



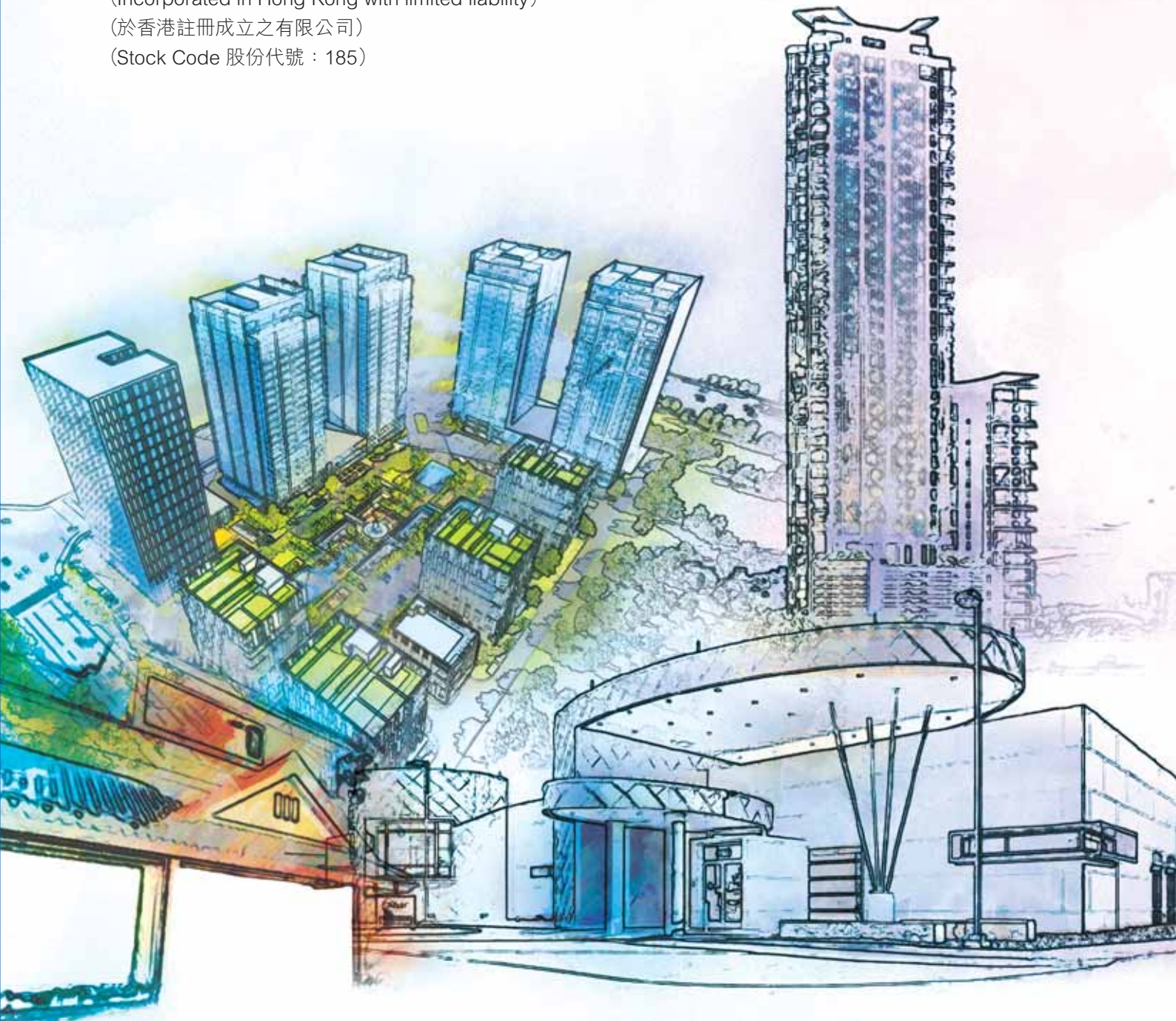
ZH INTERNATIONAL HOLDINGS LIMITED

正恒國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

(Stock Code 股份代號 : 185)



ANNUAL REPORT 2016 年報

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CORPORATE PROFILE

公司簡介



ZH International Holdings Limited (the “Company”) was founded in 1965 and has been listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1972.

The Company together with its subsidiaries (the “Group”), is currently pursuing twin engines of growth – the Real Estate Investment Trust (“REIT”) ownership and management strategy (“REIT strategy”) in the United States (the “U.S.”) and expansion in real estate development in the People’s Republic of China (the “PRC” or “China”). The Company is seeding and growing two U.S. listed REITs, namely, American Housing REIT, Inc. (“AHR”) and Global Medical REIT, Inc. (“GMR”) with dividend yields of 6% to 8%. Apart from the REIT strategy, the Group has four main businesses – property development, property investment and management, hotel operations and securities trading and investment in Hong Kong, the PRC and overseas.

With the change of controlling shareholder of the Company since July 2015, a number of immediate benefits have been brought to the Group, such as introduction of highly experienced new members to our management team and Board of Directors of the Company (the “Board”) in real estate development industry with decades

正恒國際控股有限公司(「本公司»)於一九六五年成立，自一九七二年起於香港聯合交易所有限公司(「聯交所»)主板上市。

本公司連同其附屬公司(統稱「本集團»)目前專注尋求發展兩個增長據點，即於美國(「美國»)進行之房地產投資信託(「房地產投資信託»)擁有及管理策略(「房地產投資信託策略»)及於中華人民共和國(「中國»)進行之房地產發展擴張。本公司收納及發展兩個於美國上市之房地產投資信託(即American Housing REIT, Inc.(「AHR»)及Global Medical REIT, Inc.(「GMR»))，其年度股息回報率為6%至8%。除房地產投資信託策略外，本集團於香港、中國及海外擁有四項主要業務，即物業發展、物業投資及管理、酒店業務以及證券買賣及投資。

隨著二零一五年七月之本公司控股股東變更，為本集團帶來多項即時裨益，如為管理團隊及本公司董事會(「董事會»)引入經驗豐富之新成員(彼等於房地產發展行業之經驗豐富，於中國從業數十年)、為本集團增長提供強而有力之財務支援及為本集團物業發展項目聘請若干合資格建築承包商。憑藉該等於中國之重要

of experience in China, provision for strong financial support for the growth of the Group and engagement with certain qualified competent construction contractors for the property development projects of the Group. With the synergistic effects from these significant resources and networks in China, the Group expects to be able to leverage for its future development in the property development sector. During 2016, the Group has successfully bid five land parcels in public auctions in Zhengzhou City, and obtained financial support for property development of certain of these land parcels.

With the Group's continuous drives on REIT strategy, one of its US listed REITs, GMR, has successfully completed the offering of its share and migration listing from Over-The-Counter ("OTC") to the New York Stock Exchange ("NYSE") in the U.S. during 2016.

The Company is headquartered in Hong Kong, and has offices in Japan and the U.S.. It also owns a sizeable portfolio of properties in Singapore, Hong Kong, Japan, the U.S. and the PRC.

The Company aims to grow exponentially in the next five years, creating new sustainable revenue streams and hence enhancing shareholder value.

資源及網絡產生之協同效應，本集團預期將能夠促進其於物業發展行業之未來發展。於二零一六年，本集團已於鄭州市公開拍賣中成功投得五幅地塊，並已就若干該等地塊之物業發展取得財務支援。

就本集團對房地產投資信託策略之持續推進，其中一個於美國上市之房地產投資信託GMR已於二零一六年在美國成功完成發售其股份及由場外交易市場(「場外交易」)轉至紐約證券交易所(「紐約證券交易所」)上市。

本公司總部位於香港，辦事處遍佈日本及美國。其於新加坡、香港、日本、美國及中國擁有規模龐大之物業組合。

本公司矢志於未來五年內急速發展，開闢可持續之新收益來源，藉以提升股東價值。

CHAIRMAN'S MESSAGE

主席致詞



張敬國先生
Mr. Zhang Jingguo

主席、執行董事兼行政總裁
*Chairman, Executive Director and
Chief Executive Officer*

Dear shareholders,

On behalf of my fellow directors, I would like to express my appreciation for your support in 2016. To recapitulate, the year was marked by the following highlights:

親愛的股東：

本人謹此代表董事會，感謝閣下於二零一六年給予的鼎力支持。本年矚目的盛事概述如下：

- On 12 May 2016, the Company entered into subscription agreements with the subscribers to allot and issue 795,400,000 shares of the Company ("Shares") in cash at HK\$0.2 per share. The transaction was completed on 30 May 2016 and net proceeds amounting to approximately HK\$159 million were raised which is intended to be used for the general working capital and repayment of liabilities of the Group and as funds for future development of the Company when the investment opportunities arise;
 - On 23 May 2016, the Group disposed of its entire interest in RSI International Systems Inc. ("RSI"), a company listed on the TSX Venture Exchange of Canada, to an independent third party, for a consideration of approximately CAD1.5 million and recorded a net gain of approximately HK\$8.4 million. The transaction was completed in June 2016;
 - In July 2016, the Group has successfully completed the upgrade listing of GMR from OTC to NYSE, and total 15,000,000 shares of GMR (included over-allotment option shares) were issued at a price of US\$10.00 per share resulting in gross proceeds of US\$150 million (the "GMR Offering"). As a result of this exercise, the Group's interest in GMR was diluted from 99.9% to 14.8% and accordingly GMR was ceased to be a subsidiary of the Company; and
 - The Group has been successful in bidding of land use rights of five land parcels via public auctions at total considerations of approximately RMB2.29 billion.
- 於二零一六年五月十二日，本公司與認購人簽訂協議，以每股0.2港元現金配發及發行本公司795,400,000股股份（「股份」）。該項交易已於二零一六年五月三十日完成，籌得款項淨額約為1.59億港元，擬用作本集團一般營運資金、償還負債及當出現投資機遇時作為本公司未來發展基金；
 - 於二零一六年五月二十三日，本集團以代價約150萬加元向一名獨立第三方出售其於RSI International Systems Inc.（「RSI」，該公司於加拿大證券交易所創業板上市）之全部權益，並錄得淨收益約840萬港元。該項交易已於二零一六年六月完成；
 - 於二零一六年七月，本集團成功完成GMR由場外交易至紐約證券交易所的轉板，以每股10.00美元的價格發行合共15,000,000股GMR股份（包括超額配股權股份），所得款項總額為1.5億美元（「GMR發售」）。此交易完成後，本集團於GMR中擁有的權益由99.9%攤薄至14.8%，GMR不再為本公司的附屬公司；及
 - 本集團透過公開拍賣成功投得五幅地塊的土地使用權，總代價約為22.9億人民幣。

CHAIRMAN'S MESSAGE

主席致詞

FINANCIAL PERFORMANCE OF THE YEAR

During the year ended 31 December 2016 (the "year"), the Group reported revenue of HK\$79.6 million and gross profit of HK\$61.4 million (corresponding period (namely, from 1 April to 31 December 2015 and hereafter): HK\$44.0 million and HK\$29.8 million). The revenue and gross profit were mainly derived from the property investment and management business. Other gains and losses were recorded as net loss of HK\$24.8 million during the year (corresponding period: net gain of HK\$29.8 million). Administrative expenses and selling expenses were HK\$57.2 million and HK\$13.9 million respectively for the year, as compared to HK\$60.3 million and HK\$5.5 million respectively for the corresponding period. The loss attributable to owners of the Company for the year was approximately HK\$56.7 million (corresponding period: HK\$19.7 million).

The increase in the loss attributable to the owners of the Company was primarily due to (i) the net loss attributable to the completion of deemed disposal of GMR in relation to the GMR Offering during the year; and (ii) a decrease in fair value of financial assets at fair value through profit or loss at the end of the reporting period.

The basic loss per share for the year was HK0.97 cents as compared to HK0.47 cents for the corresponding period.

Outlook

The Group will continue to be principally engaged in the business of property development, property investment and management and hotel operation, and look for investment opportunities which strengthen profitability under the acceptable risk in Hong Kong and overseas markets.

The PRC

During the year, the Company began to leverage on the PRC property development and investment experience of its management team to seek different suitable projects in anticipation of high potential returns to shareholders of the Company ("Shareholders"). The Group has successfully bid five pieces of land parcels in the second half of the year, with total considerations of approximately RMB2.29 billion. These land parcels were all located in Zhengzhou City, Henan Province, the PRC. Construction work has already been commenced for one of these new land parcels during the year and the handover process for the other four new land parcels have been completed in the first quarter of 2017. As of 31 December 2016, the Group has three ongoing projects under development in Zhengzhou City, namely Zensun Xinghan Garden, Zensun Jingkai Plaza and Zensun Shuxiangmingzhu Project. Based on the current construction progress and the delivery schedule, they are expected to be completed in the fourth quarter of 2017, the first quarter of 2018 and the fourth quarter of 2019, respectively.

本年度的財務表現

截至二零一六年十二月三十一日止年度(「本年度」)，本集團錄得收益7,960萬港元及毛利6,140萬港元(同期(二零一五年四月一日至十二月三十一日，下同)：4,400萬港元及2,980萬港元)。收益及毛利主要來自物業投資及管理業務。本年度其他收益及虧損入賬為虧損淨額2,480萬港元(同期：收益淨額2,980萬港元)。本年度行政開支及銷售開支分別為5,720萬港元及1,390萬港元，而同期則分別為6,030萬港元及550萬港元。本年度本公司擁有人應佔虧損約為5,670萬港元(同期：1,970萬港元)。

本公司擁有人應佔虧損增加主要由於(i)於本年度完成有關GMR發售而被視作出售GMR所產生的虧損淨額；及(ii)於報告期間結算日按公平值計入損益之金融資產的公平值下跌導致。

本年度每股基本虧損為0.97港仙，而同期則為0.47港仙。

前景

本集團將繼續主要從物業發展、物業投資及管理以及酒店業務，並在香港及海外市場尋求於可接受風險範圍內能增強盈利能力的投資機會。

中國

本公司於本年度已開始充分利用其管理團隊於中國物業發展及投資的經驗，尋找能為本公司股東(「股東」)帶來潛在豐厚回報的合適項目。本集團於本年度下半年成功投得五幅地塊，總代價約22.9億人民幣。該等地塊均位於中國河南省鄭州市。於本年度，其中一幅新地塊已開始建設工程，另外四幅新地塊的移交程序已於二零一七年第一季度完成。截至二零一六年十二月三十一日，本集團在鄭州市擁有三個在建項目，分別為正商興漢花園、正商經開廣場及正商書香銘築項目。基於當前建設進展及交付時間表，該等項目預計將分別於二零一七年第四季度、二零一八年第一季度及二零一九年第四季度完工。

Following the Group's strategy in expanding its business operation in Henan Province, the PRC, the Board will continue to identify new property development projects and bid for land use rights of other selective land parcels in the PRC with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC in the coming few years. The management remains cautiously optimistic on the long-term prospects of the real estate industry and will quicken its property development and sales of its development projects in the PRC through making use of its own advantages and leveraging on the national network and business resources of Henan Zensun Real Estate Co., Ltd ("Zensun"). The synergistic effect brought by Zensun will improve the position of the Group in the real estate industry in China.

The US

In the US, the Group now has one NYSE-listed REIT, GMR, and one U.S. OTC-listed REIT, AHR, which are both managed by Inter-American Management, LLC ("IAM"), the 85%-owned REIT management arm of the Group, led by a specialised team of highly-experienced professionals with in-depth knowledge in the U.S. real estate market.

GMR

After the GMR Offering, the Group's interests in GMR has been diluted from 99.9% to approximately 14.8% and accordingly GMR was ceased to be a subsidiary of the Company. The Group receives management fee income based on 1.5% of the GMR's net assets annually and a significant higher-than-average annualised quarterly dividends with an approximately 8% yield. GMR continues to accelerate its acquisition pipeline to further enlarge its asset base so to enable our management company, IAM, to enjoy higher management fee income.

AHR

AHR was listed on the OTC in 2010. AHR is currently 99%-controlled by the Company and it owns a portfolio of single-family rentals primarily in Texas, Florida, Georgia and North Carolina.

With life expectancy continuing to increase in the U.S., many individuals started planning for their desire retirement community after age 65. There were 77 million baby boomers, representing 70% of the current U.S. population, will reach their retirement age in the coming next two decades. The improved medical services and facilities, growing senior population and improved living standards nourished a strong demand on a retirement community and created business opportunity for the elderly care industry. To seize the industry potential and in line with the Group's strategy in seeking for higher-than-average annualised yield, the Group revisits the current properties portfolio and diversifies its investment from single family housing to senior housing.

繼本集團於中國河南省實施業務擴張策略後，董事會將於未來幾年持續物色新物業發展項目，同時也將專注於在中國河南省鄭州市及其他一線及二線城市競拍土地。管理層對房地產行業的長期發展前景保持謹慎樂觀態度，並將充分利用自身優勢及河南正商置業有限公司（「正商」）的全國網絡及業務資源，加快中國的物業發展及其發展項目的銷售。正商帶來的協同效益有助提高本集團於中國房地產行業的地位。

美國

美國方面，本集團當前持有一家於紐約證券交易所上市的房地產投資信託GMR及一家於美國場外交易上市的房地產投資信託AHR。此兩家房地產投資信託均由Inter-American Management, LLC（「IAM」）管理，而IAM為本集團擁有85%權益的房地產投資信託管理分支，由具備深厚美國房地產市場知識的資深專業團隊帶領。

GMR

於GMR發售完成後，本集團於GMR中擁有的權益由99.9%攤薄至約14.8%，GMR不再為本公司的附屬公司。本集團每年將按GMR淨資產的1.5%收取管理費收入，以及每季收取遠高於平均水平的年度股息，回報率約為8%。GMR將繼續加速籌劃收購項目進而擴大其資產規模，從而讓我們的管理公司IAM享有更高的管理費收入。

AHR

AHR於二零一零年在場外交易上市。目前由本公司控制其99%權益，主要於德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州擁有單棟出租單位組合。

隨著美國平均壽命持續延長，眾多個別人士開始為其65歲後所期望的退休生活計劃。當時嬰兒潮所誕下的7,700萬人已佔目前美國人口的70%，並將於接下來的二十年後年屆退休年齡。醫療服務及設施的改善，老齡人口不斷增長，加上生活水平不斷提升，均令退休群體產生強勁需求，並為老年護理行業創造發展商機。為把握行業潛力及滿足本集團尋求高於平均年度收益的策略，本集團已重新審視當前的物業投資組合，並將投資方向從單棟出租單位分散至養老地產。

CHAIRMAN'S MESSAGE

主席致詞

In February 2017, the Group has entered into two purchase agreements to acquire two senior housing communities in the U.S., amounted to US\$27.6 million. The Board considers that these acquisitions represent a good investment opportunity and believes that the Group will benefit from the stable and attractive rental income and anticipate appreciation in value of the senior housing communities through diversifying the Group's portfolio with senior housing properties in the U.S..

To continue with the success we had from the GMR Offering, we are also working towards upgrading AHR listing as our second listed REIT in NYSE or other international exchanges in the near future.

Other Operations

The Group remains cautious about Singapore property market and does not expect to make a material investment in this market in the foreseeable future. For the Japan hotel operation, the Group is now actively seeking ways to enhance its overall profitability with a view to enabling the operations to be self-sustainable.

Overall

The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image.

The management will continue to streamline the corporate structure, divest non-core non-performing businesses, seek viable business opportunities in accordance with the Group's overall strategy, closely monitor the market situation and enhance all areas of operations which can raise the level of financial discipline, improve profitability within the Group and deliver the best returns to the Shareholders.

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

Mr. Zhang Jingguo

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 29 March 2017

於二零一七年二月，本集團已簽訂兩份購買協議收購美國兩家養老地產物業，金額達2,760萬美元。董事會認為該收購為一個良好的投資機會，相信本集團未來將受惠於穩健及可觀的租金收入，並預計本集團的養老地產物業在其組合多元化的發展中將帶來升值空間。

為延續我們在GMR發售的成功，我們正在努力並寄望在不久的將來將AHR打造為我們在紐約證券交易所或其他海外證券交易所上市的第二家房地產投資信託。

其他業務

本集團對新加坡物業市場仍保持謹慎態度，且不預期在可見將來作出重大投資。就日本酒店業務方面，本集團正積極尋求方法加強其整體盈利能力，達至自負盈虧。

概述

本公司將善用本集團的財務、人力及技術資源，以加強其投資組合、資產規模及品牌形象。

管理層將繼續精簡企業架構及撤走表現乏善可陳的非核心業務，並根據本集團整體策略尋求有利商機，以及密切監控市況並提高所有營運範疇，以提高本集團財務紀律水平並增強盈利能力，從而為股東帶來最佳回報。

本人謹此代表董事會，向全體員工的努力不懈及克盡己責致以衷心感謝。本人亦藉此機會感謝全體股東、業務夥伴及客戶長久以來的鼎力支持。

張敬國先生

主席、執行董事兼行政總裁

香港，二零一七年三月二十九日

PROPERTY DEVELOPMENT IN PRC

在中國之物業發展

PROPERTIES IN THE PRC

The Group has three projects under development and four land parcels held for future development in the PRC. Interests of all these properties in the PRC are 100% attributable to the Group.

PROJECTS UNDER DEVELOPMENT

Zensun Jingkai Plaza



Project location : the intersection of Hanghai Dong Road and Jingkai Ninth Avenue, Zhengzhou City
Designated land usage : commercial
Total site area : approximately 48,000 sq.m.
Estimated/planned aggregate GFA : approximately 296,000 sq.m.
Expected completion time : 1st quarter of 2018

Located at the Economic and Technological Development Zone of Zhengzhou City ("ETDZ"), Zensun Jingkai Plaza is situated in the southeast of the intersection of Hanghai Dong Road and Jingkai Ninth Avenue. It is the landmark project in the ETDZ in which the Group made substantial investment in 2015. The project has a total site area of 72 mu with planned aggregate GFA of 296,000 sq.m. at plot ratio of 4.499 and greening ratio of 25%. The project adopts a semi-open concept with an open and self-containing design. It is encompassed by nine building blocks, including four Grade 5A deluxe office buildings, four single office buildings and one white-collar deluxe commercial apartment building. The project features the best investment potential and development prospect, as it is currently the largest and the highest class commercial complex under development in the ETDZ, well served by supporting facilities.

在中國之物業

本集團於中國擁有三個在建項目及四幅持作未來發展之地塊。本集團應佔所有該等中國物業之100%權益。

在建項目

正商經開廣場



項目位置 : 鄭州市航海東路與經開第九大街交匯處
指定土地用途 : 商業
總佔地面積 : 約48,000平方米
估計/規劃總建築面積 : 約296,000平方米
預期竣工時間 : 二零一八年第一季度

正商經開廣場處於高速發展的鄭州市國家經濟技術開發區(簡稱「經開區」),位於航海東路與經開第九大街交匯處東南角。是集團在二零一五年斥巨資打造的經開區地標專案。整個項目總佔地面積72畝,規劃總建築面積29.6萬平方米,項目容積率為4.499,綠化率為25%,整個項目由九棟樓圍合而成,採用外放內和的半開放式的設計理念,共有四棟5A甲級精裝寫字樓、四棟企業獨棟及一棟精裝白領商業公寓組成。該項目是目前整個經濟開發區體量最大、定位最高、配套最齊全的商業綜合體,最具投資潛力和發展前景。

PROPERTY DEVELOPMENT IN PRC

在中國之物業發展

Zensun Xinghan Garden



Project location : 300m to the east of the junction of Dahe Road (North 4th Ring) and Guxu Road (West 4th Ring extension), Zhengzhou City

Designated land usage : residential

Total site area : approximately 34,500 sq.m.

