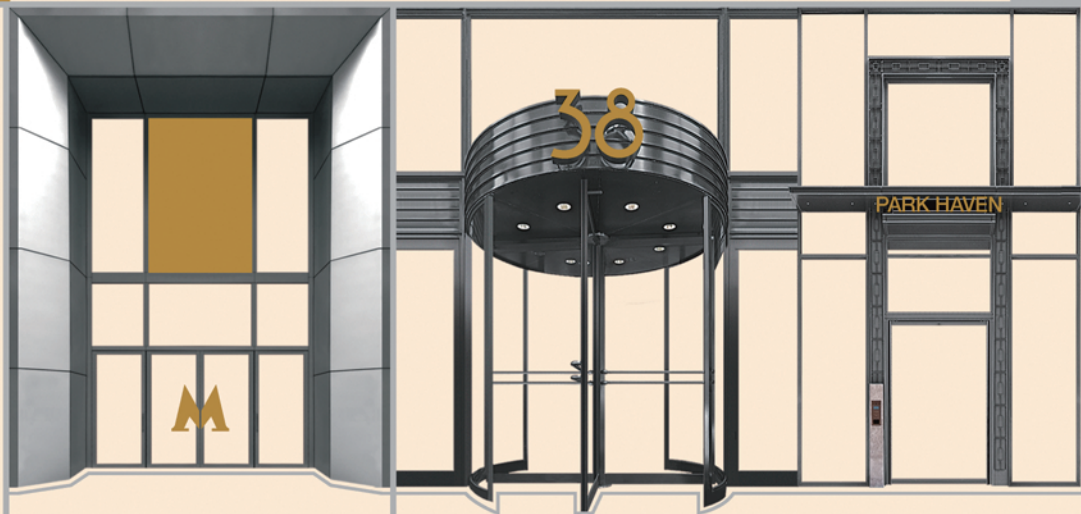


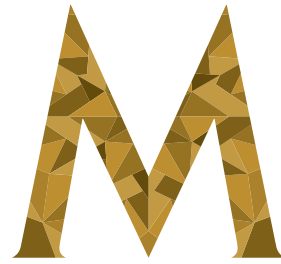


金朝陽集團有限公司*
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability
股份代號 Stock Code : 0878



2016
Annual Report
年報



MIDTOWN

Soundwill
金·朝·陽·中·心
Plaza

SOUNDWILL
PLAZA

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CORPORATE INFORMATION*(As of 23 March 2017)***Directors****EXECUTIVE DIRECTORS:**FOO Kam Chu Grace (*Chairman*)

CHAN Wai Ling

KONG Siu Man Kenny

INDEPENDENT NON-EXECUTIVE DIRECTORS:

CHAN Kai Nang

PAO Ping Wing

NG Chi Keung

Company Secretary

TANG So Him (appointed on 26 January 2017)

External Auditor

BDO Limited

*Certified Public Accountants***Internal Auditor**

Crowe Horwath (HK) Corporate Consultancy Ltd.

Legal Advisors

Lo, Wong & Tsui

Conyers Dill & Pearman

Head Office and Principal Place of Business in Hong Kong

21st Floor, Soundwill Plaza

No.38 Russell Street

Causeway Bay, Hong Kong

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11, Bermuda

Principal Banks

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

DBS Bank (Hong Kong) Limited

Industrial and Commercial Bank of China (Asia) Limited

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08, Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Standard Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Share Information**PLACE OF LISTING**

The Main Board of The Stock Exchange of

Hong Kong Limited

STOCK CODE

878

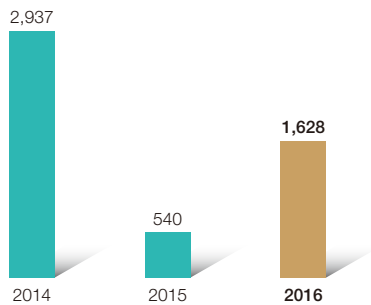
BOARD LOT

500 shares

Websitewww.soundwill.com.hk**Investor Relations**E-mail: sw.ir@soundwill.com.hk

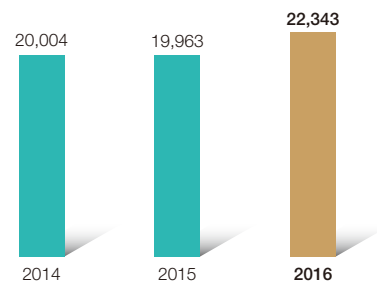
Group's Revenue

HK\$ million



Group's Total Asset

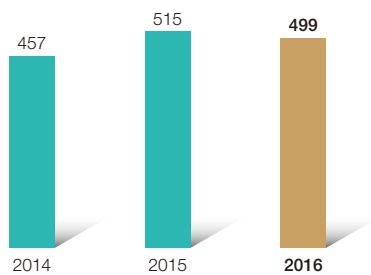
HK\$ million



Group's Revenue by Segments

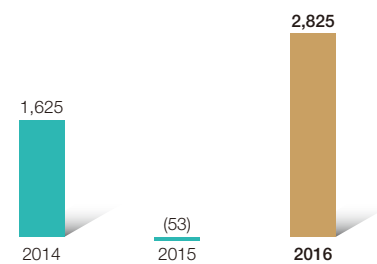
HK\$ million

Property Leasing



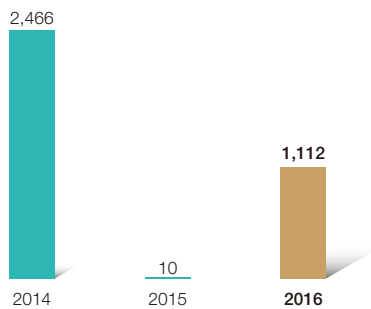
Profit/(Loss) Attributable to Owners of the Company

HK\$ million

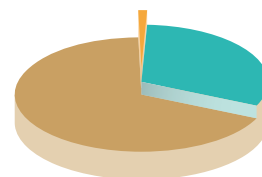


HK\$ million

Property Development



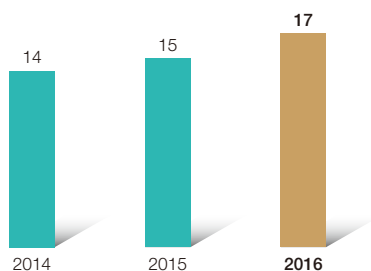
Group's Revenue Mix in Year 2016



- 68% Property Development
- 1% Building Management and Other Services
- 31% Property Leasing

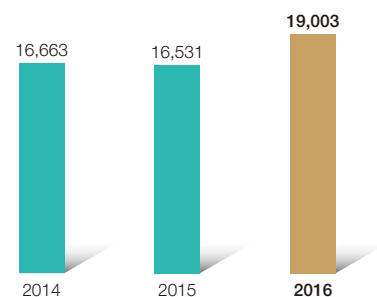
HK\$ million

Building Management and Other Services



Group's Net Asset Value

HK\$ million



CHAIRMAN'S STATEMENT

Dear Shareholders,

2016 was a year filled with uncertainties and volatility in the global economy and across financial markets. The geopolitical landscape saw fundamental changes, causing concern in global capital markets and resulting in a cautious investment sentiment. Despite this challenging business environment, I am delighted to report that the overall business of the Soundwill Group recorded solid growth and recorded an excellent performance over the past year mainly due to the increase recorded from the property development projects and the revaluation gain of the Group's investment properties located in Hong Kong. Soundwill Plaza, Soundwill Plaza II – Midtown and the Group's investments in real estate and its leasing business all achieved stable returns.



With property cooling measures still in effect, including another rise in stamp duty introduced last November, the property transactions in Hong Kong have returned to a trend of growth due to the solid housing demand from local residents. Nevertheless, the property market is expected to continue a steady growth curve in view of low interest rates, keen demand and the strong purchasing power of local residents.

Even though the local economy faces a number of challenges, a number of emerging trends are expected to sustain the leasing market. These factors include the implementation of the Shanghai-Hong Kong Stock Connect initiative, as well as the growing demand for office space from corporations, insurance companies and banks from the People's Republic of China ("PRC"). The low vacancy rate of office spaces will also contribute to the healthy growth of the leasing business for commercial and industrial premises as well as retail space. Furthermore, multinational financial companies are adopting a risk-diversifying management strategy by renting co-working spaces and business centres.

The Group is well prepared for challenges and, through being laser-focused on market conditions, will make timely adjustments to its strategies in response. We will continue to explore development opportunities so as to turn market headwinds into a tailwind. In doing so, the Group will continue to consolidate the development of its core business in property sales and leasing in Hong Kong, seize opportunities in the local market through property assembly and the acquisition of old building and capture opportunities to replenish its land reserve and seeking optimal timing for property launches. The Group endeavours to remain customer-focused strategy by providing buyers with the highest quality products and services, as reflected by the reputation and professionalism we have cultivated over the years. I am confident that our team will try the best to generate impressive results for the Group and create the best returns to shareholders.

The Group also continues to undertake various corporate social responsibility programmes and initiatives to make Hong Kong a better home for all. As a responsible

corporate citizen, the Group recognises the importance of sustainable development and environmental protection. We strive to minimize our environmental footprint arising from our business by sourcing sustainable materials and adopting energy and carbon reduction initiatives. Going further, our Group adopts multi-faceted approaches to fulfilling its corporate social responsibility and benefitting the community at large, notably by promoting reading, sponsoring educational events and caring for the underprivileged.

We also expect that the global economy and financial markets will undergo significantly sharp fluctuations, leading to greater concerns over the economic outlook. That said, stimulus measures enacted by government central banks across the world will serve to offset the risks of a global economic downturn. Even though Hong Kong is susceptible to unstable external factors, its strong economic foundation, sophisticated financial system and sufficient capital flow will give investors confidence.

I would like to take this opportunity to express my sincere thanks to our shareholders, the Board and business partners. The solid foundation and continuing success of our business, which was maintained by the Group throughout the year, would not have been possible without the continuous efforts of all our directors and staff. I thank all of our dedicated staff for their contributions over the years and, in the year ahead, look forward to working closely with them and our management team to tackle the challenges we face and create long-term value for our shareholders.

FOO Kam Chu Grace

Chairman

Hong Kong, 23 March 2017



DIRECTORS' PROFILE

FOO Kam Chu Grace

Aged 73, is the founder of the Group, Chairman and Executive Director of the Company and a director of certain subsidiaries of the Group. Madam Foo has extensive experience in the property market. She has been engaged in the property business in Hong Kong since early 1970s, particularly specialised in the acquisition of old buildings for redevelopment into commercial or residential buildings. Madam Foo is the mother of Ms. Chan Wai Ling, Executive Director of the Company. Madam Foo is currently responsible for the Group's overall development direction and strategies. Furthermore, she serves as a standing committee member of the 10th, 11th and 12th Guangzhou Committee of the Chinese People's Political Consultative Conference and has been elected as an honorary citizen of Guangzhou. She is familiar with the political and economic affairs of the PRC.

CHAN Wai Ling

Aged 46, is an Executive Director of the Company and a director of certain subsidiaries of the Group. She is in charge of the Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group. She graduated from the University of Toronto, Canada with a bachelor degree in commerce and also obtained a Master of Business Administration Degree from University of Strathclyde, United Kingdom. Before joining the Group in September 1998, she had worked in an international property consultant firm and had operated her own property investment business. She is the daughter of Madam Foo, Chairman and Executive Director of the Company.

KONG Siu Man Kenny

Aged 54, is an Executive Director of the Company and a director of certain subsidiaries of the Group, in charge of the property development of the Group. Mr. Kong graduated from the Hong Kong Polytechnic University. He is a Chartered Surveyor of The Royal Institution of Chartered Surveyors of Hong Kong, a Registered Professional Surveyor and an Authorized Person under Buildings Ordinance of Hong Kong SAR Government. He joined the Group in 2009 and has over 28 years' experience in the PRC and Hong Kong property market.

CHAN Kai Nang

Aged 71, was appointed as an Independent Non-Executive Director of the Company on 11 March 2009, received a Postgraduate Diploma in Management Studies from The University of Hong Kong and Bachelor of Laws from the University of London. Mr. Chan is an associate member of The Chartered Institute of Management Accountants in the United Kingdom and The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the United Kingdom. He is also a member of the Chartered Global Management Accountant. Mr. Chan worked for more than 40 years as senior executive in major multinational and local corporations.

Mr. Chan was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited) (0027.HK) and managing director of K. Wah Construction Materials Limited from April 2003 to May 2008. He served as an adviser of K. Wah Construction Materials Limited until his retirement in June 2014. The shares of the above-named company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chan was also appointed as independent non-executive director of FDB Holdings Limited (8248.HK), whose shares are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange and Prosperity International Holdings (H.K.) Limited (0803.HK) and PanAsialum Holdings Company Limited (2078.HK), both shares are listed on the Main Board of the Stock Exchange. He resigned as independent non-executive director of Asian Capital Holdings

Limited (now known as ZZ Capital International Limited) (8295.HK) and Steed Oriental (Holdings) Company Limited (8277.HK) on 18 June 2016 and 12 August 2016 respectively, both shares are listed on the GEM of the Stock Exchange.

PAO Ping Wing

Aged 69, was appointed as an Independent Non-Executive Director of the Company on 6 November 2009, received a Master of Science degree in Human Settlements Planning and Development from the Asian Institute of Technology in Bangkok, Thailand. Mr. Pao was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past years, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. Pao is an Honorary Fellow of The Hong Kong Institute of Housing. He is also an independent non-executive director of several other companies listed on the Main Board of the Stock Exchange including Oriental Press Group Limited (0018.HK), Capital Environment Holdings Limited (3989.HK), Zhuzhou CRRC Times Electric Co., Ltd. (formerly known as Zhuzhou CSR Times Electric Co., Ltd.) (3898.HK), Maoye International Holdings Limited (0848.HK) and Sing Lee Software (Group) Limited (8076.HK), its shares are listed on the GEM of the Stock Exchange. He formerly was an independent non-executive director of UDL Holdings Limited (now known as DTXS Silk Road Investment Holdings Company

Limited) (0602.HK) and resigned as independent non-executive director of InvesTech Holdings Limited (formerly known as HL Technology Group Limited) (1087.HK) and Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (8326.HK) on 27 May 2016 and 13 March 2017 respectively, which shares are listed on the Main Board and GEM of the Stock Exchange respectively.

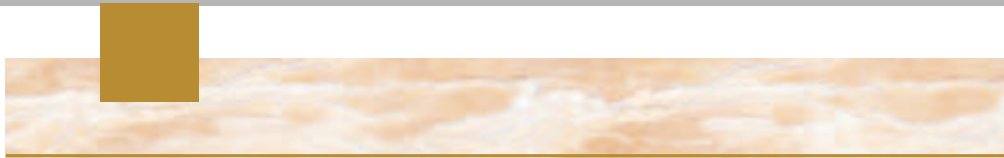
NG Chi Keung

Aged 68, was appointed as an Independent Non-Executive Director of the Company on 18 March 2011. Mr. Ng holds a Master Degree in Business Administration and is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Chartered Institute of Management Accountants. He has over 30 years of financial management experience with renowned multinational corporations. Mr. Ng was the executive director of Fairwood Holdings Limited (0052.HK) which listed on the Main Board of the Stock Exchange for 15 years until his retirement at the end of year 2009 and re-designated as non-executive director after his retirement.

OPERATIONS REVIEW AND PROSPECTS

MIDTOWN





Overview

During the year under review, a string of events have impacted the global economy and geopolitical situation. Among them were United States of America (“US”) interest rate hikes, Brexit and uncertainty around the new US administration’s economic policy and agenda. However, global financial markets have calmed in light of moderate interest rate increases and sufficient flow of capital. The markets have now found their feet after coming to terms with the various disruptive factors at play.

38







PARK HAVEN



WARRENWOODS



COHO



JONES HIVE

OPERATIONS REVIEW AND PROSPECTS

Back at home, Hong Kong's economy has gradually returned to a path of growth. The local residential market has improved markedly recently with an increase in transaction volume and growth in homebuyer confidence, following an around six months period of adjustment. However, transaction volume remained relatively low by historical standards as a result of the Government's introduction of several rounds of demand-side management measures. But the overall demand for housing was bolstered by a number of positive factors, including low interest rate, high levels of marriage and growing their household income. All of these elements have served to sustain the property market.

Spending patterns of tourists from PRC changed considerably over the last year, largely because of the depreciation of the Renminbi. Consequently, the retail sector underwent a period of adjustment. While the leasing business at the premises under the Group is not unaffected by external conditions, our professional staff worked hard to come up with marketing and promotional programmes to drive footfall and sales at the malls. Given that all our premises are located in prime locations, the leasing business managed to maintain stable growth.

While the retail sector was adapting to market changes, rental rates were supported by the low vacancy rate as well as the increase in market demand. The Group was able to reap results from the leasing business in the year under review as occupancy rates remained high.

As for the property business, THE SHARP situated at No. 11-13 Sharp Street East and No. 1-1A Yiu Wah Street, Causeway Bay has been completed with revenue booked since March 2016. Thanks to the goodwill of the brand and the professional sales team, buyers retain strong confidence in the Group. The team's creative and innovative ideas, and savvy market sense have helped tap more opportunities for the Group, maximizing efficiency in the use of limited land resources.

Property Portfolio

For the year ahead, the Group actively acquired old properties in various areas on Hong Kong Island, while taking advantage of opportune times to purchase premium properties. It also continued to increase investment in projects with high appreciation potential in order to broaden and enhance the quality of its property portfolio. Moreover, the Group remained committed to revitalising the environment of the areas in which the Group's properties are located, raised the quality of its properties and offered support to both new and existing owners.

In order to fully capitalise on business opportunities in the Hong Kong market, the Group focused on multiple areas with high potential investment value. The Group actively participated in urban redevelopment and other high-quality projects and will continue to selectively acquire parcels of land through various channels to expand its market share.

The Group also looked for sites with high potential outside of Hong Kong Island in order to replenish its land reserves at a reasonable cost. Additionally, the Group continued to prudently assess its investment property portfolio and retain projects with high appreciation potential for the Group's own construction and development in order to increase earnings.

105-113 TA CHUEN PING STREET, KWAI CHUNG

This project is located on 105-113 Ta Chuen Ping Street, Kwai Chung, with a gross floor area of approximately 190,000 square feet.

57 KIN WAH STREET AND 66 FORT STREET, NORTH POINT

This project is located on 57 Kin Wah Street and 66 Fort Street, North Point, with a total gross floor area of approximately 30,000 square feet.

71-75 CHAI WAN KOK STREET, TSUEN WAN

This project is located on 71-75 Chai Wan Kok Street, Tsuen Wan, with a gross floor area of approximately 114,000 square feet.

Property Assembly Business

The Group has been capturing business opportunities in the local market through property assembly and the acquisition of old buildings. In this business, the Group sought to acquire land reserves with high appreciation potential at a reasonable cost and retained projects with strong potential for its own development purposes.

Meanwhile, the continuous dampening measures enacted by the government to cool down the property market has, to certain extent, slowed down the pace of the Group's property assembly business. Nevertheless, the Group will continue to source quality land sites for acquisition in the long run to maintain a consistent acquisition and development strategy.

Property Leasing

For the year ended 31 December 2016, this business segment recognised revenue of HK\$498,768,000 (2015: HK\$514,934,000), representing 31% (2015: 95%) of the Group's total revenue for the year.

Despite the sluggish retail market trends, the Group has relentlessly continued to upgrade the quality of its premises by undertake renovation programmes regularly. We constantly review the tenant mix to ensure it caters to the latest trends of consumers' spending patterns. With the various well-thought out marketing and promotional campaigns executed by the team to attract footfall and business, the sales performance of the vendors at major premises under the Group recorded steady growth.

SOUNDWILL PLAZA

Soundwill Plaza is located on No. 38 Russell Street in the heart of Causeway Bay. It generated promising results for the year. Occupancy levels remained high, and steady rental income was recorded.

MIDTOWN

Soundwill Plaza II – Midtown is a 31-storey building located on 1 Tang Lung Street in Causeway Bay, reported stable results in both footfall and sales since opening in 2014. We will step up efforts to bring in more trend-setting eateries and vendors to the mall to keep the occupancy rate high. Midtown is poised to become a popular landmark for food & beverage and leisure activities in Causeway Bay.

10 KNUTSFORD TERRACE

The 23-storey 10 Knutsford Terrace property is located at 10-11 Knutsford Terrace, Tsim Sha Tsui, one of the most prominent tourist and retail districts in Hong Kong and maintained a high occupancy rate in the year under review.

The Group optimised and expanded its investment property portfolio in Hong Kong in a timely manner. Its portfolio has the geographical advantage of being located in core tourist and retail districts to meet the needs of a variety of retail tenants. The versatile tenant combination will continue to generate impressive returns for the leasing business.

OPERATIONS REVIEW AND PROSPECTS



Property Development

For the year ended 31 December 2016, this business segment recognised revenue of approximately HK\$1,112,319,000 (2015: HK\$10,459,000), representing 68% (2015: 2%) of the Group's total revenue for the year.

In 2016, riding on the increased demand for small and medium-sized residential and industrial units, the Group allocated a portion of land reserves with potential for the development of a number of premium boutique and high quality industrial projects. Leveraging the advantage of these prestigious and prime locations, the Group has successfully established a reputation for quality in the market.

Residential Projects

COHO

The Group's residential development project COHO, located on 18 School Street, Tai Hang, comprises 46 units with two units per floor. The project includes a total of 44 standard units and 2 special units with a flat roof, together with a 24-hour clubhouse.

JONES HIVE

The Group jointly developed Jones Hive, a residential project located on 8 Jones Street, Tai Hang, with Henderson Land Development Company Limited. The project was expected to be delivered in the second half of 2017, when it will provide 119 units with a saleable area ranging from 328 to 558 square feet.

PARK HAVEN

Park Haven, a major residential development project of the Group, is located at 38 Haven Street, Causeway Bay. The project provides approximately 190 residential units ranging in size from about 510 to 1,154 square feet. A total of 174 units have been sold. The project was completed in the fourth quarter of 2014, and revenue was booked accordingly.

WARRENWOODS

WarrenWoods, the Group's luxurious landmark residential project, is located on 23 Warren Street, Tai Hang. The project provides 163 residential units in total and was delivered at the end of 2012.

Commercial Project

THE SHARP

Situated on 11-13 Sharp Street East and 1-1A Yiu Wah Street in Causeway Bay, THE SHARP is an integrated commercial property project combining retail and office spaces. The Group has retained shops from the ground floor to the second floor for leasing. Delivery of different floors of the project commenced in March 2016.

Industrial Projects

iPLACE

The iPLACE industrial project, located on 301-305 Castle Peak Road, Kwai Chung, went on sale in the first half of 2015. The entire project provides 322 workshops in total. All units were sold out in a few months, meeting the Group's sales target.

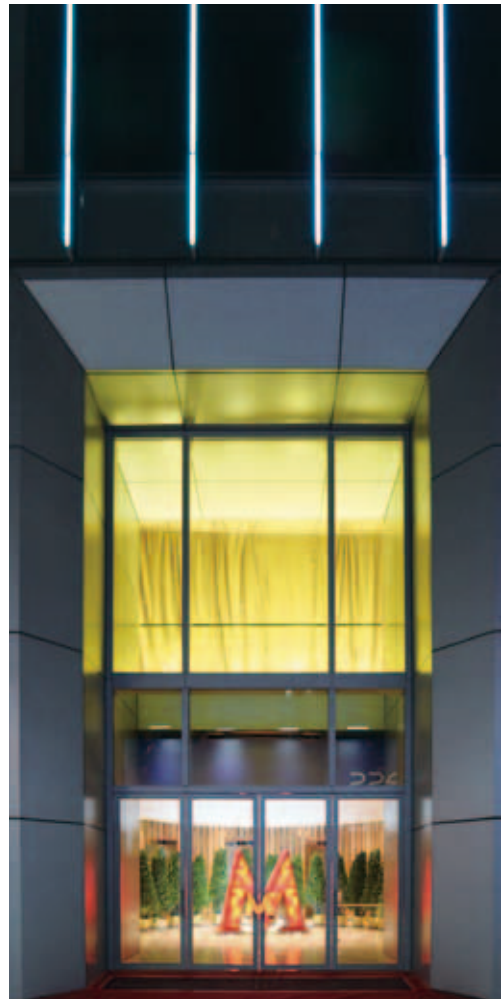
105-113 TA CHUEN PING STREET, KWAI CHUNG

This industrial project is located on 105-113 Ta Chuen Ping Street, Kwai Chung, with a gross floor area of approximately 190,000 square feet. Demolition was completed at the end of 2015.

Property Management

For the year ended 31 December 2016, the property management segment recognised revenue of approximately HK\$16,834,000 (2015: HK\$15,098,000), representing approximately 1% (2015: 3%) of the Group's total revenue for the year.

The Group's subsidiaries for property management and maintenance are engaged in the provision of high quality management, customer and maintenance services in large-scale commercial buildings, as well as in small and medium sized estates. These subsidiaries continuously introduced innovative services that raised overall service standards. With extensive experience in serving customers, the property management team successfully maintained the quality standards of the indoor environments under their care during the year, reduced waste and lowered the carbon footprint of the properties by employing energy-efficient measures.



OPERATIONS REVIEW AND PROSPECTS

The Concierge – a new French-style hotel management service

The Group launched The Concierge, a service modelled on hotel management services in France, at the Park Haven luxury residential project. As part of this approach to property management, the Group provided a wide range of value-added concierge, dining and catering, household maintenance, laundry and dry cleaning services as well as home and car cleaning referral services. Through this premium, comprehensive array of personal services, the Group aims to provide a high quality lifestyle for the enjoyment of its tenants.

Customer Services

The Group also provided a comprehensive range of outstanding after-sales services following the delivery of units to their owners. The Group has set up a team dedicated to identifying relevant and appropriate services for newly-completed units as they were being occupied. To increase confidence, homeowners of the newly occupied properties are entitled to warranties covering repair and maintenance for the first two years.

To ensure each unit is in perfect condition, the team conducts several thorough inspections to ensure the highest standard of quality upon delivery to the owners. The handover team also offered a full range of attentive services during the handover period to ensure a smooth completion. Not only does this ensure the quality of the newly completed units, it also enables the Group to effectively collect opinions of homeowners directly. This new service offering also reflected the commitment of the Group's subsidiaries to provide property management services of the highest standard through continuous innovation.

Soundwill Club

Founded by the Group, Soundwill Club provides a platform for individuals with exceptional taste — including prospective property buyers, retail tenants and visitors to the Group's properties — to exchange information about the latest in upscale lifestyle trends. Soundwill Club covers a wide variety of topics according to the preferences and interests of members. The Club also offers a wide range of superb services and activities for members, in keeping with its unwavering commitment to excellence.

Real Estate Business in PRC

For the year ended 31 December 2016, this business in PRC recognised revenue of approximately HK\$8,347,000 (2015: HK\$10,459,000).

During the year under review, PRC's economic growth met market expectations. A series of stringent measures has become more stringent in light of fierce competition across the real estate market. The Group has kept pace with the market, and maintained reasonably good business growth.

The Group currently owns a number of real estate projects in the PRC. Shang Hui Hai An (The Lakeview Bay) is an integrated project wholly owned by the Group featuring villa and high-rise residences located in Gaoyao City, Zhaoqing. Occupation of the first phase of the project is under way, while the high-rise residences in Phase 2 are near construction, and sales of units are proceeding well.

In addition, the construction of the first and second phases of Yu Ming Du (Shan Shui Xiang Ri), a project located in Doumen District, Zhuhai, is nearing completion. Pre-sales of the project are expected to start within the year. Riding on the success of the first two phases, the pre-sales of the third phase has also been well-received. It is expected to be released to the market soon as the main construction work is being sped up has progressed more quickly than anticipated.

Corporate Citizenship

The Group sets ever-higher benchmarks in terms of quality in order to create significant returns for stakeholders. Meanwhile, the Group undertakes socially responsible activities through supporting fund-raising events, promoting reading, sponsoring educational events and caring for the underprivileged, all of which give back to and positively impact society.

The Group has been honoured as a “Caring Company” by the Hong Kong Council of Social Service for many consecutive years. This is indicative of the corporate spirit of striving to proactively care for society. During the reporting period, the Group was also honoured with the 2016 Social Capital Builder Award issued by the Community Investment and Inclusion Fund of the Labour and Welfare Bureau, which praised the Group for its many years of embodying practicing the spirit of social capital and contributing to its growth in Hong Kong.

The Group remains firmly committed to operating as a socially-responsible company across all of its business operations and disclosing Environmental, Social and Governance Reporting during the year.

Prospects

2017 is expected to be a year of challenges. The global economy is moving away from the gloomy and slow recovery of last year which was overshadowed by the aftershocks of Brexit, geopolitical tension in many parts of the world and monetary policy divergence among major central banks. This may weigh on the global economy and financial stability.

Asia is set to remain a mainstay supporting global economic growth as countries in the region look to increase domestic consumption. Economic reforms and the on-going acceleration of infrastructure projects are set to create new momentum for stable growth.

A number of favourable conditions, including low interest rates, an increasing demand from investors and home buyers, and the overall demand for commercial and industrial properties will support Hong Kong’s property market, one that should enjoy healthy growth. Moreover, inbound tourism has improved recently, with fresh growth in the number of visitors, favourable conditions in the job market have bolstered consumer confidence in the recent past.

We maintain a cautious approach regarding the overall business outlook. After taking various detrimental factors into consideration, our assessment is that it will not pose any immediate negative effects on our business. We will monitor the situation closely and will make necessary adjustments in due course.

A range of external uncertainties lie ahead in 2017. The Group will continue to champion the long-term interests of its shareholders and continue its plan to expand its land reserves through a variety of means. It will also prudently pursue its business development and launch new projects at the most appropriate opportunities. The Group has established a solid investment portfolio in Hong Kong, built on a solid foundation by a seasoned professional team who are ready to manoeuvre in all situations and weather any storms. We will continue to seize opportunities and rise to the challenge of achieving sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

	Year ended 31 December	
	2016	2015
Revenue	HK\$1,628 million	HK\$540 million
Profit before income tax expense excluding net gain/(loss) on fair value adjustments	HK\$481 million	HK\$350 million
Net gain/(loss) on fair value adjustments on investment properties	HK\$2,622 million	HK\$(327) million
Profit before income tax expense	HK\$3,103 million	HK\$23 million
Profit/(Loss) attributable to owners of the Company	HK\$2,825 million	HK\$(53) million
Basic earnings/(loss) per share	HK\$9.97	HK\$(0.18)
Dividend per share		
– proposed final dividend	HK\$0.2	HK\$0.2
– proposed special dividend	HK\$1.0	–
	At	At
	31 December	31 December
	2016	2015
Total assets	HK\$22.3 billion	HK\$20.0 billion
Net assets	HK\$19.0 billion	HK\$16.5 billion
Total borrowings	HK\$1.7 billion	HK\$2.1 billion
Gearing ratio	9%	13%
Net asset value per share	HK\$67.1	HK\$57.9

Financial Review

RESULTS OF OPERATIONS

During the year, the Group recorded a revenue of approximately HK\$1,627,921,000 (2015: HK\$540,491,000), representing a significant increase as compared with last year. The increase in revenue was mainly due to the increase in income recorded from the property development projects.

Selling expenses mainly represents the sales commission paid for commercial building THE SHARP which is located in Causeway Bay and selling expenses paid for a residential project located at 8 Jones Street, Tai Hang during the year. Decrease in finance cost was mainly due to repayment of borrowings.

Furthermore, the increase in fair value of investment properties was mainly due to the revaluation gain of the Group's investment properties located in Hong Kong.

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the year, the Group has recorded a profit attributable to owners of the Company of approximately HK\$2,824,747,000 (2015: loss of HK\$52,604,000), an increase of 5,469% as compared with last year. This profit was mainly due to the increase in income recorded from the property development projects and increase in the net gain on fair value adjustments on investment properties during the year.

NET ASSETS

The net assets of the Group as at 31 December 2016 amounted to HK\$19,002,701,000 (2015: HK\$16,531,157,000). Net asset value per share as at 31 December 2016 is HK\$67.1 (2015: HK\$57.9).

Financial Resources and Liquidity

As at 31 December 2016, the Group's cash and bank balances amounted to HK\$1,592,375,000 (2015: HK\$374,153,000). Total borrowings of the Group amounted to HK\$1,694,220,000 (2015: HK\$2,137,050,000) as at 31 December 2016.

As at 31 December 2016, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% (2015: 13%).

The Group mainly operates and invests in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong Dollars and Renminbi respectively. No foreign currency risk has been identified for the financial assets in the PRC as they were denominated in a currency which was the same as the functional currencies of the group entities to which these transactions relate.

During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are mainly denominated in Hong Kong Dollars and bear interest at floating rates.

Contingent Liabilities

During the course of business, certain bank accounts were opened and held in the name of certain subsidiaries on behalf of third parties to whom these subsidiaries provided building management services. As at the reporting date, those bank balances which were held on behalf of third parties and were not accounted for in the financial statements of the Group amounted to HK\$37,271,000 (2015: HK\$27,492,000).

Employees Remuneration

The Group had 344 and 81 employees in Hong Kong and PRC respectively as at 31 December 2016 (2015: 289 and 84 employees). Employees were remunerated on the basis of their performance, experience and prevailing market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2016, if excluding share option expenses of approximately HK\$10,000 (2015: HK\$1,830,000) were approximately HK\$132,379,000 (2015: HK\$129,584,000).

CORPORATE GOVERNANCE REPORT

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) and its subsidiaries (the “Group”) is pleased to present this Corporate Governance Report in the annual report for the year ended 31 December 2016 of the Company.

Corporate Governance Practices

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The CG Code sets out two levels of recommendations, namely, (a) code provisions that a listed company must either comply with or explain its non-compliance, and (b) recommended best practices that listed companies are encouraged to comply with but need not disclose in the case of non-compliance.

The Company has complied with the applicable code provisions set out in the CG Code during the year ended 31 December 2016 in all other respects except for the following deviations:

(1) CODE PROVISION A.2.1

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

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Madam Foo Kam Chu Grace is the Chairman of the Group. She is responsible for the Group’s overall development direction and strategies. The Chairman ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive Directors, the management and various department heads. The Board is of the view that the current management structure can effectively facilitate the Group’s operation and business development.

(2) CODE PROVISION A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term.

The Independent Non-Executive Directors are not appointed for a specific term as they are subject to retirement by rotation at least once every three years and re-election at annual general meetings in accordance with the bye-laws of the Company (the “Bye-laws”).

Board of Directors

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board of Directors is responsible for overseeing the Group's businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the operations of the Group. In addition, the Board has also delegated various responsibilities to the Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report.

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

BOARD COMPOSITION

The Board is composed of the following six Directors who, have served throughout the year under review and up to the date of this report:

EXECUTIVE DIRECTORS:

Madam Foo Kam Chu Grace (*Chairman*)

Ms. Chan Wai Ling

Mr. Kong Siu Man Kenny

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Chan Kai Nang

Mr. Pao Ping Wing

Mr. Ng Chi Keung

BOARD MEETINGS AND ATTENDANCE

During the year, the attendance records of each Director at the Board meetings and general meeting of the Company as follows:

Directors	Attendance/Number of Board Meetings	Attendance/Number of General Meeting
<i>Executive Directors:</i>		
Madam Foo Kam Chu Grace (<i>Chairman</i>)	4/4	1/1
Ms. Chan Wai Ling	4/4	1/1
Mr. Kong Siu Man Kenny	4/4	1/1
<i>Independent Non-Executive Directors:</i>		
Mr. Chan Kai Nang	4/4	1/1
Mr. Pao Ping Wing	4/4	1/1
Mr. Ng Chi Keung	4/4	1/1

The biographical information of the Directors and relevant relationships among the Directors are set out under "Directors' Profile" on pages 6 to 7.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 December 2016, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors, representing one-third of the Board, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(1), 3.10(2), and 3.10A of the Listing Rules.

