標，即吸引、保留與激勵最具才能和經驗的人才，為本集團制訂與執行策略。薪酬委員會協助本集團施行公平而具透明度的程序，以制訂全體董事與本集團高級行政人員的薪酬政策。儘管董事會保留釐定非執行董事薪酬的權力，惟審閱及釐定個別執行董事及本集團高級管理人員薪酬待遇的職責已賦予薪酬委員會。

截至2017年12月31日止年度，薪酬委員會舉行一次會議，以(1)審閱本集團的薪酬政策；及(2)審閱有關2017及2018年獨立非執行董事的建議董事袍金。

下表列示薪酬委員會成員於截至2017年12月31日止年度出席薪酬委員會會議的情況：

Name of Remuneration Committee member 薪酬委員會成員姓名		No. of Remuneration Committee meeting(s) attended/held 出席／舉行的薪酬委員會會議次數
CAI Hongping	蔡洪平	0/1
HAN Xiaosheng	韓曉生	1/1
YAN Fashan	嚴法善	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During the year, the annual remuneration of the Company's senior management is within the following bands:

年內，本公司高級管理人員的年度薪酬範圍如下：

Remuneration band

Number of senior management

薪酬範圍

高級管理層人數

HK\$

港幣

2,500,001–3,000,000

1

< 1,000,001

3

Nomination Committee

提名委員會

The Nomination Committee is chaired by Mr. HAN Xiaosheng, chairman of the Board, with Mr. LIU Jipeng and Mr. YAN Fashan, the INEDs, as members.

提名委員會由董事會主席韓曉生先生擔任主席，成員為獨立非執行董事劉紀鵬先生及嚴法善先生。

The principal duties of the Nomination Committee are to (1) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (2) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (3) assess the independence of INEDs; and (4) make recommendations to the Board on the appointment or reappointment of Directors and succession planning for the Directors.

提名委員會的主要職務是(1) 至少每年檢討董事會的架構、人數及成員組合(包括技能、知識及經驗)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；(2) 物色具備合適資格可成為董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；(3) 評核獨立非執行董事的獨立性；及(4) 就董事委任或重新委任以及董事繼任計劃向董事會提出建議。

During the year ended 31 December 2017, the Nomination Committee held one meeting to review the structure and composition of the Board and assessed the independence of INEDs in accordance with the relevant requirements of the Listing Rules.

截至2017年12月31日止年度，提名委員會舉行一次會議，以根據上市規則的相關規定檢討董事會的架構及成員組合，並評核獨立非執行董事的獨立性。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The following table shows the attendance of members of the Nomination Committee at the Nomination Committee meeting during the year ended 31 December 2017:

下表列示提名委員會成員於截至2017年12月31日止年度出席提名委員會會議的情況：

Name of Nomination Committee member 提名委員會成員姓名	No. of Nomination Committee meeting(s) attended/held 出席／舉行的提名委員會 會議次數
HAN Xiaosheng 韓曉生	1/1
LIU Jipeng 劉紀鵬	0/1
YAN Fashan 嚴法善	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The responsibility of the Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 93 to 101 which acknowledges the reporting responsibility of the auditor of the Group.

Annual Report and Financial Statements

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with Hong Kong Companies Ordinance and the applicable accounting standards.

問責性與審核

財務匯報

本公司全年及中期業績分別於年結日後三個月及年中期結束後兩個月期限內適時刊發。

下文列出董事就財務報表所承擔的責任，與第93頁至101頁獨立核數師報告內本集團核數師確認其匯報責任有所不同，但兩者應一併閱讀。

年報及財務報表

董事確認其有責任編製本公司年報及財務報表，以確保財務報表能根據香港公司條例及適用會計準則真實而中肯地呈列資料。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgments and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the accounting policies of the Group.

Safeguarding of Assets

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 within the Group.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

會計政策

董事認為，本集團在編製財務報表時已應用一貫採納的適當會計政策，並根據適用的會計準則作出合理及審慎的判斷及估計。

會計紀錄

董事負責確保本集團保存可披露本集團財務狀況的會計紀錄，而此等紀錄讓本集團得以按照其會計政策編製財務報表。

保護資產

董事負責採取一切合理及必要的措施保護本集團資產，並防範及偵測本集團內的詐騙及其他違規行為。

持續營運

經適當的查詢後，董事認為本集團擁有足夠資源在可見未來繼續營運，因此本集團適宜採納持續營運的基準編製財務報表。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

External Auditor

The Audit Committee reviews and monitors the external auditor PwC's independence and objectivity and effectiveness of the audit process. It receives each year a letter from the external auditor confirming its independence and objectivity and holds meetings with representatives of the external auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditor.

The policy of the Group regarding the engagement of PwC for the various services listed below is as follows:

- Audit services — include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by external auditor.
- Audit related services — include services that would normally be provided by an external auditor but not generally included in audit fees, for example, audits of the pension plans of the Group, accounting advice related to mergers and acquisitions, internal control reviews of systems and/or processes, and issuance of special audit reports for tax or other purposes. The external auditor is to be invited to undertake those services that it must, or is best placed, to undertake in its capacity as auditor.

外聘核數師

審核委員會審閱並監察外聘核數師羅兵咸永道是否獨立及客觀，以及核數過程的成效。審核委員會每年接獲由外聘核數師發出確認其獨立性及客觀性的函件，並與外聘核數師的代表舉行會議，考慮其審核工作的範疇，並批准其收費以及所提供非審核服務(如有)的範疇與其適合性。審核委員會亦就外聘核數師的委任及續聘事宜向董事會提出建議。

本集團按下列政策委聘羅兵咸永道提供下文所述各類服務：

- 審核服務 — 包括與審核綜合財務報表有關的審核服務，所有此等服務須由外聘核數師提供。
- 與審核有關的服務 — 包括一般由外聘核數師提供，但通常不包括在審核費用內的服務，例如審核本集團的退休金計劃、與併購活動有關的會計意見、對系統及/或程序進行內部監控檢討，以及就稅務或其他目的發表特別審核報告等。本集團邀請外聘核數師提供其作為核數師必須或最能勝任的服務。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- Taxation related services — include all tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group uses the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.
- Other services — include, for example, financial due diligence, review of actuarial reports and calculations, risk management diagnostics and assessments, and non-financial systems consultations. The external auditor is also permitted to assist Management and the internal auditor with internal investigations and fact-finding into alleged improprieties. These services are subject to specific approval by the Audit Committee.
- General consulting services — the external auditor is not eligible to provide services involving general consulting work.
- 與稅務有關的服務 — 包括所有稅務合規及稅務規劃服務，但不包括與審核有關的服務。本集團委聘外聘核數師提供其最能勝任的服務，而所有其他重要的稅務相關工作則由其他適當人士執行。
- 其他服務 — 包括例如財務盡職調查、審閱精算報告及計算方法、風險管理分析及評估，以及不涉及財務系統的顧問服務。外聘核數師亦可協助管理層及內部審計師對於懷疑的違規事項作內部調查及實情調查。此等服務須由審核委員會特別批准。
- 一般顧問服務 — 外聘核數師不符合提供一般顧問服務的資格。

During the year ended 31 December 2017, the fees paid by the Company to PwC in respect of their audit and non-audit services were as follows:

於截至2017年12月31日止年度內，本公司向羅兵咸永道支付的核數及非核數服務費用如下：

Nature of services		Amount
服務性質		金額
		HK\$'000
		港幣千元
Audit and audit related services	審核及審核有關的服務	4,720
Non-audit services	非審核服務	1,746
Total	合計	6,466

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

EMPLOYEES' CODE OF CONDUCT

The Group places utmost importance on employees' ethical, personal and professional standards. Every employee is required to undertake to adhere to the code of conduct of the Group, and is expected to achieve the highest standards set out in the code of conduct including avoiding conflict of interest, discrimination or harassment and bribery and corruption etc. Employees are required to report any non-compliance with the code of conduct to the management.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Group actively promotes investor relations and communication with the investment community during the year. Through its chairman, the Group responds to requests for information and queries from the investment community. A policy on the shareholders' communication, which is available on the website of the Company, was adopted and is subject to regular review by the Board to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Board is committed to providing clear and full information on the Group to the Shareholders through the publication of notices, announcements, circulars, interim and annual reports. An up-to-date consolidated version of the Bye-laws is published on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX"). Moreover, additional information on the Group is also available to the Shareholders and stakeholders through the "Investor Relations" page on the website of the Company.

僱員行為守則

本集團極為重視僱員的道德、個人及專業水平。每名僱員均須承諾遵守本集團之行為守則，而本集團期望所有僱員均達到行為守則所訂的最高準則，包括避免利益衝突、歧視或騷擾、以及賄賂及貪污等。僱員須向管理層報告任何違反行為守則的情況。

與股東的溝通及投資者關係

本集團於年內積極促進投資者關係以及與投資界的溝通。本集團透過其主席回應投資界人士索取資訊的要求及查詢。股東通訊政策(可於本公司網站閱覽)已獲採納，並須由董事會定期審閱以確保其成效及符合現行的監管及其他規定。

董事會透過刊發通告、公告、通函、中期報告與年報，致力為股東提供清晰及全面的本集團資料。公司細則的最新綜合版本分別登載於本公司及香港交易及結算有限公司(「香港交易所」)的網站內。此外，股東及持份者亦可瀏覽本公司網站「投資者關係」頁面取得更多本集團的資料。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convening a special general meeting

The Shareholders are encouraged to attend all general meetings of the Company. Pursuant to Section 74 of the Bermuda Companies Act, the Shareholder(s) holding not less than one-tenth of the issued share capital of the Company carrying voting rights at general meetings of the Company have statutory rights to call for special general meetings and put forward agenda items for consideration by the Shareholders, by sending the Company Secretary at the registered office address a written request for such general meetings, duly signed by the Shareholders concerned together with the proposed agenda items.

Procedures for Shareholders to put forward proposals at general meetings

The Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders or of at least one hundred shareholders in number, may put forward proposals for consideration at a general meeting of the Company by sending to the Company Secretary at the registered office address a written request for such proposals according to Sections 79 and 80 of the Bermuda Companies Act. All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Hong Kong Branch Share Registrar of the Company. The results of the poll are published on the websites of the Company and HKEX. In addition, regular updated financial, business and other information on the Group is made available on the website of the Company for the Shareholders and stakeholders.

股東權利

股東召開股東特別大會之程序

本集團鼓勵股東出席本公司所有股東大會。根據百慕達公司法第74條，持有不少於十分之一附有於本公司股東大會上之投票權之本公司已發行股本的股東均有法定權利要求召開股東特別大會並提出議程以供股東考慮；股東只須致函註冊辦事處，向公司秘書提交由要求召開此等股東大會的相關股東正式簽署的書面要求及說明所建議討論的議程即可。

股東於股東大會上提呈建議之程序

根據百慕達公司法第79及80條，佔全體股東總投票權不少於二十分之一的股東或人數至少為一百名的股東可以透過致函註冊辦事處，向公司秘書提交動議的書面要求，提呈該動議供股東於本公司股東大會上考慮。股東大會上所有重要的決議案均以按股數表決方式進行投票，投票由公司秘書安排進行，並由本公司的香港股份過戶登記分處監票。投票結果分別於本公司及香港交易所的網站公佈。此外，本公司網站登載定期更新的本集團財務、業務與其他資料，供股東及持份者閱覽。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INVESTOR RELATIONS

The Group values feedback from the Shareholders on its efforts to promote transparency and foster investor relations. Comments and suggestions to the Board or the Company are welcome and can be addressed to the Chairman of the Board by mail to 64/F, Bank of China Tower, 1 Garden Road, Hong Kong.

RISK MANAGEMENT AND INTERNAL CONTROL

The management of the Company manages risks effectively through identifying every potential issue that may affect the business of the Company, thus ensure providing reasonable assurance in achieving the objectives of the Group within a sustainable range. The Group adopts the Enterprise Risk Management – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) to implement the comprehensive risk management. The management of the Company reviews and updates the framework and procedures on risk management and internal control annually under the structure of connecting the four categories of entity's objectives (strategy, operation, reporting and compliance) with the eight interrelated components (internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication and monitoring), improves them with various recommendations by identifying the corresponding risks and internal control guidelines respectively in respect of the key process of the Group. The management of the Company organises a self-assessment annually, the key process owner of the Group prioritise the risks under his/her respective business and acknowledges the effectiveness of the corresponding internal control procedures, and makes prompt remediation for internal control weaknesses identified.

The management of the Company has established a key risk register for significant risks, by identifying the root cause, risk impact and risk response, and developing respective risk index to monitor significant risks through periodic collection of operational data on a monthly basis. Risk alert will be promptly issued with recommended risk response in controlling risks when the risk index exceed the predefined threshold value.

投資者關係

本集團致力提高透明度與促進投資者關係，並且十分重視股東對這方面的回應。如欲向董事會或本公司提出意見與建議，歡迎致函董事會主席，地址為香港花園道1號中銀大廈64樓。

風險管理與內部監控

本公司管理層通過識別各個有可能影響公司業務的潛在事項，有效地管理風險，以確保在可承擔的範圍內，為實現本集團目標提供合理保證。本集團採用全國虛假財務報告委員會下屬的發起人委員會的企業風險管理整體框架為藍本實施全面風險管理，該架構配合四類企業目標(策略、運營、匯報、合規)以八個相互關聯的構成要素(內部環境、目標設定、事項識別、風險評估、風險應對、控制活動、資訊與溝通、監督)為基礎，在這架構下本公司管理層每年檢討及更新風險管理與內部監控框架及程序，結合集團主要業務識別相應的風險點及對應的內部監控指南，並加入不同的建議令之更為規範。本公司管理層每年組織一次自我評估，由本集團主要業務部門負責人員對各自業務的風險排序以及相應內部監控程序的成效進行確認，及時整改發現的內部監控弱點。

本公司管理層就重大風險建立了主要風險登記表，識別風險成因、風險影響和應對方案，並制定相關風險指標，按月定期採集經營數據監控重大風險，在風險指標達到預設預警值時，及時發出風險預警報告並建議相關業務部門採取應對措施控制風險。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The management of the Company has established appropriate internal control procedures against key risks, which mainly include the followings:

- 1) Business plans and budgets are prepared annually by the management of the Company and subject to review and approval by both the executive management team and the Board. Reforecasts for the current year are prepared on a quarterly basis, compared for variances to the budget. When setting budgets and reforecasts, the management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.
- 2) The executive Directors review monthly management reports on the financial results and key operating statistics of the business. In addition, the Chief Executive Officer of the Company holds periodic meetings with the executive management team and senior management of business operations to review business performance, significant business risk sensitivities and strategies. The Chief Financial Officer also holds monthly meetings with Financial Controllers of business operations to review the monthly performance against budget and forecast, and to address accounting and finance related matters.
- 3) The Company maintains a centralised cash management system for its subsidiaries' operations and the finance department of the Company oversees the investment and lending activities of the Group. Treasury reports on cash and liquid investments of the Group and movements thereof are distributed daily.
- 4) The Chief Financial Officer of the Company has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specific control and approval prior to commitment by the Chief Financial Officer of the Company or the executive Directors are required for unbudgeted expenditures and material capital expenditures within the approved budget.

本公司管理層已針對主要風險設立適當的內部監控程序，主要包括以下方面：

- 1) 業務計劃與預算由本公司管理層按年編製，並須由行政管理隊伍與董事會審批。本集團每季修訂該年度的業務預算，並與原來的預算作出變動比較。在編製預算與作出修訂預測時，管理層會確定、評估與匯報業務出現重大業務風險的可能性與其潛在的財務影響。
- 2) 執行董事審閱業務之財務業績與主要營運統計數字的每月管理報告。此外，本公司總裁與行政管理隊伍及業務運作的高級管理人員定期舉行會議，以檢討業務表現與重大業務風險之敏感因素和策略。財務總監亦會每月與業務營運之財務負責人舉行會議，以對照預算及預測檢討每月表現，以及處理會計與財務相關事宜。
- 3) 本公司為其附屬公司營運維持中央現金管理系統，而本公司財務部負責監管本集團的投資與借貸活動，並每天發出有關本集團現金和流動投資與有關變動的庫務報告。
- 4) 本公司財務總監已為開支的批准與監控訂立指引與程式。經營支出均須根據整體預算作出監管，並以各業務為單位按各行政人員及主任的職責輕重相稱的開支批核水平進行內部監控。資本性支出須按照年度預算檢討及批核程式進行全面監控，未列入預算案的開支及在經批核預算之內的重資本性支出，則須於撥出前由本公司財務總監或執行董事作出更具體的監管與批准。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- 5) The Procedures for Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters has already been published on the website of the Company for encouraging the employees of the Company and other stakeholders who are dealing with the Group to report to the Company any suspected improprieties, misconducts or malpractices within the Group. The Group will assure that the whistle-blower is free from any unfair dismissal or punishment for any authentic whistle-blowing made according to the Procedures. The internal auditor of the Company will promptly follow up the whistle blowing incident through specific and secured whistle blowing email and inform the executive Directors and the Audit Committee on the investigation results and the recommendations proposed will be carried out by respective department.
- 6) The Company has already established the procedures and internal control measures for the respective handling and dissemination of insider information. After any price sensitive insider information has or shall have been known to the executives of the Group during the process of performing their duties under reasonable conditions, such price sensitive insider information shall be disclosed to the public as soon as practicable, unless the “Safe Harbor Provisions” under the SFO are applicable. Insider information will be announced through the websites of the Company and the HKEX, or announced by other means or methods as prescribed by the Listing Rules from time to time, such announcement is subject to the approval of the Board before announcement. The insider information may only be announced through other channels after being announced in the form of an announcement through the websites of the Company and the HKEX.
- 5) 《處理舉報有關財務匯報、內部監控或其他事宜之可能屬不當行為之程序》已於本公司網站上發佈，鼓勵本公司僱員及與本集團有業務往來之人士向本公司舉報本集團內任何懷疑屬不當行為、失當行為或不良行為，本集團將會保障舉報者不會因按照本程序作出任何真實舉報而遭受不公平解僱或懲處。本公司內部審計師會透過特定及安全的舉報電郵及時跟進舉報個案並將調查結果知會執行董事及審核委員會，並由有關部門執行經批准的處理建議。
- 6) 本公司已制定有關處理及發佈內幕消息的程序和內部監控措施，在任何股價敏感內幕資料已經或於合理情況下應已為本集團行政人員在履行其職務過程中獲悉後，在切實可行之情況下儘快向公眾披露該股價敏感內幕消息，除非《證券及期貨條例》下的「安全港條文」適用於該個案。內幕消息將分別透過本公司和香港交易所的網站公佈，或按上市規則不時規定的其他途徑和方式公佈，公告在發佈前須經由董事會批准。內幕消息須以公告形式分別透過本公司和香港交易所的網站發佈後方可通過其他渠道發佈。

The system and procedures established are aimed at managing risks and rather than eliminating all risks. Such system could only provide reasonable and not absolute assurance. Such system cannot eliminate completely the consequences resulted from unpredictable risks and uncontrollable events (such as natural disaster, fraud and misjudgment).

已設立的系統及程序旨在管理風險而非消除所有風險。該系統僅能提供合理而非絕對的保證，亦不能完全排除不可預測的風險及不可控制的事件(例如自然災害、欺詐及判斷失誤)等因素導致的後果。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The internal auditor of the Company shall report directly to the Audit Committee, and provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group. Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal auditor of the Company includes financial and operations audit, regular and surprise audits, fraud investigations and construction audit. Using risk assessment methodology and taking into account the dynamics of the activities of the Group, the internal auditor of the Company derives its yearly audit plan which is approved by the Audit Committee, and reassessed during the year as needed to ensure that adequate resources are deployed and the objectives of the plan are met. The internal auditor of the Company is responsible for assessing the internal control system of the Group, formulating an impartial opinion on the system, and reporting its findings to the management of the Company, as well as following up on all reports to ensure that all issues have been properly remediated. The Audit Committee holds two meetings annually in respect of the review results and opinions from the internal auditor of the Company against the risk management and internal control system, and reports the review results to the Board.

In addition, a regular dialogue is maintained with the external auditor of the Group so that both are aware of the significant factors which may affect their respective scope of work, and review the reports regarding the internal control and relevant financial reports submitted by external auditor and take appropriate actions.

本公司內部審計師須直接向審核委員會匯報，並就本集團業務運作的風險管理活動與監控的存在與成效提供獨立保證。視乎個別業務單位的業務性質與承受的風險，本公司內部審計師的工作範圍包括財務與營運審計、常規與突擊審計、舞弊調查，以及工程管理審計等。本公司內部審計師運用風險評估方法與考慮本集團業務運作機制，制訂其經由審核委員會審議之周年審計計劃，並在有需要時於年內重新評估，確保有足夠資源可供運用及計劃目標得以實現。本公司內部審計師負責評估本集團內部監控系統，就系統提供公正意見，並向本公司管理層匯報評估結果，以及負責跟進所有報告，確保已就所發現問題採取適當行動。審核委員會就本公司內部審計師對風險管理及內部監控系統檢討的結果和意見，每年舉行兩次會議，並向董事會匯報審議結果。

此外，本公司內部審計師亦會與本集團的外聘核數師定期溝通，讓雙方得知可能影響其相關工作範圍的重大因素，並審閱外聘核數師所提交有關內部監控與相關財務報告的報告及採取適當行動。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board confirmed that it has the responsibility to maintain an effective risk management and internal control system of the Group to protect the interests of the Shareholders and preserve the assets of the Group, and review the effectiveness of the risk management and internal control system of the Group once every year, including financial control, operational control and compliance control. The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control system of the Group for the year ended 31 December 2017, which covered risk management functions and all material financial, operational and compliance controls, and is satisfied that such systems are effective and adequate. In addition, it has also reviewed and is satisfied with the adequacy of resources, qualifications and experience of the staff of the accounting, internal audit and financial reporting function of the Group, and their training programmes and budget.

董事會確認其有責任維持本集團之有效風險管理及內部監控系統，以保障股東利益及保全本集團資產，並每年檢討一次本集團的風險管理及內部監控系統是否有效，包括財務監控、運營監控和合規監控。董事會已透過審核委員會檢討本集團截至2017年12月31日止年度的風險管理及內部監控系統的成效，檢討範圍涵蓋風險管理職能以及所有重大的財務、營運及合規監控，並信納此等系統均屬有效與充足。此外，董事會亦已檢討並滿意本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓計劃及有關預算的充足程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of China Oceanwide Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of China Oceanwide Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 102 to 224, which comprise:

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

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

致中泛控股有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

中泛控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第102頁至第224頁的綜合財務報表，包括：

- 於2017年12月31日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表的附註，包括重大會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2017年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

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

- Valuation of investment properties
- Impairment assessment of available-for-sale listed equity investments

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 投資物業的估值
- 可供出售之上市股票投資的減值評估

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

How our audit addressed the Key Audit Matter

關鍵審計事項

我們的審計如何處理關鍵審計事項

Valuation of investment properties

投資物業的估值

Refer to Notes 2h, 4a and 15 to the consolidated financial statements.

請參閱綜合財務報表附註2h、4a及15。

The Group's investment properties in the People's Republic of China (the "PRC") were carried at HK\$1,270,243,000 as at 31 December 2017 and no fair value change was recognised in the consolidated income statement for the year then ended.

於2017年12月31日，貴集團於中華人民共和國（「中國」）之投資物業達港幣1,270,243,000元，並無於截至該日止年度的綜合收益表內確認任何公允價值變動。

We focused on the evaluation of management's valuations of the Group's investment properties because the valuation of these properties are inherently subjective due to, among other factors, the individual nature of each property and its location.

我們重點評估管理層對貴集團投資物業的估值，這是因為（包括其他因素）基於各物業的個別性質及其地點，該等物業的估值本質上是主觀的。

In assessing the valuation of the investment properties in the PRC, we performed the following procedures:

於評估中國投資物業的估值時，我們執行以下程序：

- We evaluated the independent external valuer's competence, capabilities and objectivity; and
- 我們評估了獨立外部估值師的專業實力、能力及客觀性；及
- We assessed the appropriateness of the valuation methodology used by management and the reasonableness of the key assumptions adopted for the valuation. We compared, on a sample basis, the capitalisation rates and rental rates applied in the valuation to the capitalisation rates of other similar properties in the market and the Group's recent lease renewal transactions, respectively.
- 我們評估了管理層使用的估值方法的適當性及估值採納的關鍵假設的合理性。我們以抽樣方式分別比較了估值中應用的資本化率及租金率與市場其他類似物業的資本化率及貴集團近期租賃續約的交易。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

How our audit addressed the Key Audit Matter

關鍵審計事項

我們的審計如何處理關鍵審計事項

Valuation of investment properties (Continued)

投資物業的估值(續)

These investment properties in the PRC were valued using the income capitalisation method by an independent external valuer.

該等中國投資物業乃由獨立外部估值師使用收益資本化方法進行估值。

The valuations are dependent on certain key assumptions that require significant management judgements such as capitalisation rates and rental rates.

此等估值視乎若干關鍵假設，當中需要管理層作出重大判斷，包括資本化率及租金率。

Impairment assessment of available-for-sale listed equity investments

可供出售之上市股票投資的減值評估

Refer to Notes 2i, 4b and 17 to the consolidated financial statements for the Group's impairment policy for available-for-sale listed equity investments.

有關 貴集團可供出售之上市股票投資的減值政策請參閱綜合財務報表附註2i、4b及17。

As at 31 December 2017, the Group had available-for-sale listed equity investments of HK\$500,042,000. During the year then ended, the Group did not recognise any impairment loss in the consolidated income statement.

於2017年12月31日，貴集團擁有可供出售之上市股票投資港幣500,042,000元。於截至該日止年度，貴集團並無於綜合收益表內確認任何減值虧損。

We consider that the valuation of investment properties was supportable by the available evidence.

