



Synergis Holdings Limited 新昌管理集團有限公司*

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

Stock Code 股份代號: 02340.HK



ANNUAL REPORT
年報 **2016**

* for identification purposes only 僅供識別

VISION 願景

The Leader in Construction,
Property and Related Services.
成為建造、房地產及相關服務
的行業領導者。

MISSION 使命

We are committed to:
我們致力：

- creating value for our customers and delivering quality services at world-class standard; and
為客戶創造價值及提供世界級的優質服務；及
- delivering value to our shareholders through maximising market share and returns.
擴大市場佔有率及提升回報，為股東締造更高的價值。

VALUES 價值

Heart and Harmony
全心全意 和諧共勉

- We strive for perfection through service from the **heart** and work **harmoniously** together by complementing and supplementing each other.
我們盡心服務，力臻完善，並和諧共勉，彼此互補優勢。

Can-do attitude and Commitment to quality
樂觀積極 優質承諾

- We uphold a **can-do attitude** with integrity and are **committed** to delivering **quality** that will earn the respect and loyalty of our stakeholders.
我們堅持樂觀積極的態度，堅守誠實廉正的信念，並矢志以優質服務，贏取持份者的尊重與忠誠。

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SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

JAN 2016

Honored Silver Award in Best Property Contractor Category, Bronze and Merit Awards in Best Property Management Category by Occupational Safety and Health Council.

榮獲職業安全健康局頒發最佳職安健物業管理承辦商銀獎、最佳職安健物業管理銅獎及優異獎。



FEB 2016

Awarded a market positioning and leasing agency services contract of San Lu Road commercial project in Shanghai, Mainland China.

接獲上海三魯路商業項目的市場定位和銷售代理服務合約。

APR 2016

Provision of asset enhancement works for Chung Fu Plaza (North) in Tin Shui Wai, Yuen Long, Hong Kong.

為位於元朗天水圍的頌富廣場(北翼)提供資產提升工程服務。



MAR 2016

Awarded a renovation works contract of AEON Kornhill Store.

接獲永旺百貨康怡店的翻新工程合約。

MAY 2016

Awarded a renovation works contract of AEON Whampoa Store.

接獲永旺百貨黃埔店的翻新工程合約。



Awarded the "10 Years Plus Caring Company Logo" by Hong Kong Council of Social Service.

榮獲香港社會服務聯會頒發10年Plus「商界展關懷」標誌。



SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

MAY 2016

Won a record high of 170 awards at the Best Security Guards and Properties Awards 2015-2016 by Crime Prevention Bureau of Hong Kong Police Force.

於香港警務處防止罪案科主辦的2015-2016年度最佳保安員及物業選舉頒獎典禮中贏得高達170個獎項，創下歷年新高。



JUN 2016

Awarded a main development contract of a Chinese Medicine Plant in Yuen Long Industrial Estate, Hong Kong.

接獲元朗工業邨中藥廠房的發展項目合約。



Provision of fitting-out works for a commercial building on 10-12 Possession Street, Sheung Wan, Hong Kong.

為位於上環水坑口街10-12號的商業大樓提供裝修工程服務。



Awarded an alternation and improvement works contract of Lincoln House Carpark at Taikoo Place.

接獲太古坊林肯大廈停車場的改建及改善工程合約。



JUL 2016

Over 70 managed properties joined the "Power Smart Energy Saving Contest" organised by Friends of the Earth.

逾70個管理物業積極參與地球之友舉辦的「知慳惜電節能比賽」。



Provision of alteration and addition works for Kowloon Investment Building on Bute Street, Mong Kok, Hong Kong.

為位於旺角弼街的九龍企業大廈提供改建及加建工程服務。



AUG 2016

Relocation of property and facility management division to KT336 in Kwun Tong, Hong Kong.

物業及設施管理部門進駐觀塘KT336辦公大樓。



SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

SEP 2016

Provision of intermediary intellectual property rights services for Harbin Linda Foreign Language City in the Mainland.

為哈爾濱林達外語城提供知識產權中介服務。



Provision of room support and cleaning services for Holiday Inn Express Hong Kong Soho.

為香港蘇豪智選假日酒店提供房間支援及清潔服務。



Honored Distinguished Trainer Award by Hong Kong Management Association.

榮獲香港管理專業協會頒發傑出培訓員殊榮。

OCT 2016

Provision of security services for the Education University of Hong Kong and Hang Seng Management College.

為香港教育大學及恒生管理學院提供保安服務。



Provision of exclusive leasing agency and pre-operation consultancy services for the T1 Terminal of Zhengzhou Xinzheng International Airport in the Mainland.

為鄭州新鄭國際機場一號客運大樓提供獨家招商代理及前期營運顧問服務。



Awarded the mall management consultancy and leasing agency services contract of Linyi Taisheng Plaza in Shandong, the Mainland.

接獲山東臨沂泰盛廣場的商場管理顧問及招商代理服務合約。

Supported the "Heifer Race to Feed 2016" organised by Heifer International Hong Kong.

參加由國際小母牛香港分會舉辦的「小母牛競步善行2016」。



SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

NOV 2016

Organised a Corporate Reputation Management Workshop conducted by Dr. Lo Chi Kin for management team.

邀請了盧子健博士為管理團隊主講商譽管理。



Provision of facility management services for Customs Headquarters Building.

為海關總部大樓提供設施管理服務。



DEC 2016

Provision of facility management services for Construction Industry Council's Zero Carbon Building.

為建造業議會零碳天地提供設施管理服務。



Awarded façade works of Kowloon East Regional Headquarters and Operational Base cum Ngau Tau Kok Divisional Police Station.

接獲香港警務處東九龍總區總部及行動基地暨牛頭角分區警署的外牆工程合約。



Organised a Toys and Small Home Appliances Recycling Scheme at our managed properties with the Salvation Army.

夥拍救世軍在旗下管理物業舉辦玩具及小型家電回收計劃。

Launch of the new brand "SynWave" for integration and expansion of current ancillary business.

推出全新品牌「新浪潮」以整合及擴張旗下的增值輔助業務。



CHAIRMAN'S STATEMENT

主席報告



Chairman, Mr. Kingston Chu Chun Ho
主席·朱俊浩先生

OVERVIEW

I am honoured to have been appointed as an Executive Director and the Chairman of Synergis Holdings Limited (the “Company” or “Synergis”) as a result of Champ Key Holdings Limited (“Champ Key”) becoming the new principal shareholder of the Company and its subsidiaries (collectively, the “Group”) on 21 November 2016.

The new shareholder has expressed its intention to continue the existing principal activities of Synergis while looking to enhance the Group’s financial performance and long term value. This new development gives new impetus to Synergis to continue focusing on how to meet customers’ changing needs and will be conducive to the continued growth of Synergis’s high quality property and facility management services as well as our interior refurbishment and ancillary businesses in Hong Kong, Mainland China and Macau.

The property and facility management (“PFM”) business maintained a stable performance and remains as one of the leading independent PFM service providers in Hong Kong due to our ability to offer one-stop-shop services to customers with our strength in property management, facility management and asset management. Our interiors and special projects (“ISP”) business remains the engine and driving force for our growth. This business segment contributed over two-thirds of the Group’s total revenue. Keen competition in the market and a continued rise in operating costs have had some impacts on our financial results but I am confident that Synergis can overcome these challenges with our steadfast commitment to high quality service and professionalism.

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概覽

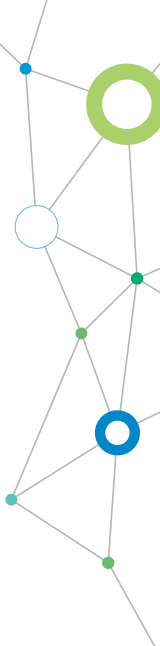
本人十分榮幸獲委任為Synergis Holdings Limited(新昌管理集團有限公司*) (「本公司」或「新昌管理」)之執行董事兼主席，此乃由於Champ Key Holdings Limited(「Champ Key」)於2016年11月21日成為本公司及其附屬公司(統稱「本集團」)的新主要股東。

新股東已表達他們的意願，有意繼續新昌管理的現有主要業務，同時設法提升本集團的財務表現及長遠價值。這一項全新發展賦予新昌管理全新動力，讓我們可繼續專注滿足客戶日新月異的需要，對於新昌管理繼續發展其在香港、中國內地及澳門的優質物業及設施管理服務、室內裝飾及輔助業務，亦將產生重要的作用。

憑藉我們於物業管理、設施管理及資產管理方面的優勢，與具備向客戶提供一站式服務的能力，物業及設施管理(「物業及設施管理」)業務維持穩定表現及仍是香港領先的獨立物業及設施管理服務供應商之一。我們的室內裝飾及特殊項目(「室內裝飾及特殊項目」)業務仍為增長之引擎及動力。此業務分部為本集團貢獻超過三分之二之總收益。市場的激烈競爭以及經營成本持續上升對我們的財務業績產生一定程度的影響，但我深信新昌管理能克服此等挑戰，並且堅定不移，恪守優質服務及專業精神的承諾。

CHAIRMAN'S STATEMENT

主席報告



I regret to inform the shareholders of the Company and potential investors that the Group recorded a loss for the year ended 31 December 2016. It is mainly attributable to a provision of amounts including receivables and contracting work-in-progress of approximately HK\$90 million based on the impairment assessment on respective balance related to Hsin Chong Group Holdings Limited and its subsidiaries (collectively "Hsin Chong Group"). This impairment is a one-time provision, and the Company is doing all endeavors to ensure the recovery of the full amount.

BUSINESS OVERVIEW

In the year, Synergis continued to grow its PFM portfolio in Hong Kong and Mainland China. Apart from overseeing projects in large-scale transport systems, cargo terminals, educational institutions, large-scale escalator system, and various organisations engaged in sporting and social services, we also secured new contracts for the management of the 32-storey Customs Headquarters Building, Construction Industry Council's Zero Carbon Building, The Education University of Hong Kong and Hang Seng Management College, two primary schools and a leading computer technology enterprise. The team's outstanding performance has gained recognition from the industry and a reputation for being a reliable partner. In the future, the Company will continue to invest in its facility management business to further expand its market share.

With our experience and concerted efforts in developing our business in Mainland China, Synergis secured new projects in Shandong, Zhengzhou and Harbin this year. The team secured two new contracts to provide mall management and hotel leasing services in Linyi. The team has strengthened capabilities across the business lines to enhance "one-stop-shop" solutions to meet customer needs. The development of Synergis's asset management services in the Mainland China is progressing well. We will continue expanding the scope of our business to provide diversified services in future.

With a consistent track record of our ISP division, evidenced through the winning of several new contracts from an expanding portfolio of new and repeated prestigious clients, we are reporting around HK\$1.1 billion in new orders in 2016. These include the Chinese medicine plant development at Yuen Long Industrial Estate, alteration and addition works at Kowloon Investment Buildings at Bute Street, asset enhancement works at Chung Fu Plaza and newly awarded façade works for Kowloon East Regional Headquarters.

本人很遺憾通知本公司股東及潛在投資者，本集團於截至2016年12月31日止年度錄得虧損，這主要歸因於涉及應收賬款及在建合約工程之撥備金額約港幣90,000,000元，而該撥備是根據就與新昌集團控股有限公司及其附屬公司（統稱「新昌集團」）各自有關結餘之減值評估作出。該次減值撥備屬一次性，本公司正盡一切努力全數追回該筆款項。

業務概覽

於本年度，新昌管理在香港及中國內地物業及設施管理組合繼續發展。除了負責大型運輸系統、貨櫃碼頭、教育機構、大型升降機系統以及多個從事體育運動和社會服務的機構組織的項目外，我們亦取得多份新管理合約，計有樓高32層的海關總部大樓、建造業議會零碳天地、香港教育大學及恒生管理學院、兩所小學及一家領先電腦科技企業的合約。工作團隊的優異表現得到行業肯定，贏得「穩健可靠」的口碑。未來，本公司將繼續對設施管理業務作出投資，務求進一步擴大市場佔有率。

我們憑藉經驗及齊心協力地發展我們於中國內地的業務，新昌管理於本年度在山東、鄭州及哈爾濱取得新項目。該團隊取得兩項新合約以在臨沂市提供商場管理及酒店租賃服務。該團隊已加強於各業務範疇的實力，以提升「一站式」解決方案，從而滿足客戶的需求。新昌管理在中國內地的資產管理服務發展進度理想。我們將繼續開拓業務範圍，以在日後提供多元化服務。

本集團之室內裝飾及特殊項目部門之往績記錄穩定，其通過擴大新及舊知名客戶組合取得多份新合約正是鐵證，因此，我們於2016年的新訂單總值約達港幣1,100,000,000元，包括元朗工業邨中藥廠發展項目、弼街九龍企業有限公司大廈改建及加建工程、頌富廣場資產提升及新獲授的東九龍總區警察總部的的外牆工程。

CHAIRMAN'S STATEMENT

主席報告

Our strength and capability in managing large scale renovation projects are widely recognised and our ISP business is well positioned for stable long term growth. To date, the total outstanding value of large scale renovation projects and fitting-out contracts that we are carrying forward into 2017 through 2019 is in excess of HK\$2.2 billion.

DIVIDENDS

Taking account of the Group's available cash reserves and working capital requirements, the board of directors of the Company (the "Board") resolved not to declare final dividend for the year ended 31 December 2016 (31 December 2015: 2.5 HK cents per share).

OUTLOOK

The end of 2016 marked the new beginning of a new era for Synergis with a change of new principal shareholder together with new management teams including, Mr. Terence Leung Siu Cheong, Executive Director and Managing Director and Mr. William Yeung Wai Ling, Managing Director, having joined forces to lead the two main arms of the Group's business in management services and interiors and fitting-out projects. I look forward to leading Synergis towards an even brighter future, with sound strategies to develop both PFM and ISP businesses as the Group continues to strive for greater achievements and new chapters of success.

The Company's outlook is positive based on the outstanding works for the ISP business and also the new and secured contracts for the PFM business. Nevertheless, we will remain prudent in the approach we take in bidding for and taking on new jobs in consideration of the upward pressures on salaries and wages as well as keen industry competition. It is expected that the undertaking of large-scale projects will come with their own set of challenges and risks. The Group will focus on implementing stringent control of costs and cash flows, as well as careful management of its finances and resource allocations to ensure the achievement of attractive returns on our projects.

In 2017, we will continue to implement measures to intensify our strategic focus, add further capability to our service mix to strengthen the core businesses and selectively expand our value-added service lines in Hong Kong and Mainland China. Leveraging on our existing management portfolio, the management will strive to identify new strategic growth opportunities within the challenging market conditions.

我們於管理大型翻新項目方面之優勢顯著、實力雄厚，獲廣泛認可，且室內裝飾及特殊項目業務已就長期穩定增長作出充分準備。迄今，我們結轉至2017年至2019年之大型翻新項目及裝修合約之未完成總值超過港幣2,200,000,000元。

股息

經計及本集團的可用現金儲備及營運資金需求，本公司董事會（「董事會」）議決不會就截至2016年12月31日止年度宣派末期股息（2015年12月31日：每股港幣2.5仙）。

展望

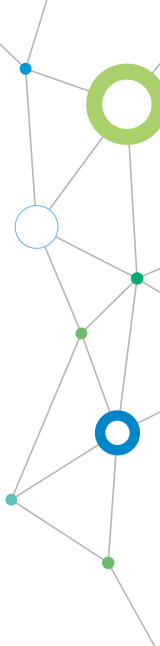
2016年年底，新昌管理揭開了新一頁，引入新主要股東及新管理團隊，包括執行董事兼董事總經理梁兆昌先生及董事總經理楊威寧先生，彼等聯手領導本集團的服務管理以及室內裝飾及裝修項目兩大主要業務。在本集團繼續努力取得更大的成就及開啟成功新篇章的過程中，彼等制訂了完善的策略發展物業及設施管理業務以及室內裝飾及特殊項目業務，本人熱切期待彼等帶領新昌管理開創更輝煌的未來。

本公司對於前景看好乃基於室內裝飾及特殊項目業務之未完成工程且物業及設施管理業務亦取得了數份新合約。然而，鑒於薪金及工資呈上漲趨勢、行業競爭日趨激烈，我們在投標及承接新工程時將保持審慎的方針。預期承接大型項目將伴隨特有的挑戰及風險。本集團將著眼於實施審慎控制成本及現金流量並謹慎管理財務及資源分配，以確保項目為我們達成可觀的回報。

2017年，本集團將繼續落實措施以加強本集團之策略重心、進一步增加本集團之服務組合實力以強化核心業務，並有選擇地擴大本集團於香港及中國內地之增值服務範疇。憑藉本集團之現有管理組合，管理層將在充滿挑戰的市況下致力發掘新策略增長機遇。

CHAIRMAN'S STATEMENT

主席報告



ISP will focus on expanding its project pipeline through building on its varied and robust client base and taking advantage of increasing market demand for renovation and fitting-out works for hotels and the retail sector. In addition, we plan to develop new lines of business including a curtain wall business, and materials sourcing and purchasing specialist trading business.

With our broadened business base after the successful acquisition of the ISP business, quality track record and strong client base, supported by our competent, professional and dedicated teams, I am confident that the Group will continue to thrive within our business segments.

APPRECIATION

Our results are a reflection of the quality and commitment of our people across the Group and business lines, from senior management to staff on site. The enthusiasm and loyalty of our colleagues are what make Synergis a success. On behalf of the Board, I would like to thank all of our colleagues for their continued contribution and commitment to our clients, our customers and our values.

I would also like to take this opportunity to express heartfelt thanks to our shareholders, business partners, clients and suppliers for their support and continued confidence in our team.

Last but not least, I would like to sincerely thank Ir. Joseph Choi Kin Hung and Mr. Lui Chun Pong who have left our Group recently for their leadership and valuable contributions during their terms of service.

Kingston Chu Chun Ho
Chairman

Hong Kong, 28 March 2017

憑藉其多樣及穩健的客戶基礎以及日益增多的酒店及零售業翻新及裝修工程市場需求，室內裝飾及特殊項目將專注於擴大其項目渠道。此外，我們計劃發展新業務範疇，如幕牆業務和原材料採購及專業貿易業務等。

憑藉本集團於成功收購室內裝飾及特殊項目業務後拓闊的業務基礎、優秀的往績記錄及強大的客戶基礎以及實力精幹、專業盡職團隊的強力支持，本人相信本集團定會繼續在業界蓬勃發展。

致謝

本集團的業績，反映出本集團各層面和各業務分支的員工，由高層管理人員到地盤員工皆質素過人且竭誠奉獻。新昌管理的成功離不開員工的熱忱及忠誠服務。本人謹代表董事會向全體同仁為本集團客戶、顧客以至本集團價值理念的竭誠付出、無私奉獻，致以最衷心的感謝。

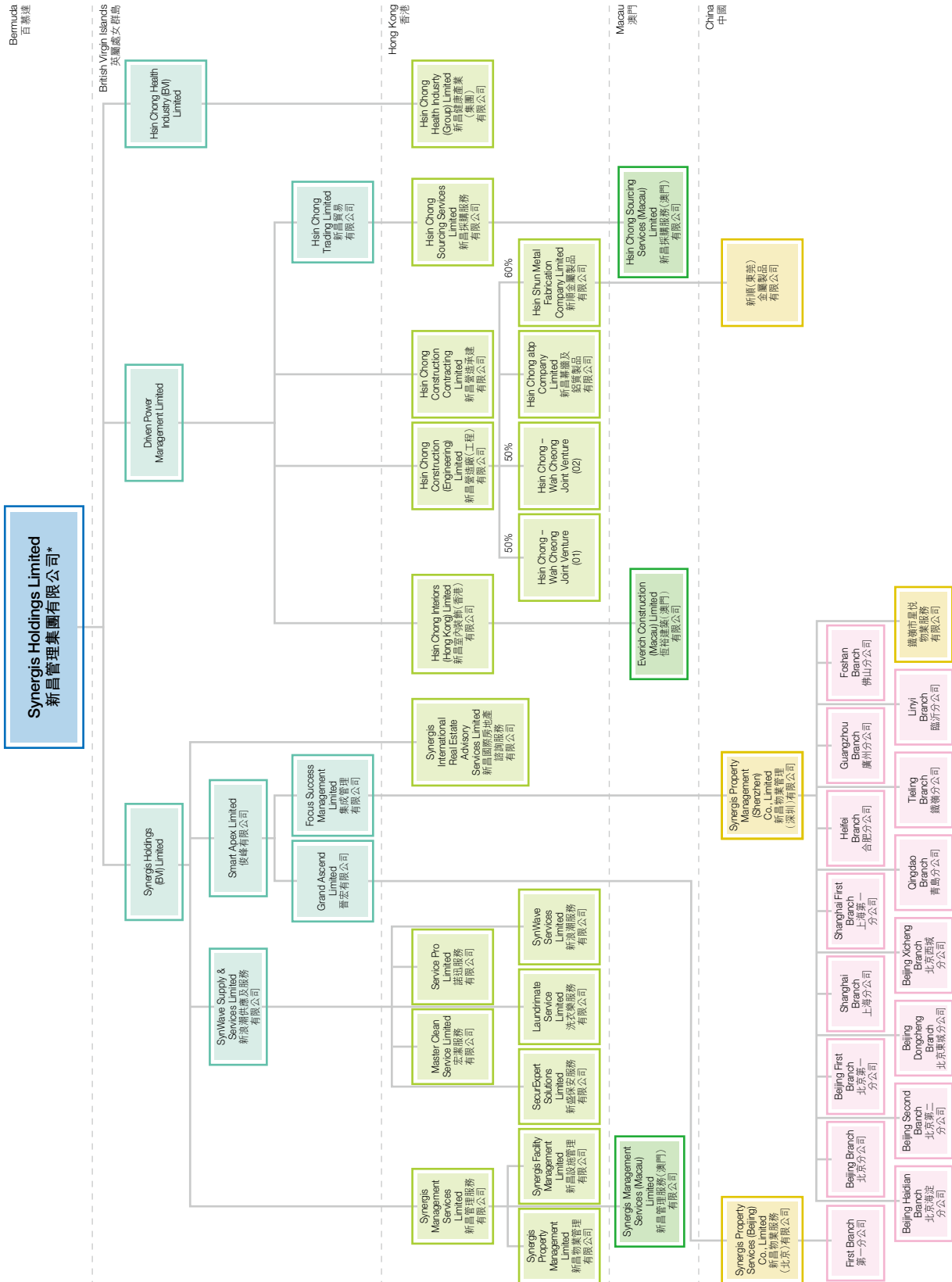
本人亦藉此機會對股東、業務夥伴、客戶及供應商對本集團一如既往之鼎力支持和持續信任表示最衷心的感謝。

最後，本人謹此對於近期離開本集團的蔡健鴻工程師及呂振邦先生於任期內的英明領導及所作的寶貴貢獻致以誠摯的感謝。

主席
朱俊浩

香港，2017年3月28日

GROUP STRUCTURE 集團架構



* For identification purposes only 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL OVERVIEW

財務概覽

		2016	2015	Change 變動
Revenue 收益	HK\$' million 港幣百萬元	2,433.5	2,447.4	-0.6%
Gross Profit 毛利	HK\$' million 港幣百萬元	185.2	186.0	-0.4%
Operating (Loss)/Profit 經營(虧損)/溢利	HK\$' million 港幣百萬元	(29.8)	81.6	-136.5%
(Loss)/Profit attributable to Shareholders 股東應佔(虧損)/溢利	HK\$' million 港幣百萬元	(39.5)	55.3	-171.4%
Gross Profit Margin 毛利率		7.6%	7.6%	-
Basic (Loss)/Earnings Per Share 每股基本(虧損)/盈利	HK cents 港幣仙	(11.7)	14.9	-178.5%

The Group reported consolidated revenues of HK\$2.4 billion for the year ended 31 December 2016, similar with that of 2015. It is focusing efforts on improving gross profit and, in spite of keen competition and rising costs in both PFM and ISP businesses, performance has been maintained at a level similar to that of 2015. With newly recruited management talents to develop new businesses, gross profit has been inevitably reduced by 0.4% to HK\$185.2 million.

The Group recorded an operating loss of HK\$29.8 million after amortisation of intangible assets and interest on bank loans related to the ISP business, loss attributable to shareholders was HK\$39.5 million. Loss per share were 11.7 HK cents (2015: earnings per share were 14.9 HK cents).

截至2016年12月31日止年度，本集團之呈報綜合收益為港幣2,400,000,000元，與2015年相若。本集團致力於提高毛利，其物業及設施管理業務以及室內裝飾及特殊項目業務均在競爭激烈及成本日益上漲的情況下，保持了與2015年水平相近的表現。因發展新業務新聘管理人才，毛利無可避免地減少0.4%至港幣185,200,000元。

本集團在無形資產攤銷及與室內裝飾及特殊項目業務相關的銀行貸款利息後，本集團錄得經營虧損為港幣29,800,000元，股東應佔虧損為港幣39,500,000元。每股虧損為11.7港幣仙（2015年：每股收益為14.9港幣仙）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group recorded a loss of HK\$39.5 million for the year ended 31 December 2016 as compared to a profit of HK\$55.3 million for the year ended 31 December 2015. It was mainly attributable to a provision of approximately HK\$90 million including contracting work-in-progress and receivables based on the impairment assessment on the respective balance with Hsin Chong Group.

The management considered such provision being prudent which was arrived at after taking into account (i) the age of the receivables, repayment pattern and the fact that the Group had not received any payments since late January 2017; (ii) the absence of announcements regarding any cashflow enhancement activities by Hsin Chong Group Holdings Limited following its announcement dated 25 January 2017; and (iii) there being approximately HK\$9.5 million of unbilled work-in-progress undertaken that has not yet been certified by Hsin Chong Group.

The Group has continued to take actions to seek to recover the amounts due from Hsin Chong Group, and on 27 March 2017, a settlement agreement was reached with Hsin Chong Group Holdings Limited providing for the repayment over a period of 5 months starting from 31 March 2017 to 31 July 2017.

與於截至2015年12月31日止年度錄得溢利港幣55,300,000元相比，本集團於截至2016年12月31日止年度錄得虧損港幣39,500,000元。虧損主要由於根據與新昌集團各自結餘之減值評估而作出之撥備約港幣90,000,000元（包括在建合約工程及應收款項）所致。

管理層認為該等撥備屬審慎措施，乃經考慮以下各項後達致：(i)應收款項之賬齡、還款模式及事實上由2017年1月底起並無收取任何還款；(ii)新昌集團控股有限公司於2017年1月25日之公告後，並無任何關於提升現金流之公告；及(iii)有約港幣9,500,000元尚未提出支付申請的興建中工程有待新昌集團確認。

本集團繼續採取行動以求收回應收新昌集團之款項，而於2017年3月27日，已與新昌集團控股有限公司達成還款協議，規定分期於2017年3月31日起至2017年7月31日之5個月期間還款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

Business Overview

The Group's PFM business remained stable in revenue and maintained its position as one of the leading service providers in the industry whilst ISP business continued to be a significant contributor to the Group's revenue.

業務回顧及前景

業務概覽

本集團的物業及設施管理業務之收益保持穩健，使其維持作為業內領先服務供應商之一的地位，而室內裝飾及特殊項目業務則繼續為本集團的收益作出重大貢獻。

		Revenue (HK\$' million) 收益 (港幣百萬元)			Operating (Loss)/Profit (HK\$' million) 經營(虧損)/溢利 (港幣百萬元)		
		2016	2015	Change 變動	2016	2015	Change 變動
PFM	物業及設施管理						
— Hong Kong	— 香港	553.8	582.3	-4.9%	31.4	33.2	-5.4%
Ancillary Business	輔助業務						
— Hong Kong	— 香港	100.6	89.4	12.5%	3.2	7.3	-56.2%
PFM Business — Hong Kong	物業及設施管理業務— 香港						
Sub-total	小計	654.4	671.7	-2.6%	34.6	40.5	-14.6%
PFM	物業及設施管理						
— Mainland China	— 中國內地	62.1	91.8	-32.4%	(12.1)	0.1	-12,200%
PFM Business Sub-total	物業及設施管理業務小計	716.5	763.5	-6.2%	22.5	40.6	-44.6%
ISP Business	室內裝飾及特殊項目業務	1,717.0	1,683.9	2.0%	(34.5)	62.8	-154.9%
Corporate Overheads	行政費用	-	-	-	(17.8)	(21.8)	18.3%
Total	總計	2,433.5	2,447.4	-0.6%	(29.8)	81.6	-136.5%

The operating results of PFM and ISP businesses have included the impairment of contracting work-in-progress and receivables of approximately HK\$13.1 million and HK\$78.7 million respectively mainly related to Hsin Chong Group.

物業及設施管理業務與室內裝飾及特殊項目業務的經營業績包括興建中的工程和應收賬款的減值分別約港幣13,100,000元和港幣78,700,000元，該減值主要與新昌集團有關。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Property and Facility Management Business

Property and Facility Management

As at 31 December 2016, the Group managed 290 PFM service contracts of which 252 contracts were in Hong Kong and 38 contracts were in Mainland China. The gross floor area under the Group's management was approximately 9.8 million square metres ("sqm") (Hong Kong: 7.4 million sqm and Mainland China: 2.4 million sqm).

Hong Kong:

The PFM business in Hong Kong maintained a well-diversified portfolio of contracts comprising different sectors of government, corporate clients, public institutions and private clients.

The Group has extended the scope of its portfolio through newly awarded PFM contracts of two-year to three-year, with total contract sum of around HK\$74.4 million. Major contracts include:

- △ S.K.H. Yan Laap Primary School and S.K.H. Chai Wan St. Michael's Primary School
- △ Hang Seng Management College
- △ The Education University of Hong Kong
- △ Celestica
- △ MTR Kwun Tong Extension Line
- △ Custom Headquarters Building
- △ Zero Carbon Building
- △ MTR South Island East Line
- △ Wang Lung Industrial Building

物業及設施管理業務

物業及設施管理

於2016年12月31日，本集團管理290份物業及設施管理服務合約，其中包括位於香港之252份合約及位於中國內地之38份合約。本集團所管理之總樓面面積約為9,800,000平方米（「平方米」）（香港：7,400,000平方米及中國內地：2,400,000平方米）。

香港：

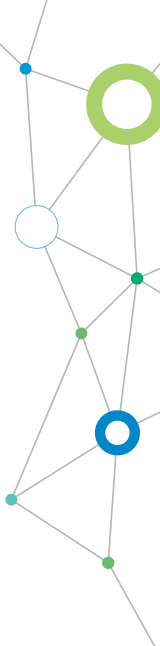
香港之物業及設施管理業務維持著涵蓋政府、公司客戶、公共機構至私人客戶等不同領域之多元化合約組合。

本集團透過合約總價值約港幣74,400,000元之兩至三年期新批物業及設施管理合約拓展組合範圍。主要合約包括：

- △ 聖公會仁立小學及聖公會柴灣聖米迦勒小學
- △ 恒生管理學院
- △ 香港教育大學
- △ 天弘
- △ 港鐵觀塘綫延綫
- △ 海關總部大樓
- △ 零碳天地
- △ 港鐵南港島綫東段
- △ 宏龍工業大廈

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



We were able to maintain a high retention rate for contract renewal for the year ended 31 December 2016 (the "Reporting Period"). The high contract retention rate reflects that Synergis's quality services are well received by customers and contribute to stable revenues of the Group. The following key contracts were successfully renewed with an increase in service fee and/or with expanded scopes:

- △ Property management service contracts of Arran Court, King Shing Court, Newport Centre and Tai Wo Estate;
- △ Hong Kong Housing Authority contract of Kwai Chung Shopping Centre;
- △ Facility management service contract of MTR backend support services; and
- △ Carpark management contract of Pamela Youde Nethersole Eastern Hospital

Revenue for this business segment remained stable but operating profit decreased by 5.4% to HK\$31.4 million. The management team was paying attention to cost monitoring mechanism and able to increase the gross margin 1.5% over last year. In order to equip the management team and prepare for future expansion, more management talents have been recruited during the year and hence a lower operating profit has been resulted.

Stepping into 2017, the Group is expected to put more focus on expanding the facility management segments. Apart from offering value-added services such as consultancy services to our existing client, the team also expects to increase our market share by expanding our service scope such as building consultancy and energy audit services. Following the newly awarded educational projects in 2016, the team will also approach international schools or other institutions with enhanced marketing materials for pitching.

With our stable market position in the property management segment, we will continue to retain our current portfolio whilst exploring opportunities on commercial premises especially in Yau Tsim Mong Regions. Apart from private housing, we will also explore our further partnership with those institutional clients such as Link Asset Management and Housing Society. We also have planned to set up Macau operation, and commercial and investment sale agency business in Hong Kong to seek for further business expansion opportunities in 2017.

於截至2016年12月31日止年度(「報告期間」)，我們得以保持良好之續約保留率。良好合約保留率反映新昌管理之優質服務受到客戶青睞，並為本集團貢獻了穩定收益。以下主要合約在成功續約時服務費均有所上調，及／或某些所涵蓋範圍有所擴大：

- △ 毅廬、景盛苑、新寶工商中心及太和邨之物業管理服務合約；
- △ 葵涌商場之香港房屋委員會合約；
- △ 港鐵後端支援服務之設施管理服務合約；及
- △ 東區尤德夫人那打素醫院之停車場管理合約

此業務分部之收益保持穩定，但經營溢利減少5.4%至港幣31,400,000元。管理團隊正關注成本監控機制，較去年提高1.5%毛利率。為整固管理團隊及籌備日後擴充，年內已招募更多管理人才，因此導致經營溢利下降。

踏入2017年，本集團預期將更加注重擴充設施管理分部。除向現有客戶提供諮詢服務等增值服務外，團隊亦預期透過擴充服務範圍(如樓宇諮詢及能源審核服務)增加我們的市場份額。鑒於2016年取得新批教育項目提升了實力，團隊亦將使用營銷材料針對性地接洽國際學校或其他機構。

憑藉於物業管理分部的穩固市場地位，我們將繼續保留現有組合，同時拓展商業大廈的機會，特別著重在油尖旺區的該類大廈。除私人樓宇外，我們亦將進一步擴展與機構客戶的合夥關係如領展資產管理及房協。我們亦計劃成立澳門業務及於香港開展商業及投資銷售代理業務，以於2017年覓得更多業務擴展機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Mainland China:

The financial performance of this business segment was steady and similar to that reported last year excluding the one-off impairment on accounts receivables. However, the operating loss was HK\$12.1 million in this segment mainly due to the impairment on accounts receivables mainly related to Hsin Chong Group. The Company has secured several short terms to three-year key contracts in Shanghai, Harbin, Shandong and Zhengzhou with a total contract sum of HK\$6.7 million.

Property management services for the residential projects

- △ City Condo in Changning district and Haisi Tower in Xuhui district. Located in the centre of the Hongqiao Development Zone, City Condo is a major development with a clubhouse and an underground car park covering a total construction area of over 110,000 sqm.
- △ Haisi Tower consists of two 17-storey residential buildings and is situated in a high-end district in Shanghai.

Asset management services for the commercial development projects

- △ Corporate Avenue Phase 1 is a high-tech commercial and office complex with two A-list office buildings covering a total construction area of 98,000 sqm in Shanghai.
- △ Located in the Pudong New Area, the Sanlin commercial project consists of two lots of land, B1-5 and B1-6, and includes a commercial construction area of 40,000 sqm. We have also been appointed to provide agency services for the Sanlin commercial project after opening.
- △ Two contracts to provide mall management and hotel leasing services in Linyi, Shandong, which is on the list of the third batch of cities in China named as a National Civilised City. We will also oversee the new hotel property development project featuring a six-storey building located in the city centre on Linxi Tenth Road.

中國內地：

此業務分部的財務表現穩定，不計入應收賬款一次性減值，與去年所報告的情況相近。但主要由於與新昌集團有關的應收賬款減值，本集團錄得經營虧損為港幣12,100,000元。本公司已於上海、哈爾濱、山東及鄭州獲得總合約價值為港幣6,700,000元數份短期至三年期主要合約。

住宅項目的物業管理服務

- △ 位於長寧區的虹橋豪苑及徐匯區的海斯大廈。虹橋豪苑為一項位於虹橋開發區的正中心的大型發展項目，配套有會所及地下停車場，總建造面積超過110,000平方米。
- △ 海斯大廈位於上海的一處高尚住宅地段，由兩棟17層住宅樓宇組成。

商業發展項目的資產管理服務

- △ 企業天地一期屬高端、先進的商業及辦公室綜合大樓，由位於上海的兩棟甲級辦公大樓組成，總建築面積為98,000平方米。
- △ 三林基地商業項目位於浦東新區，由兩幅地塊(B1-5及B1-6)組成，並包括40,000平方米之商業建造面積。我們亦受委聘為三林基地商業項目開業後提供代理服務。
- △ 於山東臨沂(已屬於中國第三批全國文明城市名單)提供商場管理及酒店招商代理服務的兩份合約。我們亦監督新酒店物業發展項目，該項目為一棟位於市中心臨西十路的6層樓宇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- △ The Taisheng Plaza project is one of municipal government's key construction projects of a large commercial complex with approximately 260,000 sqm in core commercial districts in Linyi.
- △ Zhengzhou Xinzheng International Airport is one of the country's eight regional hub airports. The terminal one is under renovation and covers a total construction area of around 100,000 sqm. It will transform into a high-end modern commercial complex. We will provide the complex with exclusive leasing agency and pre-operation consultancy services.

With different requirements of skillsets and job references in Northern China and Southern/Eastern China, management has adopted different strategies in developing business in these two regions. The management team in Northern China will focus on developing the commercial consultancy and leasing, while the Southern/Eastern China team will focus on developing business in property management and agency services. The management team has built up solid experience in asset management services in Mainland China and the development of this area of business is progressing well. In addition, grade one property management licence is expected to be approved by Ministry of Housing and Urban-Rural Development of the Mainland China in this year in which there would be no limitation for the number of managing properties and scale of the projects. We will continue expanding the scope of our business to provide diversified services and aim at delivering more profit in future.

Ancillary Business

Total revenue from the ancillary business including security, cleaning, trading and laundry reported 12.5% increase over 2015 to HK\$100.6 million. Our ancillary business has done a repositioning exercise to expand its business to include a larger range of clients during the year. Due to the increase in general administrative expenses for business development together with the cost of recruiting additional management talents, the operating profit of this business segment reduced to HK\$3.2 million in 2016.

We have secured two new two-year cleaning services contracts with total contract sum HK\$14.2 million. We are providing our cleaning services to 23 branches of The Bank of East Asia on Hong Kong Island and Holiday Inn Express Hong Kong Soho. Our team is confident in expanding the scope of its business to include corporate offices, hotels, government organisations and large malls, and offer high-quality services in 2017.

- △ 泰盛廣場項目是市政府主要建設項目之一，其位於臨沂核心商業區的大型商業綜合體，面積約260,000平方米。

- △ 鄭州新鄭國際機場是我國八大區域性樞紐機場之一。其一號客運大樓正進行翻新，總建造面積約100,000平方米。翻新後將成為現代化高端商業綜合體。我們將為該綜合體提供獨家招商代理及前期營運顧問服務。

鑒於華北及華南／華東地區不同的技能要求及作業基準，管理層已就於該兩個地區開發其業務採取不同策略。華北地區的團隊將專注於商業諮詢及租賃業務，而華南／華東地區的團隊則專注於發展物業管理及代理服務。管理團隊於中國內地已積累了豐富的資產管理服務經驗，且新昌管理於此地區業務目前進展良好。此外，本年預期將取得中國內地住房和城鄉建設部認可之一級物業管理企業資質證書，屆時所管理物業的數目及項目規模將不受限制。我們將繼續擴展業務範疇以提供多元化服務，並旨在為本集團於未來實現更多的溢利。

輔助業務

來自輔助業務(包括保安、清潔、貿易及洗衣)之總收益較2015年增加12.5%至港幣100,600,000元。年內，我們的輔助業務已進行重新定位，以擴展業務吸納更廣範圍的客戶。由於業務發展及招募管理人才引致一般行政開支增加，於2016年此業務分部之經營溢利減少至港幣3,200,000元。

我們已取得總合約價值達港幣14,200,000元的兩份新兩年期清潔服務合約。我們正向東亞銀行位於香港島的23間分行提供清潔服務，亦向香港蘇豪智選假日酒店提供清潔服務。我們的團隊有信心，於2017年定能擴展業務範疇，納入企業辦公室、酒店、政府機構及大型商場，並提供優質服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Interiors & Special Projects

For the year ended 31 December 2016, the ISP business recorded HK\$1.7 billion in total revenue and HK\$86.3 million gross profit, representing a 2.0% increase of revenue and a 6.5% decrease of gross profit respectively when compared with those of 2015. The significant revenue contribution came from the building revitalisation project in Castle Peak Road, the new factory development of a well-established pharmaceutical brand in Yuen Long and asset enhancement works for a plaza at Tin Shui Wai. The strong financial performance was mainly due to the strong order book postings last year. The gross profit margin and operating loss margin were 5.0% and 2.0% respectively, being 0.5% and 5.7% lower than those reported in 2015. The decrease was mainly due to the lower gross margin generally for construction and special projects brought forward from last year. During the year, the Company has made efforts to develop new lines of business such as for curtain wall business, material sourcing and purchasing specialist trading business. As a result, the general and administrative expenses increased. With the substantial impairment of contracting work-in-progress and receivables mainly related to Hsin Chong Group at year end, the operating profits decreased by around 154.9% to loss of HK\$34.5 million this year for the ISP business.

New Contracts Awarded

New contracts amounting to HK\$1.1 billion were awarded for the year. The major projects are listed below by nature:

Construction & Special Projects

- △ Chinese Medicine Plant Development at Yuen Long Industrial Estate; and
- △ Façade Works for Kowloon East Regional Headquarters Divisional Police Station

室內裝飾及特殊項目

截至2016年12月31日止年度，室內裝飾及特殊項目業務錄得總收益港幣1,700,000,000元及毛利港幣86,300,000元，較2015年錄得之收益及毛利分別微增2.0%及減少6.5%。收益的主要貢獻來自一個位於青山公路之樓宇活化項目、一個知名製藥品牌於元朗之新廠房發展項目及一個位於天水圍的廣場之優化改善項目。強勁的財務表現主要由於去年有龐大的合約總額。毛利率及經營虧損率分別為5.0%及2.0%，較2015年所呈報者下降0.5%及5.7%。該減少主要由於去年建造及特殊項目所帶來的較低毛利率。年內，本公司努力發展新業務線，尤其是幕牆業務以及原材料採購及採購專業貿易業務，而此無可避免地造成一般行政開支上升。於年末與新昌集團有關之興建中的工程和應收賬款的重大減值，本年度室內裝飾及特殊項目業務之經營溢利減少約154.9%至虧損港幣34,500,000元。

新增合約

本年度已獲得新合約達港幣1,100,000,000元。該等主要項目按性質劃分列示如下：

建造及特殊項目

- △ 元朗工業邨中藥廠發展項目；及
- △ 東九龍總區警察總部分區警署的外牆工程

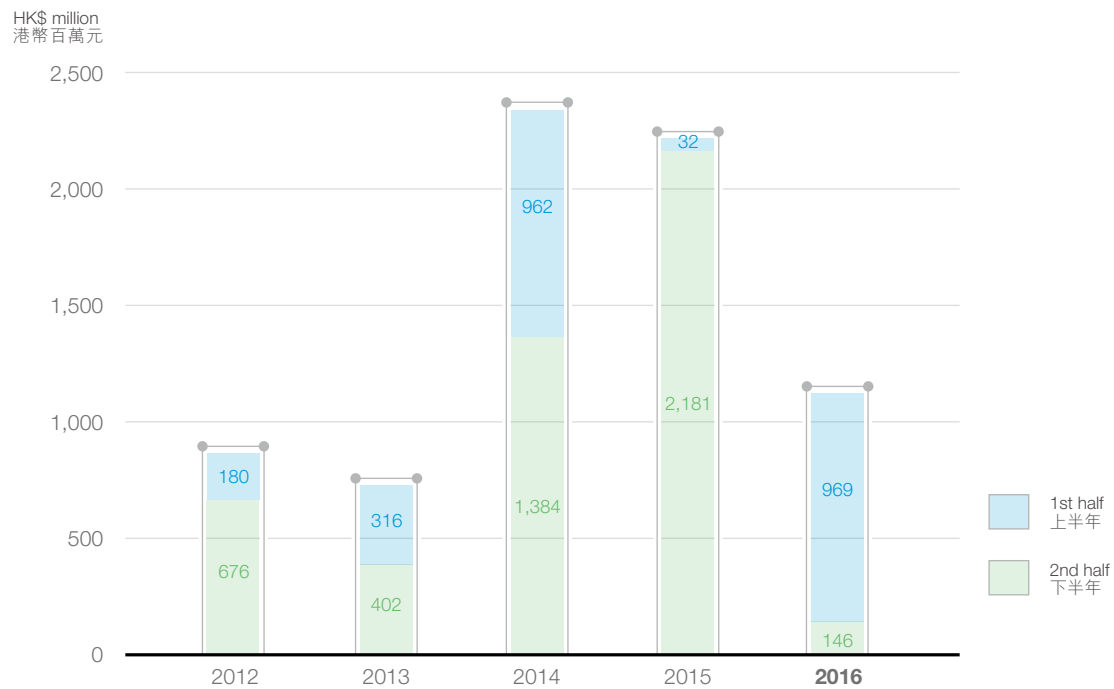
MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Alteration and Addition, Renovation and Conservation

改建及加建、翻新及保養工程

- | | |
|--|--|
| <p>△ Asset Enhancement Works at Chung Fu Plaza (North) in Tin Shui Wai;</p> <p>△ Renovation Works at AEON Kornhill Store and Whampoa Store;</p> <p>△ Alteration and Improvement Works at Lincoln House Carpark in Taikoo Place; and</p> <p>△ Alteration and Addition (“A&A”) Works at Kowloon Investment Building at Bute Street in Mong Kok</p> | <p>△ 天水圍頌富廣場(北翼)資產提升項目;</p> <p>△ 永旺百貨康怡店及黃埔店翻新工程;</p> <p>△ 太古坊林肯大廈停車場改建及改善工程; 及</p> <p>△ 旺角弼街九龍企業有限公司大廈改建及加建工程</p> |
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MANAGEMENT DISCUSSION AND ANALYSIS

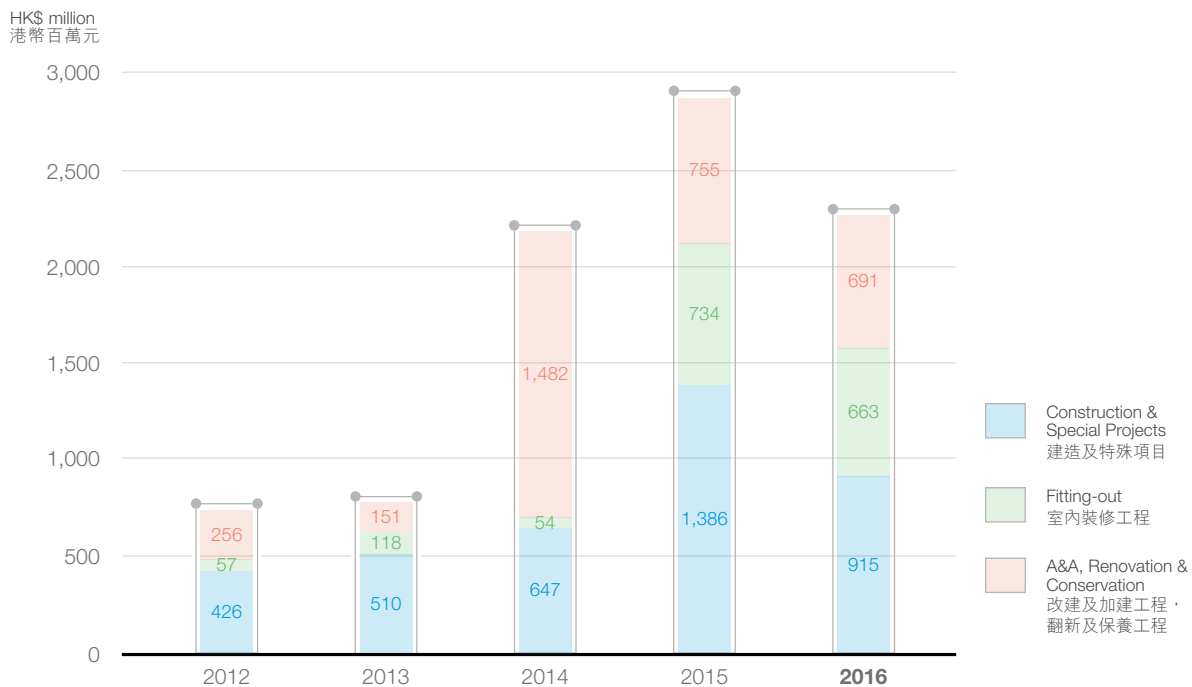
管理層討論及分析

Outstanding Workload

The total outstanding workload for contracts on hand as of 31 December 2016 was over HK\$2.2 billion, over half of which would be completed in 2017. With substantial outstanding contracts on hand and the replenished orders, management believes that the ISP business would deliver growth in the coming years through the team's commitment and dedication to excellence.