The Company has received written annual confirmation of independence from each Independent Non-Executive Director in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-Executive Directors are independent within the definition of the Listing Rules.

Appointment, Re-election and Removal of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term and subject to re-election. The Company has deviated from this provision in that the Company's Independent Non-Executive Directors are not appointed for a specific term.

In accordance with the Bye-laws, not less than one-third of the Directors for the time being will retire from office by rotation at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the following general meeting of the Company and shall then be eligible for re-election at such meeting.

Access to Information by Directors

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent to all Directors in a timely manner. Notice of at least 14 days is given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings and Board committee meetings, reasonable notice is given.

All Directors are entitled to have access to Board papers, minutes and related materials at all times. During the year, all Directors have been provided with the Group's management information updates to keep them informed of the Group's affairs and facilitate them to discharge their duties under the Listing Rules.

Chairman and Chief Executive Officer

Currently, Madam Foo Kam Chu Grace is the Chairman of the Group and her responsibilities are clearly defined and set out in writing. No chief executive officer was appointed during the year.

Board Committees

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-Executive Directors namely, Mr. Chan Kai Nang (Chairman), Mr. Pao Ping Wing and Mr. Ng Chi Keung. Mr. Chan Kai Nang, who possesses professional accountancy qualifications.

The Committee has specific written terms of reference which are of no less exacting terms than those stipulated in the code provisions. It is responsible for reviewing with management, the accounting principles and practices adopted by the Group and discuss auditing, internal controls, risk management, internal audit and financial reporting including the interim and final results of the Company. It also acts as an important link between the Board and the Company's external and internal auditors in matters within the scope of the external and internal audit of the Group respectively.

During the year, the Committee met four times with attendance shown below. The final results for the year ended 31 December 2015, the interim results for the six months ended 30 June 2016, the internal audit plan and the report from the management on the Company's internal control and risk management have been reviewed by the Audit Committee during the year.

Audit Committee Members	Attendance/Number of Meetings
Mr. Chan Kai Nang (<i>Chairman</i>)	4/4
Mr. Pao Ping Wing	4/4
Mr. Ng Chi Keung	4/4

REMUNERATION COMMITTEE

The Remuneration Committee comprises three Independent Non-Executive Directors namely Mr. Chan Kai Nang (Chairman), Mr. Pao Ping Wing and Mr. Ng Chi Keung and Ms. Chan Wai Ling as an Executive Director.

Its functions are to make recommendations to the Board on the Company's policy and structure for all Directors' remuneration, and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee reviews and approves the Directors' remuneration proposals with reference to the Board's corporate goals and objectives, and also determines with delegated responsibility, the remuneration packages of individual executive Directors.

In determining the remuneration levels and packages of the Directors and senior management, the Company took into account of the prevailing practices and trends to reflect on the commitments, duties and responsibilities of the Directors and senior management and their contributions to the Group. Long-term inducements in the form of share options and performance bonuses were also employed.

During the year, the Committee held three meetings (attendance as shown below) to review and determine (with the relevant Directors where applicable abstained from voting as far as his/her own remuneration is concerned so that no Director would decide on his/her own remuneration) the remuneration package of Directors.

Remuneration Committee Members	Attendance/Number of Meetings
Mr. Chan Kai Nang (<i>Chairman</i>)	3/3
Mr. Pao Ping Wing	3/3
Mr. Ng Chi Keung	3/3
Ms. Chan Wai Ling	3/3

NOMINATION COMMITTEE

The Nomination Committee comprises two Independent Non-Executive Directors namely Mr. Chan Kai Nang and Mr. Pao Ping Wing and Madam Foo Kam Chu Grace (Chairman) as an Executive Director.

The responsibilities of the Committee include reviewing the structure, size and composition of the Board; identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on selection of individuals nominated for directorship; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman; and determining the policy for nomination of Directors.

CORPORATE GOVERNANCE REPORT

A board diversity policy (the “Policy”) was adopted in October 2013. Diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In informing its perspective on diversity, the Company will also take into account aspects based on its own business model and specific needs from time to time.

The Nomination Committee has reviewed the Policy on an annual basis to ensure its continued effectiveness; reviewed the structure, size and composition of the Board including the skills, knowledge and experience of Directors as well as role and function of each Director; assessed the independence of Independent Non-Executive Directors pursuant to Rule 3.13 of the Listing Rules; assessed sufficiency of time spent by Directors on the matters of the Company and in discharging their duties and on the affairs of the Group; reviewed the training and support to Directors and considered re-election of retiring Directors. The Nomination Committee has provided its assessments, findings and recommendations to the Board for it to make the relevant resolutions.

During the year, the Committee held one meeting with attendance shown below:

Nomination Committee Members	Attendance/Number of Meeting
Madam Foo Kam Chu Grace (<i>Chairman</i>)	1/1
Mr. Chan Kai Nang	1/1
Mr. Pao Ping Wing	1/1

Training and Continuous Professional Development of Directors

Every newly appointed Director is ensured to have a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

As part of the ongoing process of Directors' training, the Company Secretary continuously updates all Directors on latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors. All Directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training.

All Directors confirmed that they have complied with the code provision A.6.5 of the CG Code on Directors' training. This is to ensure that their contribution to the Board remains informed and relevant. During the year, all Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business and to the Directors' duties and responsibilities.

Directors	Directors' Continuous Professional Development	
	Attending training course(s)	Reading of relevant material(s)
Madam Foo Kam Chu Grace	N/A	✓
Ms. Chan Wai Ling	N/A	✓
Mr. Kong Siu Man Kenny	N/A	✓
Mr. Chan Kai Nang	✓	✓
Mr. Pao Ping Wing	✓	✓
Mr. Ng Chi Keung	✓	✓

Company Secretary

Mr. Tam Chong Cheong Aaron ("Mr. Tam") was appointed as Company Secretary of the Company on 10 July 2015 and served as Company Secretary throughout the year until his resignation on 26 January 2017. Mr. Tam was admitted as solicitor of High Court of Hong Kong in 1997, is a member of the Law Society of Hong Kong and holds a current practicing certificate. Company Secretary advises the Board on all corporate governance matters and facilitates professional development of Directors. Mr. Tam undertook over 15 hours of relevant professional training to update his skills and knowledge during 2016.

The Company engage external service provider to provide company secretarial services and has appointed Ms. Tang So Him ("Ms. Tang") as the Company Secretary on 26 January 2017. Ms. Tang is a chartered company secretary and fulfilled the requirements under Rules 3.28 and 3.29 of the Listing Rules. Dr. Ng Chun Pang Ivan, the Financial Controller of the Company, is the primary corporate contact person of the Company.

Code for Securities Transactions of Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have complied with the Model Code throughout the year.

Auditor's Remuneration

During the year, the fee incurred for audit and non-audit services for the Group are approximately HK\$3,054,000 (2015: HK\$4,346,000) and HK\$600,000 (2015: HK\$600,000) respectively.

Directors' Responsibility for Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. The Directors are not aware of any material events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

Risk Management and Internal Control

In order to comply with the applicable code provisions set out in the CG Code, the Board reviewed the effectiveness of risk management and the internal control system of the Group covering material controls, including financial, operational and compliance controls and risk management functions.

The Board has retained Crowe Horwath (HK) Corporate Consultancy Limited, an independent professional firm, to carry out the Group's internal audit function (the "Internal Auditor") as required by the Stock Exchange and to perform an annual review with a view to making a report to the Board about the evaluation on the effectiveness of the Group's risk management and internal control mechanism for the year ended 31 December 2016.

During the year, the Group has established an internal audit charter which defined the scope and the duties and responsibilities of the internal audit function and its reporting protocol. A Risk Management Working Group (the "RMWG") has been set up to coordinate risk management activities, and to report to the Board. The Group has evaluated the annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks of the Group. Based on the risk assessment results, an internal audit plan was devised which prioritized the risks identified into annual audit projects. The Group has reviewed by means of formally establishing/updating the internal control policies and procedures with the view to ensuring an appropriate internal control system in the Group. An annual audit review for financial year 2016 has been conducted by Internal Auditor. After their review as stipulated in the internal auditor's report, no significant or material finding/internal control weakness of the Group was identified for the year ended 31 December 2016.

Based on the results of the risk assessments of the RMWG and the audit review report of internal audit environment and internal control system conducted by Internal Auditor, the Board is of the view that the Company has maintained sound and effective risk managements and internal controls to safeguard shareholders' investments and assets during the year.

Communication with Shareholders and Investor Relations

The Group believes that effective communication with shareholders is key for improving investor relations and will ultimately assist the investment community in understanding the Group's business performance and strategies. Through regular, comprehensive, and interactive communication, we strive to enhance communication with investors through various communication channels. These include in-person meetings, telephone conferences, overseas roadshows, and project-site visits organised for the investor community. The Group seeks to establish a trusting and productive relationship with its shareholders and investors. The annual general meeting of the Company was held in May 2016. The Group organised briefings and media interviews for results announcements and maintained regular contact with the media through press releases, announcements, and other promotional materials. The Group is committed to enhancing corporate transparency and providing timely disclosure of information on the Group's developments to help shareholders and investors make informed investment decisions. The Group is dedicated to enhancing corporate governance practices on business growth and strives to attain a balance between corporate governance requirements and performance. The Board of Directors believes that sound corporate governance is essential to the success of the Group and will enhance shareholders values.

Shareholders' Rights

(I) PROCEDURES FOR SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

A special general meeting shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary at the Company's Head Office and Principal Place of Business in Hong Kong.

Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company.

(II) PROCEDURES FOR WHICH ENQUIRIES MAY BE PUT TO THE BOARD

Shareholders may at any time send their enquiries to the Board in writing at the Company's Head Office and Principal Place of Business in Hong Kong.

(III) PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition; or
- (b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's Head Office and Principal Place of Business in Hong Kong in case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



2016 CUHK Masters of Architecture
Graduation Show



Volunteer Team



Volunteer Team

Report Scope

This report covers the Hong Kong operational locations of Soundwill Holdings Limited (the “Group”). The time frame of the report is the 2016 financial year (from 1 January to 31 December 2016), which is consistent with the period of the Group’s annual report.

This report was compiled with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) in accordance with Appendix 27 of the Listing Rules. It is the Group’s first environmental, social and

governance report compiled based on this guide. General disclosures are made based on the “comply or explain” provision of the guide. The 2017 report is planned to be deepened to increase coverage of key performance indicators. In line with these standards, key stakeholders, our Environmental, Social and Governance Committee and independent third-party were engaged in the preparation of this report and in reviewing the most relevant and important issues for the Group to report on.



Concierge Team



Volunteer Team



2016 Social Capital Builder Award



2016 Caring Company



Midtown Pop - Art Gallery



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Overview

“Operating with heart” is our philosophy, aims at sustaining our business development and steady growth through our contribution for our people, customers, community and the environment. While we are committed to creating value for stakeholders by providing customers with products and services of impeccable quality and better returns to shareholders, we also undertake various corporate social responsibility programmes and initiatives to work for the betterment of the society.

Environment	<ul style="list-style-type: none"> Striving to improve its operational methods to reduce the impact of business on the environment Strictly complies with relevant environmental legislation During the reporting period, there were no cases of prosecution for violating environmental legislation
Society	<p>Employment</p> <ul style="list-style-type: none"> Aspiring to be an employer of choice and placing high importance on human capital management Strictly complies with the relevant employment legislation During the reporting period, there were no cases of prosecution for violating related legislation
	<p>Health and Safety</p> <ul style="list-style-type: none"> Aiming to achieve zero injuries in all of its workplaces Strictly complies with the relevant safety legislation During the reporting period, there were no cases of prosecution for violating related legislation
	<p>Product Responsibility</p> <ul style="list-style-type: none"> Professional teams strives to provide its customers with high-quality products and services Strictly complies with the relevant product liability and privacy-related legislation During the reporting period, there were no cases of prosecution for violating related legislation
	<p>Anti-corruption</p> <ul style="list-style-type: none"> Maintaining a robust and transparent corporate governance structure Strictly complies with the relevant anti-corruption and bribery legislation During the reporting period, there were no cases of prosecution for violating related legislation
Community	<ul style="list-style-type: none"> Consistently endeavours to fulfil its social responsibilities, enthusiastically participating in a variety of charitable activities to show its care for vulnerable groups The Group has been honoured as a “Caring Company” for many years During the reporting period, the Group was honoured with the 2016 Social Capital Builder Award The Group’s volunteer team actively participates in various community activities Supporting artistic activities and promoting community culture

Communication with Stakeholders

The Group believes that effective communication with stakeholders is essential for improving relationships and helping them understand the Group's performance and strategies. We believe communication with stakeholders must take place on a regular, comprehensive and interactive basis through methods including interviews, teleconferences, promotional overseas tours and scheduled visits to the Group's projects. The Group also proactively maintains a high degree of transparency via press releases, announcements and other promotional materials. Furthermore, the Group believes that transparent and timely disclosures of information help the Group enhance its environmental, social and governance practices.

Environment

A.1 Emissions

The Group is conscious of the impact of climate change on the world and its effects on the economy, society and environment. Consequently we must remain prepared and improve the utilisation of our resources. The Group includes environmental considerations in its decision-making processes at all levels and allocates resources to environmental management. We strive to promote environmental protection both inside and outside of the Group, including through initiatives such as reducing greenhouse gas emissions, efficiently using energy, minimising waste and undertaking recycling.

The Group strives to improve its operational methods to reduce greenhouse gas emissions, notably by enhancing its energy efficiency and power consumption. To do so, the Group periodically monitors and reviews the power usage of its properties, adjusting the times during which power is supplied to the lifts, air-conditioning systems, public lighting systems and other facilities. In addition to monitoring and improving its operating models, the Group also allocates resources to the adoption of energy-saving devices. Examples include switching T8 light fixtures to more energy-saving LED-based lighting systems. All of these measures effectively increase energy efficiency and reduce the emissions of greenhouse gases. Furthermore, the Group actively participates in the Earth Hour organised by the World Wide Fund for Nature, in addition to other community activities that support reductions in carbon emissions.

The Group is also committed to supporting waste reduction measures to reduce the impact of business on the environment. It sorts and recycles waste where feasible and properly disposes of non-recyclable waste. In addition, recyclable non-hazardous waste including waste paper, card stock, plastic bottles and aluminium cans, is delivered to contractors for recycling. The Group also evaluates the relevant production processes to find the sources of hazardous waste, before then formulating action plans and procedures to reduce it, ensuring that registered chemical waste collectors are engaged to collect and dispose of it.

The Group further monitors the post-processing of waste carried out by outsourcing businesses and actively participates in community activities to reduce waste and promote recycling. For example, it participates in the Waste Electrical and Electronic Equipment Recycling Service and the Promotion Programme on Source Separation of Waste organised by the Environmental Protection Department (the "EPD"). To help it stay at the cutting edge of environmental protection issues, the Group encourages employees to attend relevant seminars and events. Employees participated in the Cherish Food Seminar held by the Hong Kong Women Professional & Entrepreneurs Association together with the Hong Kong Productivity Council, learning more management methods to reduce kitchen waste and working hands-on to support waste reduction at the source.

The Group strictly complies with relevant environmental legislation. During this period, there were no cases of prosecution for violating environmental legislation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A.2 Use of Resources

The Group continues to explore methods of reducing energy consumption and increasing the efficient use of water. Through periodic monitoring and reviews of power usage at its properties, including the allocation of resources to adopt more energy-efficient equipment, the Group has successfully improved the energy-saving performance of a number of its properties. The Group also actively participates in community activities that promote energy conservation such as at the Park Haven and WarrenWoods properties which participated in the No Air Con Night held by Green Sense to promote low-carbon living.

The Group also places great importance on water efficiency as well. It has established channels to allow its employees to report faucet and water pipe leaks to those responsible, while the Group's employees are also instructed to follow the principle of using water only when necessary during their daily work, thereby reducing wastage.

A.3 Environment and Natural Resources

The Group is committed to reducing the negative impact of its operations on the environment and natural resources. All of its properties have sewage discharge licenses and comply with Water Pollution Control Ordinance to avoid damage to water quality and the ecological environment.

Advanced and innovative processes to eliminate or reduce production of toxic chemical waste have also been adopted by the Group. Appropriate storage, treatment and transport methods and solutions help to prevent hazardous materials from leaking into the environment, in accordance with the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes issued by the EPD.

The Group has also signed the Environment Bureau's Charter on External Lighting, promising to turn off decorative, promotional and advertising lighting equipment that affects the outdoor environment between 11:00 p.m. and 7:00 a.m. in order to avoid light pollution in the surrounding environment.

In addition to these elements, the Group also places significant importance on the air quality of its properties. Soundwill Plaza in particular has been awarded the Indoor Air Quality Certificate by the EPD, while the Group also achieves optimal air quality by providing smoke-free workplaces and periodically running indoor air tests.

Society

B.1 Employment

The Group's employment and recruitment processes are highly transparent. Decision-making is rigorous and fact-based. The Group bases salaries on the principle of fairness and ensures that wages are no lower than the minimum wage requirements. Wages in related markets are also referenced to provide attractive compensation. The Group offers a variety of allowances and reimbursements to qualifying employees and provides staff with retirement plans as stipulated by laws and regulations. The Group welcomes diversity in its staff and views this as a source of innovation. Regardless of ethnicity, religion, gender or age, all people receive equal employment opportunity, including in recruitment, development, promotion, training and other employment decisions. Employment contracts are terminated via written notices and all compensation is consistent with legal requirements. The employee retirement age is 65. In cases where the Group believes that employees possess irreplaceable experience and are deeply familiar with the Group's operations, and as long as health conditions permit it, arrangements agreeable to both parties can be reached or employees can enter the Group under new employment contracts.

The Group takes pleasure in providing employees with an environment that balances work and family life, and encourages an interactive and comfortable work environment. The Group absolutely does not tolerate any form of discrimination, including harassment directed at employees' gender, ethnicity, age, religion or nationality, regardless of whether the harasser is another employee, a customer or a supplier. Harassment includes violence in any form in the workplace. The goal is to provide all employees with a work environment free from aggressive and intimidating behaviour, while offering job opportunities based on merit and business considerations. Any employee may report potential concerns or violations at any time.

If work injuries or deaths unfortunately occur, the Group offers reasonable compensation to its employees and their families. The Group also purchases medical insurance for its employees to allow them to use medical services at a low cost.

Employee performance review managers and employees together review the previous year's work, both to evaluate work satisfaction and plan future work. Performance evaluation is a critical management tool for improving cooperation and ensuring that established targets are met. In addition to their daily work, employees also have the opportunity to evaluate and plan their development and support measures.

The Group strictly complies with the relevant employment legislation. During the reporting period, there were no cases of prosecution for violating employment legislation.

B.2 Health and Safety

In its occupational health and safety objectives, the Group aims to achieve zero injuries in all of its workplaces. Throughout the Group's operations, no compromise on safety is tolerated. Through mutual trust and transparent communication, the Group and its employees strive to improve workplace safety standards and develop a proactive and positive safety culture.

The Group takes a positive and proactive approach to potential safety hazards. It also ensures strict compliance with all applicable safety laws and regulations, and ensures that safety rights and responsibilities are clear at all levels of the organisation, in order to strengthen the concept of responsibility for safety. Management also leads by example, providing sustained and visible support for safety in the workplace. The Group sets aside funds to update safety equipment, conduct safety training and education, promote and evaluate safety measures and hold emergency rescue drills.

Annually, or whenever necessary, the Group reviews and analyses work procedures and operations, conducts internal audits and monitors implementation. With regard to health and safety, management focuses on prevention to identify potential dangers in the workplace and implement corresponding safety precautions. Third-party safety audits are also carried out in accordance with the relevant legislation.

Furthermore, by sharing and exchanging knowledge and experience, the Group continues to improve the knowledge, awareness, behaviour and ability of its management, employees, suppliers and contractors regarding safety and hazard management. In addition, the Group sets quantifiable objectives and clear safety measures, regularly reviews performance and actively pursues continuous progress in safety performance.

The Group also provides its employees with introductory safety training courses and special safety training to ensure that employees correctly understand potential hazards in their work and have the safety knowledge needed to respond to them. Additionally, employees are asked to complete introductory safety training questionnaires. All on-site workers are required to possess valid Construction Industry Safety Training Certificates (Safety Cards) as well as registration certificates for the relevant processes to confirm that new recruits understand the relevant safety rules. At the same time, the Group provides appropriate personal protective equipment for its employees and strictly mandates that employees use such equipment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group also requires that contractors perform collective safety inspections weekly and periodically. They also need to submit inspection reports detailing safety risks, follow-ups and subsequent improvements. The Group and the Site Safety Management Committee further arrange and record joint safety inspections, requiring that subcontractors also be present.

The Group strictly complies with the relevant safety legislation. During the reporting period, there were no cases of prosecution for violating occupational safety legislation.

B.3 Development and Training

The Group fully understands that its employees drive the sustainable development of its business. We periodically review employees' achievements, growth and development needs, and help employees plan their career development. We encourage employees to participate in training and seminars and to develop their abilities in order to handle challenging work.

The market is changing rapidly. To help its employees respond to a world that changes with each passing day, the Group equips its employees with the skills and knowledge needed both now and in the future to keep pace with the times. The Group jointly develops training objectives with employees, providing appropriate training to help employees improve their existing skills and knowledge in order to respond to new work requirements.

B.4 Labour Standards

The Group has taken proactive measures to prevent child labour. Prior to hiring any applicant, the Group adopts effective procedures to verify his or her age, thoroughly examining all files related to the applicant's age to ensure that applicants meet the minimum required age of 18.

The Group prohibits any indentured servitude or forced labour, ensuring that employees are participating in work or labour on the basis of their own free will. The use of any indentured or contract labour, corporal punishment, imprisonment and threats of violence are prohibited. Recruitment is based on impartiality and free will. The recruitment of employees through coercion or deception is prohibited.

No child labour or forced labour occurred within the Group during the reporting period.

B.5 Supply Chain Management

The Group encourages continuous improvement among its suppliers, and expects all suppliers to comply with the laws and regulations of their countries. Imported products must also comply with local laws and regulations. The Group also requires that its suppliers provide safe working environments for their employees. Ensuring health and safety must be an indispensable part of their work activities. At the same time, suppliers must continue to improve their safety standards and performance with the aim of achieving zero injuries.

The Group expects suppliers to implement sound employment measures by dealing with their employees fairly and reasonably, respecting employees' rights and providing employees with environments free of discrimination, child labour and forced labour. Suppliers must also abide by transparent business processes and high standards of conduct, including avoiding conflicts of interest and prohibiting giving and accepting bribes.

The Group's suppliers must also emphasise the efficient use of resources and strive to reduce waste. This includes efficiently using fuel and water, properly processing and disposing of waste, monitoring and managing their impact on the environment with a responsible attitude, and continuing to improve in all areas.

B.6 Product Responsibility

The Group strives to provide its customers with high-quality services, treating customers with a sincere and respectful attitude. Professional teams proactively collect and listen to the opinions of tenants and users, responding properly and providing support services. In addition, customer service performance is reviewed periodically to improve service quality.

The Group places a great deal of importance on the quality of its properties. Before a property is formally delivered, numerous rounds of review are performed, including self-inspection by the construction unit, re-examination by supervisors and acceptance inspections by the relevant government departments. Before delivery to the customer, several internal acceptance checks are also performed. Additionally, to ensure the efficiency and professionalism of property acceptance checks and problem solving, the Group continues to provide its employees with relevant internal and external training.

To ensure that every newly completed unit is absolutely perfect, multiple detailed inspections of the unit are performed before a property is delivered. To then ensure that each unit is in ideal condition when delivered to its owner, ad-hoc professional teams provide customers with comprehensive and caring service, helping new owners handle the acceptance procedures to make the hand-over as easy as possible.

The Group's high-quality services extend after the delivery of the unit. Full-time teams are established to identify the services required during the use of the new unit, and then follow up proactively. In addition to providing comprehensive after-sales service, newly-occupied properties also enjoy maintenance warranties for the first two years, boosting tenants' peace of mind.

Customer service is extremely important to the Group. Its property management subsidiaries provide high-quality property management services for tenants and customers. The professional property management teams are continuously innovating and listening to tenants' views to improve service quality. Soundwill Plaza in particular won the Outstanding Security Services – Industrial and Commercial Property Award at the Best Security Services Awards held by the Hong Kong Island Regional Crime Prevention Office of the Hong Kong Police Force.

The Group is dedicated to improving customer services to satisfy customers, but when disputes that cannot be resolved through after-sales service mechanisms do arise, the Group prefers to resolve them through mediation. The Group is aware that, compared to court proceedings, mediation is better able to resolve a variety of disputes efficiently, simultaneously saving time and money. In view of this, the Group has signed the Mediate-First Pledge of the Department of Justice. If a dispute occurs between the Group and another person or organisation, the Group is willing to try mediation to resolve the dispute first before attempting other methods of dispute resolution or filing litigation with the court.

The Group complies strictly with the relevant product liability legislation. During the reporting period, there were no cases of prosecution for violating product liability or privacy-related legislation.

B.7 Anti-corruption

The Group has established systems to supervise its corporate governance, with responsibility shared jointly by the members of the Board of Directors. The Group requires that directors and employees comply with the code of business ethics. They may not engage in any corruption or bribery. Simultaneously, independent internal audits have been established.

The Group requires that its employees declare conflicts of interest to the human resources department. It provides training for positions at higher risk of conflicts of interest, such as the senior management of each department, the property development department, the property investment department, the construction department, the marketing and sales department, the leasing department and the purchasing department. In addition, the Independent Commission Against Corruption is periodically invited to the Group to hold anti-corruption seminars.

Five suppliers are invited to bid on large contracts, whereas three suppliers are invited for bidding on relatively small contracts. Contracts of different sizes are approved by personnel at different levels, including senior managers, general managers and Directors. Headquarters and the property management department already act in accordance with the above principles. The Group complies with the relevant anti-corruption and bribery legislation. During the reporting period, there were no cases of prosecution for violating related legislation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Community

B.8 Community Investment

The Group consistently endeavours to fulfil its social responsibilities, enthusiastically participating in a variety of charitable activities to show its care for vulnerable groups. This spirit is rooted in its corporate culture and complements the Group's business operations. Employees are encouraged to participate in a variety of charitable activities to support different sectors and give back to the community through action.

The Group has been honoured as a "Caring Company" by the Hong Kong Council of Social Service for many years. This fully demonstrates its corporate spirit of striving to care for society through action. During the reporting period, the Group was also honoured with the 2016 Social Capital Builder Award issued by the Community Investment & Inclusion Fund of the Labour and Welfare Bureau, which praised the Group for its years of practicing the spirit of social capital and its contributions to the development of social capital in Hong Kong.

The Group's volunteer team actively participates in various community activities. They regularly participate in the Little Bean Sprout Storytelling Sessions for the Family Storytelling – Neighbourhood Development Project hosted by the Hong Kong Outlying Islands Women's Association, sharing stories with children in the Tung Chung community. By telling stories, the volunteer team instils a positive attitude in the schoolchildren. The Group also participated in the Outlying Islands Women's Association's Tung Chung Youth Marching Band Recital 2016, further enhancing its care for the community. In addition, a volunteer team participates in the Pei Ho Counterparts community meal activities, helping distribute free lunchboxes to people in need. The team also participates in volunteer activity with Food Angel, pre-processing donated food and helping process vegetables and packaged food.

The Group's employees actively participate in the Green Day and Dress Casual Day held by the Hong Kong Community Chest. The money raised goes to local vulnerable groups, further contributing to benevolent causes.

The Group has consistently supported artistic activities and promoted community culture. For many years, it has actively and enthusiastically participated in cooperation between arts organisations and corporate brands, holding a variety of art exhibitions and activities. The Group provides a multi-purpose 8,000 square feet performance venue called "Midtown POP" in Soundwill Plaza II – Midtown. Midtown POP gives local and foreign artists opportunities to display their works, while also giving the public opportunities to understand, appreciate and engage with artistic creations. The Group also focuses on education, sponsoring and providing a venue for the 20th Masters of Architecture Graduation Show organised by the School of Architecture of the Chinese University of Hong Kong, where the creations of 53 graduates were exhibited. In addition, the Group has cooperated with a number of international fashion brands to hold fashion shows and events, further enhancing Hong Kong's status and visibility in the international community.

In conjunction with its members and property projects, the Group has been honoured with numerous commendations, which provide sufficient evidence to confirm that the Group's many years of enthusiasm and efforts toward fulfilling its social responsibility have been highly recognised, and that the Group consistently shoulders its corporate social responsibilities. The Group will continue to make good use of its resources and networks, mobilising employees to serve society.

Outlook

In future, the Group will continue to pursue the mission of becoming a sustainable enterprise as its new direction for development. Towards this end, it will improve its performance on all aspects of the environment, society and governance in its operations, responding to related government policies and participating in activities organised by related groups. In accordance with the ESG Reporting Guide, the Group will continue to share environmental, social and governance information with the public.

The Directors are pleased to present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 December 2016.

Business Review

A business review of the Group during 2016 is set out under:

- (1) the Chairman's Statement on pages 4 to 5;
- (2) the Operations Review and Prospects on pages 8 to 17; and
- (3) the Management Discussion and Analysis on pages 18 to 19.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries include property assembly, property development, property leasing and provision of building management services in Hong Kong and property development in PRC. Other particulars of the subsidiaries are set out in note 37 to the consolidated financial statements.

Results and Dividend

The results of the Group for the year ended 31 December 2016 and the state of the Group's and the Company's affairs as at the date are set out in the consolidated financial statements on pages 104 to 232.

The Board recommends a payment of a final dividend of HK\$0.20 (2015: HK\$0.20) per share and a special dividend of HK\$1.00 (2015: Nil) per share for the year ended 31 December 2016, subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Wednesday, 17 May 2017. The final and special dividends will be payable on or about Thursday, 8 June 2017 to shareholders whose names appear on the register of members on Thursday, 25 May 2017.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

Subsidiaries

Particulars of the Group's principal subsidiaries are set out in note 37 to the consolidated financial statements.

Borrowings

Particulars of the borrowings of the Group at the reporting date are set out in note 27 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on pages 112 to 115 and note 31 to the consolidated financial statements respectively.

REPORT OF THE DIRECTORS

Share Option Scheme

Particulars of the share option scheme, share options granted and movement are set out in note 32 to the consolidated financial statements.

Major Properties/Properties under Development

Particulars of the major properties held by the Group and properties under development of the Group are set out on pages 45 and 46.

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 47. This summary does not form part of the audited consolidated financial statements.

Directors

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

EXECUTIVE DIRECTORS:

Madam Foo Kam Chu Grace (*Chairman*)
Ms. Chan Wai Ling
Mr. Kong Siu Man Kenny

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Chan Kai Nang
Mr. Pao Ping Wing
Mr. Ng Chi Keung

Pursuant to the Bye-laws 87, Mr. Kong Siu Man Kenny and Mr. Pao Ping Wing will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Madam Foo Kam Chu Grace will also voluntarily retire and, being eligible, offer herself for re-election at the forthcoming annual general meeting.

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-Executive Directors are independent.

Directors' Material Interests in Transactions, Arrangements and Contracts

Saved as disclosed in the Report of the Directors and note 39 "Related Party Transactions" to the consolidated financial statements, no transaction, arrangement or contract of significance to the Group's business to which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly were entered into or subsisting during the financial year.

Directors' Service Contracts

Independent Non-Executive Directors are not appointed for a specific term but are subject to retirement by rotation in accordance with the Bye-laws.

As at 31 December 2016, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Disclosure of Directors' Update Information

Update on the information of Directors of the Company under Rule 13.51B of the Listing Rules as follow:

Mr. Chan Kai Nang, an Independent Non-Executive Director of the Company, was appointed as an independent non-executive director, member of audit committee, nomination committee and remuneration committee and Chairman of independent committee of PanAsialum Holdings Company Limited (2078.HK), a company listed on the Stock Exchange, on 24 February 2017.

Mr. Pao Ping Wing, an Independent Non-Executive Director of the Company, was resigned as an independent non-executive director, the chairman of the remuneration committee, and a member of the audit committee and nomination committee of Tonking New Energy Group Holdings Limited (8326.HK), a company listed on the Stock Exchange, on 13 March 2017.

Save as disclosed above, there are no other change in the information of the Directors of the Company required to be disclosed pursuant to Rule 13.51B of the Listing Rules subsequent to the publication of the 2016 interim report of the Company.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations

1. DIRECTORS' INTERESTS IN THE COMPANY

As at 31 December 2016, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which are required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) Long positions in the shares:

Name of Directors	Note	Capacity	Number of Ordinary Shares Interested	Approximate Percentage of the Company's Total Issued Shares
Foo Kam Chu Grace	1	Beneficial owner and interest of controlled corporation	202,887,630	71.61%
Chan Wai Ling	2	Beneficial owner	2,000,000	0.70%
Kong Siu Man Kenny	2	Beneficial owner	250,000	0.09%

Notes:

- 202,475,028 shares represented the aggregate of (i) 200,089,028 shares held by Ko Bee Limited, a company wholly-owned by Madam Foo Kam Chu Grace; and (ii) 2,386,000 shares held by Full Match Limited, a company wholly-owned by Ko Bee Limited. Accordingly Ko Bee Limited is deemed to be interested in the 2,386,000 shares in the Company. Therefore, Madam Foo Kam Chu Grace is considered to have deemed interests in the 2,386,000 shares of the Company by virtue of her interests in Ko Bee Limited.
- Details of the shares are set out in note 32 to the consolidated financial statements.

REPORT OF THE DIRECTORS

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations (Continued)

2. DIRECTORS' INTERESTS IN ASSOCIATED CORPORATIONS

Name of Directors	Name of Associated Corporations	Capacity	Number and Class of Shares	Percentage of Shareholding
Foo Kam Chu Grace	Ko Bee Limited	Beneficial owner	1 ordinary share	100%
Foo Kam Chu Grace	Full Match Limited	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) 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 he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Right to Acquire Shares and Debentures

Save as disclosed above and note 32 to the financial statements, at no time during the year ended 31 December 2016 were rights to subscribe for equity or debt securities of the Company granted to any Director or chief executive of the Company or to their spouse or children under 18 years of age as recorded in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable any such persons to acquire any such rights in any other body corporate.

Directors' Interests in Competing Business

During the year, no Director had any interests in businesses which competed or were likely to compete, either directly or indirectly, with the Group's business.

Principal Risks and Uncertainties

The Group is exposed to various risks in its businesses and operations. Through internal control systems and procedures, the Company has taken reasonable steps to ensure that significant risks are monitored and do not adversely affect the Group's operations and performances. The relevant risks are managed on an ongoing basis. A non-exhaustive list of principal risks and uncertainties facing the Group is set out below.

1. MARKET RISK

The Group's revenue is principally derived from Hong Kong. The conditions of the economy as a whole and the property market may have significant impact to the Group's financial results and conditions.

2. COMPLIANCE RISK

The Group's operations require compliance with local and overseas laws (including those of PRC, Bermuda, Cayman Islands and British Virgin Islands) and regulations, including but not limited to property sale, management and construction as well as companies and securities laws. The Group has constantly monitored its compliance with relevant laws and regulations that have a significant impact on the Group.

3. CONSTRUCTION RISK

The Group also engages in construction business. The Group has to ensure it can timely complete its construction projects under relevant time limits; within cost control and adherence to quality and specifications. Certain factors may adversely affect this operation including shortages of labour, equipment and/or materials; labour; disputes with contractors and subcontractors; unfavourable or adverse weather conditions; accidents and changes in government policies and practices. Occurrence of one or more of these factors may potentially delay completion; result in cost overrun and/or leading to postponement of profit recognition to a subsequent financial year.