我們認為投資物業的估值有可得證據支持。

We understood and evaluated management's policies, processes and controls over the Group's impairment assessment process in relation to available-for-sale listed equity investments.

我們了解和評估管理層對 貴集團有關可供出售之上市股票投資的減值評估過程的政策、流程及控制。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter

How our audit addressed the Key Audit Matter

關鍵審計事項

我們的審計如何處理關鍵審計事項

Impairment assessment of available-for-sale listed equity investments (Continued)

可供出售之上市股票投資的減值評估(續)

We focused on this area as significant management judgements are required in assessing the impairment risks of the Group's available-for-sale listed equity investments, especially on determining the threshold that the fair value of the individual equity investment is considered significantly below its cost and therefore impairment provision may be required. In making these judgements, the Group evaluated a number of key quantitative and qualitative factors including the expected level of volatility of each individual equity investment, events or changes that had occurred within each of these investees and the industry prospects of each of the investments.

我們重點針對這一領域，因為在評估 貴集團可供出售之上市股票投資的減值風險時管理層需要作出重大判斷，尤其是釐定個別股票投資的公允價值何時被視為顯著低於其成本，因此需要若干減值撥備。在作出該等判斷時， 貴集團評估了多項關鍵的定量及定性因素，包括每項個別股票投資的預期波動水平、在每個投資對象中已發生的事件或變化，以及每項投資的行業前景。

- We performed the following procedures to assess management's impairment assessment for the available-for-sale listed equity investments;
- 我們執行以下程序以評估管理層對可供出售之上市股票投資的減值評估：
- We evaluated the threshold used by management in determining significant decline in fair value of each individual equity investment by assessing the volatility of each individual investment and the volatility of the stock market performances of relevant industry sectors in which these investees operate; and
- 我們通過評估每項個別股票投資的波動性及該等投資對象營運所在相關行業領域的股票市場表現波動性，評估管理層用於釐定各項個別投資的公允價值顯著下降的臨界值；及
- We evaluated whether management had considered any relevant events or changes that had occurred within the investees and their industries to determine the threshold of significant decline in fair value by cross-checking to the publicly available market news and information relevant to the investees and the industry sectors.
- 我們通過交叉檢查投資對象及行業領域相關的公開可得市場消息及信息，評估管理層在釐定公允價值顯著下降的臨界值時，是否考慮了在投資對象及彼等的行業中已發生的事項或變動。

We consider that the impairment assessment of available-for-sale listed equity investments was supportable by the available evidence.

我們認為可供出售之上市股票投資的減值評估有可得證據支持。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION

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

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

RESPONSIBILITIES OF DIRECTORS 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 judgment and maintain professional scepticism throughout the audit. We also:

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

董事及治理層就綜合財務報表須承擔的責任(續)

治理層須負責監督 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

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達1981年《公司法》第90條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。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，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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)

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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 Cheng Lap Yam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 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，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是鄭立欽。

羅兵咸永道會計師事務所
執業會計師

香港，2018年3月29日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Note 附註	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Revenue	收入	5	142,174	153,390
Cost of sales	銷售成本		(9,406)	(10,246)
Gross profit	毛利		132,768	143,144
Other income	其他收益		469	—
Other net gains	其他淨利得	6a	29,151	189,142
Administrative expenses	行政費用		(73,407)	(73,052)
Selling and distribution costs	銷售及分銷成本		(2,425)	(1,798)
Profit before tax	除稅前利潤	6	86,556	257,436
Income tax expense	所得稅開支	7	(17,411)	(87,188)
Profit for the year	年內利潤		69,145	170,248
Profit attributable to:	以下應佔之利潤：			
Shareholders of the Company	本公司股東		70,422	136,214
Non-controlling interests	非控股權益		(1,277)	34,034
			69,145	170,248
Basic and diluted earnings per share attributable to shareholders of the Company	本公司股東應佔之每股基本及攤薄盈利	9	HK0.44 cent 港幣0.44仙	HK0.90 cent 港幣0.90仙

The notes on pages 112 to 224 are an integral part of these consolidated financial statements.

第112頁至第224頁之附註為本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Profit for the year	年內利潤	69,145	170,248
Other comprehensive income/(expenses):	其他全面收益／（開支）：		
Items that may be reclassified to profit and loss:	可重新分類至損益之項目：		
Translating financial statements of foreign operations:	海外業務財務報表之換算：		
— Gains/(losses) taken to reserves	— 計入儲備之利得／（虧損）	165,505	(73,316)
Available-for-sale financial assets:	可供出售之財務資產：		
— Net valuation losses taken to reserves	— 計入儲備之估值淨虧損	(60,663)	(211,878)
— Net gains previously in reserves recognised in statement of income	— 過往計入儲備之淨利得於收益表確認	(47,597)	(3,226)
— Impairment losses transferred to statement of income	— 轉撥至收益表之減值虧損	—	87,491
Other comprehensive income/(expenses) for the year, net of tax**	年內除稅後其他全面收益／（開支）**	57,245	(200,929)
Total comprehensive income/(expenses) for the year	年內全面收益／（開支）總額	126,390	(30,681)
Total comprehensive income/(expenses) attributable to:	以下應佔之全面收益／（開支）總額：		
Shareholders of the Company	本公司股東	119,699	(57,588)
Non-controlling interests	非控股權益	6,691	26,907
		126,390	(30,681)

** There was no tax effect on each component of the other comprehensive income/(expenses) for the years ended 31 December 2017 and 2016.

** 截至2017年及2016年12月31日止年度，其他全面收益／（開支）之各組成部分概無稅務影響。

The notes on pages 112 to 224 are an integral part of these consolidated financial statements.

第112頁至第224頁之附註為本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017 於2017年12月31日

		Note 附註	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Properties, plant and equipment	物業、機器及設備	14	2,749,420	1,814,027
Investment properties	投資物業	15	3,400,473	2,293,398
Leasehold land and land use rights	租賃土地及土地使用權	16	1,359	1,320
Available-for-sale financial assets	可供出售之財務資產	17	908,746	1,356,980
Financial assets at fair value through profit or loss	按公允價值計入損益之財務資產	19	80,670	—
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	18	506,311	643,037
Deferred income tax assets	遞延所得稅資產	24	9,211	4,287
			7,656,190	6,113,049
Current assets	流動資產			
Properties under development	發展中物業	20	12,131,649	9,721,171
Trade receivables	應收賬款	21	292	912
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	18	75,939	106,486
Restricted cash	受限制現金	22	880,642	409,991
Cash and cash equivalents	現金及現金等價物	22	713,397	615,568
			13,801,919	10,854,128
Total assets	資產總值		21,458,109	16,967,177
EQUITY	權益			
Equity attributable to shareholders of the Company	本公司股東應佔權益			
Share capital	股本	25	1,614,265	1,614,265
Reserves	儲備		9,093,074	9,039,041
			10,707,339	10,653,306
Non-controlling interests	非控股權益		468,461	629,401
Total equity	權益總額		11,175,800	11,282,707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 December 2017 於2017年12月31日

		Note 附註	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Other loan	其他貸款	27	1,067,007	756,122
Deferred income tax liabilities	遞延所得稅負債	24	268,787	243,798
			1,335,794	999,920
Current liabilities	流動負債			
Deposits received, other payables and accruals	已收按金、其他應付 款項及應計項目	23	1,539,332	605,088
Bank and other loans	銀行及其他貸款	27	4,261,357	2,359,875
Amount due to an intermediate holding company	應付一間中間控股 公司款項	32g	3,120,506	1,694,489
Current income tax liabilities	流動所得稅負債		25,320	25,098
			8,946,515	4,684,550
Total liabilities	負債總額		10,282,309	5,684,470
Total equity and liabilities	權益及負債總額		21,458,109	16,967,177

The notes on pages 112 to 224 are an integral part of these consolidated financial statements.

第112頁至第224頁之附註為本綜合財務報表之一部分。

The consolidated financial statements on pages 102 to 224 were approved by the Board of Directors.

第102頁至第224頁之綜合財務報表乃經董事會批准。

HAN Xiaosheng

韓曉生

Chairman

主席

LIU Guosheng

劉國升

Director

董事

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

	Note 附註	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Operating activities	經營業務		
Cash (used in)/generated from operating activities before finance costs, tax paid and changes in working capital	未計融資成本、已付稅項及營運資金變動前經營業務(所用) / 所產生之現金	28a (8,446)	20,708
Changes in working capital	營運資金之變動	28b (1,738,588)	(6,686,596)
Cash used in operations	經營業務所用之現金	(1,747,034)	(6,665,888)
Interest received	已收利息	36,667	33,190
Dividend received	已收股息	3,228	3,976
Tax paid — outside Hong Kong	已付稅項 — 香港境外地區	(15,190)	(9,372)
Tax paid — in Hong Kong	已付稅項 — 香港境內	(1,918)	—
Net cash used in operating activities	經營業務所用之現金淨額	(1,724,247)	(6,638,094)
Investing activities	投資業務		
Purchase of properties, plant and equipment	購買物業、機器及設備	(738,662)	(752,693)
Additions to investment properties	添置投資物業	(532,137)	(350,162)
Purchase of available-for-sale financial assets	購買可供出售之財務資產	(78,070)	—
Purchase of financial assets at fair value through profit or loss	購買按公允價值計入損益之財務資產	(78,053)	—
Proceeds from disposal of available-for-sale financial assets	來自出售可供出售之財務資產之所得款項	463,688	74,801
Increase in other non-current assets	其他非流動資產增加	(195)	(88,066)
Proceeds from disposal of properties, plant and equipment	來自出售物業、機器及設備之所得款項	—	226
Increase in restricted cash	受限制現金增加	(264,772)	(383,584)
Net cash used in investing activities	投資業務所用之現金淨額	(1,228,201)	(1,499,478)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

	Note	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元	
	附註			
Financing activities				
Acquisition of non-controlling interests of subsidiaries	收購附屬公司之非控股權益	26	(233,321)	—
Net proceeds from issuance of new shares	來自發行新股份之所得款項淨額	25	—	4,571,311
Payment of the consideration for common control combinations	共同控制合併之代價付款		—	(287,485)
Proceeds from bank and other loans	來自銀行及其他貸款之所得款項	28c	2,038,206	2,875,716
Repayment of bank and other loans	償還銀行及其他貸款	28c	(177,314)	(1,317,670)
Proceeds from borrowings from an intermediate holding company	來自一間中間控股公司借貸之所得款項	28c	2,331,268	3,477,886
Repayment of borrowings to an intermediate holding company	向一間中間控股公司償還借貸	28c	(919,974)	(1,783,397)
Proceeds from loans from fellow subsidiaries	來自同系附屬公司貸款之所得款項	28c/32g/ 32h(vi)	340,000	—
Repayment of loan from a fellow subsidiary	償還一間同系附屬公司貸款	28c/ 32h(vi)	(60,000)	—
Interest paid	已付利息		(98,124)	(40,029)
Increase in restricted cash	受限制現金增加		(194,672)	(40)
Proceeds from capital injection by a non-controlling shareholder	來自一名非控股股東注資之所得款項	28d	—	191,783
Dividend paid to non-controlling interests	派付予非控股權益之股息		(1,560)	—
Net cash generated from financing activities	融資業務所產生之現金淨額		3,024,509	7,688,075

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Increase/(decrease) in cash and cash equivalents	現金及現金等價物 增加／(減少)	72,061	(449,497)
Cash and cash equivalents at 1 January	於1月1日之現金及 現金等價物	615,568	1,079,408
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物 匯兌利得／(虧損)	25,768	(14,343)
Cash and cash equivalents at 31 December	於12月31日之現金及 現金等價物	713,397	615,568
Analysis of unsecured and unrestricted cash, liquid funds and listed investments	未抵押及未受限制現金、 流動資金及 上市投資分析		
Bank deposits with maturity less than three months	於三個月內到期之 銀行存款	413,478	350,810
Cash at banks and on hand	銀行存款及現金	299,919	264,758
Cash and cash equivalents	現金及現金等價物	713,397	615,568
Unsecured available-for-sale financial assets, listed investments	未抵押可供出售之 財務資產，上市投資	508,025	688,721
Total unsecured and unrestricted cash, liquid funds and listed investments	未抵押及未受限制現金、 流動資金及 上市投資總額	1,221,422	1,304,289

The notes on pages 112 to 224 are an integral part of these consolidated financial statements.

第112頁至第224頁之附註為本綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to shareholders of the Company 本公司股東應佔							Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Exchange reserve 匯兌儲備	Investment revaluation reserve 投資重估儲備	(Note) Other reserves (附註) 其他儲備	Retained profits 保留利潤	Sub-total 小計		
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	1,614,265	8,181,541	108,727	84,066	10,479	654,228	10,653,306	629,401	11,282,707
Other comprehensive income/(expenses)	其他全面收益/(開支)									
Translating financial statements of foreign operations:	海外業務財務報表之換算：									
– Gains taken to reserves	– 計入儲備之利得	–	–	156,988	–	549	–	157,537	7,968	165,505
Available-for-sale financial assets:	可供出售之財務資產：									
– Net valuation losses taken to reserves	– 計入儲備之估值淨虧損	–	–	–	(60,663)	–	–	(60,663)	–	(60,663)
– Net gains previously in reserves recognised in statement of income	– 過往計入儲備之淨利得於收益表確認	–	–	–	(47,597)	–	–	(47,597)	–	(47,597)
Net income/(expenses) recognised directly in equity	直接於權益確認之淨收益/(開支)	–	–	156,988	(108,260)	549	–	49,277	7,968	57,245
Profit/(loss) for the year	年內利潤/(虧損)	–	–	–	–	–	70,422	70,422	(1,277)	69,145
Total comprehensive income/(expenses)	全面收益/(開支)總額	–	–	156,988	(108,260)	549	70,422	119,699	6,691	126,390
Write back of unclaimed dividends	撥回未領取股息	–	–	–	–	–	24	24	–	24
Acquisition of non-controlling interests (Notes 26 and 32h(v))	收購非控股權益(附註26及32h(v))	–	–	–	–	(65,690)	–	(65,690)	(167,631)	(233,321)
Total transactions with shareholders recognised directly in equity	直接於權益確認之與股東交易總額	–	–	–	–	(65,690)	24	(65,666)	(167,631)	(233,297)
At 31 December 2017	於2017年12月31日	1,614,265	8,181,541	265,715	(24,194)	(54,662)	724,674	10,707,339	468,461	11,175,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to shareholders of the Company 本公司股東應佔						Non-controlling interests 非控股權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Exchange reserve 匯兌儲備	Investment revaluation reserve 投資重估儲備	(Note) Other reserves (附註) 其他儲備	Retained profits 保留利潤	Sub-total 小計		
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At 1 January 2016	於2016年1月1日	1,076,177	4,148,318	174,386	211,679	11,009	518,014	6,139,583	251,621	6,391,204
Other comprehensive (expenses)/income	其他全面(開支)/收益									
Translating financial statements of foreign operations:	海外業務財務報表之換算:									
– Losses taken to reserves	– 計入儲備之虧損	–	–	(65,659)	–	(530)	–	(66,189)	(7,127)	(73,316)
Available-for-sale financial assets:	可供出售之財務資產:									
– Net valuation losses taken to reserves	– 計入儲備之估值淨虧損	–	–	–	(211,878)	–	–	(211,878)	–	(211,878)
– Net gains previously in reserves recognised in statement of income	– 過往計入儲備之淨利得於收益表確認	–	–	–	(3,226)	–	–	(3,226)	–	(3,226)
– Impairment losses transferred to statement of income	– 轉撥至收益表之減值虧損	–	–	–	87,491	–	–	87,491	–	87,491
Net expenses recognised directly in equity	直接於權益確認之淨開支	–	–	(65,659)	(127,613)	(530)	–	(193,802)	(7,127)	(200,929)
Profit for the year	年內利潤	–	–	–	–	–	136,214	136,214	34,034	170,248
Total comprehensive (expenses)/income	全面(開支)/收益總額	–	–	(65,659)	(127,613)	(530)	136,214	(57,588)	26,907	(30,681)
Issue of new shares (Note 25)	發行新股份(附註25)	538,088	4,033,223	–	–	–	–	4,571,311	–	4,571,311
Share capital injection by non-controlling interests	非控股權益股本注資	–	–	–	–	–	–	–	352,446	352,446
Dividend declared to non-controlling interests	已宣派非控股權益股息	–	–	–	–	–	–	–	(1,573)	(1,573)
Total transactions with shareholders recognised directly in equity	直接於權益確認之與股東交易總額	538,088	4,033,223	–	–	–	–	4,571,311	350,873	4,922,184
At 31 December 2016	於2016年12月31日	1,614,265	8,181,541	108,727	84,066	10,479	654,228	10,653,306	629,401	11,282,707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2017 截至2017年12月31日止年度

Note:

附註：

Other reserves comprise other properties revaluation reserve, merger reserve, capital redemption reserve and other reserve.

其他儲備包括其他物業重估儲備、合併儲備、資本贖回儲備及其他儲備。

		Other properties revaluation reserve	Merger reserve	Capital redemption reserve	(Note 26) Other reserve	Total
		其他物業 重估儲備	合併儲備	資本贖回 儲備	(附註26) 其他儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2016	於2016年1月1日	8,364	(913)	3,558	—	11,009
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	7,834	(913)	3,558	—	10,479
At 31 December 2017	於2017年12月31日	8,383	(913)	3,558	(65,690)	(54,662)

The notes on pages 112 to 224 are an integral part of these consolidated financial statements.

第112頁至第224頁之附註為本綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

China Oceanwide Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in property investments in the People’s Republic of China (the “PRC”), real estate development in the United States of America (the “United States” or “U.S.”), development in the energy sector in the Republic of Indonesia (“Indonesia”) and finance investment.

The Company is a limited liability company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of the Company and its subsidiaries.

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on historical cost basis, except for the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

1 一般資料

中泛控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事物業投資、於美利堅合眾國(「美國」)從事房地產開發、於印度尼西亞共和國(「印尼」)從事能源電力行業發展及從事金融投資。

本公司為一間於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司上市。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

除非另有註明，否則本綜合財務報表以港幣呈列。

2 重大會計政策概要

此附註載有一系列編製本綜合財務報表時應用之主要會計政策。除非另有所指，否則該等政策於所有呈列年度經已貫徹應用。本集團之財務報表涵蓋本公司及其附屬公司。

本公司之綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則及香港公司條例第622章之規定編製。綜合財務報表乃根據歷史成本基準編製，惟重估以公允價值列賬之投資物業、可供出售之財務資產及按公允價值計入損益之財務資產除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

As at 31 December 2017, the Group had properties under development of HK\$12,131,649,000 which were classified as current assets while expected to be completed and recovered after one year. Excluding these properties under development, the Group's current liabilities exceeded its current assets by HK\$7,276,245,000 as at 31 December 2017. This is mainly because certain bank and other loans of HK\$4,261,357,000 will fall due within twelve months of the date of statement of financial position and amount due to an intermediate holding company of HK\$3,120,506,000 is repayable on demand as at date of statement of financial position. The directors aim to renew these bank borrowings or to obtain additional banking facilities in order to improve the liquidity of the Group. In addition, the directors also believe that the Group will be able to obtain sufficient cash flows from the Group's intermediate holding companies and/or other parties with the financial support from the Group's controlling shareholder to repay the bank and other loans, if necessary, upon the due dates. As at 31 December 2017, the undrawn banking and other facilities available to the Group was HK\$6,413,767,000.

2 重大會計政策概要(續)

編製符合香港財務報告準則之財務報表須採用若干關鍵會計估計。於應用本集團會計政策過程中亦須本公司董事作出判斷。涉及較多判斷或較複雜或對綜合財務報表有重大影響之假設及估計之範疇於附註4中披露。

於2017年12月31日，本集團之發展中物業為港幣12,131,649,000元，分類為流動資產，預計於一年後落成及收回。於2017年12月31日，倘撇除該等發展中物業，則本集團之流動負債將較其流動資產超出港幣7,276,245,000元，主要是由於若干銀行及其他貸款港幣4,261,357,000元將於結算日後12個月內到期，以及應付一間中間控股公司款項港幣3,120,506,000元於結算日須按需求償還。董事致力為該等銀行借貸續期或取得額外銀行融資，以改善本集團之流動性。此外，董事亦相信，本集團將可獲得本集團控股股東的財務支持，透過本集團的中間控股公司及／或其他人士取得足夠現金流量，以於到期日償還銀行及其他貸款(如需要)。於2017年12月31日，本集團之可動用之未提取銀行及其他融資為港幣6,413,767,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The directors have evaluated all the relevant facts available to them and are of the opinion that there are good track records or relationships with the banks and the strong financial position of the Group, which enhance the Group's ability to renew the current bank borrowings upon expiry or to secure other adequate banking facilities and other source of financing activities. Based on the Group's cash flow projection, taking into account the above, the Group expects it has sufficient cash flows to meet its financial obligations as and when they fall due in the coming twelve months from the date of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

a. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are required. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, the equity interests issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are with limited exceptions measured initially at their fair values at the acquisition date.

2 重大會計政策概要(續)

董事已評估所有可取得之相關事實，且認為與銀行之往績或關係良好，加上本集團之財務狀況穩健，有助提高本集團於現有銀行借貸到期時予以續期或者取得其他充足銀行融資及其他融資活動途徑之能力。根據本集團之現金流量預測，經考慮上述因素，本集團預計將具備足夠現金流量，以履行其於此等綜合財務報表之結算日起計未來12個月內到期之財務責任。因此，綜合財務報表已採用持續經營基礎擬備。

a. 綜合賬目

附屬公司指所有本集團對其具有控制權之實體(包括結構性實體)。當本集團藉參與實體而可獲得或有權獲得可變回報，並有能力透過其操控該實體業務之權力影響此等回報時，本集團即控制該實體。附屬公司由控制權轉移至本集團當日起全面綜合入賬，並由控制權終止當日起不再綜合入賬。

業務合併

本集團應用收購會計法將所有業務合併入賬，不論是否需要股本工具或其他資產。就收購一間附屬公司轉讓之代價包括所轉讓資產、向被收購方原擁有人所產生負債、本集團所發行股權之公允價值、或然代價安排所產生任何資產或負債之公允價值及附屬公司任何現存股權之公允價值。在業務合併過程中購入之可識別資產以及承擔之可識別負債及或然負債初步按於收購日期之公允價值計量(若干例外情況除外)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Consolidation (Continued)

Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis entity at fair value or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in income statement.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value when changes in the fair value are recognised in income statement.

2 重大會計政策概要(續)

a. 綜合賬目(續)

業務合併(續)

本集團按個別收購基準，確認在被收購方之任何非控股權益，按公允價值或非控股權益應佔被收購方可識別淨資產之比例計量。

收購相關成本在產生時支銷。

倘業務合併分階段進行，則收購方先前持有之被收購方股權於收購日賬面值會重新計量為於收購日期之公允價值；因進行重新計量而產生之任何利得或虧損會於收益表內確認。

或然代價分類為權益或財務負債。分類為財務負債之金額其後按公允價值重新計量，公允價值變動於收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**a. Consolidation (Continued)*****Business combinations (Continued)***

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date when the control is transferred to the Group to the date when control ceases.

2 重大會計政策概要(續)**a. 綜合賬目(續)*****業務合併(續)***

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公允價值超逾所收購可識別淨資產公允價值之差額，乃入賬列作商譽。倘所轉讓代價、已確認非控股權益及先前持有之權益計量之總額低於所收購附屬公司淨資產之公允價值(於議價收購之情況下)，則該差額會直接於收益表內確認。

集團內公司間之交易、結餘及未變現交易利得會作抵銷。未變現虧損亦會抵銷，除非交易有證據顯示已轉讓資產出現減值。附屬公司之會計政策已作出必要之修改，確保與本集團所採納之政策一致。

年內收購或出售之附屬公司之業績由控制權轉讓予本集團之日起至控制權終止之日止計入綜合收益表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**b. Separate financial statements**

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and the chief financial officer that make strategic decisions.

2 重大會計政策概要(續)**b. 單獨財務報表**

於附屬公司之投資按成本扣除減值入賬。成本包括投資的直接應佔成本。附屬公司業績由本公司按已收及應收股息入賬。

當收到於附屬公司之投資的股息時，倘股息超過附屬公司在股息宣派期間之全面收益總額，或單獨財務報表內投資的賬面金額超過綜合財務報表內被投資方淨資產(包括商譽)之賬面金額，則須對有關投資進行減值測試。

c. 分部呈報

經營分部報告之方式與提供予主要經營決策者之內部報告貫徹一致。本集團已確定作出策略決定之執行董事及財務總監為主要經營決策者，彼負責分配經營分部的資源及評估經營分部之表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of debt and equity securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and/or other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement while other changes in carrying amount are recognised in other comprehensive income.