未完成工程

截至2016年12月31日，手頭未完成合約總值超過港幣2,200,000,000元，其中半數以上將於2017年完成。鑒於本集團有大量手頭未完成合約及補充訂單，管理層相信，透過團隊的竭誠奉獻，室內裝飾及特殊項目業務於未來數年將實現增長。

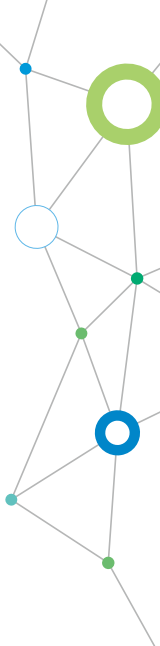


New business lines were set up in 2016 including developed material sourcing and purchasing specialist function and integrated with on-line web-based trading business. We have also established a direct metal work and curtain wall fabrication factory in Mainland China. We aim to expand our new sourcing and procurement business to a comprehensive material sourcing arm of the Group, as well as to create a platform to expand overseas market to increase our competitiveness. Besides, we plan to expand our business into high end fitting-out, A&A and renovation business in Macau in 2017.

於2016年，我們發展了新業務線，包括發展原材料採購及專業貿易功能並整合於網絡的線上貿易業務。我們於由中國內地建立直接的五金製品及幕牆製造廠。本集團旨在擴展原採購業務的綜合材料採購能力，創造平台進入海外市場及提高競爭力。此外，於2017年，我們計劃於澳門擴充我們的業務至裝修、高端改建及加建工程及翻新工程業務。

MANAGEMENT DISCUSSION AND ANALYSIS

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Disposal of ISP Business and termination

On 21 September 2016, the Company as vendor and Dimension Vantage Limited as purchaser (“Purchaser”) entered into a sale and purchase agreement (“Agreement”), pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the 51 shares of Driven Power Management Limited (“Driven Power”), a wholly-owned subsidiary of the Company, which shall represent 51% of the issued share capital of Driven Power as at completion, at the consideration of HK\$179.0 million, which shall be payable by the Purchaser to the Company in cash on the completion date (“Disposal”). Driven Power is an investment holding company and its subsidiaries are principally engaged in the ISP business in Hong Kong, the Mainland China and Macau. Upon completion, Driven Power and each of its subsidiaries will cease to be subsidiaries of the Company and its entire issued shares will be held as to 49% by the Company and as to 51% by the Purchaser.

On 15 November 2016, the Company and the Purchaser entered into the deed of termination (“Deed of Termination”) to terminate the Agreement (“Termination”). Pursuant to the Deed of Termination, the Agreement was terminated with effect from the date of the Deed of Termination, and the obligations and duties of the Company and the Purchaser under the Agreement are released. Details of the Disposal and Termination are set out in the Company’s announcements dated 21 September 2016, 20 October 2016, 31 October 2016 and 15 November 2016.

出售室內裝飾及特殊項目業務及終止

於2016年9月21日，本公司（作為賣方）及 Dimension Vantage Limited（作為買方）（「買方」）訂立一項買賣協議（「該協議」），據此，本公司已有條件同意出售及買方已有條件同意購買本公司全資附屬公司 Driven Power Management Limited（「Driven Power」）之51股股份，相當於 Driven Power 於完成時之已發行股本之51%，代價為港幣179,000,000元，將於完成日期由買方以現金向本公司支付（「出售」）。Driven Power 為一間投資控股公司及其附屬公司主要於香港、中國內地及澳門從事室內裝飾及特殊項目業務。於完成後，Driven Power 及其各附屬公司將不再為本公司之附屬公司，而其全部已發行股份將由本公司及買方分別持有49%及51%。

於2016年11月15日，本公司與買方訂立終止該協議之終止契據（「終止契據」）（「終止」）。根據終止契據，該協議將自終止契據日期起終止，而本公司及買方於該協議項下之義務及責任將告解除。有關該出售及終止之詳情載於本公司日期為2016年9月21日、2016年10月20日、2016年10月31日及2016年11月15日之公告。

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Mandatory Unconditional Cash Offer

On 18 November 2016, Champ Key (a) acquired 55,000,000 ordinary shares from Summit View Holdings Limited, representing approximately 15.80% of the ordinary shares in issue as at the date of the joint announcement under pursuant to Rule 3.5 of the Takeovers Code by Champ Key and the Company, i.e. 30 November 2016, (or approximately 12.85% of the ordinary shares in issue as enlarged by the full conversion of convertible preference shares (“CPSs”)), at a total consideration of HK\$61,600,000 (equivalent to HK\$1.12 per ordinary share); and (b) entered into the sale and purchase agreement with Smart Lane Holdings Limited (“Smart Lane”), being an indirect wholly-owned subsidiary of Hsin Chong Group Holdings Limited, for the acquisition of 169,116,777 ordinary shares, representing approximately 48.58% of the ordinary shares in issue as at 30 November 2016 (or approximately 39.51% of the ordinary shares in issue as enlarged by the full conversion of CPSs) and the 80,000,000 CPSs convertible into 80,000,000 ordinary shares (representing approximately 18.69% of the ordinary shares in issue as enlarged by the full conversion of CPSs) at an aggregate consideration of HK\$279,010,790 (equivalent to approximately HK\$1.12 per ordinary share, assuming all CPSs are converted into new ordinary shares). Completion of both acquisitions took place on 21 November 2016. The controlling shareholder of the Company has been changed from Hsin Chong Group Holdings Limited to Champ Key, which is wholly and beneficially owned by Mrs. Chu Yuet Wah.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, Champ Key and parties acting in concert are required to make mandatory unconditional cash offers for all the issued ordinary shares (other than those already owned and/or agreed to be acquired by Champ Key) (“Share Offer”) and to cancel all 7,244,000 outstanding options (“Option Offer”) (collectively, the “Offers”). As all CPSs are held by Champ Key as at 30 November 2016, no comparable offer would be made in respect of the CPSs. The offer price of HK\$1.12 per ordinary share under the Share Offer and the offer prices for the Option Offer as set out below:

- (a) 6,814,000 options may be exercised at an exercise price of HK\$0.952 per ordinary share, the offer price for these options was HK\$0.168 each;
- (b) 330,000 options may be exercised at an exercise price of HK\$0.860 per ordinary share, the offer price for these options was HK\$0.260 each; and

強制性無條件現金要約

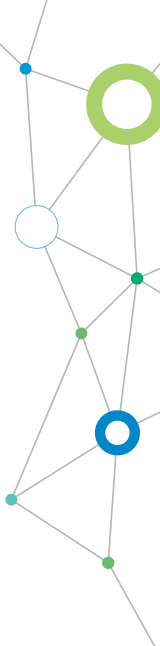
於2016年11月18日，Champ Key (a)已向Summit View Holdings Limited收購55,000,000股普通股股份(相當於Champ Key及本公司根據收購守則規則3.5刊發之聯合公告日期，即2016年11月30日之已發行普通股股份約15.80%(或可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約12.85%))，總代價為港幣61,600,000元(相等於每股普通股港幣1.12元)；及(b)已與Smart Lane Holdings Limited(「Smart Lane」)(為新昌集團控股有限公司之間接全資附屬公司)就收購169,116,777股普通股股份(相當於2016年11月30日之已發行普通股股份約48.58%(或可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約39.51%))及可轉換為80,000,000股普通股股份(相當於可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約18.69%)之80,000,000股可轉換優先股訂立買賣協議，總代價為港幣279,010,790元(相等於每股普通股股份約港幣1.12元，假設所有可轉換優先股獲轉換為新普通股股份)。收購事項均已於2016年11月21日完成。本公司之控股股東由新昌集團控股有限公司變更為Champ Key，其全資及實益擁有人為李月華女士。

根據收購守則規則26.1及13.5，Champ Key及與其一致行動人士須就所有已發行普通股股份(Champ Key已擁有及/或同意將予收購之該等股份除外)(「股份要約」)及註銷所有7,244,000份尚未行使購股權(「購股權要約」)提出強制性無條件現金要約(統稱「要約」)。由於所有可轉換優先股於2016年11月30日均由Champ Key持有，故將不會就可轉換優先股作出可資比較要約。股份要約項下之股份要約價每股普通股股份港幣1.12元及購股權要約將按下列條款提出：

- (a) 6,814,000份購股權附帶之認購權可按每股普通股股份港幣0.952元之行使價行使，要約價為現金港幣0.168元；
- (b) 330,000份購股權附帶之認購權可按每股普通股股份港幣0.860元之行使價行使，要約價為現金港幣0.260元；及

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(c) 100,000 options may be exercised at an exercise price of HK\$0.850 per ordinary share, the offer price for these options was HK\$0.270 each.

The Offers were closed on 3 February 2017.

Proposed Change of Company Name after Reporting Period

The Board proposed to adopt a new Chinese name “昇捷控股有限公司” as the secondary name of the Company to replace the existing Chinese name “新昌管理集團有限公司” which is currently used for identification purposes only. The proposed change of company name is part of the re-branding exercise in light of the change of controlling shareholder of the Company from Smart Lane, an indirectly wholly owned subsidiary of Hsin Chong Group Holdings Limited to Champ Key, which is wholly and beneficially owned by Mrs. Chu Yuet Wah. The Board considers that the new Chinese name of the Company better aligns with the existing English name of the Company. The change of company name is therefore in the interests of the Company and the shareholders as a whole. Such proposed change of company name is expected to come into effect in around three months.

Financial Position and Financial Risk Management

As of 31 December 2016, the total outstanding bank loan was HK\$204 million, which is scheduled to be repaid within one year. This includes an outstanding balance of HK\$84 million relating to the banking facility drawn down for acquiring the ISP business in November 2012. The remaining sum represents working capital loans to mainly support ISP operations and business development. During the year under review, the Group's sources of fund were generated primarily from operating activities and existing banking facilities. The gearing ratios and liquidity have been substantially improved when compared with those of 2015. Regarding the impairment of contracting work-in-progress and receivables mainly related to Hsin Chong Group, the management is pursuing all measures to recover the receivables and expects to further improve the liquidity since we signed the settlement agreement with Hsin Chong Group Holdings Limited recently. The management will continue to proactively monitor the financial positions of the Group so as to maintain a sufficient buffer in financial capacity while taking advantage of attractive business opportunities.

(c) 100,000 份購股權附帶之認購權可按每股普通股股份港幣 0.850 元之行使價行使，要約價為現金港幣 0.270 元。

要約已於 2017 年 2 月 3 日結束。

報告期後建議變更公司名稱

董事會建議採納新中文名稱「昇捷控股有限公司」作為本公司之第二名稱以取代現有僅供識別用途之中文名稱「新昌管理集團有限公司」。鑒於近期本公司控股股東由 Smart Lane（一間由新昌集團控股有限公司間接全資擁有之附屬公司）變更為由李月華女士全資及實益擁有之 Champ Key，建議變更公司名稱乃重塑品牌工作的一部分。董事會認為本公司之新中文名稱更符合其現有英文名稱，因此符合本公司及股東之整體利益。有關建議變更公司名稱預期於大約 3 個月生效。

財務狀況及財務風險管理

截至 2016 年 12 月 31 日，定於未來一年內償還之尚未償還銀行貸款總額為港幣 204,000,000 元，其包括於 2012 年 11 月為收購室內裝飾及特殊項目業務而提取之銀行信貸之尚未償還結餘港幣 84,000,000 元。在回顧年度內，集團的資金來源主要來自經營活動及現有銀行信貸。資產負債比率及流動資金較之 2015 年已有顯著改善。關於與新昌集團的有關之興建中的工程及應收賬款之減值，管理層正在採取一切措施追收應收賬款，因最近與新昌集團控股有限公司簽訂還款協議，預計可進一步改善流動資金。管理層將繼續積極監察本集團之財務狀況從而維持本集團之財務能力之充裕空間，同時致力利用任何良好商機。

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Interest costs on bank borrowings are primarily charged based on a spread over HIBOR. With regard to the current portfolio of businesses, management expects that financial requirements for the future will be met from a combination of retained earnings and bank borrowings. The Group would continue to manage our financial position and maintain sufficient working capital and liquidity to get ready for any business opportunities and to prepare for the challenges in future.

銀行借貸之利息成本主要按香港銀行同業拆息加息差計算。就現有業務組合而言，管理層預期未來財務需求能夠以保留盈利及銀行借貸支持。本集團將繼續管理其財務狀況，並維持充足營運資本及流動資金以把握任何商機及為未來挑戰作好準備。

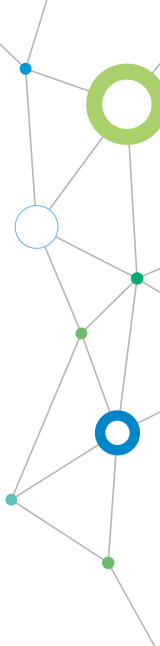
Financial position (HK\$'000) 財務狀況 (港幣千元)		2016	2015
Total assets	資產總值	1,197,562	1,229,575
Receivables and other assets	應收賬款及其他資產	841,996	877,235
Deposit, cash and cash equivalents	存款、現金及現金等值	129,284	129,841
Current assets	流動資產	971,280	1,007,076
Net assets	資產淨值	225,550	279,392
Current liabilities	流動負債	963,278	938,974
Bank loans	銀行貸款	204,000	293,536
Gearing ratios and liquidity	資產負債比率及流動資金		
Net debt to net assets	淨負債與資產淨值之比率	33.1%	58.6%
Total debt to net assets	總負債與資產淨值之比率	90.4%	105.1%
Current ratio	流動比率	1.0	1.1
Per share data	每股資料		
Shares in issue (all classes)	已發行股份 (所有類別)	430,544,000	427,676,000
Basic (loss)/earnings per share (HK cents)	每股基本 (虧損) / 盈利 (港幣仙)	(11.7)	14.9
Diluted (loss)/earnings per share (HK cents)	每股攤薄 (虧損) / 盈利 (港幣仙)	(11.7)	12.8
Dividend per share (HK cents)	每股股息 (港幣仙)	1.5	5.0
Net assets per share (HK cents)	每股資產淨值 (港幣仙)	52.4	65.3

The Group adopts a conservative approach in the management of its financial risks and resources, under the supervision of the Executive Directors.

本集團於執行董事之監管下對其財務風險和資源採取審慎方式管理。

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Interest rate risk arises from bank borrowings as interest rates are fixed for short-term periods to take advantage of the lower rates thus available. Interest rates will be subject to fluctuation at the time of renewal.

The Group's business is conducted primarily in Hong Kong, and the majority of its assets and liabilities are denominated in Hong Kong Dollars, therefore it has minimal foreign currency exposure. The growth in Mainland China has been funded via permanent capital injection, which is for the long-term and as such, foreign currency hedging is considered unnecessary.

It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest its financial resources in financial products, including hedge funds or similar instruments, with significant underlying leverage or derivative exposure.

Cash Management

The Group operates a centralised cash management system. Cash balances surplus to immediate requirements are mainly placed as short-term bank deposits with a number of licensed banks in Hong Kong.

Human Resources

As at 31 December 2016, the Group employed a total of 5,976 staff (2015: 5,792) in Hong Kong and Mainland China.

Employee Engagement and Staff Development are the two major focuses for the sustainable business growth of the Group. Our Learning and Development Team conducted the training needs analysis last year. It has modified the training curriculum based on the findings and formulated a brand-new series of training programmes for our staff. People Management and Leadership are the main keys of the training programmes which aim at enhancing staff capability and management skills. The Group anticipates positive impacts to be brought by the revamped training programmes on both the services that we offer and our future corporate development.

我們採用短期固定利率以充分利用當前的低息環境，故銀行借貸之利率風險較低。利率將可能於重續時波動。

本集團的業務主要在香港進行，其大部分資產和負債均以港幣計值，因此本集團的外匯風險甚微。在中國內地之增長透過永久注資長期撥付資金，因此本集團認為並無必要進行外匯對沖。

本集團之一貫政策是不會訂立衍生工具交易作投機炒賣用途，亦不會投資於帶來重大槓桿效應或衍生工具風險之金融產品上，包括對沖基金或類似投資工具。

現金管理

本集團設有中央現金管理系統。應對即時需求之現金結餘盈餘主要作為短期銀行存款存放於香港多間持牌銀行。

人力資源

於2016年12月31日，本集團於香港及中國內地僱傭合共5,976名員工(2015年：5,792名)。

僱員投入及員工發展為本集團取得可持續業務增長之兩大重點。我們的學習及發展團隊已於去年進行培訓需求分析。根據分析結果，其已對培訓課程進行修改，並為我們的員工制定了一系列全新的培訓計劃。人員管理及領導能力乃培訓計劃之重點，旨在提升員工能力及管理技能。本集團預期經修改後之培訓計劃將為我們提供的服務及未來企業發展均帶來積極影響。

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管理層討論及分析

We are working with our existing client — HKU SPACE, in designing an advanced FM certificate course and the programme is expected to launch at third quarter this year. The aim for this newly designed course is to provide high level trainings for experienced professionals within the field for in-depth understanding on critical areas of facilities management. We believe that this initiative could enhance our brand image and cultivate experienced facility/property management practitioners which could contribute to the field.

Looking forward to the year ahead, building on its continuous efforts to invest in enhancing staff engagement and talent attraction, the Group will further enhance efficiency and effectiveness in human resources management through workflow re-engineering and process automation to relieve the workload so as to uplift services standards.

Kingston Chu Chun Ho
Executive Director

Terence Leung Siu Cheong
Executive Director

Hong Kong, 28 March 2017

我們正與現有客戶香港大學專業進修學院於設計和提升FM認證課程方面展開合作，預期此項目將於本年度第三季推出。此新設計課程旨在為業內資深專業人士提供高水平培訓，令其對設施管理之關鍵領域有深入瞭解。我們認為，此舉能提升我們之品牌形象，並培養出能為業界作出貢獻之資深設施／物業管理從業人員。

展望來年，在不斷投入努力加強員工僱傭及人才招攬的基礎上，本集團將透過工序重新設計及流程自動化進一步提升人力資源管理的效率及成效，以減輕工作量和提升服務水平。

執行董事
朱俊浩

執行董事
梁兆昌

香港，2017年3月28日

PROFILES OF DIRECTORS

董事之簡介



MR. KINGSTON CHU CHUN HO

(aged 31)

Mr. Kingston Chu Chun Ho (“Mr. Chu”) was appointed as an Executive Director and the Chairman of the Company with effect from 9 March 2017. He is also a member of each of the

Executive Committee, the Nomination Committee and the Remuneration Committee.

Mr. Chu is a licensed person under Securities and Futures Ordinance for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for Kingston Securities Limited and Kingston Corporate Finance Limited, respectively. Mr. Chu is a member of Guangxi Committee of The Chinese People’s Political Consultative Conference, a member of General Committee of The Chamber of Hong Kong Listed Companies, vice president of Hong Kong CPPCC Youth Association, Youth Committee Vice Director of HKCPPCC (Provincial) Members Association, vice president of Federation of Hong Kong Guangxi Community Organisations, vice chairman of Hong Kong Guangdong Youth Association, honorary chairman of Hong Kong Guangxi Youth Organisations, Youth Committee Chairman of Hong Kong Federation of Dongguan Associations and a director of Hong Kong Securities Association. Mr. Chu holds a Bachelor Degree of Business from the University of Southern California in the U.S.A.

Mr. Chu has been an executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) (“Sincere HK”), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Main Board”), since 29 May 2012. Mr. Chu has also been a director of Sincere Watch Limited, the immediate holding company of Sincere HK since 21 May 2012. In addition, he has been an executive director of Kingston Financial Group Limited (stock code: 1031), a company listed on the Main Board, since 21 August 2015 and a non-executive director of New Concepts Holdings Limited (stock code: 2221), a company listed on the Main Board, since 8 September 2016.

Mr. Chu is the son of Mrs. Chu Yuet Wah, the ultimate beneficial owner of Champ Key Holdings Limited, which is the controlling shareholder of the Company.

朱俊浩先生

(31 歲)

朱俊浩先生(「朱先生」)獲委任為本公司之執行董事兼主席，由2017年3月9日起生效。彼亦為執行委員會、提名委員會及薪酬委員會之成員。

朱先生分別為金利豐證券有限公司及金利豐財務顧問有限公司於證券及期貨條例項下之第1類(證券交易)及第6類(就機構融資提供意見)受規管活動之持牌人士。朱先生為中國人民政治協商會議廣西壯族自治區政協委員、香港上市公司商會常務委員會委員、香港政協青年聯會副主席、港區省級政協委員聯誼會青年委員會副主任、香港廣西社團總會副會長、香港廣東青年總會副主席、香港廣西青年聯會名譽主席、香港東莞社團總會青年委員會主席及香港證券業協會董事。朱先生持有美國南加州大學商學士學位。

朱先生自2012年5月29日起出任香港聯合交易所有限公司主板(「主板」)上市公司Sincere Watch (Hong Kong) Limited (股份代號：444) (「Sincere HK」)之執行董事。朱先生亦自2012年5月21日起出任Sincere HK直接控股公司Sincere Watch Limited之董事。此外，彼亦自2015年8月21日起出任主板上市公司金利豐金融集團有限公司(股份代號：1031)之執行董事及自2016年9月8日起出任主板上市公司創業集團(控股)有限公司(股份代號：2221)之非執行董事。

朱先生為李月華女士(本公司控股股東Champ Key Holdings Limited之最終實益擁有人)之兒子。

PROFILES OF DIRECTORS

董事之簡介



MR. TERENCE LEUNG SIU CHEONG

BSc, MHKIE, MCIQB, MHKICM, ACI Arb, R.P.E. (aged 51)

Mr. Terence Leung Siu Cheong (“Mr. Leung”) was appointed as an Executive Director with effect from 10 April 2015. He subsequently was (i) appointed

as the Co-Managing Director with effect from 1 September 2015 and re-designated to Managing Director with effect from 5 April 2016; and (ii) appointed as the Deputy Chairman with effect from 9 March 2017. He is also a member of the Executive Committee.

Mr. Leung is the managing director of certain subsidiaries of the Company. He is also a member of the supervisory board of certain joint ventures of the Company.

Mr. Leung is responsible for the business development and project monitoring of all addition and alteration works, renovation works, fitting-out works, conservation and revitalisation works, and special projects. He is a member of the Hong Kong Institution of Engineers and a registered professional engineer. Before joining the Group, Mr. Leung was a senior management of Hsin Chong Group Holdings Limited, the former holding company of the Group, where he established and coordinated the interiors and special projects division. He has over 29 years of experience in project planning and monitoring, building construction and coordination, cost control, renovation and fitting-out works.

梁兆昌先生

BSc, MHKIE, MCIQB, MHKICM, ACI Arb, R.P.E. (51 歲)

梁兆昌先生(「梁先生」)獲委任為執行董事，自2015年4月10日起生效。彼其後獲(i)委任為聯席董事總經理，自2015年9月1日起生效及調任為董事總經理，自2016年4月5日起生效；及(ii)委任為副主席，自2017年3月9日起生效。彼亦為執行委員會之成員。

梁先生為本公司之若干附屬公司之董事總經理。彼亦為本公司若干合資公司之監事會成員。

梁先生負責所有加建及改建工程、翻新工程、室內裝飾工程、保育及活化工程，以及特殊項目工程之業務發展及項目監控。彼為香港工程師學會之會員及註冊專業工程師。加入本集團前，梁先生為本集團前控股公司新昌集團控股有限公司之高層管理人員，並成立及協調該公司之室內裝飾及特殊項目部門。彼擁有逾29年之項目規劃與監控、樓宇建造及整理、成本控制、翻新與室內裝飾工程經驗。

PROFILES OF DIRECTORS 董事之簡介



MR. STEPHEN IP SHU KWAN

GBS, JP (aged 65)

Mr. Stephen Ip Shu Kwan (“Mr. Ip”) has been appointed as an Independent Non-executive Director since 27 September 2008. He is the chairman of the Remuneration Committee, a

member of the Nomination Committee and the Special Committee.

Mr. Ip joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Hong Kong Special Administrative Region Government as a Principal Official from July 1997 to June 2007. Senior positions held by Mr. Ip in the past included Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services.

Mr. Ip took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees’ rights. Mr. Ip retired from the Hong Kong Government in July 2007.

Mr. Ip was awarded the Gold Bauhinia Star from the Hong Kong Government in 2001, and is an unofficial Justice of the Peace. Mr. Ip graduated from the University of Hong Kong with a degree in Social Sciences in 1973.

Mr. Ip is an independent non-executive director of China Resources Cement Holdings Limited, Kingboard Laminates Holdings Limited, Lai Sun Development Company Limited and Luk Fook Holdings (International) Limited, all of which are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

He was an independent non-executive director of Milan Station Holdings Limited, PICC Property and Casualty Company Limited, United Photovoltaics Group Limited (formerly known as Goldpoly New Energy Holdings Limited), Viva China Holdings Limited and Yangtze China Investment Limited.

葉澍堃先生

GBS, JP (65歲)

葉澍堃先生(「葉先生」)自2008年9月27日起獲委任為獨立非執行董事。彼為薪酬委員會主席、提名委員會及特別委員會之成員。

葉先生於1973年11月加入香港政府，並於1997年4月晉升至局長職級。彼由1997年7月至2007年6月出任香港特別行政區政府主要官員。葉先生於過去曾出任之高層職位包括保險業監理專員、勞工處處長、經濟局局長及財經事務局局長。

葉先生自2002年7月1日起出任經濟發展及勞工局局長。在經濟發展方面，葉先生之職責範疇包括海空交通、物流發展、旅遊、能源、郵政服務、氣象服務、競爭及保障消費者權益。彼亦負責處理包括就業服務、勞資關係及僱員權益等勞工政策事宜。葉先生於2007年7月退休離開香港政府。

葉先生於2001年獲香港政府頒授金紫荊星章及獲委任為非官守太平紳士。葉先生於1973年畢業於香港大學社會科學系。

葉先生為華潤水泥控股有限公司、建滔積層板控股有限公司、麗新發展有限公司及六福集團(國際)有限公司之獨立非執行董事，上述公司均於香港聯合交易所有限公司(「聯交所」)上市。

彼曾為米蘭站控股有限公司、中國人民財產保險股份有限公司、聯合光伏集團有限公司(前稱金保利新能源有限公司)、非凡中國控股有限公司及Yangtze China Investment Limited之獨立非執行董事。

PROFILES OF DIRECTORS

董事之簡介



MR. KAN FOOK YEE

GBS, SBS (aged 80)

Mr. Kan Fook Yee (“Mr. Kan”) has been appointed as an Independent Non-executive Director since 27 September 2008. He is also the chairman of the Nomination Committee and the Special Committee, and a member of the Audit Committee and the Remuneration Committee.

Mr. Kan has ceased his barrister practice from 1 September 2014 and is now the principal and proprietor of F.Y. Kan Property Consultancy & ADR Services Co.

Mr. Kan continues to hold his membership as a Fellow Member of the Hong Kong Institute of Surveyors and a Fellow Member of the Chartered Institute of Arbitrators.

簡福飴先生

GBS, SBS (80歲)

簡福飴先生(「簡先生」)自2008年9月27日起獲委任獨立非執行董事。彼亦為提名委員會及特別委員會之主席、審核委員會及薪酬委員會之成員。

簡先生自2014年9月1日起已不再為執業大律師，彼現在為簡福飴地產顧問及調解事務所之主人及經營者。

簡先生繼續持有其香港測量師學會資深專業會員及特許仲裁司學會資深會員的資格。



MR. WONG TSAN KWONG

OBE, QPM, CPM (aged 71)

Mr. Wong Tsan Kwong (“Mr. Wong”) has been appointed as an Independent Non-executive Director since 27 September 2008. He is also a member of the Audit Committee and the Special Committee.

Mr. Wong joined the Hong Kong Police Force as an inspector in 1963 and was appointed as Deputy Commissioner in July 1994. He retired from active service in January 2001.

Mr. Wong has attended professional courses overseas including FBI National Academy in Quantico, United States, Henley Management College in United Kingdom and Royal College of Defence Studies in the United Kingdom.

Mr. Wong was the director of Sunbase International (Holdings) Limited from 2001 to 2008 and he was also a director of Sunbase International Properties Management Limited from 2003 to 2008. He was a board-appointed member of the Disciplinary Committee of the Estate Agents Authority from 2007 to 2014.

黃燦光先生

OBE, QPM, CPM (71歲)

黃燦光先生(「黃先生」)自2008年9月27日起獲委任為獨立非執行董事。彼亦為審核委員會及特別委員會之成員。

黃先生於1963年加入香港警隊擔任督察，並於1994年7月晉升為警務處副處長。彼於2001年1月退休。

黃先生曾於海外修讀多項深造專業課程，包括美國Quantico之聯邦調查局國家學院、英國亨利管理學院及英國皇家國防學院。

自2001年至2008年，黃先生為新恒基國際(集團)有限公司之董事，並自2003年至2008年為新恒基國際物業管理有限公司之董事。彼曾於2007年至2014年擔任地產代理監管局紀律委員會委任成員。

PROFILES OF DIRECTORS

董事之簡介



MR. DAVID YU HON TO

(aged 69)

Mr. David Yu Hon To ("Mr. Yu") has been appointed as an Independent Non-executive Director since 27 September 2008. He is also the chairman of the Audit Committee and a member of the Special Committee.

Mr. Yu is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in the fields of auditing, corporate finance, financial investigation and corporate management. He was formerly a partner of an international accounting firm.

He is currently an independent non-executive director of several other companies listed on the Stock Exchange, namely China Renewable Energy Investment Limited, China Resources Gas Group Limited, Haier Electronics Group Co., Ltd., Keck Seng Investments (Hong Kong) Limited, Media Chinese International Limited, One Media Group Limited and Playmates Holdings Limited. Mr. Yu is also an independent non-executive director of New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust).

Mr. Yu was formerly an independent non-executive director of Bracell Limited (formerly known as Sateri Holdings Limited), Crown International Corporation Limited (formerly known as VXL Capital Limited) and Great China Holdings Limited.

俞漢度先生

(69歲)

俞漢度先生(「俞先生」)自2008年9月27日起獲委任為獨立非執行董事。彼亦為審核委員會之主席及特別委員會之成員。

俞先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。彼於審計、企業融資、財務調查以及企業管理方面擁有豐富經驗，彼亦曾為一間國際會計師行之合夥人。

彼目前為其他多家聯交所上市公司之獨立非執行董事，包括中國再生能源投資有限公司、華潤燃氣控股有限公司、海爾電器集團有限公司、激成投資(香港)有限公司、世界華文媒體有限公司、萬華媒體集團有限公司及彩星集團有限公司。俞先生亦為開元資產管理有限公司(開元產業投資信託基金的管理人)之獨立非執行董事。

俞先生曾為Bracell Limited(前稱賽得利控股有限公司)、皇冠環球集團有限公司(前稱卓越金融有限公司)及大中華集團有限公司之獨立非執行董事。

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介



MR. WILLIAM YEUNG WAI LING

MBA, BSSc, MRICS, (aged 61)

Mr. William Yeung Wai Ling ("Mr. Yeung") joined the Group as Chief Operation Officer with effect from 5 April 2016. He subsequently was re-designated

to Managing Director for the property and facility management business of the Company with effect from 29 June 2016.

Mr. Yeung is a director of certain subsidiaries of the Company and mainly responsible for strategic planning and implementation, business development, as well as monitoring and improving operational management of the Group.

Mr. Yeung has over 31 years of senior management experience in both Hong Kong and Mainland China. He held senior positions in a number of Hong Kong companies listed on the Main Board.

Mr. Yeung holds a Bachelor's degree in Social Sciences from the University of Hong Kong and a Master's degree in Business Administration from the Chinese University of Hong Kong. He is also a member of Royal Institute of Chartered Surveyors (MRICS).



MR. WILSON WONG SIU KWAN

(aged 58)

Mr. Wilson Wong Siu Kwan ("Mr. Wong") is the Deputy Managing Director (China) and a director of certain subsidiaries of the Company. He is responsible for

the overall strategic planning, business development and management operations of the real estate service business in Mainland China. He is a member of the Royal Institution of Chartered Surveyors and the Chartered Institute of Housing. Mr. Wong joined the Group in 2009 and has over 38 years of extensive experience in real estate service in Hong Kong, Taiwan and Mainland China.

楊威寧先生

MBA, BSSc, MRICS, (61歲)

楊威寧先生(「楊先生」)於2016年4月5日加入本集團出任首席營運總監一職，其後楊先生於2016年6月29日調任為本公司物業及設施管理業務之董事總經理。

楊先生為本公司之若干附屬公司之董事及主要負責戰略規劃及實施、業務發展以及監察並提升本集團的營運管理。

楊先生於香港及中國內地共擁有超過31年的高級管理經驗。彼曾在多間於主板上市的香港公司擔任高級職務。

楊先生持有香港大學社會學學士學位及香港中文大學工商管理碩士學位。彼亦為英國皇家特許測量師學會會員(MRICS)。

王少軍先生

(58歲)

王少軍先生(「王先生」)為副董事總經理(中國)及本公司之若干附屬公司之董事。彼負責中國內地房地產業務之整體策略規劃、發展及管理營運。彼為英國皇家特許測量師學會會員及英國特許房屋經理學會會員。王先生於2009年加入本集團，並於香港、臺灣及中國內地之房地產服務擁有超過38年豐富經驗。

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介



MR. TERENCE NG CHUN MAN

(aged 51)

Mr. Terence Ng Chun Man ("Mr. Ng") joined the Group as Director – Ancillary Services Business. He is also a director of certain subsidiaries of the Company and responsible for the strategic

planning, business development and overall operation of the business.

Mr. Ng obtained a Bachelor Degree of Social Sciences from the University of Hong Kong. He has been a director of Business Environment Council (BEC) and the vice chairman of the Federation of Environmental and Hygienic Services (FEHS). He is also a member of Hong Kong Professionals and Senior Executives Association (HKPASEA). Mr. Ng has over 21 years experience in top management position including ancillary services business management in listed companies.



MR. NELSON HO SIU LEUNG

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty
(aged 51)

Mr. Nelson Ho Siu Leung ("Mr. Ho") joined the Group on 11 May 2016 as a director of Synergis Facility Management Limited, responsible for the overall strategic

planning, business development and management operation of the facility management business.

Mr. Ho graduated from the Hong Kong Polytechnic University and qualified as a Chartered Building Surveyor and Chartered Project Management Surveyor. He is also a green building expert and appointed as a member of Green Building Faculty of Hong Kong Green Building Council and a nominated director of the Beam Society Limited. He is a founding director and the past president of the Hong Kong Institute of Facility Management and a founding director and the founding chairman of buildingSMART Hong Kong. Mr. Ho contributes much of his time to public service and is currently a member (2012–2018) of the Appeal Tribunal Panel (Building) of the Development Bureau, Task Force Member (since 2012) of the Task Force on Energy Management System (EnMS) Certification of the Hong Kong Accreditation Service, Innovation and Technology Commission and a member (2011–2017) of the Panel of Advisors on Building Management Disputes, Home Affairs Department.

伍振民先生

(51歲)

伍振民先生(「伍先生」)加入本集團出任董事 – 集團附屬公司業務一職。彼亦為本公司之若干附屬公司之董事及主要職務包括制定有關業務發展方針與策略、開拓業務及管理一切有關業務之營運。

伍先生持有香港大學社會科學學士，彼曾為商界環保協會(BEC)董事及中港澳環衛總商會(FEHS)副主席。彼亦為香港專業及資深行政人員協會(HKPASEA)會員。伍先生擁有超過21年高層管理經驗，當中包括管理上市集團附屬公司業務。

何少亮先生

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty (51歲)

何少亮先生(「何先生」)於2016年5月11日加入本集團出任新昌設施管理有限公司董事，負責設施管理業務的整體策略規劃、業務發展及管理營運。

何先生畢業於香港理工大學，持有特許建築測量師及特許項目管理測量師資格。彼亦為香港綠色建築議會一名綠色建築專家，並已獲委任為建築環保評估協會理事。彼為香港設施管理學會的創會理事及前會長與「型建香港議會」創會理事及創會主席。何先生身兼多項公職，現為發展局上訴審裁小組(建築物)的現任成員(2012–2018年)，創新科技署轄下香港認可處的能源管理系統(EnMS)認證工作小組成員(自2012年起)，及民政事務總署大廈管理糾紛顧問小組成員(2011–2017年)。

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介

Mr. Ho possesses over 28 years of experience in the project and facility management industry and had served in various renowned developers, major consulting firms and public organisations in Hong Kong. Prior to joining the Group, Mr. Ho had established recognition from the facility management industry. During his service in the Hong Kong Academy for Performing Arts, his team won the United Nations' Cultural Award in Heritage in 2008 with the restoration project of the Bethanie. During his service in the Hong Kong Science and Technology Parks Corporation, his team won the HKIFM EFMA Grand Award twice in 2012 and 2015 and the HKIS QPFMA Grand Award in 2011, and is the Winner of Sustainability Initiative of the RICS Hong Kong Property Award 2012, the Winner of Building Surveyors Award 2015 in the Maintenance and Repair Works (Client's Representative) Category. Moreover, Mr. Ho had led his team to certify for Hong Kong's first ISO 50001 Energy Management System in 2011 for the Hong Kong Science Park.

何先生於項目及設施管理行業具有逾28年的經驗，曾在香港多間著名發展商、大型顧問公司及公營機構服務。加入本集團前，何先生已於業界獲得高度認可。彼於任職香港演藝學院期間，團隊於2008年憑伯大尼修院之復修項目，勇奪聯合國文物古蹟保護獎，於任職香港科技園公司期間，其團隊兩奪香港設施管理學會卓越設施管理獎(2012及2015年)，並於2011年贏取香港測量師學會優質物業設施管理大獎，勝出皇家特許測量師學會2012香港房地產年度大獎的可持續發展策劃團隊獎，及贏取香港測量師學會建築測量師大獎2015之保養及維修工程(客戶代表)組別優勝獎。另外，何先生領導的團隊於2011年為香港科學園取得香港首個ISO 50001能源管理體系認證。



MR. DAVID CHAN TAT WAI

(aged 57)

Mr. David Chan Tat Wai, ("Mr. Chan") is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interior and special projects business.

Mr. Chan is also responsible for the business development and project monitoring of certain alterations and additions works, renovation works, fitting-out works, façade works and special projects. He is a member of the Chartered Institute of Building and Hong Kong Institute of Construction Managers.

Mr. Chan joined interiors and special projects division in 2010 and has over 35 years of experience in project planning and monitoring, building construction and coordination, estimating and budgeting, cost control, procurement, renovation and fitting-out works.

陳達偉先生

(57歲)

陳達偉先生(「陳先生」)為本公司之若干附屬公司之董事及負責室內裝飾及特殊項目的整體策略規劃、業務發展及管理營運。

陳先生亦負責多個改建及加建工程、翻新工程、室內裝飾工程、幕牆及覆面工程，以及特殊項目工程之業務發展及項目監控。陳先生為英國特許建造學會會員及香港營造師學會會員。

陳先生於2010年加入室內裝飾及特殊項目部門，並已積逾35年之項目規劃與監控、樓宇建造及整理、估價及預算、成本控制、採購、翻新與室內裝飾工程經驗。

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介



MR. DANNY TSUI CHI HOU

(aged 52)

Mr. Danny Tsui Chi Hou ("Mr. Tsui") is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interior

and special projects business.

Mr. Tsui graduated from the United Kingdom and qualified as a member of each of Royal Institution of Chartered Surveyors, Chartered Association of Building Engineers and Hong Kong Institute of Surveyors since his graduation. He is also an authorised person and registered inspector under the Hong Kong Buildings Ordinance. Mr. Tsui is currently appointed as a member (2015–2018) of the Appeal Tribunal Panel (Buildings) under the Planning and Lands of the Development Bureau of the Government Secretariat.

Mr. Tsui possesses over 29 years of experience in the building construction industry in the areas of project planning, design and construction management with exposure in Hong Kong, Macau, Mainland China and South East Asia. He has been involved in various mega sized projects including several entertainment projects in Macau, theme park and property developments in Singapore, numerous international brand hotel developments in various provinces of Mainland China, and a wide range of new build, fitting-out, and alterations and additions work projects in Hong Kong territory.



MR. YU CHI WING

(aged 49)

Mr. Yu Chi Wing ("Mr. Yu") is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interior and special projects business.

Mr. Yu is also responsible for the business development, tendering, project monitoring and commercial issues of all alteration and addition works, renovation works, fitting-out works, conservation and revitalisation works and special projects. Before joining the Group, Mr. Yu had worked for over 24 years in Hsin Chong Group Holdings Limited, the former holding company of the Group and was its senior staff member. He has over 28 years of experience in building construction and coordination, cost control, renovation and fitting-out works.

徐智豪先生

(52歲)

徐智豪先生(「徐先生」)為本公司之若干附屬公司之董事及負責室內裝飾及特殊項目的整體策略規劃、業務發展及管理營運。

徐先生畢業於英國，其後取得英國皇家特許測量師學會、英國皇家特許建築工程師學會及香港測量師學會之各自會員資格。徐先生亦是香港建築物條例轄下之註冊認可人士及註冊檢驗人員。徐先生現為政府總部發展局規劃地政科轄下之上訴審裁團(建築物)成員(2015–2018)。

徐先生擁有逾29年之建築項目策劃及項目管理之經驗，往績經驗涵蓋香港、澳門、中國內地以及東南亞等地。彼曾參與多個大型項目包括位於澳門之娛樂場、新加坡之主題公園及物業發展項目、於中國多個不同省份的國際酒店集團之發展項目以及在香港林林總總不同之新建、室內裝飾和改建及加建工程等等。

余志榮先生

(49歲)

余志榮先生(「余先生」)為本公司之若干附屬公司之董事及負責室內裝飾及特殊項目的整體策略規劃、業務發展及管理營運。

余先生亦負責所有改建及加建工程、翻新工程、室內裝飾工程、保育及活化工程，以及特殊項目工程之業務發展、投標事務、項目監控及商務事宜。加入本集團前，余先生曾於本集團前控股公司新昌集團控股有限公司服務逾24年並為其高級人員。彼擁有逾28年之樓宇建造及整理、成本控制、翻新與室內裝飾工程經驗。

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介



MS. CECILIA CHIU MEI ZIN

(aged 58)

Ms. Cecilia Chiu Mei Zin ("Ms. Chiu") is a director of certain subsidiaries of the Company and responsible for overall strategic planning, business development and operation of the Group's procurement and supply chain services.

Ms. Chiu is a member of the Chartered Institute of Procurement & Supply of the United Kingdom and a member of Institute of Purchasing & Supply of Hong Kong. Being a procurement and supply chain professional, Ms. Chiu possesses over 30 years of solid procurement and supply chain experience at top management capacity regionally and globally in several multi-national listed companies.

She was the head in charge of procurement and supply chain for different industries, majority of which are construction and hospitality industries including various sizeable construction projects in Hong Kong, Macau, Mainland China and South East Asia plus several mega integrated resort projects in Las Vegas, Macau and Singapore.



MS. MANDY HUI SUK MAN

MBA, FCCA, CPA
(aged 41)

Ms. Mandy Hui Suk Man ("Ms. Hui") is the financial controller of the Group and is also a director of certain subsidiaries of the Company. She is a Certified Public Accountant in Hong Kong.

Ms. Hui is responsible for overseeing the finance and accounting operations, budgetary control, group financial control and treasury management. She also assists the Board for merger and acquisition projects. She has over 18 years of experience in corporate accounting, financing and taxation. Ms. Hui joined the Group in 2006 and prior to that, she got extensive experience in both audit and accounting. She is also responsible to company secretarial practice of the Group and is the primary corporate contact person of Company Secretarial function for the Company. Ms. Hui holds a Master's Degree of Business Administration from Hong Kong Baptist University. She is a fellow member of The Association of Chartered Certified Accountants and also a member of Hong Kong Institute of Certified Public Accountant.

趙美仙女士

(58歲)

趙美仙女士(「趙女士」)為本公司之若干附屬公司之董事及負責本集團採購及供應鏈服務的整體策略規劃、業務發展及營運。

趙女士為英國特許採購及供應學會會員及香港採購供應專業協會會員。趙女士為採購及供應鏈的專業人員，在採購及供應鏈範疇擁有逾30年豐富高層管理經驗，先後任職於多家跨國上市公司亞洲及全球範圍的業務。

彼曾擔任多種不同行業的採購及供應鏈業務主管，大部分屬建造業及綜合渡假酒店業，包括多個香港、澳門及東南亞大型建築工程項目，以及位於拉斯維加斯、澳門及新加坡的若干大型綜合渡假村項目。

許淑敏女士

MBA, FCCA, CPA
(41歲)

許淑敏女士(「許女士」)為本集團財務總監，亦為本公司多間附屬公司的董事。彼為香港註冊會計師。

許女士負責監督財務及會計運作，預算控制、集團財務監控及庫務管理，亦協助董事會的併購項目。彼於企業會計、融資及稅務積累逾18年的經驗。許女士在2006年加盟本集團，在此之前彼於核數及會計擁有深厚資歷。彼亦負責本集團公司秘書實務工作，為本公司公司秘書職能的主要企業聯絡人士。許女士擁有香港浸會大學工商管理碩士學位，並為特許公認會計師公會的資深會員及為香港會計師公會的會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company recognises the interests of and its responsibility to one of its most important stakeholders – the shareholders. Synergis is committed to upholding high standards of corporate governance as a means of protecting and enhancing shareholder value and ensuring the integrity of operations of the Group. Synergis's corporate governance standards are built on the principles of independence, accountability, transparency and fairness with an appropriate system of checks and balances.

CORPORATE GOVERNANCE CODE

The Company has applied the principles of the code provisions and certain recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Throughout the year ended 31 December 2016, the Company has fully complied with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct for regulating securities transactions by the Directors. Having been made specific enquiry by the Company, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2016.