Permitted Indemnity

In accordance with the Bye-law 166(1) of the Bye-laws provides that, among other, every director and other officers of the Company 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 they or any of them shall or may incur sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices and related matters provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them.

In this connection, the Company has arranged Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

Connected Transaction

During the year, the Group has not entered into any connected transaction. The Company confirmed that it has complied with the disclosure requirement of a connected transaction in accordance with Chapter 14A of the Listing Rules by publication of an announcement.

REPORT OF THE DIRECTORS

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

As at 31 December 2016, the person(s) other than a Director or chief executive of the Company who have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, was/were as follows:

1. LONG POSITIONS IN THE SHARES

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage of Shareholding
Ko Bee Limited	Beneficial owner and interest of controlled corporation	202,475,028 ^(Note)	71.47%

Note: These 202,475,028 shares represented the aggregate of (i) 200,089,028 shares held by Ko Bee Limited, a company wholly-owned by Madam Foo Kam Chu Grace and (ii) 2,386,000 shares held by Full Match Limited, a company wholly-owned by Ko Bee Limited.

Save as disclosed above, as at 31 December 2016, the Company had not been notified by any persons (other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above), who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Major Customers and Suppliers

During the year, approximately 9% (2015: 5%) of the Group's purchases were attributable to the Group's largest supplier and approximately 24% (2015: 10%) of the Group's purchases were attributable to the Group's five largest suppliers.

During the year, approximately 8% (2015: 19%) of the Group's revenue was attributable to the Group's largest customer and approximately 28% (2015: 48%) of the Group's revenue was attributable to the Group's five largest customers.

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

Environmental Policies and Performances

The Group remains firmly committed to operating as a socially-responsible company in all of its business operations. In its property development, the Group aims to efficiently use materials and resources. The Group's property management division promotes environmental awareness and takes steps to save energy and ensure efficient use of resources. The Group has formed a task group comprising of staff members from human resources and administration, corporate communications, finance and legal and is in the process of establishing and enhancing its environmental policies, procedures and performances.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company is empowered by the applicable laws of Bermuda and the Bye-laws to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange. During the year ended 31 December 2016, the Company had repurchased a total of 2,039,000 shares of HK\$0.10 each on the Stock Exchange at an aggregate consideration paid of HK\$19,056,064. All of the repurchased shares were subsequently cancelled in January and February 2016. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of shares	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration paid HK\$
January 2016	2,039,000	10.20	8.69	19,056,064

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

Pre-Emptive Rights

There are 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 existing shareholders.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's shares in the market as at the date of this report.

Auditor

BDO Limited will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the 2017 annual general meeting of the Company.

Closure of Register of Members for Annual General Meeting

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Friday, 12 May 2017 to Wednesday, 17 May 2017 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Thursday, 11 May 2017.

Closure of Register of Members for Dividend

For determining the entitlement to the proposed final and special dividends for the year ended 31 December 2016, the register of members of the Company will be closed from Tuesday, 23 May 2017 to Thursday, 25 May 2017 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the final and special dividends, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Monday, 22 May 2017.

On behalf of the Board

Foo Kam Chu Grace

Chairman

Hong Kong, 23 March 2017

LIST OF MAJOR PROPERTIES HELD AS AT 31 DECEMBER 2016

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Land use	Lease term
Soundwill Plaza No. 38 Russell Street, Causeway Bay, Hong Kong	245,100	100%	Commercial	Long-term lease
Soundwill Plaza II – Midtown 1-29 Tang Lung Street, Causeway Bay, Hong Kong	218,000	100%	Commercial	Long-term lease
10 Knutsford Terrace 10-11 Knutsford Terrace, Tsim Sha Tsui, Hong Kong	114,000	100%	Commercial	Long-term lease
THE SHARP G/F-2/F, 11-13 Sharp Street East and 1-1A Yiu Wa Street, Causeway Bay, Hong Kong	4,500	100%	Commercial	Long-term lease
尚薈海岸(景湖灣)一期(別墅) 高要市金渡鎮世紀大道旁	156,904	100%	Residential	Long-term lease

MAJOR PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2016

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Project status	Expected completion date
iPLACE 301-305 Castle Peak Road, Kwai Chung, Hong Kong	126,400	100%	Construction in progress	2H 2017
Jones Hive 8 Jones Street, Tai Hang, Hong Kong	65,300	20.24%	Obtained occupation permit	2H 2017
105-113 Ta Chuen Ping Street, Kwai Chung, Hong Kong	190,000	100%	Construction in progress	1H 2019
尚薈海岸(景湖灣)二期(74/75棟) 高要市金渡鎮世紀大道旁	294,341	100%	Construction in progress	2H 2017
尚薈海岸(景湖灣)二期(76/77/78/79棟) &三期高要市金渡鎮世紀大道旁	602,176	100%	Construction in progress	2H 2019
譽名都(山水向日)一期(4/5/6棟) 珠海市斗門區新偉中街68號	236,483	100%	Construction in progress	2H 2017
譽名都(山水向日)二期(1/2/3/7棟) 珠海市斗門區新偉中街68號	585,653	100%	Construction in progress	2H 2018

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the consolidated results and of the consolidated assets and liabilities of Soundwill Holdings Limited and its subsidiaries for the last five financial years, as extracted from the published audited financial statements and restated upon the adoption of the revised/amended Hong Kong Financial Reporting Standards as appropriate. This summary does not form part of the audited financial statements.

Consolidated Results

	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue (from continuing and discontinued operations)	1,627,921	540,491	2,937,245	610,385	1,801,968
Profit before income tax expense	3,103,193	23,075	1,801,060	1,387,551	3,439,041
Income tax expense	(242,483)	(67,172)	(156,443)	(49,373)	(117,785)
Profit/(Loss) for the year	2,860,710	(44,097)	1,644,617	1,338,178	3,321,256
Profit/(Loss) for the year attributable to owners of the Company	2,824,747	(52,604)	1,625,160	1,340,112	3,330,143
Non-controlling interests	35,963	8,507	19,457	(1,934)	(8,887)
	2,860,710	(44,097)	1,644,617	1,338,178	3,321,256

Consolidated Assets and Liabilities

	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Non-current assets	17,931,861	15,746,117	16,013,123	16,743,701	13,525,364
Net current assets/(liabilities)	1,220,208	861,993	744,557	(1,643,889)	342,025
Non-current liabilities	(149,368)	(76,953)	(94,953)	(62,820)	(65,183)
Non-controlling interests	(31,685)	(277,674)	(257,890)	(240,019)	(255,653)
Equity attributable to owners of the Company	18,971,016	16,253,483	16,404,837	14,796,973	13,546,553
Gearing ratio*	9%	13%	13%	26%	22%

* expressed as a percentage of total borrowing over total equity

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司

(Incorporated in Bermuda with limited liability)

致金朝陽集團有限公司列位股東

(於百慕達註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Soundwill Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 104 to 232, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

意見

本核數師(以下簡稱我們)已審計金朝陽集團有限公司(「貴公司」)及其附屬公司(「貴集團」)載列於第104至232頁的綜合財務報表,包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一六年十二月三十一日的財務狀況及截至該日止年度的綜合財務表現及現金流量,並已按照香港《公司條例》的披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。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。我們根據香港會計師公會的專業會計師道德守則(「守則」)獨立於 貴集團,並根據守則履行我們其他道德責任。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。

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.

Valuation of Investment Properties

(Refer to note 16 to the consolidated financial statements and the critical accounting estimates and judgement in note 5(a)(i))

The carrying value of the Group's investment properties at 31 December 2016 was HK\$17,794,052,000. Investment properties are measured at cost on acquisition, and thereafter are carried at fair value, with any changes therein recognised in profit or loss. During the year ended 31 December 2016, the Group recognised a fair value gain on its investment properties of HK\$2,621,740,000. The valuation of investment properties (including investment properties under construction) is a significant judgement area and is underpinned by a number of key assumptions.

The Group carries out a valuation of its investment properties on the following bases: (i) completed investment properties (whole block of commercial building) are valued using the income capitalisation method, in which the principal assumptions are reversionary rental values and adjusted term/reversionary yields; (ii) investment properties under construction are valued by applying the residual method, which is determined by deducting the estimated construction and other professional costs to completion, including cost of construction, professional fees, finance costs, associated costs and an allowance for developer's profit margin from the gross development value; and (iii) completed investment properties (individual units or ground floor shops) are valued using the direct comparison method. To assist management in this difficult judgmental area, the Group uses professionally qualified external valuers for the property valuation exercise.

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就此形成意見時處理此等事項。我們不會對這些事項提供單獨的意見。

投資物業估值

(參閱綜合財務報表附註16及附註5(a)(i)內的關鍵會計估計及判斷)

貴集團於二零一六年十二月三十一日的投資物業賬面值為港幣17,794,052,000元。投資物業按照收購時的成本計量，其後以公平值計量，其中任何變動計入損益。截至二零一六年十二月三十一日止年度期間，貴集團確認其投資物業公平值增值港幣2,621,740,000元。投資物業（包括在建投資物業）的估值是一個重要的判斷領域，並得到部分關鍵假設的支撐。

貴集團對其投資物業的估值基於以下基準：(i)已竣工之投資物業（商業大廈全幢）使用收入資本化方法估值，其中主要假設為複歸租賃值及經調整年期／複歸回報率；(ii)在建投資物業採用剩餘法計算，該方法乃扣除估計建築成本及完成前之其他專業成本，包括建築成本、專業費用、財務成本、相關成本及從總發展價值中作出發展商利潤率撥備；及(iii)已落成投資物業（個別單位或地面店舖）採用直接比較法估值。為協助管理層在這困難的評判範圍內進行估值，貴集團聘用專業合資格的外部估值師進行物業估值。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

Valuation of Investment Properties (Continued)

Our response:

Our procedures in relation to the valuation of investment properties included:

- (i) We carried out in-depth discussions with management and the external valuer and challenged the appropriateness of the valuation models used and processes adopted and the significant assumptions and critical judgement areas which underpin those valuations;
- (ii) We checked the bases used to value the different types of investment properties owned by the Group at 31 December 2016 was consistent with the bases used in prior years;
- (iii) Specifically, in the case of completed investment properties, this included test checking the actual rental yields used in the valuer's calculations matched to underlying signed lease agreements on a sample basis. We also challenged the basis of the reversionary rental rates used for future expected rental income with reference to current rental renewal negotiations and rental rates in nearby properties. We benchmarked these assumptions to recent market evidence including actual property leasing transactions for comparable property units. For reversionary rental yields, we benchmarked the yield adopted by the external valuer with reference to recently published statistics and the yields derived from the sales transactions in prime commercial area of Hong Kong;
- (iv) For investment properties under construction, we assessed the future expected costs to complete the development based on published surveyors' data on current industry construction costs. We also challenged management over the accuracy of their total expected construction costs based on actual costs incurred to date versus budget, and as measured against the expected time to complete the various phases of the overall development. We also challenged the allowances in the valuation for developers' profit margins; and
- (v) We assessed the competence, capability and objectivity of the external valuer.

關鍵審計事項 (續)

投資物業估值 (續)

我們的回應：

我們就評估投資物業估值有關的程序包括：

- (i) 我們與管理層及外部估值師進行深入的討論，挑戰所使用的估值模型及所採納流程的適用性以及支撐估值的重要假設及關鍵判斷領域；
- (ii) 我們已檢查二零一六年十二月三十一日本集團所擁有的不同類型投資物業的基準與過往年度的基準相符；
- (iii) 具體來說，就已完成投資物業而言，包括以抽樣方式檢查估值師計算中使用的實際租金回報率與已簽署的租賃協議相匹配的測試。我們亦參考目前的租金續訂磋商及附近物業的租金，以審閱未來預期租金收入的複歸租賃率的基礎。我們將這些假設與最近的市場證據進行比較，包括可比較物業單位的實際物業租賃交易。就複歸租金回報率而言，我們參照最近公佈的統計數字及香港主要商業地段的銷售交易所得的回報率，以外部估值師所採用的回報率為基準；
- (iv) 對於建築中的投資物業，我們根據所公佈的有關當前行業建設成本測量師數據，對未來預計成本進行評估。基於迄今為止實際成本與預算，我們亦對管理層總預計施工成本的準確性提出挑戰，並按照完成整體開發各個階段的預期時間進行計量。我們亦挑戰開發商的利潤率的估值撥備；及
- (v) 我們評估外部估值師的權能、能力及客觀性。

Key Audit Matters (Continued)

Valuation of Investment Properties (Continued)

Provision for taxation arising from disposals of investment properties and provision of deferred tax arising from fair value changes in investment properties

(Refer to note 28 to the consolidated financial statements and the critical accounting estimates and judgement in note 5(a)(iv))

At 31 December 2016, the Group had certain investment properties which are carried at fair value and were located in Hong Kong. If and when these investment properties are disposed of, any gains that are 'trading' in nature arising from such disposal may have tax exposure. Under the Hong Kong Inland Revenue Ordinance ("IRO"), capital gains on sales of assets are not subject to Hong Kong Profits Tax. Whether a gain on disposal of such an asset is capital or trading in nature is a matter of judgment. Similarly, where the Group has investment properties under development, management are required to assess if their eventual sale will result in a gain of a trading nature or not. If yes, the Group is required to provide deferred tax on the fair value changes of such properties up till their actual disposal. However, in practice, the amount of tax/deferred tax to be provided can be a difficult area to judge, as the distinction between whether a gain is of a capital or trading nature is essentially dependent on management's intention at the time the asset was acquired, and if that intention had subsequently changed from a capital to a trading nature, when that intention had changed.

Our response :

Our procedures in relation to the assessment of the Group's potential tax exposure in relation to the gain on disposal of investment properties and fair value changes in investment properties included:

- (i) Checking the supporting documentary evidence made available by management including supporting minutes, notes of meetings, notes of due diligence carried out in connection with the initial acquisition of the property, and business strategy papers prepared by management at the time the property was acquired and subsequent to its acquisition;
- (ii) Noting the length of period the property has been held and the Group's track record of holding/developing such types of properties and in such locations;

關鍵審計事項 (續)

投資物業估值 (續)

出售投資物業產生的稅項撥備及投資物業公平值變動產生的遞延稅項

(參閱綜合財務報表附註28及附註5(a)(iv)內的關鍵會計估計及判斷)

於二零一六年十二月三十一日，貴集團擁有若干以公平值計量且位於香港的投資物業。倘該等投資物業被出售，出售產生交易性質的任何收益可能會被徵稅。根據香港稅務條例（「香港稅務條例」），出售資產的資本收益不徵收香港利得稅。出售資產的收益屬資本性質或交易性質為判斷問題。同樣，在貴集團投資物業在建的情況下，管理層需要評估其最終銷售是否會導致交易性質的收益。如有，本集團必須就該等物業的公平值變動提供遞延稅項直至實際出售。然而，實際上，所提供的稅項／遞延稅項金額可能為一個難以判斷的領域，由於收益為資本或交易性質的區別在很大程度上取決於資產收購時管理層的意圖，倘該意圖發生變化，則該意圖隨後由資本變為貿易性質。

我們的回應：

我們關於 貴集團有關出售投資物業的收益及投資物業公平值變動的潛在稅務風險評估程序包括：

- (i) 檢查管理層提供的支持性文件證據，包括支持性記錄、會議記錄、首次收購物業時進行的盡職調查記錄，以及管理層於收購物業時及其收購後所編製的業務戰略文件；
- (ii) 留意該物業持有期限及 貴集團持有／開發物業及於該等地點的記錄；

I Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

Valuation of Investment Properties (Continued)

Our response : (Continued)

- (iii) Where the project was a joint development with other parties we also looked at the intention of those other parties and their track record in such property development projects as an indication of the likely nature and final outcome of that project as a whole;
- (iv) We reviewed any public announcements and public disclosures such as in the Annual Report issued by the Company and any media interviews given by management discussing the future direction and plans for individual investment property projects; and
- (v) We considered the effect of any new tax regulations or practice notes issued by Hong Kong Inland Revenue Department ("IRD") or new precedent tax cases which may be relevant to the Group's investment property projects.

Other Information in the Annual Report

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

關鍵審計事項 (續)

投資物業估值 (續)

我們的回應：(續)

- (iii) 倘項目為與其他方共同開發的，我們亦會考察其他方的意圖及其在該等物業開發項目中的記錄，以表明整個項目可能的性質及最終結果；
- (iv) 我們檢討 貴公司發佈的任何公開公告及公開披露，如年報，以及管理層對個別投資物業項目未來發展方向及計劃進行討論的任何媒體採訪等；及
- (v) 我們考慮香港稅務局發行的任何新稅法或慣例說明或與 貴集團投資物業項目有關新的先例稅案影響。

年報內其他資料

貴公司董事(「董事」)須對其他資料負責。其他資料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資料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。

Directors' Responsibilities for the Consolidated Financial Statements

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

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

The Directors are responsible for overseeing the Group's financial reporting process. The Audit Committee assists the Directors in discharging their responsibilities in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of the 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定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。

董事負責監督 貴集團的財務報告過程。審核委員會協助董事履行其監督 貴集團的財務報告過程的職責。

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作出包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，我們按照百慕達公司法一九八一年第90條僅向整體股東報告，除此之外別無其他目的。我們概不就本報告之內容，向任何其他人士負責或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任 (續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 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。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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 the Directors, 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.

BDO Limited

Certified Public Accountants

Jonathan Russell Leong

Practising Certificate Number P03246

Hong Kong, 23 March 2017

核數師就審計綜合財務報表承擔的責任 (續)

- 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、監督與執行。我們為審計意見承擔全部責任。

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

我們還向審核委員會提交聲明，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。

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

香港立信德豪會計師事務所有限公司

執業會計師

梁兆基

執業證書編號P03246

香港，二零一七年三月二十三日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收入表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Revenue	收益	6	1,627,921	540,491
Cost of sales	銷售成本		(854,226)	(23,082)
Gross profit	毛利		773,695	517,409
Other income	其他收入	6	32,449	46,474
Selling expenses	銷售費用		(30,969)	(43,809)
Administrative expenses	行政費用		(183,914)	(176,060)
Other operating expenses	其他經營費用		(39,107)	(4,379)
Gain on disposal of subsidiaries	出售附屬公司之收益	40	36,870	69,367
Loss on disposal of a joint venture	出售一家合營企業之虧損		-	(16,961)
Loss on disposal of investment properties	出售投資物業之虧損	16	-	(3,195)
Provision for impairment loss on properties under development	對發展中物業提供減值虧損撥備	21	(74,818)	-
Net gain/(loss) on fair value adjustments on investment properties	投資物業公平值調整之增值/(虧損)淨值	16	2,621,740	(326,954)
Finance costs	融資成本	8	(32,753)	(38,817)
Profit before income tax expense	除所得稅開支前溢利	9	3,103,193	23,075
Income tax expense	所得稅開支	12	(242,483)	(67,172)
Profit/(Loss) for the year	年內溢利/(虧損)		2,860,710	(44,097)
Other comprehensive income, net of tax	其他全面收入，扣除稅項後	13		
<i>Items that will not be reclassified to profit or loss:</i>	<i>以下項目將不會重新分類到損益：</i>			
(Deficit)/Surplus on revaluation of leasehold buildings, net of deferred tax	租賃樓宇重估(虧損)/盈餘，扣除遞延稅項後		(916)	2,457
<i>Items that will be reclassified subsequently to profit or loss:</i>	<i>以下項目其後可能重新分類到損益：</i>			
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損		(30,765)	(33,637)
Release of exchange reserve upon disposal of subsidiaries	於出售附屬公司後撥回之匯兌儲備		-	2,610
Other comprehensive income for the year, net of tax	年內其他全面收入，扣除稅項後		(31,681)	(28,570)
Total comprehensive income for the year	年內總全面收入		2,829,029	(72,667)

C Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收入表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Profit/(Loss) for the year attributable to:	應佔年內溢利／(虧損)：			
Owners of the Company	本公司擁有人		2,824,747	(52,604)
Non-controlling interests	非控股權益		35,963	8,507
			2,860,710	(44,097)
Total comprehensive income for the year attributable to:	應佔年內總全面收入：			
Owners of the Company	本公司擁有人		2,793,241	(78,684)
Non-controlling interests	非控股權益		35,788	6,017
			2,829,029	(72,667)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company during the year	本公司擁有人應佔年內溢利／(虧損)之每股溢利／(虧損)	15		
Basic	基本		HK\$港幣9.97元	HK\$港幣(0.18)元
Diluted	攤薄		HK\$港幣9.97元	HK\$港幣(0.18)元

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investment properties	投資物業	16	17,794,052	15,610,480
Property, plant and equipment	物業、廠房及設備	17	112,118	116,356
Properties held for development	待發展物業	18	18,026	19,271
Available-for-sale financial assets	可供出售財務資產	19	10	10
Loan receivables	應收貸款	22	7,655	–
Goodwill	商譽	20	–	–
			17,931,861	15,746,117
Current assets	流動資產			
Properties under development	發展中物業	21	2,617,495	3,265,104
Trade and other receivables	貿易及其他應收款項	22	135,119	144,978
Deposits paid for acquisition of properties	收購物業之已付訂金		15,203	13,505
Bank deposit at escrow account	於託管賬戶之銀行存款	23	51,121	346,044
Cash and bank balances	現金及銀行結餘	24	1,592,375	374,153
			4,411,313	4,143,784
Assets of a disposal group classified as held for sale	分類為持作出售之出售組別資產	29	–	73,079
Total current assets	總流動資產		4,411,313	4,216,863

C Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註		
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	25	488,308	460,106
Deposits received in advance	預收訂金	26	864,457	734,637
Borrowings	借貸	27	1,694,220	2,137,050
Provision for income tax	所得稅撥備		144,120	22,707
			3,191,105	3,354,500
Liabilities of a disposal group classified as held for sale	分類為持作出售之出售組別負債	29	-	370
Total current liabilities	總流動負債		3,191,105	3,354,870
Net current assets	淨流動資產		1,220,208	861,993
Total assets less current liabilities	總資產減流動負債		19,152,069	16,608,110
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	28	149,368	76,953
Net assets	淨資產		19,002,701	16,531,157

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註		
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	30	28,331	28,535
Reserves	儲備	31	18,942,685	16,224,948
			18,971,016	16,253,483
Non-controlling interests	非控股權益	38	31,685	277,674
Total equity	權益總額		19,002,701	16,531,157

Foo Kam Chu Grace

傅金珠

Director

董事

Chan Wai Ling

陳慧苓

Director

董事

C Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	Notes 附註		
Cash flows from operating activities	經營業務帶來之現金流量		
Profit before income tax	除所得稅前溢利	3,103,193	23,075
<i>Adjustments for:</i>	<i>就下列各項作出調整：</i>		
Bank interest income	銀行利息收入	(8,599)	(11,469)
Interest expenses	利息支出	32,753	38,817
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,803	4,364
Amortisation of properties held for development	待發展物業攤銷	479	687
Equity-settled share based payment expenses	以股權結算以股份為基礎之付款開支	10	1,830
Provision for impairment loss on trade receivable	貿易應收款項減值虧損撥備	724	3,856
Reversal of provision for impairment loss on deferred and contingent consideration	遞延及或然代價減值虧損撥回撥備	(13,195)	(27,685)
Bad debts written off	壞賬撇銷	195	501
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	22
Reversal of provision for impairment loss on trade receivable	貿易應收款項減值虧損撥回撥備	(1,274)	-
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備	39,462	-
Provision for impairment loss on properties under development	對發展中物業提供減值虧損撥備	74,818	-
Net (gain)/loss on fair value adjustments on investment properties	投資物業公平值調整之(增值)/虧損淨值	(2,621,740)	326,954
Gain on disposal of subsidiaries	出售附屬公司之收益	(36,870)	(69,367)
Loss on disposal of investment properties	出售投資物業之虧損	-	3,195
Loss on disposal of a joint venture	出售一家合營企業之虧損	-	16,961
Operating profit before working capital changes	營運資金轉變前之經營溢利	571,759	311,741
Increase in trade and other receivables	貿易及其他應收款項增加	(23,752)	(40,902)
Increase in deposits paid for acquisition of properties	收購物業之已付訂金增加	(1,698)	(10,400)
Decrease/(Increase) in properties under development	發展中物業減少/(增加)	396,774	(1,031,977)
Decrease/(Increase) in bank deposit at escrow account	於託管賬戶之銀行存款減少/(增加)	294,923	(167,037)
(Decrease)/Increase in trade and other payables	貿易及其他應付款項(減少)/增加	(10,287)	11,971
Increase in deposit received in advance	預收訂金增加	129,820	313,529
Net cash generated from/(used in) operations	業務所得/(所用)現金淨額	1,357,539	(613,075)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註	
Interest paid	已付利息	(36,772)	(44,204)
Income tax paid	已付所得稅	(47,587)	(148,891)
<i>Net cash generated from/(used in) operating activities</i>	<i>經營業務所得/(所用) 現金淨額</i>	1,273,180	(806,170)
Cash flows from investing activities	投資活動帶來之現金流量		
Decrease in structured bank deposits	結構性銀行存款減少	-	94,591
(Increase)/Decrease in bank deposit with original maturity over three months	原到期日超出三個月之 銀行存款(增加)/減少	(988,227)	199,015
Additions to property, plant and equipment	增添物業、廠房及設備	(23)	(236)
Increase in amount due from a joint venture	應收一家合營企業款項增加	-	(3,715)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備之所得款項	-	50
Net proceeds from disposal of investment properties	出售投資物業 所得款項淨額	-	212,903
Payment to acquire investment properties	收購投資物業之付款	(208,402)	(237,076)
Payment to acquire properties held for development	收購待發展物業之付款	(11)	-
Settlement Sum from disposal of a joint venture	出售一家合營企業之 和解金額	-	13,000
Net cash inflows from disposal of subsidiaries	出售附屬公司之 現金流入淨額	964,000	188,061
Purchase of net assets, net of cash acquired	收購淨資產， 扣除所得現金	(17,000)	(12,500)
Bank interest received	已收銀行利息	8,599	11,469
<i>Net cash (used in)/generated from investing activities</i>	<i>投資活動(所用)/ 所得現金淨額</i>	(241,064)	465,562

C Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註	
Cash flows from financing activities	融資活動帶來之現金流量		
Repayments of bank loans	償還銀行貸款		(1,189,130)
Repayments of other loans	償還其他貸款		–
Bank loans raised	籌集銀行貸款		746,300
Other loans raised	籌集其他貸款		–
Buy-back and cancellation of ordinary shares	回購及註銷普通股	30	(19,056)
Capital injection from minority shareholders	少數股東注資		1,978
Distributions to minority shareholders	分派予少數股東		(283,755)
Proceeds from exercise of share options	行使購股權之所得款項		–
Final and special dividends paid	支付末期及特別股息	14(b)	(56,662)
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>		(800,325)
Increase/(Decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)		231,791
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物		374,153
Effect of foreign exchange rate changes, net	匯率變動影響，淨額		(1,796)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	24	604,148

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share Capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
At 1 January 2016	於二零一六年一月一日	28,535	709,663	91
Share bought-back and cancelled (note 30)	回購及註銷股份(附註30)	(204)	(18,852)	204
Equity-settled share based payment (note 32)	以股權結算以股份為 基礎之付款(附註32)	-	-	-
Disposal of a subsidiary (note 40(a))	出售一家附屬公司(附註40(a))	-	-	-
Capital injection from minority shareholders	少數股東注資	-	-	-
Distribution to minority shareholders	分派予少數股東	-	-	-
Final dividend paid for 2015 (note 14(b))	已付二零一五年 末期股息(附註14(b))	-	-	-
Transactions with owners	與擁有人交易	(204)	(18,852)	204
Profit for the year	年內溢利	-	-	-
Other comprehensive income	其他全面收入			
Items that will not be reclassified to profit or loss:	以下項目將不會 重新分類到損益:			
Deficit on revaluation of leasehold buildings, net of deferred tax (note 13)	租賃樓宇重估虧損, 扣除遞延稅項後(附註13)	-	-	-
Items that will be reclassified subsequently to profit or loss:	以下項目其後可能 重新分類到損益:			
Exchange loss on translation of financial statements of foreign operations	換算外國業務財務報表之 匯兌虧損	-	-	-
Total comprehensive income for the year	年內全面收入總額	-	-	-
Proposed final and special dividends for 2016 (note 14(a))	建議二零一六年末期及 特別股息(附註14(a))	-	-	-
Over-provision for final dividend for 2015	二零一五年末期股息 撥備超額	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	28,331	690,811	295

C Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

Equity attributable to owners of the Company 本公司擁有人應佔權益									
Asset revaluation reserve 資產重估儲備 HK\$'000 港幣千元	Employee share-based equity reserve 員工股份權益儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Proposed final and special dividends 建議末期及特別股息 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元	
7,908	21,918	15,421,014	5,436	1,848	57,070	16,253,483	277,674	16,531,157	
-	-	(204)	-	-	-	(19,056)	-	(19,056)	
-	10	-	-	-	-	10	-	10	
(4,446)	-	4,446	-	-	-	-	-	-	
-	-	-	-	-	-	-	1,978	1,978	
-	-	-	-	-	-	-	(283,755)	(283,755)	
-	-	-	-	-	(56,662)	(56,662)	-	(56,662)	
(4,446)	10	4,242	-	-	(56,662)	(75,708)	(281,777)	(357,485)	
-	-	2,824,747	-	-	-	2,824,747	35,963	2,860,710	
(916)	-	-	-	-	-	(916)	-	(916)	
-	-	-	(30,590)	-	-	(30,590)	(175)	(30,765)	
(916)	-	2,824,747	(30,590)	-	-	2,793,241	35,788	2,829,029	
-	-	(339,970)	-	-	339,970	-	-	-	
-	-	408	-	-	(408)	-	-	-	
2,546	21,928	17,910,441	(25,154)	1,848	339,970	18,971,016	31,685	19,002,701	

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share Capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
At 1 January 2015	於二零一五年一月一日	28,407	694,240	37
Exercise of share options	行使購股權	182	20,412	–
Share bought-back and cancelled (note 30)	回購及註銷股份(附註30)	(54)	(4,989)	54
Equity-settled share based payment (note 32)	以股權結算以股份為基礎之付款(附註32)	–	–	–
Capital injection from minority shareholders	少數股東注資	–	–	–
Final and special dividends paid for 2014 (note 14(b))	已付二零一四年末期及特別股息(附註14(b))	–	–	–
Transactions with owners	與擁有人交易	128	15,423	54
Loss for the year	年內虧損	–	–	–
Other comprehensive income	其他全面收入			
Items that will not be reclassified to profit or loss:	以下項目將不會重新分類到損益:			
Surplus on revaluation of leasehold buildings, net of deferred tax (note 13)	租賃樓宇重估盈餘, 扣除遞延稅項後(附註13)	–	–	–
Items that will be reclassified subsequently to profit or loss:	以下項目其後可能重新分類到損益:			
Exchange loss on translation of financial statements of foreign operations	換算外國業務財務報表之匯兌虧損	–	–	–
Release of exchange reserve upon disposal of a subsidiary (note 40(e))	於出售一家附屬公司後撥回之匯兌儲備(附註40(e))	–	–	–
Total comprehensive income for the year	年內全面收入總額	–	–	–
Proposed final dividend for 2015 (note 14(a))	建議二零一五年末期股息(附註14(a))	–	–	–
Lapse of share option	購股權失效	–	–	–
Under-provision for final and special dividends for 2014	二零一四年末期及特別股息撥備不足	–	–	–
At 31 December 2015	於二零一五年十二月三十一日	28,535	709,663	91

C Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

Equity attributable to owners of the Company 本公司擁有人應佔權益								
Asset revaluation reserve 資產重估 儲備 HK\$'000 港幣千元	Employee share- based equity reserve 員工股份 權益儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Proposed Final and special dividends 建議末期及 特別股息 HK\$'000 港幣千元	Total	Non- controlling interests 非控股 權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
5,451	25,893	15,529,767	33,973	1,848	85,221	16,404,837	257,890	16,662,727
-	(4,764)	-	-	-	-	15,830	-	15,830
-	-	(54)	-	-	-	(5,043)	-	(5,043)
-	1,830	-	-	-	-	1,830	-	1,830
-	-	-	-	-	-	-	13,767	13,767
-	-	-	-	-	(85,287)	(85,287)	-	(85,287)
-	(2,934)	(54)	-	-	(85,287)	(72,670)	13,767	(58,903)
-	-	(52,604)	-	-	-	(52,604)	8,507	(44,097)
2,457	-	-	-	-	-	2,457	-	2,457
-	-	-	(31,147)	-	-	(31,147)	(2,490)	(33,637)
-	-	-	2,610	-	-	2,610	-	2,610
2,457	-	(52,604)	(28,537)	-	-	(78,684)	6,017	(72,667)
-	-	(57,070)	-	-	57,070	-	-	-
-	(1,041)	1,041	-	-	-	-	-	-
-	-	(66)	-	-	66	-	-	-
7,908	21,918	15,421,014	5,436	1,848	57,070	16,253,483	277,674	16,531,157

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

1. GENERAL INFORMATION

Soundwill Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Bermuda. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

The directors of the Company (the “Directors”) consider the Company’s ultimate holding company to be Ko Bee Limited, which is incorporated in the British Virgin Islands with limited liability.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 Adoption of revised/amended HKFRSs – effective 1 January 2016

In the current year, the Company and its subsidiaries (the “Group”) have applied for the first time the following revision and amendment to standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2016:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle
Amendments to HKAS 1	Disclosure Initiative

Except as explained below, the adoption of these amendments has no material impact on the Group’s financial statements.

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

1. 一般資料

金朝陽集團有限公司(「本公司」)為於百慕達註冊成立與登記之有限公司，本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，而本公司股份在香港聯合交易所有限公司(「聯交所」)上市。

本公司主要業務為投資控股，其附屬公司之主要業務載於財務報表附註37。

本公司董事(「董事」)認為本公司之最終控股公司為Ko Bee Limited，該公司為於英屬維爾京群島註冊成立之有限責任公司。

2. 採納香港財務報告準則(「香港財務報告準則」)

2.1 採納經修改／經修訂之香港財務報告準則—於二零一六年一月一日起生效

於本年度，本公司及其附屬公司(「本集團」)首次採用由香港會計師公會(「香港會計師公會」)頒佈的以下準則及詮釋的修改及修訂，均適用於二零一六年一月一日開始的年度期間的本集團財務報表，並就此具有效力：

香港財務報告準則 (修訂本)	二零一二年至 二零一四年週期之 年度改進
香港會計準則 第1號之修訂	披露計劃

除下文所解釋者外，採納此等修訂本對本集團之財務報表並無重大影響。

香港會計準則第1號之修訂—披露計劃該等修訂本旨在鼓勵實體在考慮其財務報表佈局及內容而應用香港會計準則第1號時作出判斷。

2. ADOPTION OF HKFRSs (Continued)**2.1 Adoption of revised/amended HKFRSs – effective 1 January 2016 (Continued)**

Included in the clarifications is that an entity's share of other comprehensive income from equity accounted interests in associates and joint ventures is split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

The adoption of the amendments has no impact on these financial statements.