Estimated/planned aggregate GFA : approximately 95,500 sq.m.

Expected completion time : 4th quarter of 2017

Zensun Xinghan Garden covers a total site area of 52 mu with estimated aggregate GFA of 95,500 sq.m. Being a low-density, scarce and high-end residential community with plot-ratio of 1.99, Zensun Xinghan Garden has a high greening ratio up to 30% and becomes the first and genuine quality residential community in Gurung Town in Zhengzhou City. Styled with the most fashionable modern Chinese architecture, the project comprises seven blocks of 8-storey bungalows situated at the central scenic area, three blocks of 18-storey low-high-rise at the north, totaling 648 units. Each bungalow has two units on each floor. Each unit is designed with three rooms, a living room, a dining room and two wash rooms. Units on the 1st floor with GFA of approximately 116 sq.m. contains a garden of 50 sq.m. and a basement of 80 sq.m.. Units on the 2nd floor with GFA of approximately 120 sq.m. contains a basement of 50 sq.m.. Units on the 8th floor with GFA of approximately 140 sq.m. has a hanging garden. For the three blocks of low-high-rise, all are designed with four units on each floor with two staircases and each unit is in small to medium size with GFA of 88 sq.m.. The project is specially designed with separate vehicle and pedestrian traffic, and a kindergarten with GFA of 1,661 sq.m. at the south-western corner catering to the community needs. The project enjoys scenic environment and easy access.

正商興漢花園



項目位置 : 鄭州市大河路(北四環)與古須路(西四環延長線)交叉口向東300米

指定土地用途 : 住宅

總佔地面積 : 約34,500平方米

估計/規劃總建築面積 : 約95,500平方米

預期竣工時間 : 二零一七年第四季度

正商興漢花園總佔地約52畝，估計總建築面積9.55萬平方米。是一個低密稀缺的高端居住社區，容積率僅為1.99，綠化率高達30%，是鄭州市古滎鎮首個真正意義的品質住宅社區。項目建築風格採用時下最流行的現代中式建築風格，七棟8層花園洋房居於中央景觀區，三棟18層小高層位北，項目建築風格採用時下最流行的現代中式建築風格，共有648戶。洋房1梯兩戶，三室兩廳兩衛，一樓單位之建築面積約116平方米，送有50平方米花園和80平方米入戶地下室，二樓單位之建築面積約120平方米帶50平方米地下室，八樓單位之建築面積約140平方米帶空中花園。三棟小高層全部為兩梯四戶建築面積88平方米。項目設計人車分流，同時項目西南角還配備有建築面積1,661平方米的社區幼兒園。社區環境優美，交通便利。

Zensun Shuxiangmingzhu Project



Project location : the intersection of east to Songlin Dong Road and north to Ruifeng Road in Zhengdong New District, Zhengzhou City

Designated land usage : commercial

Total site area : approximately 25,000 sq.m.

Estimated/planned aggregate GFA : approximately 144,000 sq.m.

Expected completion time : 4th quarter of 2019

Located in the Zhengdong New District of Zhengzhou City, Zensun Shuxiangmingzhu Project is situated at the intersection of east to Songlin Dong Road and north to Ruifeng Road. It was a successful bid made by the Group through listing-for-sale process in the public auction held by the Land and Resource Bureau of Zhengzhou City, Henan Province, the PRC (the "Land and Resources Bureau of Zhengzhou City") in July 2016. The project has a total site area of 38 mu with planned aggregate GFA of approximately 144,000 sq.m. at plot ratio below 4.0 and greening ratio at 30%. The project is encompassed by five commercial apartment buildings and two commercial and office buildings.

正商書香銘築項目



項目位置 : 鄭州市鄭東新區桑林東路東、瑞風路北交匯處

指定土地用途 : 商業

總佔地面積 : 約25,000平方米

估計／規劃總建築面積 : 約144,000平方米

預期竣工時間 : 二零一九年第四季度

正商書香銘築項目處於鄭州市鄭東新區，位於桑林東路東、瑞風路北之交匯處。本集團於二零一六年七月於中國河南省鄭州市國土資源局(「鄭州市國土資源局」)舉辦之公開拍賣掛牌出售程式中成功投得。整個項目總佔地面積38畝，規劃總建築面積約144,000平方米，容積率低於4.0，綠化率為30%，整個項目由五棟商業公寓及二棟商業寫字樓圍合而成。

PROPERTY DEVELOPMENT IN PRC

在中國之物業發展

LAND PARCELS HELD FOR FUTURE DEVELOPMENT

In the fourth quarter of 2016, the Group has been successful in bidding of land use rights of four land parcels through listing-for-sale process in the public auctions held by the Land and Resources Bureau of Zhengzhou City. The acquisitions of these land parcels are in process as at 31 December 2016 pursuant to the terms of the land contracts entered with the Land and Resources Bureau of Zhengzhou City and gradually completed subsequently in the first quarter of 2017:

The table below summarizes the key information of the land parcels held for future development as at 31 December 2016:

持作未來發展之地塊

於二零一六年第四季度，本集團於鄭州市國土資源局舉辦之公開拍賣掛牌出售程序中成功投得四幅地塊之土地使用權。於二零一六年十二月三十一日，該等地塊之收購正在根據與鄭州市國土資源局訂立之土地合約之條款進行中，其後逐步於二零一七年第一季度完成。

下表概述於二零一六年十二月三十一日持作未來發展之地塊之主要資料：

Date of successful bid	Land parcel under code no.	Total site area (sq. m.) 總佔地面積 (平方米)	Estimated/planned aggregate GFA (sq. m.) 估計／規劃總建築面積 (平方米)	Designated land usage	Expected completion time
成功投標日期	地塊編號			指定土地用途	預期竣工時間
23 November 2016 二零一六年十一月二十三日	2016-12	55,631	194,709	commercial 商業	2nd quarter of 2020 二零二零年第二季度
9 December 2016 二零一六年十二月九日	2016-114	94,426	188,852	residential 住宅	4th quarter of 2020 二零二零年第四季度
15 December 2016 二零一六年十二月十五日	2016-127	98,973	296,920	residential 住宅	3rd quarter of 2020 二零二零年第三季度
23 December 2016 二零一六年十二月二十三日	2016-143	89,025	195,855	residential 住宅	4th quarter of 2020 二零二零年第四季度

The Group is currently engaging in a total of seven property development projects with total site area of approximately 446,000 sq.m. and total estimated/planned aggregate GFA of approximately 1,420,000 sq. m.

本集團正從事合共七個物業發展項目，總佔地面積約為446,000平方米，估計／規劃總建築面積約為1,420,000平方米。

OTHER PROPERTY PORTFOLIO

其他物業組合

OTHER PROPERTY PORTFOLIO

Apart from properties for development held in the PRC, the Group also owns a diverse range of residential, commercial properties and quality hotels located in Singapore, Japan, Hong Kong and the U.S.

其他物業組合

除就物業發展所持有位於中國之物業，本集團亦擁有不同類型的住宅、商務物業以及優質酒店，遍佈新加坡、日本、香港及美國。

SINGAPORE PROPERTIES



The Group's Singapore property portfolio is concentrated in locations near Mass Rapid Transit (MRT) stations, Singapore's railway system, ensuring convenience and connectivity. The Group owns a portfolio of SOHO units at Southbank which features high-ceilings and duplexes. These units are uniquely zoned for both residential and commercial uses and hence generate strong rental yield. The Group also owns a portfolio of residential properties at Dakota Residences adjacent to the Dakota MRT station.

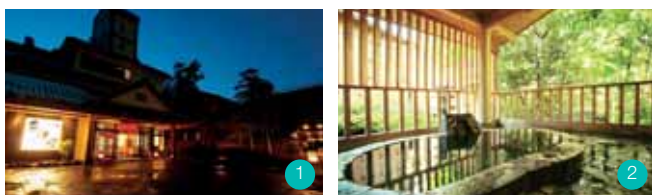
新加坡物業



1. Dakota Residences
2. Southbank Soho

本集團新加坡物業組合集中於新加坡地鐵站附近，交通方便完善。本集團在Southbank擁有SOHO單位組合，以高樓底及複式公寓為賣點。該等單位選址別具心思，可作住宅及商業用途，因此租金水平頗高。本集團在Dakota Residences擁有住宅物業組合，Dakota Residences毗鄰Dakota地鐵站。

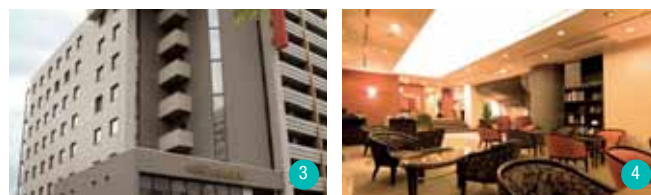
JAPAN PROPERTIES



1&2. Aizuya Inn

The Group currently owns two properties in Japan – the first being Aizuya Inn, an authentic and traditional Japanese hot spring inn located at Nasu, Tochigi prefecture, a famous mountain resort area approximately two-hours drive from the Tokyo downtown, and the other being The Hamilton Sapporo Hotel, an 8-storey hotel erected over a one-level basement situated at Chuo Ward, Sapporo City, Japan.

日本物業



3&4. The Hamilton Sapporo Hotel

本集團現在日本擁有兩個物業，首先是Aizuya Inn，是日本正宗傳統溫泉旅館，位於櫛木縣那須町，此處為著名居山度假村，距離東京市中心約兩小時車程；另一個是The Hamilton Sapporo Hotel，樓高八層，有一層地下室，建於日本札幌市中央區。

OTHER PROPERTY PORTFOLIO

其他物業組合

HONG KONG PROPERTIES

香港物業

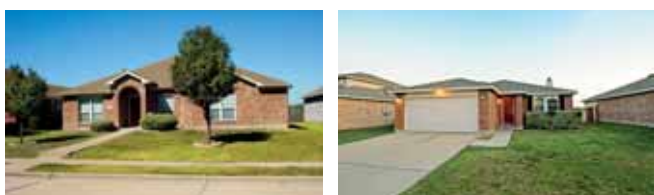


In addition to some smaller properties, the Group owns two floors of the commercial building, Wyndham Place, a prime office building located in the Central district of Hong Kong – the central business district of the region. The Group currently uses a portion of one floor for its headquarters while leasing out the remaining portion.

除若干小型物業外，本集團於雲咸商業中心擁有兩層商業樓宇。該樓宇為香港中環主要辦公大樓，位於商業中心地帶。本集團現將其中一層的一部分作為總部，該層其餘部分及另一層作出租用途。

U.S. PROPERTIES

美國物業



The Group owns about 140 SFRs located in Texas, Florida, Georgia and North Carolina under its REIT subsidiary, AHR (with total lettable area of approximately 242,000 sq. ft.). These homes are carefully selected for their location, condition, tenant profile and potential for capital appreciation. The Group also owns freehold land parcels with 273,200 sq. m. in California and two residential units situated on Wall Street in New York.

本集團透過其房地產投資信託附屬公司AHR擁有位於德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州之約140間單棟出租單位，可租賃面積合共約為242,000平方呎。我們考慮有關地點、環境、租戶背景及資本升值潛力後嚴選單位。本集團亦在加州擁有273,200平方米之永久業權地塊，並在紐約華爾街擁有兩個住宅單位。

REIT OWNERSHIP AND MANAGEMENT STRATEGY

房地產投資信託擁有及管理策略



The Company announced on 6 December 2013 a three-phases growth strategy (the "Growth Strategy") as ascribed in our REIT Strategy, which involves (i) building up a portfolio through seeding and growing REITs in the U.S.; (ii) developing recurring management fees from direct management of these REITs; and (iii) raising capital through potential listings of these REITs.

The Company has so far seeded two U.S. listed REITs, both are managed by the U.S.-based company, IAM, a wholly-owned subsidiary of the 85%-owned Inter-American Group Holdings Inc. ("IA Group") by the Group, which earns recurring management fees of 1.5% of the REITs' net assets under management. The remaining 15% stake of IA Group is owned by Mr. Jeffrey Busch, the Chief Executive Officer of IA Group who is a 29-year real estate veteran and previously served two U.S. Presidents, overseeing a yearly budget of over US\$3 billion to develop housing and commercial real estate for the U.S. Government.



IAM is the REIT management arm of IA Group, led by a specialised team of highly-experienced professionals with deep knowledge in the U.S. real estate, REITs, healthcare, management, logistics and business development.

IAM manages our Group's seeded REITs – AHR and GMR – and plans to eventually manage other global REITs. IAM estimates to receive recurring management fees of 1.5% to 2.0% of assets under management, varying by each individual REIT and depending on their performance. Its REIT management strategy centres on systematising, and creating viable economies of scale, to effectively manage cash flow over the life cycles of a wide range of real estate holdings. IAM focuses on minimising operating expenses by optimising property evaluation and property management practices, through advanced online property tracking tools coupled with on-site evaluations. IAM sources prospective acquisitions based on the broad relationship network of IA Group's U.S.-based executive team.

To accelerate the REIT's growth through additional capital raising, the Company is dedicated to carrying out plans to migrate the listing of the two REITs successfully from OTC to international exchanges. With the led by our professional management team in IAM, GMR has been successfully completed offering of its shares and migration listing to NYSE in the U.S. during 2016. The Group's REIT management arm is proactively working towards the migration plan for the next REIT.

於二零一三年十二月六日，本公司宣佈一項房地產投資信託策略之三線發展策略（「發展策略」），涉及(i)透過於美國開拓及發展房地產投資信託建立組合；(ii)直接管理該等房地產投資信託而建立經常性收入來源；及(iii)透過該等房地產投資信託之可能上市籌集資金。

本公司迄今已收納兩個美國上市房地產投資信託，均由本集團擁有85%權益之Inter-American Group Holdings Inc.（美州集團控股公司）（「IA Group」）之全資附屬公司IAM管理，其就所管理房地產投資信託淨資產收取1.5%經常性管理費。IA Group餘下15%股份乃由IA Group行政總裁Jeffrey Busch先生擁有。Jeffrey Busch先生具備29年房地產行業經驗，曾為兩名美國總統服務，負責監管逾30億美元年度預算，為美國政府拓展住房及商用房地產行業。

IAM為IA Group旗下房地產投資信託管理分支，由具備深厚美國房地產、房地產投資信託、醫療、管理、物流及業務發展知識之資深專業團隊帶領。

IAM現時管理本集團所收納之房地產投資信託，即AHR及GMR，並策劃管理其他全球性房地產投資信託。IAM估計就所管理資產收取1.5%至2.0%經常性管理費，視乎各個別房地產投資信託及其表現而定。其房地產投資信託管理策略圍繞系統化管理，藉以產生切實可行之規模經濟，繼而於不同類別房地產資產週期有效管理現金流量。IAM透過先進網上物業追蹤工具及實地評估，最大程度優化物業評估及物業管理手法，盡量削減經營開支。IAM依據IA Group美國執行團隊之廣泛人際關係網絡，物色潛在收購目標。

為透過籌集額外資金加快房地產投資信託之增長，本公司致力於執行將兩個房地產投資信託成功由場外交易轉至國際交易所上市之計劃。在我們IAM專業管理團隊之帶領下，GMR已於二零一六年在美國成功完成發售其股份及轉至紐約證券交易所上市。本集團之房地產投資信託管理團隊正積極策劃下一個房地產投資信託之轉板計劃。

REIT OWNERSHIP AND MANAGEMENT STRATEGY

房地產投資信託擁有及管理策略



AHR is currently a 99%-controlled U.S. OTC-listed REIT and managed by IAM. The primary business strategy of AHR is to acquire and lease single-family homes as well-maintained investment properties to generate attractive risk-adjusted returns over the long-term. AHR consistently employs a disciplined and focused approach in evaluating available acquisition opportunities, and maximising the expected returns with the mix of rent yield and future potential appreciation in value. As at 31 December 2016, AHR owned a portfolio of about 140 single-family rentals (“SFRs”) primarily in Texas, Florida, Georgia and North Carolina in the U.S., of which partially are financed by Blackstone Group’s B2R division.

In view of our professional specialist management arm on the favourable potential prospect on retirement communities and elderly care industry in the U.S., the Group diversifies its current property portfolio from single family housing to senior housing in order to seize the industry potential. Two purchase agreements were entered to acquire two senior housing communities in Texas and Kansas in the U.S. subsequently in 2017. The acquisitions are expected to be completed in the first half of 2017. The Group believes that a diversified investment portfolio will generate a higher-than-average annualised yield and assist future capital fund raising in potential migration listings.



GMR was previously a 99.9%-controlled U.S. OTC-listed REIT and managed by IAM. During 2016, GMR has been successfully completed the offering of its shares and migration listing from OTC to NYSE in the U.S.. As a result, the Group’s interest in GMR was diluted from 99.9% to 14.8%. Although GMR is ceased to be a subsidiary of the Company and no longer controlled by the Group after the GMR Offering, IAM has continued providing management services in return for receiving recurring management fee at 1.5% per annum of GMR’s net assets.

GMR holds a medical real estate portfolio of specialised, high-acuity medical facilities and seeks to maintain distributions with a higher-than-average annualised yield of 8%.

AHR為目前由本集團控制99%的美國場外交易上市房地產投資信託，由IAM管理。AHR之主要業務策略為收購及出租獨戶住宅作維護完善的投資物業，以獲取具吸引力之長期風險調整回報。AHR一貫審慎專注地評估可得收購機遇，最大限度提升預期回報，並綜合考慮租金收益及日後升值潛力。於二零一六年十二月三十一日，AHR主要於美國德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州擁有約140間單棟出租單位（「單棟出租單位」）組合，其中部分由Blackstone Group之B2R分部提供融資。

由於我們的專業專家管理分支看好美國退休群體及安老行業之潛在前景，為把握行業潛力，本集團將其現有物業組合從單棟出租單位分散至養老地產物業。其後於二零一七年，本集團已訂立兩份購買協議以收購位於美國德克薩斯州及堪薩斯州之兩套長者住房院舍。預期該等收購事項將於二零一七年上半年完成。本集團相信，分散投資組合將產生高於平均水平之年度收益，並有助於未來潛在轉板上市之資本融資。

GMR為先前由本集團控制99.9%的美國場外交易上市房地產投資信託，由IAM管理。於二零一六年，GMR已在美國成功完成發售其股份及由場外交易轉至紐約證券交易所上市。因此，本集團於GMR中擁有之權益由99.9%攤薄至14.8%。儘管於GMR發售後，GMR不再為本公司之附屬公司及不再由本集團控制，IAM繼續提供管理服務，並每年按GMR淨資產之1.5%收取經常性管理費。

GMR擁有一個由專門治理高度急症之醫療設施組成之醫療房地產組合，力求支付股息，年度回報率達8%，高於平均水平。

GMR's strategy is to acquire licensed, specialised medical healthcare facilities and lease to locally-dominant healthcare operators on long-term leases with contractual annual rent escalations. These leases are structured as triple net which require tenants to pay for all property operating expenses including property taxes, insurance, maintenance and capital expenditure. GMR looks for opportunities in sector that healthcare operators wish to monetize their real estates to redeploy into core health-care operation and immediate growth initiatives. A key differentiation for GMR with other real estate investors is GMR focus on high-acuity single-tenanted properties which require in-depth health care knowledge and industry expertise to underwrite creating an investment "barrier to entry" for "generalist", while other real estate investors focus on generic office, residential, and retail real estate.

GMR acquires properties on a long-term sale and leaseback basis which provides GMR with secured, predictable, growing rental income. GMR's in-depth experience and contacts within the health care real estate community enable GMR to source non-brokered investment opportunities off-market and on favourable terms. GMR is able to originate property acquisitions with healthcare operators directly by catering specifically to their capital, accounting, legal, regulatory, and strategic needs.

In 2016, GMR have completed 10 acquisitions, resulting in its current real estate portfolio of 31 medical and healthcare facilities located in 14 states in the U.S. with approximately 665,879 leasable sq. ft. as at 31 December 2016. These medical and healthcare facilities held by GMR including an acute care hospital in Nebraska; an orthopedic surgery center in North Carolina; an ophthalmology surgery centre located in Pennsylvania; six licensed medical clinic facilities in Tennessee; a licensed hospital in Texas; a medical office building in Florida; an ambulatory surgery center in Michigan; three rehabilitation hospitals in Arizona and Pennsylvania; three clinic office building complex in South Dakota, two medical office complex in Nevada; a hospital building in New Jersey; five medical properties in Ohio; two eye surgery centers in Pennsylvania; and three healthcare facilities located in Georgia. These facilities with a weighted average age of 14 years are 100% leased to fourteen tenants in a weighted average remaining lease terms of 10 years. GMR will continuously look for growing opportunities and suitable acquisitions in pursuit for generating sustainable revenue and producing higher-than average returns.

GMR之策略為收購持牌及專業醫療保健設施，以及以長期及合約年租金上升的租約出租予本地主導保健服務營運商。此等租約結構為三重淨租約，其要求租戶支付所有物業營運開支包括物業稅、保險、維修費用及資本開支。GMR專注於保健營運商有意將其房地產變賣以重新調配核心醫療營運及即時增長計劃之情況及機會。GMR與其他房地產投資者之關鍵區別為GMR專注於挑選專門治理高度急症之物業，其需要深厚保健知識及行業專業，以包銷為「全才」創造投資「進入門檻」，而其他房地產投資者則專注於一般辦公、住宅及房地產零售。

GMR按長期售後回租之基準收購物業，保障GMR穩健、可預測及不斷增長的租金收入。GMR於保健房地產領域之豐富經驗及人脈使GMR可按有利條款獲得場外非經紀投資機會。GMR可透過迎合其特定資本、會計、法律、法規及戰略需求，主動直接向保健營運商提出收購物業。

於二零一六年，GMR已完成10項收購，於二零一六年十二月三十一日之現有房地產組合包括位於美國14個州份之31項醫療保健設施，可租賃面積約為665,879平方呎。由GMR持有之該等醫療保健設施包括位於內布拉斯加州之一間急性護理醫院、位於北卡羅萊納州之一個整形外科中心、位於賓夕凡尼亞州之一個眼科外科中心、位於田納西州之六項持牌醫療診所設施、位於德克薩斯州之一間持牌醫院、位於佛羅里達州之一座醫療辦公大樓、位於密歇根州之一個流動手術中心、位於亞利桑那州及賓夕凡尼亞州之三間康復醫院、位於南達科塔州之三座綜合診所辦公大樓、位於內華達州之兩座綜合醫療辦公大樓、位於新澤西州之一座醫院大樓、位於俄亥俄州之五項醫療物業、位於賓夕凡尼亞州之兩個眼外科中心及位於喬治亞州之三項保健設施。該等設施之加權平均樓齡為14年，已全部租予14名租戶，加權平均餘下租期為10年。GMR將繼續尋求增長機會及合適收購，以追求創造可持續收益及獲得高於平均水平之回報。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS Executive Directors

Zhang Jingguo (*Chairman and
Chief Executive Officer*)
Zhang Guoqiang
Eric Jackson Chang (will resign
on 1 April 2017)

Non-Executive Director

Huang Yanping

Independent Non-Executive Directors

Liu Da
Liu Qiao
Ma Yuntao

AUDIT COMMITTEE

Liu Da (*Chairman*)
Liu Qiao
Ma Yuntao

REMUNERATION COMMITTEE

Ma Yuntao (*Chairman*)
Zhang Jingguo
Liu Qiao

NOMINATION COMMITTEE

Liu Qiao (*Chairman*)
Zhang Jingguo
Liu Da

JOINT COMPANY SECRETARIES

Chan Chi Keung (appointment
with effect from 1 April 2017)
Eric Jackson Chang (will resign
on 1 April 2017)
Yuen Ping Man

AUDITOR

Deloitte Touche Tohmatsu

SOLICITOR

Howse Williams Bowers

PRINCIPAL BANKERS

Credit Suisse AG
DBS Bank Limited
East West Bank
Hang Seng Bank Limited
United Overseas Bank Limited

SHARE REGISTRAR

Tricor Friendly Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

REGISTERED OFFICE

24th Floor
Wyndham Place
40-44 Wyndham Street
Central, Hong Kong

WEBSITE

www.zhsuccess.com

STOCK CODE

Stock Exchange: 185

董事會 執行董事

張敬國(*主席及行政總裁*)
張國強
張世澤(將於2017年
4月1日辭任)

非執行董事

Huang Yanping

獨立非執行董事

劉達
劉俏
馬運強

審核委員會

劉達(*主席*)
劉俏
馬運強

薪酬委員會

馬運強(*主席*)
張敬國
劉俏

提名委員會

劉俏(*主席*)
張敬國
劉達

聯席公司秘書

陳志強(委任自2017年
4月1日起生效)
張世澤(將於2017年
4月1日辭任)
源秉民

核數師

德勤•關黃陳方會計師行

律師

何韋鮑律師行

主要往來銀行

瑞士信貸銀行
星展銀行有限公司
華美銀行
恒生銀行有限公司
大華銀行有限公司

股份過戶登記處

卓佳準誠有限公司
香港
皇后大道東183號
合和中心22樓

註冊辦事處

香港中環
雲咸街40-44號
雲咸商業中心
24樓

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股份代號

聯交所：185

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL PERFORMANCE REVIEW

The Group reported revenue of HK\$79.6 million and gross profit of HK\$61.4 million for the year (corresponding period: HK\$44.0 million and HK\$29.8 million). The revenue and gross profit were mainly derived from the property investment and management business. Other gains and losses were recorded as net loss at HK\$24.8 million during the year (corresponding period: net gain at HK\$29.8 million). Administrative expenses and selling expenses were HK\$57.2 million and HK\$13.9 million respectively for the year as compared to HK\$60.3 million and HK\$5.5 million respectively for the corresponding period. The loss attributable to owners of the Company for the year was approximately HK\$56.7 million (corresponding period: HK\$19.7 million).