2 重大會計政策概要(續)

d. 外幣換算

(i) *功能及呈報貨幣*

本集團旗下各實體之財務報表內包含之項目以該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港幣呈列，而港幣為本公司之功能貨幣及本集團之呈報貨幣。

(ii) *交易及結餘*

倘項目重新計量，則外幣交易按交易或估值當日之通行匯率換算為功能貨幣。該等交易結算所產生以及以外幣計值之貨幣資產及負債按年結日匯率換算所產生之匯兌利得及虧損會於收益表內確認。

以外幣計值且分類為可供出售之債務及股票證券之公允價值變動，按照證券之攤銷成本變動及／或該證券賬面金額之其他變動所產生之換算差額分析。與攤銷成本變動有關之換算差額於收益表內確認，而賬面金額之其他變動則於其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**d. Foreign currency translation (Continued)****(ii) Transactions and balances (Continued)**

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss are reported in the income statement as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

(iii) Group's entities

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

2 重大會計政策概要(續)**d. 外幣換算(續)****(ii) 交易及結餘(續)**

非貨幣項目(例如按公允價值計入損益持有之權益工具)之換算差額在收益表內呈報為公允價值利得或虧損之一部分。非貨幣項目(例如分類為可供出售之財務資產之權益)之換算差額包括在其他全面收益內。

(iii) 本集團實體

功能貨幣有別於呈報貨幣之所有本集團實體之業績及財務狀況按以下方法換算為呈報貨幣：

- 每份所呈報財務狀況表內的資產及負債按該財務狀況表日期之收市匯率換算；
- 每份收益表內之收入及費用按平均匯率換算；及
- 所有由此產生之匯兌差額於其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Foreign currency translation (Continued)

(iii) Group's entities (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

e. Properties, plant and equipment

Properties, plant and equipment comprise mainly freehold land, construction in progress, buildings, leasehold improvements, furniture, fixtures and equipment, and motor vehicles. Properties, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 重大會計政策概要(續)

d. 外幣換算(續)

(iii) 本集團實體(續)

收購海外實體所產生之商譽及公允價值調整視為該海外實體的資產及負債處理，並按收市匯率換算。所產生之貨幣換算差額於其他全面收益內確認。

e. 物業、機器及設備

物業、機器及設備主要包括永久業權土地、在建工程、樓宇、租賃物業裝修、傢具、固定裝置及設備以及汽車。物業、機器及設備按歷史成本減折舊和減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本僅於與項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠地計量時，方會計入資產之賬面金額或確認為獨立資產(如適用)。更換部分之賬面金額會終止確認。所有維修及保養在產生之財政期間內於收益表內扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**e. Properties, plant and equipment (Continued)**

Depreciation of properties, plant and equipment is calculated using the straight-line method to allocate their cost less accumulated impairment losses over their estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	5 years or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	3 to 7 years
Motor vehicles	5 to 8 years

Freehold land is stated at historical cost and not depreciated.

Gain or loss on disposal of a property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

The assets' useful lives are reviewed, and adjusted if appropriate, at each date of statement of financial position.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 重大會計政策概要(續)**e. 物業、機器及設備(續)**

物業、機器及設備之折舊乃採用直線法計算，以於以下估計可使用年期將成本(扣除累計減值虧損)分攤：

樓宇	20年
租賃物業裝修	5年或按個別租賃年期，以較短者為準
傢具、固定裝置及設備	3至7年
汽車	5至8年

永久業權土地以歷史成本入賬，且不計算折舊。

出售物業、機器及設備之利得或虧損乃出售所得款項淨額與相關資產之賬面金額兩者間之差額，並在收益表內確認。

資產之可使用年期於各結算日檢討，並作出適當調整。

若資產之賬面金額高於估計可收回金額，則賬面金額會即時撇減至可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**f. Construction in progress**

Construction in progress represents properties, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the cost of plant and machinery, employee benefit expenses, professional fees and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. Construction in progress is reclassified to the appropriate category of properties, plant and equipment when completed and ready for use.

g. Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is estimated taking into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

The costs of properties under development comprise costs of land use rights, construction costs, employee benefit expenses, borrowing costs and loan arrangement fee capitalised for qualifying assets and professional fees incurred during the development period.

2 重大會計政策概要(續)**f. 在建工程**

在建工程指在建及待安裝之物業、機器及設備，乃按成本減累計減值虧損(如有)列賬。成本包括於建設或安裝及測試期間內樓宇之建築成本、機器及機械之成本、僱員福利開支、專業費用及借貸(用於為該等資產提供資金)所產生之利息支出(如有)。本集團概無就在建工程計提折舊撥備，直至相關資產完成及可作擬定用途之時為止。在建工程於已完成及準備使用時重新分類至物業、機器及設備之適當類別。

g. 發展中物業

發展中物業按成本及可變現淨值之較低者列賬。本集團乃透過考慮最終預計可變現價格，減去適用可變銷售費用及預期竣工成本，估計可變現淨值。

發展中物業之成本包括發展期間產生之土地使用權成本、建築成本、僱員福利開支、就合資格資產撥充資本之借貸成本及貸款安排費用以及專業費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**h. Investment properties**

Investment properties, principally comprising leasehold land and buildings, that are not occupied by the Group, are held for long-term rental yields, capital appreciation or both. Properties that are being constructed or developed for future long-term rental yields, capital appreciation or both are also classified as investment properties. Investment properties are initially measured at cost, including any directly attributable expenditure. After initial recognition, investment properties are carried at fair value, unless they are still in the course of construction or development at the end of the reporting period and fair value cannot be reliably measured at that time, and therefore are stated at cost. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the consolidated income statement.

2 重大會計政策概要(續)**h. 投資物業**

投資物業主要包括並非由本集團佔用之租賃土地及樓宇，乃為獲取長期租金收益、實現資本增值或此兩個目的而持有。用於獲取未來長期租金收益、實現資本增值或此兩個目的之在建或發展中物業亦分類為投資物業。投資物業初步按成本(包括任何直接應佔支出)計量。於初步確認後，投資物業按公允價值列賬，除非該等物業於報告期末仍在建設或發展，且公允價值於當時無法可靠地計量，因此按成本列賬。公允價值變動或投資物業報廢或出售所產生之任何利得或虧損於綜合收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Available-for-sale financial assets and financial assets at fair value through profit or loss

(i) Classification

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

Financial assets at fair value through profit or loss are investments either held for trading or designated as at fair value through profit or loss upon initial recognition. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. When available-for-sale financial assets are sold, the cumulative fair value gains or losses previously recognised in investment revaluation reserve is removed from investment revaluation reserve and recognised in the income statement.

2 重大會計政策概要(續)

i. 可供出售之財務資產及按公允價值計入損益之財務資產

(i) 分類

可供出售之財務資產為指定為或並非分類為貸款及應收款項、持至到期投資或按公允價值計入損益之財務資產之非衍生財務資產。

按公允價值計入損益之財務資產主要為持作買賣或於初步確認時指定為按公允價值計入損益之投資。該等財務資產若預計於報告期末後12個月內出售，呈列為流動資產，否則呈列為非流動資產。

(ii) 確認及終止確認

買賣財務資產於交易日期(本集團承諾購買或出售該資產之日期)確認。當出售可供出售之財務資產時，過往於投資重估儲備確認之累計公允價值利得或虧損會從投資重估儲備移除，並於收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Available-for-sale financial assets and financial assets at fair value through profit or loss (Continued)

(iii) Measurement

Investments in debt and equity securities and funds are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that use only data from observable markets. Any difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the income statement.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

For available-for-sale financial assets, changes in fair value are dealt with as movements in the investment revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Dividends from available-for-sale financial assets are recognised when the right to receive payment is established.

For financial assets at fair value through profit or loss, the gains or losses arising from changes in fair value are recognised in income statement within other gains/losses.

2 重大會計政策概要(續)

i. 可供出售之財務資產及按公允價值計入損益之財務資產(續)

(iii) 計量

債務及股票證券投資及基金初步按公允價值(即其交易價格)列賬,惟確定於初步確認時之公允價值與交易價格有別,且公允價值以相同資產或負債之活躍市場報價為憑證,或基於僅使用可觀察市場數據之估值技術計算得出則作別論。於初步確認時之公允價值與交易價格之間之任何差額於收益表內確認為利得或虧損。

可供出售之財務資產及按公允價值計入損益之財務資產其後按公允價值列賬。公允價值變動所產生之利得或虧損確認為如下:

可供出售之財務資產之公允價值變動以投資重估儲備之變動處理,惟於收益表扣除之減值虧損則作別論。倘該等投資計息,則使用實際利息法計算之利息會於收益表內確認。來自可供出售之財務資產之股息於收款權利確立時確認。

至於按公允價值計入損益之財務資產,公允價值變動所產生之利得或虧損會於收益表內之其他利得/虧損確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Available-for-sale financial assets and financial assets at fair value through profit or loss (Continued)

(iv) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 重大會計政策概要(續)

i. 可供出售之財務資產及按公允價值計入損益之財務資產(續)

(iv) 財務資產減值

本集團於各報告期末評估有否客觀證據證明某項或某組財務資產已減值。僅當有客觀證據顯示於初步確認某項或某組資產後曾發生一宗或多宗事件(「虧損事件」)，而該宗(或該等)虧損事件對財務資產之估計未來現金流量構成能可靠地估計之影響時，資產即已減值並產生減值虧損。

減值之證據可包括以下指標：債務人或一組債務人正遭遇重大財政困難、違約或拖欠利息或本金付款，彼等可能將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示估計未來現金流量錄得可計量之減幅，例如欠款或與違約相關之經濟狀況有變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**i. Available-for-sale financial assets and financial assets at fair value through profit or loss (Continued)****(iv) Impairment of financial assets (Continued)**

For debt securities of available-for-sale financial assets, if any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement — is removed from equity and recognised in income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in income statement, the impairment loss is reversed through the consolidated income statement.

For equity investments of available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement — is removed from equity and recognised in income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2 重大會計政策概要(續)**i. 可供出售之財務資產及按公允價值計入損益之財務資產(續)****(iv) 財務資產減值(續)**

就可供出售之財務資產之債務證券而言，倘存在任何有關證據，則累計虧損(按收購成本與現時公允價值之差額，減該財務資產過往於收益表內確認之任何減值虧損計量)自權益剔除，並於收益表內確認。倘於其後期間，分類為可供出售之債務工具之公允價值增加，而有關增加可客觀地與於收益表內確認減值虧損後所發生之事件聯繫，則透過綜合收益表撥回減值虧損。

就可供出售之財務資產之股本投資而言，證券之公允價值大幅或長期低於成本亦為資產減值之證據。倘存在任何有關證據，則累計虧損(按收購成本與現時公允價值之差額，減該財務資產過往於收益表內確認之任何減值虧損計量)自權益剔除，並於收益表內確認。於綜合收益表內就權益工具確認之減值虧損不會透過綜合收益表撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**j. Loans, trade and other receivables**

Loans, trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans, trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that the loan, trade and other receivables are impaired. The amount of the provision is recognised in the consolidated income statement. The reversal of the previously recognised impairment cost is recognised in the consolidated income statement.

2 重大會計政策概要(續)**j. 貸款、應收賬款及其他應收款項**

貸款、應收賬款及其他應收款項初步按公允價值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項之原有條款收回所有款項時，本集團會就貸款、應收賬款及其他應收款項計提減值撥備。撥備金額為資產賬面金額與按實際利率貼現之估計未來現金流量之現值兩者之差額。債務人發生重大財政困難，債務人可能進入破產程序或進行財務重組，以及違約或拖欠付款，均被視為貸款、應收賬款及其他應收款項減值之跡象。撥備金額於綜合收益表內確認。撥回過往確認之減值成本於綜合收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**k. Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation, but are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the consolidated income statement.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2 重大會計政策概要(續)**k. 非財務資產減值**

無確定使用年期之資產無需攤銷，但最少每年進行減值測試，且於有事件出現或情況改變顯示賬面金額可能無法收回時審閱減值。本集團會審閱須作折舊或攤銷之資產，以釐定是否有任何跡象顯示該等資產之賬面值可能無法收回並已蒙受減值虧損。如有任何此等跡象，則本集團會估計資產之可收回金額，以釐定減值虧損(如有)之程度。可收回金額以資產之公允價值扣除銷售成本及使用價值兩者之較高者為準。此等減值虧損會於綜合收益表內確認。

為評估減值，資產乃按可單獨識別現金流量(現金產生單位)之最低層級分類。

l. 現金及現金等價物

現金及現金等價物包括手頭現金及原期限為三個月或以下之銀行活期存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2 重大會計政策概要(續)

m. 撥備及或然事項

當本集團因過往事項而負上法律上或推定之責任、償付責任時可能導致資源流出且金額能夠可靠地估計時，本集團會確認撥備。

如有多項類似責任，則本集團會透過整體考慮責任之類別釐定須於償付中流出資源之可能性。即使與在同一責任類別所包含任何一個項目相關的資源流出之可能性極低，本集團亦會確認撥備。

撥備使用可反映市場目前對金錢時間價值及責任特定風險之評估之稅前比率，按預期抵償責任所需開支的現值計量。撥備隨時間流逝而增加之金額確認為利息開支。

或然負債指因過往事件而可能引起之責任，而其存在與否僅能藉本集團控制範圍以外之一宗或多宗不確定未來事件會否發生確認。或然負債亦可以是因過往事件而引致，但由於其可能無須流出經濟資源或責任金額未能可靠地計量而不作確認之現有責任。

或然負債不予確認，但會於綜合財務報表附註內披露。當流出資源之可能性改變導致可能流出資源時，本集團會將或然負債確認為撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**n. Other payables**

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

o. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2 重大會計政策概要(續)**n. 其他應付款項**

其他應付款項初步按公允價值確認，其後採用實際利息法按攤銷成本計量。

o. 借貸

借貸初步按公允價值並扣除已產生之交易成本確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額利用實際利息法於借貸期間內在綜合收益表確認。

在貸款融資將很有可能部分或全部提取之情況下，於設立貸款融資時支付之費用會確認為貸款之交易成本。在此情況下，該費用將遞延至提取貸款為止。在並無證據顯示融資將很有可能部分或全部提取之情況下，該費用會撥充資本作為流動資金服務之預付款項，並於有關融資期間內攤銷。

除非本集團有無條件權利可將清償負債之時間遞延至報告期末後最少12個月，否則借貸會分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**p. Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

q. Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 重大會計政策概要(續)**p. 借貸成本**

直接用於收購、建造或生產合資格資產(即須長時間準備方可作擬定用途或出售之資產)之一般及特定借貸成本會撥作該等資產成本之一部分,直至該等資產大致上可作其擬定用途或出售之時為止。

特定借貸在用於合資格資產前作短暫投資所賺取之投資收益於合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於產生期間在綜合收益表內確認。

q. 流動及遞延所得稅

年內稅項開支包括流動及遞延稅項。除與於其他全面收益確認或直接於權益確認之項目相關(此時稅項亦分別於其他全面收益確認或直接於權益確認)外,稅項會於綜合收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**q. Current and deferred income tax (Continued)****(i) Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax*Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 重大會計政策概要(續)**q. 流動及遞延所得稅(續)****(i) 流動所得稅**

流動所得稅支出根據本公司附屬公司營運所在及產生應課稅收入之國家於結算日已頒佈或大致已頒佈之稅法計算。管理層因應須詮釋適用稅務法規之情況定期評估報稅表之狀況，並在適當時以預期須向稅務機關支付之稅款為基準設定撥備。

(ii) 遞延所得稅*內在差異*

對於資產及負債之稅基與在綜合財務報表內之賬面金額之間所產生之暫時差額，本集團會使用負債法確認遞延所得稅。然而，遞延稅項負債若因初步確認商譽而產生則不予確認，遞延所得稅若因於業務合併以外之交易(不影響會計盈虧亦不影響應課稅盈虧者)中初步確認資產或負債而產生，則不會入賬。遞延所得稅利用於結算日已頒佈或大致已頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時應用之稅率(及稅法)釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Current and deferred income tax (Continued)

(ii) *Deferred income tax (Continued)*

Inside basis differences (Continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 重大會計政策概要(續)

q. 流動及遞延所得稅(續)

(ii) 遞延所得稅(續)

內在差異(續)

遞延所得稅資產僅於未來可能有應課稅利潤可用以抵銷暫時差額時確認。

外在差異

本集團會就於附屬公司之投資所產生之應課稅暫時差額計提遞延所得稅負債撥備，惟倘本集團可控制暫時差額之撥回時間，且暫時差額很可能不會在可見將來撥回，則作別論。

本集團會就於附屬公司之投資所產生之可扣減暫時差額確認遞延所得稅資產，惟只有暫時差額很可能於未來撥回，且有足夠應課稅利潤可用以抵銷暫時差額，方予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**q. Current and deferred income tax (Continued)****(iii) Offsetting**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

r. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the leasing company are classified as operating leases. Payments made under operating leases (including up-front prepayments made for the leasehold land and land use rights) net of any incentives received from the leasing company are charged to the income statement on a straight-line basis over the period of the lease.

2 重大會計政策概要(續)**q. 流動及遞延所得稅(續)****(iii) 抵銷**

當存在將流動稅項資產與流動稅項負債相抵銷之可依法強制執行權利，且遞延所得稅資產及負債與由同一稅務機關向有意按淨額基準清償結餘之應繳稅實體或不同應繳稅實體徵收之所得稅有關時，遞延所得稅資產與負債會互相抵銷。

r. 經營租賃

凡所有權之絕大部分風險及回報由出租公司保留之租賃，均列為經營租賃。根據經營租賃支付之款項(包括為租賃土地及土地使用權預付之前期費用)在扣除自出租公司收取之任何獎勵後，按直線法於租期內在收益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Employee benefits

- (i) Salaries, bonus, paid annual leave and the cost of other benefits to the Group are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) The Group operates two defined contribution schemes for Hong Kong employees, the assets of which are held in separate administered funds. The Group's contributions to the defined contribution schemes are expensed as incurred and are not reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

The Group also contributes on a monthly basis to various defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees for post-retirement benefits beyond the contributions made. The assets of these plans are held separately from those of the Group in independently administered funds managed by the government of the PRC. Contributions to these plans are expensed as incurred.

2 重大會計政策概要(續)

s. 僱員福利

- (i) 薪金、花紅、有薪年假及本集團其他福利開支於本集團僱員提供相關服務之年度累算。
- (ii) 本集團為香港僱員設立兩項界定供款計劃，各自之資產分別由不同之受管理基金持有。本集團向該等界定供款計劃作出之供款會於產生時支銷，因僱員在供款全數歸屬前退出計劃而沒收之供款不會用於減少本集團作出之供款。

本集團亦每月向中國相關省級及市級政府所籌辦之多項界定供款退休福利計劃作出供款。省級及市級政府承諾，就超出已作供款之退休後福利承擔向所有現時及未來退休僱員支付退休福利之責任。該等計劃的資產與本集團的資產分開，由中國政府管理之獨立管理基金持有。該等計劃之供款於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**s. Employee benefits (Continued)**

- (ii) (Continued)
- The Group has participated in the 401(k) scheme covering all of its eligible employees in the U.S.. Employees who participate in the plan may contribute a portion of their compensation on a pre-income tax basis up to a limit specified by law. The Group's contribution to the plan is based on the percentage of employee contribution from the individual employee's monthly basic salary. The Group also provides an employee benefit plan under Internal Revenue Code Section 125, offering to pay for its eligible employees for medical premium and dependent care expenses on a pre-tax basis. Contributions to this scheme are expensed as incurred.
- (iii) Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37, Provisions, Contingent Liabilities and Contingent Assets, and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 重大會計政策概要(續)**s. 僱員福利(續)**

- (ii) (續)
- 本集團已參與401(k)計劃，涵蓋其所有美國合資格僱員。參與計劃之僱員可以除所得稅前補償之某一部分(上限為法律所定之限額)作為供款。本集團向計劃作出之供款乃基於從個別僱員每月基本薪金得出之僱員供款百分比計算。本集團亦根據《國內收入法》(Internal Revenue Code)第125條提供一項僱員福利計劃，提出以稅前基準為合資格僱員支付醫療金及受養人照顧開支。向此計劃作出之供款會於產生時支銷。
- (iii) 離職福利於僱員在正常退休日前被本集團終止僱用或僱員接受自願離職以換取此等福利時支付。本集團於以下日期(以較早者為準)確認離職福利：(a)當本集團不再可撤回提供該等福利之建議時；及(b)當實體確認在香港會計準則第37號「撥備、或然負債及或然資產」之範圍內之重組成本並涉及支付離職福利款項時。在提出建議以鼓勵自願離職之情況下，離職福利乃基於預期接受建議之僱員人數計量。在報告期末後超過12個月到期支付之福利會貼現至現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Share-based compensation

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become vested. At each date of the statement of financial position, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement and a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

u. Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the year in which they are earned.

2 重大會計政策概要(續)

t. 以股份為基礎之補償

本集團設有一項以權益償付、以股份為基礎之補償計劃。以授出購股權換取僱員提供之服務之公允價值確認為費用。將於歸屬期內支銷之總額參考所授出購股權之公允價值釐定，當中不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。非市場歸屬條件包括在有關預期歸屬之購股權數目之假設中。在各結算日，本集團會修訂其對預期歸屬之購股權數目之估計。本集團於收益表內確認對原先估計修訂(如有)之影響，並對權益作出相應調整。

在購股權獲行使時，已收所得款項扣除任何直接應佔之交易成本後，撥入股本(面值)及股份溢價。

u. 收入確認

經營租賃之租金收益

根據經營租賃應收之租金收益於租期所涵蓋之會計期間內以等額在收益表確認。所授予之租賃獎勵於收益表內確認為應收淨租金總額之組成部分。或然租金在賺取之年度內確認為收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**u. Revenue recognition (Continued)*****Interest income***

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

v. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w. Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, as appropriate.

The Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are effective for annual periods beginning on 1 January 2017. The adoption of these new and revised standards, amendments and interpretations does not have any significant impact on the Group's accounting policies.

2 重大會計政策概要(續)**u. 收入確認(續)*****利息收益***

利息收益利用實際利息法按時間比例基準確認。

股息收益

股息收益於收取付款之權利確立時確認。

v. 股本

普通股分類為權益。

發行新股或購股權直接產生之增量成本在權益中顯示為扣除稅項後之所得款項扣減。

w. 分派股息

向本集團股東分派之股息在本公司股東或董事(視適用情況而定)批准股息之期間於本集團財務報表確認為負債。

本集團已採納由香港會計師公會頒佈並於2017年1月1日開始之年度期間生效之所有新訂及經修訂準則、修訂及詮釋。採納該等新訂及經修訂準則、修訂及詮釋對本集團之會計政策並無任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the date these consolidated financial statements are authorised for issue, the following standards and amendments were in issue but not yet effective and have not been early adopted by the Group:

HKFRS 9	Financial instruments ⁽¹⁾
HKFRS 15	Revenue from contracts with customers and the related amendments ⁽¹⁾
HKFRS 16	Leases ⁽²⁾
HKFRS 17	Insurance contracts ⁽³⁾
HK (IFRIC) Int-22	Foreign currency transactions and advance consideration ⁽¹⁾
HK (IFRIC) Int-23	Uncertainty over income tax treatments ⁽²⁾
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ⁽¹⁾
Amendments to HKFRS 4	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts ⁽¹⁾
Amendments to HKFRS 9	Prepayment features with negative compensation ⁽²⁾
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁽⁴⁾
Amendments to HKAS 28	Long-term interests in associates and joint ventures ⁽²⁾
Amendments to HKFRS 1 and HKAS 28	As part of the annual improvements to HKFRSs 2014–2016 cycle ⁽¹⁾
Amendments to HKAS 40	Transfers of investment property ⁽¹⁾
Amendments to HKFRSs	Annual improvements to HKFRSs 2015–2017 cycle ⁽²⁾

2 重大會計政策概要(續)

於本綜合財務報表獲授權發出之日，以下準則及修訂已頒佈但尚未生效及未獲本集團提早採納：

香港財務報告準則第9號	金融工具 ⁽¹⁾
香港財務報告準則第15號	來自客戶合約之收入及相關修訂 ⁽¹⁾
香港財務報告準則第16號	租賃 ⁽²⁾
香港財務報告準則第17號	保險合約 ⁽³⁾
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 ⁽¹⁾
香港(國際財務報告詮釋委員會)詮釋—第23號	所得稅處理之不確定性 ⁽²⁾
香港財務報告準則第2號修訂	以股份為基礎之付款交易之分類及計量 ⁽¹⁾
香港財務報告準則第4號修訂	於香港財務報告準則第4號「保險合約」下香港財務報告準則第9號「金融工具」之應用 ⁽¹⁾
香港財務報告準則第9號修訂	提早還款特性及負補償 ⁽²⁾
香港財務報告準則第10號及香港會計準則第28號修訂	投資者與其聯營公司或合資企業之間的資產銷售或貢獻 ⁽⁴⁾
香港會計準則第28號修訂	於聯營公司及合營企業的長期權益 ⁽²⁾
香港財務報告準則第1號及香港會計準則第28號修訂	作為香港財務報告準則2014年至2016年週期的年度改進的一部分 ⁽¹⁾
香港會計準則第40號修訂	轉讓投資物業 ⁽¹⁾
香港財務報告準則修訂	香港財務報告準則2015年至2017年週期的年度改進 ⁽²⁾

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (1) Effective for the Group for annual periods beginning on or after 1 January 2018
- (2) Effective for the Group for annual periods beginning on or after 1 January 2019
- (3) Effective for the Group for annual periods beginning on or after 1 January 2021
- (4) Effective for the Group for annual periods beginning on or after a date to be determined

The Group is in the process of assessing the potential impact of these standards, and amendments which were in issue but not yet effective as discussed below. The actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied.

HKFRS 9 Financial instruments

The complete version of HKFRS 9 replaces the guidance in HKAS 39. HKFRS 9 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

2 重大會計政策概要(續)

- (1) 對本集團於2018年1月1日或以後開始之年度期間生效
- (2) 對本集團於2019年1月1日或以後開始之年度期間生效
- (3) 對本集團於2021年1月1日或以後開始之年度期間生效
- (4) 對本集團於待釐定日期或以後開始之年度期間生效

本集團現正評估下文所討論已頒佈但尚未生效之準則及修訂之潛在影響。於該等準則初次採用時之實際影響可能有別於迄今完成及基於本集團現時可得資料作出之評估，而進一步影響可能於準則初步應用前確定。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號之完整版本取代香港會計準則第39號中之指引。香港財務報告準則第9號保留財務資產之混合計量模型，並確立三大計量類別：按攤銷成本、按公允價值計入其他全面收益及按公允價值計入損益。分類之基準視乎實體之業務模型及財務資產之合約現金流量特徵而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HKFRS 9 Financial instruments (Continued)

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:

- a. The debt instruments that are currently classified as available-for-sale financial assets appear to satisfy the conditions for classification as at fair value through other comprehensive income ("FVOCI") and hence there will be no change to the accounting for these assets;
- b. The equity instruments, other than unlisted fund investments, that are currently classified as available-for-sale will be elected as FVOCI;
- c. The unlisted fund investments that are currently classified as available-for-sale will be reclassified as fair value through profit or loss; and
- d. The equity instruments currently measured at fair value through profit or loss will continue to be measured on the same basis under HKFRS 9.