2.2 New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective:

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ²
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. 採納香港財務報告準則(續)**2.1 採納經修改/經修訂之香港財務報告準則—於二零一六年一月一日起生效(續)**

澄清內容包括實體應佔來自於聯營公司及合營企業以權產法入賬的權益的其他全面收入，將區分為將會及不會重新分類至損益的項目，並於該兩個組別內共同作為單一項目呈列。

採納該等修訂對財務報表並無影響。

2.2 已頒佈惟尚未生效的新訂/經修訂香港財務報告準則

以下可能與本集團的財務報表有關已頒佈但未生效的新訂/經修訂香港財務報告準則而本集團並無提早採納有關準則。本集團現時的意向為於該等變更生效之日起應用該等變更。

香港會計準則第7號之修訂	披露計劃 ¹
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第2號之修訂	股份支付交易之分類及計量 ²
香港財務報告準則第9號	財務工具 ²
香港財務報告準則第15號	來自客戶合約之收益 ²
香港財務報告準則第15號之修訂	來自客戶合約之收益(對香港財務報告準則第15號作出之澄清) ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注入 ⁴

¹ 於二零一七年一月一日或之後開始的年度期間生效

² 於二零一八年一月一日或之後開始的年度期間生效

³ 於二零一九年一月一日或之後開始的年度期間生效

⁴ 該等修訂原定於二零一六年一月一日或之後開始的年度期間生效。生效日期現已延遲/移除。該等修訂繼續獲准提早應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

2. ADOPTION OF HKFRSs (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

Except as explained below, the Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group's financial statements.

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2. 採納香港財務報告準則(續)

2.2 已頒佈惟尚未生效的新訂／經修訂香港財務報告準則(續)

除下文所解釋者外，本公司董事(「董事」)預期應用其他新訂及經修訂香港財務報告準則將不會對本集團之財務報表造成重大影響。

香港會計準則第7號之修訂－披露計劃該等修訂引入可讓財務報表用戶可評估融資活動所產生負債變動的額外披露。

香港會計準則第12號之修訂－就未變現虧損確認遞延稅項資產

該等修訂與確認遞延稅項資產有關，並對部份必要考量作出澄清，包括與按公平值計量的債務工具相關的遞延稅項資產的入賬方式。

香港財務報告準則第2號之修訂－股份支付交易之分類及計量

該等修訂對下列會計處理作出規定：歸屬及非歸屬條件對計量以現金結算以股份支付交易之影響；附帶預扣稅責任有淨額結算特徵之股份支付交易；及股份支付交易之條款及條件作出會使交易由現金結算更改分類為權益結算之修訂。

2. ADOPTION OF HKFRSs (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. 採納香港財務報告準則(續)

2.2 已頒佈惟尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號－財務工具
香港財務報告準則第9號引入有關財務資產分類及計量之規定。按目的為持有資產以收取回約現金流的業務模式(業務模式測試)之債務工具，業務模式持有以及合約條款為產生現金完全用作支付本金及未償還本金利息(合約現金流特徵測試)之債務工具，一般按攤銷成本計量。倘該實體業務模式之目的為同時持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試之債務工具按公平值計入其他全面收入(「FVTOCI」)計量。實體可於初步確認時不可撤回地選擇以按FVTOCI計量並非持作買賣之股本工具。所有其他債務及股本工具按公平值計入損益(「FVTPL」)計量。

香港財務報告準則第9號就所有並非FVTPL計量之財務資產加入新的預期虧損減值模式(取代香港會計準則第39號之已產生虧損模式)以及新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號承繼香港會計準則第39號有關財務負債之確認、分類及計量規定，惟就指定為FVTPL之財務負債除外，該負債因其本身之信貸風險變動而引致之公平值變動金額乃於其他全面收入中確認，除非此舉將產生或擴大會計錯配則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關不再確認財務資產及財務負債之規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

2. ADOPTION OF HKFRSs (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. 採納香港財務報告準則(續)

2.2 已頒佈惟尚未生效的新訂／經修訂香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號之修訂－投資者與其聯營公司或合營企業之間的資產出售或注入

有關修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認的收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務的資產，則僅須就不相關投資者於合營企業或聯營公司的權益確認收益或虧損。

香港財務報告準則第15號－來自客戶合約之收益

有關新訂準則設立單一收益確認框架。框架之主要原則為實體就說明向客戶轉讓所承諾商品或服務所確認之收益金額應為反應實體預期就交換該等商品及服務有權換取之金額。香港財務報告準則第15號取代現有之收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

香港財務報告準則第15號規定確認收益所應用之五個步驟：

- 第1步：識別與客戶所訂立之合約
- 第2步：識別合約之履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至各履約責任
- 第5步：於履行各履約責任時確認收益

香港財務報告準則第15號包括特定收益相關事宜之特定指引，其可能會改變目前香港財務報告準則項下之做法。有關準則亦顯著加強有關收益之定性及定量披露。

2. ADOPTION OF HKFRSs (Continued)

2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued) Amendments HKFRS 15 – Revenue from Contracts with customers

The amendments to HKFRS 15 include clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

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

2. 採納香港財務報告準則(續)

2.2 已頒佈惟尚未生效的新訂／經修訂香港財務報告準則(續) 香港財務報告準則第15號之修訂－來自客戶合約之收益

香港財務報告準則第15號之修訂包括澄清履約責任之識別方式；應用主事人或代理人；知識產權許可；及過渡規定。

香港財務報告準則第16號－租賃

香港財務報告準則第16號將生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就所有為期超過12個月之租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（即其使用相關租賃資產之權利）及租賃負債（即其支付租賃款項之責任）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，以於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，而倘承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃，其亦包括將於選擇權期間內作出之付款。此會計處理方法與前準則香港會計準則第17號項下對分類為經營租賃之租賃之承租人會計處理方法顯著不同承租人。

就出租人會計處理方法而言，香港財務報告準則第16號大致承繼香港會計準則第17號之出租人會計處理方法之規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且以不同方式將兩類租賃入賬。

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2. ADOPTION OF HKFRSs (Continued)**2.2 New/revised HKFRSs that have been issued but are not yet effective (Continued)
HKFRS 16 – Leases (Continued)**

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantify the potential effects on the Group's financial statements.

3. BASIS OF PREPARATION**3.1 Statement of compliance**

The financial statements on pages 104 to 232 have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3.2 Basis of measurement

The financial statements have been prepared under the historical cost basis except for investment properties and leasehold buildings which are measured at fair value. The measurement bases are fully described in the accounting policies below.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of revised/amended HKFRSs and the impact on the Group's financial statements, if any, are disclosed in note 2.

2. 採納香港財務報告準則(續)

2.2 已頒佈惟尚未生效的新訂／經修訂香港財務報告準則(續)
香港財務報告準則第16號－租賃
本集團亦正在評估此等新訂／經修訂香港財務報告準則的潛在影響但董事目前尚未適宜就其對本集團財務報表所造成之潛在影響作出量化評估。

3. 編製基準**3.1 合規聲明**

第104至232頁之財務報表乃根據所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港公司條例之披露規定而編製。此外，財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)所規定之適用披露。

3.2 計量基準

除按公平值列賬之投資物業及租賃樓宇之重估外，財務報表乃採用歷史成本法編製。計量基準於下列會計政策內充分說明。

編製該等綜合財務報表所採用之主要會計政策在下文概述。除另有說明者外，該等政策已於所有呈報年度貫徹應用。採納經修改／經修訂香港財務報告準則及對本集團財務報表之影響(如有)在附註2披露。

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3. BASIS OF PREPARATION (Continued)

3.2 Basis of measurement (Continued)

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

3.3 Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of the disposal, as appropriate.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3. 編製基準 (續)

3.2 計量基準 (續)

謹請留意編製財務報表曾運用會計估計及假設。雖然該等估計基於管理層對現時事件及行動之最佳理解及判斷，但實際結果最終或會與有關估計有重大出入。涉及高度判斷或複雜性之範圍，或假設及估計對財務報表而屬重大之範圍在附註5內披露。

3.3 功能及呈列貨幣

財務報表乃以港幣(「港幣」)呈列，而港幣亦為本公司之功能貨幣。

4. 主要會計政策概要

4.1 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日結算之財務報表。

當附屬公司之控制權轉移至本集團時，附屬公司全面綜合入賬，當不再具有控制權時則取消綜合入賬。年內所收購或出售附屬公司之業績乃自收購生效日期起或截至出售生效日期止(按適當情況)計入綜合全面收入表。

集團公司間交易、結餘及未變現交易盈虧於編製綜合財務報表時予以撇銷。當集團內資產出售之未變現虧損於綜合入賬時撥回，則相關資產亦自本集團之角度進行減值測試。附屬公司財務報表呈報之金額於適當時予以調整，以確保符合本集團採納之會計政策。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis of consolidation (Continued)

Acquisition of subsidiaries or businesses are accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. 主要會計政策概要(續)

4.1 綜合基準(續)

收購附屬公司或業務乃以收購法入賬。收購成本按本集團(作為收購方)所轉移之資產、產生之負債及發行之股權於收購日期之公平值總額計量。所收購之可識別資產及承擔之可識別負債主要按收購日期之公平值計量。本集團先前持有被收購方之股權按收購日期之公平值重新計量，所產生之盈虧於損益確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別淨資產之比例計量非控股權益。所產生之收購相關成本一概列作開支，除非其產生於發行股本工具，此情況下，成本自股本中扣減。

收購方將予轉移之任何或然代價均按收購日期之公平值計量。倘其後對代價作出調整，僅於調整乃由於計量期間(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料而作出時，方通過商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益確認。

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與非控股權益之賬面值均予以調整，以反映彼等於附屬公司相對權益之變動。非控股權益之調整額與已付或已收代價之公平值之間之任何差額，均直接於權益確認，並歸屬於本公司擁有人。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date the control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

4. 主要會計政策概要(續)

4.1 綜合基準(續)

倘本集團失去附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i) 所收取代價之公平值與任何保留權益之公平值之總額，與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前就該附屬公司於其他全面收入確認之款額按出售相關資產或負債時所規定之相同方式列賬。倘附屬公司之若干資產按重估值或公平值計量，而相關累計盈虧已於其他全面收入確認及於權益累計，則過往其他全面收入確認及於權益累計之金額會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留盈利)。於失去控制權當日仍保留於該前附屬公司之任何投資之公平值，會根據香港會計準則第39號財務工具：確認及計量於往後之會計處理中被視為首次確認於聯營公司或合營企業之投資時之公平值，或(如適用)其首次確認時之成本。

收購後，非控股權益之賬面值為該等權益於首次確認時之金額加以非控股權益應佔權益其後變動之部分。全面收入總額乃歸屬於非控股權益，即使這會導致非控股權益出現虧損亦屬如此。

4.2 附屬公司

附屬公司指本公司能對其行使控制權之被投資方。倘達成以下三項條件，本公司取得被投資方之控制權：有權控制被投資方，對來自被投資方之浮動回報享有承擔或權利，以及能運用對被投資方之權力以影響其所得回報。倘有情況顯示任何有關控制條件改變，則重新評估有關控制權。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Subsidiaries (Continued)

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

When the Group acquires a subsidiary where the underlying assets are not integrated in forming a business to generate revenues, the transaction is accounted for as a purchase of net assets. The cost of the acquisition is allocated to the identifiable assets and liabilities acquired based on their relative fair values at the date of acquisition and no goodwill is recognised.

4.3 Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

4. 主要會計政策概要(續)

4.2 附屬公司(續)

在本公司財務狀況表中，於附屬公司之投資以成本值扣除任何減值虧損入賬，惟附屬公司乃持作出售或包含在出售組別中則除外。本公司按截至報告日期已收及應收股息作為附屬公司之業績入賬。所有已收取股息不論來自投資對象之收購前或後溢利，均於本公司之損益內確認。

當本集團收購一家附屬公司(其相關資產並非合併為產生收益之業務)，則交易入賬列為購買淨資產。收購成本根據所收購之可識別資產及負債各自於收購日期之公平值分配至可識別資產及負債，概不會確認商譽。

4.3 合營安排

當有合約安排討論有關對本集團及至少一名其他訂約方的相關安排活動之共同控制權時，本集團為合營安排之訂約方。共同控制乃根據控制附屬公司之相同原則予以評估。

本集團將其於合營安排的權益分類為：

- 合營企業：倘本集團僅對合營安排之淨資產值擁有控制權；或
- 合營業務：倘本集團對合營安排之資產及負債責任均擁有控制權。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Joint arrangements (Continued)

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

Joint ventures are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of post-acquisition changes in the joint ventures' net assets except that losses in excess of the Group's interest in the joint venture are not recognised unless there is an obligation to make good those losses.

Profits or losses arising on the transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investors' share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture. Where unrealised losses provide evidence of impairment of the assets transferred they are recognised immediately to profit or loss.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4. 主要會計政策概要(續)

4.3 合營安排(續)

於評估有關於合營安排之權益之分類時，本集團會考慮：

- 合營安排之架構；
- 透過獨立實體組織之合營安排之法律形式；
- 合營安排協議之合約條款；及
- 任何其他事實及情況(包括任何其他合約安排)。

合營企業採用權益法入賬，據此該等權益初步按成本確認，其賬面值就本集團分佔合營企業淨資產值於收購後之變動而調整，但高於本集團於合營企業權益之虧損不予確認，除非有責任彌償該等虧損之情況則作別論。

本集團與其合營企業之間交易產生之損益僅於不相關投資人於合營企業擁有權益時方才確認。該等交易產生之投資人分佔合營企業溢利及虧損與合營企業之賬面值對銷。倘未變現虧損證明資產轉移之減值，則其及時於損益確認。

就於合營企業之投資所支付高於本集團分佔所收購可識別資產、負債及或然負債之任何溢價須撥充資本及計入於合營企業投資之賬面值。倘有客觀證據顯示於合營企業之投資已出現減值，則投資之賬面值須如同其他非金融資產按同一方式進行減值測試。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Joint arrangements (Continued)

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

4.4 Goodwill

Set out below are the accounting policies on goodwill arising on the acquisition of a subsidiary.

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred and the amount recognised for any non-controlling interest in the acquiree over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Where the fair value of the identifiable assets, liabilities and contingent liabilities exceed the aggregate of the fair value of consideration paid and the amount recognised for any non-controlling interests, the excess is recognised immediately in profit or loss on the acquisition date.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. 主要會計政策概要(續)

4.3 合營安排(續)

本集團按照其合約賦予之權利及責任，透過確認其分佔之資產、負債、收入及開支，為其於共同營運之權益入賬。

4.4 商譽

下文載列收購附屬公司所產生商譽之會計政策。

商譽指所轉讓代價之公平值及就於被收購方之任何非控股權益確認之金額總額超出被收購方可識別資產、負債及或然負債之公平淨值之差額。

倘可識別資產、負債及或然負債之公平值超過已付代價之公平值及就任何非控股權益確認之金額之總額，差額於收購日期即時於損益內確認。

商譽乃按成本減累計減值虧損列賬。業務合併產生之商譽分配至預期受惠於業務合併之協同效益之各有關現金產生單位或現金產生單位組別。獲分配商譽之現金產生單位每年或於有跡象顯示該單位可能出現減值時進行減值測試。

就於財政年度內進行收購所產生之商譽而言，獲分配商譽之現金產生單位於該財政年末前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，減值虧損會被分配以首先減少該單位獲分配之任何商譽賬面值，再根據該單位各資產之賬面值按比例分配予該單位之其他資產。商譽之任何減值虧損於損益確認且不會於其後期間撥回。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Goodwill (Continued)

Impairment losses for goodwill recognised in an interim period are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

On subsequent disposal of a subsidiary or cash-generating unit, any attributable amount of goodwill is included in the calculation of the gain or loss on disposal.

4.5 Investment properties

Investment properties are properties held either to earn rental income and/or for capital appreciation (including properties under construction for such purposes), but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost, including transaction cost, on initial recognition. Subsequent to initial recognition, investment properties are measured at fair value with any change therein recognised in profit or loss.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the properties) is recognised in profit or loss.

4. 主要會計政策概要(續)

4.4 商譽(續)

於中期就商譽確認之減值虧損不得於其後之期間撥回。即使僅於該中期相關之財政年度末時評估將並無減值虧損予以確認或較少之減值虧損予以確認亦當如此。

其後出售附屬公司或現金產生單位時，任何應佔商譽金額於計算出售盈虧時包括在內。

4.5 投資物業

投資物業是指為賺取租金收入及／或資本增值而持有之物業(包括為該等目的之在建物業)，而非為於日常業務過程中出售、用作生產或供應商品或服務或作行政用途而持有之物業。

投資物業於首次確認時乃按成本(包括交易成本)計量。經首次確認後，投資物業按公平值計量，其中任何變動則於損益確認。

投資物業於出售或當投資物業永久棄置或預期不會自出售獲取任何未來經濟利益時取消確認。取消確認物業時產生之任何盈虧(按淨出售所得款項及物業賬面值之差額計算)於損益確認。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Property, plant and equipment

Leasehold buildings held for own use are stated at revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase arising on revaluation is recognised in other comprehensive income and accumulated in equity under asset revaluation reserve, unless the carrying amount of that asset has previously suffered a decrease in revaluation. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of leasehold buildings arising on revaluation is recognised in other comprehensive income to the extent of the revaluation surplus in the asset revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

Other items of property, plant and equipment, including the leasehold land held for own use, are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs 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. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

4. 主要會計政策概要(續)

4.6 物業、廠房及設備

持作自用之租賃樓宇按重估值列賬，即其於重估日期之公平值減任何其後累計折舊。

重估乃足夠定期性進行，以確保該等資產之賬面值不會與於報告期末採用公平值釐定之數額出現重大差異。

重估產生之任何增值在其他全面收入中確認，並另行撥入權益之資產重估儲備，除非有關資產之賬面值之前曾出現重估減值。重估增值計入損益，但以前曾在損益確認任何減值之數額為限，增值之餘額於其他全面收入中處理。租賃樓宇於重估時產生之賬面淨值減值在其他全面收入中確認，惟以資產重估儲備內有關同一資產之重估盈餘為限，而減值餘額則在損益中確認。

其他物業、廠房及設備項目(包括持作自用之租賃土地)乃按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備之成本包括其購買價及收購項目直接應佔成本。其後成本計入資產之賬面值或於適當時確認為獨立資產，惟前提為有關該項目之未來經濟利益很可能流入本集團及該項目之成本能可靠計算。所有其他成本(如維修及保養)在其產生之財政期間內於損益中確認為開支。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost/revalued amount of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold land	Over the lease period
Leasehold buildings	2%
Leasehold improvements	30%
Furniture, fixtures and equipment	10% – 20%
Motor vehicles	6% – 15%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

The gain or loss arising on disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in profit or loss. Any relevant revaluation surplus remaining in equity is transferred directly to retained profits on the disposal of leasehold building.

4.7 Properties held for development

Properties held for development represent operating lease prepayments on agricultural leasehold land and any directly attributable expenditure. These leasehold lands are held with the intention for long-term investment purposes for future redevelopment or where no decision has yet been made on their future use, and are included in the statement of financial position as non-current assets. Since the fair value of such agricultural leasehold land held for development cannot be generally be reliably determined, they are measured at cost, less accumulated amortisation and impairment losses.

4. 主要會計政策概要(續)

4.6 物業、廠房及設備(續)

折舊按物業、廠房及設備之估計可用期按直線基準按下列年率計算撥備以撇銷其成本/重估值：

租賃土地	於租期內
租賃樓宇	2%
租賃物業裝修	30%
傢俬、裝置及設備	10% – 20%
汽車	6% – 15%

資產之剩餘價值、折舊方法及可用期須於各報告日期進行檢討，並於適當情況下作出調整。

倘資產之賬面值高於其估計可收回金額，則資產即時撇減至其可收回金額。

出售之盈虧即出售所得款項淨額與資產賬面值之差額，在損益中確認。出售租賃樓宇時仍在權益中之任何有關重估盈餘直接轉撥往保留溢利。

4.7 待發展物業

待發展物業指農業租賃土地之經營租賃預付款項及任何直接應佔開支，持有該等租賃土地用作未來重新開發之長期投資，乃於財務狀況表列為非流動資產。由於該農業租賃土地之公平值一般不能可靠釐定，故該等物業乃按成本減累計攤銷及減值虧損計量。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Impairment of other non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following non-financial assets to determine whether there is any indication that they have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- Investments in subsidiaries (except for those classified as held for sales (or included in a disposal group that is classified as held for sale) (see note 4.20);
- Property, plant and equipment under cost model; and
- Properties held for development.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 主要會計政策概要(續)

4.8 其他非財務資產減值

於各報告期末，本集團審閱下列非金融資產之賬面值，以釐定有否任何跡象顯示該等資產已出現減值虧損或過往確認之減值虧損不再存在或經已減少：

- 於附屬公司之投資(分類為持作出售或包含在分類為持作出售之出售組別者除外)(見附註4.20)；
- 成本模式下之物業、廠房及設備；及
- 待發展物業。

倘資產之可收回金額(即公平值減出售成本與使用價值之較高者)估計低於其賬面值，則該資產之賬面值會調低至可收回金額。減值虧損即時確認為開支，除非有關資產根據本集團之會計政策按重估列賬，則在該情況下，減值虧損乃根據該政策作為重估減值處理。

倘減值虧損其後撥回，該資產之賬面值增加至其可收回金額之修訂估計，惟所增加之賬面值不得超過該資產於過往年度並無確認減值虧損時原應釐定之賬面值。減值虧損撥回即時確認為收入。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Leases

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor under operating lease

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are recognised as an expense on a straight-line basis over the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rental payments are recognised as income in the accounting period in which they are earned.

The Group as lessee under operating lease

Total rentals payable under operating leases are recognised in profit or loss on a straight line basis over the term of the relevant lease. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental payments are charged to profit or loss in the accounting period in which they are incurred.

4. 主要會計政策概要(續)

4.9 租賃

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款之安排，包括一項交易或連串交易之該項安排則屬於或包括一項租賃。該項決定乃基於安排內容之估值而作出，而不論該項安排是否採取租賃之法律形式。

倘租賃之條款轉讓所有權絕大部分風險及回報予本集團，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為經營租賃之出租人

經營租賃之租金收入於有關租賃年內按直線基準於損益確認。於磋商及安排經營租賃時產生之初次直接成本乃加至租賃資產之賬面值於租賃年內按直線基準確認為開支。所授出之租賃優惠乃於損益中確認為淨應收租賃款項總額之一部分。或然租金付款於所賺取之會計期間確認為收入。

本集團作為經營租賃之承租人

經營租賃項下應付租金總額於有關租賃年內按直線基準於損益確認。所獲得之租賃優惠在損益中確認為淨租賃付款總額之組成部分。或然租金付款在其產生之會計期間內在損益中扣除。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments

(i) Financial assets

The Group classifies financial assets on initial recognition, depending on the purpose for which the asset was acquired. Financial assets are initially measured at fair value plus directly attributable transaction costs. Regular way purchases and sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and may also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are either designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated separately in the available-for-sale financial assets revaluation reserve in equity, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

4. 主要會計政策概要(續)

4.10 財務工具

(i) 財務資產

本集團於首次確認時基於收購資產之目的決定其財務資產之分類。財務資產於首次確認時按公平值加直接應佔交易成本計量。按一般方式買賣之財務資產乃按交易日基準確認及取消確認。按一般方式買賣指根據條款規定於一般按有關市場規則或慣例設定之時限內交付資產之合約進行之財務資產買賣。

貸款及應收款項

該等資產為非衍生財務資產，有固定或既定之還款規定，且並無在活躍市場報價。該等資產主要透過向客戶提供貨品及服務而產生（貿易應收賬），亦包括其他種類之合約貨幣資產。首次確認後，該等資產使用實際利率法按攤銷成本減任何已識別減值虧損列賬。

可供出售財務資產

該等資產包括指定為可供出售或並非包括於財務資產之其他分類之非衍生財務資產。首次確認後，該等資產乃按公平值計量，公平值變動則於其他全面收入中確認，並另行撥入權益之待出售財務資產重估儲備予以累計，惟貨幣工具之減值虧損及外匯損益在損益中確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(i) Financial assets (Continued)

Available-for-sale financial assets (Continued)

The fair value of available-for-sale monetary assets denominated in a foreign exchange currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that results from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any identified impairment losses.

4. 主要會計政策概要(續)

4.10 財務工具(續)

(i) 財務資產(續)

可供出售財務資產(續)

以外幣為單位之待出售貨幣資產公平值按該外幣釐定並按於報告日期之現貨匯率換算。因資產攤銷成本變動導致之兌換差額公平值變動在損益中確認，而其他變動在其他全面收入中確認。

無活躍市場報價及其公平值不能可靠地計算之可供出售股本投資，以及與無報價股本工具相連並須以交付上述股本工具之方式平倉之衍生工具，乃以成本減任何已識別減值虧損計量。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(ii) Impairment of financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that a financial asset is impaired. Objective evidence of impairment, as a result of one or more events that has occurred after the initial recognition of the asset, and which may have an impact on the estimated future cash flows of the financial asset that can be reliably estimated, may include:

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

4. 主要會計政策概要(續)

4.10 財務工具(續)

(ii) 財務資產之減值

本集團於各報告期末評估是否有任何客觀證據顯示財務資產已經減值。倘因於首次確認資產後發生之一項或多項事件而出現客觀減值證據，而該事件對財務資產之估計未來現金流量所造成之影響能可靠估計，則該財務資產出現減值，包括：

- 債務人出現重大財務困難；
- 違約，例如拖欠或無法如期償還利息或本金；
- 因債務人之財政困難而向債務人授出寬充；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境之重大變化對債務人構成不利影響。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(ii) Impairment of financial assets (Continued) **Loans and receivables**

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of a financial asset when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account. When any part of a financial asset is determined to be uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策概要(續)

4.10 財務工具(續)

(ii) 財務資產之減值(續) **貸款及應收款項**

減值虧損於損益確認及於有客觀證據顯示資產已經減值時直接扣減財務資產之賬面值，並按資產賬面值與按原實際利率貼現之估計未來現金流量現值之差額計量。財務資產之賬面值透過使用撥備賬扣減。當財務資產任何部分被釐定為不可收回時，則於相關財務資產之撥備賬撤銷。

倘若有關資產可收回金額增加可客觀地與確認減值後發生之事件有關連，則於其後期間撥回減值虧損，惟資產於撥回減值當日之賬面值不得超過如無確認減值之原有攤銷成本。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(ii) Impairment of financial assets (Continued) *Loans and receivables (Continued)*

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments, any increase in fair value subsequent to the recognition of an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investments that is carried at cost, the amount of an impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed in a subsequent period.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and form an integral part of the Group's cash management.

4. 主要會計政策概要 (續)

4.10 財務工具 (續)

(ii) 財務資產之減值 (續) *貸款及應收款項 (續)*

當公平值減少構成客觀減值證據，則該虧損金額會自權益扣除，並在損益內確認。

倘投資之公平值增加可客觀地與確認減值虧損後發生之事件有關，則可供出售債務投資之任何減值虧損其後於損益撥回。

可供出售股本投資之確認減值虧損後之任何公平值增加乃於其他全面收入中確認。

就以成本列賬之可供出售股本投資而言，減值金額是以資產之賬面值與以同類財務資產之當時市場回報率折現之預計未來現金流量現值之間之差額計量。有關減值虧損於其後期間不會撥回。

(iii) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行活期存款以及原定到期日為三個月或以下隨時可轉換為已知數額現金且價值變動風險不大之其他短期高流通性投資，乃本集團現金管理其中部分。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(iv) Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost, including trade and other payables and borrowings, are measured at amortised cost using the effective interest method. The related interest is recognised in accordance with the Group's accounting policy for borrowing costs (note 4.14).

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and for allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability or, where appropriate, a shorter period.

(vi) Equity instruments

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

4. 主要會計政策概要(續)

4.10 財務工具(續)

(iv) 財務負債

本集團基於產生負債之目的決定其財務負債之分類。按攤銷成本列賬之財務負債初次按公平值扣除直接應佔已產生之成本計量。

按攤銷成本列賬之財務負債

按攤銷成本列賬之財務負債(包括貿易及其他應付款項及借貸)乃採用實際利率法按攤銷成本計量。相關利息根據本集團有關借貸成本之會計政策(附註4.14)確認。

當負債透過攤銷過程取消確認,則於損益確認盈虧。

(v) 實際利率法

實際利率法為計算財務資產或財務負債攤銷成本及於有關期間內分配利息收入及收息開支之方法。實際利率為於財務資產或負債之預計年期或(如適當)較短期間內準確貼現估計未來現金收入或付款之利率。

(vi) 股本工具

本公司發行之普通股乃按已收所得款項減直接發行成本記賬。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Financial instruments (Continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39. When an available-for-sale financial asset is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4.11 Inventories

Inventories are initially recognised at cost, and subsequently carried at the lower of cost and net realisable value.

Properties under development

The cost of properties under development comprises the acquisition cost of land, development expenditure, other direct expenses and capitalised borrowing costs (see note 4.14).

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to complete a sale.

4. 主要會計政策概要(續)

4.10 財務工具(續)

(vii) 取消確認

當與財務資產有關之未來現金流量之合約權利屆滿或當財務資產已轉讓，而轉讓根據香港會計準則第39號符合取消確認標準時，本集團將取消確認財務資產。當可供出售財務資產取消確認，累計盈虧自權益重新分類至損益。

當有關合約訂明之責任解除、註銷或屆滿，將取消確認財務負債。

4.11 存貨

存貨初次按成本確認，其後以成本及可變現淨值兩者之較低者入賬。

發展中物業

待出售發展中物業之成本包括收購土地之收購成本、發展開支、其他直接開支及已資本化借貸成本(見附註4.14)。

可變現淨值指日常業務過程中之估計售價減估計完工成本及進行銷售所必要之估計成本。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably.

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease. Lease incentives granted are recognised in the profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned. Turnover rent is recognised when the underlying lessee's revenue transaction is recognised.

Revenue from sales of properties under development is recognised when the significant risks and rewards of ownership of these properties under development have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties under development. The transfer of risks and rewards of ownership is evidenced by the passing of possession of properties to the purchaser when the properties' hand-over confirmation is executed by the Group and the purchaser. Deposits and instalments received from purchasers prior to this stage are included in current liabilities and are not recognised as revenue.

Income from management services, property repairs and maintenance services are recognised in the period when the respective services are rendered.

Interest income is recognised on a time basis on the principal outstanding at the effective interest rate.

4. 主要會計政策概要(續)

4.12 收益確認

當本集團可能獲得經濟利益且能可靠計算收益及成本(如適用)，則會確認收益。

經營租賃之租金收入於有關租賃年期內按直線基準確認。租賃優惠計入應收租金淨額總和在損益中確認。或然租金在收取之會計期間確認為收入。營業額租金於相關承租人之收益交易確認時進行確認。

銷售發展中物業產生之收益，於該等發展中物業擁有權之風險及回報經已大部份轉移至買家，而本集團不再繼續涉及一般與發展中物業有關之擁有權，亦不再對發展中物業具有實際控制權時確認。當本集團與買家簽立物業轉手確認書時將物業的管有權轉交買家，即屬轉移擁有權的風險及回報之憑證。於此階段前向買家收取之訂金及分期款項列為流動負債，且不會確認為收益。

管理服務、物業維修及保養服務收入於提供有關服務期間確認。

利息收入乃根據未償還本金按實際利率以時間基準確認。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Foreign currency

In the individual financial statements of consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using exchange rates prevailing at the dates of transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rate at the reporting date. Income and expenses have been converted into the HK\$ at average rates over the reporting period provided that the exchange rates over that period did not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates. When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

4. 主要會計政策概要(續)

4.13 外幣

對於綜合入賬公司各自之財務報表所入賬之外幣交易，採用交易日之主要匯率換算為各公司之功能貨幣。於報告日期，以外幣計值之貨幣資產及負債乃以結算日適用之匯率換算。該等交易之結算及於結算日重新換算貨幣資產及負債引致之外匯損益，在損益中確認。

以公平值入賬且以外幣計值之非貨幣項目，乃按公平值被釐定日期之主要匯率重新換算，並作為公平值收益或虧損之一部分呈報。以外幣計值且以歷史成本入賬之非貨幣項目概不重新換算。

在綜合財務報表中，所呈報貨幣與本集團呈報貨幣不同之外國業務之所有個別財務報表已換算為港幣呈列。資產及負債按報告日期結算匯率換算為港幣，而收入及支出則按報告期間之平均匯率換算為港幣，假設該期間的匯率並無重大波動。上述換算所得之任何差額於其他全面收入中確認並另行撥入股本之兌換儲備。收購外國業務出現之商譽及公平值調整當作外國業務之資產及負債，按結算日之匯率換算為港幣。於出售外國業務時，該等兌換差額由權益重新分類為損益作為出售損益之其中部分。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4.15 Income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of income tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

4. 主要會計政策概要(續)

4.14 借貸成本

就建設任何合資格資產所產生之借貸成本於所需完工及將資產達致其擬定用途期間內撥作資本。合資格資產乃需一段長時間方達致其擬定用途或出售之資產。其他借貸成本於產生時列為開支。

當資產產生開支、產生借貸成本，及進行所需活動以準備資產達致其擬定用途或出售時，借貸成本予以資本化為合資格資產之成本部分。當準備合資格資產達致其擬定用途或出售所需之所有活動已大致完成時，借貸成本不再作資本化。

4.15 所得稅

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括有關即期及上一個報告期間(且於報告日期仍未支付者)應付予或應索回稅務當局稅款。有關數額按適用於財務期間之稅率及稅務法規，基於該年度應課稅溢利計算。所有即期稅務資產或負債之變動在損益中確認，列為所得稅開支之部分。

遞延稅項乃按於報告日期財務報表內資產與負債賬面值與其相應稅基間之暫時性差額使用負債法計算。遞延稅項負債一般會就所有應課稅暫時性差額確認。遞延稅項資產乃就所有可扣稅暫時性差額、可結轉稅項虧損以及其他未運用稅務進賬確認，惟以可能有應課稅溢利用作抵銷該等可扣稅暫時性差額、未動用稅項虧損及未動用稅項抵免之情況為限。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.15 Income taxes (Continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

4. 主要會計政策概要(續)

4.15 所得稅(續)

釐定計量遞延所得稅金額所用適當稅率一般規定之例外情況，是當投資物業根據香港會計準則第40號「投資物業」按公平值列賬時。除非假設被推翻，否則該等投資物業之遞延稅項金額於報告日期按賬面值出售該等投資物業適用之稅率計量。當投資物業可予折舊並根據一個商業模式而持有，而該商業模式之目的為隨著時間推移而消耗該物業所體現之絕大部分經濟利益(而非透過出售)時，該假定即被推翻。

倘於一項交易中自資產及負債之商譽或首次確認(業務合併除外)所產生之暫時差額並不影響應課稅溢利或會計損益，則不會就此確認遞延稅項資產及負債。

投資附屬公司及共同控制實體所產生之應課稅暫時差額須確認遞延稅項負債，惟倘本集團可以控制暫時差額之撥回及暫時差額不會在可見將來撥回者除外。

倘遞延稅項已或大致上被制定，於報告日期遞延稅項以預期支付負債或變現資產期間時所適用稅率計算及不須貼現。

遞延稅項資產或負債之變動於損益中確認，或倘其與自其他全面收入扣除或計入之項目有關或直接與權益有關，則乃於其他全面收入或直接於權益中確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.15 Income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. 主要會計政策概要(續)

4.15 所得稅(續)

倘(及僅倘)出現以下情況,則即期稅項資產及即期稅項負債乃按淨額呈列:

- (a) 本集團有權合法強制抵銷已確認金額;及
- (b) 擬按淨額基準結算,或同步變現資產及結算負債。

倘(及僅倘)出現以下情況,則本集團之遞延稅項資產與遞延稅項負債乃按淨額呈列:

- (a) 實體擁有即期稅項資產抵銷即期稅項負債之法定強制性權利;及
- (b) 遞延稅項資產及遞延稅項負債是與同一稅收部門就以下其中一項徵收之所得稅相關:
 - (i) 同一應課稅實體;或
 - (ii) 不同之應課稅實體,而該等實體計劃在日後預期清償或收回大筆款項遞延稅項負債或資產之每段期間內,按淨額結算即期稅項負債及資產或同時變現資產及清償負債。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Employee benefits

(i) Defined contribution retirement plans

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the People's Republic of China (the "PRC"), except Hong Kong, are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

(ii) Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策概要(續)

4.16 僱員福利

(i) 定額供款退休計劃

退休福利乃透過定額供款計劃向僱員提供。

本集團根據強制性公積金(「強積金」)計劃條例，為其所有合資格參加強積金計劃之僱員設有定額供款退休福利計劃。供款乃按僱員基本薪金之百分比計算。

本集團於中華人民共和國(「中國」)(除香港外)經營之附屬公司之僱員須參與當地市政府運作之中央退休金計劃。該等附屬公司須按僱員薪金之若干百分比向中央退休金計劃供款。

供款於僱員提供服務之年度內在損益中確認為開支。本集團根據此等計劃之責任限於應付之固定百分比供款。

(ii) 短期僱員福利

僱員可享有之年假在彼等放假時確認。截至報告日期本公司就僱員提供服務而享有年假之估計負債而計提撥備。

非累積性有薪假期例如病假及產假於放假時方予確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Employee benefits (Continued)

(iii) Share-based employee compensation

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period, if vesting conditions apply, or recognised as an expense in full at the grant date if the equity instruments granted vest immediately, unless the compensation qualifies for recognition as an asset, with a corresponding increase in employee share-based equity reserve in equity. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in employee share-based equity reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in employee share-based equity reserve will be transferred to retained profits.