The increase in the loss attributable to the owners of the Company was primarily due to (i) net loss attributable to the completion of deemed disposal of GMR in relation to its share offering and migration listing on the NYSE during 2016; and (ii) decrease in fair value of financial assets at fair value through profit or loss at the end of the reporting period, recorded in other gains and losses.

The basic loss per share for the year was HK0.97 cents as compared to HK0.47 cents for the corresponding period.

The directors of the Company (the "Directors") did not recommend the payment of a dividend in respect of the year.

Property Development

During the year, the Group has three ongoing projects under development in Zhengzhou, PRC, namely Zensun Xinghan Garden, Zensun Jingkai Plaza and Zensun Shuxiangmingzhu Project. Based on the current construction progress and the delivery schedule, they are expected to be completed in the fourth quarter of 2017, the first quarter of 2018 and the fourth quarter of 2019, respectively. Other than the three ongoing projects under development, the Group successfully bid land use rights of four land parcels with code nos. 2016-012, 2016-114, 2016-127 and 2016-143 in public auctions held by Land and Resources Bureau of Zhengzhou City through a listing for sale process in the fourth quarter of 2016. These land parcels were all located in Zhengzhou City, Henan Province, PRC. The handover of these four land parcels has gradually completed in the first quarter of 2017.

Following the Group's strategy in expanding its business operation in Henan Province in the PRC, the Board will continue to identify new property development projects and bid for land use rights of other selective land parcels in the PRC with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC in the coming few years.

業務及財務回顧

本集團於本年度內錄得收益79,600,000港元及毛利61,400,000港元(同期: 44,000,000港元及29,800,000港元)。收益及毛利主要來自物業投資及管理業務。本年度其他收益及虧損入賬為虧損淨額24,800,000港元(同期: 收益淨額29,800,000港元)。本年度行政開支及銷售開支分別為57,200,000港元及13,900,000港元, 而同期則分別為60,300,000港元及5,500,000港元。本年度本公司擁有人應佔虧損約為56,700,000港元(同期: 19,700,000港元)。

本公司擁有人應佔虧損增加主要由於(i)於二零一六年完成有關GMR於紐約證券交易所之股份發售及轉板上市(「GMR發售」)而被視作出售GMR所產生之虧損淨額; 及(ii)於報告期間結算日, 按公平值計入損益之金融資產之公平值下降, 乃計入其他收益及虧損。

本年度每股基本虧損為0.97港仙, 而同期則為0.47港仙。

本公司董事(「董事」)並無建議派付本年度股息。

物業發展

本集團於本年度在中國鄭州擁有三個在建項目, 即正商興漢花園、正商經開廣場及正商書香銘築項目。基於當前建設進展及交付時間表, 該等項目預期將分別於二零一七年第四季度、二零一八年第一季度及二零一九年第四季度完工。除這三個在建項目之外, 於二零一六年第四季度, 本集團於鄭州市國土資源局舉辦之公開拍賣掛牌出售程序中成功投得四幅編號分別為2016-012、2016-114、2016-127及2016-143地塊之土地使用權。該等地塊位均於中國河南省鄭州市。該四幅地塊的交付已於二零一七年第一季度逐步完成。

繼本集團於中國河南省實施業務運營擴張策略之後, 董事會於未來幾年將繼續物色新物業發展項目及專注競投在中國河南省鄭州市及其他一線及二線城市之其他可選擇地塊的土地使用權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Hotel Operations

Revenue for the hotel operation division increased approximately 37% from HK\$5.1 million to HK\$7.0 million during the year, contributing to a segment loss of approximately HK\$0.9 million (corresponding period: HK\$0.9 million).

Property Investment and Management in the USA on AHR and GMR

The division in property investment and management in the USA on AHR and GMR, both are operated and managed by IAM, the 85%-owned REIT management arm of the Group, contributed revenue of approximately HK\$47.4 million (corresponding period: HK\$26.2 million) and segment loss of approximately HK\$32.0 million (corresponding period: HK\$13.1 million) to the Group. In July 2016, GMR has completed the GMR Offering, and the Group's interest in GMR was diluted from 99.9% to 14.8% consequently. Since the GMR Offering constituted a deemed disposal transaction of the Group's interests with loss of control in GMR, thereafter, GMR was ceased to be subsidiary of the Company. The net loss arising from the GMR Offering increased in the segment loss for the year. After the GMR Offering, the Group has continued to provide management services to GMR in return for property management fee income pursuant to the revised management agreement between GMR and IAM.

Property Investment other than AHR and GMR

The property investment other than AHR and GMR divisions contributed revenue of approximately HK\$16.1 million (corresponding period: HK\$10.8 million) and segment profit of approximately HK\$8.0 million (corresponding period: segment loss of HK\$5.8 million) to the Group. The improvement of segment profit was attributable to a lesser extent of decrease in fair value of investment properties recorded during the year for approximately HK\$0.3 million as compared to approximately HK\$11.8 million recorded during the corresponding period.

Securities Trading and Investment

During the year, the Group's securities business recorded a revenue of HK\$8.7 million and a segment loss of approximately HK\$14.8 million, as compared to revenue of HK\$1.5 million and segment profit of approximately HK\$1.2 million recorded in the corresponding period. After the GMR Offering, the Group reclassified its investment in GMR as designated as at fair value through profit or loss. The significant increment in the revenue and segment loss of securities business were primarily attributable to the dividends received from GMR and the decrease in its fair value at the end of reporting period.

酒店業務

本年度內酒店業務分部之收益由5,100,000港元約增加37%至7,000,000港元。分部虧損約為900,000港元(同期：900,000港元)。

於美國AHR及GMR之物業投資及管理

於美國AHR及GMR(均由本集團擁有85%權益之房地產投資信託管理分支Inter-American Management, LLC(「IAM」)經營及管理)之物業投資及管理分部為本集團貢獻收益約47,400,000港元(同期：26,200,000港元)及產生分部虧損約32,000,000港元(同期：13,100,000港元)。於二零一六年七月，GMR完成GMR發售，而本集團於GMR中擁有之權益由99.9%攤薄至14.8%。由於GMR發售構成視作出售本集團於GMR中擁有之權益連同失去其控制權的交易，此後，GMR不再為本公司之附屬公司。本年度內來自GMR發售之虧損淨額導致分部虧損增加。於GMR發售後，根據GMR與IAM訂立的經修訂管理協議，本集團繼續為GMR提供管理服務而收取物業管理費用收入。

AHR及GMR以外之物業投資

AHR及GMR以外之物業投資分部為本集團貢獻約16,100,000港元(同期：10,800,000港元)之收益及約8,000,000港元之分部溢利(同期：分部虧損5,800,000港元)。分部溢利改善乃由於本年度內所錄得之略微投資物業公平值減值約300,000港元與同期錄得之減值約11,800,000港元相比。

證券買賣及投資

本年度內本集團之證券業務錄得收益8,700,000港元，而分部虧損則約為14,800,000港元，而同期則錄得收益1,500,000港元及分部溢利約1,200,000港元。於GMR發售後，本集團將其於GMR之投資重新分類為指定為按公平值計入損益。大幅增加之證券業務收益及分部虧損乃主要分別來自自己收GMR之股息及於報告期間結算日其公平值減少所致。

Other Investment

During the year, the Group disposed its entire interest in RSI, a company listed on the TSX Venture Exchange of Canada for a consideration of approximately CAD1.5 million and recorded a net gain of approximately HK\$8.4 million.

Liquidity and Capital Resources

On 12 May 2016, the Company entered into subscription agreements with eight subscribers pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the subscribers, an aggregate of 795,400,000 new ordinary shares of the Company in cash at subscription price of HK\$0.20 per subscription share, subject to a lock-up period of six months. The transaction was completed on 30 May 2016 and net proceeds amounting to approximately HK\$159 million were raised which is intended to be used for the general working capital and repayment of liabilities of the Group and as funds for future development of the Company when the investment opportunities arise.

As at 31 December 2016, the total equity of the Group was approximately HK\$1,157.0 million (2015: HK\$1,091.6 million) and the Group had bank balances and cash, restricted bank balances and pledged bank deposits amounting to approximately HK\$270.7 million (2015: HK\$244.2 million) mainly denominated in U.S. dollars, Hong Kong dollars, Renminbi, Singapore dollars and Japanese Yen. The increase of total borrowings to approximately HK\$1,444.0 million (2015: HK\$942.5 million) was mainly due to the loans from a related company for the property development projects in the PRC during the year. The total borrowings were mainly denominated in Renminbi, U.S. dollars, Hong Kong dollars and Singapore dollars. As at 31 December 2016, the Group recorded a current ratio of 1.3 (2015: 1.6) and gearing ratio of 31.7% (2015: 31.9%). Gearing ratio is defined as the ratio of total borrowings less bank balances and cash, restricted bank balances and pledged bank deposits to total assets.

其他投資

本年度內本集團已出售RSI(一間於加拿大證券交易所創業板上市之公司)之全部權益，代價約為1,500,000加元，並錄得收益淨額約8,400,000港元。

流動資金及資金來源

於二零一六年五月十二日，本公司與八名認購人訂立認購協議。據此，認購人有條件同意按認購價每股認購股份0.20港元以現金認購而本公司有條件同意向認購人配發及發行合共795,400,000股本公司新普通股股份，但受六個月禁售期間規限。該項交易已於二零一六年五月三十日完成，籌得之所得款項淨額約為159,000,000港元，擬用作本集團一般營運資金及償還負債以及當出現投資機遇時作為本公司未來發展基金。

於二零一六年十二月三十一日，本集團之權益總額約為1,157,000,000港元(二零一五年：1,091,600,000港元)，本集團之銀行結餘及現金、受限制銀行結餘及已抵押銀行存款總額約為270,700,000港元(二零一五年：244,200,000港元)，主要以美元、港元、人民幣、新加坡元及日圓列值。總借貸增至約1,444,000,000港元(二零一五年：942,500,000港元)，主要來自本年度就中國物業發展項目的一間關連公司之貸款。借貸總額主要以人民幣、美元、港元及新加坡元列值。於二零一六年十二月三十一日，本集團之流動比率為1.3(二零一五年：1.6)，資產負債比率則為31.7%(二零一五年：31.9%)。資產負債比率定義為總借貸減銀行結餘及現金、受限制銀行結餘以及已抵押銀行存款相對資產總值之比率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Material Acquisitions and Disposals for Material Investments

- (a) On 8 January 2016, GMR entered into a sale and purchase agreement with Marina Towers LLC, pursuant to which, the vendor shall sell and GMR shall acquire a hospital named “Marina Towers” located at 709 South Harbor City Boulevard, Melbourne, Florida 32901, United States, for a purchase price of US\$15.5 million. The acquisition was completed in March 2016.
- (b) On 23 February 2016, GMR entered into a sale and purchase agreement with Cherry Hills Real Estate, LLC, pursuant to which, the vendor shall sell and GMR shall acquire an ambulatory surgery center and medical office building located in Westland, Michigan, United States, for a purchase price of US\$4.75 million. The acquisition was completed in March 2016.
- (c) On 19 April 2016, GMR entered into a sale and purchase agreement with Paper Mill Partners, L.P. and Ridgewood Surgery Center, L.P., pursuant to which, the vendors shall sell and GMR shall acquire a 17,000 square-foot medical office building and a 6,500 square-foot eye surgery center located at Wyomissing, United States, for an aggregate consideration of approximately US\$9.2 million. The transaction was completed in July 2016.
- (d) On 23 May 2016, the Company, Hotel Room Xpress Pte. Ltd., Heng Fung Capital Company Limited and Xpress Credit Limited entered into a share purchase agreement with Ernest W. Moody Revocable Trust whereby the Group has agreed to sell and the purchaser has agreed to purchase 8,031,664 shares of RSI for cash consideration of approximately CAD1.5 million. The transaction was completed in June 2016.

有關重大投資之重大收購及出售

- (a) 於二零一六年一月八日，GMR與Marina Towers LLC訂立買賣協議，據此，賣方將出售而GMR將收購位於709 South Harbor City Boulevard, Melbourne, Florida 32901, United States名為「Marina Towers」之醫院，收購價為15,500,000美元。該項收購已於二零一六年三月完成。
- (b) 於二零一六年二月二十三日，GMR與Cherry Hills Real Estate, LLC訂立買賣協議，據此，賣方將出售而GMR將收購位於Westland, Michigan, United States之流動手術中心及醫療辦公大樓，收購價為4,750,000美元。該項收購已於二零一六年三月完成。
- (c) 於二零一六年四月十九日，GMR與Paper Mill Partners, L.P.及Ridgewood Surgery Center, L.P.訂立買賣協議，據此，賣方將出售而GMR將收購位於美國Wyomissing佔地17,000平方呎之醫療辦公大樓及6,500平方呎之眼科手術中心，總代價約為9,200,000美元。該項交易已於二零一六年七月完成。
- (d) 於二零一六年五月二十三日，本公司、Hotel Room Xpress Pte. Ltd.、恒鋒融資有限公司及特速信貸有限公司與Ernest W. Moody Revocable Trust訂立購股協議，據此，本集團已同意出售而買方已同意購買RSI之8,031,664股股份，現金代價約為1,500,000加元。該項交易已於二零一六年六月完成。

- (e) On 28 June 2016, GMR, IAM and Global Medical REIT L.P. entered into an underwriting agreement with Wunderlich Securities, Inc., as representative of the several underwriters named therein, relating to the GMR Offering. On 1 July 2016, GMR closed its share offering and issued 13,043,479 shares of its common stock at a price of US\$10.00 per share resulting in gross proceeds of US\$130,434,790. Additionally, on 11 July 2016 the underwriters exercised their over-allotment option in full, resulting in the issuance by GMR of an additional 1,956,521 shares of its common stock at a price of US\$10.00 per share for gross proceeds of US\$19,565,210. Total shares issued by GMR in the GMR Offering, including over-allotment option shares, were 15,000,000 and the Group's interest in GMR was diluted from 99.9% to 14.8%. As a consequence, GMR was ceased to be a subsidiary of the Company; and
- (e) 於二零一六年六月二十八日，GMR、IAM及Global Medical REIT, Inc (國際醫療房地產投資信託)與Wunderlich Securities, Inc.(作為協議列明若干包銷商之代表)就GMR發售訂立包銷協議。於二零一六年七月一日，GMR完成其股份發售及以每股10.00美元之價格發行13,043,479股普通股，所得款項總額為130,434,790美元。另外，於二零一六年七月十一日，包銷商悉數行使超額配股權，致使GMR以每股10.00美元之價格額外發行1,956,521股普通股，所得款項總額為19,565,210美元。GMR於GMR發售中所發行之股份總數(包括超額配股權股份)為15,000,000股，而本集團於GMR中擁有之權益由99.9%攤薄至14.8%。因此，GMR不再為本公司之附屬公司；及
- (f) The Group has been successful in bidding of land use rights of five land parcels with code nos. of 2016-11, 2016-012, 2016-114, 2016-127, 2016-143 through listings for sale process in the auctions held by Land and Resources Bureau of Zhengzhou City for transfer of state-owned land use rights for a consideration of RMB185,000,000 on 1 July 2016, for a consideration of RMB802,000,000 on 23 November 2016, for a consideration of RMB348,340,000 on 9 December 2016, for a consideration of RMB610,870,000 on 15 December 2016, and for a consideration of RMB346,580,000 on 23 December 2016, respectively. The details of the land use rights of the first land parcel are set out in the announcement of the Company dated 4 July 2016 and the details of the remaining four land parcels are set out in the circular of the Company dated 18 January 2017.
- (f) 本集團於二零一六年七月一日、二零一六年十一月二十三日、二零一六年十二月九日、二零一六年十二月十五日及二零一六年十二月二十三日分別以代價人民幣185,000,000元、人民幣802,000,000元、人民幣348,340,000元、人民幣610,870,000元及人民幣346,580,000元成功於鄭州市國土資源局就透過掛牌出售程序轉讓國有土地使用權所舉辦之拍賣會中投得五幅編號分別為2016-11、2016-012、2016-114、2016-127及2016-143地塊之土地使用權。第一幅地塊之土地使用權詳情載於本公司日期為二零一六年七月四日之公佈內，餘下四幅地塊之詳情載於本公司日期為二零一七年一月十八日之通函內。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent Liabilities

As at 31 December 2016, the Group had contingent liabilities relating to guarantees amounting to approximately RMB408.4 million (approximately HK\$456.0 million) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principals together with accrued interests thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the buyers of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the consolidated financial statement for the year as the default risk is low.

In addition, as at 31 December 2016, the Company has provided for its proportionate guarantee of S\$2.1 million (approximately HK\$11.3 million) to a bank in connection with banking facilities granted to Corporate Residence Pte Ltd, a company which is 90% owned by SingHaiyi Group Limited and 10% by the Group.

Pledge of Assets

The following assets are pledged to certain banks and a financial institution as securities to obtain banking facilities granted to the Group and mortgage facilities granted to certain property buyers at the end of the reporting period:

Investment properties
Investment properties classified as held for sale
Property, plant and equipment
Pledged bank deposits
Financial assets at fair value through profit or loss

投資物業
分類為持作出售之投資物業
物業、廠房及設備
已抵押銀行存款
按公平值計入損益之金融資產

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	461,439	774,684
	28,818	–
	11,664	11,975
	12,794	39,908
	–	8,177
	<u>514,715</u>	<u>834,744</u>

In addition, the shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group as at 31 December 2015.

或然負債

於二零一六年十二月三十一日，本集團就有關本集團物業之買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約人民幣408,400,000元(約456,000,000港元)。根據擔保條款，倘該等買家拖欠按揭款項，本集團須負責支付失責買家欠付銀行的未償還按揭本金連同累計利息及任何罰款。本集團將有權接管相關物業的法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成按揭的取消登記。董事認為，由於違約風險不大，故並無就擔保合約於本年度之綜合財務報表作出撥備。

另外，於二零一六年十二月三十一日，本公司已就Corporate Residence Pte Ltd(一間由新海逸集團有限公司及本集團分別擁有90%及10%權益之公司)所獲銀行融資按比例向銀行提供2,100,000新加坡元(約11,300,000港元)擔保。

資產抵押

於報告期間結算日，以下資產已抵押予若干銀行及一間金融機構作為本集團獲授若干銀行融資及若干物業買家獲授按揭融資之質押：

此外，於二零一五年十二月三十一日，已抵押若干附屬公司之股份，以作為本集團獲授若干銀行融資之抵押。

Foreign Exchange Exposure

The revenues, expenses, assets and liabilities are denominated substantially in Hong Kong dollars, U.S. dollars, Singapore dollars, Renminbi and Japanese Yen of respective group entities. Due to the currency peg of the Hong Kong dollars to the U.S. dollars, the exchange rate between these two currencies has remained stable and thus the Group currently does not implement any hedging or other alternatives. Going forward, the Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety for its exposure to Singapore dollars, Renminbi and Japanese Yen through transactions, assets and liabilities should the need arise.

Human Resources

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance-related bonuses. The Company has received Good MPF Employer Award for 2015-16 issued by Mandatory Provident Fund Authority in recognition of its compliance with employer's statutory obligations and provision of better retirement protection for employees. Share options may also be granted to eligible employees of the Group. Total staff costs, including Directors' emoluments during the year, amounted to HK\$22.1 million (Correspondence Period: HK\$21.4 million).

As at 31 December 2016, the Group had 40 employees.

Outlook and Prospects

The Group will continue to be principally engaged in the business of property development, property investment and management and hotel operation, and look for investment opportunities which strengthen profitability under the acceptable risk in Hong Kong, the PRC and overseas markets.

外匯風險

絕大部分之收益、開支、資產及負債於有關集團實體以港元、美元、新加坡元、人民幣及日圓列值。由於港元與美元掛鈎，故兩者之匯率保持穩定。因此，本集團現時並無進行任何對沖或其他類似活動。倘有需要，本集團將來可能制定外匯對沖政策，為涉及新加坡元、人民幣及日圓之交易、資產及負債所面對之外匯風險提供合理保障。

人力資源

薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資一般會每年根據表現評估及其他相關因素檢討。除薪金外，本集團另有其他員工福利，包括強積金、醫療保險及表現掛鈎花紅。本公司獲得強制性公積金計劃管理局頒發二零一五至一六年度「積金好僱主」獎，以嘉許其履行僱主之法律責任及為僱員提供更佳退休保障。本集團亦可向合資格僱員授出購股權。於本年度，員工成本總額(包括董事酬金)為22,100,000港元(同期：21,400,000港元)。

於二零一六年十二月三十一日，本集團聘用40名僱員。

前景及展望

本集團將繼續主要從事物業發展、物業投資及管理以及酒店業務，及於香港、中國及海外市場尋求於可接受風險範圍內增強盈利能力之投資機會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The PRC

The recent successful bids for land parcels complemented the Group's strategy in expanding its business operation in Henan Province, the PRC. Thus, the Board will continue to bid for land use rights of other selective land parcels in the PRC with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC in the coming few years. Furthermore, the Company will leverage on the PRC property development and investment experience of its management team to seek development in suitable projects with potential to deliver value to its Shareholders. In addition to existing business partner, the Company will continue to seek potential partners' cooperation to explore capital resources, reduce capital investment at an early stage and facilitate project development. The management remains cautiously optimistic on the long-term prospects of the real estate industry and will quicken its property development and sales of its development projects in the PRC through making use of its own advantages and leveraging on the national network and business resources of Zensun. The synergistic effect brought by Zensun will improve the position of the Group in the real estate industry in PRC.