The Board has further adopted the Model Code as the written guidelines for regulating securities transactions by the senior management (whose names appear in the annual report of the Company) and certain employees (collectively, the "Relevant Employees") of the Group. The Board believes that the Relevant Employees may, by virtue of their positions, likely be in possession of unpublished inside information of the Group.

本公司深明股東是最重要之持份者之一，並對股東承擔責任。新昌管理致力維持高度企業管治水平，以保障及提升股東價值，同時確保本集團誠實公正運作。新昌管理的企業管治標準建基於獨立性、問責性、透明度及公平性原則，並制訂完善檢討及平衡制度。

企業管治守則

本公司應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之《企業管治守則》及《企業管治報告》（「企業管治守則」）所載各項守則條文之原則及若干建議最佳常規。

於截至2016年12月31日止整個年度內，本公司已全面遵守企業管治守則之所有守則條文。

董事進行證券交易之標準守則

董事會已採納上市規則附錄10所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為其規管董事進行證券交易之操守準則。經本公司作出特定查詢後，所有董事均確認彼等於截至2016年12月31日止年度內一直遵守標準守則所規定之標準。

董事會進一步採納標準守則作為規管本集團高層管理人員（彼等名稱出現於本公司年報）及若干僱員（統稱「有關僱員」）進行證券交易之書面指引。董事會相信有關僱員可憑藉本身職位取得本集團未公開之內幕消息。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Composition

During the year ended 31 December 2016 and up to the date of this annual report, the Board comprised six Directors, including two Executive Directors and four Independent Non-executive Directors.

The names of the Directors are set out below:

Executive Directors

- Mr. Kingston Chu Chun Ho (*Chairman*)
(appointed with effect from 9 March 2017)
- Mr. Terence Leung Siu Cheong
(*Deputy Chairman and Managing Director*)
(appointed as Deputy Chairman with effect from 9 March 2017)
- Mr. Joseph Choi Kin Hung (*Former Chairman*)
(resigned with effect from 9 March 2017)
- Mr. Lui Chun Pong
(resigned with effect from 9 March 2017)
- Ms. Brenda Yau Shuk Mee (*Former Managing Director*)
(resigned with effect from 29 June 2016)

Independent Non-executive Directors

- Mr. Stephen Ip Shu Kwan
- Mr. Kan Fook Yee
- Mr. Wong Tsan Kwong
- Mr. David Yu Hon To

An updated list of directors identifying their roles and functions is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.synergis.com.hk).

Coming from diverse businesses and professional backgrounds, the Board members possess a balance of skills and expertise appropriate for the requirements of the business of the Group and they are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Save as disclosed in the Profiles of Directors set out on pages 27 to 31 of this annual report, there is no relationship among Board members.

董事會

組成

於截至2016年12月31日止年度內及直至本年報日期，董事會由6名董事組成，包括2名執行董事及4名獨立非執行董事。

各董事姓名載列如下：

執行董事

- 朱俊浩先生 (*主席*)
(自2017年3月9日起獲委任)
- 梁兆昌先生
(*副主席兼董事總經理*)
(自2017年3月9日起獲委任為副主席)
- 蔡健鴻工程師 (*前主席*)
(自2017年3月9日起辭任)
- 呂振邦先生
(自2017年3月9日起辭任)
- 游淑眉女士 (*前董事總經理*)
(自2016年6月29日起辭任)

獨立非執行董事

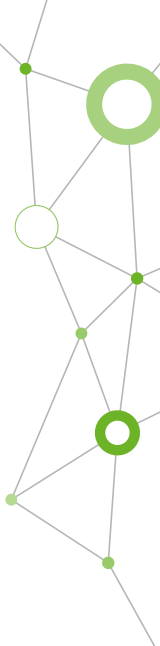
- 葉澍堃先生
- 簡福飴先生
- 黃燦光先生
- 俞漢度先生

董事名單更新版本可於聯交所網站 (www.hkexnews.hk) 及本公司網站 (www.synergis.com.hk) 供查閱，當中會列明各董事之職能及責任。

董事會成員來自不同行業及專業背景，具備切合本集團業務需要的全面技能及專業知識。彼等共同負責領導及監督本公司的事務，以協助本公司成功發展。除於本年報第27頁至第31頁所載董事之簡介所披露者外，董事會成員之間並無任何關係。

CORPORATE GOVERNANCE REPORT

企業管治報告



The Company currently has four Independent Non-executive Directors representing more than one-third of the total number of Board members and is in compliance with the requirement under Rule 3.10 of the Listing Rules. The views of the Independent Non-executive Directors carry weight in the Board's decisions, and their participation helps the Board exercise judgment, make decisions and act objectively in the interests of the Company and its shareholders as a whole.

Each of the Independent Non-executive Directors has given to the Company an annual confirmation of independence in compliance with Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are and have remained independent. Mr. David Yu Hon To, chairman of the Audit Committee, has the appropriate accounting and financial management expertise required under Rule 3.10(2) of the Listing Rules.

The Board members, including the names of all the Independent Non-executive Directors, are expressly identified in all corporate communications which disclose the names of the Directors of the Company.

Functions

The Board has an ultimate oversight of the Group's activities. Its primary functions are to set and direct the Company's strategy and to monitor and measure the management's performance. It is accountable for the overall strategic development of the Group with the objective to enhance shareholder value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group, business plans, annual budgets, significant capital expenditure, interim and annual results and reports, dividend policy and payments, material acquisitions, disposals or investment proposals, directors' appointments, re-appointments or removal, and other material transactions.

The Board has delegated certain of its responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee, Special Committee and Executive Committee. It has also delegated the day-to-day operations of the Group's business to the senior management. Delegation of duties to the Board committees and daily business operations to the management are discussed on pages 45 to 53 of this report.

本公司現時有4名獨立非執行董事，佔董事會成員總人數三分之一以上，符合上市規則第3.10條之規定。獨立非執行董事之意見於董事會決策中極具影響力，彼等幫助董事會行使判斷、作出決定及採取符合本公司與其股東整體利益之客觀行動。

各位獨立非執行董事已遵照上市規則第3.13條之規定就彼等之獨立性向本公司提交年度確認函。本公司認為所有獨立非執行董事現時及一直保持獨立。審核委員會主席俞漢度先生具備上市規則第3.10(2)條所規定的合適會計及財務管理專長。

董事會成員(包括各獨立非執行董事的姓名)均明確地載列於所有披露本公司董事姓名的企業通訊中。

職能

董事會為本集團業務之最高監督組織，其主要職能為制定本公司之策略並提供指引，亦同時監察及評估管理層之表現，並負責本集團之整體策略發展，以致力提升股東價值為目標。所有重大事宜均留待董事會考慮或決定，有關事宜包括(其中包括)本集團整體策略；業務計劃；年度預算；重大資本開支；中期與年度業績及報告；股息政策及分派；重大收購、出售或投資建議；委任、重新委任或罷免董事；及其他重大交易。

董事會已將其若干責任轉授予審核委員會、薪酬委員會、提名委員會、特別委員會以及執行委員會。董事會亦已授權高層管理人員處理本集團業務之日常營運。有關轉授職責予董事會轄下的委員會及授權管理層處理日常營運之詳情，將於本報告第45至第53頁討論。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman of Board and Managing Director

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Ir Joseph Choi Kin Hung was the Chairman of the Board until 8 March 2017, and Mr. Kingston Chu Chun Ho has been appointed to replace him as the Chairman of the Board with effect from 9 March 2017. On the other hand, Mr. Terence Leung Siu Cheong has been appointed as a Managing Director of the Company with effect from 5 April 2016.

At all times, the chairmen and chief executives are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. The Chairman of the Board provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in code provision A.2 of the CG Code. The Managing Director has the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations. The duties of the Chairman and the Managing Director are set out in their respective service agreements entered into with the Company.

With the support from the Executive Directors and the Company Secretary, the Chairman of the Board ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information on a timely manner.

Appointment, Re-election and Removal of Directors

The Board has assumed the responsibility to consider the appointment, re-election and removal of the Directors. The Board set up a Nomination Committee in 2011 to recommend the appointment, re-election and removal of the Directors.

All the Independent Non-executive Directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the bye-laws of the Company ("Bye-laws"), including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings of the Company at least once every three years. The term is renewable upon expiry.

董事會主席及董事總經理

企業管治守則之守則條文第A.2.1條訂明，主席及行政總裁之職能必須分開，且不可由同一人兼任。主席及行政總裁之責任分工應以書面形式清楚列明。蔡健鴻工程師擔任董事會主席直至2017年3月8日，而朱俊浩先生自2017年3月9日起獲委任為董事會主席接替蔡工程師。此外，梁兆昌先生獲委任為本公司董事總經理，自2016年4月5日起生效。

主席及行政總裁之間一直並無任何關係及彼等之責任有明確區分，以確保權力及職權的平衡。董事會主席領導董事會制訂政策及策略，以及履行企業管治守則守則條文第A.2條所載的職責。董事總經理負責實行董事會通過之所有決定、政策及策略，並監察本集團之業務及營運。主席及董事總經理的職責分別載於彼等各自與本公司訂立之服務協議內。

在執行董事及公司秘書的協助下，董事會主席確保在董事會會議上所有董事均適當知悉當前的事項，並適時收到充份且完備及可靠的資料。

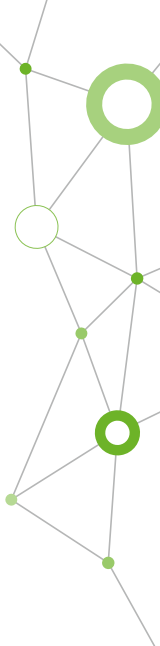
委任、重選及罷免董事

董事會負責考慮委任、重選及罷免董事。董事會於2011年設立提名委員會，就董事之委任、重選及罷免作出建議。

所有獨立非執行董事均與本公司簽訂任期為3年之委任函，惟須遵守上市規則及本公司細則（「細則」）之規定，包括最少每3年一次於本公司股東周年大會上輪席告退並膺選連任或尋求重選連任之規定。於任期屆滿後可予續期。

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Any new Director to be appointed by the Company shall be provided with information on duties and obligations of director, relevant regulatory requirements and the Group's business affairs. All Directors appointed to fill a casual vacancy would be subject to election by shareholders at the first general meeting of the Company after appointment.

Board Meetings

Regular Board meetings are held at least four times a year at approximately quarterly intervals. Tentative dates of regular Board meetings for next year are scheduled approaching the end of each calendar year in order to facilitate the Directors to plan for attendance of the meetings. Additional Board meetings will be convened, as and when required, to deal with ad hoc issues. Any Director who is not able to present physically may participate at any Board meeting through electronic means of communication, such as conference telephone or other similar communication equipment, in accordance with the Bye-laws.

Board Proceedings

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings. The Company Secretary assists the Chairman of the Board to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director not less than three days before the date of a Board meeting to enable the Directors to make informed decisions on the matters to be discussed, except where a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

The Company Secretary is responsible for taking minutes of the Board meetings, drafts and final versions of which will be circulated to Directors for comment and records, respectively, and in both cases, within a reasonable time after each meeting. Minutes recorded in sufficient detail the matters considered by the Board at the meeting and decisions reached, including any concerns raised by the Directors or dissenting view (if any) expressed. Minutes of Board meetings are kept by the Company Secretary and open for inspection to any Director on request.

任何獲本公司委任之新董事，將獲提供有關董事職責及責任、相關監管規則及本集團業務之資料。所有為填補臨時空缺而獲委任之董事須於獲委任後之首次本公司股東大會上經股東選舉。

董事會會議

董事會定期會議每年最少舉行4次，約每季一次。翌年董事會定期會議之暫定舉行日期將於每年近年底時編訂，以便董事安排出席有關會議。董事會亦將於有需要時召開額外的董事會會議，以處理突發事務。根據細則之規定，任何未能親身出席董事會會議之董事，可透過電話會議或其他類似通訊設備等電子通訊方式參與董事會會議。

董事會程序

董事會定期會議之通告於會議召開前最少14日發出，而董事會其他會議之通告則於合理時間內發出。公司秘書負責協助董事會主席擬備會議通告及議程。每位董事皆有機會將任何事項納入議程之內。在舉行董事會會議前最少3日，送出會議議程及其他具備充足可靠資料之會議文件予每位董事（除非董事會會議於緊急情況下召開以考慮任何緊急突發事項），使董事能夠就提出的事項作出知情決定。

公司秘書須負責撰寫董事會會議記錄，其初稿及最終稿須在每次董事會會議結束後的合理時間內發送予董事評議，而最終稿則予以存檔。會議記錄須對董事會會議上各董事所考慮的事項及達致的決定作出足夠詳細之記錄，其中包括董事提出之任何關注事項或表達之異議（如有）。董事會會議記錄由公司秘書備存，並按要求公開予任何董事查閱。

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All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations are followed. Directors have full and timely access to all relevant information, including reports from the Board committees and reports from the management. They are also provided with updates on the latest developments of the Listing Rules and other relevant legal and regulatory changes and matters of relevance to the Directors in discharging their duties as and when appropriate.

To assist the Directors to discharge their duties, the Board has adopted written procedures in case any Director wishes to seek independent professional advice at the Company's expenses.

Board approval is also given by circulation of resolution in writing pursuant to the Bye-laws on urgent matter which requires decision in a tight timeframe and hence convening a Board meeting is difficult or not practicable. In the case where a resolution in writing is circulated, sufficient information and explanatory materials will also be provided to the Directors at the same time. These written resolutions were tabled for the Directors' review at the next following Board meeting so that Directors were given the opportunity to raise any further comment (if any) on the relevant matters.

If a substantial shareholder or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board determines to be material, the Board will hold a meeting (as long as time is allowed to convene a Board meeting) to consider the relevant matter first before any subsequent approval is given by way of circulation of resolution in writing.

Appropriate insurance cover on Directors' and officers' liabilities has been arranged to protect the Directors and officers of the Group.

所有董事均有聯絡公司秘書之途徑，而公司秘書有責任確保董事會程序獲依循及所有適用規則及規例均獲遵守。董事均可適時全面取得所有相關資料，包括董事會轄下的委員會之報告及管理層之報告。彼等亦獲適時提供有關上市規則之最新發佈及其他有關法例及監管規例變動之最新信息，以及與董事履行彼等職責有關之事宜。

為協助董事履行彼等之職責，董事會已採納書面程序，讓任何董事可尋求獨立專業意見，費用則由本公司支付。

如有緊急事項須於緊迫時限內作出決定，並因此難以或不能召開董事會會議，則根據細則，董事會可透過傳閱書面決議方式批准有關事項。在傳閱書面決議時，充分之資料及說明材料亦將同時提供予董事。所有該等書面決議均於獲通過後之下一次董事會會議上提呈董事省覽，使董事有機會就有關事項提出任何進一步意見(如有)。

若有主要股東或董事在某一事項(包括與關連人士的重大交易)中存有董事會認為重大的利益衝突時，董事會將首先舉行會議(只要在時間上容許召開董事會會議)以考慮有關事項，隨後才會透過以傳閱書面決議方式給予任何批准。

本集團已購買適當之董事及高級職員責任保險，為其董事及高級職員提供保障。

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Attendances of Meetings

Six Board meetings, two Audit Committee Meetings, four Remuneration Committee meetings, two Nomination Committee meetings and one general meeting were held during the year ended 31 December 2016. Attendances of these meetings by Directors are set out below:

會議出席情況

於截至2016年12月31日止年度內，曾經舉行6次董事會會議、2次審核委員會會議、4次薪酬委員會會議、2次提名委員會會議及1次股東大會。下表載列董事出席該等會議之情況：

Name of Directors	董事姓名	Meetings attended/Eligible to attend					
		Board	Audit Committee	Remuneration Committee	Nomination Committee	Special Committee	General Meeting
		董事會	審核委員會	薪酬委員會	提名委員會	特別委員會	股東大會
Chairman	主席						
Joseph Choi Kin Hung ¹	蔡健鴻 ¹	6/6	n/a	4/4	2/2	n/a	1/1
Executive Directors	執行董事						
Terence Leung Siu Cheong	梁兆昌	6/6	n/a	n/a	n/a	n/a	1/1
Lui Chun Pong ²	呂振邦 ²	6/6	n/a	n/a	n/a	n/a	1/1
Brenda Yau Shuk Mee ³	游淑眉女士 ³	1/2	n/a	n/a	n/a	n/a	0/1
Independent Non-executive Directors	獨立非執行董事						
Stephen Ip Shu Kwan	葉澍堃	6/6	n/a	4/4	2/2	n/a	1/1
Kan Fook Yee	簡福飴	6/6	2/2	4/4	2/2	n/a	1/1
Wong Tsan Kwong	黃燦光	6/6	2/2	n/a	n/a	n/a	1/1
David Yu Hon To	俞漢度	6/6	2/2	n/a	n/a	n/a	1/1

1 Ir. Joseph Choi Kin Hung resigned as an Executive Director and the Chairman with effect from 9 March 2017.

2 Mr. Lui Chun Pong resigned as an Executive Director with effect from 9 March 2017.

3 Ms. Brenda Yau Shuk Mee resigned as an Executive Director and Managing Director with effect from 29 June 2016.

n/a: not applicable

1 蔡健鴻工程師已辭任執行董事兼主席，自2017年3月9日起生效。

2 呂振邦先生已辭任執行董事，自2017年3月9日起生效。

3 游淑眉女士已辭任執行董事及董事總經理，自2016年6月29日起生效。

n/a: 不適用

During the year under review, the Chairman of the Board also held meetings with the Independent Non-executive Directors without the Executive Directors present.

於回顧年度，董事會主席亦與獨立非執行董事在沒有執行董事出席下召開會議。

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All Independent Non-executive Directors attended the annual general meeting of the Company held on 20 May 2016.

企業管治守則之守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，並對股東的意見有公正的了解。全體獨立非執行董事均已出席本公司於2016年5月20日舉行之股東周年大會。

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Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. The Company provides all Board members with monthly updates on the Group's performance and financial position.

Directors are aware of the requirement under the code provision A.6.5 of CG Code regarding continuous professional development. During the year, the Company provided reading materials to the Directors for self-study. In addition, the Directors have attended external courses, conference or luncheons organised by various organisations.

Directors also reviewed the monthly business and financial updates and other reading materials provided to them concerning latest developments in corporate governance practices, and relevant legal and regulatory developments. A record of the Directors' participation in various continuous professional development program is kept by the company secretarial department. A summary of training received by the Directors for the year ended 31 December 2016 is according to the records provided by the Directors as follows:

董事培訓及專業發展

每位董事均會時常更新有關本公司董事責任，以及本公司的經營、業務活動及動向的資料。本公司每月向所有董事會成員匯報本集團業績及財務狀況最新資料。

董事均知曉企業管治守則下守則條文第A.6.5條有關持續專業發展的規定。年內，本公司曾為董事提供閱讀資料供自我進修。此外，董事已參加由不同機構舉辦的外界課程、會議或午餐會。

董事亦審閱彼等獲提供之每月業務及財務的更新資料以及其他有關企業管治常規及相關法律及法規演進最新發展的閱覽資料。1份董事參與不同持續專業發展項目的記錄，由公司秘書部保存。董事於截至2016年12月31日止年度所接受培訓的概要（根據董事所提供的記錄編製）如下：

Name of Directors	董事姓名	Giving talks or attending seminars/conferences/forums	Reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc
		舉行講座或出席研討會／會議／論壇	閱讀關於經濟、一般商業、會計、法律、規則及法規等方面之報章、期刊及最新資訊
Terence Leung Siu Cheong	梁兆昌	√	√
Stephen Ip Shu Kwan	葉樹堃	√	√
Kan Fook Yee	簡福飴	√	√
Wong Tsang Kwong	黃燦光	√	√
David Yu Hon To	俞漢度	√	√
Joseph Choi Kin Hung ¹	蔡健鴻 ¹	√	√
Lui Chun Pong ²	呂振邦 ²	√	√
Brenda Yau Shuk Mee ³	游淑眉 ³	√	√

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- 1 Ir. Joseph Choi Kin Hung resigned as an Executive Director and the Chairman with effect from 9 March 2017.
- 2 Mr. Lui Chun Pong resigned as an Executive Director with effect from 9 March 2017.
- 3 Ms. Brenda Yau Shuk Mee resigned as an Executive Director and Managing Director with effect from 29 June 2016.

- 1 蔡健鴻工程師已辭任執行董事兼主席，自2017年3月9日起生效。
- 2 呂振邦先生已辭任執行董事，自2017年3月9日起生效。
- 3 游淑眉女士已辭任執行董事及董事總經理，自2016年6月29日起生效。

BOARD COMMITTEES

Each of the Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Special Committee and the Executive Committee, is to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board committee is provided with sufficient resources to discharge its duties properly, and holds meetings in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of Board meeting.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, namely, Mr. David Yu Hon To as chairman, Mr. Kan Fook Yee and Mr. Wong Tsan Kwong. None of the Audit Committee members is or has been a former partner of the Company's existing external auditors for the past one year.

The Audit Committee is primarily responsible for conducting an independent and objective review of the financial reporting process, internal controls and audit function with emphasis on:

- (i) appraise the quality of the audit effort of the Company's internal and external auditors;
- (ii) serve as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public;
- (iii) ascertain the adequacy of the Company's systems of risk management and internal control which management and the Board have established; and
- (iv) serve as an useful channel of communication between the Board and the external and internal auditors on matters relating to and arising out of the external and internal audit.

董事委員會

各董事委員會(即審核委員會、薪酬委員會、提名委員會、特別委員會及執行委員會)均為協助執行董事會之責任，並專責監督本集團事務之某一特定範疇。每個董事委員會均獲提供充足資源，可適當地履行其職責，並根據細則、其特定書面職權範圍及董事會議事程序(如適用)舉行會議。

審核委員會

審核委員會目前由三名獨立非執行董事組成，包括俞漢度先生(主席)、簡福飴先生及黃燦光先生。概無審核委員會成員現時或於過去一年曾經為本公司現任外聘核數師之前合夥人。

審核委員會主要負責就財務申報程序、內部監控及審核職能進行獨立及客觀之檢討，並專注於以下事項：

- (i) 評估本公司內部及外聘核數師之審核工作質素；
- (ii) 以獨立及客觀身份審核管理層向股東、監管機構及公眾呈報之財務資料；
- (iii) 釐定管理層及董事會設立的本公司風險管理及內部監控系統是否充分；及
- (iv) 就關於外部及內部審核及由其產生的事項，擔任董事會與外部及內部核數師之間有效的溝通渠道。

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The authority and duties of the Audit Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The principal duties of the Audit Committee include, among other things, recommending to the Board on the appointment, re-appointment or removal of the Company's external auditor and on its remuneration; reviewing the Company's interim and annual financial statements and other financial reports; and reviewing the Company's financial reporting system, internal control procedures (including monitoring the effectiveness of the internal audit function) and risk management systems. The Audit Committee has explicit authority to investigate any activity within its duties and responsibilities and the authority to obtain outside legal or other independent professional advice if it considers necessary.

The Audit Committee meets at least twice a year. During the year ended 31 December 2016, two Audit Committee meetings were held. Attendances of the meetings have been disclosed on page 43 of this report.

During the year ended 31 December 2016, the Audit Committee members reviewed (i) the audit strategy memorandum from the external auditor; (ii) with the participation of the internal and external auditors and the management, the risk management and internal control systems of the Group; and (iii) with the participation of the internal and external auditors and the management, the interim and annual results and the related financial statements of the Company with a view to ensuring that these financial statements were prepared in accordance with the accounting principles and standards generally accepted in Hong Kong. The Audit Committee also considered the reports from the external auditor on the scope and findings of its independent review of the interim and annual financial statements.

There is no disagreement between the Board and the Audit Committee's view on re-appointment of external auditor, and they both have agreed to recommend the re-appointment of PricewaterhouseCoopers as the Company's external auditor for the ensuing year at the 2017 annual general meeting of the Company.

審核委員會之權限及職責載於其特定書面職權範圍內。審核委員會之職權範圍全文已登載於本公司及聯交所網站內。

審核委員會之主要職責包括(當中包括)就委任、重新委任或罷免本公司外聘核數師及就其酬金向董事會作出建議；審閱本公司中期及年度財務報表以及其他財務報告；並檢討本公司之財務申報制度、內部監控程序(包括監管內部審核職能之成效)及風險管理制度。審核委員會具清晰權限，可在其職責及責任範圍內調查任何活動，並有權於其認為必需時取得外聘法律或其他獨立專業意見。

審核委員會每年至少舉行兩次會議。截至2016年12月31日止年度，審核委員會舉行了2次會議。出席會議之情況已於本報告第43頁披露。

截至2016年12月31日止年度，審核委員會成員已(i)審閱外聘核數師之審核策略備忘錄；(ii)連同內部及外聘核數師與管理層，審閱本集團風險管理及內部監控制度；及(iii)連同內部及外聘核數師與管理層，審閱本公司中期及年度業績以及相關財務報表，以確保該等財務報表根據香港公認會計原則及準則編製。審核委員會亦已省覽外聘核數師就其對中期與年度財務報表進行獨立審核之範圍及就所得結果作出之獨立審閱報告。

董事會及審核委員會就重新委任外聘核數師上並無分歧意見，而彼等均已同意於本公司即將舉行之2017年股東周年大會上，建議重新委任羅兵咸永道會計師事務所為本公司來年之外聘核數師。

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企業管治報告

Remuneration Committee

During the year under review, the Remuneration Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, namely, Mr. Stephen Ip Shu Kwan as chairman, Mr. Kan Fook Yee and Ir. Joseph Choi Kin Hung. With effect from 9 March 2017, Ir. Joseph Choi Kin Hung resigned as an Executive Director and also ceased to be a member of the Remuneration Committee and Mr. Kingston Chu Chun Ho (Executive Director) has been appointed as a member on the same date.

The authority and duties of the Remuneration Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is primarily responsible for reviewing the remuneration policy of the Group and the remuneration packages of the Directors and senior management of the Company. Its duties are summarised below:

- (i) make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management;
- (iv) make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;

薪酬委員會

於回顧年度，薪酬委員會由三名董事組成，以獨立非執行董事佔多數，包括葉樹堃先生(主席)、簡福飴先生及蔡健鴻工程師。由2017年3月9日起，蔡健鴻工程師辭任執行董事，且不再擔任薪酬委員會成員，而朱俊浩先生(執行董事)同日獲委任為薪酬委員會成員。

薪酬委員會之權限及職責載於其特定書面職權範圍內。薪酬委員會之職權範圍全文已登載於本公司及聯交所網站內。

薪酬委員會主要負責檢討本集團之薪酬政策及本公司董事與高層管理人員之薪酬待遇。其職責概述如下：

- (i) 就本公司所有董事及高層管理人員薪酬之政策及架構，以及就發展薪酬政策而訂立一套正式且具透明度之程序，向董事會作出建議；
- (ii) 經參考董事會之企業目的及目標後，檢討及批准管理層之薪酬建議；
- (iii) 就個別執行董事及高層管理人員之薪酬待遇，向董事會作出建議；
- (iv) 就非執行董事之薪酬，向董事會作出建議；
- (v) 考慮比較公司支付的薪金，須付出的時間及職責，以及本集團內其他職位的僱用條件；

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| <p>(vi) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(vii) review and approve compensation arrangement, relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and</p> <p>(viii) ensure that no Director or any of his associates is involved in deciding his own remuneration.</p> | <p>(vi) 檢討及批准向執行董事及高層管理人員就任何喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> <p>(vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及</p> <p>(viii) 確保任何董事或其任何連繫人不得參與釐定其薪酬。</p> |
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The Remuneration Committee shall meet at least once a year. During the year ended 31 December 2016, four Remuneration Committee meetings were held. Attendances of the meetings have been disclosed on page 43 of this report.

薪酬委員會須每年至少舉行一次會議。截至2016年12月31日止年度，薪酬委員會舉行了4次會議。出席會議之情況已於本報告第43頁披露。

During the year ended 31 December 2016, the Remuneration Committee members reviewed (i) the bonus distribution proposal of the Directors and senior management for the year ended 31 December 2015; (ii) the remuneration packages of the newly appointed senior management; (iii) the bonus structure of the Executive Directors and senior management for the year ended 2016; (iv) the salaries of the Executive Directors and senior management for the year ending 2017; (v) the salary increment of the general staff for the year ending 2017; (vi) the directors' fees for the year ending 31 December 2017; and (vii) recommended the aforesaid matters to the Board for approval.

截至2016年12月31日止年度，薪酬委員會成員已檢討(i)建議向董事及高層管理人員分派截至2015年12月31日止年度之花紅；(ii)新獲委任的高層管理人員之薪酬待遇；(iii)截至2016年止年度之執行董事及高層管理人員之花紅架構；(iv)截至2017年12月31日止年度之執行董事及高層管理人員之薪金；(v)截至2017年12月31日止年度之普通員工的加薪；(vi)截至2017年12月31日止年度之董事袍金；及(vii)就批准上述事宜向董事會作出推薦建議。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 December 2016 is set out below:

根據企業管治守則之守則條文第B.1.5條，以下列出高層管理人員於截至2016年12月31日止年度的薪酬組別：

Within the band of	組別介乎於	Number of individuals 人數
up to HK\$1,000,000	港幣 1,000,000 元或以下	15
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至港幣 2,000,000 元	17
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至港幣 3,000,000 元	2

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Remuneration Policy of the Group

The Group sets its remuneration policy by making reference to the prevailing market conditions and benchmark of the industry, and by formulating a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package may consist of base salary, allowances, benefits-in-kind, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus, participation in a share option scheme or long-term rewards.

The remuneration packages of the Executive Directors and senior management of the Company are determined by the Remuneration Committee and approved by the Board by reference to their respective duties and responsibilities in the Group, individual performance, achievement of the Group's targets and the prevailing market terms in the industry.

The remunerations of the Non-executive and Independent Non-executive Directors are determined by the Board under the recommendation of the Remuneration Committee by reference to their duties and responsibilities in the Group, time involvement and the prevailing market situation.

Nomination Committee

During the year under review, the Nomination Committee comprises three Directors, a majority of whom are Independent Non-executive Directors, namely, Mr. Kan Fook Yee as chairman, Mr. Stephen Ip Shu Kwan and Ir. Joseph Choi Kin Hung. With effect from 9 March 2017, Ir. Joseph Choi Kin Hung resigned as an Executive Director and also ceased to be a member of the Nomination Committee and Mr. Kingston Chu Chun Ho (Executive Director) has been appointed as a member on the same date.

The authority and duties of the Nomination Committee are set out in its specific written terms of reference. Full text of the said terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

本集團之薪酬政策

本集團在訂定其薪酬政策時會參考當時市況及行業標準，並制定一套與表現掛鈎的獎賞制度，以確保本集團能吸引、挽留及激勵具有卓越才幹、可成功領導及有效管理本集團之人才。在進行表現評核時會考慮財政狀況及行業指標以求在兩者中取得平衡。薪酬待遇之組成部分可包括基本薪金、津貼、實物福利、附加福利(包括醫療保險及退休金供款)及諸如酌情花紅、參與購股權計劃或長期回報等激勵。

本公司執行董事及高層管理人員之薪酬待遇乃由薪酬委員會及董事會經參考彼等各自於本集團之職責及責任、個人表現、本集團目標之達標情況及業內當時之市場條款後釐定及批准。

非執行及獨立非執行董事之薪酬乃由董事會根據薪酬委員會之建議，並經參考各董事於本集團之職責及責任、所耗時間及當時市況後釐定。

提名委員會

於回顧年度，提名委員會由三名董事組成，以獨立非執行董事佔多數，包括簡福飴先生(主席)、葉澍堃先生及蔡健鴻工程師。由2017年3月9日起，蔡健鴻工程師辭任執行董事，且不再擔任提名委員會成員，而朱俊浩先生(執行董事)同日獲委任為提名委員會成員。

提名委員會之權限及職責載於其特定書面職權範圍內。提名委員會之有關職權範圍全文已登載於本公司及聯交所網站內。

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The Nomination Committee is primarily responsible for formulating nomination policy and leading the process of identifying and nominating suitable candidates. Its duties are summarised below:

- (i) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, skills, knowledge, professional experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) identify and nominate candidates to fill casual vacancies of Directors for the Board's approval;
- (iv) taking into account the Group's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive;
- (v) assess the independence of Independent Non-executive Directors and review the Independent Non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- (vi) regularly review the time required from a Director to perform his/her responsibilities and report to the Board of their findings; and
- (vii) review the Board Diversity Policy, as appropriate; review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually.

The Nomination Committee shall meet at least once a year. During the year ended 31 December 2016, two Nomination Committee meetings were held. Attendances of the meeting have been disclosed on page 43 of this report.

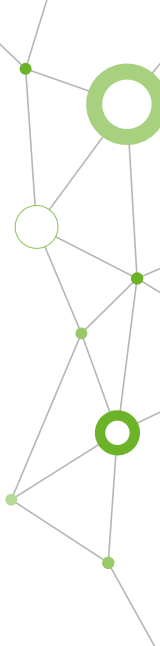
提名委員會主要負責制定提名政策及主導物色及提名適合候選人的過程。其職責概述如下：

- (i) 至少每年檢討董事會的架構、規模及多元化(包括但不限於性別、年齡、文化及教育背景、種族、技能、知識、專業經驗及服務年期方面)，並就任何擬作出的變動向董事會提出建議以配合執行本集團企業策略；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- (iii) 物色及提名候選人供董事會批准以填補董事之臨時空缺；
- (iv) 經計及本集團的企業策略以及未來所需的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議；
- (v) 評核獨立非執行董事之獨立性及審視獨立非執行董事就其獨立性所作年度確認；並在《企業管治報告》內披露其審視結果；
- (vi) 定期檢討董事履行其責任所需付出之時間，並向董事會匯報其檢討結果；及
- (vii) 在適當情況下檢討董事會成員多元化政策；檢討董事會為執行董事會成員多元化政策而制定之可計量目標和達標進度；以及每年在《企業管治報告》內披露其檢討結果。

提名委員會須每年至少舉行一次會議。截至2016年12月31日止年度，提名委員會舉行了2次會議。出席會議之情況已於本報告第43頁披露。

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During the year ended 31 December 2016, the Nomination Committee members (i) reviewed and considered that the structure, size, diversity and composition of the Board are appropriate; (ii) assessed the independence of Independent Non-executive Directors, (iii) recommended the appointments of new senior management; and (iv) recommended the aforesaid matters to the Board for approval.

The “Board Diversity Policy” sets out the approach to achieve diversity on the Board. It is believed that a truly diverse board will include and make good use of differences in the skills, background, experience, knowledge, expertise and other qualities of the Board members. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will review the Board composition by considering the benefits of all aspect of diversity, including but not limited to those described above. The “Board Diversity Policy” shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

Special Committee

The Special Committee currently comprises four Independent Non-executive Directors, namely, Mr. Kan Fook Yee as chairman, Mr. Stephen Ip Shu Kwan, Mr. Wong Tsan Kwong and Mr. David Yu Hon To as members.

The authority and duties of the Special Committee are set out in its specific written terms of reference. Full text of the said terms of reference of the Special Committee is available on the websites of the Company and the Stock Exchange.

The Company’s head office and the location at which it provided property management services for Garden Vista were attended by officers of the Independent Commission Against Corruption of Hong Kong on 25 March 2015 to execute search warrants relating to certain matters in connection with the contracts awarded for a renovation project of Garden Vista, one of the properties managed by the Group (the “Matters”). The Special Committee was therefore established on 9 April 2015 to deal with the Matters with duties summarised below:

- (i) review, as appropriate, the adequacy of internal procedures and related checks and balances in relation to the provision of property and facility management services of the Group (including managing any tender processes for client properties or facilities) and internal training programmes implemented by the Group in such procedures and legal/regulatory compliance and recommend measures to strengthen the procedures and/or training programmes as the Committee deems necessary;

截至2016年12月31日止年度，提名委員會成員已(i)檢討並認為董事會的架構、規模、多元化及組成適當；(ii)評估獨立非執行董事的獨立性；(iii)建議委任新的高層管理人員；及(iv)建議董事會批准上述事宜。

「董事會成員多元化政策」載列實現董事會成員多元化之方式。本公司認為，一個真正成員多元化之董事會將融入及善用董事會成員之不同技能、背景、經驗、知識、專長及其他質素。該等差異將在釐定董事會之最佳組合時納入考量。提名委員會將透過考慮多元化之所有裨益(包括但不限於上述方面)檢討董事會之組成。「董事會成員多元化政策」須由提名委員會進行檢討(如適用)以確保其有效性。

特別委員會

特別委員會目前由四名獨立非執行董事組成，包括簡福飴先生(主席)、葉澍堃先生、黃燦光先生及俞漢度先生。

特別委員會之權限及職責載於其特定書面職權範圍內。特別委員會之有關職權範圍全文已登載於本公司及聯交所網站內。

於2015年3月25日，香港廉政公署人員上門搜查本公司總辦事處及其為翠湖花園提供物業管理服務所在地以執行與本集團管理之物業之一翠湖花園之一項維修項目授出合約之若干事宜(「該等事宜」)有關之搜查令。特別委員會因此於2015年4月9日成立以處理該等事宜，其職責概述如下：

- (i) 審閱(如適當)有關提供本集團之物業及設施管理服務(包括管理客戶物業或設施之任何招標程序)之內部程序及相關的互相制衡、以及本集團於該等程序實施之內部培訓計劃及法律/規管合規之足夠性，並作出委員會視為必要之建議，以加強該等程序及/或培訓計劃；

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| <p>(ii) monitor the progress of investigations on the Matters, and to consider the impact of any further developments on the operations and financial position of the Group and to recommend action to be taken by the Board;</p> <p>(iii) where the Committee considers it appropriate, appoint external legal counsel or other independent professional advisors (the "Advisors") (the terms of engagement and scope of work of which shall be determined and finalised by the Committee) to provide advice and assistance in conducting the investigation into the Matters, to review and comment on the findings and to consider the advice of the Advisors;</p> <p>(iv) authorise any further investigations that may be deemed necessary in the Committee's sole opinion; and</p> <p>(v) report on any irregularities identified by the Advisors and from the results of any investigations to the Board as and when the Committee considers appropriate and to make recommendations to the Board on the action to be taken.</p> | <p>(ii) 監管調查該等事宜之過程；及考慮任何進一步發展對本集團之營運及財務狀況之影響，並建議董事會將予採取之行動；</p> <p>(iii) 如委員會視為適當，委任外聘法律顧問或其他獨立專業顧問（「顧問」）（其委聘條款及工作範圍將由委員會釐定及落實）以提供意見及協助對該等事宜進行調查，審閱調查結果及就此提出意見並考慮顧問之意見；</p> <p>(iv) 授權委員會全權進行可能認為屬必要之任何進一步調查；及</p> <p>(v) 於委員會認為適當時，向董事會報告顧問所識別及於任何調查結果中識別之任何不當行為，並就將予採取之行動向董事會作出建議。</p> |
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The Special Committee shall meet from time to time and as necessary. During the year ended 31 December 2016, none of Special Committee meeting was held.

特別委員會將不時及於有必要時舉行會議。截至2016年12月31日止年度，特別委員會概無舉行任何會議。

Executive Committee

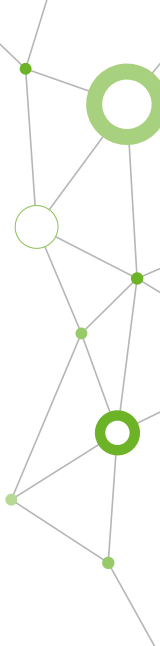
During the year under review, the Executive Committee comprised three Executive Directors, namely, Ir. Joseph Choi Kin Hung, Mr. Terrence Leung Siu Cheong and Mr. Lui Chun Pong. With effect from 9 March 2017, each of Ir. Joseph Choi Kin Hung and Mr. Lui Chun Pong resigned as an Executive Director and also ceased to be the Executive Committee members and Mr. Kingston Chu Chun Ho has been appointed as an Executive Committee member on the same date. As at the date of this report, the Executive Committee currently comprises two Executive Directors, namely, Mr. Kingston Chu Chun Ho and Mr. Terence Leung Siu Cheong.

執行委員會

於回顧年度，執行委員會由三名執行董事組成，包括蔡健鴻工程師、梁兆昌先生及呂振邦先生。由2017年3月9日起，蔡健鴻工程師及呂振邦先生各自辭任執行董事，且不再擔任執行委員會成員，而朱俊浩先生同日獲委任為執行委員會成員。於本年報日期，執行委員會目前由兩名執行董事組成，包括朱俊浩先生及梁兆昌先生。

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The authority and duties of the Executive Committee are set out in the specific written terms of reference adopted by the Board. Its principal duties are to approve banking matters, the issue of guarantees to third party customers, the issue of shares under share option scheme and other duties delegated by the Board from time to time.

The Executive Committee shall meet as and when required depending on business and operation needs. Members' attendances would depend on the importance of the matters to be transacted. During the year ended 31 December 2016, the Executive Committee held 18 meetings to discharge their duties.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) develop and review the Company's policies and practices on corporate governance;
- (ii) review and monitor the training and continuous professional development of Directors and senior management;
- (iii) review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements;
- (iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) review the Company's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Board has in place Procedures for Directors to seek Independent Professional Advice.

執行委員會之權限及職責載於經董事會採納之特定書面職權範圍內。此委員會之主要職責為批准銀行事務、向第三方客戶出具擔保、按購股權計劃發行股份及不時執行由董事會委任的其他職責。

執行委員會須因應業務及營運需要召開會議。成員可按將予處理事宜之重要性出席會議。截至2016年12月31日止年度，執行委員會舉行了18次會議以履行職責。

企業管治職能

董事會負責釐定本公司企業管治政策及履行以下企業管治職責：

- (i) 制訂及檢討本公司企業管治政策及常規；
- (ii) 檢討及監察董事及高層管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守所有法律及監管規定所制定之政策及常規；
- (iv) 制訂、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (v) 檢討本公司是否遵守企業管治守則及企業管治報告之披露規定。

董事會已設有董事尋求獨立專業意見之程序。

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DELEGATION TO MANAGEMENT

The monitoring of the day-to-day business operations of the Group and the implementation of the business plans and strategies adopted by the Board are performed by the senior management led primarily by Managing Directors of the Company.

The Group has also organised a management meeting for senior management and other relevant staff to meet on a monthly basis to review business operations with significant issue, review the financial and business performance against the budget approved by the Board, and review the implementation of the strategies and policies adopted by the Board.

Risk Management Committee

With a view to further enhancing risk management at all levels, a Risk Management Committee, as approved by the Audit Committee and the Board, has been established to assume the responsibility for identifying, evaluating, assessing and managing risk areas from company-wide perspective. The Risk Management Committee comprises senior management, and corporate managers of the Group. Its findings and recommendations will be reported to the Audit Committee.

Risk Management

The Board has the overall responsibility for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group on an ongoing basis. Such systems are designed to manage rather than eliminate risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. The associated policies and procedures for risk management and internal controls, which are properly documented and communicated to staff, are designed to help ensure that the Group's assets are safeguarded against unauthorised use or disposition; relevant rules and regulations are adhered to and complied with; complete, accurate and reliable financial and accounting records are maintained; and key risk factors including business strategic, operational, financial and regulatory compliance risks which may impact the Group's performance are appropriately identified and managed.

轉授權力予管理層

高層管理人員主要在本公司董事總經理之領導下，監督本集團之日常業務運作及執行經董事會採納之業務計劃與策略。

本集團亦為高層管理人員及其他相關員工設有管理人員會議，以供每月召開會議以檢討有關業務運作之重要事宜，按董事會批准之預算檢討財務及業務表現，以及檢討董事會所採納策略及政策之實施成效。

風險管理委員會

為進一步加強各層面的風險管理，經審核委員會與董事會批准，風險管理委員會已成立，其責任是從公司整體層面識別、分析、評估及管理不同的風險範疇。風險管理委員會由本集團高級管理人員及企業部門經理組成。其調查結果及建議將向審核委員會呈報。

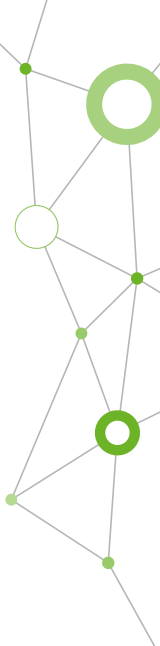
風險管理

董事會全權負責設立、維持並持續評估本集團之風險管理及內部監控系統之充足性及成效。有關管理系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

管理層負責從頂層為監控定調、執行風險評估、並設計、實施及維護內部監控。風險管理及內部監控之相關政策及程序已作妥善書面記錄並傳達予員工，該等政策及程序旨在協助確保本集團資產不會在未經授權下被使用或轉讓；有關規則及規例獲依循及遵守；財務及會計記錄獲完整、準確及可靠地保存；以及可能影響本集團業績的業務策略、營運、財務及監管合規風險等主要風險因素均獲妥為識別及管理。

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To ensure the risk management process is consistent with the best practice, the Group has engaged an external consultant during the year to review the Group's existing practice, and their suggestions will be incorporated into the Group's risk management framework in due course.

The Group's risk management framework comprises the following key features:

- A distinct organisational structure for different responsible parties with defined authority, responsibilities and risk management roles;
- The Board sets forth the proper risk management culture and risk appetite for the Group, evaluates and determines the level of risk that the Group should take and monitor regularly;
- The Risk Management Committee facilitates the risk assessment process and timely communication to the Audit Committee and the Board. Also, they ensure key business and operational risks being properly identified and managed; and
- A Risk Management Policy has been established to provide a framework for the identification, analysis, evaluation, treatment, monitoring and reporting of key risks at all levels across the Group to support the achievement of the organisation's overall strategic objectives.

Identified potential risks are evaluated using appropriate qualitative and quantitative techniques and risk responses (i.e. accept, reduce, transfer and avoid) are formulated, which are consistent with the Group's risk appetite. Risks are assessed based on a risk assessment matrix that helps to rank the risks into 4 risk levels (e.g. Extremely High, High, Medium and Low) and to prioritise risk management effort to determine the appropriate risk mitigation plans.

Internal Control

The Group has an internal audit ("IA") function, which plays a major role in monitoring the internal governance of the Group, to conduct independent reviews of the adequacy and effectiveness of its risk management and internal control system and report the review results regularly to the Board through the Audit Committee.

為確保風險管理程序與最佳常規一致，本集團於年內外聘顧問，審閱本集團現時的做法，彼等的建議將於適當時候納入本集團風險管理框架。

本集團之風險管理框架包含以下主要特徵：

- 就負責各方訂立權責及風險管理角色分明的組織架構；
- 董事會為本集團設立適當的風險管理文化及風險承受能力，評估及釐定本集團應承擔並進行定期監控的風險水平；
- 風險管理委員會促進風險評估程序，並及時向審核委員會及董事會溝通。再者，彼等確保主要業務及營運風險妥為識別及管理；及
- 制定風險管理政策以提供一個框架，以識別、分析、評估、處理、監控及匯報本集團的關鍵風險，協助組織實現整體戰略目標。

已識別潛在風險乃以恰當定性及定量方法評估，並制定與本集團風險承受能力一致的風險應對方法（即接受、減低、轉移及避免）。風險乃根據風險評級分為四個風險等級（例如極高、高、中等及低）進行評估，該評級亦可協助制定風險管理優先次序，訂立恰當的風險緩解計劃。

內部監控

本集團既有內部審核（「內部審核」）職能，主要職責為監察本集團內部管治，對風險管理及內部監控系統的充足性及成效進行獨立審視，並透過審核委員會定期向董事會匯報審視結果。

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To ensure systematic coverage of all auditable areas and effective deployment of resources, a 3-year IA plan with reference to the risk assessment results has been formulated and approved by the Audit Committee. During the year, the IA plan focused on the examination of the financial and treasury management, tendering procedures, business development procedures, procurement, payment controls, payroll process controls, compliance with applicable rules and regulations and management of information technology. Subsequent meetings were conducted to update the IA plan in order to reflect the major changes in the organisational structure and business objectives, review the IA reports and highlight the more significant issues identified from the IA reviews and follow-up actions taken. Meetings between the Head of IA function and senior management are conducted monthly to stay current with market developments and changes in the business strategy.