Accordingly the Group does not expect the new HKFRS 9 to have a significant impact on the classification and measurement of its financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.

2 重大會計政策概要(續)

香港財務報告準則第9號「金融工具」(續)

本集團已檢討其財務資產及負債，並預期於2018年1月1日採納新準則會有以下影響：

- a. 現時分類為可供出售之財務資產之債務工具似乎符合分類為按公允價值計入其他全面收益之條件，因此，將該等資產入賬之方式並無改變；
- b. 現時分類為可供出售之股本工具(非上市基金投資除外)將選擇按公允價值計入其他全面收益；
- c. 現時分類為可供出售之非上市基金投資將重新分類為按公允價值計入損益；及
- d. 現時按公允價值計入損益之股本工具將繼續根據香港財務報告準則第9號以相同基準計量。

因此，本集團預期新的香港財務報告準則第9號將不會對本集團財務資產之分類及計量構成重大影響。然而，於出售按公允價值計入其他全面收益之財務資產時變現之利得或虧損將不再於出售時轉撥至損益，而是從按公允價值計入其他全面收益項下重新分類至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**HKFRS 9 Financial instruments (Continued)**

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as in the case under HKAS 39. It applies to debt instruments measured at FVOCI, loan receivables and trade and other receivables.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

2 重大會計政策概要(續)**香港財務報告準則第9號「金融工具」(續)**

由於新規定僅影響指定為按公允價值計入損益之財務負債之入賬方式，而本集團並無任何該等負債，故不會對本集團財務負債之入賬方式有任何影響。終止確認之規則已由香港會計準則第39號「金融工具：確認及計量」轉移且未曾改變。

新的減值模型規定基於預期信貸虧損確認減值撥備，而非根據香港會計準則第39號僅基於已產生信貸虧損確認減值撥備。該模型適用於按公允價值計入其他全面收益之債務工具、應收貸款以及應收賬款及其他應收款項。

新準則亦引入更廣泛之披露規定及呈列方式變動，預期會更改本集團有關金融工具之披露事項之性質及程度，特別是於採用新準則之年度。

香港財務報告準則第9號必須就2018年1月1日或之後開始之財政年度應用。本集團將在該準則允許之實際合適情況下，由2018年1月1日起追溯應用新規則。2017年之比較數字將不會重列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 deals with revenue recognition and establishes principles for reporting information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The new standard replaces HKAS 18 and HKAS 11 and related interpretations, and provides a comprehensive revenue recognition model that can be applied to a wide range of transactions and industries.

The Group does not expect the new HKFRS 15 to have a significant impact on the timing of recognition of rental income, interest income and dividend income. Further, since the pre-sales and sales of properties under real estate development business segment are yet to commence, the Group does not expect any retrospective adoption of HKFRS 15.

HKFRS 15 is mandatory for the financial year commencing on or after 1 January 2018.

2 重大會計政策概要(續)**香港財務報告準則第15號「來自客戶合約之收入」**

香港財務報告準則第15號處理收入確認，並確立向財務報表使用者報告有關實體與客戶所訂合約產生之收入及現金流量之性質、金額、時間及不明朗因素等資訊之原則。收入在客戶取得商品或服務之控制權，並因而有能力指示其用途及從該商品或服務取得利益時確認。新準則取代香港會計準則第18號及香港會計準則第11號以及相關詮釋，並提供一個全面的收入確認模型，可應用於一系列廣泛的交易及行業。

本集團預期新的香港財務報告準則第15號不會對確認租金收益、利息收益及股息收益之時間構成重大影響。再者，由於房地產開發業務分部尚未開始預售及銷售物業，故本集團預期不需追溯採用香港財務報告準則第15號。

香港財務報告準則第15號乃就2018年1月1日或之後開始之財政年度強制應用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT**a. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by senior management of the Group under policies approved by the board of directors of the Company.

(i) Market risk*Foreign exchange risk*

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar ("US\$"), HK\$ and Renminbi ("RMB") as the Group's revenue and the operating costs are denominated in these currencies. The Group is also exposed to other currency movements, primarily in terms of investments in the U.S. and Indonesia, bank deposits, available-for-sale financial assets and bank and other loans denominated in US\$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

3 財務風險管理**a. 財務風險因素**

本集團之活動面對多種財務風險：市場風險(包括外匯風險、價格風險及利率風險)、信貸風險及流動性風險。風險管理由本集團之高級管理人員根據經本公司董事會批准之政策執行。

(i) 市場風險*外匯風險*

本集團面對多種不同貨幣產生之外匯風險，主要涉及美元、港幣及人民幣，原因為本集團之收入及經營成本以該等貨幣計值。本集團亦面對其他貨幣變動之風險，主要是以美元計值之於美國及印尼之投資、銀行存款、可供出售之財務資產以及銀行及其他貸款。外匯風險來自期貨商業交易、已確認的資產及負債以及於外國營運之淨投資。本集團並無訂立任何衍生工具對沖其外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (Continued)****(i) Market risk (Continued)***Foreign exchange risk (Continued)*

At 31 December 2017, if the HK\$ had weakened/strengthened by 0.5% against the US\$ with all other variables held constant, profit for the year and equity would have been HK\$19,769,000 lower/higher (2016: HK\$4,624,000 higher/lower) and HK\$17,725,000 lower/higher (2016: HK\$4,624,000 higher/lower) respectively, mainly as a result of net foreign exchange losses/gains on translation of US\$ denominated cash and bank deposits, financial assets at fair value through profit or loss, available-for-sale financial assets, loans receivables, bank and other loans and amount due to an intermediate holding company. The Group considers the risk of movements in exchange rates between the HK\$ and the US\$ not significant due to the fact that the HK\$ and the US\$ are pegged.

3 財務風險管理(續)**a. 財務風險因素(續)****(i) 市場風險(續)***外匯風險(續)*

於2017年12月31日，倘港幣兌美元貶值／升值0.5%而所有其他變數維持不變，則年內利潤及權益將分別減少／增加港幣19,769,000元(2016年：增加／減少港幣4,624,000元)及港幣17,725,000元(2016年：增加／減少港幣4,624,000元)，主要因為換算以美元計值之現金及銀行存款、按公允價值計入損益之財務資產、可供出售之財務資產、應收貸款、銀行及其他貸款以及應付一間中間控股公司款項錄得匯兌淨虧損／利得。本集團認為，由於港幣與美元掛鈎，故港幣兌美元之匯率變動風險不大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (Continued)****(i) Market risk (Continued)***Price risk*

The Group's main market price risk exposures relate to its financial assets at fair value through profit or loss and available-for-sale financial assets, which mainly comprise debt and equity securities. At 31 December 2017, if the market price of the financial assets at fair value through profit or loss and available-for-sale financial assets had increased/decreased by 5%, profit for the year and equity of the Group would have been HK\$4,034,000 (2016: Nil) higher/lower and HK\$49,471,000 (2016: HK\$67,849,000) higher/lower respectively, mainly as a result of the gains/losses on financial assets at fair value through profit or loss and available-for-sale financial assets. The Group closely monitors the price movement and changes in market conditions that may have an impact on the value of these financial assets.

3 財務風險管理(續)**a. 財務風險因素(續)****(i) 市場風險(續)***價格風險*

本集團之主要市場價格風險與按公允價值計入損益之財務資產及可供出售之財務資產有關，該等資產以債務及股票證券為主。於2017年12月31日，倘按公允價值計入損益之財務資產及可供出售之財務資產市價上升/下跌5%，則本集團之年內利潤及權益將分別增加/減少港幣4,034,000元(2016年：無)及港幣49,471,000元(2016年：港幣67,849,000元)，主要由於按公允價值計入損益之財務資產及可供出售之財務資產之利得/虧損所致。本集團密切監察可能對該等財務資產之價值構成影響之價格變動及市況轉變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (Continued)****(i) Market risk (Continued)***Interest rate risk*

The Group has no significant interest-bearing assets except for cash and bank deposits, listed debt securities included under available-for-sale financial assets and loans receivables. The Group has no significant interest-bearing liabilities except for bank and other loans.

The interest rate for the listed debt securities, loans receivables and other loans are fixed. The interest of the bank and other loans is capitalised. At 31 December 2017, if interest rates on cash and bank deposits had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been HK\$15,940,000 (2016: HK\$10,256,000) higher/lower, mainly as a result of interest income on the bank deposits.

3 財務風險管理(續)**a. 財務風險因素(續)****(i) 市場風險(續)***利率風險*

除現金及銀行存款、包含在可供出售之財務資產之上市債務證券以及應收貸款外，本集團並無重大計息資產。除銀行及其他貸款外，本集團並無重大計息負債。

上市債務證券、應收貸款及其他貸款之利率為固定。銀行及其他貸款之利息已資本化。於2017年12月31日，倘現金及銀行存款之利率上升/下跌100個基點而所有其他變數維持不變，則年內利潤將增加/減少港幣15,940,000元(2016年：港幣10,256,000元)，主要源自銀行存款之利息收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (Continued)****(i) Market risk (Continued)***Credit risk*

The aggregate revenue from the five largest customers represents 45.3% (2016: 46.1%) of total revenue excluding interest income and dividend income, of which, two customers (2016: two customers) individually exceeds 10% of the total revenue (excluding interest income and dividend income) for the year ended 31 December 2017.

At 31 December 2017, the balance of trade and other receivables mainly represents rental receivables and interest receivables. Rental deposits are required from tenants prior to the commencement of leases. The Group performs periodic credit evaluations of these debtors to manage the risk.

There is no significant credit risk in relation to the Group's cash and bank deposits as cash and bank deposits are placed with banks and financial institutions with good credit ratings. Approximately 85% (2016: 89%) of the Group's bank deposits were placed in international financial institutions with minimum credit ratings of A3/A- as rated by Moody's and Standard & Poor's as at 31 December 2017.

The Group's investments in listed debt securities are mainly listed in Singapore with credit rating of A3/A- as rated by Moody's and Standard & Poor's as at 31 December 2017.

3 財務風險管理(續)**a. 財務風險因素(續)****(i) 市場風險(續)***信貸風險*

截至2017年12月31日止年度，來自五大客戶之收入合共佔總收入(不包括利息收益及股息收益)之45.3%(2016年：46.1%)，其中兩名(2016年：兩名)客戶單獨佔總收入(不包括利息收益及股息收益)超過10%。

於2017年12月31日，應收賬款及其他應收款項之結餘主要為應收租金及應收利息。租戶須於租賃開始前繳交租金按金。本集團定期評估該等債務人之信貸質素以管理有關風險。

由於現金及銀行存款存放於信貸評級良好之銀行及金融機構，故本集團之現金及銀行存款並無重大信貸風險。於2017年12月31日，本集團約85%(2016年：89%)之銀行存款存放於獲穆迪及標準普爾最低評為A3/A-信貸評級之國際金融機構。

本集團於上市債務證券之投資主要於新加坡上市，並於2017年12月31日獲穆迪及標準普爾評為A3/A-信貸評級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**a. Financial risk factors (Continued)****(i) Market risk (Continued)***Credit risk (Continued)*

The credit risk on loans receivables from a non-controlling shareholder of PT Mabar Elektrindo ("PT Mabar"), a subsidiary of the Company, is limited as PT Mabar is entitled to withhold 70% of each dividend distribution to the borrower for repayment of outstanding loan receivables.

The maximum exposure to credit risk for the Group and the Company at the reporting date is the carrying amount of each class of financial assets.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, senior management of the Group aims to maintain flexibility in funding by keeping committed credit lines available.

3 財務風險管理(續)**a. 財務風險因素(續)****(i) 市場風險(續)***信貸風險(續)*

由於本公司附屬公司PT Mabar Elektrindo(「PT Mabar」)有權預扣每次向借款人分派股息之70%以償還尚未償還應收貸款，故應收PT Mabar一名非控股股東之貸款之信貸風險有限。

於報告日期，本集團及本公司面對之最高信貸風險為各類財務資產之賬面金額。

(ii) 流動性風險

審慎的流動性風險管理指維持充足之現金及有價證券、透過充足之承諾信貸額度獲得可用資金及有能力結算市場持倉。由於相關業務不斷發展，故本集團之高級管理層旨在透過維持可用承諾信貸額度保持資金靈活性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT
(CONTINUED)

a. Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 財務風險管理(續)

a. 財務風險因素(續)

(ii) 流動性風險(續)

下表基於結算日至合約到期日之剩餘期限，透過相關到期日組合對本集團之財務負債進行分析。表內披露之數額為未貼現現金流。由於貼現影響不大，故於12個月內到期之結餘等同於其賬面結餘。

		Contractual payment 合約付款			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
		1年以下	之間 1至2年	之間 2至5年	5年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 31 December 2017	於2017年12月31日				
Deposits received, other payables and accruals	已收按金、其他應付款項及應計項目	913,953	334,929	6,677	5,743
Bank and other loans	銀行及其他貸款	4,299,643	—	1,067,007	—
Amount due to an intermediate holding company	應付一間中間控股公司款項	3,120,506	—	—	—
		8,334,102	334,929	1,073,684	5,743
At 31 December 2016	於2016年12月31日				
Deposits received, other payables and accruals	已收按金、其他應付款項及應計項目	448,550	7,666	7,496	5,367
Bank and other loans	銀行及其他貸款	2,372,530	—	756,122	—
Amount due to an intermediate holding company	應付一間中間控股公司款項	1,694,489	—	—	—
		4,515,569	7,666	763,618	5,367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**b. Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as "total borrowings". Total capital is calculated as "total equity", as shown in the consolidated statement of financial position.

3 財務風險管理(續)**b. 資本風險管理**

當管理資本時，本集團以維護其繼續以持續基準經營之能力為目標，從而為股東提供回報及為其他持份者帶來利益，並維持最佳資本結構以減少資金成本。

為了維持或調整資本結構，本集團可能調整向股東派付之股息額、返還股東資本、發行新股或出售資產以減少債務。

本集團以資本負債比率為基準監察資本，與同業看齊。該比率按債務總額除以資本總額計算。債務總額按「借貸總額」計算。如綜合財務狀況表所示，資本總額按「權益總額」計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**b. Capital risk management (Continued)**

The Group's strategy is to maintain a healthy gearing ratio. The gearing ratios, as calculated by total borrowings over total shareholders' equity, are as follows:

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Total borrowings (excluding amount due to an intermediate holding company)	借貸總額(不包括應付一間中間控股公司款項)	5,328,364	3,115,997
Amount due to an intermediate holding company	應付一間中間控股公司款項	3,120,506	1,694,489
Total borrowings (including amount due to an intermediate holding company)	借貸總額(包括應付一間中間控股公司款項)	8,448,870	4,810,486
Total equity	權益總額	11,175,800	11,282,707
Gearing ratio (excluding amount due to an intermediate holding company)	資本負債比率(不包括應付一間中間控股公司款項)	47.7%	27.6%
Gearing ratio (including amount due to an intermediate holding company)	資本負債比率(包括應付一間中間控股公司款項)	75.6%	42.6%

In order to fund the daily operation and the expansion of the business of the Group, significant amounts of capital in the form of borrowing or equity, or a combination of both, is considered to be necessary in the future. The directors of the Company consider such funding for the future operation and expansion will be available as and when required.

3 財務風險管理(續)**b. 資本風險管理(續)**

本集團之策略旨在維持穩健之資本負債比率。資本負債比率(按借貸總額除以股東權益總額計算)如下：

為撥付本集團之日常營運及業務擴展，本集團認為日後需以借貸或股權形式或兩者結合取得大額資金。本公司董事認為，於需要時可獲得有關資金以撥付日後營運及擴展所需。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**c. Fair value estimation**

The following table presents the Group's financial instruments that were measured at fair value at 31 December 2017 and 2016. The different levels have been defined as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 財務風險管理(續)**c. 公允價值估計**

下表呈列於2017年及2016年12月31日按公允價值計量之本集團金融工具。不同級別之定義如下：

- (i) 相同資產或負債於活躍市場之報價(未經調整)(第1級)。
- (ii) 除包含於第1級之報價外，就資產或負債直接(即價格)或間接(即引伸自價格)可觀察所得之輸入數據(第2級)。
- (iii) 並非基於可觀察所得市場數據之資產或負債輸入數據(即不可觀察所得輸入數據)(第3級)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT
(CONTINUED)

3 財務風險管理(續)

c. Fair value estimation (Continued)

c. 公允價值估計(續)

		Level 1 第1級 HK\$'000 港幣千元	Level 2 第2級 HK\$'000 港幣千元	Level 3 第3級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 31 December 2017	於2017年12月31日				
Financial assets at fair value through profit or loss	按公允價值計入損益之財務資產				
— Unlisted equity investments	— 非上市股本投資	—	—	80,670	80,670
Available-for-sale financial assets	可供出售之財務資產				
— Listed debt securities with fixed interest rate	— 固定利率之上市債務證券	332,338	—	—	332,338
— Listed equity securities	— 上市股票證券	500,042	—	—	500,042
— Unlisted fund investments	— 非上市基金投資	—	76,366	—	76,366
Total financial assets	財務資產總值	832,380	76,366	80,670	989,416
At 31 December 2016	於2016年12月31日				
Available-for-sale financial assets	可供出售之財務資產				
— Listed debt securities with fixed interest rate	— 固定利率之上市債務證券	676,423	—	—	676,423
— Listed equity securities	— 上市股票證券	680,557	—	—	680,557
Total financial assets	財務資產總值	1,356,980	—	—	1,356,980

During the years ended 31 December 2017 and 2016, there were no transfers between Levels 1, 2 and 3.

於截至2017年及2016年12月31日止年度，第1級、第2級及第3級之間概無轉移。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**c. Fair value estimation (Continued)****(i) Financial instruments in Level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

(iii) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

3 財務風險管理(續)**c. 公允價值估計(續)****(i) 第1級內之金融工具**

於活躍市場買賣之金融工具之公允價值以於結算日之市場報價為基礎。倘該等報價可容易地定期從交易所、經銷商、經紀、產業集團、股價服務機構或監管機構獲得，且代表以公允原則定期進行之實際市場交易，則該市場會被視為活躍。本集團所持財務資產使用之市場報價乃現行出價。

(ii) 第2級內之金融工具

並非於活躍市場買賣之金融工具(例如場外衍生工具)之公允價值利用估值技術釐定。該等估值技術盡量使用可觀察所得之可得市場數據，並盡可能地減少倚賴實體之特定估計。倘得出工具公允價值所須之全部重大輸入數據乃可觀察，則該工具列入第2級。

(iii) 第3級內之金融工具

倘一項或多項重大輸入數據並非基於可觀察所得之市場數據，則該工具列入第3級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**c. Fair value estimation (Continued)****(iii) Financial instruments in Level 3 (Continued)**

The following table presents the changes in Level 3 instruments for the year ended 31 December 2017.

3 財務風險管理(續)**c. 公允價值估計(續)****(iii) 第3級內之金融工具(續)**

下表呈列第3級工具截至2017年12月31日止年度之變動。

		2017 2017年 HK\$'000 港幣千元
Opening balance	年初結餘	—
Additions	增添	78,053
Fair value gains on revaluation of financial assets at fair value through profit or loss	重估按公允價值計入損益之財務資產之公允價值利得	2,499
Exchange difference	匯兌差額	118
Closing balance	年終結餘	80,670
Total gains for the year included in income statement for assets held at the end of the reporting period, under "Other net gains"	「其他淨利得」下就於報告期末持有的資產計入收益表之年內利得總額	2,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT
(CONTINUED)

c. Fair value estimation (Continued)

**(iii) Financial instruments in Level 3
(Continued)**

The following table summarises the quantitative information about the significant unobservable input used in level 3 fair value measurements.

3 財務風險管理(續)

c. 公允價值估計(續)

(iii) 第3級內之金融工具(續)

下表概述有關第3級公允價值計量所用之重大不可觀察所得之輸入數據之量化資料：

Description 描述	Fair value at 於下列日期之 公允價值		Significant unobservable input 重大不可觀察所得之輸入數據	Range of significant unobservable input 重大不可觀察所得之輸入數據範圍	Relationship of unobservable input to fair value 不可觀察所得之輸入數據與公允 價值之關係	
	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元		2017 2017年	2016 2016年	
Unlisted equity investments at fair value 按公允價值之非上市 股本投資	80,670		— Expected volatility 預期波幅	If the volatility is 2.6% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$405,000 and increase by HK\$443,000 respectively. 倘波幅上升/下跌2.6%而所 有其他變數維持不變，則 公允價值將分別減少港 幣405,000元及增加港幣 443,000元。	N/A 不適用	The higher the volatility, the lower the fair value 波幅越高，公允價值越低

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**c. Fair value estimation (Continued)****(iii) Financial instruments in Level 3 (Continued)**

During the year ended 31 December 2017, the Group transferred nil impairment loss (2016: HK\$87,491,000) from other comprehensive income into the consolidated income statement.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- (i) Loans receivables;
- (ii) Trade receivables;
- (iii) Deposits, prepayments and other receivables;
- (iv) Cash and bank deposits;
- (v) Deposits received, other payables and accruals;
- (vi) Bank and other loans; and
- (vii) Amount due to an intermediate holding company.

The disclosures of the investment properties that are measured at fair value are set out in Note 15.

3 財務風險管理(續)**c. 公允價值估計(續)****(iii) 第3級內之金融工具(續)**

於截至2017年12月31日止年度，本集團自其他全面收益轉出港幣零元(2016年：港幣87,491,000元)之減值虧損至綜合收益表。

以下財務資產及負債之公允價值與賬面金額相若：

- (i) 應收貸款；
- (ii) 應收賬款；
- (iii) 按金、預付款項及其他應收款項；
- (iv) 現金及銀行存款；
- (v) 已收按金、其他應付款項及應計項目；
- (vi) 銀行及其他貸款；及
- (vii) 應付一間中間控股公司款項。

按公允價值計量之投資物業之披露資料載於附註15。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Note 2 to the consolidated financial statements includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements. The preparation of consolidated financial statements often requires the use of judgments to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the consolidated financial statements. The Group bases its estimates and judgments on historical experience and various assumptions that are reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the consolidated financial statements.

a. Estimated fair value of investment properties

Details of the judgment and assumptions used to determine the fair value of investment properties have been disclosed in Note 15.

b. Impairment of available-for-sale listed equity investments

The Group follows the guidance of HKAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates a number of key quantitative and qualitative factors including the expected level of volatility of each individual equity investment, events or changes that had occurred within each of these investees and the industry prospects of each of the investments.

4 關鍵會計估算及判斷

綜合財務報表附註2包括編製綜合財務報表時所用主要會計政策之概要。在編製綜合財務報表之過程中往往須作出判斷，以從多個可接受方案中選出特定會計方法及政策。再者，在選擇及運用會計方法和政策以編製綜合財務報表之過程中，可能需要對未來作出重大估算及假設。本集團之估算及判斷乃建基於過往經驗，以及在有關情況下為合理之多項假設。在不同假設或情況下，實際結果可能有別於此等估算及判斷。

下文概述在編製綜合財務報表時使用之較重大假設及估算，以及會計政策及方法。

a. 投資物業之估計公允價值

用以釐定投資物業公允價值之判斷及假設之詳情於附註15披露。

b. 可供出售之上市股本投資的減值

本集團遵循香港會計準則第39號之指引釐定可供出售之股本投資何時出現減值。釐定有關事項須作出重大判斷。於作出有關判斷時，本集團會評估多個關鍵定量及定性因素，包括每項個別股本投資的預期波動水平、各投資對象發生之事件或變化及每項投資的行業前景。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)**c. Impairment of non-financial assets**

At the date of statement of financial position, the Group undertakes a review to determine whether there is any indication of impairment of non-financial assets.

Properties, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Reversal of an impairment provision is recorded as income in the period when the reversal occurs. Reversal on impairment loss would be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out.

4 關鍵會計估算及判斷(續)**c. 非財務資產減值**

於結算日，本集團進行審閱以釐定是否有任何跡象顯示非財務資產出現減值。

每當有事件或變動顯示可能無法收回物業、機器及設備以及其他非財務資產之賬面金額時，本集團會審閱減值虧損。本集團會就資產賬面金額超逾可收回金額之差額確認減值虧損。就評估減值而言，資產乃按可獨立識別現金流量之最低層級分類。減值撥備之撥回會於撥回產生之期間列作收入。倘用於釐定資產可收回金額之估計自進行上次減值測試後出現變動，則本集團會確認減值虧損之撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)**d. Depreciation and useful lives of power plant**

Estimation of the useful lives of the Group's power plant facilities is based on the Group's assessment of industry practice, internal technical evaluation and experience with similar assets. Management estimates the useful lives of the power plant facilities, which are under construction, to be around 40 years. Changes in the expected level of usage and technological development could have an impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges.

The estimated useful lives are reviewed at least each financial year-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the factors mentioned above.

e. Estimates for net realisable value of properties under development

The Group assesses the carrying amounts of properties under development according to their net realisable values based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion (including land costs). Based on management's best estimates, there was no impairment for properties under development as at 31 December 2017.