The USA

In the USA, the Group has 14.8% equity interest in a NYSE-listed REIT, GMR and 99% equity interest in an USA OTC listed REIT, AHR, both are operated and managed by IAM, the 85%-owned REIT management arm of the Group, led by a specialised team of highly-experienced professionals with deep knowledge in the USA real estate market.

1. GMR

As mentioned above, the Group's percentage holding in the issued share capital of GMR was reduced to approximately 14.8% and the Group has continued providing management services and receiving recurring management fees directly to and from GMR pursuant to the revised management agreement between GMR and IAM after the GMR Offering. It is expected that future fund raising of GMR will further increase its capital base which in return increases the management fee income to be received from GMR.

中國

本集團近期成功投得該等地塊有助其於中國河南省實施業務運營擴張策略，因此，董事會於未來幾年將繼續專注競投在中國河南省鄭州市及其他一線及二線城市之其他可選擇地塊的土地使用權。此外，本公司將充分利用其管理團隊之中國物業發展及投資經驗，尋找適合、具發展潛力之項目，回饋股東。除現有業務夥伴外，本公司將繼續尋覓潛在夥伴合作關係，以開拓資本資源、減少前期資金投資及促進項目發展。管理層對房地產行業之長期發展前景保持謹慎樂觀態度，並將透過充分利用自身優勢及正商之全國網絡及業務資源，加快位於中國之發展項目之物業發展及銷售。正商帶來之協同效益有助提高本集團於中國房地產行業之地位。

美國

美國方面，本集團擁有一項於紐約證券交易所上市之房地產投資信託GMR 14.8%股權及一項於美國場外交易上市之房地產投資信託AHR 99%股權，均由IAM經營及管理，而IAM為本集團擁有85%權益之房地產投資信託管理分支，由具備深厚美國房地產市場知識之資深專業團隊帶領。

1. GMR

如上文所述，本集團於GMR已發行股本之持股百分比減少至約14.8%，而本集團已繼續根據GMR與IAM於GMR發售後訂立之經修訂管理協議，直接向及自GMR提供管理服務及收取經常性管理費。預期GMR進行未來集資活動，將進一步提升其資本基礎，從而提高將向GMR收取之管理費收入。

2. AHR

AHR was listed on the OTC in 2010. AHR is currently 99%-controlled by the Company and owns a portfolio of single-family rentals primarily in Texas, Florida, Georgia and North Carolina. With the Group's strategy in seeking for higher-than-average annualised yield, the Group revisits the current properties portfolio of AHR and diversifies its investment from single family housing to senior housing communities in order to seize the potential opportunity for the current strong demand on retirement communities and elderly care industries in the USA. Subsequently in February 2017, the Group has entered into two agreements to acquire two senior housing communities in USA, namely, the Oxford Grand McKinney and the Glen Carr House for a total consideration of US\$27.6 million (approximately HK\$213.7 million) in expanding AHR properties portfolio.

Other Operations

The Group remains cautious on Singapore property market and does not expect to make a material investment in this market in the foreseeable future. For the non-core Japan hotel business, while the Group is seeking potential buyers to dispose the hotels or operation to enable the Group to deploy its resources in the most efficient way, it is actively seeking ways to enhance its overall profitability with a view to enabling the operations to be self-sustainable.

Overall

The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image.

2. AHR

AHR於二零一零年在場外交易上市。AHR目前由本公司控制99%權益，主要於德克薩斯州、佛羅里達州、喬治亞州及北卡羅萊納州擁有單棟出租單位組合。本集團之策略為尋求高於平均年度收益，為把握美國當前退休群體及安老行業產生之強勁需求之潛在機會，本集團已重新審視當前AHR之物業投資組合，並將投資從單棟出租單位分散至長者住房社區。於二零一七年二月後，本集團已訂立兩份協議以收購美國兩套長者住房院舍，即Oxford Grand McKinney及Glen Carr House，總代價為27,600,000美元（約213,700,000港元），以擴大AHR物業投資組合。

其他業務

本集團對新加坡物業市場仍保持謹慎態度，且不預期在可見將來作出重大投資。就非核心日本酒店業務方面，本集團在尋覓潛在買家以出售酒店或運營以使本集團得以最有效方式配置資源，並積極尋求方法加強其整體盈利能力，達至自負盈虧。

概述

本公司將善用本集團之財務、人力及技術資源，以加強其投資組合、資產基礎及品牌形象。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

ZHANG JINGGUO

Chairman, Executive Director and Chief Executive Officer

Mr. Zhang Jingguo, aged 54, is the Chairman, Executive Director and Chief Executive Officer of the Company. He was appointed to the Board on 6 July 2015 following the change of controlling shareholder on 29 June 2015.

Mr. Zhang has approximately 23 years of experience in the real estate development industry in China. From July 1983 to April 1995, Mr. Zhang held various positions at the then Light Industry Bureau of Henan Province, the governmental authority in charge of the light industry in Henan Province, and its associated collectively-owned enterprises, including division chief, engineer and vice manager, where he was responsible for administrative management. From April 1995 to April 2001, he worked at Xingye Real Estate as general manager, where he was responsible for its overall operations. Mr. Zhang Jingguo and Ms. Huang Yanping cofounded a real estate company which has become one of the top 100 property development companies in China. Mr. Zhang has served as the Chairman and chief executive officer of this top 100 real estate company since 2001. Mr. Zhang is responsible for the overall strategic planning and general management of our Group and is instrumental to our growth and business expansion. Mr. Zhang is the spouse of Ms. Huang Yanping.

Mr. Zhang received a bachelor's degree in radio science from Zhengzhou University in July 1983 and an Executive MBA degree from Guanghua School of Management, Peking University in July 2013. Mr. Zhang currently serves as senior consultant of Henan Real Estate Chamber of Commerce, vice-president of Industry & Commerce Association of Henan Province, graduate tutor of Zhengzhou University and a member of Henan Provincial Committee of Chinese People's Political Consultative Conference. Mr. Zhang was awarded "Outstanding Real Estate Developer of Henan Province" by the Department of Housing and Urban-Rural Development of Henan Province in 2011 and "Outstanding Real Estate Developer of Zhengzhou" by the Housing Security and Real Estate Administration Bureau of Zhengzhou in 2009, 2011 and 2012. In 2012, Mr. Zhang was named "Individual with Outstanding Contribution to Market Economy of Henan Real Estate Industry" by Henan Daily and the Private Economy Research Association of Henan Province and "Philanthropist of Henan Province" by the Industry & Commerce Association of Henan Province and the United Front Work Department of the CPC Henan Province Committee. Mr. Zhang received his senior engineer qualification from the People's Government of Henan Province in December 1996 and his first class construction engineer qualification from the Ministry of Housing and Urban-Rural Development in May 2012. Currently, Mr. Zhang is a non-executive director of Bank of Zhengzhou Co., Ltd., a listed company on the Main Board of the Stock Exchange (Stock Code: 6196).

張敬國

主席、執行董事兼行政總裁

張敬國先生，現年五十四歲，為本公司主席、執行董事兼行政總裁。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月六日獲任命進入董事會。

張先生於中國房地產開發行業擁有約二十三年經驗。自一九八三年七月至一九九五年四月期間，張先生曾擔任河南省輕工業廳（負責河南省輕工業之政府機關）及其相關集體所有制企業之多個職位，包括部門主管、工程師及副經理，負責行政管理。自一九九五年四月至二零零一年四月期間，彼於興業地產(Xingye Real Estate)擔任總經理，負責公司整體營運。張敬國先生與Huang Yanping女士共同創立一家房地產公司，該公司已成為中國物業開發百強公司之一。張先生自二零零一年起擔任該房地產百強公司的主席及行政總裁。張先生負責本集團之整體策略制定及一般管理，並幫助本集團業務增長及業務擴展。張先生為Huang Yanping女士之配偶。

張先生於一九八三年七月取得鄭州大學無線電理學學士學位，並於二零一三年七月取得北京大學光華管理學院高級管理人員工商管理碩士學位。張先生目前擔任河南省房地產業商會高級顧問、河南省工商聯合會副主席、鄭州大學研究生導師及中國人民政治協商會議河南省委員會委員。於二零一一年，張先生獲河南省住房和城鄉建設廳頒授「河南省房地產開發先進個人」，並於二零零九年、二零一一年及二零一二年獲鄭州市住房保障和房地產管理局頒授「鄭州市房地產開發先進個人」。於二零一二年，張先生獲河南日報社及河南省民營經濟研究會評為「河南地產民營經濟貢獻人物」，並獲河南省工商業聯合會及中共河南省委統戰部評為「河南省光彩慈善公益功勳人物」。於一九九六年十二月，張先生自河南省人民政府取得高級工程師資歷，並於二零一二年五月獲住房和城鄉建設部授予一級建造師資格。張先生現在是聯交所主板上市公司鄭州銀行股份有限公司（股份代號：6196）非執行董事。

HUANG YANPING

Non-Executive Director

Ms. Huang Yanping, aged 55, is the Non-Executive Director of the Company. She was appointed to the Board on 27 July 2015 following the change of controlling shareholder on 29 June 2015.

Ms. Huang has over 15 years' experiences in the property development and investment industry in the PRC. Ms. Huang has been involved in the development of not less than 36 property development projects in Henan, Shandong and Hainan province in China with a total gross floor area of not less than 14 million square meters. She is one of the founders of a real estate company which has become one of the top 100 property development companies in China.

Ms. Huang is the spouse of Mr. Zhang Jingguo, an executive Director.

ZHANG GUOQIANG

Executive Director

Mr. Zhang Guoqiang, aged 54, is an Executive Director of the Company. He was appointed to the Board on 27 July 2015 following the change of controlling shareholder on 29 June 2015.

Between August 1983 to October 1997, Mr. Zhang worked as a tutor at the Communication Command Academy of PLA, now known as the National Defence Information Academy of PLA. Between October 1997 to March 2003, Mr. Zhang served as the director of the marketing department of Wuhan Research Institute of Post & Telecommunications, also known as FiberHome Technologies Group, a product and solution provider in the field of information and telecommunications, where he was responsible for marketing. Prior to joining our Group, Mr. Zhang worked as a general manager at Nanjing North Road Technologies Co., Ltd., a coal analysis equipment manufacturer, from May 2003 to November 2005, where he was responsible for general management. Mr. Zhang joined the real estate company co-founded by Mr. Zhang Jingguo and Ms. Huang Yanping in 2006 and is responsible for the management of marketing centre and tendering and procurement centre. Mr. Zhang received a bachelor's degree in radio science from Zhengzhou University in July 1983. In 1988, Mr. Zhang received his lecturer qualification from the National Defence Information Academy of PLA and received his engineer qualification from Wuhan Research Institute of Post of Telecommunications.

HUANG YANPING

非執行董事

Huang Yanping女士，現年五十五歲，為本公司非執行董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月二十七日獲任命進入董事會。

Huang女士於中國物業發展及投資行業擁有逾十五年經驗。Huang女士一直在中國河南省、山東省及海南省參與不少於36項物業開發項目之發展工作，其總樓面面積不少於14,000,000平方米。彼為一家房地產公司之其中一名創辦人，該公司目前是中國物業開發百強公司之一。

Huang女士為執行董事張敬國先生之配偶。

張國強

執行董事

張國強先生，現年五十四歲，為本公司執行董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月二十七日獲任命進入董事會。

於一九八三年八月至一九九七年十月期間，張先生於中國人民解放軍通信指揮學院(現稱中國人民解放軍國防信息學院)擔任教員。於一九九七年十月至二零零三年三月期間，張先生擔任武漢郵電科學研究院(亦稱烽火科技集團，為一間信息及電子通訊行業之產品及解決方案供應商)市場部辦事處主任，負責營銷。加入本集團前，自二零零三年五月起至二零零五年十一月止期間，張先生曾擔任南京北路科技有限責任公司(一間煤炭分析設備製造商)總經理，負責綜合管理。張先生於二零零六年加入張敬國先生及Huang Yanping女士共同創立的房地產公司，負責營銷中心及招標以及採購中心的管理。張先生於一九八三年七月取得鄭州大學無線電理學學士學位。於一九八八年，張先生自中國人民解放軍通信指揮學院取得講師資格，並自武漢郵電科學研究院取得工程師資格。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

ERIC JACKSON CHANG

Executive Director & Chief Financial Officer

Mr. Eric Jackson Chang, aged 36, is an Executive Director of the Company. He was appointed to the Board on 27 July 2015 following the change of controlling shareholder on 29 June 2015. On 23 September 2016, he was appointed as Chief Financial Officer of the Group.

Mr. Chang worked at PricewaterhouseCoopers Ltd. ("PwC") Hong Kong from September 2002 to September 2013. Mr. Chang provided audit and consulting services to a number of listed companies during his tenure of office in PwC. In 2013, Mr. Chang joined the real estate company co-founded by Mr. Zhang Jingguo and Ms. Huang Yanping as chief financial officer. Mr. Chang received his bachelor of commerce degree from University of British Columbia in May 2002. Mr. Chang is a member of Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants.

Mr. Chang has resigned from his position as an executive Director, the Chief Financial Officer, the joint Company Secretary and an Authorised Representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), with effect from 1 April 2017.

LIU QIAO

Independent Non-Executive Director

Dr. Liu Qiao, aged 47, was appointed as an independent Non-Executive Director on 27 July 2015.

Dr. Liu is Professor of Finance and Dean at the Guanghua School of Management. He is a leading authority in the area of finance in China, and is recognized for his academic works in corporate finance, financial markets, and the Chinese economy.

張世澤

執行董事及首席財務總監

張世澤先生，現年三十六歲，為本公司執行董事。彼於二零一五年六月二十九日控股股東變動後，於二零一五年七月二十七日獲任命進入董事會。張先生於二零一六年九月二十三日獲委任為本集團之首席財務總監。

自二零零二年九月起至二零一三年九月止期間，張先生任職於香港羅兵咸永道會計師事務所（「羅兵咸永道」）。張先生於羅兵咸永道任期內向多家上市公司提供審核及諮詢服務。於二零一三年，張先生加入張敬國先生及Huang Yanping女士共同創立的房地產公司，擔任財務總監。於二零零二年五月，張先生取得卑詩省哥倫比亞大學商科學士學位。張先生為香港會計師公會及美國會計師公會之會員。

張先生已辭任本公司執行董事、首席財務總監、聯席公司秘書及聯交所證券上市規則（「上市規則」）第3.05項下之本公司授權代表，自2017年4月1日起生效。

劉俏

獨立非執行董事

劉俏博士，現年四十七歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

劉博士為北大光華管理學院金融學教授及院長。彼為中國金融領域的權威，其有關企業融資、金融市場及中國經濟的學術著作廣為人知。

Dr. Liu is the winner of Outstanding Youth Award of the National Science Foundation (2013), and was awarded “Li Yining Outstanding Service Award”, the highest award in the Guanghua School of Management in 2013. He is also the Ministry of Education “ChangJiang Scholar” Special Term Professor. Before he joined Guanghua in late 2010, Dr. Liu taught in the Faculty of Business and Economics, University of Hong Kong, and was tenured at University of Hong Kong. Dr. Liu also worked at McKinsey & Company’s Asia-Pacific Corporate Finance and Strategy Practice from 2001 to 2003, where he advised various multinational corporations (MNCs) and leading Asian companies on issues related to corporate finance and strategies. Dr. Liu holds a Doctor of Philosophy Degree in Economics from University of California at Los Angeles (UCLA) (2000), an Master of Arts in International Finance from the Graduate School of People’s Bank of China (1993), and a Bachelor of Science in Economics and Mathematics from the Renmin University of China (1991).

Dr. Liu’s primary academic research interests are in corporate finance, empirical asset pricing models, financial markets, and Chinese economy. He has published dozens of articles at leading academic journals including Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Accounting Research, Management Science, Economic Journal, Journal of Corporate Finance, Journal of Accounting, Auditing, and Finance, Financial Analysts Journal, etc. He has co-edited a book on the Asian debt capital markets – “Asia’s debt capital markets: prospects and strategies for development” (Springer, 2006). His co-authored book titled “Finance in Asia: Institutions, Markets, and Regulation,” (with Paul Lejot and Douglas Arner) was released by Routledge in March 2013. Dr. Liu is the author of the Chinese bestseller “Big to Brilliant: the Second Long March of Corporate China.” Besides academic research, Dr. Liu also writes articles for leading business newspapers and magazines. His articles and views appear in the The Economist, Financial Times, CFO Magazine, 21st Century Business Herald, Caijing Magazine, New Fortune, The Asian Wall Street Journal and South China Morning Post.

Dr. Liu has extensive business experiences. Over the past ten years, he has conducted numerous consulting projects for leading Chinese firms and MNCs including PetroChina, Minsheng Bank, Mercedes Benz (China), Shenzhen Stock Exchange, among many others. Dr. Liu is the founder of Huaxinhui, a platform focusing on advising China’s local governments on financing issues. He pioneers the practice of compiling balance sheets of local governments, and providing China’s local governments with market-based credit ratings. He is a strong advocate of including local government credit rating as one major key performance indicator to cope with China’s fast growing local government debts.

劉博士為國家自然科學基金傑出青年獎(二零一三年)的得獎者，並於二零一三年獲頒北大光華管理學院最高榮譽「Li Yining Outstanding Service Award」。彼亦為教育部「長江學者」特聘教授。劉博士於二零一零年底加入光華前，於香港大學經濟及工商管理學院任教，於香港大學擁有終身教職。劉博士亦由二零零一年至二零零三年於麥肯錫亞洲企業金融及戰略部門任職，任內彼為不同跨國公司(跨國公司)及亞洲領先企業就有關企業財務及戰略問題提供意見。劉博士擁有加州大學洛杉磯分校(UCLA)(二零零零年)經濟學博士學位、中國人民銀行研究生部(一九九三年)國際金融碩士學位及中國人民大學(一九九一年)經濟應用數學學士學位。

劉博士主要學術研究方向為企業融資、實證資產定價模型、金融市場及中國經濟。他曾於權威學術期刊發表數十篇文章，包括《金融經濟學期刊》、《金融與數量分析期刊》、《會計研究期刊》、《管理科學》、《經濟學期刊》、《企業金融》、《會計、審計和金融學期刊》、《金融分析師期刊》等。彼合作編撰關於亞洲債券市場書籍《Asia’s debt capital markets: prospects and strategies for development》(Springer出版，2006)。彼所合作編撰的書籍《Finance in Asia: Institutions, Markets, and Regulation》(與 Paul Lejot 和 Douglas Arner合著)由Routledge於二零一三年三月推出。劉博士為中國暢銷書《從大到偉大—中國企業的第二次長征》的作者。除學術研究外，劉博士亦為領先商業報紙及雜誌撰寫文章。其文章及觀點載於《經濟學人》、《金融時報》、《首席財務官》、《21世紀經濟報導》、《財經雜誌》(Caijing Magazine)、《新財富》、《亞洲華爾街日報》及南華早報。

劉博士擁有豐富商業經驗。於過去十年，彼為領先的中國公司及跨國公司進行多次諮詢項目，其中包括PetroChina、民生銀行、Mercedes Benz (China)及深圳證券交易所。劉博士為專注為中國地方政府融資問題提供諮詢的平台Huaxinhui的創辦人。彼開拓編纂地方政府資產負債表的慣例，為中國地方政府提供以市場為基礎的信用評級。彼堅定倡導包括地方政府信用評級作主要關鍵績效指標以應對快速增長的中國地方政府債務。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

MA YUNTAO

Independent Non-Executive Director

Mr. Ma Yuntao, aged 37, was appointed as an independent Non-Executive Director on 27 July 2015.

Mr. Ma has been serving at Jia Yuan Law Firm as a registered partner from July 2010 up to now, and became the managing partner and senior partner of China Overseas Financing Department (中國海外融資部門) in early 2014. He served at Commerce & Finance Law Offices from July 2002 to June 2010, engaging in securities business as to PRC laws. He acquired qualifications as a practicing solicitor in 2006 and registered as a partner at Commerce & Finance Law Offices in early 2010.

Mr. Ma ran projects including the IPO project of China Resources Pharmaceutical Group Limited, a company listed in the Hong Kong Stock Exchange (Stock Code: 3320) which is principally engaged in the research and development, manufacturing, distribution and retail of a broad range of pharmaceutical and healthcare products, the privatization and delisting project of Hunan Nonferrous Metals Company Limited, a company formerly listed in Hong Kong Stock Exchange (Stock Code: 2626) which was principally engaged in nonferrous metallic mineral resources mining business, IPO project of Guorui Properties Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 2329) which is principally engaged in real estate development, IPO project of Tianhe Chemicals Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1619) which is principally engaged in fluorochemical and chemical products production, IPO project of Poly Culture Group Corporation Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 3636) which is principally engaged in culture industry involving theatre management, artwork auction and investment, IPO project of Kerry Logistics Network Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 0636) which is principally engaged in logistics, IPO project of eprint Group Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1884) which is principally engaged in internet printing, spin-off listing in respect of Tonly Electronics Holdings Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1249) which is principally engaged in production of electronics products of TCL Multimedia Technology Holdings Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 1070) which is principally engaged in production of electronics products, very substantial acquisition project of China Taiping Insurance Holdings Company Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 0966) which is principally engaged in insurance, and IPO project of China Aluminum International Engineering Corporation Limited, a company listed in Hong Kong Stock Exchange (Stock Code: 2068) which is principally engaged in nonferrous engineering design and construction.

馬運弢

獨立非執行董事

馬運弢先生，現年三十七歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

馬先生自二零一零年七月至今於嘉源律師事務所執業，為註冊合夥人，並自二零一四年初擔任中國海外融資部門主管合夥人及高級合夥人。彼自二零零二年七月至二零一零年六月於通商律師事務所執業，從事證券業中國法律業務，其於二零零六年取得律師執業資格，並於二零一零年初註冊為通商律師事務所合夥人。

馬先生曾先後主辦華潤醫藥集團有限公司(於香港聯交所上市，股份代號：3320，主要從事研發、製造、分銷及零售種類繁多的醫藥及其他營養保健品)IPO專案、湖南有色股份有限公司(原於香港聯交所上市，股份代號：2626，主要從事有色金屬礦業資源開採業務)私有化及退市項目、國瑞置業有限公司(於香港聯交所上市，股份代號：2329，主要從事房地產開發業務)IPO專案、天合化工有限公司(於香港聯交所上市，股份代號：1619，主要從事氟化學工業及化工產品生產業務)IPO專案、保利文化集團股份有限公司(於香港聯交所上市，股份代號：3636，主要從事文化產業，包括劇院管理、藝術品拍賣及投資等業務)IPO專案、嘉里物流聯網有限公司(於香港聯交所上市，股份代號：0636，主要從事物流業務)IPO專案、eprint集團有限公司(於香港聯交所上市，股份代號：1884，主要從事互聯網列印服務業務)IPO專案、分拆通力電子控股有限公司(於香港聯交所上市，股份代號：1249，主要從事TCL多媒體科技控股有限公司(於香港聯交所上市，股份代號：1070，主要從事電子產品生產業務)電子產品生產業務)上市專案、中國太平保險控股有限公司(於香港聯交所上市，股份代號：0966，主要從事保險業務)非常重大收購專案及中鋁國際工程股份有限公司(於香港聯交所上市，股份代號：2068，主要從事有色金屬工程設計及施工業務)IPO專案等。

LIU DA

Independent Non-Executive Director

Mr. Liu Da, aged 41, was appointed as an independent Non-Executive Director on 27 July 2015.