The Group is fully aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). The Group has a set of procedures and controls in place to preserve the confidentiality of inside information relating to the Group. All Board members and senior management, who are likely to possess the Group’s inside information because of their offices or employments in the Group, are bound by Model Code. In addition, every employee is required to follow the guidelines of the code of conduct and the staff handbook to keep unpublished inside information strictly confidential.

Review of Risk Management and Internal Control Systems

During the year, the Board has conducted a review on the effectiveness of risk management and internal control systems of the Group through discussion with the Audit Committee, which covers the major control procedures in areas of financial, operational, compliance and risk management, and was satisfied with the effectiveness of the Group’s risk management and internal control systems.

The changes in the nature and extent of significant risks faced by the Group and response plans to changes in its business and the external environment have been evaluated. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed. No significant areas of concern that may affect the Group to achieve strategic goals have been identified. The Board considered that the risk management and internal control systems are functioning effectively and adequately.

為確保有系統地覆蓋所有審核範圍及有效分配資源，參考風險評估結果後已制訂三年內部審核計劃並獲得審核委員會批准。年內，內部審核計劃的焦點為評核財務及庫務管理、招標程序、業務發展程序、採購、付款監控、支薪程序監控、遵守適用守則及規定，以及管理資訊科技。其後亦召開會議，更新內部審核計劃，反映組織架構的主要變動及業務目標、審閱內部審核報告，並重點提及內部審核所識別的較重大問題及已採取的跟進行動。內部審核職能的主管與高層管理人員每月召開會議，以得知市場發展及業務策略的變動。

本集團十分清楚上市規則及香港法例第571章證券及期貨條例（「證券及期貨條例」）下處理及發佈內幕消息的責任。本集團有一系列程序及監控，保持與本集團有關的內幕消息機密。全體董事會成員及高層管理人員均可能因彼等的職務或受僱於本集團，而擁有本集團內幕消息，彼等受標準守則約束。再者，各員工須遵守操守守則及員工手冊內的指引，保持未刊發內幕消息絕對保密。

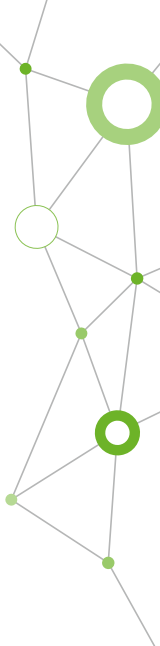
風險管理及內部監控系統回顧

年內，董事會已通過與審核委員會就財務、營運、合規及風險管理範疇之主要監控系統的討論，對本集團風險管理及內部監控系統的效能進行檢討，並對本集團風險管理及內部監控系統的成效表示滿意。

於回顧年內，本集團所面臨重大風險之性質及程度之轉變以及就其業務及外部環境變動所作出之應對計劃已經作出評估。持續監察風險及內部監控系統的工作範疇及素質已作出評估。概無識別可能影響本集團達成策略目標的重要關注事項。董事會認為風險管理及內部監控系統的運作有效充足。

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In addition, confirmation from management on the effectiveness of the risk management and internal control systems of the Group was received during the year.

The Board has reviewed and is satisfied with the adequacy of resources, staff qualifications and experiences, training requirements and budgets of the Group's accounting, financial reporting and IA functions.

Integrity Monitoring Committee

Each of our staff is given clear guidelines and codes of standard in the staff handbook with integrity being put as the first and foremost code of conduct. A whistle-blowing-type channel which is implemented by the Integrity Monitoring Committee is to provide staff and contractors a channel to report issues which might cause a significant financial loss to, or an adverse impact on the image of the Company. The Integrity Monitoring Committee comprises senior quality assurance manager as chairman of the Committee, financial controller and senior human resources manager as members.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the state of affairs of the Company and the Group on a going concern basis. With the support of the accounting and finance functions led by financial controller of the Group, the Directors have ensured that the consolidated financial statements for the year ended 31 December 2016 have been prepared in accordance with appropriate accounting policies applied, if any, consistently save for those new and amended accounting standards as disclosed in the notes to the consolidated financial statements.

In preparing the interim and annual financial statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim at presenting a balanced, clear and understandable assessment of the Group's position and prospects. Financial information put before the Board for approval by management is accompanied by sufficient explanation to enable the Directors to make an informed assessment.

The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the Company's financial statements, is set out in pages 108 to 110 of this annual report.

此外，年內已收到管理層對本集團風險管理及內部監控系統有效性之確認。

董事會已審視及滿意資源充足性、僱員資格及經驗、受訓要求及本集團會計、財務報告及內部審核職能的預算。

誠信監察委員會

本集團給每位員工的員工手冊中均載有清晰指引及標準守則，其中以誠信為首要操守原則。誠信監察委員會實施之舉報渠道為員工及承建商提供渠道報告或會導致本公司蒙受重大財務損失或有損本公司形象的事項。誠信監察委員會由高級質量監控經理(委員會主席)、財務總監及高級人才資源經理(成員)組成。

董事的財務匯報責任

董事明白彼等對編製綜合財務報表的責任，財務報表須真實公平地反映本公司及本集團按持續經營基準的事務狀況。在本集團財務總監統領的會計及財務職能支援下，董事確保截至2016年12月31日止年度之綜合財務報表已根據貫徹應用的適當會計政策(如有)編製，惟綜合財務報表附註所披露的該等新訂及經修訂會計準則除外。

在編製中期與年度財務報表、公告及根據上市規則之規定須予披露之其他財務資料時，董事均以中肯、清晰及易於理解之形式評估本集團之情況及前景為目標。管理層提呈予董事會審批的財務資料須連同充足解說，使董事可作出知情評估。

獨立核數師報告(當中載有外聘核數師就本公司財務報表之匯報責任所作聲明)載於本年報第108至第110頁。

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AUDITOR'S REMUNERATION

The fees paid/payable to PricewaterhouseCoopers, the Company's external auditor, for services rendered for the year ended 31 December 2016 are set out as follows:

Services rendered 所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services 審核服務	1,420
Non-audit services* 非審核服務*	1,718

* compressed advisory services in compliance with regulatory requirements, ad-hoc projects for the transactions and potential transactions interim review and continuing connected transactions assurance, etc.

核數師酬金

截至2016年12月31日止年度，就本公司外聘核數師羅兵咸永道會計師事務所提供服務而已付／應付費用載列如下：

* 包括符合規例要求的諮詢服務，交易和潛在交易的特別項目，中期審查和持續關連交易保證等。

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary complied with all the qualifications under the Listing Rules. During the year, Mr. Wong Long Kee acted as the Company Secretary. With effect from 28 February 2017, Mr. Wong Long Kee resigned as the Company Secretary and the Company appointed Mr. Eric Chan Kwong Leung as the Company Secretary from an external service provider. The primary corporate contact person at the Company is Ms. Mandy Hui Suk Man, the Financial Controller of the Group.

公司秘書

公司秘書負責促成董事會的有效運作，以及董事會成員之間的溝通。公司秘書已符合所有上市規則之資格規定。年內，王朗祺先生擔任公司秘書。由2017年2月28日起，王朗祺先生辭任公司秘書，而本公司從外間服務商委任陳鄭良先生為公司秘書。本公司的主要企業聯絡人為本集團財務總監許淑敏女士。

SHAREHOLDERS' RIGHTS, INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

In addition to publishing interim and annual reports, announcements, circulars, quarterly business updates and press releases, updates on the Group's developments are also provided on the Company's website which is updated on a timely manner.

股東權利、投資者關係及與股東之溝通

除透過刊發中期報告與年報、公告、通函、季度業務更新及新聞稿外，有關本集團最新發展情況之資料亦會登載於本公司下述網站並及時予以更新。

Comments and suggestions from shareholders or investors are welcome through the following channels to the Company:

股東或投資者如有任何意見及建議，歡迎透過下列途徑提交予本公司：

- (i) by post to the Company's Hong Kong principal place of business at 7/F., Linkchart Centre, 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong
- (ii) by facsimile transmission to (852) 2751 8784
- (iii) by telephone at (852) 3471 2340

- (i) 郵寄至本公司之香港主要營業地點，地址為香港九龍觀塘大業街2號聯卓中心7樓
- (ii) 傳真至(852) 2751 8784
- (iii) 致電(852) 3471 2340

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- (iv) by email at investor@synergis.com.hk
- (v) on the Company's website at www.synergis.com.hk under "IR Contact" of "Investor Relations"

An annual general meeting is deemed as a forum for shareholders to communicate directly with the Board members. Notice of 20 clear business days together with detailed agenda is given to shareholders for the annual general meeting of the Company and 10 clear business days for all special general meetings of the Company. Separate resolution is proposed at an annual general meeting on each substantially separate issue, including the election of each individual director.

In accordance with the Bye-laws, any shareholder holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at a general meeting shall have the right, by written requisition served to the Board or the Company Secretary, to require a special general meeting to be convened by the Board for transaction of any business specified in such requisition. Any vote of shareholders at a general meeting must be taken by poll. The chairman of meeting will explain the poll voting procedures at the relevant general meeting.

CONTINUOUS CORPORATE GOVERNANCE ENHANCEMENT

The Board is committed to continuous corporate governance enhancement including giving closer attention to any regulatory changes with a view to maintaining a corporate culture built on ethics and integrity and increasing shareholder value as a whole.

- (iv) 發送電郵至 investor@synergis.com.hk
- (v) 於本公司網站 www.synergis.com.hk 之「投資者關係」下「投資界查詢」一欄

股東周年大會被視為股東與董事會成員直接溝通的平台。召開本公司股東周年大會須最少於20個完整營業日前向股東寄發載有詳細會議議程之通告，而本公司所有股東特別大會則須10個完整營業日。個別決議案就各項基本上獨立的事項提呈股東周年大會，包括選舉各個別董事。

根據細則之規定，任何持有有權於股東大會上投票之本公司繳足股本不少於十分之一的股東，均有權向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求列明之任何事項。股東於股東大會上必須以投票表決方式進行任何表決。大會主席將於相關股東大會上解釋投票表決的程序。

不斷提升企業管治水平

董事會承諾將繼續提升企業管治水平，包括密切留意任何法規變動，務求維持一套建基於道德及誠信的企業文化，及提升股東的整體價值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

This Environmental, Social and Governance (“ESG”) Report provides an update of the ESG performance of the Group for the year ended 31 December 2016.

The scope of this report covers the Group’s major operations in the PFM business as well as the ISP business in Hong Kong.

The report is compiled in accordance with the ESG Reporting Guide under Appendix 27 of the Main Board Listing Rules issued by the Stock Exchange in 2015.

Our Philosophy in ESG

We believe that corporates do not only have to fulfil economic obligations but also environmental and social responsibilities. At Synergis, we are committed to operating in an accountable and sustainable way by integrating sustainability considerations in our day-to-day operation.

Our Board oversees the direction of our ESG strategy, and committed to aligning business objectives with sustainable growth. We have established a dedicated ESG Steering Committee, comprised of Executive Directors and senior management, to assist the Board setting out ESG principles and our priorities in managing ESG impacts and creating sustained values for our stakeholders. ESG performance of our businesses is measured, reviewed and reported to the management periodically for continuous improvement.

Stakeholder Engagement and Materiality Assessment

The Group interacts with a wide range of stakeholders including employees, customers, suppliers, shareholders and local communities. Through different channels, we engage our stakeholders regularly in open and honest dialogues such as meetings, workshops, interviews and surveys.

This ESG report serves as a channel to respond to the key interests and concerns expressed by our stakeholders with regard to the Group’s sustainable development. In the ESG report, we have prioritised and highlighted representative initiatives in the order of employment and labour standards, operating practices, environmental protection and community involvement. We believe that these examples can best demonstrate our efforts in addressing our stakeholders’ interests and concerns.

關於本報告

本環境、社會及管治（「環境、社會及管治」）報告提供有關本集團於截至2016年12月31日止年度的環境、社會及管治表現的最新資料。

本報告的範疇涵蓋本集團於香港的物業及設施管理業務以及室內裝飾及特殊項目業務之主要營運。

本報告根據聯交所於2015年頒佈的主板上市規則附錄27下《環境、社會及管治報告指引》編纂。

我們的環境、社會及管治理念

我們認為，企業不僅須履行經濟責任，亦應該負擔環境及社會責任。在新昌管理，我們致力以負責及可持續的方式經營業務，在日常營運中融入可持續發展的考量因素。

董事會監察我們的環境、社會及管治策略方向，力求讓業務目標向可持續發展看齊。我們成立專責的環境、社會及管治推進委員會，成員包括執行董事及高級管理層，彼等協助董事會訂立環境、社會及管治原則，縝清我們管理環境、社會及管治影響方面的主次，並為持份者締造持續價值。為求不斷改進，我們定期量度、審閱及向管理層匯報我們業務的環境、社會及管治表現。

持份者參與及重要性評估

本集團與範圍廣泛的持份者（包括僱員、客戶、供應商、股東及本地社區）交流往來。我們透過不同渠道定期為持份者提供機會進行公開、坦誠的對話，有關活動包括會議、工作坊、訪問及調查等。

本環境、社會及管治報告是回應持份者對本集團可持續發展提出的主要關注點和問題的渠道。於本環境、社會及管治報告內，我們按僱傭及勞工標準、經營常規、環保及社區活動的順序，釐清代表性議題主次及列述其中摘要。我們相信該等例子可顯示我們在處理持份者所關注問題方面做出的努力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CARING FOR OUR PEOPLE

The Group aspires to be an employer of choice. In offering a fulfilling and rewarding career, we put our people first by creating a secured, engaging and inclusive work environment. In encouraging professional development, we invest substantial resources for our employees to strive in their career.

Employment

Synergis aims to attract and retain high-calibre talents to support our strategic growth. We have extended our recruitment channels by collaborating with the public sector to arrange recruitment talks and job fairs. These include the Labour Department, the Employee Retraining Board, the Vocational Training Council and the Young Men's Christian Association.

We rely upon a competence-based framework to evaluate, reward and promote our employees. We incentivise our employees with competitive remuneration and benefits, which include allowances, benefits-in-kind, medical insurance, contributions to pension funds, discretionary bonus, and participation in a share option scheme or long-term rewards. To remain competitive, we review remuneration packages at least annually and benchmark it against the market.

We provide our employees with assistance, recreational activities and reasonable leave entitlements to support their well-being and work-life balance. Additionally, in 2016 we organised numerous social and team building activities, such as the autumn excursion, cooking classes, hand-made gift workshops and sports tournaments.

Synergis embraces diversity and is committed to creating an inclusive and supportive workplace. We exercise a policy of zero tolerance against harassment and discrimination on any grounds, including gender, age, nationality, sexual orientation, family status, race and religion.

Health and Safety

The Group's health and safety policies are in place to demonstrate commitment towards "zero accidents". We maintain an occupational health and safety ("OHS") management system certified with OHSAS 18001. Workplace hazards are identified by experienced safety personnel and mitigation measures are implemented to reduce OHS risks. Safety performance is monitored and reported to encourage continuous improvement.

以人為本

本集團期望成為首選僱主。在提供充實及充滿回報的職業生涯方面，我們秉承以人為本的原則，創造有保障、互動及包容的工作環境。在鼓勵專業發展方面，我們對僱員投入龐大資源，為其職業發展助力。

僱傭

新昌管理致力於吸引及挽留高素質人才，支持我們的策略性發展。我們通過與公共界別合作安排招聘座談會和求職會擴展招聘渠道。有關公共機構包括勞工處、僱員再培訓局、職業訓練局及基督教青年會。

我們依賴以能力為基礎的框架評估、獎勵及提拔僱員。我們通過具競爭力的薪酬及福利(包括津貼、實物福利、醫療保險、退休金供款、酌情花紅及參與購股權計劃或長期回報)來激勵僱員。為了保持競爭力，我們至少每年審閱薪酬組合及參照市場標準調整。

我們向僱員提供協助、娛樂活動和合理的帶薪假，以支持其身心健康，維持工作、生活平衡。此外，我們於2016年組織了多項社區和團隊建設活動，例如秋遊、烹飪課、手工坊和運動會等。

新昌管理重視多元化，努力創造包容、支持性的工作環境。我們實施對騷擾和歧視零容忍的政策，不論原因，杜絕任何性別、年齡、國籍、性向、婚姻狀況、種族和宗教的歧視。

健康及安全

本集團制定健康及安全政策，以顯我們對「零事故」的承諾。我們維持一個職業健康及安全(「職業健康及安全」)管理系統，並獲OHSAS 18001驗證。資深的安全人員會辨識工作環境危害，並會實行緩解措施以降低職業健康及安全風險。我們亦監控及匯報安全表現，以鼓勵持續改進。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Safety training and workshops are conducted to raise awareness and equip employees with safety knowledge and skills. Workshops are provided to cater the safety training needs for frontline workers and headquarter office staff. Job-specific topics for the ISP and PFM operations are available. Each employee is provided with a safety practice handbook, which summarises key relevant regulations and guidelines.

In 2016, Synergis received a number of recognitions for its achievements in promoting health and safety. During the year, Synergis achieved silver, bronze and merit honours in the “Best Property Safety Management Award 2015/16” in the “Occupational Safety and Health” category. The ISP business was also presented with the Gold Award in the “Health and Welfare” category of the Innovative Safety Initiative Award.

Three of our managed properties were awarded in the Best Property Safety Management Award 2015/2016 as follows:

Awards 獎項	Name of properties 物業名稱	Award companies 獲獎公司
Best Property Contractor in Occupational Safety and Health – Silver Award 最佳職安健物業管理承辦商 – 銀獎	Kwai Chung Shopping Centre 葵涌商場	Master Clean Services Limited 宏潔服務有限公司
Best Property Management Award in Occupational Safety and Health – Bronze Award 最佳職安健物業管理大獎 – 銅獎	Wo Ming Court 和明苑	Synergis Management Services Limited 新昌管理服務有限公司
Best Property Management Award in Occupational Safety and Health – Merit 最佳職安健物業管理大獎 – 優異獎	Ka Shing Court 嘉盛苑	Synergis Management Services Limited 新昌管理服務有限公司

Training and Development

We upskill our employees through career development and training. The Group continues to enrich and enhance its training programmes to unleash potential of our employees. With an aim to make training more accessible, we have created an e-learning platform to provide access to learning anywhere and anytime.

The Group is active in supporting qualified staff, through Recognition of Prior Learning Mechanism under the Qualification Framework (“QF”), to obtain QF-recognised qualifications. More than 1,300 employees have benefited from such mechanism since 2011.

我們進行安全培訓及舉辦工作坊以提高僱員的安全意識及安全知識和技巧。我們提供工作坊以滿足前線員工和總部員工的安全培訓需求。我們就室內裝飾及特殊項目及物業及設施管理營運提供以特定工作主題。各僱員均配備安全常規手冊，當中概述主要的相關法規及指引。

2016年，新昌管理因其於健康及安全推廣工作方面的成就獲得多項表彰。年內，新昌管理獲「最佳職安健物業管理大獎2015/16」的銀獎、銅獎和優異獎。室內裝飾及特殊項目業務亦獲頒創意工程安全獎「健康與福利」類別金獎。

我們所管理的其中三個物業已獲最佳職安健物業管理大獎2015/2016之獎項如下：

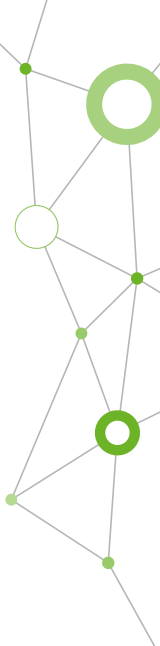
培訓及發展

我們透過職業發展及培訓加強僱員技能。本集團持續豐富和增強其培訓計劃，以釋放僱員的潛力。為方便僱員接受培訓，我們設立電子學習平台，可隨時隨地提供培訓。

本集團積極支持合資格員工透過資歷架構（「資歷架構」）下過往資歷認可機制取得資歷架構認可的資格。自2011年起有超過1,300名僱員從該機制受益。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Our efforts in training and development have resulted in numerous accolades from external organisations. Since 2002, the Group has been honored at the Award for Excellence in Training and Development Ceremony operated by the Hong Kong Management Association (HKMA). We were also renewed the status of “Manpower Developer” in the Manpower Developer Award Scheme organised by the Employees Retraining Board of the Hong Kong SAR Government.

Labour Standards

The Group adheres to labour standards and strictly prohibits the use of child and forced labor in our operations. Mechanisms are in place to prevent, report and handle suspected cases of unethical practices. Contractors and suppliers are also expected to adhere to the same standard of behaviour.

Regulatory Compliance

During the Reporting Period, we were not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to employment and labour practices and occupational health and safety. Nor did we identify any incidents that have a significant impact on the Group relating to the use of child or forced labour.

CARING FOR CUSTOMERS

At Synergis, we are committed to creating values for our customers and delivering quality services at world-class standard. We focus on understanding client needs, leveraging our strengths and applying innovative ideas to create long-term value for our customers.

Product and Service Quality

Our operations adhere to our quality management system which is set up with reference to international standards such as ISO 9001. A quality management system (QMS) is also implemented to uphold our principle of quality service.

Our ISP business specialises in interior decoration, renovation, conservation and revitalisation and special construction projects. We focus on quality throughout the entire project life cycle. During the project, quality inspections on the conditions of material and workmanship are conducted by experienced site supervision teams. Additional quality surveillance is undertaken by designated supervisors on an ad-hoc basis; and defective work, if not rectified immediately, will be recorded in a non-conformance report for follow-up actions.

我們在培訓及發展方面的努力贏得了多項外界嘉獎。自2002年起，本集團榮獲香港管理專業協會「最佳管理培訓及發展獎」。我們亦獲香港特區政府僱員再培訓局延續嘉許為「ERB人才企業嘉許計劃－人才企業」。

勞工標準

本集團遵循勞工標準及嚴厲禁止經營中使用童工和強迫勞動。我們設有禁止、報告和處理疑似不道德常規情況的機制。我們期望承建商及供應商亦遵循相同的行為標準。

監管合規

於報告期內，我們並不知悉任何涉及僱傭及勞工常規以及職業健康及安全且對本集團有重大影響的違法及違規事件。我們亦無識別任何涉及使用童工或強迫勞動且對本集團有重大影響的事件。

關懷客戶

於新昌管理，我們致力於為客戶締造價值及提供世界級別的優質服務。我們專注了解客戶需求，利用自身優勢及採用創新理念，以求為客戶創造長期價值。

產品及服務質量

我們的營運遵循我們的質量管理系統，該系統乃參考ISO 9001等國際標準設立。我們亦設立質量管理系統(QMS)以保證優質服務原則。

室內裝飾及特殊項目業務專注於室內裝飾工程、翻新工程、保育及活化工程及特殊工程項目。我們在整個項目期間著重關注質量。在項目進行期間，對材料狀況及人工質量的檢查由富有經驗的監工隊伍進行。而專責的監事亦會按臨時基準進行額外質量監控；而缺陷工程倘未即時修正，將計入不符標準報告內以作後續跟進。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We manage a diverse portfolio of over 100,000 residential units and 11 million square metres of residential, commercial and industrial space. Our expertise and quality in property and facility management put us in the leading position in the market.

Our customer service centre adheres to an outstanding standard of care by providing professional, prompt and courteous services. To increase responsiveness to our customers' needs, we have set up an around-the-clock hotline to handle enquiries and provide real-time support.

Our employees are trained to provide best-in-class service to our customers and end users. Vision Day is one of the highlights in our major annual activities for quality enhancement. We organise annual Quality Circle Competition as part of the Vision Day to invite staff working at our managed properties to provide suggestions and proposals for enhancing our service quality. In 2016, the finalist proposals included Fu Shin Estate Circle's Easy Lawn Mower, Rhine Terrace Circle's Quick and Easy Lightbulb Changer and Tseung Kwan O Circle's Safety Doorstop.

我們管理超過100,000個住宅單位及11,000,000平方米的多樣化組合，集合了住宅、商業及工業空間。我們的物業及設施管理專業知識和優秀質量讓我們成為市場翹楚。

我們的客戶服務中心透過提供專業、及時和禮貌服務，維持出眾的服務水準。為了更好回應客戶需求，我們已設立24小時熱線，以處理查詢及提供實時支持。

我們的僱員接受培訓以向客戶及終端用戶提供頂級服務。Vision Day是我們每年為提升質量舉行之主要活動之亮點之一。我們在Vision Day舉辦「優質物業圈競賽」(Quality Circle Competition)，邀請員工到我們管理的物業工作，以提供改善服務質素的建議及方案。2016年，最終入選方案包括富善圈的「輕鬆除雜草車」、海韻圈的快捷「簡便換燈手」以及將軍澳圈的「安全門塞」。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In 2016, we were proud to receive 170 honours at the Best Security Guards and Properties Awards presentation ceremony for our managed properties across all districts in Hong Kong as follows:

2016年，我們在最佳保安員及物業選舉頒獎典禮上就我們於香港各區管理的物業榮獲170項嘉獎，詳情如下：

Awards	Name of properties
獎項	物業名稱
Outstanding Residential Property Management Award 優秀住宅物業管理大獎	Tanner Garden 丹拿花園 Wah Kwai Estate 華貴邨
Outstanding Partner Award 合作伙伴物業大獎	Po Ming Court 寶明苑 Radiant Tower 旭輝臺 Tsui Lam Estate 翠林邨 Yuk Ming Court 煜明苑 Hong Pak Court. 康栢苑
Best Property Management Award 最佳管理物業大獎	12 Soy Street 12號鼓油街 Bedford Tower 必發臺 Rich Building 麗珠大廈 Tai Hang Tung Estate 大坑東邨 Ma Tau Wai Estate 馬頭圍邨

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Innovative Solutions

We developed an internet-based tool – fmPROFILE® to visualise the performance of facility management service. The performance measures criteria cover not only the customer service quality, but also areas such as safety, health and environmental performance. The result is benchmarked against prevailing good practices of the industry to enable service improvement.

With an aim to allow two-way interactive communication with our customers, we introduced a smart phone application, Synergis Community. This application was designed specifically for owners and residents of our managed property portfolio. Users can have access to a range of services including round-the-clock service request platform, 24/7 property notice update and useful contact numbers.

Customer Protection

A customer complaint handling mechanism is in place to receive, document and address complaints in a timely manner. Substantiated customer complaints are followed up by dedicated teams promptly. Customer feedbacks are summarised to guide our continuous improvement in service quality.

The Group treats customer data privacy seriously. Customer data are handled with due care and accessible only by authorised personnel on a need-to-know and need-to-use basis. Well-established procedures are in place to guide the advertising of our services in line with applicable regulations.

Regulatory Compliance

We were not aware of any incidents of non-compliance with laws and regulations that has a significant impact on the Group concerning product responsibility during the Reporting Period.

創新解決方案

我們開發了以互聯網為基礎的工具 – fmPROFILE®，以將設施管理服務的表現可視化。表現衡量基準不僅包括客戶服務質量，亦包括安全、健康及環境表現等領域，並參照行業現行的良好常規標準衡量結果，以改善服務。

為了能與客戶進行雙向互動交流，我們推出智能手機應用程式「Synergis Community」。該應用程式專為我們所管理物業組合的業主及住戶而設計。用戶可獲取一系列服務，包括全天候服務要求平台、24/7 通知更新及實用聯絡電話號碼等。

客戶保障

我們設有客戶投訴處理機制，以及時地接收、記錄及處理投訴。我們會委派團隊及時跟進已核實的客戶投訴。我們亦總結客戶反饋意見，以為我們持續改善服務質素的工作提供指引。

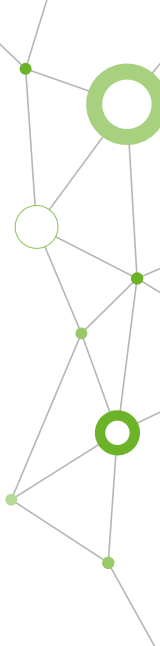
本集團嚴肅對待客戶數據隱私。客戶數據會妥當處理，僅能由經授權人士按需索取及使用。我們訂有完善程序以就根據適用法規發佈有關我們服務的廣告提供指引。

監管合規

我們並不知悉任何涉及產品責任且對本集團有重大影響的違法及違規事件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



CARING FOR BUSINESS PARTNERS

Supply Chain Management

Our supply chain includes subcontractors, business partners, suppliers and service providers located across the world. While the Group manages our supply chain risks with discipline, we are also committed to helping manage environmental and social risks by engaging our supply chain partners in improving their sustainability performance.

Stringent screening procedures are adopted in our procurement process to identify and mitigate supply chain risks. In addition to technical capability, our assessment criteria cover diverse aspects such as quality control, safety, environmental conservation and labour practices. Performance of our suppliers are monitored and assessed regularly through fair and stringent appraisals to identify areas for improvement and detect underperforming suppliers. Synergis could suspend business relationships with suppliers who failed to meet our standards or to carry out remediation.

We understand the significance of supplier engagement and are committed to building a win-win relationship with our business partners. We collaborated with our supplier by communicating our expectations and requirements to them, and work together to achieve common goals. We also encourage knowledge transfer and experience sharing with our supply chain partners. As these opportunities provide exploration in implementing high standard industry practices and creating long-term value for the community.

Anti-corruption

We believe that ethical practices, integrity and good corporate governance are essential to secure our leading position and reinforce the trust of our stakeholders. The Board sets a tone of zero tolerance on any forms of bribery, corruption or fraud. The principle of integrity is well conveyed to our employees through induction, compliance and refresher training. Clear guidelines and codes of standard in the staff handbook are communicated to the employees. In addition, our Integrity Monitoring Committee has been set up to implement a whistle-blowing channel for staff and contractor to report observed and suspected misconducts, irregularities and malpractices in a confidential manner. Reported cases will be followed up in a timely manner and confirmed cases will be reported to the Audit Committee.

As part of our effort to prevent malpractice, a special committee was established to oversee the internal procedures in relation to the procurement control and tendering processes of the PFM services.

關懷業務夥伴

供應鏈管理

我們的供應鏈包括遍佈世界各地的分判商、業務夥伴、供應商及服務供應商。本集團有序地管理我們的供應鏈風險，與此同時，我們亦致力透過與供應鏈夥伴合作改善其可持續表現，協助管理環境及社會風險。

我們在採購過程中採取嚴格的篩選程序，以識別及紓緩供應鏈風險。除技術實力外，我們的評估準則亦涵蓋質控、安全、環境保育及勞工常規等各個層面。本集團透過公平嚴格的評核監察及定期評估供應商的表現，以識別需要改善的地方，並偵測是否有供應商表現欠佳。供應商一旦未能符合我們的標準或未能採取補救措施，則新昌管理或會暫停與該等供應商的業務關係。

我們明白供應商參與的重要性，並致力與業務夥伴建立雙贏局面。我們向供應商表達我們的期望及要求，與供應商攜手合作，實現共同目標。我們亦鼓勵與供應鏈夥伴知識傳授及經驗分享，此等機會讓我們探索實施更高水平行業常規及為社區締造長期價值。

反貪污

我們相信道德常規、誠信及良好的企業管治對鞏固我們的牽頭地位及強化股東信任不可或缺。董事會就任何形式的賄賂、貪污或欺詐採取零容忍態度。我們透過入職、合規及進修培訓，向僱員充份傳達誠信的原則。僱員會獲發員工手冊，當中載述清晰指引及標準守則。此外，我們已成立誠信監察委員會，為員工及分判商開設舉報渠道，以保密方式舉報任何觀察及懷疑行為不檢、行為不當及玩忽職守。我們會迅速跟進任何報案，而確實的案件會向審核委員會匯報。

我們就防止行為不當所採取的其中一項措施是成立一個特別委員會，監察與採購控制及物業管理及設施管理服務招標程序有關的內部程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Regulatory Compliance

During the Reporting Period, we were not aware of any breach of laws and regulations that has a significant impact on the Group relating to anti-corruption.

CARING FOR THE ENVIRONMENT

Synergis works to reduce environmental impacts from its operations through managing emissions and optimising the use of resources. We explore opportunities in enhancing the efficiency of our operations with our customers and tenants of the properties we manage.

Environmental Management

The Group has implemented an Environmental Policy that outlines the importance of compliance, continuous improvement and awareness-raising for our environmental management. We have set up the Green Operations Committee to drive environmentally-sound practices in day-to-day PFM. Good construction practices are encouraged and implemented to reduce environmental impacts in projects of ISP business. Both our key operations in property management and ISP businesses have implemented environmental management systems certified against the internationally recognised ISO 14001 standard.

Managing Emissions and Improving Resource Efficiency

Synergis works closely with its clients to reduce energy consumption at the managed residential and commercial properties. The PFM team assigns a Technical Task Force to conduct energy management assessments and identify suitable energy management opportunities.

We do not only manage our environmental footprint of our business operations, but also assist our customers in optimising their energy performance. For example, we helped Asia Airfreight Terminal lower energy consumption and attain the “Energywise Label – Class of Excellence” run by the Hong Kong Awards for Environmental Excellence. Additionally, in the Power Smart Energy Saving Contest 2016/2017 organised by Friends of the Earth, over 70 of our managed properties participated in the ‘Property Management’ category in 2016 and pending for the result. In 2015, Synergis already earned 29 certificates in the ‘Property Management’ category.

監管合規

於報告期間，我們概不知悉有任何違反反貪污的法律及法規相關而對本集團構成重大影響的事項。

關懷環境

新昌管理透過管理排放物及優化資源使用，努力減低其營運對環境的影響。我們發掘機會以提升我們與我們所管理物業的客戶及租戶的合作效益。

環境管理

本集團已制定環境政策，強調合規、持續改善及提升環境管理意識的重要性。我們已成立綠色動力委員會，鼓勵在日常物業及設施管理中應用環保常規。我們亦鼓勵及推行綠色建築常規，以減少室內裝飾及特殊項目業務項目對環境造成的影響。我們在物業管理及室內裝飾及特殊項目業務的主要營運均已實施獲國際認可 ISO 14001 準則核實的環境管理系統。

管理排放及提升資源效益

新昌管理與其客戶緊密合作，以減低所管理的住宅及商用物業的能源消耗。物業及設施管理團隊指派技術工作小組進行能源管理評估，並識別合適的能源管理機會。

我們不只管理我們業務營運所涉足的環境板塊，亦協助客戶優化其能源表現。舉例而言，我們協助亞洲空運中心降低能源消耗，並取得香港環境卓越計劃所舉辦的「節能標誌 – 卓越級別」認可。另外，在地球之友組織的2016/2017年「知慳惜電」節能比賽中，逾70個由我們管理的物業參與2016年的「物業管理組」，比賽結果尚待公佈。2015年，新昌管理在「物業管理組」經已獲得29項獎狀。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

As a property manager of over 100,000 residential units, Synergis believes that it has a role to play in promoting waste recycling. We enable public participation in waste separation and recycling by providing necessary recycling facilities on the premise. We also promote different kinds of recycling activities to our customers and tenants. During the year, more than 70 properties took part in the Source Separation of Domestic Waste Competition organised by the Environmental Protection Department. They were presented with the following awards:

作為逾100,000個住宅單位的物業管理公司，新昌管理深信其在推廣廢物回收方面扮演關鍵角色。我們在場所提供必需之回收設施，鼓勵公眾參與廢物分類及回收。我們亦向客戶及租戶推廣各類回收活動。年內，逾70個物業參與環境保護署舉辦的「家居廢物源頭分類比賽」，並獲頒以下獎項：

Awards	Name of properties
獎項	物業名稱
Award for Lowest Waste Disposal Quantity 最低廢物棄置量大獎	Ka Shing Court 嘉盛苑 Po Ming Court 寶明苑
Award for Enhancement 進步獎	Broadview Terrace 雅景台 Ka Shing Court 嘉盛苑
Diamond Award 鑽石獎	Po Ming Court 寶明苑
Silver Award 銀獎	Evelyn Towers 雲景台 Broadview Terrace 雅景台 Ka Shing Court 嘉盛苑
Bronze Award 銅獎	The Crescent 仁禮花園 Rise Park Villas 麗莎灣別墅

Responsible site practices are encouraged to minimise our environmental impacts at our construction and renovation sites. For example, our site teams are tasked to treat wastewater using installed treatment device on-site, and also to reuse grey water for dust suppression.

我們的建築及翻新地盤鼓勵推行負責任的地盤常規，盡量減低對環境的影響。例如我們的地盤團隊負責利用在地盤安裝的處理儀器處理污水，亦重用洗滌水抑制塵埃。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Wastes generated from construction and demolition are segregated and recycled as much as possible. Hazardous wastes generated from project works are collected and disposed by qualified vendors in accordance with the local regulations. Other measures including careful programming works and good site management are implemented to minimise over-ordering and avoid cross-contamination. Guidelines on efficient use of resources including electricity, water and other materials are established and implemented. Targets on wastage of major construction materials are established and progress is monitored and reported to encourage performance improvement.

To minimise air pollution such as volatile organic compounds arising from construction and renovation work, our ISP team designed an industrial air-purification system for indoor worksites. The system can adjust the purification level according to the needs of different engineering works. This system provides enhanced chemical purification effects, which is an innovative solution to reduce adverse environmental impacts.

At our headquarter offices, energy efficiency initiatives are widely undertaken to improve operational efficiency and reduce greenhouse gas (“GHG”) emissions. For example, we encourage the adoption of energy-efficient LED lighting systems and remind employees to switch off idle electric appliances. Regular maintenance on company cars is carried out to ensure a high fuel efficiency to reduce emissions.

Regulatory Compliance

The Group was not aware of any non-compliance of laws and regulations that has a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the Reporting Period.

CARING FOR THE COMMUNITY

Our business success is closely linked with the prosperity of the community in which we operate. In 2016, we continue to demonstrate our commitment to supporting community and create positive long-lasting impacts by establishing close collaboration with charitable organisations. Providing financial support, engaging our employees in giving to the community and helping those in need are our focuses of community outreach.

建築及拆卸所產生的廢料分開處置，並盡量回收再用。項目工程所產生的有害廢料會由合資格賣方根據地方規例收集及處置。我們亦推行其他措施，包括審慎的項目設計工作及良好的地盤管理，以盡量減少訂購過量及避免交叉污染。我們制定及執行有效的資源（包括電力、水及其他材料）使用指引。我們制定大型建築材料棄置目標，並監察進展及作出匯報，以鼓勵改善表現。

為減少因建築及翻新工程產生的揮發性有機複合物等空氣污染，我們的室內裝飾及特殊項目團隊為室內工作場所設計了一套工業空氣淨化系統。該系統可根據不同工程的需要，調節淨化水平，大大改善了化學品淨化效果，是消除損害環境影響的創新解決方案。

於我們的總部辦公室，我們廣泛採用能源效益措施，以提升營運效率及減少溫室氣體（「溫室氣體」）排放。舉例而言，我們鼓勵採用具備能源效益的LED照明系統，並提醒僱員切斷非使用中電器的電源。公司汽車會進行定期保養，以確保達到高燃料效益，減少排放廢氣。

監管合規

本集團概不知悉於報告期間曾發生任何違反有關空氣及溫室氣體排放、污水及固體廢料排放、產生有害及無害廢料的法規及法規，且對本集團構成重大影響的事件。

關懷社區

我們業務成功與我們業務所在社區的繁榮有着莫大關連。於2016年，我們繼續展示我們支援社區的決心，並透過與慈善機構緊密合作，締造長遠的正面效應。提供經濟援助、鼓勵僱員貢獻社區及扶助弱勢社群乃我們關懷社區的核心政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has been recognised by a number of external organisations for its long-term contribution to the community. In 2016, Synergis was named as the “Heart to Heart Company” for the 10th consecutive year for its consistent sponsorship to nurture youth volunteering. The Group was also awarded the “10 Year Plus Caring Company Logo 2015/16” by the Hong Kong Council of Social Service for the 14th consecutive year in row and has attained the “Corporate Social responsibility (CSR) Advocate Mark” from the Hong Kong Quality Assurance Agency for the 4th consecutive year in a row. These awards acknowledged the positive and tangible contributions brought along by our community services.



本集團長期貢獻社區獲多間外部機構認可。於2016年，新昌管理持續贊助培育青年投身志願工作，連續十年獲評為「有心企業」。本集團亦連續十四年獲香港社會服務聯會頒發「10年Plus「商界展關懷」標誌2015/16」，並連續四年取得香港品質保證局的「企業社會責任先導者標誌」。該等獎項肯定了我們的社區服務所帶來的正面及有形貢獻。

Synergis has been working closely with the Hong Kong Red Cross for many years in running the annual corporate blood donation event to help replenish the blood bank in Hong Kong.

新昌管理多年來一直與香港紅十字會合作無間，舉辦一年一度公司捐血活動，幫助補充香港血庫。

The Group supports the elderly to live happily and healthily as a tribute to their past contributions to the society. In the winter of 2016, our staff volunteers organised the “Bring Warmth to the Elderly in Autumn” event and paid a visit to the senior citizens who stay at the Salvation Army Nam Tai Centre. During the event, our staff volunteers shared health tips, entertained the seniors, and gave warmth by distributing scarves and gifts.

本集團支援長者安居樂活，以感謝彼等過去對社會作出的貢獻。2016年冬季，我們的志願員工組織了「新昌秋日送暖」大行動，探訪救世軍南泰長者中心的長者。在活動中，我們的志願員工與長者分享健康要訣，為長者提供娛樂及派發頸巾禮物，送上溫暖。

We hope to create positive synergies to our community by helping the less fortunate. For many years, Synergis has supported the annual fundraising event held by Heifer Hong Kong aiming at lifting farmers out of poverty and becoming self-reliant. In October 2016, our employees continued to participate in the “Heifer Race to Feed” fundraiser to support this meaningful community activity.

我們希望透過幫助弱勢人士，為社區締造正面的協同效應。多年來，新昌管理一直支持小母牛舉辦的年度籌款活動，活動目的是為農民脫貧，讓彼等能夠自給自足。於2016年10月，我們的僱員一如既往，參與小母牛「競跑助人」籌款活動，以支持該項有意義的社區活動。



DIRECTORS' REPORT

董事會報告

The Board has pleasure in submitting to the shareholders its report and the consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the provision of PFM business and ISP business in Hong Kong, Mainland China and Macau. Particulars of the principal subsidiaries of the Company are set out in notes 33 to the financial statements.

SEGMENT INFORMATION

Details of segment information are set out in note 5 to the financial statements.

BUSINESS REVIEW

Details of the business review information are set out in the section headed "Management Discussion and Analysis" on pages 11 to 26 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We consider environmental protection is essential to the long-term development of the Group and will constantly improve a management practices so as to minimise waste, maximise efficiencies and reduce our negative environmental impact on the environment.

For details, please refer to the section headed "Environmental, Social and Governance Report" on pages 60 to 71 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations.

董事會欣然向各股東提呈其報告及本集團截至2016年12月31日止年度之綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務為於香港、中國內地及澳門提供物業及設施管理服務及室內裝飾及特殊項目業務以及輔助業務。本公司主要附屬公司之詳情載於財務報表附註33。

分部資料

分部資料詳情載於財務報表附註5。

業務回顧

業務回顧資料之詳情載於本年報第11頁至第26頁之「管理層討論及分析」一節。

環境政策及表現

我們認為環境保護對本集團之長遠發展而言屬至關重要，並將持續提升管理常規以盡量減少廢棄物、提升效益及降低負面環境影響。

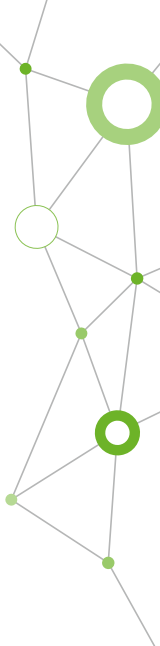
有關詳情請參閱本年報第60頁至第71頁「環境、社會及管治報告」一節。

遵守法律及法規

本集團承認遵守監管規定之重要性及不遵守有關規定之風險。本集團已分配系統及員工資源以確保持續遵守相關規則及法規。

DIRECTORS' REPORT

董事會報告



The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong, Mainland China and Macau while the Company itself was incorporated in Bermuda and listed on the Stock Exchange in Hong Kong. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Bermuda, Mainland China and Macau.

To ensure compliance with the new Competition Ordinance, the Group has conducted trainings for our staff. We also step up measures to increase safety awareness amongst our management and staff to prevent accidents in contravention with safety regulations.

RISKS AND UNCERTAINTIES

Various risks that the Company may face have been disclosed in the Corporate Governance Report and the Notes to the Financial Statements on pages 54 to 57 and pages 136 to 140 of this annual report respectively.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group ensures all staff are reasonably remunerated and we regularly review and improve our policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on page 111; the consolidated statement of comprehensive income on page 112 and the state of affairs of the Group and of the Company at 31 December 2016 are set out in the consolidated balance sheet on pages 113 to 114 and balance sheet and reserve movement of the Company on note 31.

本集團之營運主要由本公司於香港、中國內地及澳門之附屬公司進行，而其本身於百慕達註冊成立並於香港聯交所上市。我們的成立及營運因此應遵守香港、百慕達、中國內地及澳門之相關法律及法規。

為確保遵守新競爭條例，本集團已對員工進行培訓。我們亦採取措施提升管理人員及員工安全意識，以防止違反安全法規之事故發生。

風險及不確定因素

本公司可能面臨的各類風險已分別於本年報第54至第57頁及第136頁至第140頁之企業管治報告及財務報表附註披露。

與僱員、客戶及供應商之關係

本集團確保全體員工均獲得合理薪酬，同時我們亦定期檢討及改進我們的薪酬及福利、培訓、職業健康及安全政策。

本集團與客戶保持良好關係。本集團設有客戶投訴處理系統以接收、分析及研究投訴及就補救措施提供建議，進而提升服務質素。

本集團與其供應商保持良好關係並對其供應商進行公平及嚴格之評估。

業績及分派

本集團截至2016年12月31日止年度之業績載於第111頁之綜合損益表；第112頁之綜合全面收入報表，及本集團和本公司於2016年12月31日之財政狀況載於第113至第114頁之綜合資產負債表及附註31之本公司資產負債表及儲備變動表。

DIRECTORS' REPORT

董事會報告

An interim dividend of 1.5 HK cent per share (2015: 2.5 HK cents per share) was paid during the year. To preserve funds for business development of the Company, the Board does not recommend the payment of final dividend for the year ended 31 December 2016 (2015: 2.5HK cents per share). Accordingly, total dividends for the financial year amounted to 1.5 HK cent per share (2015: 5.0 HK cents per share).

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 115 and in note 23 to the financial statements, respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the operating results and of the assets and liabilities of the Group for the last four financial years and for the year ended 31 December 2016 is set out on page 177. This summary does not form a part of the financial statements.

PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in note 14 and note 15 to the financial statements respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2016, calculated under the Companies Act 1981 of Bermuda (as amended), amounted to HK\$66,445,000 (31 December 2015: HK\$89,088,000).