4 關鍵會計估算及判斷(續)**d. 發電廠之折舊及可使用年期**

本集團發電廠設施之可使用年期乃基於本集團對行業慣例之評估、內部技術評估及處理類似資產之經驗估計。管理層估計在建發電廠設施之可使用年期約為40年。預計使用水平及技術發展之變動或會影響該等資產之經濟可使用年期及剩餘價值，進而影響日後之折舊支出。

估計可使用年期最少於每個財政年度末審閱，並於預期因有關資產本身出現損耗、於技術或商業上過時及用途受法律或其他限制而有別於先前估計時更新。然而，未來經營業績可能因上述因素變動而受到重大影響。

e. 發展中物業可變現淨值之估計

本集團基於發展中物業之變現能力按該等物業之可變現淨值評估該等物業之賬面金額。發展中物業之可變現淨值乃參照管理層基於現行市況估計之售價，減去適用可變銷售開支及預計完工成本(包括土地成本)釐定。基於管理層之最佳估計，於2017年12月31日之發展中物業並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

5 REVENUE AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in Note 35.

Revenue represents rental income, interest income and dividend income. The amounts of revenue recognised during the year are as follows:

	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Rental income from investment properties	92,194	96,332
Rental income from properties under development (Note)	1,582	6,259
Interest income	44,024	44,824
Dividend income	4,374	5,975
	142,174	153,390

Note:

Revenue of HK\$1,582,000 (2016: HK\$6,259,000) for the year ended 31 December 2017 represented rental income from leasing of properties acquired for development before the commencement of the development.

The senior management comprising executive directors and the chief financial officer are the Group's chief operating decision-maker ("CODM"). Management has determined operating segments for the purposes of allocating resources and assessing performance.

Segments are managed separately as each business segment has different business objectives and is subject to risks and returns that are different from one another.

Earnings/(losses) before interest expense and tax ("EBIT/(LBIT)") is regarded as segment results in respect of the Group's reportable segments as the CODM considers that this can better reflect the performance of each segment. EBIT/(LBIT) is used in the Group's internal financial and management reporting to monitor business performances.

5 收入及分部資料

本公司之主要業務為投資控股。本公司附屬公司之主要業務載於附註35。

收入包括租金收益、利息收益及股息收益。年內確認之收入金額如下：

	2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
投資物業之租金收益	92,194	96,332
發展中物業之租金收益 (附註)	1,582	6,259
利息收益	44,024	44,824
股息收益	4,374	5,975
	142,174	153,390

附註：

截至2017年12月31日止年度之港幣1,582,000元(2016年：港幣6,259,000元)收入指於發展項目開始前，出租為開發而收購之物業所得之租金收益。

高級管理層(包括執行董事及財務總監)為本集團之主要經營決策者(「主要經營決策者」)。管理層已釐定經營分部，以分配資源及評估表現。

由於各業務分部之業務目標不同，且各分部涉及之風險及回報有別於其他分部，因此各分部之管理工作乃獨立進行。

由於主要經營決策者認為未扣除利息支出及稅項前之盈利/(虧損)(「利息及稅前盈利/(虧損)」)更能反映各分部之表現，故其被視為有關本集團可報告分部之分部業績。利息及稅前盈利/(虧損)乃用於本集團之內部財務及管理報告，以監察業務表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

5 收入及分部資料(續)

Segment information:

分部資料：

		Year ended 31 December 2017 截至2017年12月31日止年度				
		Property investment	Real estate development	Energy	Finance investment and others	Total
		物業投資	房地產開發	能源電力	財務投資及其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue	分部收入	92,194	1,582	—	48,398	142,174
Segment results before other net gains/(losses)	其他淨利得／(虧損) 前之分部業績	75,165	(20,645)	(9,672)	12,557	57,405
Other net gains (Note 6a)	其他淨利得(附註6a)	—	—	—	29,151	29,151
EBIT/(LBIT)	利息及稅前盈利／(虧損)	75,165	(20,645)	(9,672)	41,708	86,556
Income tax expense	所得稅開支	—	—	—	—	(17,411)
Profit for the year	年內利潤	—	—	—	—	69,145
Segment assets	分部資產	1,614,030	15,036,106	3,481,907	1,316,855	21,448,898
Deferred income tax assets	遞延所得稅資產	—	9,211	—	—	9,211
Total assets	資產總值	—	—	—	—	21,458,109
Segment liabilities	分部負債	77,415	1,282,734	156,538	22,645	1,539,332
Bank and other loans	銀行及其他貸款	—	3,232,269	617,535	1,478,560	5,328,364
Amount due to an intermediate holding company	應付一間中間控股公司款項	1,178,241	—	—	1,942,265	3,120,506
Current income tax liabilities	流動所得稅負債	25,320	—	—	—	25,320
Deferred income tax liabilities	遞延所得稅負債	266,851	1,936	—	—	268,787
Total liabilities	負債總額	—	—	—	—	10,282,309
Depreciation of properties, plant and equipment	物業、機器及設備之折舊	401	643	89	2,305	3,438
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	51	—	—	—	51
Additions to non-current segment assets (Note)	添置非流動分部資產(附註)	359	1,008,813	762,854	413	1,772,439

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

附註：

添置非流動分部資產包括添置物業、機器及設備、投資物業、建設發電廠之預付款項以及物業發展項目之預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

5 收入及分部資料(續)

Segment information: (Continued)

分部資料：(續)

		Year ended 31 December 2016 截至2016年12月31日止年度					
		Property investment	Real estate development	Energy	Finance investment and others	Total	
		物業投資 HK\$'000 港幣千元	房地產開發 HK\$'000 港幣千元	能源電力 HK\$'000 港幣千元	財務投資及其他 HK\$'000 港幣千元	總計 HK\$'000 港幣千元	
Segment revenue	分部收入	96,332	6,259	—	50,799	153,390	
Segment results before other net gains/(losses)	其他淨利得／(虧損)前之分部業績	78,819	(7,386)	(16,902)	13,763	68,294	
Other net gains/(losses) (Note 6a)	其他淨利得／(虧損)(附註6a)	273,407	—	—	(84,265)	189,142	
EBIT/(LBIT)	利息及稅前盈利／(虧損)	352,226	(7,386)	(16,902)	(70,502)	257,436	
Income tax expense	所得稅開支					(87,188)	
Profit for the year	年內利潤					170,248	
Segment assets	分部資產	1,456,098	11,370,293	2,480,566	1,655,933	16,962,890	
Deferred income tax assets	遞延所得稅資產	—	4,287	—	—	4,287	
Total assets	資產總值					16,967,177	
Segment liabilities	分部負債	71,912	392,689	120,678	19,809	605,088	
Bank and other loans	銀行及其他貸款	—	2,925,478	—	190,519	3,115,997	
Amount due to an intermediate holding company	應付一間中間控股公司款項	—	—	—	1,694,489	1,694,489	
Current income tax liabilities	流動所得稅負債	22,956	—	—	2,142	25,098	
Deferred income tax liabilities	遞延所得稅負債	241,397	2,401	—	—	243,798	
Total liabilities	負債總額					5,684,470	
Depreciation of properties, plant and equipment	物業、機器及設備之折舊	515	313	32	2,284	3,144	
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	52	—	—	—	52	
Additions to non-current segment assets (Note)	添置非流動分部資產(附註)	490	473,741	944,608	240	1,419,079	

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

附註：

添置非流動分部資產包括添置物業、機器及設備、投資物業、建設發電廠之預付款項以及物業發展項目之預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information:

The Group operates primarily in Hong Kong, the PRC, the U.S. and Indonesia. The geographical segment revenue is presented based on the geographical location of the rental, interest and dividend income.

Revenue and assets by geographical location are as follows:

		U.S. 美國 HK\$'000 港幣千元	Indonesia 印尼 HK\$'000 港幣千元	PRC 中國 HK\$'000 港幣千元	Hong Kong 香港 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Revenue	收入					
31 December 2017	2017年12月31日	2,664	13,365	96,811	29,334	142,174
31 December 2016	2016年12月31日	6,650	13,572	99,205	33,963	153,390
Total assets	資產總值					
31 December 2017	2017年12月31日	15,045,317	3,480,988	1,580,722	1,351,082	21,458,109
31 December 2016	2016年12月31日	11,374,580	2,476,257	1,454,981	1,661,359	16,967,177

Information about major customers:

Revenue of approximately HK\$27.7 million (2016: approximately HK\$29.3 million) is derived from two external customers (2016: HK\$29.3 million from two external customers), which individually amounted to 10% or more of the Group's revenue (excluding interest income and dividend income). This revenue is attributable to the property investment segment and derived from the PRC.

5 收入及分部資料(續)

地域資料：

本集團主要於香港、中國、美國及印尼經營業務。地域分部收入乃以租金、利息及股息收益之地理位置為基礎呈列。

按地理位置劃分之收入及資產如下：

有關主要客戶的資料：

收入中約港幣27,700,000元(2016年：約港幣29,300,000元)來自兩名外部客戶(2016年：港幣29,300,000元來自兩名外部客戶)，該等客戶個別佔本集團收入(不包括利息收益及股息收益)10%或以上。該收入歸屬於物業投資分部並來自中國。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

6 PROFIT BEFORE TAX

Profit before tax is stated after crediting and charging the following:

6 除稅前利潤

除稅前利潤已計入及扣除下列項目：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Crediting	計入		
Fair value gains on revaluation of investment properties (Note a)	重估投資物業之公允價值利得(附註a)	—	273,407
Fair value gains on revaluation of financial assets at fair value through profit or loss (Note a)	重估按公允價值計入損益之財務資產之公允價值利得(附註a)	2,499	—
Net realised gains on disposal of listed debt securities (Note a)	出售上市債務證券之淨變現利得(附註a)	19,669	—
Net realised gains on disposal of listed equity securities (Note a)	出售上市股票證券之淨變現利得(附註a)	27,928	3,226
Rental income from investment properties less outgoings of HK\$9,159,000 (2016: HK\$9,827,000)	投資物業租金收益減開支港幣9,159,000元(2016年:港幣9,827,000元)	83,035	86,505
Charging	扣除		
Staff costs (including directors' emoluments) (Note b and 11)	僱員成本(包括董事酬金)(附註b及11)	43,759	33,407
Depreciation of properties, plant and equipment (Note c and 14)	物業、機器及設備之折舊(附註c及14)	3,438	3,144
Amortisation of leasehold land and land use rights (Note 16)	租賃土地及土地使用權之攤銷(附註16)	51	52
Impairment losses on available-for-sale equity securities (Note a)	可供出售之股票證券的減值虧損(附註a)	—	87,491
Operating lease charges in respect of properties (Note d)	物業經營租賃費用(附註d)	10,071	9,707
Auditor's remuneration	核數師薪酬		
Audit and audit related services	審核及審核相關服務		
— PricewaterhouseCoopers	— 羅兵咸永道會計師事務所	4,720	4,504
— Other auditors	— 其他核數師	1,004	481
Non-audit services	非審核相關服務		
— PricewaterhouseCoopers	— 羅兵咸永道會計師事務所	1,746	1,172
— Other auditors	— 其他核數師	—	192
Net foreign exchange losses (Note a)	外幣匯兌淨虧損(附註a)	20,945	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

6 PROFIT BEFORE TAX (CONTINUED)

Notes:

- a. Other net gains of HK\$29,151,000 for the year ended 31 December 2017 represented (i) the fair value gains on revaluation of financial assets at fair value through profit or loss of HK\$2,499,000; (ii) net realised gains on disposal of listed debt securities of HK\$19,669,000; (iii) net realised gains on disposal of listed equity securities of HK\$27,928,000; net of (iv) the net foreign exchange losses of HK\$20,945,000.

Other net gains of HK\$189,142,000 for the year ended 31 December 2016 represented (i) the fair value gains on revaluation of investment properties of HK\$273,407,000; (ii) net realised gains on disposal of listed equity securities of HK\$3,226,000; net of (iii) impairment losses on available-for-sale equity securities of HK\$87,491,000.

- b. For the year ended 31 December 2017, staff costs amounting to HK\$38,968,000 (2016: HK\$19,782,000), HK\$9,639,000 (2016: HK\$6,740,000) and HK\$5,242,000 (2016: HK\$9,242,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.
- c. For the year ended 31 December 2017, depreciation charges amounting to HK\$1,911,000 (2016: HK\$647,000), HK\$328,000 (2016: HK\$241,000) and HK\$750,000 (2016: HK\$264,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.
- d. For the year ended 31 December 2017, operating lease charges amounting to HK\$7,376,000 (2016: HK\$3,723,000), HK\$1,454,000 (2016: HK\$1,017,000) and HK\$7,091,000 (2016: HK\$6,791,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.

6 除稅前利潤(續)

附註：

- a. 截至2017年12月31日止年度之其他淨利得港幣29,151,000元為(i)重估按公允價值計入損益之財務資產之公允價值利得港幣2,499,000元；(ii)出售上市債務證券之淨變現利得港幣19,669,000元；(iii)出售上市股票證券之淨變現利得港幣27,928,000元；扣除(iv)外幣匯兌淨虧損港幣20,945,000元。

截至2016年12月31日止年度之其他淨利得港幣189,142,000元為(i)重估投資物業之公允價值利得港幣273,407,000元；(ii)出售上市股票證券之淨變現利得港幣3,226,000元；扣除(iii)可供出售之股票證券的減值虧損港幣87,491,000元。

- b. 截至2017年12月31日止年度之僱員成本港幣38,968,000元(2016年：港幣19,782,000元)、港幣9,639,000元(2016年：港幣6,740,000元)及港幣5,242,000元(2016年：港幣9,242,000元)已分別於發展中物業、投資物業以及物業、機器及設備中資本化。
- c. 截至2017年12月31日止年度之折舊費用港幣1,911,000元(2016年：港幣647,000元)、港幣328,000元(2016年：港幣241,000元)及港幣750,000元(2016年：港幣264,000元)已分別於發展中物業、投資物業以及物業、機器及設備中資本化。
- d. 截至2017年12月31日止年度之經營租賃費用港幣7,376,000元(2016年：港幣3,723,000元)、港幣1,454,000元(2016年：港幣1,017,000元)及港幣7,091,000元(2016年：港幣6,791,000元)已分別於發展中物業、投資物業以及物業、機器及設備中資本化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

7 INCOME TAX EXPENSE

7 所得稅開支

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Current income tax	流動所得稅		
— Outside Hong Kong	— 香港境外	11,442	12,291
— Overprovision in prior years	— 過往年度超額撥備	(224)	—
Deferred income tax charge (Note 24)	遞延所得稅開支(附註24)		
— Charge for the year	— 年內支出	4,014	74,897
— Change in tax rate (Note)	— 稅率變動(附註)	2,179	—
		17,411	87,188

Note:

Pursuant to the tax reform legislation enacted by the U.S. government on 22 December 2017, the U.S. corporate tax rate is reduced for tax years beginning after 31 December 2017. The Group has assessed the financial impact as at 31 December 2017 and recorded a reversal of deferred income tax asset of HK\$2,179,000 during the year ended 31 December 2017 due to the changes in applicable tax rate.

The Group's subsidiaries in the PRC are subject to Enterprise Income Tax at a standard rate of 25% for the year ended 31 December 2017 (2016: 25%).

No U.S. Federal or State Income Tax was provided for the years ended 31 December 2017 and 2016 as the Group had no estimated assessable profits.

For the years ended 31 December 2017 and 2016, no Hong Kong profits tax was provided as the Group had no estimated assessable profits.

附註：

根據美國政府於2017年12月22日施行之稅務改革法例，2017年12月31日以後開始的稅務年度之美國企業稅率被下調。本集團已評估於2017年12月31日之財務影響，並於截至2017年12月31日止年度因適用稅率變動而錄得遞延所得稅資產撥回港幣2,179,000元。

截至2017年12月31日止年度，本集團於中國之附屬公司須按標準稅率25%（2016年：25%）繳納企業所得稅。

截至2017年及2016年12月31日止年度，由於本集團並無估計應課稅溢利，故並無就美國聯邦及州所得稅計提撥備。

截至2017年及2016年12月31日止年度，由於本集團並無估計應課稅溢利，故並無就香港利得稅計提撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

7 INCOME TAX EXPENSE (CONTINUED) 7 所得稅開支(續)

The differences between the Group's expected tax charges calculated at the domestic rates and the Group's tax charge for the years are as follows:

於年內，本集團按當地稅率計算之預期稅項開支與本集團之稅項開支之差額如下：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Profit before tax	除稅前利潤	86,556	257,436
Tax calculated at the domestic rates applicable to the profits in the countries concerned	按適用於有關國家利潤之當地稅率計算之稅項	15,108	68,302
Income not subject to tax	免稅收益	(15,648)	(7,883)
Expenses not deductible for tax purposes	不可作減免稅項用途之開支	8,426	21,963
Tax losses not recognised	未確認之稅項虧損	7,570	4,806
Adjustments for current tax of prior periods	就早前期間流動稅項作出調整	(224)	—
Change in applicable tax rate	適用稅率變動	2,179	—
Total tax charge	稅項開支總額	17,411	87,188

The weighted average applicable tax rate was 17.5% (2016: 26.5%). The tax rate changes from year to year due to changes in the mix of the taxable results of the individual Group companies.

適用稅率加權平均值為17.5% (2016年：26.5%)。稅率之按年變動源於本集團旗下個別公司之應課稅業績比例變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

8 BORROWING COSTS

8 借貸成本

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Borrowing costs on bank and other loans (including loan from a fellow subsidiary (Note 32g)) and loan from an intermediate holding company (Note 32g)	銀行及其他貸款(包括一間同系附屬公司貸款(附註32g))及一間中間控股公司貸款(附註32g)之借貸成本	171,503	40,979
Less: capitalised on qualifying assets	減: 於合資格資產中資本化	(171,503)	(40,979)
		—	—

Borrowing costs have been capitalised at a rate of 1.8%–6.0% (2016: 1.8%–2.8%) per annum on qualifying assets.

借貸成本按每年1.8%至6.0%(2016年: 1.8%至2.8%)之比率於合資格資產中資本化。

9 BASIC AND DILUTED EARNINGS PER SHARE

9 每股基本及攤薄盈利

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

每股基本盈利乃根據本公司股東應佔利潤除以年內已發行普通股之加權平均數計算。

		2017 2017年	2016 2016年
Weighted average number of ordinary shares in issue	已發行普通股之加權平均數	16,142,653,060	15,113,522,173
Profit attributable to shareholders of the Company (HK\$'000)	本公司股東應佔利潤(港幣千元)	70,422	136,214
Basic earnings per share attributable to shareholders of the Company (HK cent per share)	本公司股東應佔每股基本盈利(每股港幣仙)	0.44	0.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

9 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

Diluted earnings per share for the years ended 31 December 2017 and 2016 were the same as the basic earnings per share as there were no dilutive instruments during the years ended 31 December 2017 and 2016.

10 DIVIDEND

The directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31 December 2017 (2016: Nil).

11 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

Staff costs recognised during the year are as follows:

9 每股基本及攤薄盈利(續)

由於截至2017年及2016年12月31日止年度內並無具攤薄影響之工具，故截至2017年及2016年12月31日止年度之每股攤薄盈利與每股基本盈利相同。

10 股息

本公司董事並不建議就截至2017年12月31日止年度派付末期股息(2016年：無)。

11 僱員成本(包括董事酬金)

於年內確認之僱員成本如下：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	82,866	62,066
Pension costs	退休金成本	5,693	1,495
Other allowances and benefits	其他津貼及福利	9,049	5,610
Total staff costs (including directors' emoluments)	僱員成本總額 (包括董事酬金)	97,608	69,171
Less: amount capitalised into properties under development, investment properties and properties, plant and equipment	減：於發展中物業、投資 物業以及物業、機器及 設備中資本化之金額	(53,849)	(35,764)
		43,759	33,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

12 RETIREMENT BENEFITS SCHEMES

The Group provides retirement benefits mainly to employees in Hong Kong, the PRC and the U.S.

The Group has two defined contribution schemes for all qualified employees in Hong Kong.

- a. Hong Kong employees who commenced employment before 1 September 2000 are members of the first defined contribution scheme. The assets of the first defined contribution scheme are held separately under a provident fund managed by an independent trustee. Pursuant to the rules of the scheme, the employers and its employees are each required to make contributions to the scheme calculated at 5% of the employees' basic salaries on a monthly basis. The employees are entitled to 100% of the employers' contributions and accrued interest after 10 years of service, or at an increasing scale ranging from 20% to 90% after completion of 2 to 9 years of service.

When there are employees who leave the scheme prior to vesting fully in the contributions, in accordance with the rules of the scheme, the forfeited employers' contributions arising from members terminating employment before becoming fully vested are allocated to the benefit of the remaining members instead of being used to reduce the future contributions of the employers.

12 退休福利計劃

本集團主要為香港、中國及美國之僱員提供退休福利。

本集團為全體合資格香港僱員設立兩個界定供款計劃。

- a. 於2000年9月1日前已受僱之香港僱員為首個界定供款計劃之成員。首個界定供款計劃之資產由獨立信託人管理之公積金分開保管。根據該計劃之規定，僱主及僱員須分別每月向該計劃作出相等於僱員基本薪金5%之供款。僱員在服務滿10年後，有權取得100%之僱主供款額及應計利息，或在服務滿2年至9年內，按20%至90%之遞增幅度取得供款。

根據該計劃之規定，倘若僱員在有資格全數取得供款前退出該計劃，因成員在有權取得全數供款前終止受僱而沒收之僱主供款不會用作減低僱主日後之供款額，而會撥入作其餘成員之利益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

12 RETIREMENT BENEFITS SCHEMES (CONTINUED)

- b. All qualified Hong Kong employees who commenced employment on or after 1 September 2000 are members of the second defined contribution scheme which has been set up in accordance with the guidelines of Mandatory Provident Fund Schemes Ordinance. Both the employers and employees contribute 5% of relevant income (limited to HK\$1,500) to the scheme each month. The assets of the second defined contribution scheme are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group has participated in the 401(k) scheme covering all of its eligible employees in the U.S.. Employees who participate in the plan may contribute a portion of their compensation on a pre-income tax basis up to a limit specified by law. The Group's contribution to the plan is based on the percentage of employee contribution from the individual employee's monthly basic salary. The Group also provides an employee benefit plan under Internal Revenue Code Section 125, offering to pay for its eligible employees for medical premium and dependent care expenses on a pre-tax basis. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

12 退休福利計劃(續)

- b. 於2000年9月1日或以後開始受僱之全體合資格香港僱員為第二個界定供款計劃(根據《強制性公積金計劃條例》之指引成立)之成員。僱主及僱員分別每月向該計劃作出相等於有關收入5%之供款(上限為港幣1,500元)。第二個界定供款計劃之資產與本集團之資產分開，由信託人管理之基金持有。

本集團中國附屬公司之僱員為中國政府營辦之國家管理退休福利計劃之成員。附屬公司須向退休福利計劃支付按薪金成本一個指定百分比計算之金額，作為退休福利之資金。本集團對退休福利計劃的唯一責任是作出指定之供款。

本集團已參與401(k)計劃，涵蓋其所有美國合資格僱員。參與計劃之僱員可以除所得稅前報酬之某一部分(上限為法律所定之限額)作為供款。本集團向計劃作出之供款乃基於從個別僱員每月基本薪金得出之僱員供款百分比計算。本集團亦根據《國內收入法》(Internal Revenue Code)第125條提供一項僱員福利計劃，提出以稅前基準為合資格僱員支付醫療金及受養人照顧開支。本集團於退休福利計劃中之唯一責任為作出指定供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

a. Directors' emoluments

Directors' emoluments comprised the payments to directors of the Company by the Group in connection with the management of the affairs of the Group. The emoluments of the directors of the Company are as follows:

Name of director		Director's fees	Basic salaries, allowances and benefits-in-kind	Discretionary bonuses	Provident fund contributions	Inducement or compensation fees	Total emoluments
董事姓名		董事袍金	基本薪酬、津貼及實物收益	酌情花紅	公積金供款	獎勵或補償	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors		執行董事					
Han Xiaosheng ⁽¹⁾⁽²⁾⁽⁴⁾	韓曉生 ⁽¹⁾⁽²⁾⁽⁴⁾	-	-	-	-	-	-
Liu Bing	劉冰	-	-	-	-	-	-
Liu Hongwei	劉洪偉	-	-	281	-	-	281
Zhang Xifang ⁽⁷⁾	張喜芳 ⁽⁷⁾	-	-	-	-	-	-
Liu Guosheng	劉國升	-	-	-	-	-	-
Non-executive Directors		非執行董事					
Qin Dingguo ⁽⁶⁾	秦定國 ⁽⁶⁾	-	-	374	-	-	374
Zheng Dong ⁽⁵⁾	鄭東 ⁽⁵⁾	-	-	-	-	-	-
Zhao Yingwei ⁽³⁾	趙英偉 ⁽³⁾	-	-	-	-	-	-
Qi Zixin ⁽⁸⁾	齊子鑫 ⁽⁸⁾	-	-	281	-	-	281
Independent Non-executive Directors		獨立非執行董事					
Liu Jipeng ⁽³⁾⁽⁴⁾	劉紀鵬 ⁽³⁾⁽⁴⁾	200	-	-	-	-	200
Cai Hongping ⁽²⁾	蔡洪平 ⁽²⁾	200	-	-	-	-	200
Yan Fashan ⁽²⁾⁽⁴⁾	嚴法善 ⁽²⁾⁽⁴⁾	200	-	-	-	-	200
Lo Wa Kei Roy ⁽³⁾	盧華基 ⁽³⁾	200	-	-	-	-	200
2017 total	2017年總計	800	-	936	-	-	1,736

Notes:

- (1) Chief Executive Officer
- (2) Member of the Remuneration Committee
- (3) Member of the Audit Committee
- (4) Member of the Nomination Committee
- (5) Resigned with effect from 22 June 2017
- (6) Resigned with effect from 15 August 2017
- (7) Appointed with effect from 15 August 2017
- (8) Resigned with effect from 14 December 2017

附註:

- (1) 總裁
- (2) 薪酬委員會成員
- (3) 審核委員會成員
- (4) 提名委員會成員
- (5) 自2017年6月22日起辭任
- (6) 自2017年8月15日起辭任
- (7) 自2017年8月15日起獲委任
- (8) 自2017年12月14日起辭任

13 董事及高級管理人員酬金

a. 董事酬金

董事酬金包括本集團就管理本集團事務而向本公司董事支付之款項。本公司董事之酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

13 董事及高級管理人員酬金(續)

a. Directors' emoluments (Continued)

a. 董事酬金(續)

Name of director	Director's fees	Basic salaries, allowances and benefits-in-kind	Discretionary bonuses	Provident fund contributions	Inducement or compensation fees	Total emoluments
董事姓名	董事袍金	基本薪酬、津貼及實物收益	酌情花紅	公積金供款	獎勵或補償	酬金總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors 執行董事						
Han Xiaosheng ⁽¹⁾⁽²⁾⁽⁴⁾	—	—	—	—	—	—
Liu Bing	—	—	—	—	—	—
Liu Hongwei	—	—	279	—	—	279
Liu Guosheng	—	—	—	—	—	—
Non-executive Directors 非執行董事						
Qin Dingguo	—	375	372	—	—	747
Zheng Dong	—	—	—	—	—	—
Zhao Yingwei ⁽³⁾	—	—	—	—	—	—
Qi Zixin	—	375	279	—	—	654
Independent Non-executive Directors 獨立非執行董事						
Liu Jipeng ⁽³⁾⁽⁴⁾	200	—	—	—	—	200
Cai Hongping ⁽²⁾	200	—	—	—	—	200
Yan Fashan ⁽²⁾⁽⁴⁾	200	—	—	—	—	200
Lo Wa Kei Roy ⁽³⁾	200	—	—	—	—	200
2016 total		800	750	930	—	2,480

Notes:

- (1) Chief Executive Officer
 (2) Member of the Remuneration Committee
 (3) Member of the Audit Committee
 (4) Member of the Nomination Committee

附註:

- (1) 總裁
 (2) 薪酬委員會成員
 (3) 審核委員會成員
 (4) 提名委員會成員

During the years ended 31 December 2017 and 2016, no directors of the Company waived or agreed to waive any emoluments.