Mr. Liu graduated from the University of International Business and Economics with a major in international business administration and obtained a bachelor's degree in economics. Mr. Liu is also a Certified Public Accountant (CPA) in China. Mr. Liu served as an audit manager and a senior audit manager of PricewaterhouseCoopers ("PwC") Guangzhou Office from 1998 to 2009 and Chicago Office from 2005 to 2007. Mr. Liu provided audit and consulting services to a number of global top 500 enterprises and overseas listed Chinese companies during his tenure of office in PwC. Mr. Liu was appointed as an executive director and the chief financial officer of the Landsea Green Properties Co., Ltd., a listed company on the Main Board of the Stock Exchange (Stock Code: 106) from 31 July 2013 to 5 January 2015 and was appointed as an independent non-executive director of Long Ji Tai He Holding Limited a listed company on the Main Board of the Stock Exchange (Stock Code: 1281) from 26 February 2015 to 16 October 2015. Currently, Mr. Liu is the managing partner of Key Wealth Capital Company Limited, providing financing and overseas mergers and acquisition services to Chinese enterprises.

劉達

獨立非執行董事

劉達先生，現年四十一歲，於二零一五年七月二十七日獲委任為獨立非執行董事。

劉先生畢業於對外經濟貿易大學，國際商業管理專業，並獲經濟學學士。彼亦為中國註冊會計師。劉先生於一九九八年至二零零九年期間於普華永道會計師事務所（「普華永道」）廣州辦事處擔任審核經理及高級審核經理，並於二零零五年至二零零七年期間於芝加哥辦事處擔任審核經理及高級審核經理。劉先生於普華永道任職期間曾向數間名列世界500強企業及海外上市中國公司提供審核及諮詢服務。劉先生於二零一三年七月三十一日至二零一五年一月五日期間獲委任為聯交所主板上市公司朗詩綠色地產有限公司（股份代號：106）執行董事及首席財務官，並於二零一五年二月二十六日至二零一五年十月十六日獲委任為聯交所主板上市公司隆基泰和控股有限公司（股份代號：1281）獨立非執行董事。劉先生現在是愷華資本有限公司管理合夥人，為中國企業提供融資以及海外併購服務。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Mr. Yuen Ping Man, aged 53, is the joint Company Secretary and the Chief Operating Officer (Hong Kong) responsible for the Group's corporate secretarial functions and business operations.

Mr. Yuen has over 20 years of managerial experience in corporate secretarial, business development, human resources and general administration. Mr. Yuen was previously the Chief Operating Officer of Xpress Finance Limited ("Xpress Finance"), a non-wholly owned subsidiary of the Company responsible for compliance, human resource, operations, sales and marketing, customer service and general administration of Xpress Finance. Prior to joining Xpress Finance in June 1997, Mr. Yuen worked in two listed groups and a financial institution.

Mr. Yuen is a fellow member of the Institute of Chartered Secretaries and Administrators (U.K.) and of the Hong Kong Institute of Chartered Secretaries, a senior member of The Hong Kong Institute of Marketing, a professional member of the Hong Kong Institute of Human Resource Management, a member of the Hong Kong Securities and Investment Institute, the Chartered Institute of Marketing (U.K.), the Hong Kong Institute of Purchasing & Supply and Society of Registered Financial Planners.

Mr. Yuen holds a Master's Degree in Business Administration and is also a certified risk planner.

Mr. Chan Chi Keung, aged 31, joined the Company in June 2016 as deputy Chief Financial Officer and is responsible for accounting and financial management. Mr. Chan has over 8 years of experience in accounting, auditing, financial management and corporate governance matters. Prior to joining the Company, Mr. Chan worked at a reputable international accounting firm and a listed conglomerate in Hong Kong, mainly responsible for auditing and accounting affairs. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan graduated from The City University of Hong Kong in 2008 with a bachelor's degree in business, major in accountancy.

Mr. Chan will appoint as Joint Company Secretary, Chief Financial Officer and an Authorised Representative of the Company under Rule 3.05 of the Listing Rule with effect from 1 April 2017.

源秉民先生，現年五十三歲，為本集團之聯席公司秘書及首席營運總監（香港），負責本集團之公司秘書事務及業務運作。

源先生積逾二十年之公司秘書、業務發展、人力資源及一般行政事務之管理經驗。源先生先前為本公司非全資附屬公司匯誠財務有限公司（「匯誠財務」）之營運總裁，負責匯誠財務之監察、人力資源、營運、市務及銷售、客戶服務及一般行政事務。於一九九七年六月加入匯誠財務前，源先生於兩間上市集團及一間財務機構任職。

源先生為英國特許秘書及行政人員公會、香港特許秘書公會之資深會員、香港市務學會之高級會員、香港人力資源管理學會之專業會員、香港證券及投資學會、英國特許市務學會、香港物資採購與供銷學會及註冊財務策劃師協會會員。

源先生擁有工商管理碩士學位及亦為核准風險評估策劃師。

陳志強先生，31歲，於二零一六年六月加入本公司為副首席財務總監，負責會計及財務管理。陳先生於會計、審計、財務管理及企業管治事宜方面擁有逾8年經驗。加入本公司前，陳先生曾於一家知名國際會計師事務所及一家於香港上市的綜合性企業任職，從事審計及會計工作。陳先生為香港會計師公會會員。陳先生畢業於香港城市大學，彼於二零零八年取得工商管理學士學位主修會計學。

陳先生將獲委任並於二零一七年四月一日生效為本公司聯席公司秘書、首席財務總監及上市規則第3.05項下之本公司授權代表。

Ms. Leung Ka Ying, aged 30, joined the Company in April 2016 as Financial Controller and is responsible for overseeing the Group's financial reporting and financial management functions. Ms. Leung obtained her bachelor's degree in Business Administration in Professional Accountancy from the Chinese University of Hong Kong in 2008. She is a member of the Hong Kong Institute of Certified Public Accountants with over 7 years of experience in accounting, auditing and financial management. Prior to joining the Company, Ms. Leung worked as a manager in PricewaterhouseCoopers and finance manager of a Hong Kong listed group.

United States Management

Mr. Jeffrey Busch, aged 59, is the Chief Executive Officer of the Group's 85%-owned U.S. subsidiary, IA Group, and oversees all of IA Group's REIT management and real estate activities in the U.S..

Mr. Busch has more than two decades of real estate experience as a developer, manager and investor, and has held senior positions representing the U.S. government – he was appointed by two U.S. Presidents to serve in senior administration capacities, including Assistant Secretary of the U.S. Housing and Urban Development (“HUD”) agency, and as U.S. Ambassador to the United Nations in Geneva, Switzerland. At HUD, Mr. Busch oversaw an annual budget of over US\$3 billion used to develop housing and commercial real estate.

As a principal investor, Mr. Busch has developed properties valued at hundreds of millions of U.S. dollars in various real estate asset classes, including large-scale residential, commercial, hospitality, and retail projects.

Mr. Busch is a graduate of the New York University Stern School of Business, holds a Master of Public Administration from New York University, and also a Doctor of Jurist Prudence from Emory University.

Mr. David Young, aged 69, is an Executive Vice President of IAM, which manages two REITs, AHR and GMR. Mr. Young is also the Chief Executive Officer of GMR, a company listed on the NYSE. He spearheads GMR's business strategies and manages its healthcare-related asset portfolio.

Mr. Young has over 25 years of experience in the healthcare real estate industry. He was the founder and CEO of Global Medical Realty trust, a medical facility developer and owner focused on sponsored development and equity lease financing of market-leading healthcare real estate. Mr. Young was also Senior Vice President of Business Development for General Electric Capital from 2004 to 2008, spearheading the co-launch and growth of GE's first acute medical real estate financing initiative.

梁家凝小姐，30歲，於二零一六年四月加入本公司為財務總監，負責本集團之財務報告及財務管理職能。梁小姐在二零零八年取得香港中文大學工商管理專業會計學之學士學位。彼為香港會計師公會會員，並於會計、審計及財務管理方面擁有逾7年經驗。於加入本公司前，梁小姐曾於羅兵咸永道會計師事務所擔任經理及一家香港上市集團任職財務經理。

美國管理層

Jeffrey Busch先生，現年五十九歲，為本集團擁有85%控股權之美國附屬公司IA Group之行政總裁，監管IA Group於美國之所有房地產投資信託管理及房地產活動。

作為開發商、經理人及投資者，Busch先生積逾二十年房地產經驗，代表美國政府身兼多個要職－彼曾獲兩任美國總統委任，以高級管理身份出任，包括美國住房及城市發展（「住房及城市發展」）部之助理部長及美國駐瑞士日內瓦聯合國大使。於住房及城市發展，Busch先生監管用於開發住宅及商業房地產之年度預算逾30億美元。

作為主要投資者，Busch先生已開發價值億萬美元之各房地產資產類別物業，包括大型住宅、商業、酒店及零售項目。

Busch先生畢業於紐約大學斯特恩商學院(New York University Stern School of Business)，持有紐約大學公共管理碩士學位，並持有埃默里大學(Emory University)法律哲學博士學位。

David Young先生，現年六十九歲，為IAM之執行副總裁，IAM管理兩個房地產投資信託，即AHR及GMR。Young先生亦為於紐約證券交易所上市的GMR之行政總裁。彼主導GMR業務策略，並管理其保健相關資產組合。

Young先生於保健房地產行業積逾25年豐富經驗。彼為Global Medical Realty Trust之創辦人及行政總裁。Global Medical Realty Trust為醫療設施開發商及擁有人，專注於領先保健房地產市場之資助發展及權益租賃融資。Young先生於二零零四年至二零零八年期間擔任通用電器業務發展部之高級副總裁，帶領共同推出及發展通用電器首個主要醫療房地產融資活動。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Mr. Young has an excellent track record in developing successful NYSE-listed healthcare REITs including Windrose Medical Properties, the core assets of which Mr. Young grew from start-up to over US\$500 million. He also grew the portfolio of Healthcare Property Investors Inc. from US\$300 million to over US\$3.5 billion, delivering an internal rate of return of 23% per annum over his ten year tenure.

Mr. Young graduated from the University of Iowa with a Bachelor of Science in Microbiology, and holds a Masters in Business Administration from Suffolk University's Sawyer School of Management.

Mr. Don McClure, aged 49, is the Chief Financial Officer of IA Group, and is responsible for IA Group's financial planning and risk-management in the United States.

Mr. McClure is a real estate business professional, leader, trainer, advisor and entrepreneur. His work experience covers many functional areas of finance and accounting, including policy and procedure development, compliance, internal controls, and acquisition due diligence. His core real estate business experience covers residential, office, retail, medical office and industrial asset classes, as well as ground-up development projects. Mr. McClure is also well-versed in housing and urban development, tax credit, bond deals, condominium and home owner's association issues, and has extensive experience in operational business development creating policy and procedures specific to REIT compliance to prevent fraud and material errors.

Prior to his appointment in IA Group, Mr. McClure served as the Accounting Manager of Washington Real Estate Investment Trust (NYSE/WRE), the oldest REIT in the country, with an established track record of consecutive dividend distributions. He also served as the Chief Financial Officer/Controller of Quantum Real Estate Management, an organization of over 140 employees. Mr. McClure brings experience working with the "Big Four" accounting firms, along with many local firms, having been engaged in over 300 client-side quarterly, interim and year-end audits.

Mr. McClure holds a Bachelor of Science in Finance from North Carolina A&T State University, and a Masters of Business Administration from Keller School of Management.

Mr. Alfonso Leon, aged 41, is the Chief Investment Officer of IA Group and is responsible for investment strategy, acquisition execution, deal sourcing and investor relations.

Young先生成功建立於紐約交易所上市之保健房地產投資信託(包括 Windrose Medical Properties)，往績彪炳。Young先生率先籌集之核心資產超過5億美元。彼亦令Healthcare Property Investors Inc.組合之價值由3億美元增至超過35億美元，於彼十年任期內創造每年23%之內部回報率。

Young先生畢業於愛荷華大學(University of Iowa)，獲頒微生物學理學學士學位，並持有薩福克大學(Suffolk University) Sawyer School of Management之工商管理碩士學位。

Don McClure先生，現年四十九歲，為IA Group首席財務總監，主管IA Group於美國之財務規劃及風險管理。

McClure先生為房地產商務專家、領袖、培訓導師、顧問及企業家。彼之工作經驗涵蓋財務及會計多個領域，包括政策及程序發展、合規、內部監控及收購盡職審查。彼之核心房地產商務經驗涵蓋住宅、辦公室、零售、醫療辦事處、工業資產類別以及完整發展項目。McClure先生精通住房及城市發展、稅項抵免、債券買賣、公寓及業主社團事務，並於營運業務發展方面擁有豐富經驗，專門就預防詐騙及重大失誤制定有關房地產投資信託合規事宜之政策及程序。

加盟IA Group前，McClure先生於美國歷史最為悠久之房地產投資信託Washington Real Estate Investment Trust (NYSE/WRE)出任會計部經理，而該投資信託創下連續派息之穩健往績記錄。彼亦曾於僱員數目超過140人之機構Quantum Real Estate Management任職財務總監。McClure先生曾於「四大」會計師行工作，亦曾於多間本地會計師行任職，參與超過300次用戶端季度、中期及年結審核工作。

McClure先生持有North Carolina A&T State University之財務學士學位及Keller School of Management之工商管理碩士學位。

Alfonzo Leon先生，現年四十一歲，為IA Group之首席投資總監，負責投資策略、收購執行、交易發掘及投資者關係。

Mr. Leon is a real estate finance executive with 15 years of acquisition and capital markets experience with approximately 100 completed transactions on behalf of institutional investors valued at US\$3 billion. Prior to joining GMR, Mr. Leon was a Senior Vice President with Cain Brothers & Company, a boutique health care investment banking firm based out of New York and San Francisco, within their real estate M&A and capital markets group. Mr. Leon joined Cain Brothers in 2005 and worked with leading clients across the health care spectrum including several health systems, multi-specialty physician groups, senior housing operators, non-traded and NYSE-listed REITs, health care developers, and private equity funds. Prior to Cain Brothers, Mr. Leon was an Associate with LaSalle Investment Management, an international investment advisor firm, within their North American acquisition group. Mr. Leon joined LaSalle in 2000 and acquired US\$800 million in multi-family, office, medical office, and industrial property on behalf of institutional investors that include the nation's largest pension funds and college endowments and a number of sovereign wealth funds. LaSalle Investment Management is a subsidiary of global consultancy firm Jones Lang LaSalle (NYSE: JLL).

Mr. Leon's experience includes managing commercial real estate transactions ranging from US\$5 million to US\$500 million, raising capital for developers for projects valued over US\$100 million, structuring joint ventures between developers and investors, completing large US\$100 million portfolio investment sales to health care REITs, structuring sale-leasebacks for physician groups, acquisitions and dispositions for separate and commingled funds, corporate real estate M&A, structuring credit tenant lease financing for investment grade health systems, and strategic real estate advisory for health systems. Mr. Leon's property type expertise within the health care sector includes medical office, outpatient facilities, surgical facilities, post-acute facilities, senior housing, and hospitals.

Mr. Leon received his Master's degree in real estate finance from The Massachusetts Institutes of Technology and his B.S. in Architecture from The University of Virginia.

Mr. Conn Flanigan, aged 49, is the In-house Counsel of IA Group. He first joined the Group in 2000, serving as General Counsel and Secretary with several of its U.S. subsidiaries.

Mr. Flanigan provides advisory services on all corporate and securities matters, including corporate finance and structure, debt and equity offerings, and securities compliance. He also negotiates, drafts, and oversees the companies' transactions.

Prior to his appointment in the Group, Mr. Flanigan held senior positions and provided legal advice in corporate finance, corporate acquisitions, securities law, contracts, intellectual property and employment law to numerous companies in the U.S. such as MediaOne Group, Inc., US WEST, Inc., and Tele-Communications, Inc.

Mr. Flanigan received a B.A. in International Relations from the University of San Diego in 1990 and a Juris Doctor Degree from the University of Denver Sturm College of Law in 1996.

Leon先生為房地產金融行政人員，於收購及資本市場方面擁有15年經驗，代表價值30億美元之機構投資者完成近百項交易。加入GMR(國際醫療房地產投資信託)前，Leon先生為Cain Brothers & Company(一間位於紐約及三藩市之精品保健投資銀行公司)之高級副總裁，任職於該公司之房地產併購及資本市場團隊。Leon先生於二零零五年加入Cain Brothers，與保健領域的眾多領先客戶合作，包括多個保健系統、多專業的醫師團體、高級住宅營運商、非貿易及紐約證券交易所上市之房地產投資信託、保健開發商及私募基金等。加入Cain Brothers前，Leon先生為LaSalle Investment Management(一間國際投資顧問公司)之聯繫人，任職於該公司之北美收購團隊。Leon先生於二零零零年加入LaSalle，代表機構投資者(包括全國最大的養老基金及大學捐贈基金及眾多主權財富基金)收購了價值800,000,000美元之多戶型、辦公室、醫療辦公室及工業物業。LaSalle Investment Management為環球顧問公司仲量聯行(紐約證券交易所交易代號：JLL)之附屬公司。

Leon先生之經驗包括管理介乎5,000,000美元至500,000,000美元之商業房地產交易、為開發商就價值超過100,000,000美元之項目籌資、於開發商及投資者之間組建合營企業、完成向保健房地產投資信託銷售100,000,000美元之大額組合投資、為醫師團體構建售後回租、收購及處置個別及混合型基金、企業房地產併購、為投資級別保健系統構建信貸租戶租賃融資系統及為保健系統提供策略性房地產顧問業務。Leon先生於保健行業之物業類型專業知識包括醫療辦公室、門診設施、外科手術設施、急性病治療後設施、高級住宅及醫院。

Leon先生取得麻省理工學院房地產金融學碩士學位及弗吉尼亞大學建築學學士學位。

Conn Flanigan先生，現年四十九歲，為IA Group之內部法律顧問。彼首先於二零零零年加盟本集團，於數間美國附屬公司擔任首席顧問及秘書。

Flanigan先生就所有公司及證券事務提供法律顧問服務，包括公司財務及架構、債務及證券發售以及證券合規事宜。彼亦負責商討、草擬及監管公司交易。

加盟本集團前，Flanigan先生曾任職多個高級職位，為多間美國公司(如MediaOne Group, Inc.、US WEST, Inc.及Tele-Communications, Inc.)提供有關公司財務、公司收購、證券法例、合約、知識產權及僱用法例之法律服務。

Flanigan先生於一九九零年取得University of San Diego之國際關係學士學位，並於一九九六年取得University of Denver Sturm College of Law之法律博士學位。

Report of the Directors

董事會報告書

The directors of the Company (the “Directors”) present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2016 (the “year”).

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in Note 41 to the consolidated financial statements.

An analysis of the Group’s revenue and results by principal operating segments for the year is set out in the Note 5 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 77.

The Directors do not recommend the payment of a dividend in respect of the year.

BUSINESS REVIEW

The Company was founded in 1965, with business focus on property development, property investment and management, hotel operations and securities trading and investment in Hong Kong, the PRC and overseas. Particulars of major properties are set out on pages 187 to 188.

A detailed business review for the year, including further discussions of the principal risks and uncertainties facing the Group, important events occurred since the end of the financial year, likely future development of the Group’s business and financial performance review with financial key performance indicators, are set out in “Chairman’s message” on pages 4 to 8, “Management discussion and analysis” on pages 19 to 27, “Financial summary” on page 186, Notes 4 and 32 to the consolidated financial statements, respectively. These discussions form part of this Report of the Directors.

The Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Listing Rules.

本公司董事(「董事」)謹此提呈本集團截至二零一六年十二月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本公司乃投資控股公司。其主要附屬公司之業務載於綜合財務報表附註41。

本集團於本年度主要經營分部之收益及業績分析載於綜合財務報表附註5。

業績及股息

本集團於本年度之業績載於第77頁之綜合損益及其他全面收益賬。

董事不建議就本年度派付股息。

業務回顧

本公司於一九六五年成立，專注於香港、中國及海外物業開發、物業投資及管理、酒店營運以及證券買賣及投資。有關主要物業之詳情載於第187至188頁。

本年度的詳細業務回顧包括本集團所面臨的主要風險及不明朗因素的進一步討論、自財政年度末以來發生的重大事項、本集團業務的可能未來發展及列有主要財務表現指標的財務表現回顧，分別載於第4至8頁「主席致詞」、第19至27頁「管理層討論及分析」、第186頁「財務概要」及綜合財務報表附註4及32。該等討論為本董事會報告書的組成部分。

本公司將根據上市規則附錄二十七的《環境、社會及管治報告指引》發佈一份獨立的環境、社會及管治報告。

Report of the Directors

董事會報告書

Key stakeholder relationships

To build a solid foundation for the Group's sustainable development, the Group recognises its employees, customers and business partners being the key stakeholders and maintain a continuous dialogue with them. The Group is dedicated to establish a close and supporting relationship with its employees, provide quality products and services to customers and strengthen all kinds of cooperation with its business partners.

The Company provides a healthy and safe workplace, career development opportunities and competitive remuneration and benefits to employees on their qualifications in accordance with industry practise in the geographical locations in which they are located. To treasure its loyal and industrious staff members and improve their performance at their positions, different forms of rewards and compensation including salaries, provident fund, bonus, insurance coverage, or share options, etc will be considered and reviewed on annual basis based on performance appraisals for eligible employees.

Maintaining close relationship with its customers as well as tenants are paramount to the long-term success for the Group. Interacting channels with customers and tenants are established to identify and respond to the dynamic market needs proactively, improve the quality of products and services to adhere to customers' needs and preference timely. In a long run, it fosters customer to enhance brand recognition on the Group with a trust-worthy basis.

The Group is also committed to develop fair and co-operating business partnership with suppliers and contractors to ensure stability of the Group's operation. Through a series of standardised procurement process including the tendering procedures, cost and quality of the procurement supply of the Group are able to be monitored, assessed and evaluated reasonably. The Group continuously upholds an effective communication with suppliers to deliver quality products and services to customers for the long-term sustainability.

主要利益相關人士關係

為就本集團可持續發展建立堅實基礎，本集團確認，其僱員、客戶及業務夥伴為主要利益相關人士，並與彼等保持持續緊密聯繫。本集團致力於與僱員建立緊密及相互支持的關係，為客戶提供高質量產品及服務，並加強與業務夥伴的全方位的合作關係。

本公司為員工提供健康安全的工作環境、事業發展機會及根據彼等所在的地理區域的行業慣例就其資質而言具競爭力的薪酬及福利。為珍惜忠誠及勤奮的員工及提升彼等於工作崗位的表現，本公司將考慮為合資格僱員提供不同形式的回報及薪酬，其包括薪金、公積金、花紅、保險保障或購股權等，並根據彼等的表現評估進行年度審閱。

與客戶及租客維持緊密關係對本集團的長期成功至關重要。與客戶及租客建立互動渠道以識別及主動應對動態市場需求，提升產品及服務質量以及時跟隨客戶的需求及愛好。長期以來，其有助增強客戶對本集團的品牌認知及信賴。

本集團亦致力於與供應商及承包商發展公平的業務合作關係，以確保本集團營運的穩定性。透過一系列標準化採購流程，包括招標程序，本集團的採購供應的成本及質量可被合理監控、評估及評核。本集團繼續堅持與供應商進行有效溝通，從而為長期可持續發展向客戶交付高質量產品及服務。

Report of the Directors

董事會報告書

Compliance with laws and regulations

As far as the Company is aware of, the Group has complied with applicable laws and regulations promulgated by the relevant regulatory bodies which are significant to the operations of the Group.

Environmental policy

The Group is committed to the long-term sustainability of businesses and communities with which it engages. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention to balance the sustainable business growth and environmental protection.

The Group endeavors to make improvements by promoting environmental friendly policies in the Group's operations and increasing the employee's awareness over environmental protection. By means of advocating eco-friendly and reusable materials, paper-recycling and energy saving measures on office equipment and appliances, it helps enhance efficient use of resources, energy efficiency and reduction of waste.