年內已派發中期股息每股港幣 1.5 仙(2015 年：每股港幣 2.5 仙)。為了本公司的業務發展之資金所需，董事會不建議就截至 2016 年 12 月 31 日止年度派付末期股息(2015 年：每股港幣 2.5 仙)。因此，本財政年度之股息總額為每股港幣 1.5 仙(2015 年：每股港幣 5.0 仙)。

儲備

本集團及本公司於年內之儲備變動詳情分別載於第 115 頁之綜合權益變動表及財務報表附註 23。

五年財務摘要

本集團於過去 4 個財政年度及截至 2016 年 12 月 31 日止年度經營業績與資產及負債摘要載於第 177 頁。此摘要並不屬於財務報表之一部份。

物業、機器及設備以及投資物業

於年內，本集團物業、機器及設備以及投資物業之變動詳情分別載於財務報表附註 14 及附註 15。

股本

年內本公司之股本變動詳情，載於綜合財務報表附註 22。

可供分派儲備

本公司於 2016 年 12 月 31 日之可供分派儲備乃根據百慕達 1981 年公司法(經修訂)計算，金額為港幣 66,445,000 元(2015 年 12 月 31 日：港幣 89,088,000 元)。

DIRECTORS' REPORT

董事會報告

PRE-EMPTIVE RIGHTS

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

DIRECTORS

The Directors during the year ended 31 December 2016 and up to the date of this report were:

Executive Directors

- Mr. Kingston Chu Chun Ho (*Chairman*)
(appointed with effect from 9 March 2017)
- Mr. Terence Leung Siu Cheong[△]
(*Deputy Chairman and Managing Director*)
- Ir. Joseph Choi Kin Hung[#]
(resigned with effect from 9 March 2017)
- Mr. Lui Chun Pong[#]
(resigned with effect from 9 March 2017)
- Ms. Brenda Yau Shuk Mee[#]
(resigned with effect from 29 June 2016)

Independent Non-executive Directors

- Mr. Stephen Ip Shu Kwan
- Mr. Kan Fook Yee
- Mr. Wong Tsan Kwong
- Mr. David Yu Hon To

The profiles of Directors who are in office as at the date of this report are set out on pages 27 to 31 of this annual report.

In accordance with Bye-law 86(2), Mr. Kingston Chu Chun Ho shall hold offices up to the forthcoming annual general meeting ("AGM") and in accordance with Bye-laws 87(1) and 87(2), Mr. Terence Leung Siu Cheong and Mr. David Yu Hon To shall retire by rotation at the AGM, but all of them, being eligible, have offered themselves for re-election at the AGM. Save for the aforesaid, the other remaining Directors would continue in office.

The Company has received from each of its Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the Independent Non-executive Directors are independent in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules.

優先購買權

本公司細則並無優先購買權之條文，惟百慕達法例亦無就該等權利設有任何限制。

董事

於截至2016年12月31日止年度內及截至本報告日期止，董事如下：

執行董事

- 朱俊浩先生(主席)
(自2017年3月9日起獲委任)
- 梁兆昌先生[△]
(副主席兼董事總經理)
- 蔡健鴻工程師[#]
(自2017年3月9日起辭任)
- 呂振邦先生[#]
(自2017年3月9日起辭任)
- 游淑眉女士[#]
(自2016年6月29日起辭任)

獨立非執行董事

- 葉樹堃先生
- 簡福飴先生
- 黃燦光先生
- 俞漢度先生

於本報告日期在職之董事之簡介載於本年報第27至第31頁。

根據細則第86(2)條，朱俊浩先生應任職至應屆股東周年大會(「股東周年大會」)，而根據細則第87(1)及87(2)條，梁兆昌先生及俞漢度先生須於股東周年大會上輪值告退，惟彼等均符合資格並願意於股東周年大會上重選連任。除前述者外，其他餘下之董事均將繼續留任。

本公司已接獲其每位獨立非執行董事就其獨立性根據上市規則第3.13條作出之年度確認書，並認為所有獨立非執行董事根據上市規則第3.13條所載之獨立指引條款均為獨立人士。

DIRECTORS' REPORT

董事會報告

△ Mr. Terence Leung Siu Cheong has been appointed as the Deputy Chairman with effect from 9 March 2017.

Mr. Joseph Choi Kin Hung resigned as a Director with effect from 9 March 2017 as he wished to devote more time to his other business commitments. Mr. Lui Chun Pong resigned as a Director with effect from 9 March 2017 as he wished to pursue his other business and personal interests. Brenda Yau Shuk Mee resigned as a Director with effect from 29 June 2016 as she would like to pursue her other business and personal interests. They have confirmed that they have no disagreement with the Board and there is nothing relating to the affairs of the Company that needed to be brought to the attention of the shareholders of the Company or the Stock Exchange.

△ 梁兆昌先生自2017年3月9日起獲委任為副主席。

蔡健鴻工程師因有意投放更多時間於其他事務承擔而自2017年3月9日起辭任董事一職。呂振邦先生因有意尋求其他事務及個人興趣而自2017年3月9日起辭任董事一職。游淑眉女士因有意尋求其他事務及個人興趣而自2016年6月29日起辭任董事一職。彼等確認彼等與董事會並無分歧，亦無其他有關本公司事務之事宜須敦請本公司股東或聯交所垂注。

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering themselves for re-election at AGM have entered into a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, its holding companies or its fellow subsidiaries was a party and in which any Director and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are set out in note 9 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save for disclosed in the sections headed "Share Option Schemes", "Convertible Securities, Options, Warrants or Similar Rights" and "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company – Convertible Preference Shares" of this report, the Company has not entered into any equity-linked agreements during the year.

董事之服務合約

於即將舉行之股東周年大會上重選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

董事於交易、安排或合約之權益

於年末或年內之任何時間，本公司之附屬公司、其控股公司或其同系附屬公司概無就本集團之業務訂立董事及董事之關連人士直接或間接擁有重大權益之交易、安排及合約。

董事酬金

董事酬金之詳情載於財務報表附註9。

權益掛鈎協議

除本報告「購股權計劃」、「可換股證券、購股權、認股權證或類似權利」及「主要股東於本公司股份及相關股份中擁有之權益及淡倉 – 可轉換優先股」各節所披露外，本公司概無於年內訂立任何權益掛鈎協議。

DIRECTORS' REPORT

董事會報告

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-law 168, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto, provided that this Bye-law shall only have effect in so far as its provisions are not avoided by the Bermuda Companies Act. The Company has maintained Directors and officers liability insurance during the year.

BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans and other borrowings of the Group as at 31 December 2016 is set out in note 26 to the consolidated financial statements.

MANDATORY UNCONDITIONAL CASH OFFER

On 18 November 2016, Champ Key (a) acquired 55,000,000 ordinary shares from Summit View Holdings Limited, representing approximately 15.80% of the ordinary shares in issue as at the date of the joint announcement under pursuant to Rule 3.5 of the Takeovers Code by Champ Key and the Company, i.e. 30 November 2016, (or approximately 12.85% of the ordinary shares in issue as enlarged by the full conversion of convertible preference shares ("CPSs")), at a total consideration of HK\$61,600,000 (equivalent to HK\$1.12 per ordinary share); and (b) entered into the sale and purchase agreement with Smart Lane, being an indirect wholly-owned subsidiary of Hsin Chong Group Holdings Limited, for the acquisition of 169,116,777 ordinary shares, representing approximately 48.58% of the ordinary shares in issue as at 30 November 2016 (or approximately 39.51% of the ordinary shares in issue as enlarged by the full conversion of CPSs) and the 80,000,000 CPSs convertible into 80,000,000 ordinary shares (representing approximately 18.69% of the ordinary shares in issue as enlarged by the full conversion of CPSs) at an aggregate consideration of HK\$279,010,790 (equivalent to approximately HK\$1.12 per ordinary share, assuming all CPSs are converted into new ordinary shares). Completion of both acquisitions took place on 21 November 2016. The controlling shareholder of the Company has been changed from Hsin Chong Group Holdings Limited to Champ Key, which is wholly and beneficially owned by Mrs. Chu Yuet Wah.

獲准許彌償條文

根據細則第168條，各董事或其他高級職員有權就履行其職務或在其他有關方面蒙受或產生之所有虧損或負債自本公司之資產中獲得彌償，且概無董事或其他高級職員須就履行職責或與此有關而使本公司蒙受或產生之任何虧損、損失或不幸事件負責，惟該公司細則僅在未被百慕達公司法廢止之情況下有效。本公司於年內維持董事及高級職員責任保險。

銀行貸款及其他借貸

本集團於2016年12月31日之銀行貸款及其他借貸分析載於綜合財務報表附註26。

強制性無條件現金要約

於2016年11月18日，Champ Key (a)已向Summit View Holdings Limited收購55,000,000股普通股股份(相當於Champ Key及本公司根據收購守則規則3.5刊發之聯合公告日期，即2016年11月30日之已發行普通股股份約15.80%(或可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約12.85%))，總代價為港幣61,600,000元(相等於每股普通股港幣1.12元)；及(b)已與Smart Lane(為新昌集團控股有限公司之間接全資附屬公司)就收購169,116,777股普通股股份(相當於2016年11月30日之已發行普通股股份約48.58%(或可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約39.51%))及可轉換為80,000,000股普通股股份(相當於可轉換優先股獲悉數轉換後之經擴大已發行普通股股份約18.69%)之80,000,000股可轉換優先股訂立買賣協議，總代價為港幣279,010,790元(相等於每股普通股股份約港幣1.12元，假設所有可轉換優先股獲轉換為新普通股股份)。收購事項均已於2016年11月21日完成。本公司之控股股東由新昌集團控股有限公司變更為Champ Key，其全資及實益擁有人為李月華女士。

DIRECTORS' REPORT

董事會報告

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, Champ Key and parties acting in concert are required to make mandatory unconditional cash offers for all the issued ordinary shares (other than those already owned and/or agreed to be acquired by Champ Key) ("Share Offer") and to cancel all 7,244,000 outstanding options ("Option Offer") (collectively, the "Offers"). As all CPSs are held by Champ Key as at 30 November 2016, no comparable offer would be made in respect of the CPSs. The offer price of HK\$1.12 per ordinary share under the Share Offer and the offer prices for the Option Offer as set out below:

- (a) 6,814,000 options may be exercised at an exercise price of HK\$0.952 per ordinary share, the offer price for these options was HK\$0.168 each;
- (b) 330,000 options may be exercised at an exercise price of HK\$0.860 per ordinary share, the offer price for these options was HK\$0.260 each; and
- (c) 100,000 options may be exercised at an exercise price of HK\$0.850 per ordinary share, the offer price for these options was HK\$0.270 each.

The Offers were closed on 3 February 2017.

For the details, please refer to the Company's announcements dated 30 November 2016, 13 January 2017 and 3 February 2017 and the Company's composite document dated 13 January 2017 ("Composite Document").

根據收購守則規則26.1及13.5，Champ Key及與其一致行動人士須就所有已發行普通股股份（Champ Key已擁有及／或同意將予收購之該等股份除外）（「股份要約」）及註銷所有7,244,000份尚未行使購股權（「購股權要約」）提出強制性無條件現金要約（統稱「要約」）。由於所有可轉換優先股於2016年11月30日均由Champ Key持有，故將不會就可轉換優先股作出可資比較要約。股份要約項下之股份要約價每股普通股股份港幣1.12元及購股權要約將按下列條款提出：

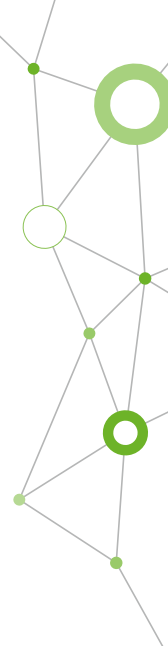
- (a) 6,814,000份購股權附帶之認購權可按每股普通股股份港幣0.952元之行使價行使，要約價為現金港幣0.168元；
- (b) 330,000份購股權附帶之認購權可按每股普通股股份港幣0.860元之行使價行使，要約價為現金港幣0.260元；及
- (c) 100,000份購股權附帶之認購權可按每股普通股股份港幣0.850元之行使價行使，要約價為現金港幣0.270元；

要約已於2017年2月3日結束。

更多詳情請參閱本公司日期為2016年11月30日、2017年1月13日及2017年2月3日之公告及本公司日期為2017年1月13日之綜合文件（「綜合文件」）。

DIRECTORS' REPORT

董事會報告



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein (the "Register"); or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Long Positions in the Shares and Underlying Shares of the Company

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有之權益及淡倉

於2016年12月31日，本公司董事及行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有之權益及淡倉而須：(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所(包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條須記錄於該條所指之登記冊(「登記冊」)內；或(c)根據上市規則附錄10所載之標準守則須知會本公司及聯交所：

於本公司股份及相關股份之好倉

Name of Directors	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate percentage of interests in the total number of issued shares
董事姓名	身份	持有之普通股股份數目	持有之相關股份數目 (Note (i)) (附註(i))	總計	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Terence Leung Siu Cheong 梁兆昌	Beneficial owner 實益擁有人	–	600,000	600,000	0.17%
Stephen Ip Shu Kwan 葉澍堃	Beneficial owner 實益擁有人	–	400,000	400,000	0.11%
Kan Fook Yee 簡福飴	Beneficial owner 實益擁有人	–	200,000	200,000	0.06%

DIRECTORS' REPORT

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Notes:

- (i) The interest in the underlying shares represented share options granted pursuant to the old share option scheme adopted by the Company on 19 September 2003 (terminated by the ordinary resolution passed at the annual general meeting of the Company held on 17 June 2013) (the "2013 AGM") and a new share option scheme adopted by the Company on 17 June 2013. Details of share options granted are set out below:

附註：

- (i) 相關股份之權益指根據本公司於2003年9月19日採納之舊購股權計劃(由一項於2013年6月17日在本公司股東周年大會(「2013年股東周年大會」)上獲通過之普通決議案終止)及本公司於2013年6月17日採納之新購股權計劃所授予之購股權。所授予之購股權詳情載列如下：

Name of Directors	Number of share options held as at 31 December 2016	Exercise price per share (HK\$)	Exercisable period
董事姓名	於2016年12月31日所持購股權數目	每股行使價(港幣元)	行使期(日/月/年)
Terence Leung Siu Cheong 梁兆昌	600,000 ¹	0.952	27/05/2017–27/05/2019
Stephen Ip Shu Kwan 葉澍堃	300,000 ² 100,000 ³	0.952 0.850	27/05/2014–27/05/2017 16/10/2013–15/10/2018
Kan Fook Yee 簡福飴	300,000 ⁴	0.952	27/05/2015–27/05/2017

¹ Share options were or will be vested in equal portions on 27 May 2017 and 2018 respectively. The unvested options became exercisable within a 30-day period after the date on which the Offer became or was declared unconditional (i.e. the date of the despatch of the Composite Document) according to Rules 6.3(c) and 7(b) of the Old Option Scheme (as defined below). All share options were exercised within a 30-day period after the commencement of the Offer.

² Share options were vested in equal portions on 27 May 2014, 2015 and 2016 respectively. After the year ended 31 December 2016, Mr. Stephen Ip Shu Kwan exercised 300,000 share options on 19 January 2017.

³ After the year ended 31 December 2016, Mr. Stephen Ip Shu Kwan exercised 100,000 share options on 5 January 2017.

⁴ Share options were vested in equal portions on 27 May 2015 and 2016 respectively. After the year ended 31 December 2016, Mr. Kan Fook Yee exercised 200,000 share options on 19 January 2017.

- (ii) There were 350,544,000 ordinary shares of the Company in issue at 31 December 2016.

¹ 購股權分別已於或將於2017年及2018年5月27日按同等份數歸屬。根據舊購股權計劃(定義見下文)規則第6.3(c)及7(b)條，未歸屬購股權於要約成為或宣佈為無條件當日(即派發綜合文件之日期)後30日期間內可予行使。所有購股權已於要約開始後30日內獲行使。

² 購股權分別已於2014年、2015年及2016年5月27日按同等份數歸屬。截至2016年12月31日止年度後，葉澍堃先生已於2017年1月19日行使300,000份購股權。

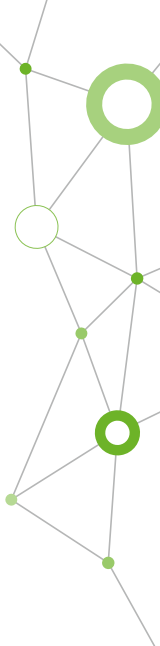
³ 截至2016年12月31日止年度後，葉澍堃先生已於2017年1月5日行使100,000份購股權。

⁴ 購股權分別已於2015年及2016年5月27日按同等份數歸屬。截至2016年12月31日止年度後，簡福飴先生已於2017年1月19日行使200,000份購股權。

- (ii) 本公司於2016年12月31日之已發行普通股股份為350,544,000股。

DIRECTORS' REPORT

董事會報告



Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange or as recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

At the 2013 AGM, the shareholders approved the adoption of a new share option scheme (the "New Option Scheme") and the termination of the share option scheme, which was adopted on 19 September 2003 (the "Old Option Scheme"). Share options granted under the Old Option Scheme remain effective. Details of the Old Option Scheme and the New Option Scheme as required to be disclosed under Chapter 17 of the Listing Rules are set out below:

(1) Summary of the Old Option Scheme

(a) Purpose of the Old Option Scheme

The Old Option Scheme was set up for the purpose of recognising and motivating the contribution of the Eligible Persons (as defined below) to the Company and/or any of its subsidiaries and/or any Invested Entity (as defined below).

(b) Participants of the Old Option Scheme

Eligible persons entitled to participate in the Old Option Scheme (the "Eligible Persons") include:

- (i) any employee (whether full-time or part-time) of the Company, any of its subsidiaries, or any entity in which the Company or any of its subsidiaries holds an equity interest (the "Invested Entity"); including any executive director of the Company, any of its subsidiaries or any Invested Entity and any employee employed or to be employed by the Company, any of its subsidiaries or any Invested Entity, whether in Hong Kong or in The People's Republic of China;
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;

除上文所披露者外，於2016年12月31日，本公司董事或行政總裁概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何權益或淡倉而已知會本公司及聯交所或記錄於登記冊內，或根據標準守則須知會本公司及聯交所。

購股權計劃

在2013年股東周年大會上，股東批准採納新購股權計劃（「新購股權計劃」）及終止於2003年9月19日採納之購股權計劃（「舊購股權計劃」）。根據舊購股權計劃授出之購股權仍為有效。根據上市規則第17章規定須予披露有關舊購股權計劃及新購股權計劃之詳情載列如下：

(1) 舊購股權計劃之摘要

(a) 舊購股權計劃之目的

舊購股權計劃旨在表彰及激勵合資格人士（定義見下文）為本公司及／或其任何附屬公司及／或任何投資實體（定義見下文）作出貢獻。

(b) 舊購股權計劃之參與人士

可參與舊購股權計劃之合資格人士（「合資格人士」）包括：

- (i) 本公司、其任何附屬公司，或本公司或其任何附屬公司持有股本權益之任何實體（「投資實體」）之任何僱員（不論全職或兼職），包括本公司、其任何附屬公司或任何投資實體之任何執行董事，及本公司、其任何附屬公司或任何投資實體（不論於香港或中華人民共和國）僱用或將僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括任何獨立非執行董事）；

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| <p>(iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who had, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;</p> | <p>(iii) 本公司、其任何附屬公司或任何投資實體之任何股東或本公司、其任何附屬公司或任何投資實體所發行任何證券之持有人，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；</p> |
| <p>(iv) any person or entity that provides research, development or other technological support to the Company, any of its subsidiaries or any Invested Entity;</p> | <p>(iv) 向本公司、其任何附屬公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；</p> |
| <p>(v) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;</p> | <p>(v) 本公司、其任何附屬公司或任何投資實體的任何貨品及／或服務供應商；</p> |
| <p>(vi) any business collaborator, business consultant, joint venture or business partner, or technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity;</p> | <p>(vi) 本公司、其任何附屬公司或任何投資實體所委聘之任何業務合作方、業務顧問、合資公司或業務夥伴、或技術、財務、法律及其他專業顧問；</p> |
| <p>(vii) any associate (as defined under the Listing Rules) of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who had, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity; or</p> | <p>(vii) 本公司、其任何附屬公司或任何投資實體之董事或主要股東之任何聯繫人(定義見上市規則)，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；或</p> |
| <p>(viii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which included any of the above-mentioned persons,</p> | <p>(viii) 經董事會預先批准之任何信託之受託人，其受益人(或倘為全權信託，則為受益對象)包括任何上述人士，</p> |

and, for the purposes of the Old Option Scheme, the options might be granted to any company wholly-owned by one or more of the above Eligible Persons.

及根據舊購股權計劃，購股權可獲授予任何一名或以上之上述合資格人士全資擁有之任何公司。

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(c) Number of shares available for issue under the Old Option Scheme

As at 28 March 2017, the Company has no outstanding options under the Old Option Scheme since all options were exercised within a 30-day period after commencement of the Offer.

During the year ended 31 December 2016, (i) 2,868,000 options were exercised; (ii) 840,000 options were lapsed; and (iii) no options were granted and cancelled by the Company. Subsequent to the year ended 31 December 2016, a total of 4,686,000 options were exercised.

(d) Maximum entitlement of each Eligible Person under the Old Option Scheme

No option might be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of shares already issued to such Eligible Person under all the options previously granted to him/her which had been exercised and, issuable to him/her under all the options previously granted to him/her which were for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month period unless being approved by the shareholders of the Company in a general meeting.

Where any proposed grant of option to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) and to be granted to such person in the 12-month period up to and including the date of the proposed grant:

- (i) representing in aggregate over 0.1% of the total number of shares in issue for the time being; and
- (ii) the aggregate value of which, based on the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the proposed grant, was in excess of HK\$5.0 million,

(c) 根據舊購股權計劃可發行之股份數目

於2017年3月28日，在舊購股權計劃下，本公司概無未行使購股權，因所有購股權已於要約開始後30日期間內獲行使。

於截至2016年12月31日止年度期間，(i) 2,868,000份購股權獲行使；(ii) 840,000份購股權失效；及(iii)本公司概無授出或註銷購股權。截至2016年12月31日止年度後，合共4,686,000份購股權獲行使。

(d) 舊購股權計劃下每位合資格人士可獲授購股權之上限

倘於任何12個月期間內向任何一位合資格人士授出之購股權獲悉數行使時，會導致該合資格人士因過往獲授及已行使之所有購股權而獲發行的股份，及過往獲授仍有效且未行使之所有購股權而可予發行之股份，合計總數超過於該12個月期間最後一日之本公司已發行股本之1%，則不可向該合資格人士授出購股權，惟於股東大會上獲本公司股東批准則除外。

倘向本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人（定義見上市規則）建議授出購股權，而將會導致於截至（及包括）建議授出日期止12個月期間向該人士已授出（包括已行使、註銷及未行使之購股權）及將授出之所有購股權獲行使而已發行及將予發行之股份：

- (i) 合共超過當時已發行股份總數之0.1%；及
- (ii) 根據於建議授出日期聯交所發出之每日報價表所載股份之收市價計算，總值超過港幣5,000,000元，

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such proposed grant of option shall be subject to the prior approval of the shareholders of the Company at a general meeting in which all connected persons for the time being of the Company (if any) (except where any connected person intends to vote against the proposed grant of option and his/her intention to do so has been stated in the circular) should abstain from voting at such general meeting and at which any vote taken should be taken on a poll.

(e) Period for and payment on acceptance of an option

An offer for grant of an option must be accepted by an Eligible Person (and by no other person except the Eligible Person) in respect of all the shares for which the offer is made. Acceptance should be made by such Eligible Person by signing and returning the duplicate of the offer letter together with the payment of a consideration of HK\$1.00 for such grant to the Company within the time period specified in the offer letter.

(f) The basis of determining the subscription price

The subscription price in respect of any option granted under the Old Option Scheme should be a price determined by the Board and notified to each grantee and should not be less than the highest of (i) the nominal value of a share; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer for grant of an option (the "Old Offer Date") was made to an Eligible Person; and (iii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the Old Offer Date which must be a business day, provided that the subscription price shall be rounded upwards to the nearest whole cent.

(g) Minimum period for holding an option before exercise

There was no minimum holding period for which an option must be held before exercise pursuant to the Old Option Scheme. The commencement date of an option period should be specified by the Board in the relevant offer letter.

則授出購股權的建議須事先獲得本公司股東於股東大會上批准，而本公司當時的所有關連人士(如有)不得於該股東大會上投票(惟擬投票反對該項授出購股權建議並已在通函中表明其意向的任何關連人士除外)，及該股東大會須以投票表決方式進行表決。

(e) 接納購股權之期限及付款

合資格人士(不可為該合資格人士以外的其他人士)可就其獲授之購股權下全部股份接納有關授出購股權的要約。接納要約須於要約函件指定時限內，由該合資格人士將要約函件副本正式簽妥並連同港幣1.00元作為有關授出之代價交回本公司。

(f) 釐定認購價之基準

根據舊購股權計劃所授出任何購股權的認購價須由董事會釐定及通知各承授人，惟不得低於下列三者中的最高者：(i) 股份之面值；(ii) 於緊接授出購股權要約予合資格人士日期(「舊要約日期」)前5個營業日股份在聯交所每日報價表所載之平均收市價；及(iii) 於舊要約日期(必須為營業日)股份在聯交所每日報價表所載之收市價，惟認購價不足1仙的金額亦作1仙計算。

(g) 購股權行使前須持有之最短期限

根據舊購股權計劃，購股權於行使前並無須持有之最短期限。購股權可能獲行使之期間的開始日期由董事會於有關要約函件內訂明。

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(h) Remaining life

The Old Option Scheme was terminated pursuant to resolutions passed by the shareholders on 17 June 2013.

(2) Summary of the New Option Scheme

(a) Purpose of the New Option Scheme

The New Option Scheme is set up for the purpose of recognising and motivating the contribution of the Eligible Persons (as defined below) to the Company and/or any of its subsidiaries and/or any Invested Entity (as defined below).

(b) Participants of the New Option Scheme

Eligible persons entitled to participate in the New Option Scheme (the "Eligible Persons") include:

- (i) any employee (whether full time or part time) of the Company, any of its subsidiaries, or any entity in which the Company or any of its subsidiaries holds an equity interest (the "Invested Entity"); including any executive director of the Company, any of its subsidiaries or any Invested Entity and any employee employed or to be employed by the Company, any of its subsidiaries or any Invested Entity, whether in Hong Kong or in The People's Republic of China;
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- (iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to the Company, any of its subsidiaries or any Invested Entity;

(h) 餘下期限

舊購股權計劃已根據於2013年6月17日由股東通過之決議案終止。

(2) 新購股權計劃之摘要

(a) 新購股權計劃之目的

新購股權計劃之設立旨在表彰及激勵合資格人士(定義見下文)為本公司及/或其任何附屬公司及/或任何投資實體(定義見下文)作出之貢獻。

(b) 新購股權計劃之參與人士

可參與新購股權計劃之合資格人士(「合資格人士」)包括：

- (i) 本公司、其任何附屬公司、或本公司或其任何附屬公司持有股本權益之任何實體(「投資實體」)之任何僱員(不論全職或兼職)，包括本公司、其任何附屬公司或任何投資實體之任何執行董事，及本公司、其任何附屬公司或任何投資實體(不論於香港或中華人民共和國)僱用或將僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事(包括任何獨立非執行董事)；
- (iii) 本公司、其任何附屬公司或任何投資實體之任何股東或本公司、其任何附屬公司或任何投資實體所發行任何證券之持有人，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；
- (iv) 向本公司、其任何附屬公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；

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| <p>(v) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;</p> <p>(vi) any business collaborator, business consultant, joint venture or business partner, or technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity;</p> <p>(vii) any associate (as defined under the Listing Rules) of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity; or</p> <p>(viii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons,</p> | <p>(v) 本公司、其任何附屬公司或任何投資實體的任何貨品及／或服務供應商；</p> <p>(vi) 與本公司、其任何附屬公司或任何投資實體已訂約之任何業務合作方、業務顧問、合資公司或業務夥伴、或技術、財務、法律及其他專業顧問；</p> <p>(vii) 本公司、其任何附屬公司或任何投資實體之董事或主要股東之任何聯繫人(定義見上市規則)，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；或</p> <p>(viii) 經董事會預先批准之任何信託之受託人，其受益人(或倘為全權信託，則為受益對象)包括任何上述人士，</p> |
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and, for the purposes of the New Option Scheme, the options may be granted to any company wholly owned by one or more of the above Eligible Persons.

及就新購股權計劃而言，購股權可授予任何一名或以上之上述合資格人士全資擁有之任何公司。

(c) Maximum number of shares available for issue under the New Option Scheme

At 2013 AGM, the scheme mandate limit for the New Option Scheme to allow the Company to issue a maximum of 33,200,000 options under the New Option Scheme, representing approximately 9.34% of the total number of issued shares of the Company (i.e. 355,330,000 ordinary shares) as at 28 March 2017.

(c) 根據新購股權計劃可發行之股份數目上限

在2013年股東周年大會上，新購股權計劃之計劃授權限額允許本公司根據新購股權計劃最多發行33,200,000份購股權，佔本公司於2017年3月28日已發行股份總數(即355,330,000股普通股股份)約9.34%。

During the year ended 31 December 2016, no options were exercised, lapsed, granted and cancelled by the Company. Subsequent to the year ended 31 December 2016, a total of 100,000 options were exercised. As at the date of this report, there is no outstanding options and the maximum number of shares available for issue under the New Option Scheme is 29,600,000, representing approximately 8.33% of the total number of issued shares of the Company (i.e. 355,330,000 ordinary shares) as at 28 March 2017.

於截至2016年12月31日止年度內，概無購股權獲本公司行使、失效、授出及註銷。截至2016年12月31日止年度後，合共100,000份購股權獲行使。於本報告日期，概無未行使購股權，而根據新購股權計劃可發行之股份數目上限為29,600,000股，佔本公司於2017年3月28日已發行股份總數(即355,330,000股普通股股份)約8.33%。

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(d) Maximum entitlement of each Eligible Person under the New Option Scheme

No option may be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of shares already issued to such Eligible Person under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month period unless being approved by the shareholders of the Company in a general meeting.

Where any proposed grant of option to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates (as defined under the Listing Rules), would result in the shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) and to be granted to such person in the 12-month period up to and including the date of the proposed grant:

- (i) representing in aggregate over 0.1% of the total number of shares in issue for the time being; and
- (ii) the aggregate value of which, based on the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the proposed grant, is in excess of HK\$5.0 million, such proposed grant of option shall be subject to the prior approval of the shareholders of the Company at a general meeting in which all connected persons for the time being of the Company (if any) (except where any connected person intends to vote against the proposed grant of option and his/her intention to do so has been stated in the circular) shall abstain from voting at such general meeting and at which any vote taken shall be taken on a poll.

(d) 新購股權計劃項下每位合資格人士可獲授購股權之上限

倘於任何12個月期間內向任何一位合資格人士授出之購股權獲悉數行使時，會導致該合資格人士因過往獲授及已行使之所有購股權而獲發行的股份，及過往獲授仍有效且未行使之所有購股權而須予發行之股份，合計總數超過於該12個月期間最後一日之本公司已發行股本之1%，則不可向該合資格人士授出有關購股權，惟經本公司股東於股東大會上批准則除外。

倘向本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人（定義見上市規則）建議授出購股權，而將會導致於截至（及包括）建議授出日期止12個月期間向該人士已授出（包括已行使、註銷及未行使之購股權）及將授出之所有購股權獲行使而已發行及將予發行之股份：

- (i) 合共超過當時已發行股份總數之0.1%；及
- (ii) 根據於建議授出日期聯交所發出之每日報價表所載股份之收市價計算，總值超過港幣5,000,000元，則授出購股權的建議須事先獲得本公司股東於股東大會上批准，而本公司當時的所有關連人士（如有）不得於該股東大會上投票（惟擬投票反對該項授出購股權建議並已在通函中表明其意向的任何關連人士除外），及該股東大會須以投票表決方式進行表決。

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(e) Period for and payment on acceptance of an option

An offer for grant of an option must be accepted by an Eligible Person (and by no other person) in respect of all the shares for which the offer is made. Acceptance shall be made by such Eligible Person by signing and returning the duplicate of the offer letter together with the payment of a consideration of HK\$1.00 for such grant to the Company within the time period specified in the offer letter.

(f) The basis of determining the subscription price

The subscription price in respect of any option granted under the New Option Scheme shall be a price determined by the Board and notified to each grantee and shall not be less than the highest of (i) the nominal value of a share; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer for grant of an option (the "New Offer Date") is made to an Eligible Person; and (iii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the New Offer Date which must be a business day, provided that the subscription price shall be rounded upwards to the nearest whole cent.

(g) Minimum period for holding an option before exercise

There is no minimum holding period for which an option must be held before exercise pursuant to the New Option Scheme. The commencement date of the period during which an option may be exercised shall be specified by the Board in the relevant offer letter.

(h) Remaining life

The New Option Scheme shall be valid and effective for a period of ten years commencing on 17 June 2013, the date of adoption of the New Option Scheme, unless otherwise terminated in accordance with the rules of the New Option Scheme.

(e) 接納購股權之期限及付款

合資格人士(及並無其他人士)可就其獲授之購股權下全部股份接納有關授出購股權的要約。接納要約須於要約函件指定時限內,由該合資格人士將要約函件副本正式簽妥並連同港幣1.00元作為有關授出之代價交回本公司。

(f) 釐定認購價之基準

根據新購股權計劃所授出任何購股權的認購價須由董事會釐定及通知各承授人,惟不得低於下列三者中的最高者:(i)股份之面值;(ii)於緊接授出購股權要約予合資格人士日期(「新要約日期」)前5個營業日股份在聯交所每日報價表所載之平均收市價;及(iii)於新要約日期(必須為營業日)股份在聯交所每日報價表所載之收市價,惟認購價不足1仙的金額亦作1仙計算。

(g) 購股權行使前須持有之最短期限

根據新購股權計劃,購股權於行使前並無須持有之最短期限。購股權可獲行使之期間的開始日期應由董事會於有關要約函件內訂明。

(h) 餘下期限

除根據新購股權計劃之規則予以終止外,新購股權計劃由2013年6月17日(即採納新購股權計劃之日期)起計十年期間內生效及維持有效。

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(3) Movements in Options

Details of movements in the share options under the Old Option Scheme and the New Option Scheme, and the share options outstanding at the beginning and the year ended 31 December 2016 are set out as follows:

(3) 購股權之變動

在舊購股權計劃及新購股權計劃下購股權之變動詳情及於年初及截至2016年12月31日止年度之未行使購股權載列如下：

Name of grantees	Date of grant (dd/mm/yyyy)	Number of share options held as at 1 January 2016	Changes during the year 年內變動				Number of share options held as at 31 December 2016	Exercise price per share (HK\$)	Exercisable period (dd/mm/yyyy)	Closing price per share immediately before date of grant of share options (HK\$)	Weighted average price of closing price per share immediately before date of exercise of share options (HK\$)
			Granted	Exercised	Lapsed	Cancelled					
承授人姓名	授出日期 (日/月/年)	於2016年 1月1日 持有之 購股權數目	授出	行使	失效	註銷	購股權數目	每股行使價 (港幣元)	行使期 (日/月/年)	緊接購股權 授出日前的 每股收市價 (港幣元)	緊接購股權 行使日前的 每股加權 平均收市價 (港幣元)
Directors											
董事											
Terence Leung Siu Cheong 梁兆昌	27/05/2013	900,000 ³	-	(300,000)	-	-	600,000	0.952	27/05/2016-27/05/2019	0.94	1.78
Stephen Ip Shu Kwan 葉澍堃	27/05/2013 16/10/2013	300,000 ³ 100,000	-	-	-	-	300,000 ⁵ 100,000 ⁵	0.952 0.850	27/05/2014-27/05/2017 16/10/2013-15/10/2018	0.94 0.85	- -
Kan Fook Yee 簡福齡	27/05/2013	300,000 ³	-	(100,000)	-	-	200,000 ⁶	0.952	27/05/2014-27/05/2017	0.94	1.60
Wong Tsan Kwong 黃燦光	27/05/2013	100,000	-	(100,000)	-	-	-	0.952	27/05/2016-27/05/2017	0.94	1.51
David Yu Hon To 俞漢度	27/05/2013	100,000	-	(100,000)	-	-	-	0.952	27/05/2016-27/05/2017	0.94	1.74
Ex-directors											
前董事											
Brenda Yau Shuk Mee ⁹ 游淑眉	27/05/2013	540,000 ⁸	-	(180,000)	(360,000)	-	-	0.952	27/05/2016-27/05/2019	0.94	1.15
Employees (in aggregate)											
僱員 (總數)											
	07/06/2011 27/05/2013	360,000 ¹ 5,794,000 ⁴	-	(164,000) (1,924,000)	- (480,000)	-	196,000 ⁷ 3,390,000	0.860 0.952	07/06/2012-06/06/2017 27/05/2014-27/05/2019	0.85 0.94	1.47 1.67
		8,494,000	-	(2,868,000)	(840,000)	-	4,786,000				

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Notes:

- 1 Share options were vested in equal portions on 7 June 2012, 2013, 2014, 2015 and 2016 respectively.
- 2 Share options were or will be vested in equal portions on 27 May 2016, 2017 and 2018 respectively. The unvested options became exercisable within a 30-day period after the date on which the Offer became or was declared unconditional (i.e. the date of the despatch of the Composite Document) according to Rules 6.3(c) and 7(b) of the Old Option Scheme. All share options were exercised within a 30-day period after the commencement of the Offer.
- 3 Share options were vested in equal portions on 27 May 2014, 2015 and 2016 respectively.
- 4 Share options were or will be vested in equal portions on 27 May 2014, 2015, 2016, 2017 and 2018 respectively. The unvested options became exercisable within a 30-day period after the date on which the Offer became or was declared unconditional (i.e. the date of the despatch of the Composite Document) according to Rules 6.3(c) and 7(b) of the Old share option scheme. All share options were exercised within a 30-day period after the commencement of the Offer.
- 5 After the year ended 31 December 2016, Mr. Stephen Ip Shu Kwan exercised 100,000 share options at the exercise price of HK\$0.850 per share on 5 January 2017 and 300,000 share options at the exercise price of HK\$0.952 per Share on 19 January 2017 respectively.
- 6 After the year ended 31 December 2016, Mr. Kan Fook Yee exercised 200,000 share options on 19 January 2017.
- 7 After the year ended 31 December 2016, all outstanding options were exercised.
- 8 Share Options were or will be vested in equal portions on 27 May 2016, 2017 and 2018 respectively, and became or become exercisable for a period from the respective dates and ending on 27 May 2019.
- 9 Ms. Brenda Yau Shuk Mee resigned as an Executive Director and Managing Director with effect from 29 June 2016.

(4) Fair Value of Share Options Granted

The fair value of share options granted during the year ended 31 December 2016 is set out in note 10 to the financial statements.

附註：

- 1 購股權分別已於2012年、2013年、2014年、2015年及2016年6月7日按同等份數歸屬。
- 2 購股權分別已於或將於2016年、2017年及2018年5月27日按同等份數歸屬。根據舊購股權計劃規則第6.3(c)及7(b)條，未歸屬購股權於要約成為或宣佈為無條件當日(即派發綜合文件之日期)後30日期間內可予行使。所有購股權已於要約開始後30日內獲行使。
- 3 購股權分別已於2014年、2015年及2016年5月27日按同等份數歸屬。
- 4 購股權分別已於或將於2014年、2015年、2016年、2017年及2018年5月27日按同等份數歸屬。根據舊購股權計劃規則第6.3(c)及7(b)條，未歸屬購股權於要約成為或宣佈為無條件當日(即派發綜合文件之日期)後30日期間內可予行使。所有購股權已於要約開始後30日內獲行使。
- 5 截至2016年12月31日止年度後，葉樹堃先生分別已於2017年1月5日以每股行使價港幣0.850元及2017年1月19日以每股行使價港幣0.952元行使100,000份及300,000份購股權。
- 6 截至2016年12月31日止年度後，簡福飴先生已於2017年1月19日行使200,000份購股權。
- 7 截至2016年12月31日止年度後，所有未行使購股權已獲行使。
- 8 購股權分別已於或將於2016年、2017年及2018年5月27日按同等份數歸屬，並已於或將於各自日期起至2019年5月27日止期間可行使。
- 9 游淑眉女士已辭任執行董事兼董事總經理，自2016年6月29日起生效。

(4) 已授出購股權的公允值

截至2016年12月31日止年度內已授出購股權的公允值載於財務報表附註10。

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DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the year, the Company has the New Option Scheme pursuant to which options may be granted, inter alia, to Directors. Details of such schemes and the movements in options are set out in the paragraphs entitled "Share Option Schemes" above. Further details of options granted and/or shares allotted or transferred to the Directors are disclosed in the paragraph entitled "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" and note 10 to the financial statements.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

None of the Directors (excluding Independent Non-executive Directors) were interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2016.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company issued 58,666,667 convertible preference shares and 21,333,333 bonus convertible preference shares on 30 November 2012 and 20 May 2013 respectively, as part of the consideration for the acquisition of ISP business. The convertible preference shares are convertible into the ordinary shares at HK\$0.75 per share subject to satisfaction of the minimum public float requirements under the Listing Rules. During the year ended 31 December 2016, none of the convertible preference shares was converted nor redeemed.

Save as above and other than the share option schemes described in the paragraph titled "Share Option Scheme" above and in note 10 to the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights at 31 December 2016. There was no issue or exercise of any convertible securities, options, warrants or similar rights during the year ended 31 December 2016.

董事認購股份或債券之權利

於本年度，本公司擁有新購股權計劃，據此，本公司可授出購股權予（其中包括）董事。有關計劃及購股權之變動之詳情載於上文「購股權計劃」一段。向董事所授出購股權及／或所配發或轉讓股份之進一步詳情披露於「董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有之權益及淡倉」一段及財務報表附註10。

除上文所披露者外，本公司或其任何附屬公司於本年度任何時間概無訂立任何安排，致使董事可透過購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

董事於競爭業務之權益

董事（不包括獨立非執行董事）於截至2016年12月31日止年度概無於本集團業務以外任何與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

可換股證券、購股權、認股權證或類似權利

本公司分別於2012年11月30日及2013年5月20日發行58,666,667股可轉換優先股及21,333,333股紅利可轉換優先股，作為收購室內裝飾及特殊項目業務之部份代價。可轉換優先股可按每股港幣0.75元轉換為普通股，惟須符合上市規則規定之最低公眾持股量。於截至2016年12月31日止年度，概無轉換或贖回可轉換優先股。

除上文及上述「購股權計劃」一段及財務報表附註10所述之購股權計劃外，於2016年12月31日，本公司概無任何尚未發行之可換股證券、購股權、認股權證或類似權利。於截至2016年12月31日止年度內，概無任何可換股證券、購股權、認股權證或類似權利獲發行或行使。

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MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2016.

RETIREMENT SCHEMES

The Group participated in mandatory provident fund schemes in Hong Kong and in the municipal government contribution scheme in Mainland China. Particulars of the retirement schemes are set out in note 2.17(c) to the financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, the following person/entities (other than Directors or chief executive of the Company) had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests and short positions of substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in the Shares and Underlying Shares of the Company

(a) Ordinary Shares

管理合約

於截至2016年12月31日止年度內概無就本公司全部或任何主要業務部份訂立或訂有任何管理及行政合約。

退休計劃

本集團參與香港強制性公積金計劃及中國內地市級政府供款計劃。該等退休計劃詳情載於財務報表附註2.17(c)。

主要股東及其他人士於本公司股份及相關股份中擁有之權益及淡倉

於2016年12月31日，根據證券及期貨條例第336條本公司須予存置之主要股東權益及淡倉登記冊（「主要股東登記冊」）所記錄，下列人士／實體（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有或被視為擁有權益或淡倉：

於本公司股份及相關股份之好倉

(a) 普通股股份

Name of Shareholders	Capacity	Number of ordinary shares held	Approximate percentage of interests in the total number of issued shares
股東名稱	身份	持有之普通股股份數目	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Chu Yuet Wah	Interests of controlled corporation(s)	224,116,777 (Note (i))	63.93%
李月華	受控法團權益	(附註(i))	
Champ Key	Beneficial owner	224,116,777	63.93%
	實益擁有人		

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Notes:

- (i) Champ Key being a company wholly-owned by Mrs. Chu Yuet Wah is deemed to be a controlled corporation of Mrs. Chu Yuet Wah under the SFO.
- (ii) There were 350,544,000 ordinary shares of the Company in issue as at 31 December 2016.

附註：

- (i) 根據證券及期貨條例，Champ Key（李月華女士全資擁有之公司）被視為李月華女士之受控法團。
- (ii) 本公司於2016年12月31日之已發行普通股股份為350,544,000股。

(b) Convertible Preference Shares**(b) 可轉換優先股**

Name of Shareholders	Capacity	Number of convertible preference shares held	Approximate percentage of interests in the total number of issued shares
股東名稱	身份	持有之可轉換優先股數目	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Chu Yuet Wah	Interests of controlled corporation(s)	80,000,000 (Note (i))	100%
李月華	受控法團權益	(附註(i))	
Champ Key	Beneficial owner	80,000,000	100%
	實益擁有人		

Notes:

- (i) The Company issued and allotted 58,666,667 convertible preference shares and 21,333,333 bonus convertible preference shares to Smart Lane on 30 November 2012 and 20 May 2013 respectively. As disclosed in the joint announcement of Champ Key and the Company dated 30 November 2016, Champ Key (a company wholly-owned by Mrs. Chu Yuet Wah) as the offeror entered into the sale and purchase agreement with Smart Lane as the vendor of the sale and purchase of 169,116,777 ordinary shares and 80,000,000 CPSs. Champ Key being a company wholly-owned by Mrs. Chu Yuet Wah is deemed to be a controlled corporation of Mrs. Chu Yuet Wah under the SFO.
- (ii) There were 80,000,000 convertible preference shares of the Company in issue as at 31 December 2016.

附註：

- (i) 於2012年11月30日及2013年5月20日，本公司分別向Smart Lane發行及配發58,666,667股可轉換優先股股份及21,333,333股紅利可轉換優先股股份。誠如Champ Key及本公司日期為2016年11月30日之聯合公告所披露，由李月華女士全資擁有之公司Champ Key（作為要約人）與Smart Lane（作為買賣169,116,777股普通股及80,000,000可轉換優先股之賣方）訂立買賣協議。根據證券及期貨條例，Champ Key（李月華女士全資擁有之公司）被視為李月華女士之受控制法團。
- (ii) 本公司於2016年12月31日之已發行可轉換優先股股份為80,000,000股。

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any persons/entities (other than Directors and chief executive of the Company) who/which had or were deemed or taken to have any other interests or short position in the shares or underlying shares of the Company as recorded in the Register of Substantial Shareholders required to be kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，於2016年12月31日，董事並無獲悉任何人士／實體（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有或被視為擁有記錄於本公司根據證券及期貨條例第336條須予存置之主要股東登記冊之任何其他權益或淡倉。

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CONTINUING CONNECTED TRANSACTIONS

Smart Lane, an indirect wholly-owned subsidiary of Hsin Chong Group Holdings Limited has already sold all its shareholding in the Company to Champ Key, the transaction of which was completed on 21 November 2016 ("Completion"). As such, since the Company is no longer a subsidiary of Hsin Chong Group Holdings Limited, the transactions between Hsin Chong and the Company are no longer regarded as connected transactions since 21 November 2016.