4. 主要會計政策概要(續)

4.16 僱員福利(續)

(iii) 以股份為基礎支付之僱員報酬任何以股份為基礎支付之報酬獲得之所有僱員服務均按公平值計量，以所授出購股權之價值間接計算。而計價以授出日期為準，須扣除與市場無關之歸屬條件影響之價值。

所有以股份為基礎支付之報酬於歸屬期在損益確認為開支(若歸屬條件適用)，或於授出之股本工具即時歸屬時在授出日期悉數確認為開支，除非有關報酬符合資格確認為資產，並在權益之員工股份權益儲備相應增加。倘歸屬期或其他歸屬條件適用，則開支會於歸屬期內按照預期歸屬之股本工具數目之最佳可得估計確認。於假設預期將歸屬之股本工具數目時會計入非市場歸屬條件。倘有任何跡象顯示預期歸屬之購股權數目與過往之估計不同，則會於其後修訂估計。

於購股權獲行使時，先前於員工股份權益儲備確認之款額將轉入股份溢價。於歸屬日期後當已歸屬之購股權其後被沒收或於到期日尚未行使，早前於員工股份權益儲備確認之金額將轉入保留溢利。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策概要(續)

4.17 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能涉及經濟利益流失，並能作出可靠估計，則確認有關撥備。若貨幣之時間價值乃屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期作出檢討並作出調整以反映當時之最佳估計。

倘若導致經濟利益流失之可能性不大，或該金額無法作出可靠估計，該責任會披露為或然負債，除非導致經濟利益流失之可能性極低。潛在責任（須視乎日後是否發生一宗或多宗事件而確定其會否存在）亦會披露為或然負債，除非導致經濟利益流失之可能性極低。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;

4. 主要會計政策概要(續)

4.18 關聯人士

- (a) 倘適用下列情況，該名人士或該名人士之近親家屬成員便被視為與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員。
- (b) 倘適用下列情況，該實體便被視為與本集團有關聯：
- (i) 該實體及本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司互相關聯）；
 - (ii) 一個實體為另一實體之聯營公司或合營企業（或為某一集團之成員之聯營公司或合營企業，而該另一實體為此集團之成員）；
 - (iii) 兩個實體皆為相同第三方之合營企業；
 - (iv) 一個實體為第三實體之合營企業及另一實體為第三實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之離職後福利計劃；

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply: (Continued)
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策概要(續)

4.18 關聯人士(續)

- (b) 倘適用下列情況，該實體便被視為與本集團有關聯：(續)
- (vi) 該實體受(a)部所識別之人士控制或共同控制；
 - (vii) 於(a)(i)所識別對實體有重大影響之人士，或是實體(或實體之母公司)高級管理人員；或
 - (viii) 該實體或一個集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

某一人士之近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家屬成員並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resource allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following reportable segments:

Property assembly business	:	Properties assembly and sales of properties
Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and provision of office facilities and services
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating segments is managed separately as each of the business lines requires different resources as well as operating approaches.

The reporting segment results exclude finance costs, net gain/(loss) on fair value adjustments on investment properties, income taxes, gain on disposal of subsidiaries and unallocated income and expenses which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

The revenue of others segment represents the management and service fee income received from fellow subsidiaries.

4. 主要會計政策概要(續)

4.19 分類呈報

本集團根據向執行董事定期呈報之內部財務資料識別其經營分類及編製分類資料，本集團執行董事根據該等資料決定本集團各業務組成部分之資源分配並檢討該等組成部分之表現。向執行董事呈報之內部財務資料之業務組成部分乃根據本集團下列主要業務線釐定。

本集團已識別下列可呈報分類：

物業合併業務	:	物業合併及物業銷售
物業發展	:	發展住宅、商業及工業物業
物業租賃	:	物業租賃包括廣告位租賃及提供辦公室設備及服務
樓宇管理及其他服務	:	提供樓宇管理、物業維修及保養服務

由於各業務線需要不同資源及經營方針，故各業務分類分開管理。

報告分類計算經營分類之可呈報分類業績時，不包括融資成本、投資物業公平值調整之增值／(虧損)淨額、所得稅、出售附屬公司之收益以及並非任何營運分類直接應佔之業務活動之未分類收入及費用。

其他分類之收益指自同系附屬公司收取之管理及服務費收入。

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.19 Segment reporting (Continued)

Segment assets include investment properties, property, plant and equipment, properties under development, properties held for development, loans and receivables and operating cash and mainly exclude available-for-sale financial assets which are not directly attributable to the business activities of any operating segment.

Segment liabilities comprise operating liabilities and exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Corporate liabilities include provision for income tax, deferred tax liabilities and corporate borrowings.

4.20 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to be completed within 12 months from the date of classification.

4. 主要會計政策概要(續)

4.19 分類呈報(續)

分類資產包括投資物業、物業、廠房及設備、發展中物業、待發展物業、貸款及應收款項，以及經營現金，並主要不包括未能直接分類之任何營運業務活動，如可供出售財務資產。

分類負債包括經營負債，並不包括任何未能直接分類之經營業務活動之企業負債。企業負債包括所得稅撥備、遞延稅項負債及企業借貸。

4.20 持作出售之非流動資產及出售組別

如符合以下條件，非流動資產及出售組別分類為持作出售：

- 可供即時出售；
- 管理層承諾進行出售計劃；
- 計劃作出重大變動或撤回計劃之可能性不大；
- 已展開計劃積極物色買家；
- 資產或出售組別以對其公平值而言屬合理之價格進行市場推廣；及
- 預期出售可於分類日期起計12個月內完成。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Non-current assets held for sale and disposal groups (Continued)

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. 主要會計政策概要(續)

4.20 持作出售之非流動資產及出售組別(續)

分類為持作出售之非流動資產及出售組別以下列較低者計量：

- 根據本集團之會計政策，緊接分類為持作出售類別前之賬面值；及
- 公平值減出售成本。

於分類為持作出售類別後，非流動資產(包括於出售組別者)將不予折舊。

年內出售之業務之業績列入損益表並計至出售日期為止。

5. 主要會計估計及判斷

本集團會不斷基於過往經驗及其他因素檢討估計及判斷，有關因素包括在相關情況下應為合理之未來事件。

本集團對未來作出估計及假設。會計估計如其定義，甚少與實際結果相符。有重大風險可能會導致下個財政年度對資產及負債賬面值作出重大調整之估計及假設在下文討論。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical judgments in applying accounting policies

(i) Estimated fair value of investment properties and leasehold buildings

As at the reporting date, the Group's investment properties and leasehold buildings are stated at fair value based on the valuation performed by an independent qualified professional valuer. In determining the fair value, the valuers have based their valuation on income capitalisation approach, direct comparison and the residual method which involves certain estimates, including comparable market transactions, appropriate capitalisation rates and reversionary income potential and redevelopment potential. In relying on the valuation, management has exercised their judgement and are satisfied that the methods of valuation adopted are appropriate for the relevant property and reflective of current market conditions.

(ii) Net realisable value of properties under development

Management determines the net realisable value of properties under development by using prevailing market data such as most recent sale transactions and market valuation reports available from independent qualified professional valuers. Such valuations are made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual result. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

5. 主要會計估計及判斷(續)

(a) 應用會計政策時之主要判斷

(i) 投資物業及租賃樓宇之估計公平值

於報告日期，本集團之投資物業及租賃樓宇按獨立合資格專業估值師進行之估值以公平值列賬。於釐定公平值時，估值師已以收入資本法，直接比較法及剩餘法進行估值，當中涉及以包括可比較市場交易、適當資本化比率以及潛在複歸收入及重建潛力之若干估計為基準。於依賴進行估值時，管理層已運用其判斷，並信納所採用的估值方法適合有關物業並反映現時市況。

(ii) 發展中物業之可變現淨值

管理層採用最新銷售交易及獨立合資格專業估值師提供之市場估值報告等現行市場數據，釐定發展中物業之可變現淨值。有關估值乃按若干受不確定因素所限之假設而進行，並可能與實際結果有重大差異。於作出判斷時，管理層已合理考慮對主要按於報告日期出現之市況而作出之相關假設。此等假設定期與實際市場數據及市場上之實際交易作比較。

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical judgments in applying accounting policies (Continued)

(iii) Impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables on a regular basis. This estimate is based on the credit history of its customers, the aging of the receivables and prevailing market conditions. The management reassesses the provision for impairment of trade and other receivables at each reporting date.

(iv) Provision for taxation arising from disposals of investment properties and provision of deferred tax arising from fair value changes in investment properties

At 31 December 2016, the Group had certain investment properties located in Hong Kong. If and when these investment properties are disposed of, the IRD may seek to tax any gains on such disposal if they are 'trading' in nature. Under the IRO, capital gains on sales of assets are not subject to Hong Kong Profits Tax. Whether a gain on disposal of such an asset is capital or trading in nature is a matter of judgment. However, in practice, the amount of tax to be provided on disposal can be a difficult area to judge with precision, as the distinction between whether a gain is of a capital or trading nature is essentially dependent on management's intention at the time the asset was acquired, and if that intention had subsequently changed from a capital to a trading nature, when that intention had changed.

5. 主要會計估計及判斷(續)

(a) 應用會計政策時之主要判斷(續)

(iii) 貿易及其他應收款項減值

本集團管理層定期為貿易及其他應收款項計算減值撥備。有關估計乃基於客戶之信貸紀錄、應收款項之賬齡及當時市況。管理層於各報告日期重新評估貿易及其他應收款項之減值撥備。

(iv) 出售投資物業產生的稅項撥備及投資物業公平值變動產生的遞延稅項

於二零一六年十二月三十一日，本集團擁有若干以公平值計量且位於香港的投資物業。倘該等投資物業被出售，出售產生交易性質的任何收益可能會被香港稅務局徵稅。根據香港稅務條例，出售資產的資本收益不徵收香港利得稅。出售資產的收益屬資本性質或交易性質為判斷問題。然而，實際上，所提供的稅項金額可能為一個難以判斷的領域，由於收益為資本或交易性質的區別在很大程度上取決於資產收購時管理層的意圖，倘該意圖發生變化，則該意圖隨後由資本變為貿易性質。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical judgments in applying accounting policies (Continued)

(iv) Provision for taxation arising from disposals of investment properties and provision of deferred tax arising from fair value changes in investment properties (Continued)

As investment properties are carried at fair value, management are also required to assess whether any deferred tax needs to be provided for whenever a revaluation gain (or loss) is recognised as, under HKAS 12, the rebuttable presumption is that the fair value of the investment property will be realised by way of sale. Accordingly, if management believe the eventual sale of that investment property is of a trading nature, deferred tax must be provided on any revaluation gain/(loss). For some investment properties this may be a difficult judgement area.

Each investment property is assessed on its own merits as the facts and circumstances of each investment property project the Group undertakes are unique to that property.

5. 主要會計估計及判斷(續)

(a) 應用會計政策時之主要判斷(續)

(iv) 出售投資物業產生的稅項撥備及投資物業公平值變動產生的遞延稅項(續)

由於投資物業以公平值計量，管理層亦需要評估是否需要提供遞延稅項，當重估收益(或損失)根據香港會計準則第12號確認時，可反駁的推定為投資物業公平值將以銷售方式實現。因此，倘管理層認為投資物業的最終出售具有交易性質，則必須對任何重估收益／(損失)提供遞延稅項。對於部分投資物業，這可能是一個困難的判斷領域。

每項投資物業按照其實際情況進行評估，本集團承諾的每項投資物業項目的事實及情況都是該物業的獨特之處。

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

Fair value measurement

The investment properties and leasehold buildings included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur. The Group measures a number of items at fair value and/or whose carrying value may be affected by its fair value:

- Investment properties (note 16); and
- Leasehold buildings (note 17).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

5. 主要會計估計及判斷(續)

(b) 估計不確定因素之主要來源

除於該等財務報表其他部分披露之資料外，估計不確定因素之其他主要來源(具有導致下個財政年度之資產及負債賬面值作出重大調整之重大風險)如下：

公平值計量

計入本集團財務報表之投資物業及租賃樓宇須按公平值計量及／或披露。

本集團之非財務資產及負債之公平值計量乃於可行範圍內盡量使用市場可觀察資料輸入及數據。於釐定公平值計量時使用之數據輸入，乃根據所運用之估值技術中使用的數據輸入之可觀察程度而分類為不同層次(「公平值層級」)：

- 第1級：相同項目於活躍市場的報價(未作調整)；
- 第2級：直接或間接可觀察之數據輸入(不包括第1級數據輸入)；及
- 第3級：不可觀察之數據輸入(即並非源自市場數據)。

項目所歸入之上述層級乃基於對該項目之公平值計量具有重大影響之最低層級數據輸入值。項目在層級之間之轉移於發生期間確認。本集團按公平值計量若干賬面值或受其公平值影響的項目：

- 投資物業(附註16)；及
- 租賃樓宇(附註17)。

有關上述項目公平值計量之更多詳情，請參閱適用附註。

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6. REVENUE AND OTHER INCOME

An analysis of the Group's revenue from its principal activities and other income is as follows:

6. 收益及其他收入

本集團之主要業務之收益及其他收入分析如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Revenue	收益		
Property development	物業發展		
– Sales of properties under development	– 發展中物業銷售	1,112,319	10,459
Property leasing	物業租賃		
– Rental and signage rental income	– 租金及廣告位租賃收入	498,768	514,934
Building management and other services	樓宇管理及其他服務		
– Property repairs and maintenance service income	– 物業維修及保養服務收入	6,258	5,895
– Building management service income	– 樓宇管理服務收入	10,576	9,203
		1,627,921	540,491
Other income	其他收入		
Bank interest income	銀行利息收入	8,599	11,469
Reversal of provision for impairment loss on deferred and contingent consideration	遞延及或然代價減值虧損撥回撥備	13,195	27,685
Miscellaneous income	雜項收入	10,655	7,320
		32,449	46,474
Total revenue and other income	收益及其他收入總額	1,660,370	586,965

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7. SEGMENT INFORMATION

The executive directors have identified the Group's business lines as operating segments as further described in note 4.19.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

7. 分類資料

執行董事已識別本集團業務分類的業務線，誠如附註4.19進一步詳述。

此等業務分類之監控及決策之作出乃基於經調整之分類經營業績。

		Property assembly business		Property development		Property leasing		Building management and other services		Others		Total	
		物業合併業務		物業發展		物業租賃		樓宇管理及其他服務		其他		總計	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Revenue	收益												
External customers	外來客戶	-	-	1,112,319	10,459	498,768	514,934	16,834	15,098	-	-	1,627,921	540,491
Inter-segments	各分類間	-	-	98,637	87,701	469	23,094	5,808	4,313	35,929	32,316	140,843	147,424
Reportable segment revenue	可呈報分類收益	-	-	1,210,956	98,160	499,237	538,028	22,642	19,411	35,929	32,316	1,768,764	687,915
Reportable segment profit/(loss)	可呈報分類溢利/(虧損)	-	-	74,681	(84,600)	393,541	402,963	10,051	8,134	41,691	60,383	519,964	386,880
Bank interest income	銀行利息收入	-	-	1,617	4,308	358	3,534	5	1	6,619	3,626	8,599	11,469
Depreciation	折舊	-	-	(284)	(334)	(1,515)	(3,080)	(4)	(6)	-	(944)	(1,803)	(4,364)
Amortisation of properties held for development	待發展物業攤銷	-	-	(479)	(687)	-	-	-	-	-	-	(479)	(687)
Reversal of provision for impairment loss on the deferred and contingent consideration	遞延及或然代價減值虧損撥回撥備	-	-	-	-	-	-	-	-	13,195	27,685	13,195	27,685
Provision for impairment loss on trade receivables	貿易應收款項減值虧損撥備	-	-	-	-	(724)	(3,856)	-	-	-	-	(724)	(3,856)
Provision for impairment loss on other receivables	其他應收款項減值虧損撥備	-	-	(34,012)	-	-	-	-	-	(5,450)	-	(39,462)	-
Reversal of provision for impairment loss on trade receivables	貿易應收款項減值虧損撥回撥備	-	-	-	-	1,274	-	-	-	-	-	1,274	-
Provision for impairment loss on properties under development	發展中物業減值虧損撥備	-	-	(74,818)	-	-	-	-	-	-	-	(74,818)	-
Reportable segment assets	可呈報分類資產	-	-	2,952,620	3,535,796	17,988,998	15,537,298	28,429	17,877	1,373,117	871,999	22,343,164	19,962,970
Additions to non-current segment assets during the year	年內增添非流動分類資產	-	-	11	204	225,447	249,703	-	-	-	32	225,458	249,939
Reportable segment liabilities	可呈報分類負債	-	-	(1,129,903)	(1,047,860)	(182,590)	(113,514)	(10,543)	(6,964)	(29,729)	(26,775)	(1,352,765)	(1,195,113)

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7. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

7. 分類資料(續)

所呈列本集團經營分類之總額與財務報表所呈列本集團主要財務數字之對賬如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Reportable segment revenue	可呈報分類收益	1,768,764	687,915
Elimination of inter-segment revenue	分類間收益對銷	(140,843)	(147,424)
Revenue	收益	1,627,921	540,491
Reportable segment profits	可呈報分類溢利	519,964	386,880
Net gain/(loss) on fair value adjustments on investment properties	投資物業公平值調整之增值/ (虧損)淨值	2,621,740	(326,954)
Unallocated expenses	未分類之開支	(42,628)	(47,245)
Gain on disposal of subsidiaries	出售附屬公司之收益	36,870	69,367
Loss on disposal of investment properties	出售投資物業之虧損	-	(3,195)
Loss on disposal of a joint venture	出售合營企業之虧損	-	(16,961)
Finance costs	融資成本	(32,753)	(38,817)
Profit before income tax	除所得稅前溢利	3,103,193	23,075
Reportable segment assets	可呈報分類資產	22,343,164	19,962,970
Available-for-sale financial assets	可供出售財務資產	10	10
Group assets	本集團資產	22,343,174	19,962,980
Reportable segment liabilities	可呈報分類負債	1,352,765	1,195,113
Borrowings	借貸	1,694,220	2,137,050
Provision for income tax	所得稅撥備	144,120	22,707
Deferred tax liabilities	遞延稅項負債	149,368	76,953
Group liabilities	本集團負債	3,340,473	3,431,823

7. SEGMENT INFORMATION (Continued)

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

7. 分類資料(續)

本集團之外來客戶收益及其非流動資產(財務工具除外)分佈以下地區：

	Revenue from external customers		Non-current assets	
	外來客戶收益		非流動資產	
	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
Principal markets				
主要市場				
– Hong Kong (domicile)	1,619,574	530,032	17,891,100	15,703,918
– The PRC	8,347	10,459	33,096	42,189
	1,627,921	540,491	17,924,196	15,746,107

* For reporting purpose, the PRC excludes Hong Kong, Taiwan and Macau

* 就呈報而言，中國不包括香港、台灣及澳門。

The geographical location of customers is based on the location at which the goods/services were delivered/rendered. The geographical location of non-current assets is based on the physical location of the assets.

客戶之所屬地區乃基於提供貨物及服務之地點釐定。非流動資產之地區分類乃基於資產之實際所在地。

For the year ended 31 December 2016, the Group did not derive more than 10% of the Group's total revenue from any single customer.

截至二零一六年十二月三十一日止年度，本集團並未從任何單一客戶獲取超過本集團收益總額之10%。

For the year ended 31 December 2015, there were two customers from the Group's property leasing segment, each of whom contributed approximately 19% and 18% of the Group's total revenue. Revenue derived from these two customers for the year ended 31 December 2015 amounted to approximately HK\$104,110,000 and HK\$96,200,000 respectively.

截至二零一五年十二月三十一日止年度，有兩名來自本集團物業租賃分類的客戶各自為本集團的收益總額分別貢獻約19%及18%。截至二零一五年十二月三十一日止年度，來自該兩名客戶的收益分別約為港幣104,110,000元及港幣96,200,000元。

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8. FINANCE COSTS

8. 融資成本

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Interest charges on:	以下各項之利息開支：		
Bank loans	銀行貸款	34,183	40,211
Other borrowings – wholly repayable within five years	須於五年內悉數償還之 其他借貸	2,589	3,993
Total borrowing costs	總借貸成本	36,772	44,204
Less: Interest capitalised on investment properties (note 16)	減：投資物業之利息資本化 (附註16)	(4,019)	(5,387)
		32,753	38,817

For the years ended 31 December 2016 and 2015, interest on bank loans which contain a repayment on demand clause amounted to HK\$34,183,000 and HK\$40,211,000 respectively.

截至二零一六年及二零一五年十二月三十一日止年度，含有按要求償還條款之銀行貸款利息分別為港幣34,183,000元及港幣40,211,000元。

9. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/
(crediting):

9. 除所得稅開支前溢利

除所得稅開支前溢利已扣除／(計入)下列各項：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Amortisation of properties held for development (note 18)	待發展物業攤銷(附註18)	479	687
Auditor's remuneration	核數師酬金	3,054	4,346
Bad debts written off*	壞賬撇銷*	195	501
Cost of properties under development recognised as expenses	確認為開支之發展中物業成本	839,912	5,309
Depreciation of property, plant and equipment (note 17)	物業、廠房及設備折舊(附註17)	1,803	4,364
Employee compensation expense (including Directors' remuneration and defined contribution cost) (note 11)	僱員報酬開支(包括董事酬金及定額供款成本)(附註11)	132,389	131,414
Loss on disposal of property, plant and equipment*	出售物業、廠房及設備之虧損*	-	22
Operating lease charges in respect of office premises	辦公室物業之經營租賃支出	1,312	1,129
Provision for impairment loss on trade receivables* (note 22)	貿易應收款項減值虧損撥備*(附註22)	724	3,856
Reversal of provision for impairment loss on trade receivables* (note 22)	貿易應收款項減值虧損撥回撥備*(附註22)	(1,274)	-
Provision for impairment loss on other receivables* (note 39(g))	其他應收款項減值虧損撥備*(附註39(g))	39,462	-
Provision for impairment loss on properties under development#	對發展中物業提供減值虧損撥備#	74,818	-
Gross rental income from investment properties	投資物業租金收入總額	(498,768)	(514,934)
Less: Direct operating expense arising from investment properties that generated rental income	減：產生租金收入之投資物業所產生之直接經營支出	33,025	29,596
Less: Direct operating expense arising from investment properties that did not generate rental income	減：未產生租金收入之投資物業所產生之直接經營支出	1,290	526
		(464,453)	(484,812)

* included in other operating expenses.

* 已包括在其他經營費用內。

Provision for impairment loss on properties under development amounting to HK\$74,818,000 represents write down of the unsold units of a property development project to their net realisable value. The net realisable value is determined with reference to the fair value of these unsold units as at 31 December 2016 as estimated by DTZ Cushman & Wakefield Limited (previously known as DTZ Debenham Tie Leung Limited) ("DTZ"), an independent professional valuer.

對發展中物業提供減值虧損撥備為港幣74,818,000元，相當於撇減一項物業發展項目之未售出單位至可變現淨值。釐定可變現淨值乃參照獨立專業估值師DTZ Cushman & Wakefield Limited(前稱戴德梁行有限公司)(「戴德梁行」)對截至二零一六年十二月三十一日該等未售出單位之公平值所作之評估。

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10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to the Directors were as follows:

10. 董事及高級管理層之酬金

(a) 董事酬金

已付或應付董事酬金如下：

		Salaries, bonuses and allowances	Retirement benefits scheme contributions	Equity-settled share based payment expenses	Total
	Fee	Salaries, bonuses and allowances	Retirement benefits scheme contributions	Equity-settled share based payment expenses	Total
	袍金	薪金、花紅及津貼	退休福利計劃供款	以股份為基礎之付款開支	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
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Executive directors	執行董事				
Madam Foo Kam Chu Grace	傅金珠女士	50	11,147	18	11,216
Ms. Chan Wai Ling	陳慧苓小姐	50	8,990	18	9,062
Mr. Kong Siu Man Kenny	鄭紹民先生	50	4,031	18	4,100
Independent non-executive directors	獨立非執行董事				
Mr. Chan Kai Nang	陳啟能先生	158	-	-	158
Mr. Pao Ping Wing	浦炳榮先生	137	-	-	137
Mr. Ng Chi Keung	吳志強先生	137	-	-	137
		582	24,168	54	24,810
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度				
Executive directors	執行董事				
Madam Foo Kam Chu Grace	傅金珠女士	50	6,660	18	6,848
Ms. Chan Wai Ling	陳慧苓小姐	50	7,905	18	8,731
Mr. Kong Siu Man Kenny	鄭紹民先生	50	3,825	18	3,988
Independent non-executive directors	獨立非執行董事				
Mr. Chan Kai Nang	陳啟能先生	150	-	-	150
Mr. Pao Ping Wing	浦炳榮先生	130	-	-	130
Mr. Ng Chi Keung	吳志強先生	130	-	-	130
		560	18,390	54	19,977

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10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

The value of share options granted to Directors is measured according to the Group's accounting policy for share-based compensation set out in note 4.16(iii). The details of these benefits in kind including the principal terms and number of options granted are disclosed in note 32.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2015: three) Directors of the Company, whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining two (2015: two) individual(s) during the year are as follows:

10. 董事及高級管理層之酬金(續)

(a) 董事酬金(續)

年內概無任何安排令董事可據此豁免或同意豁免任何薪酬(二零一五年: 無)。

授予董事之購股權價值乃根據附註4.16(iii)所載本集團有關以股份為基礎之付款之會計政策計量。該等實物利益之詳情(包括主要條款及已授出購股權數目)於附註32中披露。

(b) 五位最高薪人士

本年度,本集團五位最高薪人士包括本公司三名(二零一五年:三名)董事,彼等之酬金反映於上述之分析。年內其餘兩名(二零一五年:兩名)人士之酬金如下:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Basic salaries, bonuses and other benefits	基本薪金、花紅及其他福利	9,713	8,975
Pension costs – defined contribution plan	退休金成本— 定額供款計劃	36	36
Equity – settled share based payment	以股權結算以股份 為基礎之付款	4	789
		9,753	9,800

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10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals (Continued)

The emoluments of the remaining two (2015: two) individuals fell within the following bands:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
HK\$1,500,001 – HK\$2,000,000	港幣1,500,001元 – 港幣2,000,000元	1	–
HK\$2,000,001 – HK\$2,500,000	港幣2,000,001元 – 港幣2,500,000元	–	1
HK\$7,500,001 – HK\$8,000,000	港幣7,500,001元 – 港幣8,000,000元	1	1

No emoluments were paid by the Group to the Directors or any of five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office and no director waived or agreed to waive any emoluments during each of the two years ended 31 December 2016 and 2015.

截至二零一六年及二零一五年十二月三十一日止兩個年度，本集團概無向董事或五位最高薪人士任何一位支付酬金，作為促使其加入本集團及於加入本集團時之獎金或離職之補償，且概無董事豁免或同意豁免任何酬金。

10. 董事及高級管理層之酬金(續)

(b) 五位最高薪人士(續)

其餘兩名(二零一五年：兩名)人士之酬金分佈組別如下：

11. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Salaries and wages (including Directors' remuneration)	薪金及工資 (包括董事酬金)	128,270	125,081
Equity – settled share based payment (note 32)	以股權結算以股份為基礎 之付款(附註32)	10	1,830
Pension costs – defined contribution plans	退休金成本一定額供款計劃	1,959	2,350
Staff welfare	員工福利	2,150	2,153
		132,389	131,414

11. 僱員福利開支(包括董事酬金)

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12. INCOME TAX EXPENSE

12. 所得稅開支

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Hong Kong profits tax	香港利得稅		
Tax for the year (note (a))	本年度稅項 (附註(a))	165,285	50,514
Under-provision in prior years (note (b))	過往年度撥備不足 (附註(b))	3,706	9,726
		168,991	60,240
PRC Enterprise Income Tax – Tax for the year (note (c))	中國企業所得稅 – 本年度稅項 (附註(c))	–	613
Deferred tax charge (note 28)	遞延稅項支出 (附註28)	73,492	6,319
		242,483	67,172

Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year.
- (b) For the year ended 31 December 2015, the underprovision of tax related to bank interest expenses from 2008 to 2013 which were disallowed for tax purposes by Hong Kong Inland Revenue Department.
- (c) For the year ended 31 December 2016, all of the Group's PRC subsidiaries were subject to PRC Enterprise Income Tax rate of 25% (2015: 25%).

附註：

- (a) 香港利得稅乃按本年度估計之應課稅溢利按稅率16.5% (二零一五年：16.5%) 計算。
- (b) 截至二零一五年十二月三十一日止年度過往年度撥備不足的稅項為二零零八至二零一三年度之銀行利息支出不獲香港稅務局批准扣減。
- (c) 於截至二零一六年十二月三十一日止年度，本集團在中國所有附屬公司按25% (二零一五年：25%) 之稅率繳納中國企業所得稅。

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12. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

12. 所得稅開支(續)

所得稅開支及會計溢利按合適稅率計算之對賬如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Profit before income tax	除所得稅前溢利	3,103,193	23,075
Tax at the applicable tax rates	按合適稅率計算之稅項	507,526	5,423
Tax effect of non-deductible expenses	不獲扣減之費用之稅務影響	83,497	64,584
Tax effect of non-taxable income	毋須課稅之收入之稅務影響	(411,391)	(9,419)
Tax effect of temporary differences not recognised	未確認暫時性差額之稅務影響	61,101	(3,811)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	6,570	5,310
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(8,526)	(4,641)
Under-provision in prior years	過往年度撥備不足	3,706	9,726
Income tax expense	所得稅開支	242,483	67,172

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13. OTHER COMPREHENSIVE INCOME

The amount of tax relating to each component of other comprehensive income can be summarised as follows:

13. 其他全面收入

有關其他全面收入各部分之稅項金額概列如下：

	2016 二零一六年			2015 二零一五年		
	Before tax 除稅前 HK\$'000 港幣千元	Tax 稅項 HK\$'000 港幣千元	Net of tax 除稅後 HK\$'000 港幣千元	Before tax 除稅前 HK\$'000 港幣千元	Tax 稅項 HK\$'000 港幣千元	Net of tax 除稅後 HK\$'000 港幣千元
Items that will not be reclassified to profit or loss: (Deficit)/surplus on revaluation of leasehold buildings (notes 17 and 28)	(1,097)	181	(916)	2,943	(486)	2,457
Items that may be reclassified subsequently to profit or loss: Exchange loss on translation of financial statements of foreign operations	(30,765)	-	(30,765)	(33,637)	-	(33,637)
Release of exchange reserve upon disposal of subsidiaries (note 40(e))	-	-	-	2,610	-	2,610
Other comprehensive income	(31,862)	181	(31,681)	(28,084)	(486)	(28,570)

14. DIVIDEND

(a) Dividend attributable to the year

14. 股息

(a) 本年度之股息

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	Proposed final dividend of HK\$0.20 (2015: HK\$0.20) per share	56,662
Proposed special dividend of HK\$1.00 (2015: Nil) per share	283,308	-
	339,970	57,070

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14. DIVIDEND (Continued)

(a) Dividend attributable to the year (Continued)

Final dividend of HK\$0.20 (2015: HK\$0.20) per share and special dividend of HK\$1.00 (2015: Nil) per share for the year to shareholders whose names appear on the register of members on 25 May 2017 was proposed by the Directors on 23 March 2017.

The final and special dividends proposed after the reporting date have not been recognised as a liability at the reporting date.

(b) Dividend attributable to the previous financial year, approved and paid during the year

14. 股息(續)

(a) 本年度之股息(續)

董事於二零一七年三月二十三日建議向於二零一七年五月二十五日名列於股東名冊之股東派付本年度末期股息每股港幣0.20元(二零一五年:港幣0.20元)及特別股息每股港幣1.00元(二零一五年:無)。

於報告日期後建議之末期及特別股息並無於報告日期確認為負債。

(b) 過往財政年度之股息，於年內獲批准及支付

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Final dividend in respect of the previous financial year, of HK\$0.20 per share (2015: final dividend of HK\$0.20 per share and special dividend of HK\$0.10 per share)	過往財政年度每股港幣0.20元之末期股息(二零一五年:末期股息每股港幣0.20元及特別股息每股港幣0.10元)	56,662	85,287

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15. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share of the Company is based on the profit for the year attributable to owners of HK\$2,824,747,000 (2015: loss of HK\$52,604,000) and the weighted average number of ordinary shares of 283,396,360 (2015: 284,366,184) in issue during the year.

There are no dilutive potential shares for the year ended 31 December 2016.

No adjustment has been made to basic loss per share amount presented for the year ended 31 December 2015 in respect of the diluted loss per share as the impact of share options had an anti-dilutive on the basic loss per share.

16. INVESTMENT PROPERTIES

Changes to the carrying amount presented in the consolidated statement of financial position can be summarised as follows:

15. 每股溢利／（虧損）

本公司每股基本溢利／（虧損）的計算基於年內本公司擁有人應佔年度溢利港幣2,824,747,000元（二零一五年：虧損港幣52,604,000元）及已發行普通股加權平均數283,396,360股（二零一五年：284,366,184股）。

截至二零一六年十二月三十一日止年度並無潛在攤薄股份。

概無就每股攤薄虧損對截至二零一五年十二月三十一日止年度呈列的每股基本虧損金額進行調整，此乃由於購股權對每股基本虧損有反攤薄影響。

16. 投資物業

綜合財務狀況表內所呈列之賬面值變動概述如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Carrying amount at 1 January	於一月一日之賬面值	15,610,480	15,730,226
Additions	增添	208,402	237,076
Disposal	出售	-	(216,098)
Transfer from properties under development (note 21)	轉撥自發展中物業（附註21）	148,447	169,712
Transfer from property, plant and equipment (note 17)	轉撥自物業、廠房及設備（附註17）	1,433	-
Disposal of subsidiaries (note 40(b))	出售附屬公司（附註40(b)）	(816,000)	-
Purchase of net assets (note 41)	收購淨資產（附註41）	16,918	12,627
Net gain/(loss) on fair value adjustments	公平值調整之增值／（虧損）淨值	2,621,740	(326,954)
Interest capitalised in investment properties under construction (note 8)	於建築中投資物業資本化之利息（附註8）	4,019	5,387
Exchange realignment	匯兌調整	(1,387)	(1,496)
Carrying amount at 31 December	於十二月三十一日之賬面值	17,794,052	15,610,480

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16. INVESTMENT PROPERTIES (Continued)

The Group's investment properties were revalued at 31 December 2016 and 2015 by an independent professionally qualified valuer, DTZ, on the following basis:

- The completed investment properties are revalued based on the market value on an existing use basis which involves certain estimates, including comparable market transactions, and where appropriate, capitalisation rates and reversionary income potential; and
- Investment properties under construction were revalued on the re-development basis by adopting the residual method. The residual method is determined by deducting the estimated total cost of the development, including costs of construction, professional fee, finance cost, associated costs and an allowance for developer's risk and profit from the gross development value.