The Group is committed acting in an environmentally responsible manner to review its environmental protection policies and activities from time to time for implementation of any further measures and practices on environmental protection in the business operation.

MAJOR PROPERTIES

Particulars of the major properties of the Group at 31 December 2016 are set out on pages 187 to 188.

SHARES ISSUED DURING THE YEAR

Particulars of shares issued by the Company during the year are set out in Note 27 to the consolidated financial statements.

遵守法律及法規

據本公司所知，本集團已遵守相關監管機構制定的對本集團的營運而言屬重大的適用法律及法規。

環境政策

本集團致力於業務及其營運所在的社區的長期可持續發展。我們透過對可持續業務增長及環境保護的平衡保持謹慎及關注，審慎管理我們的業務及執行管理決策，以求達致可持續發展的業務模式。

本集團於其營運過程中透過推進環境友好型政策努力作出改善及不斷增強僱員的環保意識。透過倡導使用環境友好型及可多次利用材料、紙循環利用及辦公室設備及機器的節能措施等多種措施，有助於加強資源有效使用、能源效率及減少浪費。

本集團致力於以環保負責任的方式行事，於業務營運中實施任何進一步環保措施及實踐時不時檢討其環保政策及活動。

主要物業

本集團於二零一六年十二月三十一日持有之主要物業詳情載於第187至188頁。

年內已發行股份

本公司於本年度發行股份之詳情載於綜合財務報表附註27。

Report of the Directors

董事會報告書

On 12 May 2016, the Company entered into conditional subscription agreements with eight subscribers who are third parties independent of the Company and its connected persons (as defined in the Listing Rules) in relation to the subscription of an aggregate of 795,400,000 new ordinary shares in the Company in cash at the subscription price of HK\$0.20 per subscription share (the “Subscription”). Completion of the Subscription took place on 30 May 2016 and 795,400,000 Subscription Shares were allotted to the Subscribers under general mandate. The net proceeds from the Subscription were approximately HK\$159 million, which is intended to be used for the general working capital and repayment of liabilities of the Group and as funds for future development of the Company when the investment opportunities arise.

RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 81.

Distributable reserves of the Company at 31 December 2016 amounted to approximately HK\$291.7 million (2015: HK\$190.4 million).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of Hong Kong, which would oblige the Company to offer new shares to existing Shareholders on a pro-rata basis.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 186.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed securities during the year.

於二零一六年五月十二日，本公司與八名認購人(其為獨立於本公司及其關連人士(定義見上市規則)之第三方)就以現金按認購價每股認購股份0.20港元認購本公司合共795,400,000股新普通股(「認購事項」)訂立有條件認購協議。認購事項已於二零一六年五月三十日完成及795,400,000股認購股份已根據一般授權配發予認購人。認購事項之所得款項淨額約為159,000,000港元，該等所得款項淨額擬用作本集團的一般營運資金、償還債務以及支持潛在投資機會以推動本公司未來發展。

儲備

本集團於本年度之儲備變動情況載於第81頁之綜合權益變動表。

本公司於二零一六年十二月三十一日可供分派儲備約291,700,000港元(二零一五年：190,400,000港元)。

優先購買權

本公司組織章程細則或香港法例概無有關優先購買權之條文，致使本公司須按比例向現有股東發售新股份。

財務概要

本集團過去五個財政年度之業績及資產及負債概要載於第186頁。

購買、出售或贖回上市證券

本公司於年內概無贖回任何上市證券。本公司及其任何附屬公司於年內概無購買或出售本公司任何上市證券。

Report of the Directors

董事會報告書

DIRECTORS

(a) *Directors of the Company*

The Directors during the year and present Directors up to the date of this Report of the Directors are:

Executive Directors:

Zhang Jingguo (Chairman and Chief Executive Officer)

Zhang Guoqiang

Eric Jackson Chang (will resign on 1 April 2017)

Non-executive Director:

Huang Yanping

Independent non-executive Directors:

Liu Da

Liu Qiao

Ma Yuntao

In accordance with Articles 78 and 79 of the Company's Articles of Association and pursuant to code provision A.4.2 of Appendix 14 of the Listing Rules, Ms. Huang Yanping and Mr. Ma Yuntao will retire by rotation at the forthcoming annual general meeting of the Company to be held on 23 June 2017 (the "2017 AGM") and, being eligible, will offer themselves for re-election. Details of the Directors to be re-elected at the 2017 AGM are set out in the circular to the Shareholders sent together with this annual report.

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

No Director being proposed for re-election at the 2017 AGM has a service contract with the Company or any of its subsidiaries which are not determinable within one year without payment of compensation, other than normal statutory obligations.

The biographical details of the Directors and senior management of the Group are set out on pages 28 to 37.

董事

(a) 本公司董事

於本年度之董事及截至本董事會報告書日期之現任董事為：

執行董事：

張敬國 (主席及行政總裁)

張國強

張世澤 (將於二零一七年四月一日辭任)

非執行董事：

Huang Yanping

獨立非執行董事：

劉達

劉俏

馬運強

根據本公司組織章程細則第78及79條以及上市規則附錄十四守則條文第A.4.2條，Huang Yanping女士及馬運強先生將於二零一七年六月二十三日舉行之本公司應屆股東週年大會(「二零一七年股東週年大會」)上輪值告退，惟彼等合資格且願意重選連任為董事。有關於二零一七年股東週年大會上重選的董事之詳情載於隨本年度報告一併寄發予股東之通函內。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書，本公司認為所有獨立非執行董事均為獨立人士。

概無擬於二零一七年股東週年大會上重選之董事與本公司或其任何附屬公司訂立不可於一年內毋須支付賠償(一般法定賠償除外)而可予終止之服務合約。

本集團董事及高級管理層之履歷詳情載於第28至37頁。

Report of the Directors

董事會報告書

(b) *Directors of the Company's subsidiaries*

The directors of the Company's subsidiaries during the year and until the date of this report of the Directors are:

Conn Flanigan
David A. Young
Eric Jackson Chang (will resign on 1 April 2017)
Huang Yanping
Jeffrey Busch
Justin Lim Sheng Hwei (resigned effective on 15 December 2016)
Qin Yufei
Tan Shu Mei (appointed on 15 December 2016)
Zhang Huiqi
Zhang Jingguo

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 10A to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors, together with those of the five highest paid individuals of the Group for the year are set out in Note 10 to the consolidated financial statements.

(b) *本公司附屬公司之董事*

於本年度及截至本董事會報告書日期，本公司附屬公司之董事為：

Conn Flanigan
David A. Young (將於二零一七年四月一日辭任)
張世澤
Huang Yanping
Jeffrey Busch (於二零一六年十二月十五日辭任)
林昇輝
秦昱斐
Tan Shu Mei (於二零一六年十二月十五日獲委任)
張惠琪
張敬國

董事於交易、安排或合約之權益

除綜合財務報表附註10A所披露者外，本公司、其控股公司、同系附屬公司或附屬公司概無訂立董事直接或間接擁有重大權益且於年終或年內任何時間仍然生效之對本集團業務而言屬重要之交易、安排及合約。

董事薪酬及五名最高薪人士

於本年度，董事連同本集團五名最高薪人士薪酬的詳情載於綜合財務報表附註10。

Report of the Directors

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or any interest or short positions which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or any interests and short positions which have to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix 10 of the Listing Rules, were as follows:

Long positions

(a) Ordinary Shares of the Company

Name of Director	Capacity in which interests are held	Number of Shares held	Approximate percentage of the issued share capital of the Company % 約佔本公司已發行股本百分比(%)
董事姓名	權益持有者身份	所持股份數目	
Mr. Zhang Jingguo 張敬國先生	Spousal Interest (Note 2) 配偶權益(附註2)	3,579,612,209	57.95
Ms. Huang Yanping Huang Yanping女士	Interest of controlled corporation (Note 1) 受控制法團權益(附註1)	3,579,612,209	57.95

Notes:

- (1) These Shares are owned by Joy Town Inc, which is wholly and beneficially owned by Ms. Huang Yanping.
- (2) Mr. Zhang Jingguo (chairman, chief executive officer and executive Director of the Company) is the spouse of Ms. Huang Yanping, he is deemed to be interested in 3,579,612,209 Shares.

董事及主要行政人員於證券之權益及淡倉

於二零一六年十二月三十一日，董事及本公司主要行政人員於股份、本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部已知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須登記於該條例所述登記冊之任何權益或淡倉，或根據上市規則附錄十所載上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之任何權益及淡倉如下：

好倉

(a) 本公司普通股份

附註：

- (1) 該等股份由Huang Yanping女士全資實益擁有之Joy Town Inc. 擁有。
- (2) 張敬國先生(本公司主席、行政總裁及執行董事)為Huang Yanping女士之配偶，彼被視作於3,579,612,209股股份中擁有權益。

Report of the Directors

董事會報告書

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangements to enable the Directors and chief executive of the Company or any of their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, revenue attributable to the largest customer of the Group amounted to approximately 13.7% of the total revenue in the year and the five largest customers of the Group accounted for 41.6% of the Group's total revenue in the year.

During the year, purchases attributable to the largest supplier of the Group amounted to approximately 45.4% of the total purchases in the year and the five largest suppliers of the Group accounted for 84.3% of the Group's purchases in the year.

Mr. Zhang Jingguo, being the executive Director, has beneficial interest in one of the five largest suppliers disclosed above during the year. The transactions have been detailed under the below section headed "Continuing Connected Transactions".

Save as disclosed above, none of the Directors, their associates or any Shareholder (which to the knowledge of the Directors own more than 5.0% of the issued share capital of the Company) had an interest in these major customers or suppliers.

RELATED PARTY TRANSACTIONS

During the year, certain Directors and companies controlled by certain Directors entered into transactions with the Group which are disclosed in Note 39 to the consolidated financial statements. Save as disclosed in the below section headed "Continuing Connected Transactions", the Board confirmed that none of these related party transactions constitutes a discloseable connected transaction as defined under chapter 14A of the Listing Rules.

除上文披露者外，本公司或其任何附屬公司、其同系附屬公司、其母公司或其其他相聯法團於本年度內任何時間概無參與訂立任何安排，使董事及本公司最高行政人員或彼等任何配偶或未滿十八周歲的子女可藉購入本公司或任何其他法人團體之股份或債券而獲益。

管理合約

於本年度，概無訂立或訂有任何與本公司全部或任何重大業務有關之管理及行政合約。

主要客戶及供應商

於本年度，來自本集團最大客戶收益佔年內總收益之約13.7%，而本集團五大客戶收益佔本集團年內總收益之41.6%。

於本年度，自本集團最大供應商購買額佔年內總購買額之約45.4%，而自本集團五大供應商購買額佔本集團年內購買額之84.3%。

執行董事張敬國先生於本年度於上文披露的五大供應商之一擁有實益權益。有關交易之詳情載於下文「持續關連交易」一節。

除上文披露者外，概無董事、彼等之聯繫人士或任何股東(就董事所知擁有5.0%以上本公司已發行股本)於該等主要客戶或供應商中擁有任何權益。

關連人士交易

於本年度，若干董事及若干董事控制之公司與本集團訂立多項交易(於綜合財務報表附註39披露)。除下文「持續關連交易」一節所披露者外，董事會確認，概無該等關連人士交易構成上市規則第14A章所界定之須予披露關連交易。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, the following transactions are continuing connected transactions which are subject to the requirements under Chapter 14A of the Listing Rules.

Pursuant to the master services agreement (“Master Services Agreement”) entered into between the Company and Henan Zensun Corporate Development Company Limited (“Zensun Development”), on 22 December 2015, Zensun Development has agreed, or procure members among Zensun Development, its subsidiaries and/or any of its subsidiaries taken together are directly or interested so as to exercise or control 30% or more voting power (the “Zensun Development Group”) to provide construction and related ancillary services to the Group according to the definitive agreement (“Definitive Agreement”) signed between Zensun Development Group and the Group from time to time. The Master Services Agreement is effective for three years commencing from 1 January 2016 to 31 December 2018. The annual cap for the transactions contemplated under the Master Services Agreement for each of the financial years ending 31 December 2016, 2017 and 2018 are RMB92 million, RMB36 million and RMB15 million respectively.

As Zensun Development is beneficially wholly-owned by Mr. Zhang and Mr. Zhang is an executive Director and the spouse of Ms. Huang, the non-executive Director and a controlling shareholder of the Company interested in approximately 57.95% of the issued share capital of the Company through Joy Town Inc., the immediate and ultimate holding company of the Company. Zensun Development is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions constitute continuing connected transactions of the Company under the Listing Rules.

For the year ended 31 December 2016, the annual cap for the continuing connected transactions between the Group and Zensun Development Group under the Master Services Agreement was RMB92 million and the actual transacted amount was approximately RMB91.3 million.

持續關連交易

根據上市規則第14A章，下列交易為須受上市規則第14A章之規定規限之持續關連交易。

根據本公司與河南正商企業發展有限責任公司(「正商發展」)於二零一五年十二月二十二日簽訂之主服務協議(「主服務協議」)，正商發展已同意或促使正商發展、其附屬公司及／或合共直接或擁有權益致使可行使或控制行使30%或以上表決權之任何其他附屬公司(「正商發展集團」)根據正商發展集團與本集團不時簽訂之正式協議(「正式協議」)為本集團提供建設及相關輔助服務。主服務協議於二零一六年一月一日至二零一八年十二月三十一日之三年期間內有效。主服務協議項下擬進行之交易於截至二零一六年、二零一七年及二零一八年十二月三十一日止財政年度之年度上限分別為人民幣92,000,000元、人民幣36,000,000元及人民幣15,000,000元。

正商發展由張先生全資實益擁有，而張先生為執行董事及Huang女士之配偶，Huang女士則為本公司之非執行董事兼控股股東，透過本公司之直接及最終控股公司Joy Town Inc.於本公司已發行股本中擁有約57.95%權益。因此，根據上市規則第14A章，正商發展為本公司之關連人士。因此，根據上市規則，該等交易構成本公司之持續關連交易。

於截至二零一六年十二月三十一日止年度，本集團根據主服務協議與正商發展進行之持續關連交易之年度上限為人民幣92,000,000元，而實際交易金額約為人民幣91,300,000元。

Report of the Directors

董事會報告書

The aforesaid continuing connected transactions have been reviewed by independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid continuing connected transactions of the Group for the year ended 31 December 2016 have been entered into

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) “Assurance Engagement 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 also issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group 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 Hong Kong Stock Exchange.

In accordance with Hong Kong Standard on Assurance Engagement 3000 (Revised) “Assurance Engagement Other than Audits or Reviews of Historical Financial Information”, the auditor has also reported to the Board that for the year ended 31 December 2016, nothing has come to their attention that the continuing connected transactions, which were governed by the Master Services Agreement, (i) have not received the approval of the Board; (ii) have not been entered into, in all material respects, in accordance with the relevant agreement governing such transactions; and (iii) have exceeded the relevant cap amount for the financial year ended 31 December 2016 as set out in the announcement 22 December 2016 published by the Company in respect of the continuing connected transactions.

上述持續關連交易已經本公司獨立非執行董事審閱。獨立非執行董事確認，本集團於截至二零一六年十二月三十一日止年度之上述持續關連交易乃：

- (i) 於本集團一般及正常業務過程中訂立；
- (ii) 按一般商業條款訂立；及
- (iii) 根據規管該等交易之相關協議以及按屬公平合理，並符合本公司股東整體利益之條款訂立。

根據上市規則第14A.56條，本公司已委聘本公司核數師根據香港會計師公會頒佈之香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」並參照實務說明第740號「關於香港上市規則規定所述持續關連交易之核數師函件」對本集團之持續關連交易展開若干工作。核數師亦已發出包括本集團根據上市規則第14A.56條披露之持續關連交易之發現及結論之無保留意見函件。本公司已向香港聯交所提供核數師函件之副本。

根據香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」，核數師亦已向董事會報告，於截至二零一六年十二月三十一日止年度，概無有關受主服務協議規限之持續關連交易之下列事項須提請彼等垂注：(i)未取得董事會批准；(ii)於所有重大方面並未根據規管該等交易之相關協議訂立；及(iii)超出本公司於二零一六年十二月二十二日刊發之公佈所載之有關持續關連交易於截至二零一六年十二月三十一日止財政年度之相關上限金額。

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, according to the register of interest in Shares and underlying Shares and short positions kept by the Company pursuant to Section 336 of Part XV of the SFO and so far as is known to or can be ascertained after reasonable enquiries by the Directors, the persons (other than the Directors or chief executive of the Company) who were directly or indirectly interested in 5% or more in the Shares and underlying Shares of the Company are as follows:

Name 名稱	Nature of interest 權益性質	Number of Shares 股份數目	% %
Joy Town Inc.	Beneficial owner (Note 1) 實益擁有人(附註1)	3,579,612,209	57.95
Chan Heng Fai 陳恒輝	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22
Chan Yoke Keow 陳玉嬌	Beneficial owner (Note 2) 實益擁有人(附註2)	322,580,166	5.22

Note:

- Ms. Huang Yanping is the sole Director and shareholder of Joy Town Inc.
- These Shares are owned by Mr. Chan Heng Fai and Ms. Chan Yoke Keow. Mr. Chan Heng Fai is the spouse of Ms. Chan Yoke Keow, they are deemed interest in the Shares held by each other.

Save as disclosed above, as at 31 December 2016, no person other than the Directors whose interests are set out in the above section headed "Directors' and chief executive's interests and short positions in securities", had registered an interest of 5% or more in the issued share capital of the Company, and short positions in the Shares and underlying Shares that was required to be recorded in the register of interest pursuant to Section 336 of Part XV of the SFO.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

As at 31 December 2016, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group's businesses except that Mr. Zhang Jingguo and Ms. Huang Yanping are individually and collectively deemed interested in Zensun Development Group and Henan Zensun Real Estate Co., Ltd. and/or its subsidiaries associated companies ("Zensun Group") which are engaged in construction, property development and related business in the PRC.

主要股東

於二零一六年十二月三十一日，根據本公司遵照證券及期貨條例第XV部第336條存置之股份及相關股份權益及淡倉登記冊，以及據董事目前所知或於作出合理查詢後所確定，直接或間接擁有本公司股份及相關股份5%或以上權益之人士(董事或本公司主要行政人員除外)如下：

附註：

- Huang Yanping女士為Joy Town Inc.之唯一董事及股東。
- 該等股份由陳恒輝先生及陳玉嬌女士擁有。陳恒輝先生為陳玉嬌女士之配偶，彼等被視作於各自所持股份中擁有權益。

除上文披露者外，於二零一六年十二月三十一日，除權益載於上文「董事及主要行政人員於證券之權益及淡倉」一節之董事外，概無任何人士登記擁有本公司已發行股本5%或以上權益及須根據證券及期貨條例第XV部第336條記入權益登記冊之股份及相關股份之淡倉。

董事於競爭業務之權益

於二零一六年十二月三十一日，除張敬國先生及Huang Yanping女士個別及共同被視作於中國從事建築、物業發展及相關業務之正商發展集團及河南正商置業有限公司及/或其附屬公司/聯營公司(「正商集團」)中擁有權益外，概無董事於直接或間接與本集團業務構成或可能構成競爭之任何業務中擁有權益。

Report of the Directors

董事會報告書

As the Board is independent of the boards of Zensun Development Group and Zensun Group, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from, the above businesses.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes for the employees of the Group are set out in Note 38 to the consolidated financial statements.

CORPORATE GOVERNANCE

Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 51 to 67.

PUBLIC FLOAT

As at the latest practicable date of prior to the issue of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

PERMITTED INDEMNITY

The Company's Articles of Association provides that Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

IMPORTANT EVENTS SINCE THE YEAR END

Details of the important events since the year end are set out in Note 43 to the consolidated financial statements.

ANNUAL GENERAL MEETING

The 2017 AGM will be held on 23 June 2017 and the notice of the 2017 AGM will be published and despatched in the manner as required by the Listing Rules and the Articles of Association of the Company in due course.

由於董事會獨立於正商發展集團及正商集團之董事會，故本公司能獨立於上述業務，按公平協商基準經營業務。

退休福利計劃

本集團為僱員提供之退休福利計劃詳情載於綜合財務報表附註38。

企業管治

有關本公司之企業管治常規詳細資料載於第51至67頁之企業管治報告內。

公眾持股量

根據本公司公開可得資料及就董事所知悉，於刊發本年報前之最後可行日期，本公司已維持上市規則訂明之足夠公眾持股量。

獲准許的彌償

本公司之組織章程細則規定，董事有權從本公司的資產中獲得彌償保證，以就其作為董事招致或蒙受的一切損失或責任獲得彌償。本公司已於整個年度為董事及本集團高級職員投購合適的董事及高級職員責任險。

年結後之重大事項

年結後之重大事項詳情載於綜合財務報表附註43。

股東週年大會

本公司將於二零一七年六月二十三日舉行二零一七年股東週年大會，有關二零一七年股東週年大會之通告將按上市規則及本公司組織章程細則所規定之方式於適當時候刊發及寄發。

Report of the Directors

董事會報告書

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2017 AGM, the register of members of the Company will be closed from Tuesday, 20 June 2017 to Friday, 23 June 2017, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2017 AGM, unregistered holders of Shares should ensure that all transfers of Shares accompanied by the relevant Share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar, Tricor Friendly Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 19 June 2017.

AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu, who retire and, being eligible, offer themselves for re-appointment at the 2017 AGM.

On behalf of the Board

ZHANG JINGGUO
*Chairman, Executive Director
and Chief Executive Officer*

29 March 2017

暫停辦理股份過戶登記手續

為釐定有權出席二零一七年股東週年大會及於會上表決之股東，本公司將於二零一七年六月二十日(星期二)至二零一七年六月二十三日(星期五)(包括首尾兩日)暫停辦理股東登記手續，期內不會辦理股份過戶登記手續。為符合資格出席二零一七年股東週年大會及於會上表決，未登記為股份持有人之人士務請於二零一七年六月十九日(星期一)下午四時三十分前，將所有股份過戶文件連同有關股票及適當過戶表格交回本公司之股份登記處卓佳準誠有限公司之辦事處，地址為香港皇后大道東183號合和中心22樓，以便辦理登記手續。

核數師

德勤•關黃陳方會計師行已審核綜合財務報表，彼將於二零一七年股東週年大會上退任，並合資格且願意膺選連任。

代表董事會

張敬國
*主席、執行董事
兼行政總裁*

二零一七年三月二十九日

Corporate Governance Report

企業管治報告

The Company is committed to maintain a high standard of corporate governance, formulate good corporate governance practice to improve accountability and transparency in operations, and strengthen the risk management and internal control systems of the Group from time to time so as to cope with the expectations of the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions (“Code Provisions”) and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules throughout the year, save and except for the deviations from Code Provisions A.1.1, A.2.1 and C.2.5 of the CG Code.

Pursuant to Code Provision A.1.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly internals. Although only two regular Board meetings were held during the year, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group provided to the Directors the information in respect of the Group’s business development and activities from time to time and, when required, ad hoc Board meetings will be held;

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive of the Company should be segregated. The Company is of the view that it is in the best interest of the Company that Mr. Zhang Jingguo, with his profound expertise in the property business, shall continue in his dual capacity as chairman and chief executive officer; and

Pursuant to Code Provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company conducted an annual review on the need for setting up an internal audit department. Given the Group’s simple operating structure, it was decided that the Board would be directly responsible and review on the adequacy and effectiveness of the risk management and internal control systems of the Group. During the year, the Board, assisted with the Audit Committee, had conducted an annual review on the risk management and internal control systems of the Group, including the analysis and appraisal of its adequacy and effectiveness.