The Company and/or its subsidiaries had entered into (or continued to be party to) the following continuing connected transactions which are subject to annual review and reporting requirements under Chapter 14A of the Listing Rules upon the Completion:

(a) Tenancy Agreement, Sub-lease Agreement and Carpark Agreements

Synergis Management Services Limited ("SMS") or Hsin Chong Interiors (Hong Kong) Limited, wholly-owned subsidiaries of the Company, entered into tenancy agreement, sub-lease agreement or carpark agreement with Hsin Chong Group Holdings Limited or its subsidiary, details of the transactions were disclosed in the announcements of 27 February 2015 and 18 January 2016. The annual caps, considerations for the period ended November 2016 and other details for the year ended 31 December 2016 were as follows:

Connected person(s)	Date of agreement(s)	Terms	Particulars	Annual cap	Consideration for the period ended November 2016 截至2016年11月止期間 之代價 (HKS) (港幣元)	Nature and extent of the connected person's interest
關連人士	協議日期	期限	詳情	年度上限 (HKS) (港幣元)		關連人士權益性質及範圍
Hsin Chong Group Holdings Limited as lessor	Renewal Sub-Lease Agreement dated 27 February 2015	2 years from 1 January 2015 to 31 December 2016	Lease of portion of 7/F of Hsin Chong Center	1,000,000	857,888	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司 (作為出租人)	重續日期為2015年2月27日之 分租協議	自2015年1月1日至2016年 12月31日，為期兩年	租用新昌中心7樓之部份			新昌集團控股有限公司為本公司之 主要股東及控股股東，因而為 上市規則下之關連人士。
Cogent Spring Limited ("Cogent Spring") as lessor	Tenancy Agreement dated 18 January 2016	1 year from 1 January 2016 to 31 December 2016	Lease of portions of 3/F, 5/F, 8/F and 10/F of Hsin Chong Center	4,000,000	2,237,066	Cogent Spring is a wholly owned subsidiary of Hsin Chong Group Holdings Limited who is a substantial shareholder and controlling shareholder of the Company. Hence, Cogent Spring is a connected person under the Listing Rules.
Cogent Spring Limited ("Cogent Spring") (作為出租人)	日期為2016年1月18日之 租賃協議	自2016年1月1日至2016年 12月31日，為期兩年	租用新昌中心3樓、5樓、 8樓及10樓之部分			Cogent Spring為新昌集團控股 有限公司之全資附屬公司， 而其為本公司之主要股東及 控股股東。因此，Cogent Spring 為上市規則下之關連人士。
Cogent Spring as lessor	New Carpark Agreement dated 27 February 2015	2 years from 1 January 2015 to 31 December 2016	Lease of car parking spaces of Hsin Chong Center	230,000	124,158	
Cogent Spring (作為出租人)	日期為2015年2月27日之 新停車場協議	由2015年1月1日至2016年 12月31日，為期兩年	租用新昌中心泊車位			

持續關連交易

Smart Land (新昌集團控股有限公司之間接全資附屬公司)已出售其於本公司之全部股權予 Champ Key，該等交易於2016年11月21日完成(「完成」)。因此，由於本公司不再為新昌集團控股有限公司之附屬公司，故自2016年11月21日起，新昌與本公司之間的交易不再被視為持續關連交易。

於完成後，本公司及／或其附屬公司已訂立下列須遵守上市規則第14A章之年度審核及申報規定的持續關連交易(或繼續為該等交易之交易方)：

(a) 租賃協議、分租協議及停車場協議

本公司全資附屬公司新昌管理服務有限公司(「新昌管理服務」)或新昌室內裝飾(香港)有限公司與新昌集團控股有限公司或其附屬公司訂立租賃協議、分租協議或停車場協議，該等交易之詳情披露於日期為2015年2月27日及2016年1月18日之公告。截至2016年11月止期間之年度上限、年度代價及截至2016年12月31日止年度之其他詳情乃載於下文：

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(b) General Business Services Agreement

The Company entered into a General Business Services Agreement with Hsin Chong Group Holdings Limited on 31 December 2014 pursuant to which the Group is the service provider. The annual cap for the General Business Services Agreement for the year ended 31 December 2016 was HK\$45,000,000. Details of the General Business Services Transaction were disclosed in the announcement of the Company dated 31 December 2014 and its circular dated 2 February 2015.

(b) 一般業務服務協議

本公司與新昌集團控股有限公司於2014年12月31日訂立一般業務服務協議，據此，本集團為服務供應商。截至2016年12月31日止年度，一般業務服務協議之年度上限為港幣45,000,000元。一般業務服務交易之詳情於本公司日期為2014年12月31日之公告及其日期為2015年2月2日之通函內披露。

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Consideration for the period ended November 2016 截至2016年11月止期間之代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Hsin Chong Group Holdings Limited	General Business Services Agreement dated 31 December 2014	3 years from 1 January 2015 to 31 December 2017	Provision of property and facility management services, cleaning services and miscellaneous services by relevant members of the Group to relevant members of the Hsin Chong Group	16,420,554	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司	日期為2014年12月31日之一般業務服務協議	由2015年1月1日至2017年12月31日，為期3年	本集團有關成員公司向新昌集團有關成員公司提供物業及設施管理服務、清潔服務及雜項服務		新昌集團控股有限公司為本公司的主要股東及控股股東，因而為上市規則下之關連人士。

(c) Tender Services Agreement

The Company entered into the Tender Services Agreement with Hsin Chong Group Holdings Limited on 31 December 2014 pursuant to which the Hsin Chong Group will provide tender services to the Group. The annual cap for the Tender Services Agreement for the year ended 31 December 2016 was HK\$1,300,000,000. Details of the transaction were disclosed in the announcement of the Company dated 31 December 2014 and its circular dated 2 February 2015.

(c) 投標服務協議

於2014年12月31日，本公司與新昌集團控股有限公司訂立投標服務協議，據此，新昌集團將向本集團提供投標服務。截至2016年12月31日止年度，投標服務協議的年度上限為港幣1,300,000,000元。交易詳情於本公司日期為2014年12月31日之公告及其日期為2015年2月2日之通函內披露。

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Consideration for the period ended November 2016 截至2016年11月止期間之代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Hsin Chong Group Holdings Limited	Tender Services Agreement dated 31 December 2014	3 years from 1 January 2015 to 31 December 2017	To provide tender services to the Group	85,345,565	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司	日期為2014年12月31日之投標服務協議	由2015年1月1日至2017年12月31日，為期3年	向本集團提供投標服務		新昌集團控股有限公司為本公司的主要股東及控股股東，因而為上市規則下之關連人士。

DIRECTORS' REPORT

董事會報告

(d) Supporting Services Agreement

The Company entered into the Supporting Services Agreement with Hsin Chong Group Holdings Limited on 31 December 2014 pursuant to which the Hsin Chong Group will provide supporting services (which mainly involve staff costs in health, safety, quality, environmental, plant, surveying, site administration, building services and special projects, etc.) to the Group. The annual cap for the Supporting Services Agreement for the year ended 31 December 2016 was HK\$18,000,000. Details of the transactions were disclosed in the announcement of the Company dated 31 December 2014 and its circular dated 2 February 2015.

(d) 支援服務協議

於2014年12月31日，本公司與新昌集團控股有限公司訂立支援服務協議，據此，新昌集團將向本集團提供支援服務（主要包括於健康、安全、品質、環境、機械設備、測量、地盤管理、屋宇服務及特殊項目等員工成本）。截至2016年12月31日止年度，支援服務協議的年度上限為港幣18,000,000元。交易詳情於本公司日期為2014年12月31日之公告及其日期為2015年2月2日之通函內披露。

Connected person(s)	Date of agreement(s)	Terms	Particulars	Consideration for the period ended November 2016 截至2016年11月止期間之代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest
關連人士	協議日期	期限	詳情		關連人士權益性質及範圍
Hsin Chong Group Holdings Limited	Supporting Services Agreement dated 31 December 2014	3 years from 1 January 2015 to 31 December 2017	To provide supporting services to the Group	8,991,232	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司	日期為2014年12月31日之支援服務協議	由2015年1月1日至2017年12月31日，為期3年	向本集團提供支援服務		新昌集團控股有限公司為本公司的主要股東及控股股東，因而為上市規則下之關連人士。

(e) Specialist Works Sub-Contracting Agreement

The Company entered into the Specialist Works Sub-Contracting Agreement with Hsin Chong Group Holdings Limited on 31 December 2014 pursuant to which the Group will engage the Hsin Chong Group as its sub-contractor for providing specialist works to the Group's projects. The annual cap for the Specialist Works Sub-Contracting Agreement for the year ended 31 December 2016 was HK\$600,000,000. Details of the transactions were disclosed in the announcement of the Company dated 31 December 2014 and its circular dated 2 February 2015.

(e) 專門工程分判協議

於2014年12月31日，本公司與新昌集團控股有限公司訂立專門工程分判協議，據此，本集團將委聘新昌集團作為其分判商，以向本集團之項目提供專門工程。截至2016年12月31日止年度，專門工程分判協議之年度上限為港幣600,000,000元。交易詳情於本公司日期為2014年12月31日之公告及其日期為2015年2月2日之通函內披露。

Connected person(s)	Date of agreement(s)	Terms	Particulars	Consideration for the period ended November 2016 截至2016年11月止期間之代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest
關連人士	協議日期	期限	詳情		關連人士權益性質及範圍
Hsin Chong Group Holdings Limited	Specialist Works Sub-Contracting Agreement dated 31 December 2014	3 years from 1 January 2015 to 31 December 2017	The Group to engage the Hsin Chong Group as its sub-contractor for providing specialist works	0	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司	日期為2014年12月31日之專門工程分判協議	由2015年1月1日至2017年12月31日，為期3年	本集團委聘新昌集團作為分判商以提供專門工程		新昌集團控股有限公司為本公司的主要股東及控股股東，因而為上市規則下之關連人士。

DIRECTORS' REPORT

董事會報告

(f) ISP Works Sub-Contracting Agreement

The Company entered into the ISP Works Sub-Contracting Agreement with Hsin Chong Group Holdings Limited on 31 December 2014 pursuant to which the Hsin Chong Group will engage the Group as its sub-contractor for providing ISP works to the Hsin Chong Group's projects. The annual cap for the ISP Works Sub-Contracting Agreement for the year ended 31 December 2016 was HK\$700,000,000. Details of the transactions were disclosed in the announcement of the Company dated 31 December 2014 and its circular dated 2 February 2015.

(f) 室內裝飾及特殊項目工程分判協議

於2014年12月31日，本公司與新昌集團控股有限公司訂立室內裝飾及特殊項目工程分判協議，據此，新昌集團將委聘本集團作為其分判商，以向新昌集團之項目提供室內裝飾及特殊項目工程。截至2016年12月31日止年度，室內裝飾及特殊項目工程分判協議之年度上限為港幣700,000,000元。交易詳情於本公司日期為2014年12月31日之公告及其日期為2015年2月2日之通函內披露。

Connected person(s)	Date of agreement(s)	Terms	Particulars	Consideration for the period ended November 2016 截至2016年11月止期間之代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest
關連人士	協議日期	期限	詳情		關連人士權益性質及範圍
Hsin Chong Group Holdings Limited	ISP Works Sub-Contracting Agreement dated 31 December 2014	3 years from 1 January 2015 to 31 December 2017	The Hsin Chong Group to engage the Group as its sub-contractor for providing ISP works	6,267,850	Hsin Chong Group Holdings Limited is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
新昌集團控股有限公司	日期為2014年12月31日之室內裝飾及特殊項目工程分判協議	由2015年1月1日至2017年12月31日，為期3年	新昌集團委聘本集團作為其分判商以提供室內裝飾及特殊項目工程		新昌集團控股有限公司為本公司的主要股東及控股股東，因而為上市規則下之關連人士。

The Directors (including the Independent Non-executive Directors) have reviewed and confirmed that all the continuing connected transactions mentioned in (a) to (f) above conducted in the year were entered into on the following basis:

董事(包括獨立非執行董事)已審閱並確認上文第(a)至(f)項所述本年度進行的所有持續關連交易乃按照下列原則進行：

- | | |
|---|--|
| <p>(a) in the ordinary and usual course of the business of the Group;</p> <p>(b) on normal commercial terms or better; and</p> <p>(c) according to the relevant agreements governing these transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.</p> | <p>(a) 於本集團日常及一般業務範圍內進行；</p> <p>(b) 按照一般商業條款或更好的條款；及</p> <p>(c) 根據監管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。</p> |
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DIRECTORS' REPORT

董事會報告

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group as above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the year ended 31 December 2016:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (d) have not exceeded the relevant annual caps as disclosed in the respective previous announcements of the Company.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the continuing connected transactions mentioned in (a) to (f) above.

根據香港會計師公會發佈的香港鑒證業務準則 3000 號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明 740 號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第 14A.56 條，核數師已就本集團披露的上述持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

此外，本公司之核數師已向董事會確認，彼等並不知悉任何事項使彼等相信上述截至 2016 年 12 月 31 日止年度之持續關連交易：

- (a) 並無獲董事會批准；
- (b) 於所有重大方面並不符合本集團有關涉及及本集團提供服務之交易之定價政策；
- (c) 於所有重大方面並無根據規管該等交易之相關協議訂立；及
- (d) 並無超過本公司先前公告所披露之相關年度上限。

本公司就上文第(a)至(f)項所述有關的持續關連交易，已遵守上市規則第 14A 章所載之披露規定。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers accounted for approximately 44.0% (31 December 2015: 38.2%) of the Group's total revenue and the revenue attributable to the Group's largest customer accounted for approximately 13.7% (31 December 2015: 10.9%) of the Group's total revenue for the year.

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases for the year (2015: less than 30%).

None of the Directors, any of their associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any beneficial interest in the Group's five largest customers.

BANK BORROWINGS

The particulars of bank borrowings of the Group as at 31 December 2016 are set out in note 26 to the financial statement.

DONATIONS

No donation was made by the Group for charitable and other purposes during the year ended 31 December 2016 (2015: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group are set out in note 30 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined under the Listing Rules, the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

主要客戶及供應商

於本年度，本集團最大5位客戶佔本集團總收益約44.0%（2015年12月31日：38.2%），而本集團最大客戶則佔本集團總收益約13.7%（2015年12月31日：10.9%）。

於本年度，本集團最大5位供應商佔本集團之總採購額少於30%（2015年：少於30%）。

董事、任何彼等之聯繫人或股東（據董事所知擁有本公司已發行股本超過5%者）概無在本集團之最大5位客戶中擁有任何實益權益。

銀行貸款

本集團於2016年12月31日的銀行貸款詳情載於財務報表附註26。

捐款

截至2016年12月31日止年度本集團並無作出慈善及其他捐款（2015年：無）。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至2016年12月31日止年度內概無購買、出售或贖回本公司之任何上市證券。

關連人士交易

本集團之重大關連人士交易載於財務報表附註30。就該等亦構成本集團關連交易或持續關連交易（定義見上市規則）之關聯方交易而言，本集團已遵守根據上市規則第14A章之相關披露規定。

DIRECTORS' REPORT

董事會報告

PUBLIC FLOAT

At the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of knowledge of its Directors.

AUDITOR

The retiring auditor, Messrs. PricewaterhouseCoopers, has expressed its willingness to offer for re-appointment. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint Messrs. PricewaterhouseCoopers as the auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration.

On behalf of the Board

Kingston Chu Chun Ho
Executive Director and Chairman

Hong Kong, 28 March 2017

公眾持股量

於本報告日期，據本公司所獲之公眾資料及董事所知悉，本公司已維持上市規則所指定之公眾持股量。

核數師

即將退任之核數師羅兵咸永道會計師事務所已表明彼等願意接受續聘。本公司擬於即將舉行之股東周年大會上提呈一項決議案，重新委聘羅兵咸永道會計師事務所為本公司來年度之核數師，並授權董事釐定其酬金。

代表董事會

執行董事兼主席
朱俊浩

香港，2017年3月28日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF SYNERGIS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致 SYNERGIS HOLDINGS LIMITED

(新昌管理集團有限公司*)股東
(於百慕達註冊成立之有限公司)

OPINION

What we have audited

The consolidated financial statements of Synergis Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 111 to 176, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") 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.

意見

我們已審計的內容

Synergis Holdings Limited (新昌管理集團有限公司*) (「貴公司」) 及其附屬公司 (統稱「貴集團」) 載於第111頁至第176頁的綜合財務報表，包括：

- 於2016年12月31日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收入報表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2016年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

* For identification purposes only 僅供識別

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Independence

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

KEY AUDIT MATTERS

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

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

- Accounting for construction contracts – including profit recognition and contracting work-in-progress;
- Impairment assessment on accounts receivable; and
- Impairment assessment on goodwill.

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》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」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足且適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 建築合約之會計處理 — 包括確認溢利及興建中的工程；
- 應收賬款之減值評估；及
- 商譽之減值評估。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Accounting for construction contracts – including profit recognition and contracting work-in-progress

Refer to note 2.10, note 2.21, note 4(c), note 5 and note 17 to the consolidated financial statements

請參閱綜合財務報表附註2.10、附註2.21、附註4(c)、附註5及附註17

For the year ended 31 December 2016, the Group recognised revenue from construction contracts relating to the interiors and special projects which totalled HK\$1,717 million. The contracting work-in-progress amounted to HK\$411.4 million as at 31 December 2016. 截至2016年12月31日止年度，貴集團確認來自室內裝飾及特殊項目建築合約的收益合共港幣1,717,000,000元。於2016年12月31日，興建中的工程為港幣411,400,000元。

The recognition of revenue and cost of sales for the Group's construction contracts is based on the stage of completion of contract activity. Stage of completion is determined by reference to work performed up to the end of the reporting period. Recognition of profit on contracts requires significant judgement and estimates of the total contract costs and revenue by management.

貴集團建築合約之收益及銷售成本乃根據合約活動的完成階段予以確認。完成階段則參照截至報告期末已完成的工程釐定。合約溢利的確認需要管理層對合約總成本及收益作出重大判斷及估計。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

建築合約之會計處理 – 包括確認溢利及興建中的工程

We tested the key controls on how management determine the stage of completion, including controls on estimated total contract costs and budgeted margins, progress billings and progress payments of contracts.

我們已就管理層如何釐定完成階段的主要監控進行測試，包括就估計合約總成本及預算利潤、合約進度發票及進度付款的監控。

Our work in relation to management's estimated total contract costs and budgeted margins focused on the following procedures in relation to material construction contracts within the Group:

我們對管理層於貴集團的重大建築合約所估計的合約總成本及預算利潤集中進行以下程序：

- Discussing with the Group's quantity surveyors and project managers for the status of the projects, identifying any variations, claims and provision on loss-making contracts, and obtaining explanations for fluctuations in margins and the expected recovery of variations.
- 與貴集團工料測量師及項目經理討論有關項目之狀況，以識別是否存在任何變更、申索及因虧蝕合約而產生的撥備，並取得有關利潤波動及預期變更回收的解釋。
- Obtaining corroborative evidence, in relation to the above points, by reviewing the project budgets, external architect's certificates of work performed and minutes of management's regular internal meetings, on a sample basis.
- 對項目預算、外部建築師已進行工程的證書及管理層進行的定期內部會議之會議紀錄進行抽樣審閱，就上述觀點取得證據支持。
- Inspecting signed contracts to identify the total contract sum and terms.
- 檢查已簽署合約，以識別合約總金額及條款。

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Key Audit Matter

關鍵審計事項

Accounting for construction contracts – including profit recognition and contracting work-in-progress

These judgements include the expected recovery of costs arising from variations to contracts requested by customers, compensation events and claims made against contractors for delays.

該等判斷包括客戶要求變更合約而產生的預期收回成本、補償事件及就延誤而向承包商提出之索償。

Due to the significant judgement and estimates involved, specific audit focus is placed on this area.

基於涉及重大判斷及估計，我們的審計對於此範疇特別關注。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

建築合約之會計處理 – 包括確認溢利及興建中的工程

- Agreeing the stage of completion to the surveyors' latest valuation and/or external architects' certificates.
- 同意完成階段符合測量師之最近估值及／或外部建築師之證書。
- Testing the calculations of contract revenue, costs and contracting work-in-progress.
- 對合約收益、成本及興建中的工程合約的計算進行測試。
- Where applicable, inspecting correspondence with the customers and sub-contractors to obtain audit evidence on variations from customers, claims from customers and sub-contractors.
- 在適當情況下，檢查與客戶及分包商的來往資料，以就對客戶的變更指令、客戶及分包商所提出之索償取得審計證據。

We found the assumptions made by management in relation to construction (including profit recognition and contracting work-in-progress) to be supportable based on the available evidence.

根據可得之證據，我們認為管理層就建築作出之假設(包括確認溢利及興建中的工程)有理據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment on accounts receivable

Refer to note 2.12, note 4(b) and note 18 to the consolidated financial statements
請參閱綜合財務報表附註2.12、附註4(b)及附註18

The Group has a net accounts receivable of HK\$425.0 million after provision for impairment of HK\$82.3 million as at 31 December 2016.

於2016年12月31日，貴集團擁有應收賬款淨額為港幣425,000,000元（扣除減值撥備港幣82,300,000元）。

Accounts receivable of the Group comprise mainly receivables in relation to the Group's business of (i) property and facility management services, and (ii) interiors and special projects.

貴集團之應收賬款主要包括與貴集團(i)物業及設施管理服務；及(ii)室內裝飾及特殊項目業務有關之應收賬款。

The recoverable amount is estimated by management based on their specific recoverability assessment on individual debtor with reference to the ageing profile, historical payment pattern, the past record of default and assessment of their financial positions. Management would make specific provision against individual balances with reference to the estimated recoverable amount.

可回收金額乃管理層根據其個別債務人的可回收性評估而估算得出，當中參考賬齡組合、以往付款習慣、以往拖欠紀錄及評估其財務狀況。管理層會參考估算可回收金額，對個別結餘作出特定撥備。

For the purpose of impairment assessment, significant judgements and assumptions include identification of impairment indicators, the credit risks of debtors, the estimated timing and amount of future cash flows for the determination of the impairment charge.

就減值評估而言，重大判斷及假設包括識別減值跡象、債務人之信貸風險、估計時間及未來現金流量金額，以識別減值金額。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

應收賬款之減值評估

We performed the following procedures in relation to the recoverability of accounts receivables:

我們已就應收賬款之可收回性進行以下程序：

- Testing the accuracy of ageing of accounts receivable at year end on a sample basis.
對年末應收賬款的賬齡之準確性進行抽樣測試。
- Obtaining a list of outstanding receivables and identifying any debtors with potential financial difficulty through discussion with management as well as conducting analysis on the debtors' companies.
獲取應收賬款的清單，通過與管理層討論從而識別是否存在有潛在財政困難的債務人，並對債務人的公司進行分析。
- Assessing the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the debtors, historical payment pattern of debtors, publicly available information and latest correspondence with debtors and to consider if any additional provision should be made.
根據管理層對應收賬款結餘可回收性的評估，我們參照債務人的信貸組合、債務人以往付款習慣、公開資訊及與債務人的近期通信，以抽樣方式評估應收賬款之可回收性，並考慮應否作出額外撥備。
- Testing subsequent settlement of accounts receivable after the balance sheet date on a sample basis.
對結算日後的應收賬款之期後結算進行抽樣測試。

We found the key judgements and assumptions used by management in the recoverability assessment of accounts receivable to be supportable based on the available evidence.

根據可得之憑證，我們認為管理層用於應收賬款的可回收評估之關鍵判斷及假設是有理據支持的。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment on goodwill

Refer to note 2.5, note 2.9, note 4(d) and note 16 to the consolidated financial statements

請參閱綜合財務報表附註2.5、附註2.9、附註4(d)及附註16

As at 31 December 2016, the Group has significant balance of goodwill of HK\$171.8 million relating to the acquisition of the Interiors and Special Projects business and Hsin Chong abp Company Limited in 2012 and 2015 respectively. The industry competition and upward pressure on salaries and wages increase the risk that these businesses may not perform in line with initial expectations and forecasts and therefore the carrying values of goodwill and indefinite life intangible assets may be impaired.

於2016年12月31日，貴集團擁有的重大商譽總額為港幣171,800,000元，此額與2012年及2015年分別收購室內裝飾及特殊項目業務及新昌幕牆及鋁質製品有限公司(前稱新昌華德有限公司)有關。行業競爭及薪金和工資上漲的壓力增加了該等業務的表現或未能切合初期估計及預測的風險，因此商譽的賬面值可能出現減值。

For the purpose of assessing impairment, the goodwill balances are allocated to separate cash generating units ("CGUs"), and the recoverable amount of each CGU is determined by management based on value-in-use calculations using cash flow projections.

就評估減值而言，商譽結餘被分配至獨立現金產生單元(「現金產生單元」)。管理層採用現金流量預測及根據使用價值計算來釐定現金產生單元的可收回金額。

Management conclude that there is no impairment in respect of the goodwill. This conclusion involved on significant management judgment with respect to the key assumptions, including gross profit growth, terminal growth rates and discount rates.

管理層對關鍵假設包括毛利增長、最終增長率及折現率行使重大判斷，並總結商譽並無出現減值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

商譽之減值評估

Our work in relation to management's impairment assessment included:

我們對管理層的減值評估進行之工作包括：

- Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business.
- 根據貴集團之會計政策及我們對貴集團業務之了解，評估管理層就現金產生單位之識別。
- Assessing the value-in-use calculations methodology adopted by management.
- 評估管理層所採用之使用價值計算方法。
- Assessing the reasonableness of key assumptions (including gross profit growth, terminal growth rates and discount rates) based on our knowledge of the business and industry.
- 根據我們對業務及行業的認識，評估關鍵假設(包括毛利增長、最終增長率及折現率)之合理性。
- Engaging our internal valuation specialist to assess the appropriateness of the valuation methodology and discount rates.
- 委聘內部估值專家評估估值方法及折現率之適當性。
- Performing sensitivity analyses over the key assumptions by considering the impact of possible downside changes.
- 考慮假設下調變動的影響，對關鍵假設進行敏感性分析。

We found the management's assumptions used in the impairment assessment to be supportable based on available evidence.

根據可得之憑證，我們認為管理層於減值評估中所用的假設是有理據支持的。

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OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS 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.

Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

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

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的《香港財務報告準則》以及香港《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，以及與使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員須負責監督貴集團的財務報告情況。

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

INDEPENDENT AUDITOR'S REPORT

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

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。

INDEPENDENT AUDITOR'S REPORT

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Ho Kwan Raphael.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2017

我們還向審核委員提交聲明，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。

從與審核委員溝通的事項中，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。

出具本獨立核數師報告的審計項目合夥人是朱皓琨。

羅兵咸永道會計師事務所
執業會計師

香港，2017年3月28日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2016

截至2016年12月31日止年度

		Note	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
		附註		
Revenue	收益	5	2,433,471	2,447,379
Cost of sales	銷售成本		(2,248,218)	(2,261,438)
Gross profit	毛利		185,253	185,941
Other income	其他收入		5,162	7,463
General and administrative expenses	一般及行政開支		(124,249)	(108,333)
Amortisation of intangible assets	無形資產攤銷		(3,401)	(8,283)
Impairment of contracting work-in-progress	興建中的工程之減值	5(b) & 17	(9,448)	–
Impairment of receivables	應收賬款之減值	5(b) & 18	(82,304)	–
Interest expenses	利息開支	6	(5,959)	(7,007)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	27	–	(2,257)
(Loss)/profit before taxation	除稅前(虧損)/溢利	7	(34,946)	67,524
Taxation	稅項	11	(4,766)	(12,243)
(Loss)/profit for the year	年內(虧損)/溢利		(39,712)	55,281
(Loss)/profit attributable to:	應佔(虧損)/溢利：			
Equity holders of the Company	本公司股權持有人		(39,483)	55,281
Non-controlling interest	非控股權益		(229)	–
			(39,712)	55,281
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company	本公司股權持有人應佔(虧損)/溢利之每股(虧損)/盈利			
– basic (HK cents)	– 基本(港幣仙)	13	(11.7)	14.9
– diluted (HK cents)	– 攤薄(港幣仙)	13	(11.7)	12.8
Dividends	股息	12	6,419	21,380

The notes on pages 117 to 176 are an integral part of these consolidated financial statements.

第117至第176頁之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

For the year ended 31 December 2016
截至2016年12月31日止年度

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(Loss)/profit for the year	年內(虧損)/溢利	(39,712)	55,281
Other comprehensive loss:	其他全面虧損：		
<u>Items that will not be reclassified to profit or loss:</u>	<u>其後將不會重新分類至損益之項目：</u>		
Actuarial gain/(loss) on long service payment liabilities	長期服務金負債之精算收益/(虧損)	1,564	(2,450)
<u>Items that may be subsequently reclassified to profit or loss:</u>	<u>可其後重新分類至損益之項目：</u>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(2,060)	(1,811)
Other comprehensive loss for the year	年內其他全面虧損	(496)	(4,261)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收入總額	(40,208)	51,020

The notes on pages 117 to 176 are an integral part of these consolidated financial statements.

第117至第176頁之附註為該等綜合財務報表之組成部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2016
於2016年12月31日

	Note	2016	2015	
	附註	HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	13,435	6,883
Investment properties	投資物業	15	3,600	3,040
Intangible assets	無形資產	16	35,535	40,691
Goodwill	商譽	16	171,794	171,794
Deferred tax assets	遞延稅項資產	25	78	91
Prepayment	預付款項		1,840	–
Total non-current assets	非流動資產總額		226,282	222,499
Current assets	流動資產			
Contracting work-in-progress	興建中的工程	17	411,412	299,158
Receivables	應收賬款	18	398,409	470,877
Deposits and prepayments	按金及預付款項	18	26,622	35,545
Amounts due from former fellow subsidiaries	應收前同系附屬公司款項	19	–	58,633
Amount due from former ultimate holding company	應收前最終控股公司款項	19	–	12,939
Taxation recoverable	可收回稅項		5,553	83
Deposit, cash and cash equivalents	存款、現金及現金等值	20	129,284	129,841
Total current assets	流動資產總額		971,280	1,007,076
Current liabilities	流動負債			
Payables and accruals	應付賬款及應計費用	21	753,368	630,796
Bank loans	銀行貸款	26	204,000	293,536
Amount due to non-controlling interests	應付非控股權益款項	19	1,240	1,148
Amount due to other partner of joint operations	應付其他共同經營夥伴款項		15	6
Amounts due to former fellow subsidiaries	應付前同系附屬公司款項	19	–	588
Taxation payable	應付稅項		4,655	12,900
Total current liabilities	流動負債總額		963,278	938,974
Net current assets	流動資產淨值		8,002	68,102
Total assets less current liabilities	資產總額減流動負債		234,284	290,601

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2016
於2016年12月31日

			2016	2015
		<i>Note</i>	HK\$'000	HK\$'000
		<i>附註</i>	港幣千元	港幣千元
Non-current liabilities	非流動負債			
Long service payment liabilities	長期服務金負債	24	2,378	3,977
Deferred tax liabilities	遞延稅項負債	25	6,356	7,232
Total non-current liabilities	非流動負債總額		8,734	11,209
Net assets	資產淨值		225,550	279,392
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益			
Share capital	股本	22	43,055	42,768
Retained profits and other reserves	保留溢利及其他儲備	23	182,509	227,143
Proposed dividends	擬派股息		-	10,692
			225,564	280,603
Non-controlling interests	非控股權益		(14)	(1,211)
Total equity	權益總額		225,550	279,392

The notes on pages 117 to 176 are an integral part of these consolidated financial statements.

第117至第176頁之附註為該等綜合財務報表之組成部分。

The financial statements on pages 111 to 116 were approved by the Board of Directors on 28 March 2017 and were signed on its behalf

財務報表第111至第116頁經董事會於2017年3月28日批准，並由以下人士代表簽署

Kingston Chu Chun Ho 朱俊浩
Chairman 主席

Terence Leung Siu Cheong 梁兆昌
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016
截至2016年12月31日止年度

		Attributable to equity holders of the Company 歸屬於本公司股權持有人								
		Share capital	Share premium	Merger reserve	Employee share option reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	合併儲備	僱員購股權儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		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
At 1 January 2015	於2015年1月1日	41,589	99,222	1,513	3,097	1,325	99,208	245,954	-	245,954
Profit for the year	年內溢利	-	-	-	-	-	55,281	55,281	-	55,281
Other comprehensive loss	其他全面虧損	-	-	-	-	(1,811)	(2,450)	(4,261)	-	(4,261)
Total comprehensive (loss)/income	全面(虧損)/收入總額	-	-	-	-	(1,811)	52,831	51,020	-	51,020
2014 final dividend paid (note 12)	已派2014年度末期股息(附註12)	-	-	-	-	-	(16,844)	(16,844)	-	(16,844)
2015 interim dividend paid (note 12)	已派2015年度中期股息(附註12)	-	-	-	-	-	(10,688)	(10,688)	-	(10,688)
Share option scheme	購股權計劃	-	-	-	958	-	-	958	-	958
Transfer upon share options lapsing	因購股權失效而轉撥	-	-	-	(602)	-	602	-	-	-
Issue of shares upon exercise of share options	因行使購股權而發行股份	1,179	11,713	-	(2,689)	-	-	10,203	-	10,203
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	(1,211)	(1,211)
At 31 December 2015	於2015年12月31日	42,768	110,935	1,513	764	(486)	125,109	280,603	(1,211)	279,392
At 1 January 2016	於2016年1月1日	42,768	110,935	1,513	764	(486)	125,109	280,603	(1,211)	279,392
Loss for the year	年內虧損	-	-	-	-	-	(39,483)	(39,483)	(229)	(39,712)
Other comprehensive (loss)/income	其他全面(虧損)/收入	-	-	-	-	(2,060)	1,564	(496)	-	(496)
Total comprehensive loss	全面虧損總額	-	-	-	-	(2,060)	(37,919)	(39,979)	(229)	(40,208)
2015 final dividend paid (note 12)	已派2015年度末期股息(附註12)	-	-	-	-	-	(10,692)	(10,692)	-	(10,692)
2016 interim dividend paid (note 12)	已派2016年度中期股息(附註12)	-	-	-	-	-	(6,419)	(6,419)	-	(6,419)
Share option scheme	購股權計劃	-	-	-	539	-	-	539	-	539
Transfer upon share options lapsing	因購股權失效而轉撥	-	-	-	(268)	-	268	-	-	-
Issue of shares upon exercise of share options	因行使購股權而發行股份	287	3,208	-	(780)	-	-	2,715	-	2,715
Incorporation of a subsidiary	註冊成立的一間附屬公司	-	-	-	-	-	-	-	41	41
Further acquisition of a subsidiary	進一步收購一間附屬公司	-	-	-	-	-	(1,203)	(1,203)	1,385	182
At 31 December 2016	於2016年12月31日	43,055	114,143	1,513	255	(2,546)	69,144	225,564	(14)	225,550

The notes on pages 117 to 176 are an integral part of these consolidated financial statements.

第117至第176頁之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016
截至2016年12月31日止年度

	Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Operating activities	經營業務		
Cash generated from operations	29	142,341	28,173
Income taxes paid		(19,344)	(9,329)
Net cash generated from operating activities	經營業務產生之現金淨額	122,997	18,844
Investing activities	投資業務		
Purchase of property, plant and equipment		(12,404)	(2,702)
Proceeds from disposal of property, plant and equipment		183	100
Interest received		115	85
Interest paid		(6,072)	(6,906)
Disposal of a subsidiary, net of cash disposed of	27	–	943
Acquisition of a subsidiary, net of cash acquired		–	263
Time deposits over three months	20	(17,561)	–
Net cash used in investing activities	投資業務耗用之現金淨額	(35,739)	(8,217)
Financing activities	融資業務		
Issuance of shares upon exercise of share options		2,715	10,203
Drawdown of bank loans		615,005	514,890
Repayment of bank loans		(704,541)	(468,354)
Dividend paid		(17,111)	(27,532)
Net cash (used in)/generated from financing activities	融資業務(耗用)/產生之現金淨額	(103,932)	29,207
Net (decrease)/increase in deposit, cash and cash equivalents	存款、現金及現金等值(減少)/增加之淨額	(16,674)	39,834
Deposit, cash and cash equivalents at the beginning of the year	年初之存款、現金及現金等值	129,841	91,195
Exchange loss on deposit, cash and cash equivalents	存款、現金及現金等值之匯兌虧損	(1,444)	(1,188)
Deposit, cash and cash equivalents at the end of the year	年末之存款、現金及現金等值	111,723	129,841
Analysis of balance of deposit, cash and cash equivalents:	存款、現金及現金等值結餘分析:		
Bank balances and cash – unrestricted	銀行結餘及現金 – 非限制	129,284	129,841
Less: Time deposit with original maturities over three months	減: 原到期日為三個月以上之定期存款	(17,561)	–
Deposit, cash and cash equivalents at the end of the year	年末之存款、現金及現金等值	111,723	129,841

The notes on pages 117 to 176 are an integral part of these consolidated financial statements.

第117至第176頁之附註為該等綜合財務報表之組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company on 4 August 2003. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 October 2003.

The principal business of the Group is principally engaged in the provision of PFM business, and ISP business in Hong Kong, Mainland China and Macau.

The consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated, and were approved for issue by the Board on 28 March 2017.

Before 21 November 2016, the Directors regarded Hsin Chong Group Holdings Limited, a company incorporated in Bermuda, as its ultimate holding company and Smart Lane Holdings Limited ("Smart Lane"), a company incorporated in British Virgin Islands, as its immediate holding company. On 21 November 2016, Smart Lane completed a major transaction by disposing the entire interests in the Group to Champ Key Holdings Limited ("Champ Key") and the directors regarded Champ Key, a company incorporated in British Virgin Islands, as its immediate holding company. Smart Lane ceased to be the immediate holding company of the Group.

The controlling shareholder of the Company has been changed from Hsin Chong to Champ Key, which is wholly and beneficially owned by Mrs. Chu Yuet Wah.

1 一般資料

本公司於2003年8月4日根據1981年百慕達公司法在百慕達註冊成立為獲豁免公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司股份於2003年10月9日在香港聯合交易所有限公司(「聯交所」)上市。

本集團之主要業務為於香港、中國內地及澳門主要從事提供物業及設施管理業務、室內裝飾及特殊項目業務。

除另有列明者外，本綜合財務報表以港幣千元列示，並已於2017年3月28日經董事會批准刊發。

於2016年11月21日前，董事認為新昌集團控股有限公司(一間於百慕達註冊成立之有限公司)為其最終控股公司及Smart Lane Holdings Limited(「Smart Lane」)(一間於英屬處女群島註冊成立之有限公司)為其直接控股公司。於2016年11月21日，Smart Lane完成一項重大交易，向Champ Key Holdings Limited(「Champ Key」)出售於本集團之全部權益及董事視Champ Key(一間於英屬處女群島註冊成立之有限公司)為其直接控股公司。Smart Lane不再為本集團之直接控股公司。

本公司之控股股東由新昌變更為Champ Key，其全資及實益擁有人為李月華女士。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of Synergis Holdings Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Annual Improvements Project	Annual Improvements to HKFRSs 2012–2014 Cycle
HKFRS 14	Regulatory Deferral Accounts

The adoption of the above amendments to existing standards has no material impact on the Group's results and financial position or any substantial changes to the Group's accounting policies.

2 編製基準及會計政策

Synergis Holdings Limited (新昌管理集團有限公司*)之綜合財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例(622章)之規定而編製。本綜合財務報表按歷史成本價例編製，並已就按公允值列賬之投資物業重估作出修訂。

在遵照香港財務報告準則編製財務報表時，須採用若干關鍵會計估算，管理層亦須在應用本集團會計政策之過程中作出判斷。

(a) 本集團採納之新訂及經修訂準則

本集團已於2016年1月1日開始之財政年度首次採納以下準則之修訂：

香港會計準則第1號之修訂	披露計劃
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號之修訂	收購共同經營權益之會計處理
香港會計準則第16號及香港會計準則第38號之修訂	澄清可接受之折舊及攤銷方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港會計準則第27號之修訂	單獨財務報表之權益法
年度改進項目	香港財務報告準則2012年至2014年週期之年度改進
香港財務報告準則第14號	監管遞延賬戶

採納上述現有準則的修訂對本集團之業績及財務狀況並無重大影響或對本集團會計政策的並無任何重大變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- (b) Standards and amendments to existing standards which are not yet effective

The following standards and amendments are effective after 2016 and have not been early adopted by the Group:

Amendments to HKAS 7	Statement of Cash Flows ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Annual Improvements Project	Annual Improvement to HKFRSs 2014–2016 Cycle 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 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 Effective for annual periods to be determined

The Group will adopt the above standards and amendments to existing standards as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 15, “Revenue from Contracts with Customers”

The application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue. At this stage, the Group is in the process of assessing the impact of HKFRS 15 on the Group’s financial statements.

- (b) 尚未生效之準則及現有準則之修訂

以下準則及修訂乃於2016年之後生效，亦並無獲本集團提早採納：

香港會計準則第7號之修訂	現金流量表 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
年度改進項目	香港財務報告準則2014年至2016年週期之年度改進 ¹
香港財務報告準則第2號之修訂	以股份為基礎的支付交易之分類及計量 ²
香港財務報告準則第9號	金融工具 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 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間之資產出售或出讓 ⁴

¹ 於2017年1月1日開始或之後開始之年度期間生效

² 於2018年1月1日開始或之後開始之年度期間生效

³ 於2019年1月1日開始或之後開始之年度期間生效

⁴ 生效的年度期間有待確定

本集團將於彼等生效時採納上述準則及現有準則之修訂。以上各項預期將不對本集團之綜合財務報表產生重大影響，惟以下所述者除外：

香港財務報告準則第15號「來自客戶合約之收益」

應用香港財務報告準則第15號或會導致識別單獨的履約責任而或會影響確認收入之時間。於現階段，本公司正在評估香港財務報告準則第15號對本集團財務報表之影響。

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財務報表附註

HKFRS 16, "Leases"

HKFRS 16 will affect primarily the accounting for Group's operating leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the consolidated statement of financial position. The Group is in the process of assessing to what extent the operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

2.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are accounted for at cost less impairment (note 2.9). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

香港財務報告準則第16號「租賃」

香港財務報告準則第16號主要影響本集團之經營租賃賬目。根據該新準則，資產(租賃項目之使用權)及其支付租金之財務責任須於綜合財務狀況表內確認。本集團正在評估該等經營租賃承擔對確認未來付款的資產及負債之影響程度，以及會如何影響本集團的溢利及現金流量的分類。

2.1 綜合賬目基準

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策之所有實體(包括特殊目的實體)，一般附帶超過半數投票權之股權。在評定本集團是否控制另一實體時，目前可行使或可兌換之潛在投票權的存在及其影響均予考慮。附屬公司在控制權轉移至本集團之日起全面綜合入賬，並在控制權終止之日起停止綜合入賬。集團內公司間之收益、集團公司之間之交易結餘及未變現收益會予以對銷。未變現虧損亦予以對銷。附屬公司之會計政策已按需要作出修訂，確保與本集團所採納之會計政策一致。

在本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值(附註2.9)列賬。成本亦計入直接投資應佔成本。附屬公司之業績由本公司按已收及應收股息基準入賬。

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(b) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement (note 2.5).

(b) 業務合併

本集團應用收購會計法將業務合併入賬。收購一間附屬公司之轉讓代價為所轉讓之資產、被收購方前擁有人所產生之負債及本集團所發行之股本權益之公允值。轉讓代價包括或然代價安排所產生之任何資產或負債之公允值。在業務合併過程中所收購之可辨別資產，所承擔之負債及或然負債，均於收購當日按其公允值作出初步計量。本集團按個別收購基準，確認任何於被收購方之非控股權益。被收購方的非控制性權益為現時的所有者權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公允值或按現時所有者權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公允值計量，除非香港財務報告準則規定必須以其他計量基準計算。

額外的轉讓代價、於收購被收購方的任何非控股權益金額，及任何先前於被收購方的股本權益於收購日期的公允值高於所收購可辨認資產淨值的公允值的差額以商譽列賬。就議價購買而言，如總轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公允值，其差額將直接在損益表中確認(附註2.5)。

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財務報表附註

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(c) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

集團內公司間的交易、結餘及交易之未變現收益均予以對銷。除非交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。於必要時，附屬公司所呈報之金額已經作出調整，以符合本集團之會計政策。

(c) 與非控股權益交易

本集團將其與非控股權益的交易視為與本集團權益擁有人進行的交易。向非控股權益進行購置而言，相當於所支付的任何代價與相關應佔所收購附屬公司資產賬面淨值之差額已計入權益。向非控股權益出售之收益或虧損亦計入權益。

當本集團不再持有控制權或重大影響力，在實體的任何保留權益重新計量至其公允值，賬面值的變動在損益中確認。公允值為就保留權益的後續入賬而言的初始賬面值，作為聯營公司、合營公司或財務資產。此外，之前在其他全面收入中確認的有關該實體的任何數額乃按猶如本集團已直接出售相關資產或負債入賬。這相等於之前在其他全面收入中確認的數額重新分類至綜合損益表。

倘於聯營公司的所有者權益被削減但仍保留重大影響力，只有在適用情況下按比例將之前在其他全面收入中確認的數額重新分類至損益。

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(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures; depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. For the joint arrangements that specify that the parties to the joint arrangements have rights to the assets and obligations to the liabilities relating to the joint arrangements, they are classified as joint operations. For the remaining joint arrangements, they are classified as joint ventures.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker identified as the Executive Committee, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

(d) 出售附屬公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允值重新計量，有關賬面值變動在損益確認。就其後入賬列作合營企業或財務資產的保留權益，其公允值為初始賬面值。此外，先前於其他全面收入確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味著先前在其他全面收入確認的金額重新分類至損益。

2.2 共同安排

於共同安排之投資分類為共同經營或合營企業，視乎各投資者於共同安排下之合約權利及責任，而非其法律架構。共同安排訂明訂約方對有關共同安排之資產擁有權利並對負債負有責任，共同安排應分類為共同經營。其他共同安排則分類為合營企業。

2.3 分部報告

營運分部之報告形式與向主要營運決策者提供之內部報告形式一致。主要營運決策者即行政委員會，負責資源調配、為各營運分部評估表現及作策略性決定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2.4 外幣匯兌

(a) 功能及列賬貨幣

本集團每個實體之財務報表所列項目均以該實體營運所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港幣（「港幣」）呈報，港幣為本公司及本集團之功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日之匯率換算為功能貨幣。結算此等交易產生之匯兌盈虧以及將外幣計值之貨幣資產與負債以年終匯率換算產生之匯兌盈虧在損益表確認。

(c) 集團公司

功能貨幣與列賬貨幣不同之所有集團實體（其中並無任何實體持有通脹嚴重之經濟體系之貨幣）之業績及財務狀況按如下方法換算為列賬貨幣：

- (i) 每份呈報之資產負債表所列資產與負債按該資產負債表日期之收市匯率換算；
- (ii) 每份損益表內之收入及開支按平均匯率換算（除非此平均匯率並非交易日期匯率之累計影響的合理約數，收支項目則按交易日期之匯率換算）；及

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- (iii) all resulting exchange differences are recognised in other comprehensive income and as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

- (iii) 所有由此產生之匯兌差額均於其他全面收入中確認為權益之獨立組成項目。

在綜合入賬時，換算對海外業務的投資淨額所產生之匯兌差額，以及借貸及其他指定為有關投資之對沖貨幣工具，會計入其他全面收入。當出讓或出售部份海外業務時，於權益入賬的匯兌差額會在損益表確認為出售盈虧之一部份。

2.5 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司的淨可識別資產的公允值之數額。商譽每年進行減值測試並按成本減累計減值虧損入賬。商譽減值虧損不作回撥。出售實體之收益及虧損包括與出售實體有關之商譽之賬面值。

商譽就減值測試獲分配至現金產生單位，並獲分配至預期可按營運分部確認產生商譽的業務合併中得益的該等現金產生單位或多組現金產生單位。

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2.6 Intangible assets

(a) Trademarks

Separately acquired trademarks and trade names are shown at historical cost. Trademarks and trade names acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks and trade names that have a definite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 15 years.