於截至2017年及2016年12月31日止年度，並無本公司董事免收或同意免收任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)**b. Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include no (2016: no) director. The emoluments payable to the five (2016: five) individuals for the year are as follows:

13 董事及高級管理人員酬金(續)**b. 五位最高酬金人士**

在本年度本集團酬金最高之五位人士中，並無董事(2016年：無)。於本年度應付予該五位(2016年：五位)人士之酬金如下：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Basic salaries, allowances and benefits-in-kind	基本薪金、津貼及實物收益	10,836	9,969
Discretionary bonuses	酌情花紅	1,336	882
Provident fund contributions	公積金供款	257	118
		12,429	10,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)**b. Five highest paid individuals (Continued)**

The emoluments of the five (2016: five) individuals with the highest emoluments for the year fall within the following bands:

Emolument bands 酬金範圍	Number of individuals 人數	
	2017 2017年	2016 2016年
HK\$3,000,001 – HK\$3,500,000 港幣3,000,001元至 港幣3,500,000元	1	—
HK\$2,500,001 – HK\$3,000,000 港幣2,500,001元至 港幣3,000,000元	1	1
HK\$2,000,001 – HK\$2,500,000 港幣2,000,001元至 港幣2,500,000元	3	2
HK\$1,500,001 – HK\$2,000,000 港幣1,500,001元至 港幣2,000,000元	—	2
< HK\$1,500,001 港幣1,500,001元以下	—	—

During the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

13 董事及高級管理人員酬金(續)**b. 五位最高酬金人士(續)**

本年度最高酬金之人士中，五位(2016年：五位)人士之酬金屬於下列薪酬範圍：

於截至2017年及2016年12月31日止年度，本集團概無向本公司任何董事或五位最高酬金人士支付任何酬金作為吸引其加盟本集團或加入本集團後之獎勵或作為離職補償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

14 PROPERTIES, PLANT AND EQUIPMENT

14 物業、機器及設備

		Freehold land 永久業權 土地 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢具、固定裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本							
At 1 January 2017	於2017年1月1日	41,396	1,757,619	3,832	7,398	9,246	5,151	1,824,642
Exchange translation differences	匯兌差額	408	16,525	311	69	208	85	17,606
Additions	添置	—	901,239	15,102	4,763	3,450	—	924,554
Disposals and write off	出售及撇銷	—	—	—	—	(50)	—	(50)
At 31 December 2017	於2017年12月31日	41,804	2,675,383	19,245	12,230	12,854	5,236	2,766,752
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2017	於2017年1月1日	—	—	1,007	3,289	4,162	2,157	10,615
Exchange translation differences	匯兌差額	—	—	78	46	151	62	337
Charge for the year (Note 6)	年度折舊(附註6)	—	—	703	2,622	2,299	803	6,427
Disposals and write off	出售及撇銷	—	—	—	—	(47)	—	(47)
At 31 December 2017	於2017年12月31日	—	—	1,788	5,957	6,565	3,022	17,332
Net book value	賬面淨值							
At 31 December 2017	於2017年12月31日	41,804	2,675,383	17,457	6,273	6,289	2,214	2,749,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

14 PROPERTIES, PLANT AND EQUIPMENT (CONTINUED)

14 物業、機器及設備(續)

		Freehold land 永久業權 土地 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢具、固定 裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本							
At 1 January 2016	於2016年1月1日	42,412	722,552	4,091	6,354	6,003	4,124	785,536
Exchange translation differences	匯兌差額	(1,016)	(497)	(259)	(39)	(156)	(49)	(2,016)
Additions	添置	—	1,035,564	—	1,083	3,417	1,315	1,041,379
Disposals and write off	出售及撇銷	—	—	—	—	(18)	(239)	(257)
At 31 December 2016	於2016年12月31日	41,396	1,757,619	3,832	7,398	9,246	5,151	1,824,642
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2016	於2016年1月1日	—	—	871	1,432	2,863	1,439	6,605
Exchange translation differences	匯兌差額	—	—	(64)	(74)	(90)	(44)	(272)
Charge for the year (Note 6)	年度折舊(附註6)	—	—	200	1,931	1,390	775	4,296
Disposals and write off	出售及撇銷	—	—	—	—	(1)	(13)	(14)
At 31 December 2016	於2016年12月31日	—	—	1,007	3,289	4,162	2,157	10,615
Net book value	賬面淨值							
At 31 December 2016	於2016年12月31日	41,396	1,757,619	2,825	4,109	5,084	2,994	1,814,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

15 INVESTMENT PROPERTIES

15 投資物業

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Valuation/cost	估值／成本		
At 1 January	於1月1日	2,293,398	1,627,017
Additions	添置	1,012,180	464,271
Changes in fair value	公允價值變動	—	273,407
Exchange translation differences	匯兌差額	94,895	(71,297)
At 31 December	於12月31日	3,400,473	2,293,398

The Group's investment properties comprise:

本集團之投資物業包括：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Shanghai, the PRC — Office units (Note a)	中國上海 — 辦公室單位 (附註a)	1,270,243	1,186,650
Los Angeles, the U.S. — Commercial properties under development (Note b)	美國洛杉磯 — 發展中 商業物業(附註b)	2,130,230	1,106,748
		3,400,473	2,293,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

15 INVESTMENT PROPERTIES
(CONTINUED)

Notes:

- a. The table below analyses recurring fair value measurements for investment properties. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

15 投資物業(續)

附註：

- a. 下表列示有關投資物業之經常性公允價值計量分析。此等公允價值計量根據估值技術內所使用之輸入數據而於公允價值等級中分類至不同級別。

Fair value hierarchy 公允價值等級		Quoted prices in active markets for identical assets 相同資產 在活躍市場上 的報價	Significant other observable inputs 其他重要的 可觀察輸入 數據	Significant unobservable inputs 重要的 不可觀察輸入 數據	Total 總計
		Level 1 第1級 HK\$'000 港幣千元	Level 2 第2級 HK\$'000 港幣千元	Level 3 第3級 HK\$'000 港幣千元	
At 31 December 2017	於2017年12月31日				
Office units — PRC	辦公室單位 — 中國	—	—	1,270,243	1,270,243
At 31 December 2016	於2016年12月31日				
Office units — PRC	辦公室單位 — 中國	—	—	1,186,650	1,186,650

There were no transfers between Levels 1, 2 and 3 during the year ended 31 December 2017 (2016: Nil). The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

As at 31 December 2017, the office units in the PRC have been valued by Cushman & Wakefield Limited (formerly known as DTZ Debenham Tie Leung Limited), professional valuers. The fair value of the investment properties was determined based on, amongst other factors, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

於截至2017年12月31日止年度，第1級、第2級及第3級之間並無轉移(2016年：無)。本集團的政策為於發生引致轉移之事件或狀況改變當日，確認於公允價值等級間之轉入/轉出。

於2017年12月31日，中國辦公室單位乃由專業估值師戴德梁行有限公司進行估值。投資物業之公允價值乃根據(包括其他因素)可比較之市場交易、來自現有租約之租金收益及按現行市況推算來自未來租約之租金收益之假設而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

15 INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

a. (Continued)

The valuations are derived using the income capitalisation method. This method is based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

Information about fair value measurements on office units in the PRC based on Level 3 fair value hierarchy:

15 投資物業(續)

附註:(續)

a. (續)

估值以收益資本化方法釐定。此方法乃以收益淨額資本化為基準，採納適用資本化率，適當地為支出與復歸收益之潛力作出備抵，資本化率乃參考對買賣交易之分析及估值師對投資者當下之要求或期望之詮釋而訂定。估值所採納之現行市值租金已參考估值師對相關及其他相若物業之近期租賃之意見。

有關中國辦公室單位根據第3級公允價值等級計量公允價值之資料：

Description 描述	Fair value at 於下列日期之公允價值	Valuation technique 估值法	Significant unobservable inputs 重大不可觀察輸入數據	Range of significant unobservable inputs 重大不可觀察輸入數據範圍		Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值之關係
				2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元	
Harbour Ring Plaza 港陸廣場	1,023,542	956,363 Income capitalisation method 收益資本化方法	Capitalisation rate 資本化率	7.0%	7.0%	The higher the capitalisation rate, the lower the fair value 資本化率越高，則公允價值越低
			Rental rate 租金率	RMB170-240/ month/sq.m. 每平方米每月 人民幣170元至240元	RMB170-240/ month/sq.m. 每平方米 每月人民幣170元至240元	The higher the rental rate, the higher the fair value 租金率越高，則公允價值越高
Harbour Ring Huangpu Centre 港陸黃浦中心	246,701	230,287 Income capitalisation method 收益資本化方法	Capitalisation Rate 資本化率	7.0%	7.0%	The higher the capitalisation rate, the lower the fair value 資本化率越高，則公允價值越低
			Rental rate 租金率	RMB95-220/ month/sq.m. 每平方米 每月人民幣95元至220元	RMB95-220/ month/sq.m. 每平方米 每月人民幣95元至220元	The higher the rental rate, the higher the fair value 租金率越高，則公允價值越高

b. The investment properties in the U.S. are under construction and their fair value is not reliably measurable due to significant uncertainty as to its future cash flows. Accordingly, the investment properties are carried at cost. The fair value is expected to become reliably measurable when the construction is completed.

b. 位於美國之在建投資物業的公允價值無法可靠計量，因為其日後現金流量存在重大不確定性。因此，該等投資物業按成本列賬。公允價值預期可於建設完成時可靠計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

16 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments in the PRC.

16 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為於中國之預付經營租賃款項。

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net book value	賬面淨值		
At 1 January	於1月1日	1,320	1,462
Exchange translation differences	匯兌差額	90	(90)
Amortisation (Note 6)	攤銷(附註6)	(51)	(52)
At 31 December	於12月31日	1,359	1,320

17 AVAILABLE-FOR-SALE FINANCIAL ASSETS**17 可供出售之財務資產**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Listed debt securities, at fair value	上市債務證券， 按公允價值		
— Overseas	— 海外	324,355	668,259
— Hong Kong	— 香港	7,983	8,164
Listed equity securities, at fair value	上市股票證券， 按公允價值		
— Hong Kong	— 香港	500,042	680,557
Unlisted fund investments, at fair value	非上市基金投資， 按公允價值		
— Overseas	— 海外	76,366	—
		908,746	1,356,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

17 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

The available-for-sale financial assets are denominated in the following currencies:

17 可供出售之財務資產(續)

可供出售之財務資產以下列貨幣計值：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
HK\$	港幣	500,042	680,557
US\$	美元	408,704	676,423
		908,746	1,356,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

18 按金、預付款項及其他應收款項

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Non-current portion	非流動部分		
Prepayments for construction of power plants (Note a and 32e)	建設發電廠之預付款項(附註a及32e)	221,532	240,384
Loan and interest receivables from shareholders of a subsidiary (Note b and 32g)	應收附屬公司股東之貸款及利息(附註b及32g)		
– Shanghai Electric Power Construction Co., Ltd. (“SEPC”)	– 上海電力建設有限責任公司(「SEPC」)	4,147	4,114
– PT. Garda Sayap Garuda (“GSG”)	– PT. Garda Sayap Garuda(「GSG」)	253,352	237,910
Prepaid insurance for property development project	物業發展項目之預付保費	19,838	45,098
Prepaid consultancy fee for long-term bank loan	長期銀行貸款之預付諮詢費	—	107,677
Others	其他	7,442	7,854
Total non-current portion	非流動部分總計	506,311	643,037
Current portion	流動部分		
Prepaid insurance for property development project	物業發展項目之預付保費	25,620	28,000
Prepaid consultancy fee for long-term bank loan	長期銀行貸款之預付諮詢費	—	13,483
Other interest receivables	其他應收利息	8,593	12,546
Amounts due from related parties (Note 32g)	應收關連人士款項(附註32g)	13,518	13,009
Others	其他	28,208	39,448
Total current portion	流動部分總計	75,939	106,486

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

18 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes:

- a. The balance mainly represents advanced payments made to SEPC, a non-controlling shareholder of certain subsidiaries of the Company, and its subsidiary, PT. Shanghai Electric Power Construction ("PT.SEPC"), for the procurement and installation of equipment and machineries for the Group's power plant projects in Indonesia.
- b. The loan and interest receivables are due from SEPC and GSG, non-controlling shareholders of certain subsidiaries of the Company and are denominated in US\$. As at 31 December 2017, the principal amount of the loan to SEPC was fully repaid and the carrying amount of the loan to GSG was HK\$221,632,000 (2016: HK\$216,937,000). The loan to GSG is interest bearing at 7% per annum and is repayable through its share of the future dividend of the subsidiaries.

The interest receivables from SEPC and GSG were HK\$4,147,000 (2016: HK\$4,114,000) and HK\$31,720,000 (2016: HK\$20,973,000), respectively. The interest receivables are interest free and repayable through their shares of the future dividend of the subsidiaries.

No impairment loss was recognised during the year ended 31 December 2017 (2016: Nil).

18 按金、預付款項及其他應收款項(續)

附註：

- a. 該筆結餘主要指就本集團位於印尼之發電廠採購及安裝設備及機器而向本公司若干附屬公司之一名非控股股東SEPC及其附屬公司PT. Shanghai Electric Power Construction (「PT.SEPC」)支付之預付款項。
- b. 該等應收貸款及利息應向本公司若干附屬公司之非控股股東SEPC及GSG收取，以美元計值。於2017年12月31日，給予SEPC之貸款本金額已悉數償還，而給予GSG之貸款之賬面金額為港幣221,632,000元(2016年：港幣216,937,000元)。給予GSG之貸款按年利率7%計息，須透過日後應佔該等附屬公司之股息償還。

應收SEPC及GSG之利息分別為港幣4,147,000元(2016年：港幣4,114,000元)及港幣31,720,000元(2016年：港幣20,973,000元)。應收利息為免息，須透過日後應佔該等附屬公司之股息償還。

於截至2017年12月31日止年度並無確認減值虧損(2016年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**19 按公允價值計入損益之財務資產**

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Unlisted equity investments, at fair value	非上市股本投資， 按公允價值		
— Overseas	— 海外	80,670	—

The financial assets at fair value through profit or loss are denominated in the following currency:

按公允價值計入損益之財務資產以下列貨幣計值：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
US\$	美元	80,670	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

20 PROPERTIES UNDER DEVELOPMENT 20 發展中物業

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 January	於1月1日	9,721,171	2,804,199
Additions	添置	2,326,445	6,921,372
Exchange differences	匯兌差額	84,033	(4,400)
At 31 December	於12月31日	12,131,649	9,721,171

Properties under development comprise:

發展中物業包括：

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Los Angeles, the U.S.	美國洛杉磯	4,024,411	2,133,247
Ko Olina No. 2 Land, Hawaii, the U.S.	美國夏威夷科琳娜二號地塊	1,583,111	1,526,379
Ko Olina No. 1 Land, Hawaii, the U.S.	美國夏威夷科琳娜一號地塊	2,352,731	2,190,561
Kapolei West, Hawaii, the U.S.	美國夏威夷卡珀雷西區	892,934	804,326
New York, the U.S.	美國紐約	3,278,462	3,066,658
		12,131,649	9,721,171

As at 31 December 2017 and 2016, the properties under development were expected to be completed and recovered after one year.

於2017年及2016年12月31日，發展中物業預期將於一年後竣工及收回款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

21 TRADE RECEIVABLES

At 31 December 2017 and 2016, trade receivables represent rental receivables for which no credit terms have been granted. The aging analysis of trade receivables, net of provision and based on the date of invoices at 31 December 2017 and 2016 is as follows:

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
0-30 days	0-30日	292	912

No interest is charged on the overdue trade receivables. The trade receivables included in the above aging analysis are considered not impaired (2016: Nil) as these relate to a number of independent customers for whom there is no recent history of default.

The maximum exposure to credit risk at the reporting date is the fair value of the trade receivables. The Group does not hold any collateral securities.

21 應收賬款

於2017年及2016年12月31日，應收賬款為未授出信貸期之應收租金。於2017年及2016年12月31日以發票日期為準並扣除撥備後之應收賬款賬齡分析如下：

逾期應收賬款並不計息。由於所涉及之多名獨立客戶近期並無拖欠記錄，故上述賬齡分析所包括之應收賬款並無被視為已減值(2016年：無)。

於本報告日期之最大信貸風險為應收賬款之公允價值。本集團並無持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

22 CASH AND BANK DEPOSITS

22 現金及銀行存款

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Bank deposits with maturity less than three months	於三個月內到期之 銀行存款	413,478	350,810
Cash at banks and on hand	銀行存款及手頭現金	299,919	264,758
Cash and cash equivalents	現金及現金等價物	713,397	615,568
Restricted cash	受限制現金	880,642	409,991
Cash and bank deposits	現金及銀行存款	1,594,039	1,025,559

Notes:

As at 31 December 2017, the Group had three (2016: four) restricted bank deposits as below:

- a. As at 31 December 2017, a bank deposit of HK\$637,930,000 (2016: HK\$349,189,000) was held in escrow in a licensed bank for the settlement of any construction obligation of a subsidiary of the Company to a general constructor of the property development project in Los Angeles, the U.S.. The escrow arrangement is required pursuant to an escrow agreement entered into between the licensed bank, the general constructor and the subsidiary.
- b. As at 31 December 2017, a bank deposit of HK\$14,230,000 (2016: HK\$34,395,000) was held in escrow in a licensed bank for the settlement of any infrastructure construction obligation of a subsidiary of the Company to the infrastructure constructor of the property development project in the Kapolei West area of Hawaii, the U.S.. The escrow arrangement is required pursuant to an infrastructure agreement and a control account agreement entered into between the licensed bank, the infrastructure constructor and the subsidiary.
- c. As at 31 December 2017, bank deposits of HK\$228,482,000 (2016: HK\$40,000) were secured for guarantees provided by the Company and certain of its subsidiaries in favour of the licensed banks for certain banking facilities (Note 31).

附註:

於2017年12月31日，本集團之三筆(2016年：四筆)受限制銀行存款如下：

- a. 於2017年12月31日，港幣637,930,000元(2016年：港幣349,189,000元)之銀行存款以託管方式由持牌銀行持有，以清償本公司一間附屬公司對美國洛杉磯物業發展項目之總承建商負有之任何建設承擔。託管安排乃根據由該持牌銀行、該總承建商及該附屬公司訂立之託管協議的規定作出。
- b. 於2017年12月31日，港幣14,230,000元(2016年：港幣34,395,000元)之銀行存款以託管方式由持牌銀行持有，以清償本公司一間附屬公司對美國夏威夷卡珀雷西區物業發展項目之基建承建商負有之任何基建承擔。託管安排乃根據由該持牌銀行、該基建承建商及該附屬公司訂立之基礎設施協議及控制賬戶協議的規定作出。
- c. 於2017年12月31日，港幣228,482,000元(2016年：港幣40,000元)之銀行存款已就本公司及其若干附屬公司向持牌銀行提供之擔保作抵押，以獲取若干銀行融資(附註31)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

22 CASH AND BANK DEPOSITS (CONTINUED)

Notes: (Continued)

- d. As at 31 December 2016, a bank deposit of HK\$26,367,000 was secured for a bank guarantee provided by a subsidiary of the Company in favour of PT Perusahaan Listrik Negara (Persero) ("PLN"), an Indonesia state owned limited liability company. The guarantee was required under a power purchase agreement entered into between PLN and a subsidiary of the Company. The bank deposit was released in April 2017.

Bank balances of HK\$290,373,000 (2016: HK\$249,331,000) are denominated in RMB and are placed with banks in the PRC. The remittance of these funds out of the PRC is subject to exchange control restrictions imposed by the PRC government. The remaining bank balances are mainly denominated in HK\$ or US\$.

23 DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

As at 31 December 2017, deposits received, other payables and accruals included rental deposits received of HK\$29,914,000 (2016: HK\$28,840,000), amounts due to related parties of HK\$3,855,000 (2016: HK\$2,560,000) (Note 32g), interest payable to a fellow subsidiary of HK\$460,000 (2016: Nil) (Note 32g), other taxes payable of HK\$217,015,000 (2016: HK\$75,867,000) and payables and accruals for construction costs of power plants and property development projects of HK\$111,018,000 (2016: HK\$75,370,000) and HK\$1,026,155,000 (2016: HK\$311,577,000) respectively.

The amounts due to related parties are unsecured, interest-free and repayable within 12 months from the end of the reporting period.

22 現金及銀行存款(續)

附註：(續)

- d. 於2016年12月31日，港幣26,367,000元之銀行存款已就本公司一間附屬公司以PT Perusahaan Listrik Negara (Persero) (「PLN」，一間印尼國有有限責任公司)為受益人提供之銀行擔保作抵押。該項擔保乃根據一份由PLN與本公司一間附屬公司訂立之電力購買協議的規定提供。該筆銀行存款已於2017年4月解除。

港幣290,373,000元(2016年：港幣249,331,000元)之銀行結餘以人民幣計值及存放於中國之銀行。將該等資金匯出中國受到中國政府外匯管制之規限。餘下銀行結餘主要以港幣或美元計值。

23 已收按金、其他應付款項及應計項目

於2017年12月31日，已收按金、其他應付款項及應計項目包括已收租賃按金港幣29,914,000元(2016年：港幣28,840,000元)、應付關連人士款項港幣3,855,000元(2016年：港幣2,560,000元)(附註32g)、應付一間同系附屬公司之利息港幣460,000元(2016年：無)(附註32g)、其他應付稅項港幣217,015,000元(2016年：港幣75,867,000元)及分別有關發電廠及物業發展項目建設成本之應付款項及應計項目港幣111,018,000元(2016年：港幣75,370,000元)及港幣1,026,155,000元(2016年：港幣311,577,000元)。

應付關連人士款項為無抵押、免息及須於報告期末後十二個月內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

24 DEFERRED INCOME TAX (ASSETS)/ LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

- a. The net movement in the deferred income tax (assets)/liabilities is as follows:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 January	於1月1日	239,511	179,002
Exchange translation differences	匯兌差額	16,842	(14,388)
Reversal of deferred income tax liability upon distribution of profits from subsidiaries	於分配附屬公司利潤時撥回遞延所得稅負債	(2,970)	—
Charge to income statement (Note 7)	於收益表扣除(附註7)		
— Charge for the year	— 年內支出	4,014	74,897
— Change in applicable tax rate	— 適用稅率變動	2,179	—
At 31 December	於12月31日	259,576	239,511

- b. Deferred income tax comprises:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Deferred income tax assets	遞延所得稅資產	(9,211)	(4,287)
Deferred income tax liabilities	遞延所得稅負債	268,787	243,798
At 31 December	於12月31日	259,576	239,511

24 遞延所得稅(資產)／負債

當具有法定可執行權利將流動所得稅資產與流動所得稅負債抵銷及當遞延所得稅涉及同一財政機關時，遞延所得稅資產及負債可予抵銷。

- a. 遞延所得稅(資產)／負債淨變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

24 DEFERRED INCOME TAX (ASSETS)/
LIABILITIES (CONTINUED)

- c. The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

		Tax losses	Accelerated tax depreciation	Changes in fair value of investment properties	Other temporary differences	Total
		稅項虧損	加速稅項 折舊	投資物業公 允價值變動	其他暫時 差額	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2017	於2017年1月1日	(11,539)	124,679	112,801	13,570	239,511
Exchange translation differences	匯兌差額	(108)	9,052	7,841	57	16,842
(Credit)/charge to income statement	(計入收益表) / 於收益表扣除					
— Charge for the year	— 年內支出	(11,483)	8,163	—	7,334	4,014
— Changes in the applicable tax rate	— 適用稅率變動	6,604	—	—	(4,425)	2,179
Reversal of deferred income tax liability upon distribution of profits from subsidiaries	於分配附屬公司利潤時撥回遞延所得稅負債	—	—	—	(2,970)	(2,970)
At 31 December 2017	於2017年12月31日	(16,526)	141,894	120,642	13,566	259,576
At 1 January 2016	於2016年1月1日	(12,750)	124,671	53,238	13,843	179,002
Exchange translation differences	匯兌差額	(4)	(8,230)	(5,136)	(1,018)	(14,388)
Charge to income statement	於收益表扣除	1,215	8,238	64,699	745	74,897
At 31 December 2016	於2016年12月31日	(11,539)	124,679	112,801	13,570	239,511

- d. The investment properties are held within a business model with the objective to substantially realise all of the economic benefits embodied in the properties over time, rather than through sale.