In relying on these valuations, management has exercised judgement and are satisfied that the methods of valuation adopted are appropriate and reflective of the current market conditions.

For the year ended 31 December 2015, a subsidiary of the Company together with owners of adjacent units, comprising all the owners of an entire building located in 8-10A Mosque Street, Mid-Level, Hong Kong, disposed of the said properties to an independent third party at a total cash consideration of HK\$403,800,000, in which the Group has an interest of 53.62%. The disposal of the said properties was completed on 29 September 2015 and resulted in a net loss of approximately HK\$3,195,000 after taking into account of selling and directly attributable expenses.

The carrying amount of the Group's investment properties is a level 3 fair value measurement. A reconciliation of the opening and closing carrying amount is provided in above table. The net gain on fair value adjustment of HK\$2,621,740,000 (2015: net loss of HK\$326,954,000) is included in profit or loss.

16. 投資物業(續)

本集團之投資物業由獨立專業合資格估值師戴德梁行於二零一六年及二零一五年十二月三十一日按下列基準進行估值：

- 已完成之投資物業按現有用途之市值重估，當中涉及包括可比較市場交易、適當資本化比率以及潛在複歸收入之若干估計；及
- 在建投資物業透過採納剩餘法，按重建基準重新估值。剩餘法乃經自該項發展之發展價值總額扣除估計發展總成本包括建築成本、專業費用、融資成本、相關成本及一項就發展商之風險及溢利作出之撥備釐定。

於依賴此等估值時，管理層已運用其判斷，並信納所採納之估值方法屬適當並反映現時市況。

截至二零一五年十二月三十一日止年度，本公司的一家附屬公司連同相連單位的業主，即全幢大廈的所有業主，向一名獨立第三方出售位於香港西半山摩羅廟街8至10A號的物業，總現金代價為港幣403,800,000元，當中本集團擁有53.62%權益。上述物業於二零一五年九月二十九日完成出售，其虧損淨值約為港幣3,195,000元，經計及銷售及直接應佔開支。

本集團投資物業之賬面值為第3級公平值計量。上表已列示初始及末期賬面值。公平值變動淨收益港幣2,621,740,000元(二零一五年：淨虧損港幣326,954,000元)計入損益。

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16. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

16. 投資物業(續)

下表載列有關如何釐定該等投資物業之公平值(特別是所使用的估值技術及數據)之資料。

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2016 於二零一六年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between key unobservable input(s) and fair value measurement
本集團於綜合財務狀況表所持有之投資物業					重要不可觀察數據與公平值計量之互相關係
Completed investment properties (whole block of commercial building)	15,632,000 (2015: 12,700,000)	Income capitalisation approach	Reversionary rental value	HK\$19.5 – HK\$54 (2015: HK\$19.5 – HK\$55) per month per square foot for upper-level office / restaurants premises	The higher the rental value, the higher the fair value
已竣工之投資物業(商業大廈全幢)	15,632,000 (二零一五年: 12,700,000)	收入資本化法	複歸租賃值	高層辦公室/餐廳場所之每平方呎之每月港幣19.5元至港幣54元(二零一五年: 港幣19.5元至港幣55元)	租值越高, 公平值越高
				HK\$85 – HK\$1,370 (2015: HK\$90 – HK\$1,500) per month per square foot for ground floor shops	
			Adjusted term/reversionary yield	2.625% – 3.50% (2015: 2.875% – 4.5%)	The higher the adjusted term and reversionary yield, the lower the fair value
			經調整年期/複歸回報率	2.625%至3.50% (二零一五年: 2.875%至4.5%)	經調整年期及複歸回報率越高, 公平值越低

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16. INVESTMENT PROPERTIES (Continued)

16. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2016 於二零一六年十二月三十一日 之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between key unobservable input(s) and fair value measurement
本集團於綜合財務狀況表所持有之投資物業		估值技術	主要不可觀察之數據	主要不可觀察數據之範圍	重要不可觀察數據與公平值計量之互相關係
Investment properties under construction	230,000 (2015: 1,094,000)	Residual method	Price per square foot	HK\$25,800 (2015: HK\$13,200 – HK\$21,200) per square foot for residential premises; HK\$28,000 – HK\$35,000 (2015: HK\$19,000 – HK\$49,000) per square foot for shops	The higher the price per square foot, the higher the fair value
在建投資物業	230,000 (二零一五年: 1,094,000)	剩餘法	每平方米價格	住宅物業每平方米港幣25,800元(二零一五年: 港幣13,200元至港幣21,200元); 商舖每平方米港幣28,000元至港幣35,000元(二零一五年: 港幣19,000元至港幣49,000元)	每平方米價格越高, 公平值越高
			Estimated construction and other professional costs to completion	HK\$3,300 (2015: HK\$2,900 – HK\$4,500) per square foot	The higher the estimated construction and professional costs, the lower the fair value
			預計完成所需建築及其他專業費用	每平方米港幣3,300元(二零一五年: 港幣2,900元至港幣4,500元)	預計建築及專業成本越高, 公平值越低
			Estimated profit margin required to hold and develop the investment properties to completion	10% (2015: 5% – 10%)	The higher estimated profit margin, the lower the fair value
			保持及發展投資物業至完成所需估計利潤率	10%(二零一五年: 5至10%)	估計利潤率越高, 公平值越低

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16. INVESTMENT PROPERTIES (Continued)

16. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2016 於二零一六年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between key unobservable input(s) and fair value measurement
本集團於綜合財務狀況表所持有之投資物業		估值技術	主要不可觀察之數據	主要不可觀察數據之範圍	重要不可觀察數據與公平值計量之互相關係
Completed investment properties (Individual units or ground floor shops)	1,932,052 (2015: 1,816,480)	Direct comparison	Quality of properties (e.g. location, size, level and condition of the properties)	+/-20% (2015: +/-20%)	The higher the quality of properties with reference to comparables, the higher the fair value
已落成投資物業 (個別單位或地舖)	1,932,052 (二零一五年: 1,816,480)	直接比較	物業質量 (如位置、大小、層數及物業狀況)	+/-20% (二零一五年: +/-20%)	參照可比較物業之質量越高，公平值越高

There were no changes to the valuation techniques during the year.

年內估值技術並無變動。

The fair value measurement is based on the above investment properties' highest and best use, which does not differ from their actual use.

公平值計量乃按上述投資物業之最高及最佳用途，與其實際用途並無差異。

As at 31 December 2016, certain investment properties of the Group with total carrying amount of HK\$13,193,980,000 (2015: HK\$11,732,500,000) were pledged to secure certain bank loans of HK\$1,694,220,000 (2015: HK\$2,137,050,000) (note 27).

於二零一六年十二月三十一日，本集團已將賬面總值為港幣13,193,980,000元（二零一五年：港幣11,732,500,000元）之若干投資物業抵押以獲取為數港幣1,694,220,000元（二零一五年：港幣2,137,050,000元）之若干銀行貸款（附註27）。

All of the Group's investment properties for earning rental income or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

本集團所有為賺取租金收入或作資本增值用途之投資物業皆以公平值模式計量，並分類以及計入投資物業。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold lands	Leasehold buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地	租賃樓宇	租賃物業 裝修	傢俬、裝置 及設備	汽車	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
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	124,920	58,921	588	4,663	1,607	190,699
Additions	增添	-	-	-	236	-	236
Surplus on revaluation (note 13)	重估盈餘(附註13)	-	2,943	-	-	-	2,943
Disposals	出售	-	-	-	(21)	(51)	(72)
Depreciation	折舊	(1,339)	(1,178)	(320)	(1,211)	(316)	(4,364)
Classified as held for sale (note 29)	分類為持作出售(附註29)	(59,032)	(13,980)	-	-	-	(73,012)
Exchange realignment	匯兌調整	-	-	-	(43)	(31)	(74)
Closing net carrying amount	年終賬面淨值	64,549	46,706	268	3,624	1,209	116,356
At 31 December 2015	於二零一五年 十二月三十一日						
Cost/Valuation	成本/估值	65,239	46,706	13,931	12,969	3,020	141,865
Accumulated depreciation	累計折舊	(690)	-	(13,663)	(9,345)	(1,811)	(25,509)
Net carrying amount	賬面淨值	64,549	46,706	268	3,624	1,209	116,356
Analysis of cost/valuation	成本/估值分析						
At cost	按成本	65,239	-	13,931	12,969	3,020	95,159
At professional valuation	按專業估值	-	46,706	-	-	-	46,706
		65,239	46,706	13,931	12,969	3,020	141,865

17. PROPERTY, PLANT AND EQUIPMENT
(Continued)

17. 物業、廠房及設備(續)

		Leasehold lands	Leasehold buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地	租賃樓宇	租賃物業 裝修	傢俬、裝置 及設備	汽車	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
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	64,549	46,706	268	3,624	1,209	116,356
Additions	增添	-	-	-	23	-	23
Deficit on revaluation (note 13)	重估虧損(附註13)	-	(1,097)	-	-	-	(1,097)
Disposals	出售	-	-	-	-	-	-
Depreciation	折舊	(79)	(934)	(268)	(204)	(318)	(1,803)
Asset acquired (note 41(a))	收購資產(附註41(a))	-	-	100	4	-	104
Transfer to investment properties (note 16)	轉撥至投資物業(附註16)	(137)	(1,296)	-	-	-	(1,433)
Reallocation	重新分配	-	-	-	(179)	179	-
Exchange realignment	匯兌調整	-	-	-	(6)	(26)	(32)
Closing net carrying amount	年終賬面淨值	64,333	43,379	100	3,262	1,044	112,118
At 31 December 2016	於二零一六年 十二月三十一日						
Cost/Valuation	成本/估值	65,027	43,379	13,822	12,734	3,119	138,081
Accumulated depreciation	累計折舊	(694)	-	(13,722)	(9,472)	(2,075)	(25,963)
Net carrying amount	賬面淨值	64,333	43,379	100	3,262	1,044	112,118
Analysis of cost/valuation	成本/估值分析						
At cost	按成本	65,027	-	13,822	12,734	3,119	94,702
At professional valuation	按專業估值	-	43,379	-	-	-	43,379
		65,027	43,379	13,822	12,734	3,119	138,081

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2016, the Group's leasehold buildings held on leases over 50 years in Hong Kong are stated at valuation of HK\$43,379,000 (2015: HK\$46,706,000). The Group's leasehold buildings were valued by DTZ on an open market value basis by reference to the price information of comparable properties. For the year ended 31 December 2016, a revaluation loss of approximately HK\$1,097,000 (2015: surplus of approximately HK\$2,943,000) had been recognised in asset revaluation reserve.

Had the leasehold buildings been carried at historical cost less accumulated depreciation, its carrying amounts at 31 December 2016 would have been approximately HK\$10,703,000 (2015: HK\$12,117,000).

As at 31 December 2016, leasehold buildings of the Group with carrying amount of HK\$42,000,000 (2015: HK\$44,000,000) were pledged to secure certain bank loans of the Group (note 27).

17. 物業、廠房及設備(續)

於二零一六年十二月三十一日，本集團於香港租賃期50年以上之租賃樓宇以估值港幣43,379,000元(二零一五年：港幣46,706,000元)列賬。本集團之租賃樓宇由戴德梁行參考可資比較物業之價格資料按公開市價基準於作出估值。截至二零一六年十二月三十一日止年度重估虧損約港幣1,097,000元(二零一五年：盈餘約港幣2,943,000元)已確認入資產重估儲備。

倘租賃樓宇以歷史成本減累計折舊入賬，其賬面值於二零一六年十二月三十一日將約為港幣10,703,000元(二零一五年：港幣12,117,000元)。

於二零一六年十二月三十一日，本集團抵押賬面值為港幣42,000,000元(二零一五年：港幣44,000,000元)之租賃樓宇以獲得本集團之若干銀行貸款(附註27)。

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The fair value of the Group's owner-occupied leasehold building is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

17. 物業、廠房及設備(續)

本集團自用租賃樓宇之公平值為第3級經常性公平值計量。年初及年末公平值結餘之對賬載列如下。

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Opening balance (level 3 recurring fair value)	年初結餘(第3級經常性公平值)	46,706	58,921
Depreciation	折舊	(934)	(1,178)
(Deficit)/Surplus on revaluation of properties held for own use	重估持作自用物業之(虧損)/盈餘	(1,097)	2,943
Classified as investment properties	分類為投資物業	(1,296)	-
Classified as held for sale	分類為持作出售	-	(13,980)
Closing balance (level 3 recurring fair value)		43,379	46,706

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

公平值計量乃基於上述物業最高及最佳用途，與其實際用途並無差異。

The following table gives information about how the fair values of these leasehold buildings are determined (in particular, the valuation techniques and inputs used).

下表載列有關如何釐定該等租賃樓宇公平值(特別是所使用估值技術及數據)之資料。

Leasehold buildings held by the Group measured at revaluation model	Fair value as at 31 December 2016 於二零一六年十二月三十一日 之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between key unobservable input(s) and fair value measurement
本集團持有按重估模型計量之租賃樓宇		估值技術	主要不可觀察數據	主要不可觀察數據之範圍	重要不可觀察數據與公平值計量之互相關係
Owner-occupied leasehold buildings	43,379 (2015: 46,706)	Direct comparison	Quality of properties (e.g. location, size, level and condition of the properties)	+/-20% (2015: +/-20%)	The higher the quality of properties with reference to comparables, the higher the fair value
自用租賃樓宇	43,379(二零一五年: 46,706)	直接比較	物業質量(如位置、大小、層數及物業狀況)	+/-20%(二零一五年: +/-20%)	參照可比較物業之質量越高，公平值越高

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18. PROPERTIES HELD FOR DEVELOPMENT 18. 待發展物業

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Year ended 31 December			
	截至十二月三十一日止年度		
Opening net carrying amount	年初賬面淨值	19,271	27,187
Addition	增添	11	-
Amortisation	攤銷	(479)	(687)
Disposal of subsidiaries (note 40(d))	出售附屬公司(附註40(d))	-	(6,512)
Exchange realignment	匯兌調整	(777)	(717)
Closing net carrying amount	年終賬面淨值	18,026	19,271
As at 31 December			
	於十二月三十一日		
Cost	成本	22,556	23,521
Accumulated amortisation	累計攤銷	(4,530)	(4,250)
Net carrying amount	賬面淨值	18,026	19,271

Properties held for development represents prepaid land leases in the PRC (2015: certain agricultural lands (the "Lands") situated in New Territories, Hong Kong and the prepaid land leases in the PRC). The Directors are of the opinion that the fair value of the Lands cannot be reliably estimated unless the Group successfully assembles or acquires additional parcels of lands adjacent to the existing land holdings and consolidates these under one ownership title, obtains approval from the related government authorities and pays a land premium for further development. As such, the Group measures the Lands using the cost model.

待發展物業指位於中國之預付土地租賃(二零一五年:位於香港新界之若干農業用地(「土地」)及位於中國之預付土地租賃)。董事認為,除非本集團成功整合或收購與現有土地所有權相鄰的附加土地,並將其歸入同一所有權、取得相關政府授權及支付再發展地價,否則公平值不能可靠地計量。因此,本集團按成本模式計量土地。

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19. AVAILABLE-FOR-SALE FINANCIAL ASSETS 19. 可供出售財務資產

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Unlisted investment, at cost	非上市投資，按成本	6,660	6,660
Less: Provision for impairment loss	減：減值虧損撥備	(6,650)	(6,650)
Available-for-sale financial assets under non-current assets	非流動資產項下之可供出售 財務資產	10	10

Unlisted investments represent 35% of the issued ordinary share capital of an unlisted company incorporated in Hong Kong.

The unlisted investment is classified as available-for-sale financial assets because in the opinion of the Directors, the Group has no significant influence over the financial and operating decisions of the investee.

The unlisted investment with a carrying amount of HK\$10,000 (2015: HK\$10,000) is measured at cost less impairment losses as it does not have quoted market prices in active market. The Group plans to hold the investment indefinitely.

非上市投資指一家於香港註冊成立之非上市公司之35%已發行普通股股本。

由於董事認為，本集團对被投資公司之財務及經營決策並無重大影響力，因此，該項非上市投資分類為可供出售財務資產。

賬面值為港幣10,000元（二零一五年：港幣10,000元）之非上市投資由於並無活躍市場報價，故其乃按成本減值虧損計量。本集團計劃繼續持有該非上市投資。

20. GOODWILL

20. 商譽

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Gross amount	總面值		
As 1 January and 31 December	於一月一日及十二月三十一日	4,168	4,168
Accumulated impairment loss	累計減值虧損		
At 1 January and 31 December	於一月一日及十二月三十一日	(4,168)	(4,168)
Net carrying amount	賬面淨值		
At 31 December	於十二月三十一日	-	-

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21. PROPERTIES UNDER DEVELOPMENT

21. 發展中物業

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Carrying amount at 1 January	於一月一日之賬面值	3,265,104	2,558,459
Additions	增添	443,138	1,037,286
Disposals	出售	(839,912)	(5,309)
Transfer to investment properties (note 16)	轉撥至投資物業(附註16)	(148,447)	(169,712)
Disposal of subsidiaries (notes 40(c) and 40(e))	出售附屬公司(附註40(c)及40(e))	-	(134,210)
Exchange realignment	匯兌調整	(27,570)	(21,410)
Provision for impairment loss	減值虧損撥備	(74,818)	-
Carrying amount at 31 December	於十二月三十一日之賬面值	2,617,495	3,265,104

As at 31 December 2015, certain bank loans were settled but the Group's properties under development with aggregate carrying value of HK\$628,239,000, which were pledged as security for these bank loans, had not yet been released. As at 31 December 2016, all the pledged properties under development were released as security.

As at 31 December 2016, included in the properties under development was a joint operation project amounting to HK\$221,966,000 (2015: HK\$182,121,000) to jointly develop a property site for residential purpose located at 1-11 Lai Yin Street and 2-12 Jones Street, Tai Hang, Hong Kong in which the Group has a 20.24% interest. In 2014 the Directors determined that the Group's share of the completed units would be put up for sale when completed and, accordingly, reclassified its proportionate share of the interest in this property development from investment properties under construction to properties under development. The Group bears a proportionate share of the joint operation's assets, liabilities, revenue and expenses. The occupation permit was released by the Buildings Department during 2016. None of the Group's property units in this project have been transferred to buyers as at 31 December 2016.

於二零一五年十二月三十一日，若干銀行貸款已經結清，惟本集團就該等銀行貸款所抵押作為抵押品之賬面總值為港幣628,239,000元之發展中物業尚未解除抵押。截至二零一六年十二月三十一日，所有已抵押之發展中物業作為擔保獲解除。

於二零一六年十二月三十一日，發展中物業包括一項為數港幣221,966,000元(二零一五年：港幣182,121,000元)之合營項目，以共同開發一個位於大坑禮賢街1至11號及重士街2至12號之物業地盤，其中本集團擁有20.24%之股權。該物業地盤計劃發展為住宅樓宇。於二零一四年，董事確定本集團分佔之已落成單位將於建成後放售，因此，本集團將其按比例應佔該物業發展項目權益，由在建投資物業重新分類至發展中物業。本集團承擔按比例應佔合營業務之資產、負債、收益及開支。屋宇署於二零一六年內發出入住許可證。截至二零一六年十二月三十一日，本集團該項目之物業單位概無轉讓予買方。

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
<i>Current:</i>	<i>流動：</i>		
Trade receivables	貿易應收款項	27,260	15,965
Less: Provision for impairment loss	減：減值虧損撥備	(3,185)	(6,318)
Total trade receivables, net	貿易應收款項總額，淨額	24,075	9,647
Other receivables, utility deposits and prepayment, net of provision for impairment loss	其他應收款項、公共服務按金及預付款項，扣除減值虧損撥備	110,849	135,331
Loan receivables (Note a)	應收貸款(附註a)	195	–
		111,044	135,331
		135,119	144,978
<i>Non-current:</i>	<i>非流動：</i>		
Loan receivables (Note a)	應收貸款(附註a)	7,655	–
		142,774	144,978

The credit terms of the Group's trade receivables range from 30 to 90 days. At 31 December 2016, based on invoice dates, the ageing analysis of the trade receivables was as follows:

本集團貿易應收款項之信貸期介乎30至90天。於二零一六年十二月三十一日根據發票日期，貿易應收款項之賬齡分析載列如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
0–30 days	0至30天	10,710	3,631
31–90 days	31至90天	5,384	3,048
91–180 days	91至180天	6,366	1,739
Over 180 days	超過180天	1,615	1,229
Total trade receivables	貿易應收款項總額	24,075	9,647

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22. TRADE AND OTHER RECEIVABLES
(Continued)

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for doubtful debts during the year is as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
At 1 January	於一月一日	6,318	2,462
Add: Provision for impairment loss (note 9)	加：減值虧損撥備(附註9)	724	3,856
Less: Reversal of provision for impairment loss (note 9)	減：減值虧損撥回撥備(附註9)	(1,274)	-
Write-off	撇減	(2,583)	-
At 31 December	於十二月三十一日	3,185	6,318

At 31 December 2016 and 2015, included in the allowance for doubtful debts are individually impaired trade receivables. The individually impaired receivables related to invoices that were outstanding for more than one year and the management assessed that none of these balances are expected to be recovered. Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers.

Trade receivables that are not impaired are as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Not past due	未逾期	15,597	5,569
Less than 90 days past due	逾期少於90日	5,946	2,486
Past due more than 90 days but less than 1 year	逾期多於90日但少於1年	1,765	984
Past due more than 1 year	逾期多於1年	767	608
At 31 December	於十二月三十一日	24,075	9,647

22. 貿易及其他應收款項(續)

有關貿易應收款項之減值以撥備賬記錄，除非本集團信納收回該筆款項之可能性極低，在該情況下，減值虧損會直接於貿易應收款項中撇減。年內呆賬撥備之變動如下：

於二零一六年及二零一五年十二月三十一日，呆賬撥備包括個別貿易應收款項之減值。個別應收款項之減值與被拖欠多於一年之發票而管理層評估預期該等應收款項能收回之部分有限有關。一般而言，除以租賃按金為抵押之物業租賃應收租金外，本集團並無向其他客戶收取抵押品。

並無減值之貿易應收款項如下：

22. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Note:

- (a) As at 31 December 2016, loan receivables included amounts of HK\$7,850,000 which are secured, interest-bearing at Hong Kong Dollar Best Lending Rate minus 2% per annum, for the first 36 months from the date of loan drawdown and thereafter at the Hong Kong Dollar Best Lending Rate (2015: Nil). The loans were repayable in 360 monthly instalments with the final instalment payable in 2046.

The current portion of HK\$195,000 (2015: Nil) which is expected to be recovered within one year is included in "Trade and other receivables" under current assets while the balance of HK\$7,655,000 (2015: Nil) is included under non-current assets.

The Directors consider that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts due to short maturity periods on their inception.

23. BANK DEPOSIT AT ESCROW ACCOUNT

This represents deposits from buyers in connection with pre-sales of properties under development situated in Hong Kong.

22. 貿易及其他應收款項 (續)

未逾期及並無減值之貿易應收款項與大量並無近期拖欠還款記錄之客戶有關。已逾期但並無減值之貿易應收款項與多名與本集團有良好信貸記錄之客戶有關。根據過往經驗，管理層相信由於信貸質素並無重大變動，而該等結餘仍被視作可全數收回，故毋須就該等結餘作出減值撥備。

附註：

- (a) 於二零一六年十二月三十一日，應收貸款包括多筆合共港幣7,850,000元之金額，有關金額為無抵押，於提用貸款日期起計首36個月按港元最優惠借貸利率減2厘之年利率計息，其後按港元最優惠借貸利率計息（二零一五年：無）。有關貸款分360期每月償還，最後一期還款應於二零四六年支付。

預期於一年內收回之即期部份港幣195,000元（二零一五年：無）計入流動資產項下「貿易及其他應收款項」，餘額港幣7,655,000元（二零一五年：無）計入非流動資產項下。

董事認為，由於預期將於一年內收回之貿易及其他應收款項於設立時之到期期間較短，故其公平值與賬面值並無重大差異。

23. 於託管賬戶之銀行存款

此款項指買家就預售位於香港之發展中物業之按金。

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24. CASH AND BANK BALANCES

The cash and bank balances of the Group was summarised as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Cash and cash equivalents	現金及現金等價物	604,148	374,153
Time deposits with original maturity over three months	原到期日超出三個月之定期存款	988,227	-
Total cash and bank balances	現金及銀行結餘總額	1,592,375	374,153

Cash at bank earns interest at floating rates based on the daily bank deposit rates.

The Group's bank balances included restricted bank deposits of approximately HK\$67,947,000 (2015: HK\$3,780,000) which was restricted for the purpose of construction related payments.

As at 31 December 2016, time deposits with original maturity over three months were made for the period of 1 year depending on the immediate cash requirement of the Group, and earned fixed-rate interest at respective time deposits rates ranging from 0.90% to 1.25% per annum.

Included in cash and cash equivalents of the Group is HK\$148,726,000 (2015: HK\$70,687,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The Directors considered that the fair value of the cash and cash equivalents is not materially different from their carrying amount.

24. 現金及銀行結餘

本集團之現金及銀行結餘之概要如下：

銀行現金根據每日銀行存款利率按浮動利率賺取利息。

本集團的銀行結餘中，包括支付在建工程之受限制銀行存款約港幣67,947,000元（二零一五年：港幣3,780,000元）。

於二零一六年十二月三十一日，原有超出三個月到期之定期存款，該存款期為期一年，視乎本集團對資金需求而定，並按照各自之定期存款年利率0.90%至1.25%賺取固定利率之利息。

計入本集團現金及現金等值物為存放於中國多間銀行的銀行結餘港幣148,726,000元（二零一五年：港幣70,687,000元）之人民幣（「人民幣」）銀行結餘。人民幣並非可自由兌換之貨幣。根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准經由授權進行外匯業務之銀行以人民幣兌換外幣。

董事認為，現金及現金等價物之公平值與賬面值並無重大差異。

25. TRADE AND OTHER PAYABLES

25. 貿易及其他應付款項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Trade payables	貿易應付款項	7,344	5,517
Receipt in advance	預收款項	19,155	3,974
Rental deposits received	已收租金按金	160,059	162,448
Accrued expenses and other payables	應計費用及其他應付款項	301,117	287,534
Provision for legal cost	法律費用撥備	633	633
		488,308	460,106

Trade payables had credit periods ranging from 30 to 60 days. Based on invoice dates, the ageing analysis of trade payables was as follows:

本集團貿易應收款項之信貸期介乎30至60天。根據發票日期，貿易應付款項之賬齡分析載列如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
0-30 days	0至30天	2,472	1,887
31-90 days	31至90天	1,105	979
Over 90 days	超過90天	3,767	2,651
Total trade payables	貿易應付款項總額	7,344	5,517

26. DEPOSITS RECEIVED IN ADVANCE

26. 預收訂金

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Deposits received in advance associated with pre-sale of properties under development situated in:	有關預售位於下列地點之發展中物業之預收訂金：		
- Hong Kong	- 香港	560,500	707,727
- The PRC	- 中國	303,957	26,910
		864,457	734,637

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27. BORROWINGS

27. 借貸

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Current Liabilities	流動負債		
Bank loans – secured	銀行貸款－有抵押	1,694,220	2,137,050
Carrying amount repayable based on the scheduled repayment dates set out in the loan agreements:	根據貸款協議所載預定還款日期應償還之賬面值：		
Within one year	一年內	516,100	809,130
More than one year, but not exceeding two years	一年以上但不超過兩年	481,420	149,800
More than two years, but not exceeding five years	兩年以上但不超過五年	696,700	1,178,120
		1,694,220	2,137,050
Carrying amount of bank loans due for repayment after one year which contain a repayment on demand clause (shown under current liabilities)	一年後到期償還之銀行貸款（包括按要求償還條款）之賬面值（列於流動負債）	1,178,120	1,327,920

As at 31 December 2016, bank loans are secured by certain investment properties, and property, plant and equipment of the Group with a total carrying value of approximately HK\$13,235,980,000 (2015: HK\$12,404,739,000) as set out in notes 16 and 17 respectively to the financial statements.

The fair values of the borrowings as at 31 December 2016 and 2015 approximate to their carrying amounts.

The analysis that shows the remaining contractual maturities of the Group's borrowings is set out in note 42.1(d) to the financial statements.

於二零一六年十二月三十一日，銀行貸款乃以本集團賬面總值約港幣13,235,980,000元（二零一五年：港幣12,404,739,000元）之若干投資物業及物業、廠房及設備及發展中物業作為抵押，分別載於財務報表附註16及17。

於二零一六年及二零一五年十二月三十一日，借貸之公平值與其賬面值相若。

顯示本集團借貸之餘下合約到期日之分析載於財務報表附註42.1(d)。

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27. BORROWINGS (Continued)

The effective interest rates of the Group's borrowings at the reporting date were as follows:

27. 借貸(續)

於報告日期本集團借貸之實際利率如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Bank loans	銀行貸款		
- HK\$-denominated loans	- 港幣貸款		
		HIBOR+1.30% p.a. to HIBOR+1.45% p.a.	HIBOR+1.35% p.a. to HIBOR+2.45% p.a.
		香港同業拆息 + 年利率 1.30%至香港 同業拆息 + 年利率1.45%	香港同業拆息 + 年利率 1.35%至香港 同業拆息 + 年利率2.45%

28. DEFERRED TAX

The movement on the deferred tax account is as follows:

28. 遞延稅項

遞延稅項賬目之變動如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
At 1 January	於一月一日	76,953	70,942
Deferred taxation charged to:	扣除自以下項目之遞延稅項：		
- Profit or loss (note 12)	- 損益(附註12)	73,492	6,319
- Disposal of subsidiaries (notes 40 (a) & (c))	- 出售附屬公司(附註40(a)及(c))	(99)	(348)
- Asset revaluation reserve (note 13)	- 資產重估儲備(附註13)	(181)	486
Exchange realignment	匯兌調整	(797)	(446)
At 31 December	於十二月三十一日	149,368	76,953

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28. DEFERRED TAX (Continued)

The followings are the major deferred tax liabilities and assets recognised in the consolidated statement of financial position and the movements during the current and prior years:

28. 遞延稅項(續)

以下為於綜合財務狀況表確認之主要遞延稅項負債及資產以及於本年度及過往年度之變動：

		Accelerated tax depreciation	Fair value gain	Surplus on revaluation of owner- occupied properties	Total
		加速稅項折舊	公平值收益	重估自用 物業盈餘	總額
		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 2015	於二零一五年一月一日	64,126	-	6,816	70,942
Charged to profit or loss (note 12)	扣除自損益(附註12)	6,319	-	-	6,319
Disposal of a subsidiary (note 40(c))	出售一家附屬公司 (附註40(c))	(348)	-	-	(348)
Charged to other comprehensive income (note 13)	扣除自其他全面收入 (附註13)	-	-	486	486
Exchange realignment	匯兌調整	(446)	-	-	(446)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	69,651	-	7,302	76,953
Disposal of a subsidiary (note 40(a))	出售附屬公司(附註40(a))	(99)	-	-	(99)
Charged to profit or loss (note 12)	扣除自損益(附註12)	12,354	61,138	-	73,492
Credit to other comprehensive income (note 13)	計入自其他全面收入 (附註13)	-	-	(181)	(181)
Exchange realignment	匯兌調整	(797)	-	-	(797)
At 31 December 2016	於二零一六年十二月三十一日	81,109	61,138	7,121	149,368

As at 31 December 2016, the amount of unrecognised deferred tax assets mainly represented by tax effect of temporary differences attributable to unrecognised tax losses of HK\$38,762,000 (2015: HK\$68,192,000), which are subject to the agreement of the Hong Kong Inland Revenue Department. The deductible temporary differences have not been recognised in the financial statements as it is not probable that taxable profit will be available against which the tax loss or other deductible temporary differences can be utilised due to the unpredictability of future profit streams of the companies in which the losses arose. All tax losses and deductible temporary differences of the Group have no expiry dates under the current tax legislation.

於二零一六年十二月三十一日，未確認遞延稅項資產之金額主要是由於未確認稅項虧損港幣38,762,000元(二零一五年：港幣68,192,000元)所產生之暫時性差額稅務影響，有關金額須經香港稅務局同意。由於無法預計虧損產生時本公司的未來溢利，稅項虧損或其他可扣減暫時性差額將來未必能用以抵銷應課稅溢利，故並無於財務報表確認可扣減暫時性差額。根據現時稅務條例，本集團所有稅項虧損及可扣減暫時性差額並無屆滿期。

28. DEFERRED TAX (Continued)

As at 31 December 2016, the Group has deferred tax liabilities of approximately HK\$1,258,000 (2015: HK\$1,609,000) in respect of the aggregate amount of temporary differences associated with undistributed earnings of PRC subsidiaries which have not been recognised. No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of its subsidiaries and it is probable that such difference will not be reversed in the foreseeable future.

29. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at 31 December 2015, the assets and liabilities related to Moon Phase Limited ("Moon Phase"), a wholly-owned subsidiary of the Group, have been presented as held for sale following the approval of the Group's management to dispose of Moon Phase in 2015. Moon Phase is an investment holding company and holds the entire issued share capital of Casa Woods Limited which in turn holds a residential unit and certain car parking spaces situated in Hong Kong (collectively the "Moon Phase Group"). The disposal of Moon Phase Group was completed in the current year on 2 January 2016. For the details of the disposal, refer to note 40(a).

In accordance with HKFRS 5, at 31 December 2015, the assets and liabilities relating to Moon Phase Group had been classified as held for sale in the consolidated statement of financial position. The disposal did not constitute a discontinued operation as it did not represent a major line of business or geographical area of operation.

28. 遞延稅項(續)

於二零一六年十二月三十一日，本集團有關中國附屬公司未分派盈利之相關暫時差額總額之遞延稅項負債約港幣1,258,000元(二零一五年：港幣1,609,000元)尚未確認。由於本集團能夠控制其附屬公司之股息政策以及有關暫時差額於可見將來可能不會撥回，故並無就該等差額確認遞延稅項負債。

29. 分類為持作出售之出售組別之資產及負債

於二零一五年十二月三十一日，本集團管理層於二零一五年批准出售本集團全資附屬公司Moon Phase Limited(「Moon Phase」)後，與Moon Phase相關的資產及負債已呈列作為持作出售。Moon Phase乃投資控股公司，持有Casa Woods Limited全部已發行股本，後者持有位於香港之一個住宅單位及若干停車位(統稱「Moon Phase集團」)。出售Moon Phase集團事項已於二零一六年一月二日完成。有關出售詳情，請參閱附註40(a)。

根據香港財務報告準則第5號，於二零一五年十二月三十一日，與Moon Phase集團相關之資產及負債已在綜合財務狀況表分類為持作出售。由於其並非主要之業務線或業務地域，故出售不構成一項已終止業務。

2015
二零一五年
HK\$'000
港幣千元

Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	73,012
Deposits	按金	67
Total assets classified as held for sale	分類為持作出售之資產總額	73,079
Accrued charges	應計費用	370
Total liabilities classified as held for sale	分類為持作出售之負債總額	370

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30. SHARE CAPITAL

30. 股本

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.10 each	每股面值港幣0.10元之普通股	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	285,347,635	28,535	284,068,635	28,407
Exercise of share options	行使購股權	-	-	1,817,500	182
Shares bought-back and cancelled (note)	回購及註銷股份(附註)	(2,039,000)	(204)	(538,500)	(54)
At 31 December	於十二月三十一日	283,308,635	28,331	285,347,635	28,535

Note:

During the years ended 31 December 2016 and 2015, the Group bought-back its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

附註：

於截至二零一六年及二零一五年十二月三十一日止年度，本集團回購其於香港聯合交易所有限公司之普通股如下：

Trading dates		Number of shares bought-back	Highest price paid per share 已付每股 最高價 HK\$ 港幣元	Lowest price paid per share 已付每股 最低價 HK\$ 港幣元	Aggregate consideration paid 總支付作價 HK\$'000 港幣千元
For the year ended 31 December 2016		截至二零一六年 十二月三十一日止年度			
January 2016	二零一六年一月	2,039,000	10.20	8.69	19,056
For the year ended 31 December 2015		截至二零一五年 十二月三十一日止年度			
December 2015	二零一五年十二月	538,500	9.60	9.19	5,043

The bought-back shares were cancelled and the issued share capital of the Company was reduced by the nominal value of these shares accordingly. The premium paid on these buy-backs was charged to the share premium account. An amount equivalent to the nominal value of the shares cancelled were transferred from retained profits to the capital redemption reserve.