(b) Backlog orders

Backlog orders acquired in a business combination are recognised at fair value at the acquisition date. The secured contracts have a finite useful life and carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the contracts of 3 years.

(c) Non-competition agreement

Non-competition agreement acquired in a business combination are recognised at fair value at the acquisition date. The non-competition agreement have a finite useful life and carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the contracts of 15 years.

One of intangible asset, non-competition agreement, arising from the acquisition of the ISP business in November 2012 was written off to general and administrative expenses in the consolidated income statement after the change of controlling shareholder of the Company on 21 November 2016.

2.6 無形資產

(a) 商標

獨立購入之商標及商號按歷史成本列賬。在業務合併中購入之商標及商號按收購日之公允值確認。

有指定可使用年期之商標及商號具按成本減累積攤銷列賬。有關攤銷乃根據其估計十五年使用期以直線法攤銷。

(b) 未完成訂單

在業務合併中購入之未完成訂單按收購日之公允值確認。已抵押合約有指定可使用年期且按成本減累計攤銷列賬。合約乃根據其估計三年使用期以直線法攤銷。

(c) 不競爭協議

在業務合併中購入之不競爭協議按收購日之公允值確認。不競爭協議有指定可使用年期且按成本減累計攤銷列賬。合約乃根據其估計十五年使用期以直線法攤銷。

因於2012年11月收購室內裝飾及特殊項目業務產生的其中一項無形資產不競爭協議，於2016年11月21日本公司主要股東變更後已於綜合收益內的一般及行政開支撇銷。

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2.7 Investment properties

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the companies in the Group. Investment property comprises land held under operating leases and buildings held under finance leases.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is revaluated bi-annually based on active market prices, adjusted for any necessary difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Changes in fair values are recognised in the income statement.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in each asset's carrying amount only when it is probable that there is future economic benefit to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2.7 投資物業

投資物業為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由集團旗下公司佔用。投資物業包括以經營租賃持有之土地及以融資租賃持有之樓宇。

投資物業初步按成本(包括有關交易成本)計量。在首次確認後，投資物業按公允值列賬。公允值每年進行兩次重估，並根據活躍市場價格計算，如有需要會按個別資產的性質、地點或狀況之差異作出調整。

投資物業之公允值反映(其中包括)來自現有租賃之租金收入以及在現時市況下未來租賃之租金收入假設。公允值變動在損益表確認。

2.8 物業、機器及設備

物業、機器及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在對本集團很可能有未來經濟利益，而該項目之成本能可靠計量時，方計入各項資產的賬面值。已更換項目部份的賬面值已被取消確認。所有其他維修及保養在所涉財政期間內於損益表支銷。

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Depreciation of property, plant and equipment is calculated using the straight-line method based on estimated useful lives, as follows:

Leasehold improvements	Over the lease period
Motor vehicles	25%–30% per annum
Furniture and equipment	10%–50% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

2.9 Impairment of investment in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

物業、機器及設備的折舊以直線法於預計可使用年期內計算如下：

租賃物業裝修	按租約年期
汽車	每年25%–30%
傢俱及設備	每年10%–50%

資產餘值及可使用年期於各結算日檢討並按需要作出調整。倘資產的賬面值高於其估計可收回金額，則資產賬面值即時撇減至其可收回金額(附註2.9)。

出售之盈虧乃按所得款項與賬面值的差額而釐定，並在損益表內中確認。

2.9 於附屬公司及非財務資產之投資減值

資產於出現事件或情況改變顯示賬面值可能無法收回時，就減值進行檢討。資產賬面值超出其可收回金額的差額會確認為減值虧損。可收回金額為資產公允值扣除銷售成本或使用價值兩者之較高者。評估減值時，資產按可獨立識別的現金流量(現金產生單位)最低層次組合。除商譽外，出現減值的非財務資產於各報告日期均須檢討減值可否撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.10 Contracting work-in-progress

Contracting work-in-progress is valued at cost incurred plus an appropriate proportion of profit after deducting progress payments and allowances for foreseeable losses. Cost comprises direct materials, labour and overheads attributable in bringing the work-in-progress to its present condition.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade and retention receivables. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.11 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except that for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of receivables is described in note 2.12.

2.10 興建中的工程

興建中的工程按成本值加合適比例之溢利並扣除進度付款及可預見虧損撥備後列值。成本包括將興建中的工程達致現時狀況所需之直接原料、勞工以及間接開支。

倘所有進行中合約所產生成本加上已確認溢利或減已確認虧損超出進度發票額，本集團按資產呈列為應收客戶之工程款項毛額。客戶尚未支付之進度發票額及保固金，計入應收賬款及應收保固金。倘所有進行中合約之進度發票額超出所產生成本加上已確認溢利或減已確認虧損，本集團按負債呈列為應付客戶之工程款項毛額。

2.11 財務資產

本集團將其財務資產分類為貸款及應收賬款。分類視乎購入財務資產之目的而定。管理層於首次確認時決定財務資產之類別。

貸款及應收賬款為有既定或可釐定還款且在活躍市場並無報價的非衍生財務資產。此等項目包括在流動資產內，惟到期日超逾結算日起計12個月者，則分類為非流動資產。

定期購入及出售之財務資產於交易日（即本集團承諾買賣該資產之日期）予以確認。投資初步按公允值加交易成本確認。倘從投資收取現金流之權利已到期或經已轉讓，而本集團已將其擁有權之絕大部份風險及回報實體轉讓時，則會終止確認財務資產。貸款及應收賬款按實際利率法以攤銷成本列賬。

本集團於每個結算日評估是否有客觀證據顯示某項財務資產或某組財務資產經已減值。應收賬款之減值測試載於附註2.12。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.12 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance accounts for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligations, and such amount can be reasonably estimated. Where the Group expects a provision will be reimbursed, the reimbursement is recognised as a separate asset.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.12 應收賬款

應收賬款首次按公允值確認，其後以實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收賬款之原有條款收回所有賬款時，即就應收賬款計算減值撥備。撥備金額為資產賬面值與按原實際利率折現之估計未來現金流量之現值差額。該項資產的賬面值會在撥備賬扣減，而虧損數額於損益表確認。倘應收賬款無法收回，則在應收賬款撥備賬作出撇銷。已撇銷的款額若其後收回，則計入損益表內。

2.13 撥備

當本集團因過往事件需承擔法定或推定現有責任，可能須耗費資源以履行有關責任，且能夠可靠估計有關金額時確認撥備。凡本集團預期撥備可獲補償，則補償確認為個別資產。

2.14 借款

借款初期以公允值扣除所產生交易成本確認。借款其後按攤銷成本列賬，所得款項(扣除交易成本)與贖回價值之任何差額則於借款期內以實際利率法於綜合損益表內確認。除非本集團有權無條件於結算日後將負債之結算遞延至少十二個月，否則借款分類為流動負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.15 Deposit, cash and cash equivalents

Deposit, cash and cash equivalents include cash in hand and deposits held at call with banks.

2.16 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or else, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. It is the Group's policy to forfeit any untaken annual leave with a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. A provision is made for the estimated liability up to the balance sheet date.

(b) Profit sharing and bonus plans

Provisions for profit sharing and bonus are made for the estimated liability for incentive bonus as a result of services rendered by employees up to the balance sheet date, where there is a contractual obligation or past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

2.15 存款、現金及現金等值

存款、現金及現金等值包括手頭現金及銀行通知存款。

2.16 應付賬款

應付賬款乃支付於日常業務中自供應商取得之貨品或服務之責任。倘有關賬款於一年以內到期，應付賬款會入賬列為流動負債。否則，應付賬款會呈列為非流動負債。應付賬款初步按公允值確認，其後按實際利率法以攤銷成本計量。

2.17 僱員福利

(a) 僱員享有假期權益

僱員享有年假及長期服務假的權益於僱員應該享有時予以確認。根據本集團政策，於指定時間內未曾動用之年假將被註銷。本集團定期評估員工的流失率，將計提或撥回撥備。僱員之病假及產假在僱員正式休假時確認。按僱員截至結算日止估計之負債作出撥備。

(b) 攤分溢利及花紅計劃

按僱員於截至結算日止所提供的服務，提供獎勵性花紅，並在有合約責任或因過往慣例而產生推定責任的情況下，及可就有關責任作出合理估計時按預計的有關負債，對攤分溢利及花紅作出撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(c) Retirement benefit

The Group participates in mandatory provident fund schemes in Hong Kong which are defined contribution plan generally funded through payments to trustee – administered funds. The assets of the schemes is held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in the People's Republic of China ("PRC"), the subsidiaries in PRC participates in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the PRC is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(d) Long service payment liabilities

The Group's net obligation in respect of long service accounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine the present value and reduced by entitlements accrued under the Group's retirement plans. The obligation is calculated using the projected unit credit method by a qualified actuary. Actuarial gains or losses was credited/charged to consolidated statement of comprehensive income.

(c) 退休福利

本集團在香港參與強制性公積金計劃，該計劃為定額供款計劃，一般藉付款予受託人管理的基金以提供資金。該等計劃之資產由獨立管理的基金持有，並與本集團之資產分隔。

根據中華人民共和國（「中國」）政府之有關規例，中國國內的附屬公司須參與市政府的供款計劃，據此，附屬公司須為合資格僱員向該項計劃提供退休福利供款。中國市政府負責支付予退休僱員的所有福利承擔，本集團就該項計劃所承擔之唯一責任是根據該計劃規定持續作出供款。本集團對計劃之供款於產生時作開支支銷。

(d) 長期服務金負債

本集團根據香港《僱傭條例》須在若干情況下於終止僱用時支付之長期服務賬款負債淨額，為僱員於本期間及以往期間因提供服務所賺取之未來利益金額，在釐定現值時，該項利益須予以貼現計算，並扣減根據本集團之退休計劃累計之權益。有關責任由合資格精算師採用預計單位信貸法計算。精算收益或虧損於綜合全面收入報表計入／扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(e) Share option scheme

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2.18 Contingent liabilities

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

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

(e) 購股權計劃

授予僱員之購股權公允值會確認為僱員成本，並會相應增加權益內之股本儲備。公允值於授出當日採用二項式期權定價模式釐定，並會考慮購股權之授出條款及條件。倘僱員須於無條件獲授購股權前達成歸屬條件，則購股權之估計公允總值會在歸屬期內攤分，並會考慮購股權歸屬的可能性。

於歸屬期內，需檢討預期歸屬之購股權數量。任何對過往年度已確認的累計公允值所作之調整會於回顧年度於損益表扣除／計入。於歸屬日期，確認為開支之金額會調整以反映實際歸屬之購股權數目（亦相應調整股本儲備），惟僅因未能達到有關本公司股份市價之歸屬條件而沒收購股權則除外。股本金額於股本儲備確認，直至購股權獲行使（即轉撥至股份溢價賬時）或購股權到期（即直接撥至保留溢利時）為止。

2.18 或然負債

或然負債指因過往事件而可能引起之責任，此等責任需視乎日後不確定事件會否發生才能確定，而有關事件會否發生並非完全受本集團控制。或然負債亦可以是因過往事件引致之現有責任，但由於可能毋須耗用經濟資源，或有關金額未能可靠地計量而未有確認。

或然負債不予確認入賬，惟會於綜合財務報表附註披露。當可能性有變而導致有可能耗用資源，則此等負債會確認為撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.19 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's entities operate and generate taxable income. Management periodically evaluates tax related situations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 當期及遞延所得稅

當期所得稅支出根據本集團營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅法計算。管理層就與稅項有關的情況作定期評估，並在適用情況下根據預期須向稅務機關支付的稅款計提撥備。

遞延所得稅按資產及負債之稅基與其在綜合財務報表之賬面值兩者間之暫時差額以負債法全數撥備。然而，若遞延所得稅來自在交易（不包括業務合併）中初步確認資產或負債，而在交易時不會影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期適用之稅率及法例釐定。

遞延所得稅資產於有可能出現未來應課稅溢利以抵銷暫時差額時方予以確認。

遞延所得稅按於附屬公司之投資所產生之暫時差額作出撥備，惟倘本集團可以控制暫時差額之回撥時間，且暫時差額在可見未來將不會回撥之情況則除外。

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體所徵所得稅但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.20 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns and discounts and after eliminating sales within the Group.

Property and facility management fees are recognised when the services are rendered and in accordance with the terms of agreements. There are two types of agreement, namely management remuneration contracts ("MR Contracts") and lump sum contracts ("LS Contracts"). Under a MR Contract, the Group is remunerated based on a fixed percentage of the costs involved in the management of the property or facility, and only such fee is recognised as the Group's revenue. Under a LS Contract, the Group is paid a lump sum fee which normally covers the costs involved, thus the whole of lump sum fee is recognised as the Group's revenue.

Revenue from provision of other supporting services is recognised when the services are rendered.

Revenue from contracting work is recognised based on the stage of completion of the contracts, provided that the stage of contract completion and the gross billing value of contracting work can be measured reliably. The stage of completion of a contract is established by reference to the gross billing value of contracting work to date as compared to the total contract sum receivable under the contracts.

2.20 經營租賃

凡由出租人保留資產擁有權的絕大部份風險及回報的租賃，均歸類為經營租賃。經營租賃的租金減去任何收取自出租人的租金優惠後，以直線法按租期自損益表扣除。

2.21 收益確認

收益包括於本集團日常業務中出售貨品及服務已收或應收代價的公允價值。收益按扣減退貨及折扣並對銷本集團內部銷售後列賬。

物業及設施管理費於根據協議條款提供服務時確認。協議分為經理人酬金合約（「經理人酬金合約」）及全包賬式合約（「全包賬式合約」）兩種。根據經理人酬金合約，本集團將按於管理物業或設施所涉成本之固定百分比收取費用，只有該等費用會確認為本集團之收益。根據全包賬式合約，本集團獲付一筆款項，該等款項一般足以支付所涉成本，故此整筆款項會確認為本集團之收益。

提供其他支援服務之收益，於提供服務時確認。

合約工程收益是根據合約完工階段確認，惟有關合約完工階段及已開單之合約工程總額必須能作出可靠之測算。合約完工階段是依據至現今已開單之合約工程總額及應收之合約總價兩者作比較而確定。

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Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Operating lease rental income is recognised on a straight-line basis over the term of the lease.

Interest income and other contracting income are recognised on a time proportion basis, taking into account the principal amounts or refundable deposits outstanding and the effective interest rates applicable.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability when approved, whereas dividend proposed but not yet approved is recognised as an appropriation of retained earnings.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Risk management seeks to minimise any potential material effects on the Group's financial performance from the following factors.

(a) Market risk

(i) Foreign exchange risk

The Group's operation in the Mainland China is exposed to exchange risk arising from Renminbi. Hedging has not been effected due to immateriality of the working capital balances.

(ii) Interest rate risk

At 31 December 2016, if interest rates on Hong Kong dollar denominated borrowings had been 50 basis points (2015: 50 basis points) higher or lower with all other variables held constant, the Group's profit for the year would have decreased/increased by approximately HK\$1,167,000 (2015: HK\$1,474,000) as a result of higher or lower interest expenses on floating rate bank borrowings respectively.

貨品銷售收益於擁有權的風險及回報轉移時確認，風險及回報轉移一般於貨品交付予客戶及移交所有權時同步發生。

經營租賃租金收入以直線法於租賃期間確認。

利息收入及其他工程合約收入按未償還本金或可退回按金及適用實際利率根據時間比例基準確認。

2.22 股息分派

倘獲批准，向本公司股東分派之股息會確認為負債，而尚未批准之擬派股息則確認為保留盈利分派。

3 財務風險管理

3.1 財務風險因素

風險管理旨在減低對本集團財務表現潛在之重大影響，當中包括以下風險。

(a) 市場風險

(i) 外匯風險

本集團因在中國內地營運而面臨以人民幣產生的外匯風險。由於營運資金結餘的外匯風險極低，故並無實施對沖。

(ii) 利率風險

於2016年12月31日，倘港幣計值借款之利率增加或減少50基點（2015年：50基點），而所有其他可變因素維持不變，本集團之年內溢利將因浮息銀行借貸利息開支的增加或減少而分別減少／增加約港幣1,167,000元（2015年：港幣1,474,000元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Credit risk

The Group's credit risk mainly arises from deposits, cash and bank balances and receivables. Current policies ensure that sales and services are made to customers with an appropriate credit history and subject to periodic credit evaluations. Collection of outstanding receivables is closely monitored on an ongoing basis.

As at 31 December 2016, a provision of approximately HK\$80.5 million receivables based on the impairment assessment on the respective balance with Hsin Chong Group.

Certain customers have exceeded their respective credit terms during the reporting period (note below on receivables). However, management does not expect any significant losses from non-performance by these counterparties because of their good repayment history.

The credit risk associated with deposits and cash and bank balances is limited because the counterparties are bank with high credit rating.

(b) 信貸風險

本集團的信貸風險主要來自按金、現金及銀行結餘及應收賬款。目前，本集團已安排政策以確保服務及銷售乃售予具有合適信貸記錄的客戶，並會定期評估的信貸狀況。未收回應收賬款催繳持續受到緊密監控。

於2016年12月31日約港幣80,500,000元應收款項作出撥備，結餘與新昌集團有關。

若干客戶於呈報期間已超逾彼等各自的信貸期(見下文有關應收賬款之附註)。然而，由於該等交易對手有良好還款記錄，管理層預計不會因該等交易對手拖欠付款而引致任何重大損失。

與存款及現金及銀行結餘有關之信貸風險有限，因為交易對手方為具有高信貸評級之銀行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(c) Liquidity risk

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities.

For bank loans containing a repayment on demand clause, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, including short term revolving loans of HK\$120,000,000 (2015: HK\$185,536,000) which is subject to annual review by lenders and bank loans of HK\$84,000,000 (2015: HK\$108,000,000) with scheduled repayment dates, will be on demand for repayment immediately, excluding interest payments.

As at 31 December 2016, the Group was in breach of certain loan covenants of bank loan of HK\$104,000,000 in relation to financial ratio requirement.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. Taking into account the Group's financial position, the Directors do not consider that the bank will exercise its discretion to demand immediate payment, and believe that the bank loan will be repaid in accordance with the scheduled repayment dates set out in note 26. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payment.

(c) 流動資金風險

本集團採取審慎流動風險管理，包括維持充足之銀行結餘及現金，並擁有可供動用之充足金額已承諾信貸融資。

就包含按要求償還條款之銀行貸款而言，倘貸方使用其無條件權利即時召回貸款，包括貸方每年批核之短期周轉貸款港幣120,000,000元（2015年：港幣185,536,000元）及附有預先安排還款期之銀行貸款港幣84,000,000元（2015年：港幣108,000,000元），將須按要求立即償還，惟利息付款除外。

於2016年12月31日，本集團就財務比率規定違反若干貸款契據，涉及銀行貸款港幣104,000,000元。

下表顯示本集團及本公司之財務負債，按照相關之到期組別，根據由結算日至合約到期日之剩餘期間進行分析。經考慮本集團之財務狀況，董事會認為銀行不會行使其權利要求即時償還款項，並相信本集團將根據載列於附註26中之還款時間表償還銀行貸款。表內所披露之金額乃合約性未貼現之現金流量，包括利息付款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Financial risk factors

Liquidity risk (in HK\$'000)

財務風險因素

流動資金風險(港幣千元)

At 31 December 2016	於 2016 年 12 月 31 日	Between			Total
		Less than 1 year	1 and 2 year	2 and 5 year	
Term loans subject to a repayment on demand clause	訂有須按要求還款的有期貸款	87,270	-	-	87,270
Other bank loans	其他銀行貸款	120,275	-	-	120,275
Payables and accruals	應付賬款及應計費用	725,965	27,395	8	753,368
Amount due to non-controlling interests	應付非控股權益款項	1,240	-	-	1,240
Amount due to other partner of joint operations	應付其他共同經營夥伴款項	15	-	-	15
Total	總計	934,765	27,395	8	962,168

At 31 December 2015	於 2015 年 12 月 31 日	Between			Total
		Less than 1 year	1 and 2 year	2 and 5 year	
Term loans subject to a repayment on demand clause	訂有須按要求還款的有期貸款	28,023	86,868	-	114,891
Other bank loans	其他銀行貸款	185,818	-	-	185,818
Payables and accruals	應付賬款及應計費用	604,438	26,358	-	630,796
Amount due to non-controlling interests	應付非控股權益款項	1,148	-	-	1,148
Amount due to other partner of joint operations	應付其他共同經營夥伴款項	6	-	-	6
Amounts due to former fellow subsidiaries	應付前同系附屬公司款項	588	-	-	588
Total	總計	820,021	113,226	-	933,247

3.2 Capital risk management

In managing its capital, the Group's objectives are to safeguard its ability to continue operation as a going concern while keeping an optimal capital level to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3.2 資本風險管理

本集團的資本管理旨在保障本集團能繼續營運，並維持最佳的資本結構而減低資金成本。為維持或調整資本結構，本集團或會調整支付予股東的股息數額、向股東返還資本、發行新股或出售資產以減低債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3.3 Fair value estimation

The carrying amounts of the Group's current assets approximate their fair values due to their short term maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may not, by definition, equal the related actual results. Those estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of each of the assets and liabilities are discussed below.

(a) Useful lives of property, plant and equipment and intangible assets

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. Such estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions.

(b) Impairment of receivables, deposits and prepayment

Management determines the provision for impairment of receivables, deposits and prepayment based on assessment of the recoverability of the balances. The assessment is based on the specific recoverability assessment and ageing profile of the balances, which requires the use of judgements and estimates. A considerable amount of judgement is required in assessing the ultimate realisation of the balance, including the financial position and the historical payment pattern of each customers. The Group has set out policies to ensure follow-up action is taken to recover overdue receivables and deposits. As at 31 December 2016, the Group has made a provision of approximately HK\$82.3 million based on the impairment assessment. The Group has been negotiating with the customers for the payment of settlement. The determination of the provision involved significant management estimation.

3.3 公允價值估計

由於本集團之流動資產屬短期性質，因此其賬面值均與公允值相若。

4 關鍵會計估計及判斷

本集團不斷根據過往經驗及其他因素(包括對在有關情況下視為合理的未來事件預期)對其估計及判斷予以評估。所得之會計估計定義上可能不會與實際結果相同。很大風險導致各項資產與負債賬面值重大調整之估計及假設討論如下。

(a) 物業、機器及設備及無形資產之可使用年期

管理層會釐定物業、機器及設備及無形資產之估計可使用年期及有關折舊及攤銷支出。該估計乃根據同類性質及功能之物業、機器及設備及無形資產的實際可使用年期之過往記錄釐定。

(b) 應收賬款、按金及預付款項減值

管理層根據對結餘可收回性的評估釐定應收賬款、按金及預付款項減值撥備。根據其個別可收回性評估及賬齡組合，並需要利用判斷及估算作出評估。評估結餘的最終變現時需要作出大量判斷，包括各客戶的財務狀況及以往的付款習慣。本集團已制定政策，確保採取跟進行動，收回逾期應收賬款及按金。於2016年12月31日，本集團根據減值評估，計提約港幣82,300,000元的撥備。本集團一直與客戶就結算付款進行磋商。管理層作出重大估計來釐定撥備。

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(c) Construction contracts

As explained in note 2.21, revenue recognition on a project is dependent on management's estimation of the total outcome of the construction contract, as well as the work performed up to date. The Group reviews and revises the estimates of total contract revenue, total contract costs, variation and claims prepared for each construction contract as the contract progresses. Budgeted construction income is determined in accordance with the terms set out in the relevant contracts. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred. A considerable amount of judgment is required in estimating the total contract revenue, total contract costs, variation and claims which may have an impact in terms of stage of completion and recognition of profit.

(d) Impairment of assets

The Group tests annually whether goodwill and trademark have suffered any impairment in accordance with the accounting policy stated in note 2.9. The recoverable amounts of goodwill and trademark are the higher of the assets' fair values less costs to sell and value in use.

A considerable amount of judgement and assumptions are required in estimating the recoverable amount of goodwill and trademark, including gross profit growth, terminal growth rates and discount rates applied to the discounted cashflows.

Sensitivity analysis on the impairment assessment has been performed and there was no impairment to be made even if 1% increase for the discount rate or 3% decrease for the gross profit.

(c) 建造合約

如在附註2.21中說明，工程收益確認取決於管理層就建造合約總結果之估計，以及迄今已完成之工程額。隨著合約工程進度，本集團審閱及修訂每一份建造合約之合約收益、合約成本、變更及索償之估計。建造收益預算是根據相關合約條款決定。建造成本預算由管理層不時根據合約所涉及之主要承包商、供應商或售賣方提供之報價單加上管理層之經驗而釐定。為確保預算準確及更新，管理層對企業預算進行定期審閱，比較預算金額及實際金額之差別。由於估計總合約收益、合約成本、變更及索償需運用大量判斷，因而或會影響已完工的工程釐定及溢利之確認。

(d) 資產減值

根據附註2.9所述的會計政策，本集團每年測試商譽和商標是否出現減值。商譽和商標之可收回金額以資產之公允值扣除銷售成本及使用價值兩者之間較高者為準。

在評估商譽和商標的可收回金額時均須作出大量判斷及假設，包括毛利增長、終端增長率及應用於折現現金流量之折現率。

敏感性分析運用在減值評估上，若折現率增加1%或毛利減少3%，並不需要作出減值。

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Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts of cash-generating units have been determined based on the higher of fair value less cost to sell or value-in-use calculations. These value-in-use calculations require the use of estimates.

(e) Income tax

The Group is subject to income taxes in Hong Kong, Macau and the PRC. Significant judgment is required in determining the provision for PRC income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

其他資產之減值評估於有事件或情況改變顯示有關資產之賬面值高於其可收回金額時進行。現金產生單位之可收回金額以公允值減銷售成本或按使用價值兩者之間較高者為準。使用價值計算方法需要使用估計數據。

(e) 所得稅

本集團須繳納香港、澳門及中國之所得稅。於釐定中國所得稅撥備時須作出重大判斷。在日常業務中有大量交易及計算的最終稅項釐定不能確定。本集團根據是否須繳納附加稅項之估計而確認潛在稅項風險之負債。倘若最終評稅結果與初步列賬之數額不同，則有關差額會影響釐定期間所得稅及遞延稅項之撥備。

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財務報表附註

5 SEGMENT INFORMATION

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, identified as the Executive Committee, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are:

- property and facility management services in Hong Kong;
- property and facility management services in Mainland China;
- ancillary business including security, cleaning, laundry, etc.;
- interiors and special projects

(a) Segment results (in HK\$'000)

5 分部資料

根據提呈予本集團之營運決策者即行政委員會(其負責調配資源、為各營運分部評估表現及作策略性決定)之內部財務報告,本集團須予呈報之營運分部包括:

- 香港之物業及設施管理服務;
- 中國內地之物業及設施管理服務;
- 輔助業務,包括保安、清潔、洗衣等;
- 室內裝飾及特殊項目

(a) 分部業績(港幣千元)

		PFM 物業及設施管理						Total
		Hong Kong 香港	Mainland China 中國內地	Ancillary Business 輔助業務	PFM Business 物業及設施 管理業務	ISP Business 室內裝飾 及特殊 項目業務	Corporate (Note) 行政 (附註)	Total 總計
2016	2016年							
Revenue	收益	553,836	62,100	100,562	716,498	1,716,973	-	2,433,471
Gross profit	毛利	66,299	15,170	17,480	98,949	86,304	-	185,253
Operating expenses	經營開支	(34,886)	(14,590)	(13,898)	(63,374)	(42,083)	(17,833)	(123,290)
Impairment of contracting work-in-progress and receivables (note 5(b))	興建中的工程及應收賬款之減值(附註5(b))	-	(12,698)	(349)	(13,047)	(78,705)	-	(91,752)
Operating profit/(loss)	經營溢利/(虧損)	31,413	(12,118)	3,233	22,528	(34,484)	(17,833)	(29,789)
Amortisation of intangible assets	無形資產攤銷				-	-	(3,401)	(3,401)
Acquisition loan interest expenses	收購貸款之利息開支				-	-	(3,660)	(3,660)
Interest expenses	利息開支				(339)	(1,960)	-	(2,299)
Other expenses	其他開支				(327)	(93)	(539)	(959)
Other income	其他收入				4,837	325	-	5,162
(Loss)/profit before taxation	除稅前(虧損)/溢利				26,699	(36,212)	(25,433)	(34,946)
Taxation	稅項				(4,439)	(327)	-	(4,766)
(Loss)/profit for the year	年內(虧損)/溢利				22,260	(36,539)	(25,433)	(39,712)

NOTES TO THE FINANCIAL STATEMENTS

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		PFM 物業及設施管理			ISP Business 室內 裝飾 及特殊 項目業務			Corporate (Note) 行政 (附註)	Total 總計
		Hong Kong 香港	Mainland China 中國內地	Ancillary Business 輔助業務	PFM Business 物業 及設施 管理業務	Business 室內 裝飾 及特殊 項目業務	Corporate (Note) 行政 (附註)		
2015	2015年								
Revenue	收益	582,409	91,771	89,358	763,538	1,683,841	-	2,447,379	
Gross profit	毛利	61,281	14,380	17,951	93,612	92,329	-	185,941	
Operating expenses	經營開支	(28,095)	(14,277)	(10,645)	(53,017)	(29,545)	(21,786)	(104,348)	
Operating profit/(loss)	經營溢利/(虧損)	33,186	103	7,306	40,595	62,784	(21,786)	81,593	
Amortisation of intangible assets	無形資產攤銷				-	-	(8,283)	(8,283)	
Acquisition loan interest expenses	收購貸款之利息開支				-	-	(4,524)	(4,524)	
Interest expenses	利息開支				(455)	(2,028)	-	(2,483)	
Other expenses	其他開支				(1,256)	(1,771)	(958)	(3,985)	
Other income	其他收入				4,345	861	-	5,206	
Profit before taxation	除稅前溢利				43,229	59,846	(35,551)	67,524	
Taxation	稅項				(2,883)	(9,360)	-	(12,243)	
Profit for the year	年內溢利				40,346	50,486	(35,551)	55,281	

Note: Corporate mainly represents corporate and administrative activities, and shared services.

附註：行政主要為公司及行政活動，以及共享服務。

(b) Impairment of contracting work-in-progress and receivables

A provision of approximately HK\$90,000,000 was included based on the impairment assessment on the respective balance including contracting work-in-progress and receivables related to Hsin Chong Group. The Company is pursuing all measures to recover the receivables.

(c) Customer information

For the year ended 31 December 2016, revenue of approximately HK\$333,667,000 (2015: HK\$265,694,000) was derived from one single external customer which was attributable to ISP.

(b) 興建中的工程及應收賬款之減值

已包括就各自餘額之減值評估作出的大約港幣90,000,000元之撥備金額(包括興建中的工程及與新昌集團有關之應收賬款)。本公司已採取一切措施收回有關應收賬款。

(c) 客戶資料

截至2016年12月31日止年度，約港幣333,667,000元(2015年：港幣265,694,000元)之收益是來自一名單獨外來客戶，此乃屬於室內裝飾及特殊項目之收益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 INTEREST EXPENSES

The entire amount was attributable to the bank loans (2015: The entire amount was attributable to the bank loans).

6 利息開支

全部金額已歸類為銀行貸款(2015年：全部金額已歸類為銀行貸款)。

7 (LOSS)/PROFIT BEFORE TAXATION

7 除稅前(虧損)/溢利

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(Loss)/profit before taxation is arrived after charging/(crediting):	除稅前(虧損)/溢利已扣除/(計入)下列各項：		
Staff costs, including directors' emoluments (note 8)	員工成本(包括董事酬金)(附註8)	730,014	712,261
Depreciation	折舊	5,798	4,425
Auditor's remuneration	核數師酬金	1,420	1,269
Non-audit services	非審核服務	1,718	198
Impairment of contracting work-in-progress	興建中的工程之減值	9,448	-
Impairment of receivables	應收賬款之減值	82,304	-
Operating lease rental on land, buildings and office equipment	土地、樓宇及辦公室設備之經營租賃租金	12,930	11,923
Other contracting income	其他工程合約收入	(6)	(3,028)

8 STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

8 員工成本(包括董事酬金)

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Wages and salaries	工資及薪金		
— included in cost of sales	— 計入銷售成本	629,752	618,969
— included in general and administrative expenses	— 計入一般及行政開支	75,947	67,515
Retirement benefit	退休福利	23,776	24,819
Share option expenses	購股權開支	539	958
		730,014	712,261

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9 BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' Emoluments (in HK\$ '000)

The remuneration of every directors is set out below:

For the year ended 31 December 2016

Name of Director	董事姓名	Fees 袍金	Salary* 薪金*	Discretionary bonus* 酌情花紅*	Estimated money value of other benefits* 其他福利之 估計貨幣價值*	Employer's contribution to a retirement benefit scheme*	Total 總計
						僱主對退休 福利計劃之 供款*	
Executive Directors							
執行董事							
Terence Leung Siu Cheong	梁兆昌	150	2,306	-	55	18	2,529
Joseph Choi Kin Hung ²	蔡健鴻 ²	170	1,200	-	-	-	1,370
Lui Chun Pong ²	呂振邦 ²	150	240	-	-	14	404
Brenda Yau Shuk Mee ¹	游淑眉 ¹	74	1,102	311	20	46	1,553
Independent non-executive Directors							
獨立非執行董事							
Stephen Ip Shu Kwan	葉澍堃	290	-	-	33	-	323
Kan Fook Yee	簡福飴	310	-	-	33	-	343
Wong Tsan Kwong	黃燦光	260	-	-	33	-	293
David Yu Hon To	俞漢度	300	-	-	33	-	333
		1,704	4,848	311	207	78	7,148

* Except for the independent non-executive directors, the amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

¹ Resigned as an Executive Director and Managing Director with effect from 29 June 2016

² Resigned as an Executive Directors with effect from 9 March 2017

9 董事福利及權益

(a) 董事酬金 (港幣千元)

各董事之薪酬載列如下：

截至2016年12月31日止年度

* 除獨立非執行董事外，該等金額指就提供有關管理本公司或其附屬公司所進行之事務之服務收取之酬金。

¹ 由2016年6月29日起已辭任執行董事及董事總經理

² 由2017年3月9日起辭任執行董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2015

截至2015年12月31日止年度

Name of Director	董事姓名	Fees 袍金	Salary* 薪金*	Discretionary bonus* 酌情花紅*	Estimated money value of other benefits* 其他福利之 估計貨幣價值*	Employer's contribution to a retirement benefit scheme* 僱主對退休 福利計劃之 供款*	Total 總計
Executive Directors		執行董事					
Fan Cheuk Hung ²	樊卓雄 ²	134	1,760	284	121	237	2,536
Terence Leung Siu Cheong ³	梁兆昌 ³	109	2,196	1,959	80	18	4,362
Brenda Yau Shuk Mee ³	游淑眉 ³	109	1,482	315	48	74	2,028
Joseph Choi Kin Hung ⁴	蔡健鴻 ⁴	9	68	324	-	-	401
Lui Chun Pong ⁴	呂振邦 ⁴	9	14	-	-	-	23
Non-executive Director		非執行董事					
Wilfred Wong Ying Wai ¹	王英偉 ¹	149	3,114	927	109	15	4,314
Independent non-executive Directors		獨立非執行董事					
Stephen Ip Shu Kwan	葉澍堃	240	-	-	35	-	275
Kan Fook Yee	簡福齡	240	-	-	35	-	275
Wong Tsan Kwong	黃燦光	240	-	-	35	-	275
David Yu Hon To	俞漢度	240	-	-	35	-	275
		1,479	8,634	3,809	498	344	14,764

* Except for the independent non-executive directors, the amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

* 除獨立非執行董事外，該金額指就提供有關管理本公司或其附屬公司所進行之事務之服務收取之酬金。

¹ Re-designated as a Non-executive Director with effect from 1 November 2015 and resigned as a Non-executive Director with effect from 11 December 2015

¹ 由2015年11月1日起已調任非執行董事並由2015年12月11日起已辭任非執行董事

² Resigned as an Executive Director with effect from 1 September 2015

² 由2015年9月1日起辭任執行董事

³ Appointed as Executive Directors with effect from 10 April 2015

³ 由2015年4月10日起獲委任為執行董事

⁴ Appointed as Executive Directors with effect from 11 December 2015

⁴ 由2015年12月11日起獲委任為執行董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Interest of directors

- (i) During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2015: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2015: Nil).
- (ii) There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2015: Nil).
- (iii) No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

(c) Five highest paid individuals

During the year, the five individuals whose emoluments were the highest in the Group include one director (2015: four) whose emoluments are included in note 9(a). The emoluments payable to the other four (2015: one) highest paid individuals during the year are as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	7,260	1,717
Pension – defined contribution scheme	退休金 – 界定供款計劃	305	–
Share options expense	購股權開支	99	65
		7,664	1,782

(b) 董事權益

- (i) 於本年度，並無向董事直接或間接支付或作出退休福利、有關終止董事服務之付款或福利，亦無任何就此應付之款項(2015年：無)。並無就獲得董事服務而撥備或第三方就此應收之代價(2015年：無)。
- (ii) 並無貸款、準貸款或其他以董事、彼等之控權實體法團及關連實體為受益人之交易(2015年：無)。
- (iii) 於本年度末或於本年度任何時間並無存續本公司訂立之有關本公司業務之重大交易、安排及合約，而本公司董事直接或間接於其中擁有重大權益(2015年：無)。

(c) 五位最高薪人士

年內，本集團五位最高薪人士包括一名(2015年：四名)董事，彼等之酬金已載於附註9(a)。年內，應付予其他四名(2015年：一名)最高薪人士之酬金詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The emoluments of the above individuals fell within the following bands:

上述人士的薪金介乎以下範圍：

		Number of individuals 人數	
		2016	2015
Emolument band	薪金範圍		
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至 港幣 2,000,000 元	3	1
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至 港幣 3,000,000 元	1	-
		4	1

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向任何五位最高薪人士支付任何薪金，作為促使加入或加入本集團時的薪金或作為離職補償。

10 SHARE OPTION SCHEME

The Company has the Old Option Scheme and New Option Scheme (details of which have been set out on pages 81 to 90 of this report). Under the option schemes, the directors may at their absolute discretion grant options to eligible persons who are employees or directors of the Company or its subsidiaries.

Movements in the share options under the Option Scheme during the last 2 years are shown as follows:

10 購股權計劃

本公司設有舊購股權計劃及新購股權計劃（詳情載於本報告第81至第90頁）。根據購股權計劃，董事有絕對酌情權可向合資格人士，包括本公司或其附屬公司之僱員或董事授出購股權。

過往兩年內，根據購股權計劃之購股權之變動列示如下：

		Average exercise price 平均行使價 (HK\$ per share) (每股港幣元)	Number of share options 購股權數目 '000 千股
As at 1 January 2015	於 2015 年 1 月 1 日	0.90	22,560
Exercised	已行使	0.88	(11,786)
Lapsed	已失效	0.92	(2,280)
As at 31 December 2015 and 1 January 2016	於 2015 年 12 月 31 日及 2016 年 1 月 1 日	0.95	8,494
Exercised	已行使	0.91	(2,868)
Lapsed	已失效	0.95	(840)
As at 31 December 2016	於 2016 年 12 月 31 日	0.95	4,786

NOTES TO THE FINANCIAL STATEMENTS

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During the year, the weighted average closing price of the share of the Company immediately before the dates on which the share options were exercised was HK\$1.59 (2015: HK\$2.80).

Out of 4,786,000 outstanding options (2015: 8,494,000), 1,306,000 options (2015: 1,494,000) were exercisable with the average exercise price of HK\$0.93 (2015: HK\$0.94).

Share options outstanding have the following expiry date and exercise price:

於本年度，本公司股份於緊接購股權獲行使前日期之加權平均收市價為港幣1.59元(2015年：港幣2.80元)。

於4,786,000份尚未行使的購股權(2015年：8,494,000份)中，其中1,306,000份購股權(2015年：1,494,000份)是可行使的，平均行使價為港幣0.93元(2015年：港幣0.94元)。

尚未行使購股權之到期日及行使價如下：

Expiry date	到期日	Average exercise price	Number of share options ('000)	
		平均行使價 (HK\$ per share) (每股港幣元)	2016	2015
27 May 2017	2017年5月27日	0.952	500	800
6 June 2017	2017年6月6日	0.86	196	360
15 October 2018	2018年10月15日	0.85	100	100
27 May 2019	2019年5月27日	0.952	3,990	7,234

11 TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year after application of available tax losses brought forward for both years. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

11 稅項

兩個年度的香港利得稅乃按有關年度之估計應課稅溢利扣除自往年結轉之可動用稅損後以稅率16.5%撥備。本集團之海外溢利稅項乃按本年度估計應課稅溢利以其經營所在國家之現行稅率計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The amount of tax charged/(credited) to the consolidated income statement represents:

綜合損益表扣除/(計入)之稅項金額如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Current taxation		
Hong Kong profits tax		
— provision for the year	4,541	14,208
— under/(over) provision in prior years	1,088	(340)
Overseas tax		
— provision for the year	—	3
— over provision in prior years	—	(39)
Deferred taxation (note 25)	(863)	(1,589)
	4,766	12,243

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

本集團除稅前(虧損)/溢利之稅項與按本公司所在國家之稅率應產生之理論稅款之差額如下：

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(Loss)/profit before taxation	(34,946)	67,524
Calculated at a taxation rate of 16.5%	(5,766)	11,142
Effect of different taxation rates in other tax jurisdictions	(731)	277
Under/(over) provision in prior years	1,070	(379)
Income not subject to taxation	(117)	(41)
Expenses not deductible for taxation purposes	980	1,542
Unrecognised tax losses/(utilisation of unrecognised tax losses)	9,330	(298)
	4,766	12,243

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 DIVIDENDS

12 股息

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(a) Dividends attributable to the current year:	(a) 本年度應佔股息：		
Interim dividend paid of 1.5 HK cents (2015: 2.5 HK cents)	已付中期股息港幣 1.5 仙 (2015 年：港幣 2.5 仙)	6,419	10,688
No final dividend proposed (2015: 2.5 HK cents)	無建議宣派末期股息 (2015 年：港幣 2.5 仙)	-	10,692
		6,419	21,380
(b) Dividends attributable to the previous year, approved and paid during the year:	(b) 屬上一個年度，於年內批准及支付之股息：		
Final dividend of 2.5 HK cents (2015: 4.0 HK cents)	末期股息港幣 2.5 仙 (2015 年：港幣 4.0 仙)	10,692	16,844

At a meeting held on 28 March 2017, the Board resolved not to declare final dividend for year ended 31 December 2016 (2015: 2.5 HK cents).

於 2017 年 3 月 28 日舉行之會議上，董事會議決不就截至 2016 年 12 月 31 日止年度宣派末期股息(2015 年：港幣 2.5 仙)。

13 (LOSS)/EARNINGS PER SHARE

13 每股(虧損)/盈利

(a) Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit attributable to the equity holders less dividends to convertible preference shareholders by the weighted average number of ordinary shares in issue during the year.

(a) 每股基本(虧損)/盈利乃根據股權持有人應佔本集團(虧損)/溢利減可轉換優先股股權持有人之股息除以年內已發行普通股加權平均數計算。

		2016	2015
(Loss)/profit attributable to equity holders (HK\$'000)	股權持有人應佔(虧損)/溢利(港幣千元)	(39,483)	55,281
Less: dividends to convertible preference shareholders (HK\$'000)	減：可轉換優先股股權持有人之股息(港幣千元)	(1,200)	(4,000)
(Loss)/profit attributable to ordinary shareholders (HK\$'000)	普通股股權持有人應佔(虧損)/溢利(港幣千元)	(40,683)	51,281
Weighted-average ordinary shares issued ('000)	已發行普通股加權平均數(千股)	347,982	343,163
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利(港幣仙)	(11.7)	14.9

NOTES TO THE FINANCIAL STATEMENTS

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(b) The diluted loss per share for the year ended 31 December 2016 is the same as the basic loss per share because the exercise of the Group's share options and convertible preference shares would result in a decrease in loss per share for the year. Diluted earnings per share for the year ended 31 December 2015 is calculated by dividing the Group's profit attributable to the equity holders by the weighted-average ordinary shares outstanding after adjusting for the potential dilutive effect in respect of outstanding employee share options and potential ordinary shares to be issued on convertible preference shares.

(b) 截至2016年12月31日止年度之每股攤薄虧損與每股基本虧損相同，原因為行使本集團購股權及可轉換優先股將導致年內每股虧損減少。截至2015年12月31日止年度的每股攤薄盈利按股權持有人應佔本集團溢利除以就尚未行使僱員購股權及就可轉換優先股將予發行潛在普通股之攤薄影響作出調整後之普通股加權平均數計算。

		2016	2015
(Loss)/profit attributable to equity holders (HK\$'000)	股權持有人應佔(虧損)/溢利(港幣千元)	(39,483)	55,281
Weighted-average ordinary shares issued ('000)	已發行普通股加權平均數(千股)	347,982	343,163
Adjustments for share options ('000)	購股權之調整(千股)	-	7,575
Adjustments for potential ordinary shares to be issued ('000)	將予發行之潛在普通股之調整(千股)	-	80,000
Weighted-average ordinary shares for calculating diluted (loss)/earnings per share ('000)	計算每股攤薄(虧損)/盈利之普通股加權平均數(千股)	347,982	430,738
Diluted (loss)/earnings per share (HK cents)	每股攤薄(虧損)/盈利(港幣仙)	(11.7)	12.8

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14 PROPERTY, PLANT AND EQUIPMENT

14 物業、機器及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Furniture and equipment 傢俱及設備 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本				
At 1 January 2015	於2015年1月1日	6,368	3,975	52,290	62,633
Exchange differences	匯兌差額	(17)	(59)	(216)	(292)
Additions	添置	185	88	2,429	2,702
Disposals	出售	-	(263)	(1,320)	(1,583)
Disposal of a subsidiary	出售一間附屬公司	(186)	-	(759)	(945)
At 31 December 2015	於2015年12月31日	6,350	3,741	52,424	62,515
Exchange differences	匯兌差額	(18)	(61)	(229)	(308)
Additions	添置	7,234	1,565	3,605	12,404
Disposals	出售	(1,210)	(244)	(1,477)	(2,931)
At 31 December 2016	於2016年12月31日	12,356	5,001	54,323	71,680
Accumulated depreciation	累計折舊				
At 1 January 2015	於2015年1月1日	(5,561)	(3,125)	(45,056)	(53,742)
Exchange differences	匯兌差額	12	56	194	262
Depreciation	折舊	(297)	(568)	(3,560)	(4,425)
Disposals	出售	-	244	1,105	1,349
Disposal of a subsidiary	出售一間附屬公司	186	-	738	924
At 31 December 2015	於2015年12月31日	(5,660)	(3,393)	(46,579)	(55,632)
Exchange differences	匯兌差額	20	64	215	299
Depreciation	折舊	(1,709)	(367)	(3,722)	(5,798)
Disposals	出售	1,210	244	1,432	2,886
At 31 December 2016	於2016年12月31日	(6,139)	(3,452)	(48,654)	(58,245)
Closing net book value	年終賬面淨值				
At 31 December 2016	於2016年12月31日	6,217	1,549	5,669	13,435
At 31 December 2015	於2015年12月31日	690	348	5,845	6,883

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 INVESTMENT PROPERTIES

15 投資物業

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January (as previously report)	於1月1日(如過往報告)	3,040	2,800
Unrealised gain arising from change in fair value	公允值變動產生之未變現收益	560	240
At 31 December	於12月31日	3,600	3,040
Properties in Hong Kong held under medium-term lease (more than ten years but less than fifty years)	根據中期租賃持有香港物業(超過10年但少於50年)	3,600	3,040

Note: The investment properties were valued as of year-end date on the basis of their open market value by an independent professional property valuer, Savills Valuation and Professional Services Limited.