24 遞延所得稅(資產) / 負債(續)

- c. 遞延所得稅資產及負債於年內之變動(未計及抵銷於相同稅務司法權區內之結餘)如下:

- d. 投資物業以商業模型持有，而該模型旨在隨時間流逝(而非透過出售)實現該等物業所包含之絕大部分經濟利益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

**24 DEFERRED INCOME TAX (ASSETS)/
LIABILITIES (CONTINUED)**

- e. Deferred income tax assets are recognised for unused tax losses carried forward to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilised, based on all available evidence. The Group has not recognised deferred income tax assets in respect of cumulative unused tax losses of approximately HK\$183,657,000 (2016: HK\$140,553,000). The tax losses can be carried forward indefinitely, except for Indonesian tax losses of approximately HK\$6,331,000 (2016: HK\$949,000) which can be carried forward for 25 years and will expire in the following years:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
2039	2039年	597,000	597,000
2041	2041年	352,000	352,000
2042	2042年	5,382,000	—
		6,331,000	949,000

24 遞延所得稅(資產)／負債(續)

- e. 基於所有可得證據，倘若未來有機會取得應課稅利潤而可使用結轉之未動用稅項虧損，則就結轉未動用稅項虧損確認遞延所得稅資產。本集團並無就累計未動用稅項虧損約港幣183,657,000元(2016年：港幣140,553,000元)確認遞延所得稅資產。稅項虧損可無限期結轉，惟約港幣6,331,000元(2016年：港幣949,000元)之印尼稅項虧損僅可結轉25年，並將於以下年度屆滿：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

25 SHARE CAPITAL

25 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元
Authorised ordinary shares of HK\$0.1 each:	每股面值港幣0.1元之 法定普通股：		
At 1 January 2016	於2016年1月1日	20,000,000,000	2,000,000
Increase in authorised ordinary shares (Note a)	法定普通股增加(附註a)	30,000,000,000	3,000,000
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、2017年 1月1日及2017年12月31日	50,000,000,000	5,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016	於2016年1月1日	10,761,768,707	1,076,177
Issue of new shares (Note b)	發行新股份(附註b)	5,380,884,353	538,088
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、2017年 1月1日及2017年12月31日	16,142,653,060	1,614,265

Notes:

附註：

- a. Pursuant to an ordinary resolution passed on 24 May 2016, the authorised share capital of the Company was increased from HK\$2,000,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.1 each to HK\$5,000,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.1 each by the creation of an additional 30,000,000,000 ordinary shares of HK\$0.1 each in the share capital of the Company. The new shares rank pari passu with the existing shares in all respects.
- b. On 11 March 2016, the Company issued 5,380,884,353 rights shares at a subscription price of HK\$0.85 per share and raised gross proceeds of HK\$4,573,752,000. Issuance expense of HK\$2,441,000 was netted off against share premium accordingly.

- a. 根據於2016年5月24日通過之一項普通決議案，本公司之法定股本已藉增設30,000,000,000股本公司股本中每股面值港幣0.1元之額外普通股由港幣2,000,000,000元(分為20,000,000,000股每股面值港幣0.1元之普通股)增至港幣5,000,000,000元(分為50,000,000,000股每股面值港幣0.1元之普通股)。新股份與現有股份於各方面享有同等地位。
- b. 於2016年3月11日，本公司按認購價每股港幣0.85元發行5,380,884,353股供股股份並籌集所得款項總額港幣4,573,752,000元。發行開支港幣2,441,000元已經與股份溢價相抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

26 TRANSACTIONS WITH NON-CONTROLLING INTERESTS**a. Acquisition of non-controlling interest in Shanghai Gang Lu Real Estate Development Co., Ltd.* (currently known as Oceanwide Shen Gang Asset Operation (Shanghai) Co., Ltd.*) (“SGL”)**

On 7 April 2017, the Company, through its indirect wholly-owned subsidiary, namely China Oceanwide Property International Development Limited, acquired 12% equity interests in SGL, a non-wholly-owned subsidiary of the Company, at the consideration of HK\$147,250,000.

26 與非控股權益進行之交易**a. 收購上海港陸房地產開發有限公司(「上海港陸」, 現稱泛海申港資產經營(上海)有限公司)之非控股權益**

於2017年4月7日, 本公司透過其間接全資附屬公司中泛置業國際發展有限公司以代價港幣147,250,000元收購本公司非全資附屬公司上海港陸之12%股權。

		2017 2017年 HK\$'000 港幣千元
Carrying amount of non-controlling interests acquired	所收購非控股權益之賬面金額	113,446
Less: consideration paid to non-controlling interests	減: 已付非控股權益之代價	(147,250)
Excess of consideration paid for non-controlling interest recognised within equity	於權益確認就非控股權益支付之超額代價	(33,804)

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

26 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (CONTINUED)**b. Acquisition of non-controlling interest in Shanghai Pu Gang Real Estate Development Co., Ltd.* (currently known as Oceanwide Gang Hu Asset Operation (Shanghai) Co., Ltd.*) (“SPG”)**

On 1 April 2017, the Company, through its indirect wholly-owned subsidiary, namely China Oceanwide Property Sino Limited, acquired 20% equity interests in SPG, a non-wholly-owned subsidiary of the Company, at the consideration of HK\$86,071,000.

26 與非控股權益進行之交易(續)**b. 收購上海浦港房地產開發有限公司(「上海浦港」, 現稱泛海港滬資產經營(上海)有限公司)之非控股權益**

於2017年4月1日, 本公司透過其間接全資附屬公司中泛置業中國有限公司以代價港幣86,071,000元收購本公司非全資附屬公司上海浦港之20%股權。

		2017 2017年 HK\$'000 港幣千元
Carrying amount of non-controlling interests acquired	所收購非控股權益之賬面金額	54,185
Less: consideration paid to non-controlling interests	減: 已付非控股權益之代價	(86,071)
Excess of consideration paid for non-controlling interest recognised within equity	於權益確認就非控股權益支付之超額代價	(31,886)

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

27 BANK AND OTHER LOANS

27 銀行及其他貸款

The analysis of bank and other loans is as follows:

銀行及其他貸款分析如下：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Bank loans, secured (Note a)	銀行貸款，有抵押 (附註a)	3,981,357	2,359,875
Other loan from a third party, secured (Note b)	來自一名第三方之 其他貸款，有抵押 (附註b)	1,067,007	756,122
Other loan from a fellow subsidiary, secured (Note c)	來自一間同系附屬公司之 其他貸款，有抵押 (附註c)	280,000	—
Bank and other loans	銀行及其他貸款	5,328,364	3,115,997
Current portion	流動部分	(4,261,357)	(2,359,875)
Non-current portion	非流動部分	1,067,007	756,122

Notes:

附註：

- a. As at 31 December 2017, the Group's bank loans were secured by assets amounting to HK\$1,827,257,000 (2016: HK\$729,784,000) and guarantees provided by an intermediate holding company of the Company, a non-controlling shareholder of subsidiaries, the Company and certain of its subsidiaries as well as letters of credit in favour of the banks.

- a. 於2017年12月31日，本集團之銀行貸款由其港幣1,827,257,000元(2016年：港幣729,784,000元)之資產及本公司一間中間控股公司、附屬公司之非控股股東、本公司及其若干附屬公司所提供之擔保以及以銀行為受益人之信用證作抵押。

The bank loans are denominated in US\$ and bear interest at London Interbank Offering Rate ("LIBOR") or the bank's cost of funds plus a specific margin.

該等銀行貸款以美元計值並按倫敦銀行同業拆息或銀行之資金成本加上特定息差計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

27 BANK AND OTHER LOANS
(CONTINUED)

Notes: (Continued)

- b. As at 31 December 2017, the Group's other loan was secured by assets amounting to HK\$6,158,002,000 (2016: HK\$3,218,796,000) as well as guarantees provided by a subsidiary and an intermediate holding company of the Company

The other loan is denominated in US\$ and bears interest at 1.8% per annum.

- c. As at 31 December 2017, the Group's loan from a fellow subsidiary was secured by assets amounting to HK\$157,036,000 (2016: Nil).

The loan is denominated in HK\$ and bears interest at 6.0% per annum.

At 31 December 2017 and 2016, the Group's borrowings were repayable as follows:

27 銀行及其他貸款(續)

附註：(續)

- b. 於2017年12月31日，本集團之其他貸款由其港幣6,158,002,000元(2016年：港幣3,218,796,000元)之資產以及本公司一間附屬公司及一間中間控股公司所提供之擔保作抵押。

其他貸款以美元計值並按年利率1.8%計息。

- c. 於2017年12月31日，本集團來自一間同系附屬公司之貸款由其港幣157,036,000元(2016年：無)之資產作抵押。

該筆貸款以港幣計值並按年利率6.0%計息。

於2017年及2016年12月31日，本集團之借貸應償還如下：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Bank loans — within one year	銀行貸款 — 一年內	3,981,357	2,359,875
Other loan from a fellow subsidiary — within one year	來自一間同系附屬公司之其他貸款 — 一年內	280,000	—
Other loan from a third party — between 2 and 5 years	來自一名第三方之其他貸款 — 二至五年	1,067,007	756,122
Total	總計	5,328,364	3,115,997

As at 31 December 2017, the Group had undrawn facilities amounting to HK\$6,413,767,000 (2016: HK\$3,067,877,000) (including undrawn facilities from an intermediate holding company).

於2017年12月31日，本集團擁有未提取融資港幣6,413,767,000元(2016年：港幣3,067,877,000元)(包括來自一間中間控股公司之未提取融資)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

28 NOTES TO THE CONSOLIDATED
STATEMENT OF CASH FLOWS

28 綜合現金流量表附註

- a. Reconciliation of operating profit to cash (used in)/ generated from operating activities before finance costs, tax paid and changes in working capital:

- a. 經營利潤與未計融資成本、已付稅項及營運資金變動前之經營業務(所用) / 所產生之現金對賬:

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Operating profit	經營利潤	86,556	257,436
Adjustments for:	調整:		
Interest income	利息收益	(44,024)	(44,824)
Dividend income	股息收益	(4,374)	(5,975)
Depreciation of properties, plant and equipment	物業、機器及設備之折舊	3,438	3,144
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	51	52
Loss on disposal of properties, plant and equipment	出售物業、機器及設備之虧損	3	17
Fair value gains on revaluation of investment properties	重估投資物業之公允價值利得	—	(273,407)
Fair value gains on revaluation of financial assets at fair value through profit or loss	重估按公允價值計入損益之財務資產之公允價值利得	(2,499)	—
Net realised gains on disposal of listed debt securities	出售上市債務證券之淨變現利得	(19,669)	—
Net realised gains on disposal of listed equity securities	出售上市股票證券之淨變現利得	(27,928)	(3,226)
Impairment losses on available-for-sale equity securities	可供出售之股票證券之減值虧損	—	87,491
		(8,446)	20,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

28 綜合現金流量表附註(續)

b. Changes in working capital:

b. 營運資金之變動：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Decrease in trade and other receivables, deposits and prepayments	應收賬款以及其他應收款項、按金及預付款項減少	17,575	85,065
Increase in properties under development	發展中物業增加	(1,900,010)	(6,835,564)
Increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計項目增加	143,847	63,903
		(1,738,588)	(6,686,596)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

c. Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 December 2017.

28 綜合現金流量表附註(續)

c. 債務淨額對賬：

本章節載列截至2017年12月31日止年度之債務淨額分析及債務淨額變動。

		Liabilities from financing activities 融資業務所產生之負債				
Amount due to an intermediate holding company 應付一間中間控股公司款項 HK\$'000 港幣千元		Loans from fellow subsidiaries 同系附屬公司提供之貸款 HK\$'000 港幣千元	Borrowings repayable within 1 year 一年內償還之借貸 HK\$'000 港幣千元	Borrowings repayable after 1 year 一年後償還之借貸 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	
Net debt as at 1 January 2017	於2017年1月1日之債務淨額	(1,694,489)	—	(2,359,875)	(756,122)	(4,810,486)
Cash inflows	現金流入	(2,331,268)	(340,000)	(1,733,347)	(304,859)	(4,709,474)
Cash outflows	現金流出	919,974	60,000	177,314	—	1,157,288
Foreign exchange adjustments	外幣匯兌調整	(14,723)	—	(26,119)	(6,026)	(46,868)
Other non-cash movements	其他非現金變動	—	—	(39,330)	—	(39,330)
Net debt as at 31 December 2017	於2017年12月31日之債務淨額	(3,120,506)	(280,000)	(3,981,357)	(1,067,007)	(8,448,870)

d. Non-cash investing activity:

In January 2016, a loan amounted to HK\$160,663,000 was borrowed by a non-controlling shareholder of a subsidiary of the Company from the Group, which in turn was injected by the non-controlling shareholder as capital contribution to the subsidiary of the Company.

d. 非現金投資活動：

於2016年1月，本公司一間附屬公司之非控股股東向本集團借入港幣160,663,000元之貸款，然後該非控股股東將該筆貸款注入本公司該附屬公司作為注資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

29 CAPITAL COMMITMENTS

As at 31 December 2017 and 2016, capital commitments contracted but not provided for were as follows:

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Properties, plant and equipment	物業、機器及設備	1,263,960	1,930,810
Properties under development and investment properties	發展中物業及投資物業	3,339,639	5,551,280
Total	總計	4,603,599	7,482,090

29 資本承擔

於2017年及2016年12月31日，已簽約但未撥備之資本承擔如下：

30 OPERATING LEASE COMMITMENTS

a. At 31 December 2017 and 2016, the Group's future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties are as follows:

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Not later than one year	一年以內	96,553	83,295
Later than one year and not later than five years	一年之後及五年以內	181,989	152,547
Later than five years	五年之後	146,634	127,537
		425,176	363,379

30 經營租賃承擔

a. 於2017年及2016年12月31日，本集團就投資物業根據不可註銷經營租賃於未來應收之最低租金總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

30 OPERATING LEASE COMMITMENTS (CONTINUED)

- b. At 31 December 2017 and 2016, the Group's future aggregate minimum lease payments under non-cancellable operating leases in respect of properties are as follows:

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Not later than one year	一年以內	20,313	23,682
Later than one year and not later than five years	一年之後及五年以內	38,290	24,774
Later than five years	五年之後	13,996	—
		72,599	48,456

30 經營租賃承擔(續)

- b. 於2017年及2016年12月31日，本集團就物業根據不可註銷經營租賃於未來應付之最低租金總額如下：

31 PLEDGE OF ASSETS

As at 31 December 2017 and 2016, certain assets of the Group were pledged to secure borrowings of the Group as follows:

31 資產抵押

於2017年及2016年12月31日，本集團若干資產已抵押作為授予本集團之借貸之擔保如下：

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Pledged bank deposits (Note 22c and 22d)	已抵押銀行存款(附註22c及22d)	228,482	26,407
Financial assets at fair value through profit or loss	按公允價值計入損益之財務資產	80,670	—
Available-for-sale financial assets	可供出售之財務資產	400,721	668,259
Properties under development	發展中物業	4,024,411	2,117,367
Properties, plant and equipment	物業、機器及設備	6,178	4,102
Leasehold land and land use rights	租賃土地及土地使用權	1,359	—
Investment properties	投資物業	3,400,474	1,158,812
		8,142,295	3,974,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS

The directors of the Company consider the ultimate holding company of the Company to be Tohigh Holdings Co., Ltd*, a company incorporated in the PRC, which is ultimately controlled by Mr. Lu Zhiqiang.

Save as disclosed elsewhere in these consolidated financial statements, the following significant transactions were carried out with related parties during the year in the normal course of business at terms determined and agreed by both parties:

a. Sales of services**32 重大關連人士交易**

本公司董事認為，本公司之最終控股公司為通海控股有限公司，該公司於中國註冊成立，並由盧志強先生最終控制。

除此等綜合財務報表其他章節所披露者外，年內曾與關連人士進行以下重大交易，該等交易乃於正常營業過程中按交易雙方釐定及協定之條款進行：

a. 服務銷售

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
(i) Rental income from a fellow subsidiary — Tohigh Construction Company Limited*	(i) 向一間同系附屬公司收取之租金收益 — 通海建設有限公司	283	291
(ii) Management fee income from fellow subsidiaries — Oceanwide Property Management Co., Ltd* (“Oceanwide Property Management”) — PT China Oceanwide Indonesia (“PTCOI”)	(ii) 向同系附屬公司收取之管理費用收益 — 泛海物業管理有限公司 (「泛海物業管理」) — PT China Oceanwide Indonesia (「PTCOI」)	196 5	262 124
(iii) Referral fee income from a fellow subsidiary — Oceanwide Securities Company Limited (formerly known as: Quam Securities Company Limited) (“Oceanwide Securities”)	(iii) 向一間同系附屬公司收取之轉介費用收益 — 中國泛海證券有限公司(前稱：華富嘉洛證券有限公司) (「泛海證券」)	469	—

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

**32 MATERIAL RELATED PARTY
TRANSACTIONS (CONTINUED)**

32 重大關連人士交易(續)

**b. Purchases of services and
properties, plant and equipment**

**b. 服務以及物業、機器及
設備採購**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
(i) Rental expense charged by a fellow subsidiary — PTCOI	(i) 一間同系附屬公司收取之租金開支 — PTCOI	7,202	7,172
(ii) Purchase of building management service from a fellow subsidiary — Oceanwide Property Management	(ii) 向一間同系附屬公司購買物業管理服務 — 泛海物業管理	1,219	503
(iii) Purchase of corporate finance advisory service from a fellow subsidiary — Oceanwide Securities	(iii) 向一間同系附屬公司購買企業財務顧問服務 — 泛海證券	100	—
(iv) Purchase of insurance services from a fellow subsidiary — Asia-Pacific Property & Casualty Insurance Co., Ltd.	(iv) 向一間同系附屬公司購買保險服務 — 亞太財產保險有限公司	612	—
(v) Purchase of property, plant and equipment from a fellow subsidiary — Oceanwide Center LLC	(v) 向一間同系附屬公司購買物業、機器及設備 — 泛海中心有限公司*	—	312

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**32 重大關連人士交易(續)****c. Interest income****c. 利息收益**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
(i)	Interest income from		
	(1) SEPC (Note 18)	—	1,090
	(2) GSG (Note 18)	13,337	12,406

(i) 向下列各方收取之利息收益

(1) SEPC(附註18)

(2) GSG(附註18)

d. Borrowing costs**d. 借貸成本**

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
(i)	Borrowing costs charged by an intermediate holding company — China Oceanwide Group Limited (“COG”) (Note 8)		
(i)	中間控股公司收取之借貸成本 — 中泛集團有限公司(「中泛集團」) (附註8)	6,309	10,263
(ii)	Borrowing costs charged by a fellow subsidiary — Oceanwide Finance Limited (“Oceanwide Finance”) (Note 8)		
(ii)	一間同系附屬公司收取之借貸成本 — 中國泛海財務有限公司(「泛海財務」) (附註8)	460	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**e. Construction cost paid to a non-controlling shareholder of subsidiaries, SEPC and its subsidiary PT.SEPC**

- (i) SEPC and its subsidiary PT.SEPC are engaged on a fixed lump sum contract of US\$431,930,000 (equivalent to approximately HK\$3,376,354,000) for the design, engineering, procurement, construction, commissioning, testing and completion of, and making good of defects in relation to two coal fuel steam power plant facilities with net capacity of 150 megawatt each in Medan Industrial Area, North Sumatra, Indonesia.

During the year ended 31 December 2017, construction costs of HK\$650,485,000 (2016: HK\$571,360,000) were paid and recognised as properties, plant and equipment and prepayments for the construction of the power plant facilities.

- (ii) SEPC is engaged to procure the main equipment for the construction of the Group's power plant facilities in Banyuasin, South Sumatera Province, Indonesia, for a total cash consideration of US\$39,550,000 (equivalent to approximately HK\$309,158,000).

During the year ended 31 December 2017, nil (2016: HK\$84,918,000) construction costs were paid and recognised as prepayments for construction of power plants.

32 重大關連人士交易(續)**e. 支付予多間附屬公司之非控股股東SEPC及其附屬公司PT.SEPC之建設成本**

- (i) SEPC及其附屬公司PT.SEPC按431,930,000美元(相等於約港幣3,376,354,000元)之固定總價全包合約基準獲委聘設計、工程規劃、採購、建設、調試、測試及完成位於印尼北蘇門答臘省棉蘭工業區的淨產能各為150兆瓦的兩座燃煤蒸汽發電廠設施，並保證並無缺陷。

於截至2017年12月31日止年度，建設成本港幣650,485,000元(2016年：港幣571,360,000元)已支付並確認為物業、機器及設備以及建設發電廠設施之預付款項。

- (ii) SEPC獲委聘採購本集團於印尼南蘇門答臘省Banyuasin建設發電廠設施所需之主要設備，總現金代價為39,550,000美元(相等於約港幣309,158,000元)。

於截至2017年12月31日止年度，建設成本港幣零元(2016年：港幣84,918,000元)已支付並確認為建設發電廠之預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**f. Key management compensation**

No transaction were made with the directors and senior management of the Company during the year other than the emoluments paid to them (being the key management personnel compensation) as disclosed in Note 13.

g. Year-end balances arising from related party transactions**32 重大關連人士交易(續)****f. 主要管理人員薪酬**

年內，除向彼等支付之酬金(主要管理人員薪酬)(於附註13披露)外，概無與本公司董事及高級管理人員進行任何交易。

g. 關連人士交易所產生之年末結餘

		2017	2016
		2017年	2016年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Amount due to an intermediate holding company (i)	應付一間中間控股公司款項 (i)		
– COG	– 中泛集團	3,120,506	1,694,489
Amount due to a fellow subsidiary	應付一間同系附屬公司款項		
– Oceanwide Finance	– 泛海財務		
• Loan from Oceanwide Finance (Note 27c)	• 來自泛海財務之貸款 (附註27c)	280,000	–
• Interest payable to Oceanwide Finance (Note 23)	• 應付泛海財務之利息 (附註23)	460	–
		280,460	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

32 重大關連人士交易(續)

g. Year-end balances arising from related party transactions (Continued)

g. 關連人士交易所產生之年末結餘(續)

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
Amounts due from/(to) related parties (Note 18 and 23)	應收／(應付)關連人士款項(附註18及23)		
– Oceanwide Property Management, a fellow subsidiary (ii)	– 泛海物業管理(一間同系附屬公司)(ii)	169	133
– Oceanwide Securities, a fellow subsidiary (ii)	– 泛海證券(一間同系附屬公司)(ii)	469	–
– SEPC, a non-controlling shareholder of subsidiaries (ii)	– SEPC(多間附屬公司之非控股股東)(ii)	4,293	4,292
– PT. Satya Abadi Semesta, a non-controlling shareholder of a subsidiary (ii)	– PT. Satya Abadi Semesta(一間附屬公司之非控股股東)(ii)	8,587	8,584
– PTCOI, a fellow subsidiary (ii)	– PTCOI(一間同系附屬公司)(ii)	(2,512)	(1,240)
– Oceanwide Holdings, an intermediate holding company (ii)	– 泛海控股(一間中間控股公司)(ii)	(1,343)	(1,320)
		9,663	10,449
Construction payable to a non-controlling shareholder of subsidiaries (iii)	應付附屬公司一名非控股股東之建設款項(iii)		
– SEPC	– SEPC	110,018	–
Construction payable to a subsidiary of a non-controlling shareholder of subsidiaries (iii)	應付附屬公司一名非控股股東之一間附屬公司之建設款項(iii)		
– PT.SEPC	– PT.SEPC	–	65,877
Interest receivable from a non-controlling shareholder of subsidiaries (Note 18)	應收附屬公司一名非控股股東之利息(附註18)		
– SEPC	– SEPC	4,147	4,114
Loan and interest receivables from a non-controlling shareholder of a subsidiary (Note 18)	應收一間附屬公司一名非控股股東之貸款及利息(附註18)		
– GSG	– GSG	253,352	237,910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**g. Year-end balances arising from related party transactions (Continued)**

Notes:

- (i) On 3 June 2016, a loan agreement was entered into between the Company and COG for a total facility of US\$250,000,000 which was expired on 31 December 2017. On 29 December 2017, a supplemental agreement was entered into between the Company and COG to extend the term of the loan for two years until 31 December 2019 and amend the interest rate from non-interest bearing to 5% per annum with effect from 1 January 2018. As at 31 December 2017, the loan was unsecured, interest-free and repayable within 30 business days upon COG serving a written notice to the Company at any time during the loan term. As at 31 December 2017, HK\$1,942,265,000 (2016: HK\$1,694,489,000) was drawn.

On 7 September 2016, another loan agreement was entered into between a subsidiary of the Company and COG for a total facility of US\$300,000,000 which was expired on 31 December 2017. On 29 December 2017, a supplemental agreement was entered into between the subsidiary of the Company and COG to extend the term of the loan for two years with until 31 December 2019 and amend the interest rate from 2.5% per annum to 5% per annum with effect from 1 January 2018. As at 31 December 2017, the loan was unsecured and interest bearing at 2.5% per annum. The loan principal was repayable within 30 business days upon COG serving a written notice to the Company at any time during the loan term while the accrued interest was repayable every six months on 30 June and 31 December. As at 31 December 2017, HK\$1,178,241,000 (2016: Nil) was drawn.