回購股份已獲註銷，故本公司已發行股本相應減少該等股份之面值。就該等回購所付溢價自股份溢價賬扣除。相等於註銷股份面值之款項自保留溢利轉撥至資本贖回儲備。

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31. RESERVES

Group

31. 儲備

本集團

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Share premium (note (a))	股份溢價(附註(a))	690,811	709,663
Capital redemption reserve (note (b))	資本贖回儲備(附註(b))	295	91
Asset revaluation reserve	資產重估儲備	2,546	7,908
Employee share-based equity reserve	員工股份權益儲備	21,928	21,918
Retained profits	保留溢利	17,910,441	15,421,014
Exchange reserve	兌換儲備	(25,154)	5,436
Special reserve (note (c))	特別儲備(附註(c))	1,848	1,848
Proposed final and special dividends (note 14(a))	建議末期及特別股息(附註14(a))	339,970	57,070
		18,942,685	16,224,948

Notes:

- (a) Share premium represents the excess of consideration received over the par value of share issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares, and such funds transferred from retained profits.
- (c) The special reserve of the Group represented the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital of the subsidiaries pursuant to the Group's re-organisation in 1997.

Details of the movements in the above reserves are set out in the consolidated statement of changes in equity on pages 112 to 115 to the financial statements.

附註：

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於回購股份面值之款項，該等資金乃轉撥自保留溢利。
- (c) 本集團之特別儲備指根據本集團一九九七年重組本公司已發行股本面值兌換附屬公司股本面值之差額。

上述儲備之變動詳情載於財務報表第112至115頁之綜合權益變動表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

31. RESERVES (Continued)

Company

31. 儲備(續)

本公司

		Share premium	Capital redemption reserve	Contributed surplus	Employee share-based equity reserve	Retained profit	Proposed final and special dividends	Total
		股份溢價	資本贖回儲備	繳納盈餘	員工股份權益儲備	保留溢利	建議末期及特別股息	總額
		HK\$'000	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	港幣千元
		(note (a))	(note (b))	(note (c))				
		(附註(a))	(附註(b))	(附註(c))				
At 1 January 2015	二零一五年一月一日	694,240	37	1,886,634	25,893	550,970	85,221	3,242,995
Exercise of share options	行使購股權	20,412	-	-	(4,764)	-	-	15,648
Lapse of share option (note 32)	購股權失效(附註32)	-	-	-	(1,041)	1,041	-	-
Shares bought-back and cancelled (note 30)	回購及註銷股份(附註30)	(4,989)	54	-	-	(54)	-	(4,989)
Equity-settled share based payment (note 32)	以股權結算以股份為基礎之付款(附註32)	-	-	-	1,830	-	-	1,830
Profit for the year	年內溢利	-	-	-	-	1,565	-	1,565
Final and special dividends paid for 2014 (note 14(b))	已付二零一四年末期及特別股息(附註14(b))	-	-	-	-	-	(85,287)	(85,287)
Under-provision for final and special dividends for 2014	二零一四年末期及特別股息撥備不足	-	-	(66)	-	-	66	-
Proposed final dividend for 2015 (note 14(a))	建議二零一五年末期股息(附註14(a))	-	-	(57,070)	-	-	57,070	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	709,663	91	1,829,498	21,918	553,522	57,070	3,171,762
Shares bought-back and cancelled (note 30)	回購及註銷股份(附註30)	(18,852)	204	-	-	(204)	-	(18,852)
Equity-settled share based payment (note 32)	以股權結算以股份為基礎之付款(附註32)	-	-	-	10	-	-	10
Profit for the year	年內溢利	-	-	-	-	1,847	-	1,847
Over-provision for final dividend for 2015	二零一五年末期股息撥備超額	-	-	408	-	-	(408)	-
Final dividend paid for 2015 (note 14(b))	已付二零一五年末期股息(附註14(b))	-	-	-	-	-	(56,662)	(56,662)
Proposed final and special dividends for 2016 (note 14(a))	建議二零一六年末期及特別股息(附註14(a))	-	-	(339,970)	-	-	339,970	-
At 31 December 2016	於二零一六年十二月三十一日	690,811	295	1,489,936	21,928	555,165	339,970	3,098,105

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

31. RESERVES (Continued)

Company (Continued)

Notes:

- (a) Share premium represents the excess of consideration received over the par value of shares issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares transferred.
- (c) The contributed surplus represents the difference between the nominal value of the Company's shares issued in exchange for all the issued ordinary shares of Lucky Spark Limited (a subsidiary) and the value of the net underlying assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to the shareholders under certain circumstances. However, the Company cannot declare or pay a dividend or make a distribution out of contribution surplus if:
 - (1) it is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (2) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

32. SHARE BASED EMPLOYEE COMPENSATION

The Company adopted a new share option scheme (the "2011 Share Option Scheme") at the annual general meeting held on 19 May 2011 (the "AGM 2011").

The principal terms of the 2011 Share Option Scheme are set out as follows:

Purpose of the 2011 Share Option Scheme

The purpose of this scheme is to encourage the participants to perform their best in achieving the goals of the Company and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions.

31. 儲備(續)

本公司(續)

附註：

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於已轉撥回購股份面值之款項。
- (c) 繳納盈餘乃指發行以換取Lucky Spark Limited(一家附屬公司)全部已發行普通股之本公司股份面值與所收購附屬公司相關淨資產值之差額。根據百慕達一九八一年公司法(經修訂)，在若干情況下本公司之繳納盈餘可分派予股東。然而，倘發生以下情況，本公司不可從繳納盈餘宣派或支付股息或派發：
 - (1) 不能或於支付後不能支付到期繳付之債務；或
 - (2) 其資產之可變現值因此少於其債務、已發行股本及股份溢價賬之總額。

32. 以股份為基礎僱員報酬

本公司於二零一一年五月十九日舉行之股東週年大會(「二零一一年股東週年大會」)上採納新購股權計劃(「二零一一年購股權計劃」)。

二零一一年購股權計劃之主要條款載列如下：

二零一一年購股權計劃之目的

該計劃旨在鼓勵參與者竭誠達致本公司目標，同時讓參與者分享彼等致力為本公司作出貢獻之成果。

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綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Eligible Participants of the share option scheme

(i) any full time employee and director (any existing or proposed executive or non-executive directors) of the Group or any member of the Group and any part-time employee with weekly working hours of 10 hours or above of the Group; (ii) any advisor, consultants or agent to the Group; any provider of goods and/or services to the Group; or any other person who, at the sole discretion of the Board, has contributed or may contribute to the Group; (iii) any trustee of any trust (whether family, discretionary) whose beneficiaries or objects include any employee or business association of the Group.

Total number of securities issuable

The total number of shares which may be issued upon exercise of all share options to be granted under the 2011 Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the total number of shares in issue as at the adoption date of the 2011 Share Option Scheme provided that the share options lapsed will not be counted for the purpose of calculating such 10% limit.

At the AGM 2011 of the Company convened on 19 May 2011, the said 10% limit of number of shares available for issue was 25,091,413 shares.

Under the 2011 Share Option Scheme, the Company may obtain a fresh approval from its shareholder in general meeting to refresh the above mentioned 10% limit. In such event, the total number of shares in respect of which share options may be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue as at the date of such approval provided that share options previously granted under the 2011 Share Option Scheme (including those outstanding, cancelled, lapsed or exercised share options) will not be counted for the purpose of calculating such 10% limit.

32. 以股份為基礎僱員報酬(續)

購股權計劃之合資格參與者

(i)本集團或本集團任何成員公司之任何全職僱員及董事(任何現任或建議非執行董事)，以及本集團任何每週工時10小時或以上之兼職僱員；(ii)本集團任何顧問、專家顧問或代理、向本集團提供貨物及/或服務之任何供應商、或董事會全權酌情認為已經或可能對本集團作出貢獻之任何其他人士；(iii)任何信託(家族或酌情)之受託人，而該信託之受益人或對象包括本集團之任何僱員或業務聯繫人。

可發行證券總數

根據行使二零一一年購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權而可予發行之股份總數，不得超過於批准二零一一年購股權計劃之日已發行股份總數之10%，但已失效之購股權將不計算在該10%上限以內。

於本公司於二零一一年五月十九日舉行之二零一一年股東週年大會上，上述10%上限可予發行之股份數目為25,091,413股股份。

根據二零一一年購股權計劃，本公司可在股東大會上獲得其股東更新批准以更新上述之10%上限。在該情況下，根據二零一一年購股權計劃及本公司任何其他購股權計劃可予授出之購股權而發行之股份總數，不得超過於該等批准之日已發行股份總數之10%，但根據二零一一年購股權計劃過往已授出之購股權(包括該等尚未行使、已註銷、已失效或已行使之購股權)將不計算在該10%上限以內。

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Total number of securities issuable (Continued)

The maximum number of shares which may be issued upon exercise of all outstanding share option granted and yet to be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such other higher percentages as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

As at the date of this annual report, the total number of shares available for issue under the 2011 Share Option Scheme was 14,335,413 representing approximately 5.06% of the Company's shares in issue as at that date.

Maximum entitlement of each employee/participant

Unless separately approved by the shareholders of the Company at a general meeting with the particular Participant (as defined in the 2011 Share Option Scheme) and his or her associate (as defined under the Listing Rules) abstaining from voting, the total number of shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 months period shall not exceed 1% of the total number of shares in issue.

Period to take up share options and minimum period to hold before exercise

Under the 2011 Share Option Scheme, the period which the shares must be taken up under a share option and the minimum period, if any, for which a share option must be held before it can be exercised are to be decided by the Directors of the Company upon granting the relevant share options. Details of such information (if any) relating to the outstanding share options are set out below.

Amount payable to take up share options and time to accept offer

Under the 2011 Share Option Scheme, an offer for the granting of share options shall be accepted within 21 days from the offer date and by way of payment of consideration of HK\$1.00.

32. 以股份為基礎僱員報酬(續)

可發行證券總數(續)

因行使根據二零一一年購股權計劃或本公司任何其他購股權計劃已授出之尚未行使購股權而發行之股份上限，不得超過不時已發行股份總數之30% (或上市規則准許之該等其他較高百分比)。

於本年報日期，根據二零一一年購股權計劃可予授出之購股權總數為14,335,413股，佔於該日本公司已發行股份約5.06%。

各僱員／參與者之配額上限

除非經本公司股東在股東大會上另行批准及有關之參與者(定義見二零一一年購股權計劃)及其聯繫人(定義見上市規則)亦放棄在股東大會上投票外，行使授予各參與者之購股權(包括已行使及尚未行使之購股權)時所發行及可予發行之股份總數，於任何十二個月期間不得超過已發行股份總數之1%。

認購購股權項下股份之時限及行使前之最短持有購股權時限

根據二零一一年購股權計劃，認購購股權項下股份之時限及行使購股權前必須持有購股權之最短時限(如有)，均由本公司董事在授出有關之購股權時決定。有關尚未行使之購股權之該等資料(如有)之詳情載於下文。

認購購股權之應付款項及接納要約之時間

根據二零一一年購股權計劃，授出購股權之要約須在要約日起二十一天內以支付港幣1.00元代價之方式接納。

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綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Exercise price

Under the 2011 Share Option Scheme, the exercise price shall be a price determined by the board of Directors of the Company and shall be at least the highest of:

- (i) the closing price of the shares quoted on the Stock Exchange on the offer date;
- (ii) a price being the average of the closing prices of the shares as quoted in the Stock Exchange for the 5 trading days immediately preceding the offer date; and
- (iii) the nominal value of the shares.

Life of the share option scheme

The 2011 Share Option Scheme has a life of 10 years from its adoption date (i.e. 19 May 2011).

As at the 31 December 2016, details of outstanding options granted to eligible persons are as follows:

32. 以股份為基礎僱員報酬(續)

行使價

根據二零一一年購股權計劃，行使價應為本公司董事會所釐定之價格，以至少為以下三項中最高者為準：

- (i) 股份於要約日在聯交所所報之收市價；
- (ii) 緊接要約日前五個交易日股份在聯交所所報之平均收市價；及
- (iii) 股份之面值。

購股權計劃之有效期

二零一一年購股權計劃之有效期由採納日期(即二零一一年五月十九日)起計10年。

於二零一六年十二月三十一日，授予合資格人士之未行使購股權如下：

Name of grantee	Date of grant	Closing price immediately preceding the date of grant	Exercise price	Weighted average share price of shares at the date of exercise	Exercisable period	Number of options				Fair value of options granted
						As at 1 January 2016	Granted during the year	Exercised/ Lapsed* during the year	As at 31 December 2016	
承授人姓名	授出日期	收市價	行使價	平均股價	行使期	於二零一六年一月一日	年內授出	年內行使/ 失效*	於二零一六年十二月三十一日	已授出購股權公平值
		(HK\$)	(HK\$)	(HK\$)						(HK\$'000)
		(港幣元)	(港幣元)	(港幣元)						(港幣千元)

Directors

董事

Foo Kam Chu Grace 傅金珠	3/1/2013 二零一三年 一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年 一月三日至 二零一七年 一月二日	316,000	-	-	316,000	N/A 不適用
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綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Life of the share option scheme (Continued)

32. 以股份為基礎僱員報酬(續)

購股權計劃之有效期(續)

Name of grantee	Date of grant	Closing price immediately preceding the date of grant	Exercise price	Weighted average share price at the date of exercise	Exercisable period	Number of options				Fair value of options granted
						As at 1 January 2016	Granted during the year	Lapsed* during the year	As at 31 December 2016	
承授人姓名	授出日期	緊接授出日期前之收市價 (HK\$) (港幣元)	行使價 (HK\$) (港幣元)	平均股價 (HK\$) (港幣元)	行使期	於二零一六年一月一日	年內授出	年內行使/失效*	於二零一六年十二月三十一日	已授出購股權公平值 (HK\$'000) (港幣千元)
Chan Wai Ling 陳慧苓	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	2,000,000	-	-	2,000,000	N/A 不適用
Kong Siu Man Kenny 龔紹民	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	250,000	-	-	250,000	N/A 不適用
Other Employees 其他僱員	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	2,260,000	-	-	2,260,000	N/A 不適用
						4,826,000	-	-	4,826,000	

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Life of the share option scheme (Continued)

As at the 31 December 2015, details of outstanding options granted to eligible persons are as follows:

32. 以股份為基礎僱員報酬(續)

購股權計劃之有效期(續)

於二零一五年十二月三十一日，授予合資格人士之未行使購股權如下：

Name of grantee	Date of grant	Closing price immediately preceding the date of grant	Exercise price	Weighted average share price of shares at the date of exercise	Exercisable period	Number of options			Fair value of options granted
						As at 1 January 2015	Granted during the year	Exercised/ Lapsed* during the year	
承授人姓名	授出日期	收市價 (HK\$) (港幣元)	行使價 (HK\$) (港幣元)	平均股價 (HK\$) (港幣元)	行使期	於二零一五年一月一日	年內授出	年內行使/ 失效* 十二月三十一日	已授出購股權公平值 (HK\$'000) (港幣千元)

Directors

董事

Foo Kam Chu Grace 傅金珠	6/12/2011 二零一一年十二月六日	8.60	8.71	9.57 (Note 附註 a)	6/12/2012 to 5/12/2015 二零一二年十二月六日至二零一五年十二月五日	137,500	-	(137,500)	-	N/A 不適用
	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	316,000	-	-	316,000	N/A 不適用
Chan Wai Ling 陳慧苓	6/12/2011 二零一一年十二月六日	8.60	8.71	9.57 (Note 附註 b)	6/12/2012 to 5/12/2015 二零一二年十二月六日至二零一五年十二月五日	500,000	-	(500,000)	-	N/A 不適用
	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	2,000,000	-	-	2,000,000	N/A 不適用

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綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Life of the share option scheme (Continued)

32. 以股份為基礎僱員報酬(續)

購股權計劃之有效期(續)

Name of grantee	Date of grant	Closing price immediately preceding the date of grant	Exercise price	Weighted average share price of shares at the date of exercise	Exercisable period	Number of options			Fair value of options granted	
						As at 1 January 2015	Granted during the year	Exercised/ Lapsed* during the year		
承授人姓名	授出日期	收市價 (HK\$)	行使價 (HK\$)	平均股價 (HK\$)	行使期	於二零一五年一月一日	年內授出	年內行使/ 失效*	於二零一五年十二月三十一日	購股權公平值 (HK\$'000)
Kong Siu Man Kenny 鄭紹民	6/12/2011 二零一一年十二月六日	8.60	8.71	9.52 (Note 附註 c)	6/12/2012 to 5/12/2015 二零一二年十二月六日至二零一五年十二月五日	300,000	-	(300,000)	-	N/A 不適用
	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	250,000	-	-	250,000	N/A 不適用
Other Employees 其他僱員	6/12/2011 二零一一年十二月六日	8.60	8.71	10.66 (Note 附註 d)	6/12/2012 to 5/12/2015 二零一二年十二月六日至二零一五年十二月五日	880,000	-	(880,000)	-	N/A 不適用
	3/1/2013 二零一三年一月三日	15.78	15.76	N/A 不適用	3/1/2014 to 2/1/2017 二零一四年一月三日至二零一七年一月二日	2,510,000	-	(250,000)*	2,260,000	N/A 不適用
						6,893,500	-	(2,067,500)	4,826,000	

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31 December 2016 二零一六年十二月三十一日

32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

Notes:

- (a) The weighted average closing price of the Company's share immediately before the date on which the options were exercised is HK\$9.69.
- (b) The weighted average closing price of the Company's share immediately before the date on which the options were exercised is HK\$9.69.
- (c) The weighted average closing price of the Company's share immediately before the date on which the options were exercised is HK\$9.60.
- (d) The weighted average closing price of the Company's share immediately before the date on which the options were exercised is HK\$10.74.

On 3 January 2013 (the "Grant Date"), 5,196,000 share options (the "Share Options") to subscribe for up to a total of 5,196,000 ordinary shares of HK\$0.10 each of the Company were granted to certain eligible individuals, including executive directors, under 2011 Share Option Scheme. The exercise price of the Share Options is HK\$15.76 per share and the vesting schedule of the Share Options are as follows:

- (a) 50% of the options can be exercised at any time after first anniversary of the grant date ("Tranche A");
- (b) 25% of the options can be exercised at any time after second anniversary of the Grant Date ("Tranche B"); and
- (c) The remaining 25% of the Options can be exercised at any time after third anniversary of the Grant Date ("Tranche C").

32. 以股份為基礎僱員報酬(續)

附註：

- (a) 緊接購股權獲行使當日本公司股份之加權平均收市價為港幣9.69元。
- (b) 緊接購股權獲行使當日本公司股份之加權平均收市價為港幣9.69元。
- (c) 緊接購股權獲行使當日本公司股份之加權平均收市價為港幣9.60元。
- (d) 緊接購股權獲行使當日本公司股份之加權平均收市價為港幣10.74元。

於二零一三年一月三日(「授出日期」)，本公司根據二零一一年購股權計劃，將5,196,000份(「購股權」)授予若干合資格人士(包括執行董事)，可據此認購最多5,196,000股本公司每股面值港幣0.10元之普通股。購股權之行使價為每股港幣15.76元及購股權歸屬安排如下：

- (a) 50%購股權可於授出日期一週年後任何時間行使(「批次A」)；
- (b) 25%購股權可於授出日期二週年後任何時間行使(「批次B」)；及
- (c) 餘下25%購股權可於授出日期三週年後任何時間行使(「批次C」)。

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32. SHARE BASED EMPLOYEE COMPENSATION (Continued)

The fair value of the Share Options granted during the year under 2011 Share Option Scheme determined at the Grant Date using Trinomial Option Pricing Model (the "Model") was HK\$23,610,000. The following table lists the key inputs to the Model:

	Tranche A 批次A	Tranche B 批次B	Tranche C 批次C
Date of grant 授出日期	3 January 2013 二零一三年一月三日	3 January 2013 二零一三年一月三日	3 January 2013 二零一三年一月三日
Closing share price immediately preceding the date of grant 緊接授出日期前之股份收市價	HK\$15.76 per share 每股港幣15.76元	HK\$15.76 per share 每股港幣15.76元	HK\$15.76 per share 每股港幣15.76元
Expected volatility (based on the annualised historical volatility of the closing price of the shares of the Company for the past four years to the dates of grant) 預期波幅(以過往四年至授出日期本公司股份收市價推算全年過往波幅)	41.313%	41.313%	41.313%
Time to maturity (in years) 屆滿期(年)	4	4	4
Risk-free interest rate 無風險利率	0.282%	0.282%	0.282%
Expected dividend yield 預期股息率	1.768%	1.768%	1.768%

For the year ended 31 December 2016, the Share Options which vested amounted to HK\$10,000 (2015: HK\$1,830,000) and was charged to the profit or loss as share based payment expense.

As at 31 December 2016, 4,826,000 share options (2015: 3,619,500 share options) had vested under the 2011 Share Option Scheme.

Weighted average exercise price for share options exercisable as at 31 December 2016 was HK\$15.76 (2015: HK\$15.76) and a weighted average remaining contractual life of 2 days (2015: 1 year).

No share options were exercised during the year. The weighted average share price at the date of exercise of options for the year ended 31 December 2015 was HK\$10.09.

32. 以股份為基礎僱員報酬(續)

根據二零一一年購股權計劃，本年度利用三項期權定價模型(「模型」)釐定之所授出購股權於授出日期之公平值為港幣23,610,000元。下表列示該模型主要輸入數據：

於截至二零一六年十二月三十一日止年度，歸屬購股權總金額港幣10,000元(二零一五年：港幣1,830,000元)在損益表扣除作為以股份支付之開支。

於二零一六年十二月三十一日，根據二零一一年購股權計劃已歸屬4,826,000份購股權(二零一五年：3,619,500份購股權)。

於二零一六年十二月三十一日，可行使購股權的加權平均行使價為港幣15.76元(二零一五年：港幣15.76元)，而加權平均餘下合約年期為兩日(二零一五年：1年)。

年內概無行使購股權。截至二零一五年十二月三十一日止年度，於購股權行使日期之加權平均股價為港幣10.09元。

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33. COMMITMENTS

(a) Operating lease commitments

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Within one year	一年內	241	76
In the second to fifth years inclusive	第二至第五年 (首尾兩年包括在內)	34	–
		275	76

The Group leases a number of properties under operating leases. The leases will expire in the coming year. None of the leases includes contingent rentals.

本集團根據經營租賃出租多項物業。租期將於下一年度屆滿。概無租約包括或然租金。

(b) Capital commitments

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Contracted but not provided for:	已訂約惟未撥備：		
– Construction costs and service expenses of property development	– 物業發展之建設成本及服務費用	332,460	559,838
– Acquisition of properties	– 收購物業	19,043	25,598
– Capital contribution to Hong Kong and PRC subsidiaries of property development business	– 向物業發展業務之香港及中國附屬公司出資	38,062	41,048
		389,565	626,484

All capital commitments are due in the coming twelve months.

所有資本承擔均於未來十二個月內到期。

33. 承擔

(a) 經營租賃承擔

於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃於未來應付之最低總租金如下：

(b) 資本承擔

34. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31 December 2016, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Within one year	一年內	449,791	472,159
In the second to fifth years inclusive	第二至第五年(首尾兩年包括在內)	478,230	650,323
Over fifth years	五年以上	1,829	9,147
		929,850	1,131,629

The Group leases its investment properties (note 16) under operating lease arrangements which run for an initial period of one to eight years (2015: one to five years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases also require the tenants to pay rental deposits. The turnover-related rental income received during the year amounted to HK\$1,713,000 (2015: HK\$885,000).

35. CONTINGENT LIABILITIES

In the course of business, certain bank accounts were opened and held in the name of certain subsidiaries on behalf of third parties to whom these subsidiaries provided building management services. As at the reporting date, those bank balances held on behalf of third parties and were not accounted for in the financial statements of the Group amounted to HK\$37,271,000 (2015: HK\$27,492,000).

34. 未來經營租賃安排

於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃就投資物業未來所收之最低總租金如下：

本集團根據經營租賃安排出租其投資物業(附註16)，初始租期一至八年(二零一五年：一至五年)，可選擇於到期日或本集團與有關承租人雙方同意之日期續期。租約條款亦規定承租人須繳付租賃按金。年內已收營業額相關之租金收入為港幣1,713,000元(二零一五年：港幣885,000元)。

35. 或然負債

於業務過程中，若干附屬公司以其名義代第三方(附屬公司向其提供樓宇管理服務之人士)開設及持有若干銀行賬戶。於報告日期，該等為數港幣37,271,000元(二零一五年：港幣27,492,000元)之銀行結餘乃代第三方持有，並無計入本集團之會計賬目及財務報表。

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36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 36. 本公司之財務狀況表

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		Notes 附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益		545,000	545,000
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司之款項		2,580,886	2,652,899
Other receivables	其他應收款項		340	343
Tax recoverable	可收回稅項		370	17
Cash and bank balances	現金及銀行結餘		107	2,478
			2,581,703	2,655,737
Current liabilities	流動負債			
Accrued expenses and other payables	應計費用及其他應付款項		267	440
Net current assets	淨流動資產		2,581,436	2,655,297
Net assets	淨資產		3,126,436	3,200,297
EQUITY	權益			
Share capital	股本	30	28,331	28,535
Reserves	儲備	31	3,098,105	3,171,762
Total equity	權益總額		3,126,436	3,200,297

Foo Kam Chu Grace
傅金珠
Director
董事

Chan Wai Ling
陳慧苓
Director
董事

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37. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2016 are as follows:

37. 附屬公司之權益

於二零一六年十二月三十一日之主要附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ operations 註冊成立／營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值／ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Bond Rising Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 美金1元之普通股	-	100%	Investment holding 投資控股
Castle Peak Investment Properties Limited 青山道投資有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	-	100%	Property development 物業發展
CWK Investment Properties Limited	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	-	100%	Property development 物業發展
Eagle Fund I L.P.	Cayman Islands 開曼群島	Limited Partnership with capital commitment of US\$60,000,000 from the partners 有限責任合夥人美金 60,000,000元之 資本承擔	-	*47%	Investment holding 投資控股
Eternal Bonus Group Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元 之普通股	-	100%	Investment holding 投資控股
Fortune Together Limited 福聯有限公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	-	100%	Investment holding 投資控股
Golden Relay Company Limited 崇贊有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	-	100%	Property investment 物業投資

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37. INTERESTS IN SUBSIDIARIES (Continued) 37. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operations 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Goldprofit (Consultant) Services Company Limited 金盈(顧問)服務有限公司	Hong Kong 香港	Paid-up capital of HK\$2 已繳股本港幣2元	–	100%	Provision of building repairs, maintenance and cleaning services 提供樓宇維修、保養及 清潔服務
Goldwell Property Management Limited 金衛物業管理有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	–	100%	Provision of building management service 提供樓宇管理服務
Good Honest Properties Limited 裕誠置業有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	–	100%	Property Investment 物業投資
Grape Trade Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	–	100%	Investment holding 投資控股
Keep New Investment Limited 保新投資有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	–	100%	Property development 物業發展
Maxrise Construction Engineering Limited 振昇建築工程有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	–	100%	Provision for construction, repairs and maintenance services 提供建築、維修及維護 服務
School Investment Properties Limited 書館投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	–	100%	Property development 物業發展

37. INTERESTS IN SUBSIDIARIES (Continued) 37. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operations 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Sharp Investment Properties Limited 雲東投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	-	100%	Property development 物業發展
Sky Luck (China) Limited 天福(中國)有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	-	100%	Property investment 物業投資
Soundwill (BVI) Limited	British Virgin Islands 英屬維爾京群島	100,001,000 ordinary shares of HK\$1 each 100,001,000股每股面值港幣1元之普通股	100%	-	Investment holding 投資控股
Soundwill Real Estate (China) Limited 金朝陽地產(中國)有限公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	-	100%	Investment holding 投資控股
Soundwill Capital Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	-	100%	General partner of Eagle Fund I L.P. Eagle Fund I L.P.之普通合夥人
Soundwill-ALPS Asset Management Limited	Cayman Islands 開曼群島	100 ordinary shares of US\$1 each 100股每股面值美金1元之普通股	-	51%	Investment manager of Eagle Fund I L.P. Eagle Fund I L.P.之投資經理
Tang Lung Investment Properties Limited 登龍投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	-	100%	Property investment 物業投資
TCP Investment Properties Limited	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	-	100%	Property development 物業發展
Upper Wealthy Limited 康尚有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	-	100%	Property investment 物業投資

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37. INTERESTS IN SUBSIDIARIES (Continued) 37. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operations 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
珠海市山水花城物業管理 有限公司*	PRC 中國	Registered capital of RMB25,000,000 註冊資本人民幣 25,000,000元	-	51%	Property development 物業發展
肇慶金城房地產發展 有限公司*	PRC 中國	Registered capital of RMB30,000,000 註冊資本人民幣 30,000,000元	-	100%	Property development 物業發展

Notes:

* These subsidiaries were established in PRC as limited liability companies.

As set out in note 38, the Group does not hold more than 50% of the voting rights in Eagle Fund I L.P. (the "Fund"), an exempted limited partnership established in Cayman Islands. However, the Group's management consider that the Group has effective control over the Fund due to the fact that (1) the activities of the Fund are governed by the investment committee (the "Investment Committee") and the Group has the rights to appoint majority representatives of the Group to the Investment Committee. The members of the Investment Committee are appointed and may be removed by the general partner (the "General Partner") of the Fund which is a wholly-owned subsidiary of the Group; and (2) the Group obtains significant benefits as it is entitled to a share of the net realised profits from the Fund as a limited partner and a general partner. The Group will also earn project management fees and management fees for the services provided to the Fund. The Group has determined that it has de facto control and significant benefits derived from the Fund and accordingly has consolidated the Fund as a subsidiary notwithstanding it only has a 47% interests.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the particulars of the principal subsidiaries which materially affect the results or assets of the Group.

附註：

* 該等附屬公司於中國成立為有限責任公司。

如附註38所示，本集團不持有於開曼群島成立之獲豁免有限責任合夥人Eagle Fund I L.P. (「Fund」) 50%以上之表決權。然而，本集團管理層認為本集團對Fund有實際控制權，乃由於(1) Fund之活動由投資委員會(「投資委員會」)管理，本集團有權委任投資委員會之本集團大多數代表。投資委員會成員由本集團全資附屬公司Fund之普通合夥人(「普通合夥人」)委任，並可予以移除；(2) 本集團獲得重大收益，有資格獲得Fund作為有限合夥人及普通合夥人之淨實現利潤之份額。本集團亦將為Fund提供之服務收取項目管理費及管理費。本集團已釐定對Fund具有實際控制權及從Fund獲得重大收益，因此將Fund合併為附屬公司，擁有47%權益。

董事認為載有所有附屬公司詳情之完整列表將會過於冗長，故上表僅載有該等對本集團業績或資產有重大影響力之主要附屬公司詳情。

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38. NON-CONTROLLING INTERESTS

38. 非控股權益

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
At 1 January	於一月一日	277,674	257,890
Capital injection	注資	1,978	13,767
Distribution	分派	(283,755)	-
Profit for the year	年內溢利	35,963	8,507
Net exchange difference	匯兌差額淨額	(175)	(2,490)
At 31 December	於十二月三十一日	31,685	277,674

Details of the Group's subsidiary that has material non-controlling interests are set out as below:

有重大非控股權益之本集團附屬公司詳情載列如下：

		2016 二零一六年	2015 二零一五年
Percentage of equity interest held by non-controlling interests:	非控股權益持有之股權之比例：		
Eagle Fund I L.P.	Eagle Fund I L.P.	53%	53%

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Profit for the year allocated to non-controlling interests:	年內分配至非控股權益之溢利：		
Eagle Fund I L.P.	Eagle Fund I L.P.	52,568	10,310
Accumulated balances of non-controlling interests at the reporting date:	於報告日期非控股權益之累計結餘：		
Eagle Fund I L.P.	Eagle Fund I L.P.	13,056	241,677

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38. NON-CONTROLLING INTERESTS (Continued)

The following tables illustrate the unaudited summarised financial information of the Eagle Fund I L.P.. The amounts disclosed are before any inter-company eliminations:

38. 非控股權益 (續)

下表列示Eagle Fund I L.P.之未經審核財務資料概要。所披露金額為於集團內公司之間對銷前：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Total revenue	總收益	-	-
Profit for the year	年內溢利	98,353	19,289
Total comprehensive income for the year	年內總全面收入	98,353	19,289
Current assets	流動資產	2,411	14,738
Non-current assets	非流動資產	-	670,000
Current liabilities	流動負債	(259)	(239,685)
Non-current liabilities	非流動負債	-	-
Net cash flows used in operating activities	經營業務所用之現金流量淨額	(90,830)	(11,526)
Net cash flows generated from/(used in) investing activities	投資活動所得/(所用)之現金流量淨額	817,502	(13,295)
Net cash flows (used in)/generated from financing activities	融資活動(所用)/所得之現金流量淨額	(739,398)	29,620
Net (decrease)/increase in cash and cash equivalent	現金及現金等價物(減少)/增加淨額	(12,726)	4,799

The non-controlling interests of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

非由本集團擁有100%權益之所有其他附屬公司之非控股權益被視為不重大。

39. RELATED PARTY TRANSACTIONS

The following transactions with related parties were, in the opinion of the Directors, carried out in the ordinary course of business during the year:

39. 關聯人士交易

董事認為，下列於年內與關聯人士進行之交易乃於日常業務過程中進行：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Operating lease charges and management fee in respect of office premises situated in Guangzhou, the PRC (note (a))	位於中國廣州之辦公室物業之經營租賃支出及管理費 (附註(a))	726	818
Rental expense for leasing carparking spaces situated in Guangzhou, the PRC (note (b))	租賃位於中國廣州之停車場之租金開支(附註(b))	48	35
Rental income in respect of a unit (note (c))	有關一個單位之租金收入 (附註(c))	594	561
Interest expense on unsecured revolving credit facility (note (d))	無抵押循環貸款融資之利息開支 (附註(d))	2,589	3,993
Disposal of subsidiaries (note (e))	出售附屬公司(附註(e))	-	133,000
Operating lease charges in respect of residential properties (note (f))	住宅物業之經營租賃支出 (附註(f))	-	180
Provision for impairment loss on other receivables (note (g))	其他應收款項減值虧損撥備 (附註(g))	34,012	-

Notes:

- (a) Certain subsidiaries of the Company entered into tenancy agreements with a related company, in which the Chairman and an executive director of the Company have interests, for leasing a number of premises situated at Guangzhou, the PRC for office purpose.
- (b) For the years ended 31 December 2016 and 2015, a subsidiary of the Company entered into tenancy agreements with a related company, in which a close family member of the Chairman and an executive director of the Company has interest, for leasing five carparking spaces situated in Guangzhou, the PRC.
- (c) For the years ended 31 December 2016 and 2015, a subsidiary of the Company entered into a tenancy agreement with a company in which the Chairman and her daughters have wholly-owned interest, for leasing a unit in Soundwill Plaza for the period of two years from 1 September 2013 to 31 August 2015 at the monthly rent of HK\$45,322, with one month rent free. The tenancy was renewed in 2015 for a period of three years commencing from 1 September 2015 and expiring on 31 August 2018 at a monthly rental of HK\$49,538.