附註：投資物業於年末由獨立專業物業估值師第一太平戴維斯估值及專業顧問有限公司按公開市值基準估計。

(a) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties at 31 December 2016 has been determined on the basis of valuations carried out by independent valuers not related to the Group. The Group engaged Savills Valuation and Professional Services Limited to value its investment properties. Discussion of valuation processes and results are held between the Group's senior management and valuers at least once every six months, in line with the Group's interim and annual reporting dates. At each reporting date the Group's senior management:

- verifies all major inputs to the independent valuation report;
- assess property valuations movement when compared to the prior period valuation report; and
- holds discussions with the independent valuers.

Change in Levels 2 and 3 fair values are also analysed at each reporting date during the bi-annual valuations discussions date between the Group's senior management.

(a) 本集團之估值程序

本集團按公允值計量其投資物業。本集團之投資物業於2016年12月31日之公允值乃按與本集團並無關連之獨立估值師進行之估值釐定。本集團委聘第一太平戴維斯估值及專業顧問有限公司對其投資物業進行估值。本集團高級管理層與估值師至少每六個月(與本集團之中期及年度報告日期一致)進行一次估值程序及結果討論。於各報告日期，本集團高級管理層：

- 查核獨立估值報告內的所有重要輸入數據；
- 與上一期間的估值報告進行比較時評估物業估值變動；及
- 與獨立估值師進行討論。

本集團高級管理層亦對第二級及第三級公允值之變動於各報告日期進行一年兩度之估值討論時進行分析。

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(b) Fair value hierarchy

The following tables analyses the fair value of investment properties at different levels defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(b) 公允值層級

下表載列不同層級之投資物業公允值分析，有關層級之定義如下：

- 同類資產或負債於活躍市場上之報價(未經調整)(第一級)。
- 計入第一級內之報價以外之資產或負債之可觀察輸入數據，不論直接(即價格)或間接(衍生自價格)(第二級)。
- 並非基於可觀察市場數據之資產或負債輸入數據(不可觀察輸入數據)(第三級)。

Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
同類資產於活躍市場上之報價(第一級)	重大其他可觀察輸入數據(第二級)	重大不可觀察輸入數據(第三級)
HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元

Recurring fair value measurements

經常性公允值計量

Investment properties

投資物業

–

3,600

–

There were no transfers between Levels 1, 2 and 3 during the year.

本年度內，第一級、第二級及第三級之間並無轉撥。

Fair value measurements using significant other observable inputs (Level 2)

Fair value of the investment properties are derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of the properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

使用重大其他可觀察輸入數據之公允值計量(第二級)

投資物業之公允值使用直接比較法得出。此估值法乃以將予估值之物業與近期交易之其他可資比較物業進行之直接比較為基礎。然而，由於各物業之性質互不相同，通常須作出適當調整，而允許存在可能影響標的物業可能達致之價格之任何質化差異。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 INTANGIBLE ASSETS AND GOODWILL

16 無形資產及商譽

		Goodwill 商譽 HK\$'000 港幣千元	Trademark 商標 HK\$'000 港幣千元	Backlog orders 未完成訂單 HK\$'000 港幣千元	Non-competition agreement 不競爭協議 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本					
At 1 January 2015	於 2015 年 1 月 1 日	168,968	48,826	15,934	2,393	67,153
Addition for the year	年內增加	2,826	-	-	-	-
At 31 December 2015	於 2015 年 12 月 31 日	171,794	48,826	15,934	2,393	67,153
Write off for the year	年內註銷	-	-	-	(2,393)	(2,393)
At 31 December 2016	於 2016 年 12 月 31 日	171,794	48,826	15,934	-	64,760
Accumulated amortisation	累計攤銷					
At 1 January 2015	於 2015 年 1 月 1 日	-	(6,781)	(11,065)	(333)	(18,179)
Amortisation for the year	年內攤銷	-	(3,255)	(4,869)	(159)	(8,283)
At 31 December 2015	於 2015 年 12 月 31 日	-	(10,036)	(15,934)	(492)	(26,462)
Amortisation for the year	年內攤銷	-	(3,255)	-	(146)	(3,401)
Write off for the year	年內註銷	-	-	-	638	638
At 31 December 2016	於 2016 年 12 月 31 日	-	(13,291)	(15,934)	-	(29,225)
Net Book Value	賬面淨值					
At 31 December 2016	於 2016 年 12 月 31 日	171,794	35,535	-	-	35,535
At 31 December 2015	於 2015 年 12 月 31 日	171,794	38,790	-	1,901	40,691

One of intangible asset, non-competition agreement, arising from the acquisition of the Interior and Special Projects business in November 2012 was written off to general and administrative expenses in the consolidated income statement after the change of controlling shareholder of the Company on 21 November 2016.

In December 2015, the Group completed the acquisition of 70% equity interest of Hsin Chong abp Company Limited from its former fellow subsidiary, Hsin Chong Construction (Asia) Limited, at a cash consideration of HK\$1 (note (a)).

因於 2012 年 11 月收購室內裝飾及特殊項目業務產生的其中一項無形資產不競爭協議，於 2016 年 11 月 21 日本公司主要股東變更後已於綜合損益表內的一般及行政開支撇銷。

於 2015 年 12 月，本集團完成自其前同系附屬公司新昌營造廠(亞洲)有限公司收購新昌幕牆及鋁質制品有限公司(前稱新昌華德有限公司)之 70% 股權，現金代價為港幣 1 元(附註(a))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Through the transaction of acquisition of Hsin Chong abp Company Limited, the management anticipated that the Group will take advantage of its resources and strengths to complement the Interiors and Special Projects business.

The acquisition related costs of the business combinations were not significant and had been charged to general and administrative expenses in the consolidated income statement for the year ended 31 December 2015.

The revenue and the results contributed by these acquisitions of the Group for the period since the date of acquisitions were insignificant to the Group. The Group's revenue and results for the period would not be materially different if these acquisitions had occurred on 1 January 2015.

管理層預期，透過收購新昌幕牆及鋁質製品有限公司(前稱新昌華德有限公司)之交易，本集團將利用其資源及優勢發展室內裝修與特殊項目業務。

該收購事項之有關業務合併成本並不重大，並已於截至2015年12月31日止年度之綜合損益表內入賬為一般及行政開支。

該等收購事項自收購事項日期起期間貢獻之收益及業績對本集團而言屬不重大。倘該等收購事項已於2015年1月1日發生，本集團於該期間之收益及業績將不會出現重大差異。

(a) Assets acquired and liabilities recognised at the date of acquisition

(a) 於收購日期所收購資產及所確認負債

		Total 總計 HK\$'000 港幣千元
Current assets	流動資產	
Contracting work-in-progress	興建中的工程	3,729
Receivables	應收賬款	258
Cash and cash equivalents	現金及現金等值	263
Total current assets	流動資產總額	4,250
Current liabilities	流動負債	
Payables and accruals	應付賬款及應計費用	2,335
Amount due to former ultimate holding company	應付前最終控股公司款項	1,041
Amounts due to immediate holding companies	應付直接控股公司款項	4,911
Total current liabilities	流動負債總額	8,287
Net current liabilities	流動負債淨額	4,037

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Goodwill arising on acquisition

(b) 收購事項產生之商譽

		Total 總計 HK\$'000 港幣千元
Consideration	代價	-
Plus: non-controlling interests (Note)	加：非控股權益(附註)	1,211
Less: fair value of identifiable net assets acquired	減：所收購可識別資產淨值之公允值	(4,037)
Goodwill arising on acquisition	收購事項產生之商譽	2,826

Note: The non-controlling interests recognised in 2015 was measured with reference to the fair value and the Group further acquired the remaining ownership interest during the year. As at 1 June 2016, Hsin Chong abp Company Limited became the wholly-owned subsidiary of the Group.

附註：於2015年確認的非控股權益參考公允值計量及本集團於年內進一步收購餘下擁有權。於2016年6月1日，新昌幕牆及鋁質製品有限公司(前稱新昌華德有限公司)已成為本集團之全資附屬公司。

Goodwill is allocated to the Group's cash-generating units that are expected to benefit from the business combination. Annual assessment of any impairment of goodwill is based on the recoverable amount of the Interiors and Special Projects segment derived from cash flow projections based on approved management budget over a three-year period. Cash flows beyond the three-year period are extrapolated with terminal growth rate of 3%. A post-tax discount rate of 13% adopted to reflect specific risk relating to the segment. The key assumptions adopted are the gross profit growth, terminal growth rates and discount rates, which were determined based on past performance and management's expectations for the market development. Management believes that any reasonably foreseeable changes in any of the above key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amount.

商譽分配至預期從業務合併中獲得利益之本集團現金產生單位。任何商譽減值乃按已批准的三年期之管理預算的現金流預測計算的室內裝飾及特殊項目分部的可收回金額進行年度評估。所有三年期以上的現金流按3%的終端增長率推算，並採納稅後折現率13%，以反映涉及此分部之特定風險。所用的主要假設為毛利增長、終端增長率及貼現率，有關假設乃根據過往表現及管理層對市場發展的期望釐定。管理層相信上述任何主要假設的任何合理可預見變動將不會導致商譽之賬面值超過可收回金額。

The trademark refers to the use of the "Hsin Chong" in Hong Kong. Other than the value included in the acquisition consideration, there is no on-going fee for utilising the trademarks. Although there is no expiry date, management has adopted a 15 year useful life for amortisation purpose.

商標指於香港使用「Hsin Chong」的標誌。除計入收購代價的價值外，概無使用商標的持續費用。儘管並無到期日，管理層按15年可使用年期進行攤銷。

Backlog orders refers to the contractual sales that are outstanding at time of acquisition, totalling around HK\$300 million, from which there is a set of expected benefits to be received and accordingly management has adopted amortisation over 3 years.

未完成訂單指於收購當日未償還的合約銷售，合共約港幣300,000,000元，並將予收取一系列預期利益，據此管理層按3年期進行攤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 CONTRACTING WORK-IN-PROGRESS

17 興建中的工程

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Gross amounts due from customers for contract work	應收客戶之工程款項毛額	420,860	299,158
Impairment	減值	(9,448)	-
		411,412	299,158
Contract costs incurred plus attributable profits less foreseeable losses	所產生合約成本加應佔溢利減可預見虧損	1,407,859	1,526,845
Less: progress payments received and receivable	減：已收及應收進度付款	(993,772)	(1,250,872)
Impairment	減值	(9,448)	-
Contracting work-in-progress	興建中的工程	404,639	275,973
Representing by:	呈列為：		
Gross amounts due from customers for contract work included in stocks and contracting work-in-progress	存貨及興建中的工程項下包括應收客戶之工程款項毛額	411,412	299,158
Gross amounts due to customers for contract work included in payables and accruals	應付賬款及應計費用項下包括應付客戶之工程款項毛額	(6,773)	(23,185)
		404,639	275,973

The Group has made a provision for amounts of contracting work-in-progress of approximately HK\$9,500,000 based on the impairment assessment for the year ended 31 December 2016 which related to Hsin Chong Group.

根據對於2016年12月31日就新昌集團作出的減值評估，本集團就興建中的工程撥備款項約港幣9,500,000元。

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財務報表附註

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

As of 31 December 2016, accounts receivable of HK\$47,575,000 (2015: HK\$76,221,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. Accounts receivable of HK\$74,611,000 were past due and impaired which mainly related to Hsin Chong Group.

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days (2015: 30 to 60 days) and the majority of the Group's accounts receivable are denominated in Hong Kong dollars. The ageing analysis of accounts receivable by due date is as follows:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Accounts receivable	應收賬款		
Not yet due	尚未逾期	166,841	239,032
1 to 30 days	1至30日	34,527	28,894
31 to 60 days	31至60日	8,693	28,939
61 to 90 days	61至90日	13,329	5,761
Over 90 days	90日以上	65,637	12,627
		289,027	315,253
Retention receivables and other receivables	應收保固金及其他應收款項	191,686	155,624
Receivables	應收賬款	480,713	470,877
Deposits and prepayments	按金及預付款項	26,622	35,545
		507,335	506,422
Impairment of accounts receivable, retention receivables and other receivables (note 5(b))	應收賬款、應收保固金及其他應收款項之減值(附註5(b))	(82,304)	-
		425,031	506,422

During the year, the Group has made a provision for amounts of receivables of approximately HK\$82,300,000 based on the impairment assessment for the year ended 31 December 2016 which mainly related to Hsin Chong Group. The maximum exposure to credit risk at the reporting date is the carrying value of the accounts receivable mentioned above. The Group does not hold any collateral as security.

18 應收賬款、按金及預付款項

於2016年12月31日，應收賬款港幣47,575,000元(2015年：港幣76,221,000元)已逾期但未減值。該等款項涉及多名獨立客戶，彼等並無近期欠款記錄。應收賬款港幣74,611,000元已逾期及減值，主要來自新昌集團。

本集團應收賬款之信貸期一般介乎30至60日(2015年：30至60日)。本集團之大部分應收賬款乃按港幣計值。按逾期日數分類之應收賬款之賬齡分析如下：

於本年度，本集團已根據截至2016年12月31日止年度的減值評估，為應收賬款作出撥備約港幣82,300,000元，主要來自新昌集團。於報告日期面臨的最大信貸風險為上述應收賬款之賬面值。本公司並無持有任何抵押品作為擔保。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 BALANCES WITH FORMER FELLOW SUBSIDIARIES, FORMER ULTIMATE HOLDING COMPANY AND NON-CONTROLLING INTERESTS

Balances with former fellow subsidiaries, former ultimate holding company and non-controlling interests are unsecured, interest free, repayable on demand with no fixed terms of repayment and mainly denominated in Hong Kong dollars.

19 前同系附屬公司、前最終控股公司及非控股權益結餘

前同系附屬公司、前最終控股公司及非控股權益結餘乃無抵押、免息、須應要求償還而沒有固定還款期及主要以港幣為單位。

20 DEPOSIT, CASH AND CASH EQUIVALENTS

20 存款、現金及現金等值

		Group 本集團	
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Cash and cash equivalents	現金及現金等值	111,723	128,190
Time deposits with original maturities less than three months	原到期日為三個月以下的定期銀行存款	–	1,651
Time deposits with original maturities over three months	原到期日超過三個月的定期銀行存款	17,561	–
		129,284	129,841

The majority of the Group's deposit, cash and cash equivalents is denominated in Hong Kong dollars.

本集團之存款、現金及現金等值大部份以港幣為單位。

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財務報表附註

21 PAYABLES AND ACCRUALS

The credit period of the Group's accounts payable generally ranges from 30 to 60 days (2015: 30 to 60 days). The ageing analysis of accounts payable by due date is as follows:

21 應付賬款及應計費用

本集團應付賬款之信貸期一般介乎30至60日(2015年:30至60日)。按逾期日數分類之應付賬款之賬齡分析如下:

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Accounts payable	應付賬款		
Not yet due	尚未逾期	396,017	372,109
1 to 30 days	1至30日	59,539	43,250
31 to 60 days	31至60日	25,567	9,684
61 to 90 days	61至90日	16,022	2,545
Over 90 days	90日以上	30,139	11,998
		527,284	439,586
Retention payables, other payables and accruals	應付保固金、其他應付賬款及 應計費用	226,084	191,210
		753,368	630,796

NOTES TO THE FINANCIAL STATEMENTS

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22 SHARE CAPITAL

22 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>		
Ordinary shares	普通股		
At 1 January 2016	於2016年1月1日	347,676	34,768
Share issued upon exercise of options granted under the Share Option Scheme	根據購股權計劃授出之購股權 因行使而發行的股份	2,868	287
At 31 December 2016	於2016年12月31日	350,544	35,055
Convertible preference shares	可轉換優先股		
At 1 January 2016	於2016年1月1日	80,000	8,000
At 31 December 2016	於2016年12月31日	80,000	8,000
<i>Ordinary shares and convertible preference shares issued and fully paid</i>	<i>已發行及繳足之普通股及 可轉換優先股</i>		
At 31 December 2016	於2016年12月31日	430,544	43,055
At 31 December 2015	於2015年12月31日	427,676	42,768

23 CAPITAL AND RESERVES

23 股本及儲備

Details of movement in the reserves of the Group are set out on page 115.

本集團儲備變動詳情載於第115頁。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 LONG SERVICE PAYMENT LIABILITIES

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The liability recognised in the balance sheet is present value of unfunded obligation and its movements are as follows:

24 長期服務金負債

根據香港《僱傭條例》，本集團有責任向於本集團服務年資達五年或以上而在若干情況下停止受僱的僱員付出一筆過的金額。所支付的金額乃根據僱員的最終薪金及服務年數而釐定，並扣除僱員在本集團界定供款退休計劃下應計權益中本集團所供之款項。本集團並無撥出任何資產以為任何剩餘的責任提供資金。

於資產負債表內確認之負債乃為未撥付責任之現值及其變動如下：

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
At 1 January	於1月1日	3,977	1,940
Net charge to the income statement	於損益表中扣除淨額		
Current service cost	即期服務成本	257	110
Interest cost	利息成本	26	16
		283	126
Net credit to other comprehensive income	於其他全面收入中計入淨額		
Remeasurements:	重新計量：		
Actuarial (gain)/loss arising from:	自以下各項產生之精算 (收益)/虧損：		
Liability experience	經驗調整	(1,629)	2,091
Financial assumptions	財務假設	68	359
Demographic assumptions	人口分佈假設	(3)	-
		(1,564)	2,450
Other	其他		
Benefits paid	已付福利	(318)	(539)
At 31 December	於12月31日	2,378	3,977

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The principal actuarial assumptions used for accounting purposes are as follows:

就會計目的採用之主要精算假設如下：

		2016 %	2015 %
Discount rate	貼現率	1.2	0.7
Long-term salary increase rate	長期薪金增長率	4.0	4.0
Long term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	3.5	4.0

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions are as follows.

界定福利責任對重大主要假設變動的敏感性載列如下。

	Impact on defined benefit obligation 界定福利責任之影響		
	Change in assumption 變動假設	Increase in assumption 增加假設	Decrease in assumption 減少假設
Discount rate 貼現率	0.25%	Decrease by 0.6% 減少0.6%	Increase by 0.6% 增加0.6%
Long-term salary increase rate 長期薪金增長率	0.25%	Increase by 2.6% 增加2.6%	Decrease by 2.5% 減少2.5%
Long-term average expected return on mandatory provident fund scheme assets 強制性公積金計劃資產之長期平均預期回報	0.25%	Decrease by 2.2% 減少2.2%	Increase by 2.2% 增加2.2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

以上敏感度分析是基於只有一個假設的改變，而其他假設則沒有變動。實際上，這是不太可能發生的，及某些假設之變動可能是互相關連的。當計算就重要的精算假設對該等界定福利責任的敏感度時，應用了相同方法（於報告期末以預計單位計入法計算該等界定福利責任的現值）。

The weighted average duration of the defined benefit obligation is 2.3 years as at 31 December 2016 (2015: 2.7 years).

於2016年12月31日界定福利責任的加權平均期限為2.3年（2015年：2.7年）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted as at the balance sheet date. The movement on the net deferred tax liabilities account is as follows:

		Group 本集團	
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Beginning of the year	年初	7,141	8,715
Deferred taxation recognised in consolidated income statement (note 11)	於綜合損益表確認之遞延稅項 (附註11)	(863)	(1,589)
Disposal of a subsidiary (note 27)	出售一間附屬公司(附註27)	-	15
End of the year	年末	6,278	7,141

The movement on the deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

遞延稅項資產及負債(於相同徵稅司法權區抵銷結餘前)於年內之變動如下:

		Group 本集團				
		Deferred tax liabilities 遞延稅項負債			Deferred tax assets 遞延稅項資產	
		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Intangible assets 無形資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Accounting tax depreciation 會計稅項折舊 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2015	於2015年1月1日	778	8,081	8,859	(144)	(144)
Credited to consolidated income statement	於綜合損益表計入	(260)	(1,367)	(1,627)	-	-
Charged to consolidated income statement	於綜合損益表扣除	-	-	-	53	53
At 31 December 2015	於2015年12月31日	518	6,714	7,232	(91)	(91)
Credited to consolidated income statement	於綜合損益表計入	(24)	(852)	(876)	-	-
Charged to consolidated income statement	於綜合損益表扣除	-	-	-	13	13
At 31 December 2016	於2016年12月31日	494	5,862	6,356	(78)	(78)

25 遞延稅項

遞延稅項採用於結算日實質頒佈之稅率按負債法就暫時差額悉數計算。遞延稅項負債賬目淨額之變動如下:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK\$96,452,000 (2015: HK\$52,877,000) to carry forward against future taxable income. Tax losses amounting to HK\$47,503,000 will expire at various dates up to and including 2021 (2015: HK\$32,802,000 (up to and including 2020)). The remaining tax losses do not have expiry dates.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

就結轉的稅項虧損而確認的遞延稅項資產僅限於有關之稅務利益很有可能透過未來應課稅溢利實現的部份。本集團之未確認稅項虧損，為數港幣96,452,000元(2015年：港幣52,877,000元)，可結轉以抵銷未來之應課稅收入。為數港幣47,503,000元之稅項虧損將於直至及包括2021年(2015年：港幣32,802,000元，直至及包括2020年)的不同日期屆滿。餘下的稅項虧損並無屆滿日期。

當有法定可執行權利可將當期稅項資產與當期稅項負債抵銷，而遞延稅項涉及同一財政機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列賬。

		Group 本集團	
		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	(78)	(91)
Deferred tax liabilities	遞延稅項負債	6,356	7,232
		6,278	7,141

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26 BANK LOANS

26 銀行貸款

	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Portion due for repayment within one year 1年內到期償還部份	204,000	209,536
Portion due for repayment after one year, which contains a clause of repayment on demand in the second year 1年後到期償還部份，附帶按要求償還條款第2年	-	84,000
Total bank loans 銀行貸款總額	204,000	293,536

Notes:

- (a) As at 31 December 2016, the Group had bank loan of HK\$204,000,000 (2015: HK\$244,992,000) and Nil (2015: HK\$48,544,000) denominated in Hong Kong dollars and Macau Pataca respectively.
- (b) The bank loans of the Group carried weighted average interest rates of 2.8% (2015: 2.7%) per annum.
- (c) The Group's bank loan of HK\$84,000,000 (2015: HK\$108,000,000) is subject to a floating charge over the assets of its subsidiaries.
- (d) The carrying amounts of loans approximate their fair values.

附註：

- (a) 於2016年12月31日，本集團有銀行貸款港幣204,000,000元(2015年：港幣244,992,000元)及港幣零元(2015年：港幣48,544,000元)，分別乃以港幣及澳門幣計值。
- (b) 本集團之銀行貸款之加權平均年利率為2.8%(2015年：2.7%)。
- (c) 本集團之銀行貸款為港幣84,000,000元(2015年：港幣108,000,000元)，其乃將其附屬公司之資產作浮動押記。
- (d) 貸款的賬面值與其公允值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 LOSS ON DISPOSAL OF A SUBSIDIARY

Optimum Engineering Limited, a wholly owned subsidiary of the Group, was disposed in December 2015 at a cash consideration of HK\$1,770,000.

27 出售一間附屬公司之虧損

本集團之全資附屬公司卓領工程有限公司已於2015年12月出售，現金代價為港幣1,770,000元。

		Total 總計 HK\$'000 港幣千元
Net asset disposed	已出售資產淨值	
Non-current assets	非流動資產	
Property, plant and equipment	物業、機器及設備	21
Deferred tax assets	遞延稅項資產	15
Total non-current assets	非流動資產總額	36
Current assets	流動資產	
Contracting work-in-progress	興建中的工程	8,261
Receivables	應收賬款	18,549
Deposits and prepayments	按金及預付款項	750
Cash and cash equivalents	現金及現金等值	827
Total current assets	流動資產總額	28,387
Current liabilities	流動負債	
Payables and accruals	應付賬款及應計費用	24,004
Taxation payable	應付稅項	392
Total current liabilities	流動負債總額	24,396
Net current assets	流動資產淨值	3,991
Total assets less current liability	資產總額減流動負債	4,027
Consideration	代價	1,770
Less: fair value of identifiable net assets disposed	減：所出售可識別資產淨值之公允值	(4,027)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	2,257
Net cash inflow arising on disposal	出售產生之現金流入淨額	
Cash received	已收現金	1,770
Cash and cash equivalents disposed of	所出售現金及現金等值	(827)
Net cashflow in respect of the disposal of a subsidiary	出售一間附屬公司之現金流出淨額	943

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease rental expenses under non-cancellable operating leases payable are as follows:

		Land and buildings 土地及樓宇		Office equipment 辦公室設備	
		2016	2015	2016	2015
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	一年內	11,205	10,686	396	524
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	12,075	4,280	1,063	664
		23,280	14,966	1,459	1,188

28 經營租賃承擔

根據不可撤銷經營租賃須於日後支付的最低租金費用總額如下：

29 NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of (loss)/profit before taxation to cash generated from operations

29 現金流量表附註

除稅前(虧損)/溢利與經營業務產生之現金對賬表

	Note 附註	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(34,946)	67,524
Share option expenses	購股權開支	539	958
Depreciation	折舊	5,798	4,425
Amortisation of intangible assets	無形資產攤銷	3,401	8,283
Impairment of contracting work-in-progress	興建中的工程減值	9,448	-
Impairment of receivables	應收賬款減值	82,304	-
Net finance cost	融資成本淨額	5,809	6,906
Fair value gains	公允值收益	(560)	(240)
(Gain)/loss on disposal of property, plant and equipment	出售物業、機器及設備之(收益)/虧損	(138)	134
Loss on write-off of intangible assets	註銷無形資產之虧損	1,755	-
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	-	2,257
Operating profit before working capital changes	營運資金變動前之經營溢利	73,410	90,247
Increase in contracting work-in-progress	興建中的合約工程增加	(121,702)	(122,819)
Increase in receivables	應收賬款增加	(10,408)	(163,656)
Decrease in deposits and prepayments	按金及預付款項減少	7,083	19,841
Increase/(decrease) in amounts due to other partner of joint operations	應付其他共同經營夥伴款項增加/(減少)	9	(138)
Change in net balances with former related companies	前關連公司結餘淨額變動	70,984	(16,638)
Change in net balance with non-controlling interest	非控股權益淨額變動	315	1,148
Increase in payables and accruals and long service payment liabilities	應付賬款、應計費用及長期服務金負債增加	122,650	220,188
Cash generated from operations	經營業務產生之現金	142,341	28,173

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

For the year ended 31 December 2016, the key management personnel compensation was approximately HK\$35,680,000 (2015: HK\$18,427,000).

(b) Significant related party transactions

Summary of the significant related party transactions carried out by the Group during the year and up to the date of change of substantial shareholder from Smart Lane to Champ Key on 21 November 2016 as follows:

30 關連人士交易

(a) 主要管理人員薪酬

截至2016年12月31日止年度，主要管理人員薪酬約為港幣35,680,000元(2015年：港幣18,427,000元)。

(b) 重大關連人士交易

於年內及直至2016年11月21日主要股東由Smart Lane變更為Champ Key當日止，本集團進行之重大關連人士交易概要如下：

			2016	2015
		Note	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Service charges paid to	向下列公司支付服務費			
– Former ultimate holding company	– 前最終控股公司	(i)	(7,836)	(7,254)
– Former fellow subsidiaries	– 前同系附屬公司	(i)	(6,527)	(11,418)
Rental expenses paid to	向下列公司支付租金開支			
– Former ultimate holding company	– 前最終控股公司	(ii)	(858)	(936)
– Former fellow subsidiaries	– 前同系附屬公司	(ii)	(2,875)	(4,760)
Services income from	來自下列公司之服務收入			
– Former ultimate holding company	– 前最終控股公司	(iii)	2,031	3,728
– Former fellow subsidiaries	– 前同系附屬公司	(iii)	11,842	15,984
Contracting work's income from	來自下列公司之合約工程收入			
– Former ultimate holding company	– 前最終控股公司	(iv)	7,500	–
– Former fellow subsidiaries	– 前同系附屬公司	(iv)	98,176	248,653

Notes:

- (i) Service charges in respect of administrative services provided by former ultimate holding company and former fellow subsidiaries to the Group which were reimbursed at cost based on time and expenses allocated to the Group.
- (ii) Rental expenses charged by to former ultimate holding company and former fellow subsidiaries based on actual usage and market rent.
- (iii) Services income earned on services including leasing services, consultancy fee, security, repair and maintenance, laundry, cleaning, etc. rendered, which were mutually agreed by both parties.
- (iv) Contracting work's income earned from former ultimate holding company and former fellow subsidiaries, which was mutually agreed by both parties.

附註：

- (i) 就前最終控股公司及前同系附屬公司向本集團提供之行政服務的費用，乃根據分配至本集團之時間及開支按成本支付。
- (ii) 向前最終控股公司及前同系附屬公司支付之租金開支，乃根據實際用途及市場租金計算。
- (iii) 就提供服務(包括租賃服務、顧問服務、保安、維修及保養、洗衣及清潔等服務)賺取之服務收入，乃按雙方協定而收取。
- (iv) 賺取自前最終控股公司及前同系附屬公司之合約工程收入，由訂約雙方相互協定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

As at 31 December 2016

31 本公司資產負債表及儲備變動

本公司資產負債表

於2016年12月31日

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Non-current assets	非流動資產		
Subsidiaries	附屬公司	89,009	85,179
Total non-current assets	非流動資產總額	89,009	85,179
Current assets	流動資產		
Other receivables	其他應收款項	11,920	–
Deposits and prepayments	按金及預付款項	299	299
Amounts due from subsidiaries	應收附屬公司款項	209,766	264,911
Deposit, cash and cash equivalents	存款、現金及現金等值	521	208
Total current assets	流動資產總額	222,506	265,418
Current liabilities	流動負債		
Payables and accruals	應付賬款及應計費用	3,615	2,600
Bank loans	銀行貸款	84,000	108,000
Total current liabilities	流動負債總額	87,615	110,600
Net current assets	流動資產淨值	134,891	154,818
Total assets less current liabilities	資產總額減流動負債	223,900	239,997
Net assets	資產淨值	223,900	239,997
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		
Share capital	股本	43,055	42,768
Retained profits and other reserves	保留溢利及其他儲備	180,845	186,537
Proposed dividends	擬派股息	–	10,692
Total equity	權益總額	223,900	239,997

The balance sheet of the Company was approved by the Board of Directors on 28 March 2017 and was signed on its behalf

本公司資產負債表經董事會於2017年3月28日批准，並由以下人士代表簽署

Kingston Chu Chun Ho 朱俊浩
Chairman 主席

Terence Leung Siu Cheong 梁兆昌
Director 董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Reserve of the Company

本公司儲備

		Share capital	Share premium	Contributed surplus	Employee Share Option reserve 僱員購股權儲備	Retained profits	Total equity
		股本 HK\$'000 港幣千元	股份溢價 HK\$'000 港幣千元	繳入盈餘 HK\$'000 港幣千元	儲備 HK\$'000 港幣千元	保留溢利 HK\$'000 港幣千元	權益總額 HK\$'000 港幣千元
At 1 January 2015	於2015年1月1日	41,589	98,353	82,601	3,097	9,716	235,356
Profit attributable to equity holders of the Company	本公司股權持有人應佔溢利	-	-	-	-	24,303	24,303
2014 final dividend paid (note 12)	已派2014年度末期股息(附註12)	-	-	-	-	(16,844)	(16,844)
2015 interim dividend paid (note 12)	已派2015年度中期股息(附註12)	-	-	-	-	(10,688)	(10,688)
Share option scheme	購股權計劃	-	-	-	(2,333)	-	(2,333)
Issue of shares upon exercise of share options	因行使購股權而發行股份	1,179	9,024	-	-	-	10,203
At 31 December 2015	於2015年12月31日	42,768	107,377	82,601	764	6,487	239,997
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	-	-	-	-	(5,530)	(5,530)
2015 final dividend paid (note 12)	已派2015年度末期股息(附註12)	-	-	-	-	(10,692)	(10,692)
2016 interim dividend paid (note 12)	已派2016年度中期股息(附註12)	-	-	-	-	(6,419)	(6,419)
Adjustment	調整	-	3,558	-	-	-	3,558
Share option scheme	購股權計劃	-	-	-	(509)	-	(509)
Issue of shares upon exercise of share options	因行使購股權而發行股份	287	3,208	-	-	-	3,495
At 31 December 2016	於2016年12月31日	43,055	114,143	82,601	255	(16,154)	223,900

Note:

The contributed surplus represents the difference between the consolidated shareholders' funds of the subsidiaries and the nominal value of the Company's shares issued for the acquisition of these subsidiaries at the time of the Group's reorganisation in 2003. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its members out of the contributed surplus.

附註：

繳入盈餘指附屬公司綜合股東資金與本公司於2003年集團重組時就收購該等附屬公司所發行之本公司股份面值兩者間差額。根據百慕達1981年公司法(經修訂)，本公司可自繳入盈餘向其股東作出分派。

32 HOLDING COMPANY

The directors regarded Champ Key, a company incorporated in British Virgin Islands, as its ultimate holding company.

32 控股公司

董事視Champ Key(於英屬處女群島註冊成立的公司)為其最終控股公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 PRINCIPAL SUBSIDIARIES

33 主要附屬公司

Name 名稱	Place of incorporation and operation 註冊成立及 經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/ 註冊股本	Effective percentage of interest held 所持實際 權益百分比	
				2016	2015
Interest held directly: 直接持有權益：					
Synergis Holdings (BVI) Limited	British Virgin Islands ¹ 英屬處女群島 ¹	Investment holding 投資控股	100,000 ordinary shares of HK\$0.1 each 100,000股每股面值 港幣0.1元之普通股	100%	100%
Driven Power Management Limited	British Virgin Islands ¹ 英屬處女群島 ¹	Investment holding 投資控股	100 ordinary shares of US\$1 each 100股每股面值1美元 之普通股	100%	100%
Interest held indirectly: 間接持有權益：					
Synergis Management Services Limited 新昌管理服務有限公司	Hong Kong 香港	Provision of property management services and investment holding 提供物業管理服務及投資控股	206,837 ordinary shares of HK\$1 each 206,837股每股面值 港幣1元之普通股	100%	100%
Synergis Facility Management Limited 新昌設施管理有限公司	Hong Kong 香港	Provision of facility management services 提供設施管理服務	2 ordinary shares of HK\$1 each 2股每股面值港幣1元 之普通股	100%	100%
Service Pro Limited 諾迅服務有限公司	Hong Kong 香港	Provision of property services 提供物業服務	2 ordinary shares of HK\$1 each 2股每股面值港幣1元 之普通股	100%	100%
SecurExpert Solutions Limited 新盛保安服務有限公司	Hong Kong 香港	Provision of security and consultancy services 提供保安及顧問服務	2 ordinary shares of HK\$1 each 2股每股面值港幣1元 之普通股	100%	100%
Laundrimate Service Limited 洗衣樂服務有限公司	Hong Kong 香港	Provision of laundry services 提供洗衣服務	2 ordinary shares of HK\$1 each 2股每股面值港幣1元 之普通股	100%	100%
Master Clean Service Limited 宏潔服務有限公司	Hong Kong 香港	Provision of cleaning services 提供清潔服務	200,000 ordinary shares of HK\$1 each 200,000股每股面值 港幣1元之普通股	100%	100%
SynWave Services Limited (formerly known as S-Club Limited) 新浪潮服務有限公司	Hong Kong 香港	Sales of products, provision of copying services and property holding 銷售產品、提供複印服務及 持有物業	1 ordinary share of HK\$1 1股面值港幣1元 之普通股	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/ 註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2016	2015
Hsin Chong Interiors (Hong Kong) Limited 新昌室內裝飾(香港)有限公司	Hong Kong 香港	Provision of fitting-out, renovation and addition and alteration works 提供室內裝修、翻新與加建及改建工程	5,000,000 ordinary shares of HK\$1 each 5,000,000股每股面值港幣1元之普通股	100%	100%
Hsin Chong Construction (Engineering) Limited 新昌營造廠(工程)有限公司	Hong Kong 香港	Provision of demolition work, addition and alteration works and special construction projects 提供拆建工程與加建及改建工程及特殊建造項目	22,000,000 ordinary shares of HK\$1 each 22,000,000股每股面值港幣1元之普通股	100%	100%
Everich Construction (Macau) Limited 恆裕建築(澳門)有限公司	Macau 澳門	Provision of renovation and fitting-out works 提供翻新及室內裝飾工程	MOP\$25,000 澳門幣25,000	100%	100%
Hsin Chong abp Company Limited 新昌幕牆及鋁質製品有限公司 (前稱新昌華德有限公司)	Hong Kong 香港	Provision of curtain walling, cladding and related products 提供幕牆、圍蔽及相關產品	100,000 ordinary shares of HK\$1 100,000股每股面值港幣1元之普通股	100%	70%
Synergis Property Management (Shenzhen) Co., Ltd. ² 新昌物業管理(深圳)有限公司 ²	PRC (wholly owned foreign enterprise) 中國(外資獨資企業)	Provision of property management, repair and maintenance of sophisticated equipment and indoor cleaning services, and property management consultancy services 提供物業管理、維修保養先進設備及室內清潔服務, 以及物業管理顧問服務	RMB31,000,000 人民幣31,000,000元	100%	100%
Synergis Property Services (Beijing) Co. Ltd. ² 新昌物業服務(北京)有限公司 ²	PRC (wholly owned foreign enterprise) 中國(外資獨資企業)	Provision of property and facility management services, property agent and property consultancy services 提供物業及設施管理服務、房地產經紀及房地產顧問服務	RMB32,000,000 人民幣32,000,000元	100%	100%

¹ This is an investment holding company with no specific place of operation.

² These are not registered company names but merely for identification purposes only.

¹ 該公司為一間投資控股公司, 並無具體經營地點。

² 該等並非註冊公司名稱, 僅供識別。

34 JOINT OPERATIONS

34 共同經營

Name 名稱	Place of operation 經營地點	Principal activities 主要業務	Participating shares 參股	
			2016	2015
Hsin Chong-Wah Cheong Joint Venture (O1)	Hong Kong 香港	Construction 建造	50%	50%
Hsin Chong-Wah Cheong Joint Venture (O2)	Hong Kong 香港	Construction 建造	50%	50%

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2014 HK\$'000 港幣千元	2013 HK\$'000 港幣千元	2012 HK\$'000 港幣千元
Operating Results	經營業績					
Revenue	收益	2,433,471	2,447,379	1,906,253	1,680,076	908,460
(Loss)/profit before taxation	除稅前(虧損)/溢利	(34,946)	67,524	56,098	45,804	25,994
Taxation	稅項	(4,766)	(12,243)	(10,756)	(11,413)	(7,332)
(Loss)/profit for the year	年內(虧損)/溢利	(39,712)	55,281	45,342	34,391	18,662
Non-controlling interests	非控股權益	229	-	-	1	27
(Loss)/profit attributable to equity holders of the Company	(虧損)/溢利歸屬於本公司 股權持有人	(39,483)	55,281	45,342	34,392	18,689
Assets and Liabilities	資產及負債					
Assets	資產					
Property, plant and equipment	物業、機器及設備	13,435	6,883	8,891	11,005	13,738
Investment properties	投資物業	3,600	3,040	2,800	3,170	3,090
Intangible assets	無形資產	35,535	40,691	48,974	57,700	66,426
Goodwill	商譽	171,794	171,794	168,968	168,968	168,968
Deferred tax assets	遞延稅項資產	78	91	144	381	174
Prepayment	預付款項	1,840	-	-	-	-
Current assets	流動資產	971,280	1,007,076	720,337	666,034	528,568
Total assets	資產總額	1,197,562	1,229,575	950,114	907,258	780,964
Liabilities	負債					
Current liabilities	流動負債	963,278	938,974	693,361	670,768	561,838
Deferred tax liabilities	遞延稅項負債	6,356	7,232	8,859	10,649	12,214
Long service payment liabilities	長期服務金負債	2,378	3,977	1,940	1,642	2,081
Total liabilities	負債總額	972,012	950,183	704,160	683,059	576,133
Non-controlling interests	非控股權益	(14)	(1,211)	-	225	226
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益	225,564	280,603	245,954	223,974	204,605

MAJOR PROJECTS

主要工程項目

MAJOR PROJECTS IN-PROGRESS

現時進行之主要工程項目

Description 詳情	Group's Interest 本集團所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶／最終僱主
INTERIORS AND SPECIAL PROJECTS				
室內裝修與特殊項目				
Main Contract Works and MVAC Installation Works for Renovation of CDW Building at Castle Peak Road & Mei Wan Street, Tsuen Wan 荃灣青山公路及美環街中國染廠大廈翻新及改建工程	100%	March 2015 2015年3月	February 2017 2017年2月	CDW Building Limited
Main Contract for Proposed Residential Development at No. 28-32 Aberdeen Street, Central, Hong Kong 香港中環鴨巴甸街28-32號新住宅發展項目	100%	November 2015 2015年11月	April 2017 2017年4月	Joint Rise International (HK) Limited 昇聯國際(香港)有限公司
Main Contract for Fortune Pharmacal New Factory Development, 50-68 Wang Lok Street, Yuen Long Industrial Estate, Yuen Long 元朗元朗工業邨宏樂街50至68號幸福醫藥之新廠房發展項目	100%	December 2015 2015年12月	November 2017 2017年11月	Fortune Pharmacal Co. Ltd. 幸福醫藥有限公司
Fitting-out works for M+ Museum Project at West Kowloon Cultural District, Hong Kong 香港西九文化區之M+博物館裝修工程	100%	December 2015 2015年12月	February 2019 2019年2月	West Kowloon Cultural District Authority 西九文化區管理局
Main Contract for Residential Development at Discovery Bay North Phase 16 愉景灣北第16期住宅樓宇發展項目	100%	January 2016 2016年1月	November 2017 2017年11月	Hong Kong Resort Company Limited 香港興業有限公司
Proposed Alteration and Addition Works of Kowloon Investment Building, 8 Bute Street, Mongkok, Kowloon 九龍旺角弼街8號九龍企業有限公司大廈建議改建及加建工程	100%	June 2016 2016年6月	July 2017 2017年7月	Kowloon Investment Company Limited 九龍企業有限公司
Main Contract for Eu Yan Sang Chinese Medicine Plant at Yuen Long Industrial Estate 元朗工業邨余仁生中藥廠發展項目	100%	July 2016 2016年7月	February 2018 2018年2月	Eu Yan Sang (Hong Kong) Limited 余仁生(香港)有限公司
Design, Supply, Fabrication and Installation of the Facade Works for Kowloon East Regional Headquarters and Operational Base Cum Ngau Tau Kok Divisional Police Station 警務處東九龍總區總部暨牛頭角分區外牆設計、供應、加工及安裝工程	100%	July 2016 2016年7月	June 2019 2019年6月	The Government of the Hong Kong Special Administrative Region 香港特別行政區政府

MAJOR PROPERTIES

主要物業

PROPERTIES HELD FOR INVESTMENT AT 31 DECEMBER 2016 於2016年12月31日持作投資之物業

Description 詳情	Use 用途	Status 狀況	Lease Term 租賃年期	Percentage of Group's Interest 本集團所佔權益百分比
Car Park Nos. P250, P251, P252, P253, P254, P255, P256 and P257, Sun Hing Garden, No. 2 On Po Lane, Tai Po, New Territories. 24/64,299th shares of and in Tai Po Town Lot No. 26	Carpark	Rental	Medium	100%
新界大埔安埔里2號新興花園P250、P251、P252、P253、P254、P255、P256及P257號車位大埔市地段26號第64,299份之24份	泊車位	出租	中期	100%

CORPORATE INFORMATION

公司資料

Board of Directors 董事會	Kingston Chu Chun Ho (Chairman) 朱俊浩 (主席) Terence Leung Siu Cheong (Deputy Chairman and Managing Director) 梁兆昌 (副主席及董事總經理) Stephen Ip Shu Kwan* 葉澍堃* Kan Fook Yee* 簡福飴* Wong Tsan Kwong* 黃燦光* David Yu Hon To* 俞漢度*	Company Secretary 公司秘書	Eric Chan Kwong Leung 陳鄭良
	* Independent Non-executive Director * 獨立非執行董事	Auditor 核數師	PricewaterhouseCoopers 羅兵咸永道會計師事務所
		Principal Bankers 主要往來銀行	The Hongkong and Shanghai Banking Corporation Limited 香港上海滙豐銀行有限公司 Chong Hing Bank Limited 創興銀行有限公司 China Everbright Bank Company Limited 中國光大銀行股份有限公司
		Registered Office 註冊辦事處	Clarendon House 2 Church Street Hamilton, HM 11 Bermuda
		Head office and Principal Place of Business in Hong Kong 總辦事處及香港主要營業地點	7/F., Linkchart Centre 2 Tai Yip Street Kwun Tong, Kowloon Hong Kong 香港九龍觀塘 大業街2號 聯卓中心7樓
Audit Committee 審核委員會	David Yu Hon To (Chairman) 俞漢度(主席) Kan Fook Yee 簡福飴 Wong Tsan Kwong 黃燦光	Principal Share Registrar and Transfer Agent 主要股份過戶登記處	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Nomination Committee 提名委員會	Kan Fook Yee (Chairman) 簡福飴(主席) Kingston Chu Chun Ho 朱俊浩 Stephen Ip Shu Kwan 葉澍堃	Hong Kong Branch Share Registrar and Transfer Office 香港股份過戶登記分處	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong 香港中央證券登記有限公司 香港灣仔皇后大道東183號 合和中心17樓1712-1716號舖
Remuneration Committee 薪酬委員會	Stephen Ip Shu Kwan (Chairman) 葉澍堃(主席) Kingston Chu Chun Ho 朱俊浩 Kan Fook Yee 簡福飴	Stock Code 股份代號	02340
Executive Committee 執行委員會	Kingston Chu Chun Ho 朱俊浩 Terence Leung Siu Cheong 梁兆昌	Board Lot 每手買賣單位	4,000 shares 4,000股
Special Committee 特別委員會	Kan Fook Yee (Chairman) 簡福飴(主席) Stephen Ip Shu Kwan 葉澍堃 Wong Tsan Kwong 黃燦光 David Yu Hon To 俞漢度	Website 網站	www.synergis.com.hk
		E-mail Address 電郵地址	info@synergis.com.hk
Financial Calendar		財務日誌	
Announcement of interim results	17 August 2016	公佈中期業績	2016年8月17日
Payment date for interim dividend	30 September 2016	中期股息派發日期	2016年9月30日
Announcement of annual results	28 March 2017	公佈全年業績	2017年3月28日
Annual General Meeting for 2017	19 May 2017	2017年股東周年大會	2017年5月19日

SYNERGIS HOLDINGS LIMITED
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