本公司銳意維持高水準之企業管治，制訂良好之企業管治常規，致力改善營運之問責性及透明度，並不時加強本集團之風險管理及內部監控系統以達致股東之期望。

企業管治常規

本公司已於本年度遵守上市規則附錄十四所載之原則，並已遵守當中所載企業管治守則(「企業管治守則」)之所有守則條文(「守則條文」)及(如適用)建議最佳常規，惟與企業管治守則之守則條文第A.1.1條、A.2.1條及C.2.5條有所偏離。

根據企業管治守則之守則條文第A.1.1條，董事會會議每年須至少舉行四次，大概每個季度舉行一次。儘管本年度內僅舉行兩次常規董事會會議，惟由於業務營運由執行董事負責管理及監督故董事會認為已舉行足夠會議。此外本集團之高級管理層不時向董事提供有關本集團業務發展及活動之資料，並將於需要時舉行董事會會議。

根據企業管治守則之守則條文第A.2.1條，本公司主席及行政總裁之角色應作出區分。本公司認為，張敬國先生擁有豐富物業業務經驗，應繼續出任主席兼行政總裁，此乃符合本公司之最佳利益。

根據企業管治守則之守則條文第C.2.5條，本集團應具備內部審核職能。本公司就是否需要建立內部審核部門進行年度檢討。鑑於本集團之營運結構簡單，決定由董事會直接負責檢討本集團之風險管理及內部監控系統之充足性及有效性。本年度內，董事會透過審核委員會對本集團之風險管理及內部監控系統已進行年度檢討，包括分析及評核其充足性及有效性。

Corporate Governance Report

企業管治報告

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the directors. The Company has made specific enquiries with all Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the year.

The Company has adopted a code of conduct regarding securities transactions by the relevant employees of the Group who are considered likely to be in possession of unpublished price sensitive information of the Group on no less exacting terms than the Model Code in relation to their dealings in the securities of the Company pursuant to Code Provision A.6.4 of the CG Code. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

BOARD OF DIRECTORS

Overall Accountability

The Board is accountable to the Shareholders and in discharging its corporate accountability, every Director is required to pursue excellence in the interests of the Shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board Responsibilities and Delegation

The Board is responsible for formulating group policies and strategic business directions, and monitoring business performances through implementation of adequate risk management and internal control systems. The executive Directors are delegated with the authorities and responsibilities for the day-to-day management of the Group, operational and business decisions within the control and delegation framework of the Group. The non-executive Directors (including independent non-executive Directors) contribute valuable views, professional opinions and proposals for the Board's deliberation and decisions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;

董事及有關僱員進行證券交易之守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為董事進行證券交易之行為守則。經本公司向全體董事作出具體查詢後，全體董事確認於本年度內一直遵守標準守則所載之規定準則。

根據企業管治守則之守則條文A.6.4條，本公司亦對被視為可能擁有未經發佈本集團或其證券價格敏感資料之本集團之有關僱員已採納一套證券交易操守守則，條款之嚴謹程度不遜於標準守則。據董事所深知及確信，所有有關僱員均遵守該守則規定之規定標準。

董事會

整體問責性

董事會須向股東負責，並履行其企業責任，每名董事須追求卓越，符合股東利益，按法規規定應用所需技能、謹慎且竭盡所能達成其誠信責任。

董事會之責任及授權

董事會負責制定集團政策及策略性業務方向，並透過實行充足的風險管理及內部監控系統監察業務表現。執行董事獲授予於本集團之監控及授權框架內對本集團進行日常管理及作出經營及業務決策之權力及責任。非執行董事(包括獨立非執行董事)貢獻寶貴見解、專業意見及建議，供董事會考慮及決策。

董事會在企業管治職能方面之責任包括以下各項：

- (i) 制定及檢討本公司企業管治之政策及常規；

Corporate Governance Report

企業管治報告

- | | |
|---|---------------------------------------|
| (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; | (ii) 檢討及監察董事及高級管理層之培訓及持續專業發展； |
| (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; | (iii) 檢討及監察本公司遵守法律及法規規定之政策及常規； |
| (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and | (iv) 制定、檢討及監控行為守則及遵守適用於僱員及董事之手冊(如有)；及 |
| (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. | (v) 檢討本公司在遵守企業管治守則方面之合規情況並於企業管治報告中披露。 |

The Board has delegated some of its functions to the board committees, details of which are set out below.

董事會已授權部分職能予董事會委員會，詳情載於下文。

The Board reserves for its decisions all major matters of the Company, including appointment of new Directors, approval of financial statements, dividend policy, significant accounting policies, material contracts, significant appointments such as company secretary and external auditors, terms of reference of board committees, major corporate policies such as code of conduct, and other significant financial and operational matters.

董事會亦保留對本公司重大事宜之決定，包括委任新董事、批准財務報表、股息政策、重大會計政策、重大合約、如委任公司秘書及外聘核數師等重大委任、董事會委員會之職權範圍、主要公司政策如行為守則等，以及其他重大之財務及營運方面事宜。

The Board is also responsible for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group. It has carried out review of the existing implemented systems, including control measures of financial and operational compliance of the Group.

董事會同時亦負責維持及審閱本集團之風險管理及內部監控系統的效能，並對現時實行之系統已進行審閱程序，其中包括審閱本集團之財務及營運合規性的監控措施。

Liability Insurance for the Directors

The Company has arranged for appropriate liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed on an annual basis.

董事之責任保險

本公司已為董事安排合適的責任保險，以彌償其董事因企業活動的法律訴訟承擔責任。該等保險覆蓋的保障按年檢討。

Composition of the Board

As at 31 December 2016, the Board comprised seven Directors including three executive Directors, one non-executive Director ("NED") and three independent non-executive Directors ("INEDs"). The biographical details of the Directors and the senior management of the Group are set out on pages 28 to 37.

董事會之組成

於二零一六年十二月三十一日，董事會合共有七名董事，包括三名執行董事、一名非執行董事(「非執行董事」)及三名獨立非執行董事(「獨立非執行董事」)。董事及本集團之高級管理層之履歷詳情載於第28至37頁。

Corporate Governance Report

企業管治報告

Mr. Zhang Jingguo is the Chairman of the Board and Chief Executive Officer of the Company. He is primarily responsible for leadership and effective functioning of the Board, ensuring key issues are promptly addressed by the Board, as well as providing strategic direction of the Group, take primary responsibility for ensuring good corporate governance practices with necessary procedures established and also together with other executive Directors are responsible for the Group's daily operations and the effective implementation of corporate strategy and policies.

Executive Directors

As at 31 December 2016, there were three executive Directors including Mr. Zhang Jingguo, Mr. Zhang Guoqiang and Mr. Eric Jackson Chang. Mr. Zhang Jingguo is the spouse of Ms. Huang Yanping.

Non-executive Director

As at 31 December 2016 there was one NED, Ms. Huang Yanping. Ms. Huang Yanping is the spouse of Mr. Zhang Jingguo.

Independent Non-executive Directors and their Independence

As at 31 December 2016, there were three INEDs including Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.

The Company has appointed a sufficient number of INEDs in accordance with Rules 3.10(1) and 3.10A of the Listing Rules. With Dr. Liu Qiao and Mr. Liu Da's working experience and their academic background in finance and accounting, the Company considers that they are qualified persons with appropriate professional knowledge in accounting and finance as required by Rule 3.10(2) of the Listing Rules.

The Company has already received annual confirmation letters of independence from all the INEDs and each of them have declared fulfillment of all the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules. Accordingly, the Board considers that all INEDs are independent as defined in the Listing Rules.

All the Directors, including the NED and INEDs, have entered into service agreements with the Company under which all Directors must retire by rotation at least once every three years, and no Director shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is longer, without submitting himself/herself for re-election at the annual general meeting.

張敬國先生為董事會主席兼本公司行政總裁。彼主要負責董事會之領導及有效職能、確保董事會即時應對主要問題，並為本集團提供策略方向，同時亦主要負責確保已設立良好企業管治常規及所需程序，並連同其他執行董事負責本集團之日常營運及有效執行企業策略及政策。

執行董事

於二零一六年十二月三十一日，本公司有三名執行董事，包括張敬國先生、張國強先生及張世澤先生。張敬國先生為Huang Yanping女士之配偶。

非執行董事

於二零一六年十二月三十一日，本公司有一名非執行董事Huang Yanping女士。Huang Yanping女士為張敬國先生之配偶。

獨立非執行董事及彼等之獨立性

於二零一六年十二月三十一日，本公司有三名獨立非執行董事，包括劉俏博士、劉達先生及馬運強先生。

本公司已根據上市規則第3.10(1)及3.10A條委任足夠數目之獨立非執行董事。憑藉劉俏博士及劉達先生之工作經驗以及彼等於金融及會計之學歷，本公司認為彼等為上市規則第3.10(2)條規定於會計及金融具備合適專業知識之合資格人士。

本公司已向所有獨立非執行董事取得年度獨立性之確認函件，而彼等各自均聲明已符合所有根據上市規則第3.13條評估獨立性之指引。因此，董事會認為所有獨立非執行董事均為上市規則所界定之獨立人士。

所有董事(包括非執行董事及獨立非執行董事)已與本公司訂立服務協議，據此，所有董事必須最少每三年輪席告退一次，於董事委任或膺選連任後，概無董事可未經於股東週年大會上膺選連任而持續連任超過三年，或通過第三屆股東週年大會，以較長者為準。

Corporate Governance Report

企業管治報告

In compliance with Code Provision A.3.2 of the CG Code, an updated list of the Directors identifying their role and function are available on the websites of the Company (www.zhsuccess.com) and the Stock Exchange (www.hkex.com.hk). The Company will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skill and experience to meet the needs of the Group's business and to enhance the Shareholders' value.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development so as to develop and refresh directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant.

The Company regularly circulates training materials or briefings to all Directors in respect of the updates on, among other things, the Listing Rules, the SFO or guidelines, the Hong Kong Companies Ordinance and relevant financial or accounting standards which may be of the interest to Directors. During the year, all Directors have complied with the Code Provisions in relation to continuous professional development, apart from reading materials relevant to the Company's business, director's duties and responsibilities. Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Mr. Eric Jackson Chang, Ms. Huang Yanping, Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao also attended and/or gave presentation in seminars/forums. The Company updates Directors constantly on the latest developments regarding the Group's business and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. All Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the Company for accurate and comprehensive record keeping.

為遵守企業管治守則之守則條文第A.3.2條，列明其角色及職能之最新董事名單，可在本公司網站(www.zhsuccess.com)及聯交所網站(www.hkex.com.hk)查閱。本公司將不時檢討董事會之組成，確保董事會擁有適當及所需之專長、技能及經驗，以滿足本集團之業務需要，並提升股東價值。

董事之培訓及持續專業發展

所有董事均鼓勵參與持續專業發展，以發展及更新彼等的知識及技能，以確保彼等繼續在具備全面資訊及切合所需的情況下為董事會作出貢獻。

本公司定期向全體董事傳閱董事或會感興趣的培訓資料及簡報，內容有關(其中包括)上市規則、證券及期貨條例或其他有用指引，公司條例以及財務或會計準則的相關資訊。本年度內，除閱讀有關本公司業務、董事職務及責任之資料外，所有董事均已遵守有關持續專業發展之守則條文。張敬國先生、張國強先生、張世澤先生、Huang Yanping女士、劉俏博士、劉達先生及馬連強先生亦有出席研討會/講座，及/或於研討會/講座上發表簡報。本公司就本集團業務及其他適用監管規定之最新進展，不斷向董事提供最新資訊，確保遵守及提升董事對良好企業管治常規的意識。全體董事會定期向本公司提供培訓記錄，而有關記錄會由本公司保存，藉以保留準確及完備的培訓記錄。

Corporate Governance Report

企業管治報告

Board Committees

The Board has established three Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) to assume responsibilities for and to oversee particular aspects of the Company’s affairs with respective terms of reference. Details of the board committees are discussed below.

All Board committees are provided with sufficient resources to discharge their duties and are empowered to obtain independent professional advice at the Company’s expense in appropriate circumstances.

Attendance of Directors at various meetings

During the year, details of the Directors’ attendance in the following meetings are set out below:

董事會委員會

董事會已成立三個董事會委員會包括審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)，按各自職權範圍內，專責承擔本公司事務中特定範疇之職責，並就此進行監督。董事會委員會詳情於下文討論。

所有董事會委員會已獲提供充足資源，以履行其委員會的職責，且授權在合適的情況下諮詢獨立專業意見，費用由本公司承擔。

董事於各個會議之出席率

於本年度，董事就以下會議之出席率詳情載列如下：

Directors 董事	Number of meetings attended/Number of meetings held 出席會議次數/舉行會議次數				Annual General Meeting 股東週年大會
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Executive Directors					
執行董事					
Mr. Zhang Jingguo 張敬國先生	2/2	N/A 不適用	1/1	1/1	1/1
Mr. Zhang Guoqiang 張國強先生	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Eric Jackson Chang 張世澤先生	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1
NED					
非執行董事					
Ms. Huang Yanping Huang Yanping女士	2/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1
INEDs					
獨立非執行董事					
Dr. Liu Qiao 劉俏博士	2/2	2/2	1/1	1/1	1/1
Mr. Liu Da 劉達先生	2/2	2/2	N/A 不適用	1/1	1/1
Mr. Ma Yuntao 馬運弢先生	2/2	2/2	1/1	N/A 不適用	1/1

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee is primarily responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, including reassessment of the financial and accounting policies, review of interim reports, annual reports and financial information, etc. In addition, the Audit Committee is responsible for making recommendations to the Board, to be put to Shareholders for approval at the annual general meeting (“AGM”), in relation to the appointment, re-appointment and removal of external auditor; review and supervision of the external auditor in respect of its independence and objectivity, the effectiveness of the audit procedures; formulation of policies on the provision of non-audit services by the external auditor; handling any issues related to the resignation or the removal of such auditor and the communication with the external auditor on auditing matters.

As at 31 December 2016, the Audit Committee consisted of three members, namely, Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao who all are INEDs. Mr. Liu Da is the chairman of the Audit Committee. The most up-to-date version of the written terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

During the year, two Audit Committee meetings were convened. The Audit Committee had performed the followings tasks, among others:

- (i) reviewed the annual results for the nine months ended 31 December 2015 and interim results for the six months ended 30 June 2016;
- (ii) reviewed the appropriateness and effectiveness of risk management and internal control systems;
- (iii) discussed with the auditor of the Company and reviewed their audit findings;
- (iv) reviewed the auditor’s remuneration;
- (v) reviewed all non-audit services provided by the auditors to determine the provision of such services would affect the independence of the auditors; and
- (vi) performed the corporate governance functions and reviewed the corporate governance policies and practices.

審核委員會

審核委員會主要負責審閱及監察本公司之財務報告、風險管理及內部監控系統，包括重新評估財務及會計政策、審閱中期報告、年度報告及財務資料等。此外，審核委員會負責向董事會就有關委聘、續聘及罷免外聘核數師於股東週年大會（「股東週年大會」）取得股東之批准、審閱及監督外聘核數師之獨立性及客觀性、其審核程序之有效性、制定外聘核數師提供之非審核服務之政策、處理有關核數師退任或罷免該核數師之有關事宜以及與外聘核數師就核數事宜溝通，作出建議。

於二零一六年十二月三十一日，審核委員會包括三名成員，即劉達先生、劉俏博士及馬運強先生，彼等均為獨立非執行董事。劉達先生為審核委員會主席。審核委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

於本年度，審核委已舉行兩次會議。審核委員會已進行以下工作，其中包括：

- (i) 審閱截至二零一五年十二月三十一日止九個月之年度業績及截至二零一六年六月三十日止六個月之中期業績；
- (ii) 檢討風險管理及內部監控系統之合適性及有效性；
- (iii) 與本公司之核數師討論及檢討其審核發現；
- (iv) 檢討核數師之薪酬；
- (v) 檢討所有由核數師提供之非審核服務以釐定所提供該等服務是否將影響核數師之獨立性；及
- (vi) 履行企業管治職能並檢討企業管治政策及常規。

Corporate Governance Report

企業管治報告

After due and careful consideration with all necessary financial information, and reports from management and the external auditors, the Audit Committee noted that no suspected fraud or irregularities, significant internal control deficiencies, or suspected infringement of laws, rules, or regulations had been found in respect of the Group, and concluded at the meeting held on 29 March 2017 that the risk management and internal control systems were adequate and effective.

On 29 March 2017, the Audit Committee Meeting was convened to review the Group's consolidated financial statements for the year ended 31 December 2016, including the accounting principles and practices, in conjunction with the Company's external auditor. The Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2016 has complied with the applicable accounting standards and the Listing Rules and the Hong Kong Companies Ordinance. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2016.

The Audit Committee also recommended to the Board the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company and that the relevant resolution shall be put forth for Shareholders' consideration and approval at the 2017 AGM.

REMUNERATION COMMITTEE

The Remuneration Committee is mainly responsible for making recommendations on and approving the remuneration policy and structure and packages of the Directors and senior management to the Board. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as the prevailing market conditions. The human resources department is responsible for collection and administration of the human resources data for the Remuneration Committee's for consideration.

審核委員會連同管理層及外聘核數師提交之財務資料及報告經審慎及周詳考慮後，獲悉並無發現本集團涉嫌詐騙或違規、嚴重內部監控不足或涉嫌違反法例、規則或規例之情況，並於二零一七年三月二十九日舉行之會議上總結內部監控系統屬充分且有效。

於二零一七年三月二十九日，審核委員會舉行會議，聯同本公司外聘核數師審閱本集團截至二零一六年十二月三十一日止年度之綜合財務報表，包括本集團採納之會計原則及實務準則。審核委員會贊同本公司所採納之會計處理方式，並已盡力確保二零一六年年報披露之財務資料符合適用會計準則、上市條例及香港公司條例之規定。因此，審核委員會決議建議董事會批准截至二零一六年十二月三十一日止年度之綜合財務報表。

審核委員會亦向董事會建議聘任德勤•關黃陳方會計師行為本公司核數師，並建議將相關決議案於股東週年大會上提交予股東考慮及批准。

薪酬委員會

薪酬委員會之主要負責就批准薪酬政策及架構以及董事及高級管理層之薪酬福利，向董事會提供建議。薪酬委員會亦負責設立具高透明度之程序以制訂有關薪酬政策及架構，確保概無董事或其任何聯繫人士將參與決定其本身之薪酬。有關薪酬將參考個人表現及本公司業績以及市場慣例及狀況釐定。人力資源部負責收集及處理人力資源數據，以供薪酬委員會考慮。

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As at 31 December 2016, the Remuneration Committee consisted of three members, namely, Mr. Zhang Jingguo, Dr. Liu Qiao and Mr. Ma Yuntao. Dr. Liu Qiao and Mr. Ma Yuntao are INEDs while Mr. Zhang Jingguo is an executive Director. Mr. Ma Yuntao is the chairman of the Remuneration Committee. The most up-to-date version of the written terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

During the year, one Remuneration Committee meeting was held. The Remuneration Committee had reviewed and approved the remuneration of executive Directors, NED and INEDs.

NOMINATION COMMITTEE

The Nomination Committee is mainly responsible for reviewing the structure, size, diversity and composition of the Board regularly and make any changes to complement the Company's corporate strategy, including making recommendations on any proposed changes to the Board that assist complementation of the Company's corporate policy.

As at 31 December 2016, the Nomination Committee consisted of three members, namely, Mr. Zhang Jingguo, Dr. Liu Qiao and Mr. Liu Da. Mr. Zhang Jingguo is an executive Director while Dr. Liu Qiao and Mr. Liu Da are INEDs. Dr. Liu Qiao is the chairman of the Nomination Committee. The most up-to-date version of the written terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

During the year, one Nomination Committee meeting was held. The Board had reviewed the current structure and composition of the Board and recommended Mr. Zhang Guoqiang and Mr. Liu Da to retire, and being eligible, offered themselves for re-election in the 2016 AGM pursuant to Articles 78 and 79 of the Articles of Association and Code Provision A.4.2 of the CG Code.

於二零一六年十二月三十一日，薪酬委員會包括三名成員，即張敬國先生、劉俏博士以及馬運弢先生。劉俏博士以及馬運弢先生均為獨立非執行董事，而張敬國先生則為執行董事。馬運弢先生為薪酬委員會主席。薪酬委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

於本年度，薪酬委員會已舉行一次會議。薪酬委員會已檢討並批准執行董事、非執行董事及獨立非執行董事之薪酬。

提名委員會

提名委員會主要負責檢討董事會之架構、規模、多元化及組成並作出任何可補足本公司之公司策略之變動，包括就任何董事會之建議變動提出意見，有助補足本公司之公司政策。

於二零一六年十二月三十一日，提名委員會包括三名成員，即張敬國先生、劉俏博士及劉達先生。張敬國先生為執行董事，而劉俏博士及劉達先生為獨立非執行董事。劉俏博士為提名委員會主席。提名委員會書面職權範圍之最新版本可於本公司及聯交所網站查閱。

於本年度，提名委員會已舉行一次會議。董事會已審閱董事會之現時架構及組成，並建議由張國強先生及劉達先生根據組織章程細則第78及79條及企業管治守則守則條文第A.4.2條退任，而彼等合資格且願意於二零一六年股東週年大會膺選連任。

Corporate Governance Report

企業管治報告

Under Article 79 of the Articles of Association, at each AGM, one-quarter of the Directors for the time being (or, if their number is not a multiple of four, the number nearest to one-fourth) shall retire from office by rotation. According to Article 83 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or by way of addition to their number shall hold office only until the next following AGM, and shall then be eligible for re-appointment. Every Director shall be subject to retirement at least once every three years by rotation or offers himself for re-election.

The Company has established a policy concerning diversity of Board members (“Board Diversity Policy”) and has made it available on the Company’s website.

In the Board Diversity Policy, the Company recognises diversity of talents in the Board shall enhance the quality of its performance and sees diversity in talents at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Nomination Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to this Policy. The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy from time to time. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

REMUNERATION OF AUDITORS

For the year ended 31 December 2016, remuneration paid or payable to the Company’s auditors, Deloitte Touche Tohmatsu for audit services was HK\$1,810,000 and non-audit services was HK\$40,000.

根據組織章程細則第79條，於各股東週年大會上，當時四分之一董事（或倘其數目並非四之倍數，則為最接近四分之一之數目）須輪席告退。根據組織章程細則第83條，任何獲董事會委任以填補臨時空缺，或藉增設數目之方式委任之董事僅將持有職務至下屆股東週年大會為止，屆時彼將合資格重新委任。各董事將須最少每三年輪席告退或膺選連任一次。

本公司已成立有關董事會成員多元化之政策（「董事會多元化政策」），可於本公司網站查閱。

於董事會多元化政策中，本公司確認董事會人才多元化可加強其表現質素並就董事會將人才多元化視作實現其戰略目標及可持續發展之必要因素。提名委員會之主要責任為物色合適且合資格之候選人加入董事會，並在履行該項責任時充分考慮本政策。提名委員會將不時檢討本政策（倘適用），確保本政策之有效性。提名委員會將就任何可能規定之修訂進行討論，並就任何有關修訂向董事會作出推薦意見以供考慮及批准。

核數師酬金

於截至二零一六年十二月三十一日止之年度，就財務審核服務已付或應付本公司之核數師德勤•關黃陳方會計師行之薪酬為1,810,000港元，而就非核數服務之薪酬則為40,000港元。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

Financial Statements and Financial Reporting

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with applicable accounting standards and Hong Kong Companies Ordinance.