附註：

- (a) 本公司若干全資附屬公司與一家由本公司主席及一名執行董事擁有權益之關連公司簽訂租約，租賃多項位於中國廣州之物業作辦公室用途。
- (b) 於截至二零一六年及二零一五年十二月三十一日止年度，本公司附屬公司與關連公司(本公司主席之近親屬及執行董事擁有其股權)訂立租賃協議，以租賃位於中國廣州之五個停車位。
- (c) 於截至二零一六年及二零一五年十二月三十一日止年度，本公司一家附屬公司與一家公司(本公司主席及其女兒全資擁有權益)訂立租賃協議，由二零一三年九月一日至二零一五年八月三十一日以月租港幣45,322元(免租一個月)租賃金朝陽中心一個單位，為期兩年。租約已獲續租，由二零一五年九月一日起至二零一八年八月三十一日止，為期三年，月租為港幣49,538元。

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39. RELATED PARTY TRANSACTIONS (Continued)

Notes: (Continued)

- (d) On 27 February 2011, a related company in which the Chairman and an executive director of the Company have interests (the "Related Company"), has agreed to increase an unsecured revolving credit facility in the amount of HK\$150,000,000 from HK\$100,000,000 to a wholly owned subsidiary of the Group (the "Subsidiary") and extend the maturity date to 30 April 2014. On 12 June 2014, the Subsidiary and Related Company has agreed to extend the maturity date to 30 April 2017 and revised the interest rate to prime lending rate for loans in Hong Kong dollars less 2.5% per annum. The interest expense arising from this facility during the current year was approximately HK\$196,000 (2015: HK\$1,376,000). As at 31 December 2016, the unsecured revolving credit facility was not utilised (2015: Nil).

On 1 July 2014, a related company in which the Chairman and an executive director of the Company have interests, has agreed to provide unsecured revolving credit facility of RMB50,000,000 (equivalent to HK\$63,187,000) to a wholly-owned subsidiary of the Group with the maturity date on 31 December 2016. The credit facility is interest bearing at the loan interest rate specified by People's Bank of China plus 1.5% per annum. The interest expense arising from this facility during the current year was approximately HK\$2,393,000 (2015: HK\$2,617,000). As at 31 December 2016, the Group did not renew the facility.

- (e) On 29 October 2015, the Group disposed of its wholly-owned subsidiary, namely Tiger Power Global Limited ("Tiger Power Global"), and assigned the benefits of all loans of approximately HK\$103,765,000 advanced by the Group to a related company, in which the Chairman and an executive director of the Company have interests, at a cash consideration of HK\$133,000,000, resulting in a gain on disposal of approximately HK\$26,309,000. Details of the disposal have been set out in note 40(c).
- (f) A subsidiary of the Company entered into a tenancy agreement with a related company, in which an executive director of the Company has equity interests, for leasing a residential property situated in Hong Kong for a period of one year commencing from 1 September 2014 and expiring on 31 August 2015 at a monthly rental of HK\$60,000. The tenancy agreement was not renewed during the year ended 31 December 2015.
- (g) Certain receivables due from a minority shareholder amounting to approximately HK\$34,012,000 was provided for due to dispute with the minority shareholder over the development and management of certain PRC property projects.

Key management personnel compensation:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Basic salaries and other benefits	基本薪金及其他福利	33,881	27,365
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	90	90
Equity – settled share based payment	以股權結算以股份為基礎之付款	10	1,762
		33,981	29,217

39. 關聯人士交易 (續)

附註：(續)

- (d) 於二零一一年二月二十七日，一家由本公司主席及一名執行董事擁有權益之關連公司（「關連公司」）已同意增加本集團之一家全資附屬公司（「附屬公司」）之無抵押循環信貸額度，由港幣100,000,000元增加至港幣150,000,000元，以及將到期日延長至二零一四年四月三十日。於二零一四年六月十二日，附屬公司及關連公司已同意將到期日延長至二零一七年四月三十日，並將利率修訂為港幣貸款最優惠借貸利率減年利率2.5厘。本年度內因該額度而起的利息開支約為港幣196,000元（二零一五年：港幣1,376,000元）。於二零一六年十二月三十一日，未動用無抵押循環貸款融資（二零一五年：無）。

於二零一四年七月一日，一家由本公司主席及一名執行董事擁有權益之關連公司已同意向本集團之一家全資附屬公司提供無抵押循環信貸額度人民幣50,000,000元（相等於港幣63,187,000元），到期日為二零一六年十二月三十一日。該信貸額度按中國人民銀行指定之貸款利率加年利率1.5厘計息。本年度內因該額度而起的利息開支約為港幣2,393,000元（二零一五年：港幣2,617,000元）。於二零一六年十二月三十一日，本公司並無更新信貸額度。

- (e) 於二零一五年十月二十九日，本集團向一家關連公司（本公司主席及執行董事於其中擁有權益）出售全資附屬公司 Tiger Power Global Limited（「Tiger Power Global」），並向其出讓由本集團提供的約港幣103,765,000元之所有貸款之利益，現金代價為港幣133,000,000元，導致出售收益約港幣26,309,000元。出售詳情已載於附註40(c)。
- (f) 本公司之附屬公司與本公司執行董事擁有股權之關聯公司訂立租賃協議，租賃位於香港之住宅物業，自二零一四年九月一日起至二零一五年八月三十一日止，為期一年，月租為港幣60,000元。截至二零一五年十二月三十一日止年度，租賃協議並未有續期。
- (g) 由於與少數股東就發展及管理的若干中國物業項目存在爭議，對應收一名少數股東之若干應收款項的撥備為約港幣34,012,000元。

主要管理人員薪酬：

40. DISPOSAL OF SUBSIDIARIES

- (a) On 2 January 2016, the Group entered into an agreement to dispose of its wholly owned subsidiary, namely Moon Phase Limited (“Moon Phase”), and assigned the benefits of all loans of approximately HK\$14,992,000 advanced by the Group (the “Loan Assignment”) to an independent third party at an aggregate cash consideration of HK\$144,000,000. Moon Phase is an investment holding company and held the entire issued share capital of Casa Wood Limited which in turn held a residential unit and certain car parking spaces situated in Hong Kong (collectively the “Moon Phase Group”). The disposal of Moon Phase Group was completed on 2 January 2016. The net assets of subsidiaries at the date of disposal were as follows:

		HK\$'000 港幣千元
Net assets disposed of:		
Property, plant and equipment	出售之資產淨值：	
Deposits paid, prepayments and other receivables	物業、廠房及設備	73,079
Amount due to fellow subsidiaries	已付按金、預付款項及其他應收款項	66
Accruals	應付同系附屬公司款項	(14,992)
Deferred tax liabilities (note 28)	應計款項	(3)
	遞延稅項負債(附註28)	(99)
<hr/>		
Loan assignment	貸款轉讓	58,051
Direct expenses in relation to the disposal of subsidiaries	有關出售附屬公司之直接開支	14,992
Gain on disposal of Moon Phase Group	出售Moon Phase集團之收益	5,760
		65,197
<hr/>		
Total consideration	總代價	144,000
<hr/>		
Satisfied by:	支付方式：	
Cash	現金	144,000

An analysis of net inflow of cash and cash equivalents in respect of disposal of Moon Phase Group is as follows:

有關出售Moon Phase集團之現金及現金等價物流入淨額分析如下：

		HK\$'000 港幣千元
Net cash inflow arising from disposal of Moon Phase Group:	出售Moon Phase集團時產生之現金	
Cash consideration received	流入淨額：	
	已收現金代價	144,000

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40. DISPOSAL OF SUBSIDIARIES (Continued)

(b) On 15 June 2016, the Group entered into an agreement to disposal of its wholly owned subsidiary, namely Indigo Dragon Limited (the “Indigo Dragon”), and assigned the benefits of all loans of approximately HK\$477,626,000 advanced by the Group (the “Loan Assignment”) to an independent third party at an aggregate cash consideration of HK\$820,000,000. Indigo Dragon is an investment holding company and indirectly held the entire issued share capital of Mosque Investment Properties Limited and Charm Wish Limited which together in turn held the investment properties situated at Nos. 14 and 14A Mosque Street, No. 16 Mosque Street, and No. 18 Mosque Street, situated in Hong Kong (collectively the “Indigo Dragon Group”). The disposal of Indigo Dragon Group was completed on 15 July 2016. The net assets of subsidiaries at the date of disposal were as follows:

40. 出售附屬公司(續)

(b) 於二零一六年六月十五日，本集團訂立協議向一名獨立第三方出售其全資附屬公司Indigo Dragon Limited (「Indigo Dragon」)，並出讓由本集團墊付的約港幣477,626,000元之所有貸款之利益(「貸款轉讓」)，現金總代價為港幣820,000,000元。Indigo Dragon乃投資控股公司，間接持有摩羅投資地產有限公司及高希有限公司全部已發行股本，兩者共同持有位於香港摩羅廟街14號及14A號、摩羅廟街16號及摩羅廟街18號的投資物業(統稱「Indigo Dragon集團」)。出售Indigo Dragon集團事項已於二零一六年七月十五日完成。附屬公司於出售日期之資產淨值如下：

		HK\$'000 港幣千元
Net assets disposed of:	出售之資產淨值：	
Investment properties (note 16)	投資物業(附註16)	816,000
Amounts due to shareholders	應付股東款項	(477,626)
		338,374
Loan assignment	貸款轉讓	477,626
Direct expenses in relation to the disposal of subsidiaries	有關出售附屬公司之直接開支	32,327
Loss on disposal of Indigo Dragon Group	出售Indigo Dragon集團之虧損	(28,327)
Total consideration	總代價	820,000
Satisfied by:	支付方式：	
Cash	現金	820,000

An analysis of net inflow of cash and cash equivalents in respect of disposal of Indigo Dragon Group is as follows:

有關出售Indigo Dragon集團之現金及現金等價物流入淨額分析如下：

		HK\$'000 港幣千元
Net cash inflow arising from disposal of Indigo Dragon Group:	出售Indigo Dragon集團時產生之現金流入淨額：	
Cash consideration received	已收現金代價	820,000

40. DISPOSAL OF SUBSIDIARIES (Continued)

- (c) On 29 October 2015, the Group disposed of Tiger Power Global and assigned the benefits of all loans of approximately HK\$103,765,000 advanced by the Group (the "Loan assignment") to a related company, in which the Chairman and an executive director of the Company have interests, at a cash consideration of HK\$133,000,000. Tiger Power Global is an investment holding company and it indirectly holds the entire issued share capital in Golden Pointer Limited ("Golden Pointer"), Dragon Finder Investment Limited ("Dragon Finder"), Winning United Limited ("Winning United") and Forever Richly Holdings Limited ("Forever Richly") respectively (collectively the "Tiger Power Global Group"). Golden Pointer, Dragon Finder, Winning United and Forever Richly together held the entire beneficial interests in certain residential properties situated in Hong Kong. The disposal of Tiger Power Global Group was completed on 3 November 2015. The net assets of Tiger Power Global Group at the date of disposal were as follows:

40. 出售附屬公司(續)

- (c) 於二零一五年十月二十九日，本集團向一家關連公司（本公司主席及一名執行董事於其中擁有權益）出售Tiger Power Global，並向其出讓由本集團提供的約港幣103,765,000元之所有貸款之利益（「貸款轉讓」），現金代價為港幣133,000,000元。Tiger Power Global乃投資控股公司，間接持有下列公司的全部已發行股本：Golden Pointer Limited（「Golden Pointer」）、Dragon Finder Investment Limited（「Dragon Finder」）、Winning United Limited（「Winning United」）及Forever Richly Holdings Limited（「Forever Richly」）（統稱「Tiger Power Global集團」）。Golden Pointer、Dragon Finder、Winning United及Forever Richly共同持有位於香港之若干住宅物業全部實益權益。出售Tiger Power Global集團事項已於二零一五年十一月三日完成。Tiger Power Global集團於出售日期之資產淨值如下：

		HK\$'000 港幣千元
Net assets disposed of:	出售之資產淨值：	
Properties under development (note 21)	發展中物業(附註21)	106,932
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	107
Amount due to a fellow subsidiary	應付一家同系附屬公司款項	(103,765)
Deferred tax liabilities (note 28)	遞延稅項負債(附註28)	(348)
		2,926
Loan assignment	貸款轉讓	103,765
Gain on disposal of Tiger Power Global Group	出售Tiger Power Global集團之收益	26,309
		133,000
Total consideration	總代價	133,000
Satisfied by:	支付方式：	
Cash	現金	133,000

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40. DISPOSAL OF SUBSIDIARIES (Continued)

(c) (Continued)

An analysis of net inflow of cash and cash equivalents in respect of disposal of Tiger Power Global Group is as follows:

40. 出售附屬公司(續)

(c) (續)

有關出售Tiger Power Global集團之現金及現金等價物流入淨額分析如下：

		HK\$'000 港幣千元
Net cash inflow arising from disposal of Tiger Power Global Group:	出售Tiger Power Global集團時產生之現金流入淨額：	
Cash consideration received	已收現金代價	133,000

40. DISPOSAL OF SUBSIDIARIES (Continued)

- (d) On 30 November 2015, Joy Apex Global Limited, a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement to dispose of a wholly-owned subsidiary, namely Finest Union Limited, to an independent third party at the cash consideration of approximately HK\$6,973,000. Finest Union was an investment holding company and it indirectly held the entire issued share capital of Fund Diamond Limited, Keen Luck Limited and Good Prosper Limited which in turn held certain agricultural lands in New Territories (collectively the "Finest Union Group"). The disposal of Finest Union Group was completed on 30 November 2015. The net liabilities of Finest Union Group at the date of disposal were as follows:

		HK\$'000 港幣千元
Net liabilities disposed of:	出售之負債淨值：	
Properties held for development (note 18)	待發展物業(附註18)	6,512
Amount due from a fellow subsidiary	應收同系附屬公司款項	2,936
Deposits and prepayments	按金及預付款項	2,930
Accruals and other payables	應計款項及其他應付款項	(21,955)
		(9,577)
Gain on disposal of Finest Union Group	出售Finest Union集團之收益	16,550
Total consideration	總代價	6,973
Satisfied by:	支付方式：	
Cash	現金	523
Consideration receivable*	應收代價*	6,450
		6,973

* Under the sales and purchase agreement, the consideration receivables of approximately HK\$6,450,000 shall be settled on or before 30 September 2016, and was included under "Other receivables, utility deposits and prepayment" in the consolidated statement of financial position as at 31 December 2015.

* 根據買賣協議，應收代價約港幣6,450,000元須於二零一六年九月三十日或以前償付，並計入二零一五年十二月三十一日綜合財務狀況表內「其他應收款項、公共服務按金及預付款項」。

An analysis of net flow of cash and cash equivalents in respect of the disposal of Finest Union Group is as follows:

有關出售Finest Union集團之現金及現金等價物流量淨額分析如下：

		HK\$'000 港幣千元
Net cash inflow arising on the disposal of Finest Union Group:	出售Finest Union集團產生之現金流入淨額：	
Cash consideration received	已收現金代價	523

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40. DISPOSAL OF SUBSIDIARIES (Continued)

(e) On 24 July 2015, the Group entered into an agreement to dispose of its 100% owned subsidiary, namely, 開平市盛安房地產開發有限公司 (“Kaiping Shengan”), at a consideration of RMB50,700,000 (equivalent to approximately HK\$60,544,000). Kaiping Shengan is engaged in property development in Kaiping City, Guangdong Province, the PRC and holds the development right of a land situated at Kaiping City. The disposal of Kaiping Shengan was completed on 19 November 2015. The net assets of Kaiping Shengan at the date of disposal were as follows:

40. 出售附屬公司(續)

(e) 於二零一五年七月二十四日，本集團訂立協議出售一家名為開平市盛安房地產開發有限公司（「開平盛安」）的全資附屬公司，淨代價為人民幣50,700,000元（相等於約港幣60,544,000元）。開平盛安在中國廣東省開平市從事物業開發，持有一幅位於開平市的土地的開發權。出售開平盛安事項已於二零一五年十一月十九日完成。開平盛安於出售日期之資產淨值如下：

		HK\$'000 港幣千元
Net assets disposed of:	出售之資產淨值：	
Properties under development (note 21)	發展中物業(附註21)	27,278
Other receivables	其他應收款項	10,693
Cash and cash equivalents	現金及現金等價物	35
Other payables and accruals	其他應付款項及應計款項	(6,580)
		31,426
Release of exchange reserve	撥回匯兌儲備	2,610
Gain on disposal of Kaiping Shengan	出售開平盛安之收益	26,508
Total consideration	總代價	60,544
Satisfied by:	支付方式：	
Cash	現金	54,573
Consideration receivable*	應收代價*	5,971
		60,544

* The remaining consideration receivable of approximately RMB5,000,000 (equivalent to approximately HK\$5,971,000) shall be settled on or before 2 February 2016 and was included under “Other receivables, utility deposits and prepayment” in the consolidated statement of financial position as at 31 December 2015.

* 餘下應收代價約人民幣5,000,000元（相等於約港幣5,971,000元）須於二零一六年二月二日或以前償付，並計入二零一五年十二月三十一日綜合財務狀況表內「其他應收款項、公共服務按金及預付款項」。

An analysis of net inflow of cash and cash equivalents in respect of disposal of Kaiping Shengan is as follows:

有關出售開平盛安之現金及現金等價物流入淨額分析如下：

		HK\$'000 港幣千元
Net cash inflow arising from disposal of Kaiping Shengan:	出售開平盛安產生之現金流入淨額：	
Cash consideration received	已收現金代價	54,573
Cash and cash equivalents disposed of	已出售現金及現金等價物	(35)
		54,538

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41. ASSETS ACQUISITION

- a) On 31 August 2016, the Group entered into a provisional agreement for sale and purchase to acquire 100% equity interest in Double Plan Limited ("Double Plan"), a company whose principal asset is an investment property situated in Hong Kong. The transaction was completed on 11 November 2016. The underlying set of assets acquired was not integrated in forming a business to generate revenues. As such, the Directors are of the opinion that the acquisition of Double Plan was a purchase of net assets which did not constitute a business combination for accounting purposes.

41. 資產收購事項

- a) 於二零一六年八月三十一日，本集團訂立臨時買賣協議收購Double Plan Limited (「Double Plan」) 之100%股權，該公司之主要資產為位於香港之投資物業。該交易已於二零一六年十一月十一日完成。所收購之相關資產並無整合以形成能產生收益之業務。因此，董事認為收購Double Plan乃購買淨資產，就會計而言並不構成業務合併。

		Acquiree's carrying amount 被收購方賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Investment properties (note 16)	投資物業(附註16)	9,065	16,918
Property, plant and equipment (note 17)	物業、廠房及設備 (附註17)	104	104
Prepayment and other receivables	預付款及其他應收款項	22	22
Other payables	其他應付款項	(9,596)	(9,596)
Provision for income tax	所得稅撥備	(9)	(9)
Net (liabilities)/assets	淨(負債)／資產	(414)	7,439
Net assets acquired	所收購之淨資產		7,439
Satisfied by:	支付方式：		
Cash consideration	現金代價		17,000
Less: Sales of debt	減：負債銷售		(9,561)
Net consideration	淨代價		7,439

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41. ASSETS ACQUISITION (Continued)

- b) On 5 February 2015, the Group acquired 100% equity interest in Golden Scales Limited ("Golden Scales"), a company whose principal asset is an investment property situated in Hong Kong. The underlying set of assets acquired was not integrated in forming a business to generate revenues. As such, the Directors are of the opinion that the acquisition of Golden Scales was a purchase of net assets which did not constitute a business combination for accounting purposes.

41. 資產收購事項(續)

- b) 於二零一五年二月五日，本集團收購Golden Scales Limited (「Golden Scales」)之100%股權，該公司之主要資產為位於香港之投資物業。所收購之相關資產並無整合以形成能產生收益之業務。因此，董事認為收購Golden Scales乃購買淨資產，就會計而言並不構成業務合併。

		Acquiree's carrying amount 被收購方賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Investment properties (note 16)	投資物業(附註16)	2,833	12,627
Other payables	其他應付款項	(2,646)	(127)
Net assets	淨資產	187	12,500
Net assets acquired	所收購之淨資產		12,500
Satisfied by:	支付方式：		
Cash consideration	現金代價		12,500
Net cash outflow arising on acquisition:	因收購產生之淨現金流出：		
Purchase consideration settled in cash	以現金支付之購買代價		(12,500)

42. FINANCIAL INSTRUMENTS

42.1 Financial risk management objectives and policies

The Group is exposed to market risk, specifically to credit risk, liquidity risk, currency risk, and interest rate risk in the normal course of business. The Group does not have any written risk management policies and guidelines. However, the board of Directors meets periodically to analyse and formulate measures to manage the Group's exposure to the market risk.

Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to the market risk is kept to a minimum level, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed to are described below. A summary of the Group's financial assets and liabilities by category is disclosed in note 42.2.

(a) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of interest rate changes on its interest bearing borrowings, and cash and cash equivalents. The interest rates and repayment terms of the Group's cash and cash equivalents and borrowings are disclosed in notes 24 and 27 respectively. The Group currently does not have an interest rate hedging policy. However, the Group closely monitors its loan portfolio and compares the interest rates under loan agreements with existing banks against new offers on borrowing rates from different banks in the loan re-financing and negotiation process.

The policies to manage interest rate risk have been followed by the Group since prior year are considered to be effective.

42. 財務工具

42.1 財務風險管理目標及政策

本集團於日常業務承受市場風險，特別是信貸風險、流動資金風險、貨幣風險及利率風險。本集團並無任何書面風險管理政策及指引。然而，董事定期召開會議分析及制定措施以管理本集團所涉市場風險。

一般而言，本集團就其風險管理引入保守策略。由於本集團所涉市場風險維持於最低水平，故本集團並無採用任何衍生工具及其他工具作對沖之用。本集團並無持有或發行衍生財務工具作買賣用途。本集團所承受之最重要財務風險載列如下。本集團按類別劃分之財務資產及負債概要披露於附註42.2。

(a) 利率風險

利率風險與財務工具之公平值或現金流量因市場利率變動而出現波動之風險有關。本集團因計息借貸，以及現金及現金等價物之利率變動影響而面對利率風險。本集團於現金及現金等價物以及借貸之利率及還款條款分別於附註24及27披露。本集團現時並無利率對沖政策。然而，本集團密切監察其貸款組合，並在貸款再融資及商討過程中，與現有銀行所訂立貸款協議之融資利率與不同銀行提供之新造借貸利率作出比較。

本集團自去年起已依循管理利率風險之政策，且有關政策被視為有效。

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42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(a) Interest rate risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to variable-rate financial instruments at that date. The 25 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for the year ended 31 December 2015.

At 31 December 2016, it is estimated that a general increase of 25 basis points in interest rates, with all other variable held constant, would decrease the Group's profit after tax and decrease the retained profits by approximately HK\$213,000 (2015: HK\$3,257,000). There is no impact on other components of consolidated equity in response to the general increase in interest rates. A decrease of 25 basis points in interest rate would have had the equal but opposite effect on the above financial instruments to the amounts shown above, on the basis that all other variables remain constant.

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(a) 利率風險(續)

利率敏感度分析

上述敏感度分析乃假設利率於結算日產生變動而釐定，並應用於該日之所有浮動利率財務工具。25個基點之增減指管理層對直至下年度結算日止之期間內利率之合理可能變動之評估。於截至二零一五年十二月三十一日止年度已以相同基準作出分析。

於二零一六年十二月三十一日，在所有其他可變數保持不變之情況下，估計利率整體增加25個基點，將減少本集團除稅後溢利及減少保留溢利約港幣213,000元(二零一五年：港幣3,257,000元)。利率整體增加對綜合權益之其他組成部分並無影響。假設所有其他可變數保持不變，利率減少25個基點將對上述財務工具造成相同金額但相反之影響。

42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. The carrying amounts of these financial assets presented in the consolidated statement of financial position are net of impairment losses. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers. Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22.

The Group has deposited its cash with various banks. The credit risk on cash and bank balances is limited because most of the Group's bank deposits are deposited with major banks located in Hong Kong and the PRC.

The policies to manage credit risk have been followed by the Group since prior year are considered to have been effective.

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(b) 信貸風險

信貸風險指財務工具之對手方不履行根據財務工具條款之責任而導致本集團遭受財務虧損之風險。本集團之信貸風險主要來自貿易及其他應收款項以及現金及現金等價物。此等財務資產之賬面值經扣除減值虧損後於綜合財務狀況表呈列。管理層設有信貸政策，並持續監察所承受之此等信貸風險。

就貿易及其他應收款項而言，所有要求超過若干信貸金額之客戶進行個別信貸評估。該等評估集中於客戶於到期時繳款之過往歷史紀錄及目前之繳款能力，並考慮客戶之特有賬目資料，以及客戶經營之有關經濟環境。一般而言，除以租賃按金抵押之物業租賃應收租金外，本集團並無向其他客戶收取抵押品。有關本集團因貿易及其他應收款項產生之信貸風險之進一步數字披露載於附註22。

本集團已存款至數間銀行。由於本集團大部分銀行存款存放於位於香港及中國之主要銀行，故現金及銀行結餘之信貸風險有限。

本集團自去年起已依循管理信貸風險之政策，且有關政策被視為有效。

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42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(c) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group/Company mainly operates and invests in Hong Kong and the PRC with most of the transactions denominated and settled in HK\$ and RMB respectively. No foreign currency risk has been identified for the financial assets in the PRC as they were denominated in the same currency as the functional currencies of the group entities to which these transactions relate.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, accrued expenses and other payables and borrowings, and also in respect of its cash flow management. The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. The Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(c) 外幣風險

外幣風險指由於匯率變動導致財務工具之公平值或未來現金流量波動之風險。本集團／本公司主要於香港及中國營運及投資，而大部分交易均以港幣及人民幣為單位及結算。由於中國財務資產之貨幣單位與有關交易之本集團實體之功能貨幣相同，故並無識別外幣風險。

(d) 流動資金風險

流動資金風險指本集團將無法履行與財務負債相關之責任之風險。本集團就結算貿易應付款項、應計費用及其他應付款項及借貸以及就其現金流量管理承受流動資金風險。本集團之目標為確保有足夠資金履行與其財務負債有關之承擔。現金流量持續受密切監察。如有需要，將變現其資產以籌集資金。董事信納本集團於可見將來將能夠全數償還到期財務責任。

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42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(d) Liquidity risk (Continued)

The following tables detail the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay. Specifically, for term loans which contain a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(d) 流動資金風險(續)

下表載列本集團之財務負債於結算日之剩餘合約到期詳情，乃根據合約未折現現金流量(包括利用合約利率、或如為浮動利率，則其於報告日期之利率計算之利息)及本集團可能須支付之最早日期計算。尤其是，就包含可按銀行全權酌情行使之按要求償還條款之有期貸款而言，該分析顯示倘貸款人援引其無條件權利立即催繳貸款，則實體可能須支付之最早期間之現金流出。

		31 December 2016			
		Maturity Analysis – Undiscounted cash flows			
		二零一六年十二月三十一日			
		到期情況分析 – 未折現現金流量			
		Total			
		contractual	Within		
Carrying		undiscounted	1 year or	More than	
amount		cash flow	on demand	1 year	
		合約未折現	一年內或於	一年以上	
賬面值	現金流量總額	要求時	一年以上		
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
Trade payables	貿易應付款項	7,344	7,344	7,344	-
Accrued expenses and other payables	應計費用及其他應付款項	301,117	301,117	301,117	-
Bank loans, secured, subject to repayment on demand clause	銀行貸款，有抵押，附有按要求償還條款	1,694,220	1,694,220	1,694,220	-
		2,002,681	2,002,681	2,002,681	-

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42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(d) Liquidity risk (Continued)

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(d) 流動資金風險(續)

		31 December 2015			
		Maturity Analysis – Undiscounted cash flows			
		二零一五年十二月三十一日			
		到期情況分析 – 未折現現金流量			
		Total			
		contractual	Within	More than	
Carrying	undiscounted	1 year or	More than		
amount	cash flow	on demand	1 year		
	合約未折現	一年內或於	一年以上		
賬面值	現金流量總額	要求時	一年以上		
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
Trade payables	貿易應付款項	5,517	5,517	5,517	–
Accrued expenses and other payables	應計費用及其他應付款項	287,534	287,534	287,534	–
Bank loans, secured, subject to repayment on demand clause	銀行貸款，有抵押，附有按要求償還條款	2,137,050	2,137,050	2,137,050	–
		2,430,101	2,430,101	2,430,101	–

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42. FINANCIAL INSTRUMENTS (Continued)

42.1 Financial risk management objectives and policies (Continued)

(d) Liquidity risk (Continued)

The table set out below summarises the maturity analysis of the terms loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the “within 1 year or on demand” time band in the maturity analysis shown above. Taking into account the Group’s financial position, the Directors do not consider that it is probable that the banks will exercise its discretion to demand immediate repayment. The Directors believe that such terms will be repaid in accordance with the scheduled repayment dates set out in their loan agreements.

42. 財務工具(續)

42.1 財務風險管理目標及政策(續)

(d) 流動資金風險(續)

下表概述包含按要求償還條款之有期貸款按貸款協議所載協定預定還款作出之到期情況分析。該等金額包括按合約利率計算之利息付款。因此，該等金額高於上文所示到期情況分析中「一年內或於要求時」時間範圍內披露之金額。鑒於本集團之財務狀況，董事認為銀行不大可能行使其酌情權要求即時還款。董事相信，該等有期貸款將按貸款協議所載之預定還款日期償還。

		Maturity Analysis – Term loans subject to a repayment on demand clause based on scheduled repayment dates 根據預定還款日期作出之到期情況分析 – 附有按要求還款條款之有期貸款				
		Total contractual Carrying amount	Within 1 year or on demand	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	
		undiscounted cash flow 合約未折現 賬面值	1 year or on demand	1 year or on demand	1 year or on demand	
		現金流量總額	一年內或於要求時	一年內或於要求時	一年內或於要求時	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
31 December 2016	二零一六年十二月三十一日	1,694,220	1,744,834	543,808	497,401	703,625
31 December 2015	二零一五年十二月三十一日	2,137,050	2,217,845	842,394	173,817	1,201,634

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42. FINANCIAL INSTRUMENTS (Continued)

42.2 Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting dates are categorised as follows. See notes 4.10(i) and 4.10(iv) for explanations about how the categorisation of financial instruments affects subsequent measurement.

42. 財務工具(續)

42.2 按類別劃分之財務資產及負債概要

本集團及本公司之財務資產及負債於結算日確認之賬面值分類如下。有關財務工具之分類如何影響其日後計算之解釋，請參閱附註4.10(i)及4.10(iv)。

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Financial assets	財務資產		
<i>Available-for-sale financial assets</i>	<i>可供出售財務資產</i>	10	10
<i>Loans and receivables</i>	<i>貸款及應收款項</i>		
– Trade receivables, net	– 貿易應收款項，淨額	24,075	9,647
– Loans and other receivables, net	– 貸款及其他應收款項，淨額	74,702	105,804
<i>Bank deposit at escrow account</i>	<i>於託管賬戶之銀行存款</i>	51,121	346,044
<i>Cash and bank balances</i>	<i>現金及銀行結餘</i>	1,592,375	374,153
		1,742,283	835,658
Financial liabilities	財務負債		
<i>At amortised cost</i>	<i>按攤銷成本</i>		
– Trade payables	– 貿易應付款項	(7,344)	(5,517)
– Accrued expenses and other payables	– 應計費用及其他應付款項	(301,117)	(287,534)
– Bank loans, secured	– 銀行貸款，有抵押	(1,694,220)	(2,137,050)
		(2,002,681)	(2,430,101)

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at reporting date.

於報告日期，本集團按成本或攤銷成本計值之財務資產及負債之賬面值與其公平值並無重大差異。

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43. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current year.

The Group monitors capital on the basis of debt to equity ratio, which is net debt divided by total capital. Net debt is calculated as the sum of the Group's borrowings, and trade and other payables less cash and cash equivalents as shown in the consolidated statement of financial position. Total capital is calculated as total equity, as shown in the consolidated statement of financial position. The Group aims to maintain the debt to equity ratio at a manageable level.

43. 資本風險管理

本集團資本管理之主要目標為確保本集團持續經營之能力，以繼續為其股東提供回報及為其他持份者提供利益。

本集團鑑於經濟情況變動而管理其資本架構，並對其作出調整。為維持或調整資本架構，本集團可調整向股東派發之股息、向股東發還資本或發行新股。於本年度內並無對目標、政策或程序作出變動。

本集團利用負債對權益比率基準（即淨債務除以總資本）監察資本。淨債務以綜合財務狀況表內本集團借貸及貿易及其他應付款項之總和減現金及現金等價物計算。總資本以綜合財務狀況表所示之權益總額計算。本集團旨在維持負債對權益比率於可管理之水平。

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Trade and other payables	貿易及其他應付款項	488,308	460,106
Borrowings	借貸	1,694,220	2,137,050
Total debt	總債務	2,182,528	2,597,156
Less: Cash and bank balances	減：現金及銀行結餘	(1,592,375)	(374,153)
Net debt	淨債務	590,153	2,223,003
Total equity	權益總額	19,002,701	16,531,157
Net debt to equity ratio	淨債務對權益比率	0.03:1	0.13:1

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44. MATERIAL INTEREST OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 39 “Related Party Transactions” of this report, no transaction, arrangement or contract of significance to the Group’s business to which a director of the Company or his/her connected entity had a material interest, whether directly or indirectly were entered into or subsisting during the financial year (2015: Nil).

45. EVENT AFTER THE REPORTING PERIOD

On 2 March 2017, the Group entered into a provisional agreement with an independent third party for the acquisition of a property, whole building of Kai Kwong Commercial Building situated at No.332-334 Lockhart Road, Wan Chai, Hong Kong at a total consideration of HK\$410,000,000. The acquisition is expected to be completed on or before 19 May 2017.

46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were approved and authorised for issue by the Directors of the Company on 23 March 2017.

44. 董事在重要交易、安排或合約中的重大利害關係

除於附註39「關聯人士交易」所披露者外，於本財政年度內概無訂立或存續本公司董事或與他／她之有關聯的實體直接或間接於對本集團業務有重大影響的交易、安排或合約中擁有重大權益(二零一五年：無)。

45. 報告期後事項

於二零一七年三月二日，本集團與獨立第三方訂立臨時協議，以總代價港幣410,000,000元收購位於香港灣仔駱克道332至334號之全幢啟光商業大廈。預期收購事項將於二零一七年五月十九日或之前完成。

46. 批准財務報表

截至二零一六年十二月三十一日止年度之財務報表已於二零一七年三月二十三日獲本公司董事批准及授權刊發。



金朝陽集團有限公司
SOUNDWILL HOLDINGS LIMITED



於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability
股份代號 Stock Code : 0878