On 29 December 2017, another loan agreement was entered into between a subsidiary of the Company and COG for a total facility of US\$650,000,000. As at 31 December 2017, the facility was unsecured, interest bearing at 5% per annum and repayable within 30 business days upon COG serving a written notice to the Company at any time during the loan term. As at 31 December 2017, nil balance was drawn.

32 重大關連人士交易(續)**g. 關連人士交易所產生之年末結餘(續)**

附註：

- (i) 於2016年6月3日，本公司與中泛集團就融資總額250,000,000美元簽訂一份貸款協議，該協議已於2017年12月31日屆滿。於2017年12月29日，本公司與中泛集團簽訂一份補充協議，將貸款期限延長兩年至2019年12月31日，並將利率由不計息修訂為按年利率5%計息，自2018年1月1日起生效。於2017年12月31日，該筆貸款為無抵押、免息及須在中泛集團於貸款期限內任何時間向本公司發出書面通知後30個營業日內償還。於2017年12月31日，港幣1,942,265,000元(2016年：港幣1,694,489,000元)已獲提取。

於2016年9月7日，本公司一間附屬公司與中泛集團就融資總額300,000,000美元簽訂另一份貸款協議，該協議已於2017年12月31日屆滿。於2017年12月29日，本公司之附屬公司與中泛集團簽訂一份補充協議，將貸款期限延長兩年至2019年12月31日，並將年利率由2.5%修訂為5%，自2018年1月1日起生效。於2017年12月31日，該筆貸款為無抵押、按年利率2.5%計息。該貸款本金額須在中泛集團於貸款期限內任何時間向本公司發出書面通知後30個營業日內償還，而已計利息須每六個月在6月30日及12月31日償還。於2017年12月31日，港幣1,178,241,000元(2016年：無)已獲提取。

於2017年12月29日，本公司一間附屬公司與中泛集團就融資總額650,000,000美元簽訂另一份貸款協議。於2017年12月31日，該融資為無抵押、按年利率5%計息及須在中泛集團於貸款期限內任何時間向本公司發出書面通知後30個營業日內償還。於2017年12月31日，並無結餘獲提取。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

g. Year-end balances arising from related party transactions (Continued)

Notes: (Continued)

- (ii) Balances are unsecured, interest-free and repayable within the next 12 months after the end of the reporting period. The carrying amounts approximate their fair values.
- (iii) Balance are unsecured and settled based on agreed credit terms. The carrying amounts approximate their fair values.

h. Others

- (i) In March 2016, each of the three immediate holding companies of the Company, namely Oceanwide Holdings International Co., Ltd, Oceanwide Holdings International Finance Limited and Oceanwide Real Estate International Company Limited, subscribed 4,848,014,331, 52,614,000 and 26,513,000 rights shares of the Company at a subscription price of HK\$0.85 per share respectively (Note 25b).
- (ii) As at 31 December 2017, an intermediate holding company of the Company procured a standby letter of credit in favour of a bank to secure for a bank loan of the Company with a carrying amount of HK\$2,165,262,000 (2016: HK\$2,169,356,000) (Note 27a).
- (iii) As at 31 December 2017, an intermediate holding company of the Company acted as guarantor and provided a guarantee on a loan of the Company with a carrying amount of HK\$1,067,007,000 (2016: HK\$756,122,000) (Note 27b).

32 重大關連人士交易(續)

g. 關連人士交易所產生之年末結餘(續)

附註：(續)

- (ii) 結餘為無抵押、免息及須於報告期末後未來12個月內償還。賬面金額與其公允價值相若。
- (iii) 結餘為無抵押並按經協定之信貸期償付。賬面金額與其公允價值相若。

h. 其他

- (i) 於2016年3月，本公司三間直接控股公司(即泛海控股國際有限公司、泛海控股國際金融有限公司及泛海建設國際有限公司)各自分別按認購價每股港幣0.85元認購4,848,014,331股、52,614,000股及26,513,000股本公司之供股股份(附註25b)。
- (ii) 於2017年12月31日，本公司一間中間控股公司發行以銀行為受益人之備用信用證作為本公司一筆賬面金額為港幣2,165,262,000元(2016年：港幣2,169,356,000元)之銀行貸款之抵押(附註27a)。
- (iii) 於2017年12月31日，本公司一間中間控股公司作為擔保人，為本公司一筆賬面金額為港幣1,067,007,000元(2016年：港幣756,122,000元)之貸款提供擔保(附註27b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**h. Others (Continued)**

- (iv) In March 2017, an intermediate holding company of the Company secured a bank deposit of US\$8,474,000 (equivalent to approximately HK\$66,240,000) on behalf of PT Mababar for a bank guarantee in favour of PLN. The guarantee is required under a power purchase agreement entered into between PLN and PT Mababar.
- (v) In April 2017, the Group acquired from the non-controlling shareholders of SGL and SPG the respective 12% and 20% equity interests in SGL and SPG at the consideration of HK\$147,250,000 and HK\$86,071,000 respectively (Note 26).
- (vi) In June 2017, the Company borrowed a loan of HK\$60,000,000 from China Oceanwide International Investment Company Limited, a fellow subsidiary. As at 31 December 2017, the loan was fully repaid.
- (vii) In September 2017, an intermediate holding company of the Company and a non-controlling shareholder of subsidiaries acted as guarantors and provided a guarantee on a loan of a subsidiary of the Company with a carrying amount of HK\$617,535,000 (2016: Nil) (Note 27a).

32 重大關連人士交易(續)**h. 其他(續)**

- (iv) 於2017年3月，本公司一間中間控股公司代表PT Mababar就以PLN為受益人之銀行擔保抵押8,474,000美元(相等於約港幣66,240,000元)之銀行存款。該項擔保乃根據一份由PLN與PT Mababar訂立之電力購買協議的規定提供。
- (v) 於2017年4月，本集團向上海港陸及上海浦港之非控股股東分別收購上海港陸及上海浦港之12%及20%股權，代價分別為港幣147,250,000元及港幣86,071,000元(附註26)。
- (vi) 於2017年6月，本公司向一間同系附屬公司中國泛海國際投資有限公司借入一筆港幣60,000,000元之貸款。於2017年12月31日，該筆貸款已獲悉數償還。
- (vii) 於2017年9月，本公司一間中間控股公司及多間附屬公司之非控股股東作為擔保人，為本公司一間附屬公司一筆賬面金額為港幣617,535,000元(2016年：無)之貸款提供擔保(附註27a)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

33 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors of the Company on 29 March 2018.

34 EVENT AFTER REPORTING PERIOD

On 11 February 2018, the Company entered into a facility agreement with a licensed bank in Hong Kong for a US\$200 million (equivalent to approximately HK\$1,563.4 million) facility. The facility has a term of one year or 14 days prior to the maturity of the standby letter of credit provided by Oceanwide Holdings. The purpose of the facility is to repay the shareholders' loan owed to COG.

As one of the conditions of the facility, Oceanwide Holdings shall procure the issuance of a standby letter of credit (equivalent to the outstanding loan amount or more) in favour of the bank as security for the facility, the breach of which the outstanding loan amount of the facility is repayable in full on demand by the bank.

33 綜合財務報表之批准

綜合財務報表已於2018年3月29日經本公司董事會批准。

34 報告期後事項

2018年2月11日，本公司與一間香港持牌銀行就2億美元(相等於約港幣15.634億元)的融資簽訂融資協議。該融資的期限為一年或由泛海控股開出的備用信用證的到期日前14日。該融資的用途為向中泛集團償還一筆股東貸款結欠。

該融資的其中一項條件為泛海控股須安排發行以銀行為受益人的備用信用證(金額相當於或多於尚欠貸款金額)作為該融資的抵押，如有違反，則須在銀行提出要求時悉數償還該融資項下的尚欠貸款金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

35 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

35 主要附屬公司之詳情

Details of the principal subsidiaries at 31 December 2017 are as follows:

於2017年12月31日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of operations/ incorporation 營業/ 註冊成立地點	Particulars of issued capital 已發行 資本詳情	Group's effective interest (%) 本集團 實際權益(%)	Principal activity 主要業務
China Oceanwide Capital Management Limited 中泛資本管理有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Holding of fund investments 持有基金投資
China Oceanwide International Asset Management Limited 中泛國際資產管理有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	100	Holding of debt and equity securities 持有債務及股票證券
China Oceanwide International Capital Hong Kong Limited 中泛國際資本香港有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	Provision of management services 提供管理服務
China Oceanwide International Capital Investments Management Limited 中泛國際資本投資管理有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	100	Holding of debt securities 持有債務證券

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

35 PARTICULARS OF THE PRINCIPAL
SUBSIDIARIES (CONTINUED)

35 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Place of operations/ incorporation 營業/ 註冊成立地點	Particulars of issued capital 已發行 資本詳情	Group's effective interest (%) 本集團 實際權益(%)	Principal activity 主要業務
China Oceanwide Power Co., Limited 中國泛海電力有限公司	Hong Kong 香港	US\$36,555,000 36,555,000美元	100	Investment holding 投資控股
China Oceanwide Power Investment I Limited 中泛電力投資第一有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Power Investment IV Limited 中泛電力投資第四有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Property International Development Limited 中泛置業國際發展有限公司	Hong Kong 香港	HK\$5,000,000 港幣5,000,000元	100	Investment holding 投資控股
China Oceanwide Property Sino Limited 中泛置業中國有限公司	Hong Kong 香港	HK\$1,000,000 港幣1,000,000元	100	Investment holding 投資控股
China Oceanwide Real Estate Development I Limited 中泛房地產開發第一有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Real Estate Development II Limited 中泛房地產開發第二有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Real Estate Development III Limited 中泛房地產開發第三有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

35 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

35 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Place of operations/ incorporation 營業/ 註冊成立地點	Particulars of issued capital 已發行 資本詳情	Group's effective interest (%) 本集團 實際權益(%)	Principal activity 主要業務
China Oceanwide Real Estate Development IV Limited 中泛房地產開發第四有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
China Oceanwide Real Estate Development V Limited 中泛房地產開發第五有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
Grand Hover International Development Limited 冠豪國際發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property investment 物業投資
Jeanwell Development Limited 置惠發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property investment 物業投資
Oceanwide Real Estate Development HI Corp. 夏威夷泛海不動產開發公司*	U.S. 美國	Paid-in capital of US\$116,518,014 繳足資本 116,518,014美元	100	Investment holding 投資控股
Oceanwide Real Estate Group (USA) Corp. 泛海建設集團(美國)股份有限公司*	U.S. 美國	Paid-in capital of US\$478,000,000 繳足資本 478,000,000美元	100	Investment holding 投資控股
Oceanwide Real Estate International Investment Company Limited 泛海建設國際投資有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	Investment holding 投資控股
Oceanwide Real Estate Investment HI Corp. 夏威夷泛海不動產投資公司*	U.S. 美國	Paid-in capital of US\$203,588,679 繳足資本 203,588,679美元	100	Investment holding 投資控股

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
綜合財務報表附註(續)

35 PARTICULARS OF THE PRINCIPAL
SUBSIDIARIES (CONTINUED)

35 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Place of operations/ incorporation 營業/ 註冊成立地點	Particulars of issued capital 已發行 資本詳情	Group's effective interest (%) 本集團 實際權益(%)	Principal activity 主要業務
Oceanwide Real Estate Investment NY Corp. 紐約泛海不動產投資公司*	U.S. 美國	Paid-in capital of US\$63,624,480 繳足資本 63,624,480美元	100	Investment holding 投資控股
Oceanwide Real Estate Management HI Corp. 夏威夷泛海不動產管理公司*	U.S. 美國	Paid-in capital of US\$287,814,779 繳足資本 287,814,779美元	100	Investment holding 投資控股
Oceanwide Center NY LLC 紐約泛海中心有限公司*	U.S. 美國	Paid-in capital of US\$63,624,480 繳足資本 63,624,480美元	100	Real estate development 房地產發展
Oceanwide Plaza LLC 泛海廣場有限公司*	U.S. 美國	Paid-in capital of US\$478,009,500 繳足資本 478,009,500美元	100	Real estate development 房地產發展
Oceanwide Resort Community HI LLC 泛海夏威夷度假社區有限公司*	U.S. 美國	Paid-in capital of US\$116,468,014 繳足資本 116,468,014美元	100	Real estate development 房地產發展
Oceanwide Resort HI LLC 泛海夏威夷度假村有限公司*	U.S. 美國	Paid-in capital of US\$203,588,679 繳足資本 203,588,679美元	100	Real estate development 房地產發展
Oceanwide Resort Paradise HI LLC 泛海夏威夷度假天堂有限公司*	U.S. 美國	Paid-in capital of US\$287,764,779 繳足資本 287,764,779美元	100	Real estate development 房地產發展

* For identification purpose only

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

35 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (CONTINUED)

35 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Place of operations/ incorporation 營業/ 註冊成立地點	Particulars of issued capital 已發行 資本詳情	Group's effective interest (%) 本集團 實際權益(%)	Principal activity 主要業務
PT. Banyuasin Power Energy	Indonesia 印尼	Rupiah 150,000,000,000 150,000,000,000 印尼盾	85	Operation of power plant 經營發電廠
PT. Mabar Elektrindo	Indonesia 印尼	Rupiah 210,000,000,000 210,000,000,000 印尼盾	60	Operation of power plant 經營發電廠
Oceanwide Shen Gang Asset Operation (Shanghai) Co., Ltd.* (formerly known as Shanghai Gang Lu Real Estate Development Co., Ltd.*) (i) 泛海申港資產經營(上海)有限公司 (前稱上海港陸房地產開發 有限公司)(i)	PRC 中國	Paid-in capital of US\$16,000,000 繳足資本 16,000,000美元	100	Property investment 物業投資
Shanghai Pu Gang Real Estate Development Co., Ltd.* (i) (ii) 上海浦港房地產開發有限公司 (i) (ii)	PRC 中國	Paid-in capital of US\$7,000,000 繳足資本 7,000,000美元	100	Property investment 物業投資

* For identification purpose only

* 僅供識別

Notes:

附註:

(i) Sino-foreign equity joint ventures

(i) 中外合資企業

(ii) With effect from 9 January 2018, the entity name of Shanghai Pu Gang Real Estate Development Co., Ltd. was changed to Oceanwide Gang Hu Asset Operation (Shanghai) Co., Ltd.*

(ii) 自2018年1月9日起，上海浦港房地產開發有限公司之實體名稱已改為泛海港滬資產經營(上海)有限公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

36 本公司之財務狀況表及儲備變動

a. Statement of financial position of the Company

a. 本公司之財務狀況表

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司之投資	661,425	661,425
Amounts due from subsidiaries	應收附屬公司款項	10,450,339	8,077,806
		11,111,764	8,739,231
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	1,510,127	2,811,923
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	3,719	3,138
Cash and cash equivalents	現金及現金等價物	201,949	270,964
		1,715,795	3,086,025
Total assets	資產總值	12,827,559	11,825,256
EQUITY	權益		
Equity	權益		
Share capital	股本	1,614,265	1,614,265
Reserves	儲備	8,465,853	8,502,799
Total equity	權益總額	10,080,118	10,117,064
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計項目	13,108	13,703
Bank and other loans	銀行及其他貸款	792,068	—
Amount due to an intermediate holding company	應付一間中間控股公司款項	1,942,265	1,694,489
Total liabilities	負債總額	2,747,441	1,708,192
Total equity and liabilities	權益及負債總額	12,827,559	11,825,256

The statement of financial position of the Company was approved by the Board of Directors on 29 March 2018 and was signed on its behalf.

本公司之財務狀況表乃於2018年3月29日經董事會批准並由以下代表簽署。

HAN Xiaosheng
韓曉生
Chairman
主席

LIU Guosheng
劉國升
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

36 本公司之財務狀況表及儲備變動(續)

b. Reserve of the Company

b. 本公司之儲備

		Capital				
		Share premium	redemption reserve	Contributed surplus	Retained profits	Total
		資本贖回				
		股份溢價	儲備	繳入盈餘	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2017	於2017年1月1日	8,181,541	3,558	1,456	316,244	8,502,799
Loss for the year	年內虧損	—	—	—	(36,970)	(36,970)
Write back of unclaimed dividends	撥回未領取股息	—	—	—	24	24
At 31 December 2017	於2017年12月31日	8,181,541	3,558	1,456	279,298	8,465,853
At 1 January 2016	於2016年1月1日	4,148,318	3,558	1,456	323,691	4,477,023
Loss for the year	年內虧損	—	—	—	(7,447)	(7,447)
Issue of new shares	發行新股份	4,033,223	—	—	—	4,033,223
At 31 December 2016	於2016年12月31日	8,181,541	3,558	1,456	316,244	8,502,799

The application of share premium account is governed by section 40 of the Companies Act 1981 of Bermuda (as amended).

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of subsidiaries when they were acquired by the Company and the nominal amount of the Company's share capital issued for the acquisition.

股份溢價賬之用途受百慕達《一九八一年公司法》(經修訂)第40條監管。

本公司之繳入盈餘為本公司收購附屬公司時，該等附屬公司之綜合股東資金與本公司就收購而發行之股本面值之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)**b. Reserve of the Company (Continued)**

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

As at 31 December 2017, the aggregate amount of reserves available for distribution to shareholders of the Company was HK\$280,754,000 (2016: HK\$317,700,000).

37 BENEFITS AND INTERESTS OF DIRECTORS**a. Directors' and chief executive's emoluments**

The remuneration of each of the directors and chief executive of the Company for the years ended 31 December 2017 and 2016 is set out in Note 13a.

36 本公司之財務狀況表及儲備變動(續)**b. 本公司之儲備(續)**

根據百慕達《一九八一年公司法》(經修訂)，繳入盈餘可供分派予股東。然而，公司在下列情況下不得自繳入盈餘宣派或派付股息或作出分派：

- (i) 倘公司目前或將於付款後無法繳付到期之負債；或
- (ii) 公司資產之可變現值會因此而低於負債以及已發行股本及股份溢價賬之總和。

於2017年12月31日，可供分派予本公司股東之儲備總額為港幣280,754,000元(2016年：港幣317,700,000元)。

37 董事福利及利益**a. 董事及最高行政人員酬金**

本公司各董事及最高行政人員於截至2017年及2016年12月31日止年度之薪酬載於附註13a。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

37 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)**b. Directors' retirement benefits and termination benefits**

None of the directors of the Company received or will receive any retirement benefits or termination benefits for the year ended 31 December 2017 (2016: Nil).

c. Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company does not pay consideration to third parties for making available directors' service (2016: Nil).

d. Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2017, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2016: Nil).

e. Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted as at 31 December 2017 and 2016 or at any time during the years ended 31 December 2017 and 2016.

37 董事福利及利益(續)**b. 董事退休福利及離職福利**

概無本公司董事於截至2017年12月31日止年度收取或將收取任何退休福利或離職福利(2016年:無)。

c. 就獲提供董事服務向第三方支付之代價

於截至2017年12月31日止年度,本公司並無就獲提供董事服務向第三方支付代價(2016年:無)。

d. 有關以董事、受董事控制之法團及與董事有關連之實體為受益人之貸款、準貸款及其他交易之資料

於2017年12月31日,概無以董事、受董事控制之法團及與董事有關連之實體為受益人之貸款、準貸款及其他交易安排(2016年:無)。

e. 董事於交易、安排或合約之重大利益

於2017年及2016年12月31日或於截至2017年及2016年12月31日止年度內任何時間,概無存在本公司所訂立有關本集團業務且本公司董事直接或間接於當中擁有重大利益之重大交易、安排及合約。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

		2017 2017年 HK\$'000 港幣千元	2016 2016年 HK\$'000 港幣千元	2015 2015年 HK\$'000 港幣千元	2014 2014年 HK\$'000 港幣千元	2013 2013年 HK\$'000 港幣千元
Results	業績					
Revenue	收入	142,174	153,390	189,208	171,008	192,361
Operating profit	經營利潤	86,556	257,436	152,888	117,411	199,683
Finance costs	融資成本	—	—	—	—	—
Profit before tax	除稅前利潤	86,556	257,436	152,888	117,411	199,683
Income tax expense	所得稅開支	(17,411)	(87,188)	(22,212)	(22,966)	(16,642)
Profit for the year	年內利潤	69,145	170,248	130,676	94,445	183,041
Attributable to:	以下應佔：					
Non-controlling interests	非控股權益	(1,277)	34,034	8,166	8,637	8,295
Shareholders of the Company	本公司股東	70,422	136,214	122,510	85,808	174,746
		69,145	170,248	130,676	94,445	183,041
Assets and liabilities	資產及負債					
Total assets	資產總值	21,458,109	16,967,177	8,734,914	6,757,587	6,552,711
Total liabilities	負債總額	(10,282,309)	(5,684,470)	(2,343,710)	(528,911)	(297,195)
Net assets	資產淨值	11,175,800	11,282,707	6,391,204	6,228,676	6,255,516

PARTICULARS OF MAJOR PROPERTIES

主要物業資料

Particulars of major properties held by the Group which have been completed for existing use or under development at 31 December 2017 are as follows:

於2017年12月31日，本集團持有之已落成使用中或開發中主要物業資料如下：

A. INVESTMENT PROPERTIES

A. 投資物業

Name/Location 名稱/地點	Land lease term 土地租賃年期	Type 類別	Gross floor area 建築面積 (sq.m) (平方米)	Attributable interest 應佔權益
Completed 已落成				
Various units on levels 1-2, 5-7, 11, 15, 16, 20 & 21 and the whole of levels 3, 4, 14, 19, 22 & 23, and 50 car parking spaces in the basement, Harbour Ring Huang Pu Centre, No. 98 Luhe Road, Huangpu District, Shanghai, China. 中國上海市黃浦區六合路98號陸港黃浦中心1-2、5-7、11、15、16、20及21樓多個單位、3、4、14、19、22及23樓全層，以及地下停車場50個車位。	The land use term of the property is 50 years from 19 November 1992 to 18 November 2042 該物業土地使用權年期為50年，由1992年11月19日至2042年11月18日	Commercial 商用	9,800 (excluding car park) (停車場除外)	100%
Various units on levels 4-6, 9-14, 17-18, 23-24 & 28 and the whole of levels 2 & 3 and 152 car parking spaces in the basement, Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China. 中國上海市黃浦區西藏中路18號港陸廣場4-6、9-14、17-18、23-24及28樓多個單位、2及3樓全層，以及地下停車場152個車位。	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50年，由1993年8月1日至2043年7月31日	Commercial 商用	26,346 (excluding car park) (停車場除外)	100%
Level 29 in Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China. 中國上海市黃浦區西藏中路18號港陸廣場29樓。	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50年，由1993年8月1日至2043年7月31日	Commercial 商用	1,269	100%
Levels 31 and 32 in Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China. 中國上海市黃浦區西藏中路18號港陸廣場31及32樓。	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50年，由1993年8月1日至2043年7月31日	Commercial 商用	1,629	100%
Under development 發展中				
1101 South Flower Street, Los Angeles, the U.S. 美國洛杉磯南花街1101號	Freehold land with no expiry date 永久業權土地，無到期日	Commercial 商用	41,800 (exclude car park) (停車場除外)	100%

PARTICULARS OF MAJOR PROPERTIES (CONTINUED)

主要物業資料(續)

B. OTHER PROPERTIES

B. 其他物業

Name/Location 名稱/地點	Land lease term 土地租賃年期	Type 類別	Gross floor area 建築面積 (sq.m) (平方米)	Attributable interest 應佔權益
Completed 已落成				
Unit 1007 on level 10 in Harbour Ring Plaza, No. 18 Xizang Zhong Road, Huangpu District, Shanghai, China 中國上海市黃浦區西藏中路18號港陸廣場10樓 1007單位	The land use term of the property is 50 years from 1 August 1993 to 31 July 2043 該物業土地使用權年期為50 年，由1993年8月1日至2043 年7月31日	Commercial 商用	261	100%

PARTICULARS OF MAJOR PROPERTIES (CONTINUED)

主要物業資料(續)

C. PROPERTIES UNDER DEVELOPMENT C. 發展中物業項目

Name/Location 名稱/地點	Land lease term 土地租賃年期	Type 類別	Expected completion time 預計完成時間	Gross floor area 建築面積 (sq.m) (平方米)	Attributable interest 應佔權益
1101 South Flower Street, Los Angeles, the U.S. 美國洛杉磯南花街1101號	Freehold land with no expiry date 永久業權土地， 無到期日	Commercial/ Residential 商用/住宅	2019 2019年	96,449 (exclude car park) (停車場除外)	100%
80 South Street, New York, the U.S. 美國紐約南街80號	Freehold land with no expiry date 永久業權土地， 無到期日	Commercial/ Residential 商用/住宅	Not yet determined 未定	75,975	100%
Ko Olina Parcels 54B, 54C and 55, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣 愛娃區火奴魯里科琳娜 地塊54B、54C及55	Freehold land with no expiry date 永久業權土地， 無到期日	Commercial/ Residential 商用/住宅	Not yet determined 未定	92,292	100%
Ko Olina Parcels 20/21 (lot 4608), 25/26 (lot 4609) and 19B (lot 5346-B), Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣 愛娃區火奴魯里科琳娜 地塊20/21(第4608號地 塊)、25/26(第4609號地 塊)及19B(第5346-B號 地塊)	Freehold land with no expiry date 永久業權土地， 無到期日	Commercial/ Residential 商用/住宅	Not yet determined 未定	149,412	100%
Parcel Lots 18734, 18733, 18252 and 18250, Kapolei Area, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the U.S. 美國夏威夷州檀香山市縣 愛娃區火奴魯里卡珀雷 區地塊18734、18733、 18252及18250	Freehold land with no expiry date 永久業權土地， 無到期日	Commercial/ Residential 商用/住宅	Not yet determined 未定	Not yet determined (Land area: 2,066,286) 未定 (土地面積： 2,066,286)	100%



中泛控股有限公司

CHINA OCEANWIDE HOLDINGS LIMITED