The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements on annual and interim results of the Group are published in a timely manner, within three months and two months respectively of the year end and the half-year period end.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in “Independent Auditor’s Report” on pages 68 to 76.

Going Concern

The Directors, having made appropriate enquiries, do not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern. The Directors are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibilities for maintaining sound and effective risk management and internal control systems including a review on their effectiveness for achieving long-term sustainable development of the Group. The risk management and internal control systems, under a defined management structure with limits of authority, are designed for the Group to identify and manage the significant risks to pursue its business objectives, safeguard its assets against unauthorised use or disposition, enhance effectiveness and efficiency of its operations, ensure the maintenance of proper accounting records for reliable financial reporting, and ensure compliance with relevant laws and regulations. Such systems are designed to manage rather than eliminate risks of failure in the achievement of the Group’s business objectives and can only provide reasonable, but not absolute assurance against material misstatement or loss.

問責性及審核

財務報表及財務報告

董事知悉彼等有責任編製本集團之綜合財務報表，並根據適用會計準則及香港公司條例真實而公平地呈列。

董事亦知悉彼等有責任確保本集團就全年及中期業績之綜合財務報表，分別於年結日後三個月及半年期結束後兩個月內儘快刊發。

本公司外聘核數師對本集團之綜合財務報表的申報責任載於第68頁至76頁的「獨立核數師報告」。

持續經營

經作出適當查詢後，董事並不知悉任何重大不明朗事件或情況可能會影響本集團持續經營的能力。董事認為本集團擁有足夠資源在可見未來繼續營運，因此本集團適宜採納持續經營基準編製綜合財務報表。

風險管理及內部監控系統

董事會全面負責維持本集團健全及有效之風險管理及內部監控系統，包括對其有效性作出檢討，有助本集團達致長期持續發展。於界定管理架構及其權限下，風險管理及內部監控系統旨在協助本集團識別及管理於實現業務目標所面對之重大風險、保障資產免於未經授權挪用或處置、確保維護妥當之會計記錄以作出可靠之財務申報，以及確保遵守相關法例及規例。該系統旨在管理而非消除未能實現業務目標之風險，並僅可就避免重大錯誤陳述或損失提供合理但並非絕對的保證。

Corporate Governance Report

企業管治報告

The Board is responsible for the determination of the Group's risk profile within its acceptable tolerance levels in business operation, oversight of management in the design, implementation and monitoring of overall risk management process from risk identification, risk assessment, establishment of appropriate risk responses and regular risk evaluation and monitoring, so as to ensure the systems are effectively established and maintained.

The risk management process is structured from management of the Group from respective business functions at execution level to the Board, together assisted with the Audit Committee in decision-making and monitoring level. Management of the Group identifies, assesses and prioritises the key existing and potential risks through a detailed assessment process and determines the appropriate mitigation strategies and control measures in response of the identified risks. Ongoing evaluation and monitoring of the identified risks, respective measures, and results are carried out and reported to the Board regularly. The Board at decision-making level, assisted with the Audit Committee, reviews the risk appetite, risk management process and strategies and also the internal control systems and provide recommendations for any improvement on the systems in an ongoing basis to ensure risk management effectiveness.

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness.

董事會負責為本集團就其業務營運上的可承受程度而確立風險組合、監督管理層從風險識別、風險評估、制定合適的風險應對措施至定期風險檢討及監察的風險管理流程的設計、實施及監察，以確保有關系統可有效地制定及維持。

風險管理程序的架構由本集團各業務版塊之管理層作為執行層面，至董事會(透過及連同審核委員會)作為決策及監察層面所組成。本集團管理層通過周詳的評估程序對現有及潛在重要風險進行識別、評估及排序，並就已識別之風險制定合適的風險舒緩策略及監控方案。持續對已識別之風險、相應方案及控制結果進行檢討及監察，並定期向董事會作出匯報。董事會作為決策層面，透過及連同連同審核委員會，對風險組合、風險管理流程及策略以及內部控制系統持續進行檢討，及對系統作出任何改善建議，以確保風險管理之有效性。

本公司現時並無內部審核職能，及認為考慮目前本集團營運業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核職能。本集團決定直接由董事會負責本集團之內部監控並審閱其效能。

Corporate Governance Report

企業管治報告

The Board has engaged an independent risk management and internal control review adviser (“the Adviser”), APAC Compliance Consultancy and Internal Control Services Limited, to conduct an annual review of the risk management and internal control systems of the Group for the year ended 31 December 2016. The scope of review was determined and approved by the Board, covering material controls on financial, operational, compliance aspects including review of risk management functions of the Group and the adequacy of resources, qualifications and experience of the staff in the Group’s accounting and financial reporting functions and their training programs and budget. Findings and areas for improvement were reported to management and Audit Committee for evaluation the effectiveness of the risk management and internal control systems. The Band and the Audit Committee are of the view there are no material internal control defeats were identified by the Adviser during the course of review. With the discussion between management, the Adviser and the Audit Committee, the Board, with the concurrence of the Audit Committee, considered that the risk management and internal control systems of the Group are effective and adequate. The review of the risk management and internal control systems of the Group is an ongoing process and the Board maintains a continuing commitment to strengthen the Group’s control environment and processes.

The Company formulated the inside information policy. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements. Procedures for collection, evaluation of information and the publication manner are in place to ensure timely reporting of the inside information to the Board and the stakeholders of the Group.

董事會已委聘亞太合規顧問及內控服務有限公司擔任其風險管理及內部監控系統獨立顧問(「顧問」)，以對本集團截至二零一六年十二月三十一日止年度之風險管理及內部監控系統進行年度檢討。檢討範圍由董事會釐定及審批，覆蓋本集團於財務方面、營運方面、合規方面之所有重大監控，包括檢討本集團之風險管理職能、本集團於會計及財務匯報職能之員工的資源、資歷、經驗之充足性，以及其培訓課程及預算。檢討發現及改善建議已向管理層及審核委員會匯報，以對風險管理及內部監控系統之有效性進行檢討。董事會及審核委員會均認為顧問於檢討過程中並無發現重大內部監控不足。經過與管理層、審核委員會及顧問的討論，董事會(與審核委員會一致同意)認為本集團之風險管理及內部監控系統屬有效及充足。對於本集團之風險管理及內部監控系統的檢討為持續過程，董事會致力維持其持續承諾，以加強本集團之監控環境及程序。

本公司已制定內部資料政策。本公司會定期提醒董事及員工審慎遵守所有有關內部資料的政策。另外，本公司會向董事、高級管理層及員工提供最新的監管要求。本公司會制定或更新合適的指引或政策，以確保符合相關的監管法定要求。對資料的收集、評估以及發佈的程序本集團均有既定程序，以確保內部資料能適時向董事會以及本集團之利益相關人士匯報。

Corporate Governance Report

企業管治報告

COMPANY SECRETARIES

As at 31 December 2016, the joint secretaries of the Company were Mr. Eric Jackson Chang and Mr. Yuen Ping Man. Both of them have confirmed that they have attended not less than 15 hours of relevant professional training during the year.

SHAREHOLDERS AND INVESTOR RELATIONS

Communication Policy

The Board considers that having active communications with Shareholders and investors is important and this will enhance transparency and clarity in public disclosures by the Company. Any significant events of the Group fall to be disclosed will be published in a timely, accurate and complete manner through the websites of the Company and the Stock Exchange, so as to safeguard Shareholders' rights of information and participation. The Board considers that AGM is an important opportunity for direct communication with the Shareholders. The notice of the AGM together with relevant documents will be sent out to the Shareholders at least 20 business days prior to the date on which the AGM will be held. The notice contains details on the procedures for voting by poll as well as other relevant information related to the proposed resolutions.

AGM

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and raising the Shareholders' returns. Last year's AGM at which the external auditors attended was convened on 23 June 2016. The Board encourages all the Shareholders to participate in the forthcoming 2017 AGM where the members of the Board and external auditors will be present and communicate with the Shareholders.

公司秘書

於二零一六年十二月三十一日，本公司之聯席公司秘書為張世澤先生及源秉民先生，彼等均已確認於本年度曾參與不少於十五小時之相關專業培訓。

與股東及投資者之關係

溝通政策

董事會認為，積極與股東及投資者之溝通尤為重要，可讓本公司更透明清晰地向公眾作出披露。本集團任何須予披露之重大事項將以及時、準確且完整之方式於本公司及聯交所之網站刊載，以保障股東享有接收資訊及參與之權利。董事會認為股東週年大會乃與股東直接溝通之重要機會。股東週年大會通告連同有關文件將於股東週年大會召開日期前最少二十個營業日寄發予股東。通告載列有關以投票方式表決之程序詳情以及有關建議決議案之其他相關資料。

股東週年大會

董事會及高級管理層深知彼等之重要工作乃以全體股東之利益為前提行事，並為股東爭取更多回報。外聘核數師出席之上一年度股東週年大會已於二零一六年六月二十三日召開。董事會鼓勵所有股東參與2017年股東週年大會，屆時董事會成員及外聘核數師將會出席並與股東溝通。

Corporate Governance Report

企業管治報告

Shareholders' Rights

(1) Procedures for Shareholders to convene an extraordinary general meeting (“EGM”)

Any one or more Shareholders holding at the date of deposit of the Requisition (as defined below) not less than one-twentieth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition (the “Requisition(s)”) to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

The Request and the Statement (as defined below) must be deposited at the registered office of the Company (the “Registered Office”) at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong for the attention of the Company Secretary.

If the Board does not within 21 days from the date of the deposit of the Requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which notice convening the meeting is given, such Requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting in accordance with the relevant provisions of the Companies Ordinance, but any meeting so convened shall not be held after the expiration of 3 months from the said date.

(2) Procedures for putting forward proposals at Shareholders' meeting

Eligible Shareholders (as defined below) may submit a written request to make proposals or move a resolution at the general meeting (the “Request”). “Eligible Shareholder(s)” means:

(i) any number of Shareholders representing not less than one-fortieth of the total voting rights of all Shareholders having at the date of the Request a right to vote at the meeting to which the Request relates; or (ii) not less than 50 Shareholders on which there has been paid up an average sum, per Shareholder, of a sum equivalent to not less than HK\$2,000.

股東權利

(1) 股東召開股東特別大會(「股東特別大會」)之程序

任何於遞交書面請求(定義見下文)當日至少持有附帶本公司股東大會投票權且為繳足之本公司二十分之一股本之一名或多名股東(「請求人士」)均有權隨時向董事會或公司秘書遞交書面請求(「請求」),要求董事會就處理該請求所指任何事項召開股東特別大會。

請求及聲明(定義見下文)須呈交至本公司之註冊辦事處(「註冊辦事處」),地址為香港中環雲咸街40-44號雲咸商業中心24樓,並註明收信人為公司秘書。

倘董事會於提交請求日期起計二十一日內並無履行職務於收到召開大會通告日期後最多二十八日內召開大會,該等請求人士或持有超過半數全體請求人士總投票權之任何請求人士可自行根據公司條例所載有關條文召開大會,惟有關會議不得於上述日期起計滿三個月後召開。

(2) 於股東大會提呈建議之程序

合資格股東(定義見下文)可於股東大會遞交書面要求以提呈建議或動議決議案(「要求」)。「合資格股東」指:

(i) 於要求日期持有不少於四十分之一全體股東總投票權且有權於牽涉要求之大會上投票之任何數目股東;或(ii)不少於五十名股東,而每名股東平均繳足相等於不少於2,000港元金額之款項。

Corporate Governance Report

企業管治報告

The Request must state clearly the name(s) and contact information of the Eligible Shareholders, his/her/their shareholding, the proposed resolution, accompanied by a statement (the “Statement”) of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the proposed business to be dealt with at the general meeting, and signed by the Eligible Shareholder(s) concerned.

The Request and the Statement must be deposited at the Registered Office for the attention of the Company Secretary not less than six weeks before the AGM in the case of a requisition requiring to give notice of a resolution or to circulate Statement to the Shareholders and not less than 1 week in the case of any other requisition or no earlier than the day after the despatch of the notice by the Company of the EGM and end no later than 7 days prior to the date of the EGM. If the Request is received less than the minimum required days prior to the EGM, the Company will need to consider the adjournment of the EGM in order to give Shareholders sufficient notice of the proposal.

The Eligible Shareholder(s) concerned have deposited a sum of money reasonably sufficient to meet the Company’s expenses in serving the notice of the resolution, a circular or a supplemental circular (as the case may be) concerned and the Statement in accordance with the Hong Kong Companies Ordinance and the requirements under the Listing Rules to all the registered Shareholders.

(3) Shareholders’ enquiries to the Board

A Shareholder may send an enquiry to the Board at the Registered Office for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry. In addition, Shareholders can contact Tricor Friendly Limited, the share registrar of the Company, for any questions about their shareholdings.

要求必須清楚列明合資格股東之姓名及聯絡資料、彼／其所持有之持股量及建議決議案，連同一份有關將於股東大會上處理之建議決議案或建議事項所述事宜之一千字或以下聲明(「聲明」)，而該聲明須由有關合資格股東簽署。

倘請求要求發出決議案通告或向股東傳閱聲明，要求及聲明必須註明收件人為公司秘書並在股東週年大會前至少六個星期送交註冊辦事處；倘為任何其他請求，則在股東週年大會前至少一個星期，或不早於本公司寄發股東特別大會通告日期翌日及不遲於股東特別大會日期前七日送交註冊辦事處。倘要求於股東特別大會前最少規定日期內接獲，本公司將須考慮延遲股東特別大會以讓股東對建議事項有充分了解。

有關合資格股東已根據香港公司條例及上市規則規定存置一筆合理足夠款項以撥付本公司向所有註冊股東寄發有關決議案通告、通函或補充通函(視情況而定)以及聲明之開支。

(3) 股東向董事會查詢

股東可向董事會作出書面查詢，送交註冊辦事處並以董事會為收件人，並須註明查詢之性質及理由。此外，股東如對其持股量有任何疑問，可聯絡本公司之過戶登記處卓佳準誠有限公司。

Corporate Governance Report

企業管治報告

CONSTITUTIONAL DOCUMENTS

There was no change in the Articles of Association of the Company during the year. A copy of the latest version is available on the website of the Stock Exchange and the Company's website.

DISCLAIMER

The contents of the section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the Shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as Shareholders. The Company disclaims all liabilities and losses incurred by the Shareholders in reliance on any contents of the section headed "Shareholders' Rights".

章程文件

於本年度，本公司組織章程細則並無變動。最新版本之副本可於本公司及聯交所網站查閱。

免責聲明

「股東權利」一節之內容僅供參考及合規披露。該等資料並不代表且不應被視為由本公司向股東發出之法律或其他專業意見。股東須就其作為股東之權利自行尋求獨立法律或其他專業意見。本公司並不就股東因依賴「股東權利」一節所載任何內容而產生之責任及損失負責。

Independent Auditor's Report

獨立核數師報告

Deloitte.

To the Members of
ZH International Holdings Limited
正恒國際控股有限公司
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of ZH International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 77 to 185, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

德勤

致：正恒國際控股有限公司全體股東

(在香港註冊成立之有限公司)

意見

我們已審核載於第77頁至185頁正恒國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此等財務報表包括於二零一六年十二月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收益賬、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零一六年十二月三十一日之綜合財務狀況及 貴集團截至該日止年度之綜合財務表現和綜合現金流量，並已按照香港公司條例之規定妥為編製。

意見之基礎

我們已根據香港會計師公會頒佈之香港審核準則(「香港審核準則」)進行審核。我們就該等準則承擔之責任在本報告核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中之其他專業道德責任。我們相信，我們所獲得之審核憑證能充足及適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

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.

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期間綜合財務報表之審核最為重要之事項。此等事項在我們審核整體綜合財務報表及出具意見時進行處理。我們不會對此等事項提供單獨的意見。

Key audit matters 關鍵審核事項

Valuation of investment properties

投資物業之估值

We identified the valuation of investment properties as a key audit matter due to the significant management judgements associated with determining the fair value.

由於釐定公平值涉及重大管理層判斷，我們將投資物業之估值列為關鍵審核事項。

As disclosed in notes 6 and 14 to the consolidated financial statements, the Group's investment properties were located in Hong Kong, Singapore and United States of America and their total carrying amount was approximately HK\$582,448,000 as at 31 December 2016 and an increase in fair value of investment properties of approximately HK\$1,050,000 was recognised in the profit for the year then ended.

誠如綜合財務報表附註6及14所披露，於二零一六年十二月三十一日，貴集團之投資物業位於香港、新加坡及美利堅合眾國，彼等之賬面總值為約582,448,000港元，而投資物業之公平值增加約1,050,000港元已於截至該日止年度之溢利內確認。

How our audit addressed the key audit matters 我們的審核如何處理關鍵審核事項

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

就投資物業之估值，我們執行之審核程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and the terms of engagement;
- 評估估值師之勝任程度、能力及客觀性，並對估值師的工作範疇及委聘條款取得了解；
- Obtaining an understanding of the valuation process and significant assumptions from the management of the Group and the Valuer to assess whether the approach adopted on valuing individual properties is appropriate;
- 就估值程序及重大假設向貴集團管理層及估值師取得了解，以評估就對個別物業進行估值所採納之方法是否屬恰當；

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued)

關鍵審核事項(續)

Valuation of investment properties (continued)

投資物業之估值(續)

In estimating the fair value of Group's investment properties, the management of the Group worked with the independent qualified professional valuer (the "Valuer") to establish and determine the appropriate valuation model and techniques and inputs. The Group's investment properties were stated at fair value based on the valuations performed by the Valuer. Details of the valuation techniques and key inputs used in the valuations were disclosed in note 14 to the consolidated financial statements. The valuations had been arrived at using income capitalisation method, which were dependent on certain key inputs and assumptions in respect of prevailing market conditions such as capitalisation rate and monthly market rent.

於評估 貴集團投資物業之公平值時， 貴集團管理層與獨立合資格專業估值師(「估值師」)合作，以建立及釐定適當的估值模型及技術及輸入數據。 貴集團之投資物業根據估值師進行之估值按公平值列賬。估值所用之估值技術及主要輸入數據之詳情披露於綜合財務報表附註14。估值乃採用收益資本化法計算，其取決於現行市場條件之若干主要輸入數據及假設，例如資本化率及每月市值租金。

How our audit addressed the key audit matters (continued)

我們的審核如何處理關鍵審核事項(續)

- Evaluating the appropriateness of the estimations used by the management of the Group and the Valuer, in particular, the valuation model and the capitalisation rate used by the management of the Group and the Valuer; and
- 評估 貴集團管理層及估值師所用估計之適當性，尤其是 貴集團管理層及估值師所採用之估值模型及資本化率；及
- Assessing the reasonableness of other key input used in the valuation model by comparing monthly market rent against entity-specific information and market data of the respective relevant property markets.
- 透過將每月市場租金與實體特定資料及各相關物業市場之市場數據進行比較，評估估值模型所用其他主要輸入數據之合理性。

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued) 關鍵審核事項(續)

Assessment of net realisable value of properties under development for sale 評估待售發展中物業之可變現淨值

We identified the net realisable value properties under development for sale as a key audit matter due to the significant estimates associated with determining the net realisable value (the “NRV”) of the properties under development for sale.

由於釐定待售發展中物業之可變現淨值(「可變現淨值」)涉及重大估計，我們將待售發展中物業之可變現淨值列為關鍵審核事項。

As disclosed in note 17 to the consolidated financial statements, the carrying amount of properties under development for sale situated in the People's Republic of China (the “PRC”) was approximately HK\$1,438,523,000 as at 31 December 2016.

誠如綜合財務報表附註17所披露，於二零一六年十二月三十一日，位於中華人民共和國(「中國」)之待售發展中物業之賬面值為約1,438,523,000港元。

How our audit addressed the key audit matters (continued) 我們的審核如何處理關鍵審核事項(續)

Our procedures in relation to the assessment of net realisable value of the properties under development for sale included:

就評估待售發展中物業之可變現淨值，我們執行之審核程序包括：

- Obtaining an understanding from the management of the Group of the management's process for performing impairment assessment of the properties under development for sale, which is primarily comparing the future selling prices to the underlying expected costs to the construction of complete properties;
- 就對待售發展中物業進行減值評估(主要為將未來售價與建造全部物業之相關預期成本進行比較而得出)之管理層程序向 貴集團管理層取得了解；
- Evaluating the reasonableness of the management's estimation of the expected total costs by comparing total budgeted costs to the sum of the costs incurred and further costs to complete. The budgeted costs were checked, on a sample basis, to the underlying contracts and the costs incurred were checked, on a sample basis, to the surveyor reports;
- 透過比較總預算成本與已產生成本及為完成而進一步所需的成本之和，以評估管理層對預計總成本之估計之合理性。預算成本已根據相關合約按實例基準核查，已產生成本已根據鑒定報告按實例基準核查；

Independent Auditor's Report

獨立核數師報告

Key audit matters (continued) 關鍵審核事項(續)

How our audit addressed the key audit matters (continued) 我們的審核如何處理關鍵審核事項(續)

Assessment net realisable value of properties under development for sale (continued) 評估待售發展中物業之可變現淨值(續)

As set out in note 4 to the consolidated financial statements, the Group carried out impairment assessment at the end of the reporting period by comparing the costs and its NRV. The management estimates the total costs by reference to the budgeted costs and costs incurred and further costs to complete whereas the future selling prices were estimated by the management of the Group with reference to the recent selling prices of similar properties in the nearby or relevant locations. The properties under development for sale are expected by the management of the Group to be realised higher than the costs and hence no write down to the NRV of properties under development for sale is required during the current year.

誠如綜合財務報表附註4所載，貴集團於報告期間結算日透過比較成本及其可變現淨值進行減值評估。管理層經參考預算成本、已產生成本及完成所需的進一步成本而估計總成本。然而，未來售價乃貴集團管理層經參考鄰近或相關地點類似物業之近期售價估計而得出。貴集團管理層預計待售發展中物業可按高於成本變現。因此，待售發展中物業之可變現淨值毋須於本年度進行撇減。

- Assessing the appropriateness of the estimated future selling prices of the properties under development for sale, on a sample basis, by comparing them to recent transaction prices of similar properties in the nearby or relevant locations, based on our knowledge of the property markets in the PRC; and
- 透過比較鄰近或相關地點類似物業之近期售價，根據我們對中國物業市場之了解，按實例基準評估待售發展中物業之估計未來售價之合理性；及
- Comparing the future selling price of properties under development for sale, on a sample basis, to the actual selling price of properties sold subsequent to the end of the reporting period to evaluate the reasonableness of management's estimation.
- 抽樣比較待售發展中物業之未來售價與於報告期間結算日後售出之物業之實際售價，評估管理層估計之合理性。

Independent Auditor's Report

獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報之資料，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之意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式之鑒證結論。

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存有重大抵觸，或者似乎存在重大錯誤陳述之情況。基於我們已執行之工作，如果我們認為其他資料有重大錯誤陳述，我們須報告該事實。在此方面，我們沒有任何報告。

董事及管治層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則以及香港公司條例之規定編製並且真實公平地列報綜合財務報表，並落實董事認為編製綜合財務報表屬必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際之替代方案。

管治層須負責監督 貴集團之財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審核財務報表須承擔之責任

我們之目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告，並依據香港公司條例第405條僅向全體股東報告我們之意見，除此之外不作其他目的。我們概不就本報告之內容對任何其他人士負責或承擔責任。合理保證是高水平之保證，但不能保證按照香港審核準則進行之審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響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，則有關錯誤陳述可被視作重大。

在根據香港審核準則進行審核之過程中，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，設計及執行審核程序以應對這些風險，以及取得充足和適當的審核憑證，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。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能對貴集團持續經營的能力構成重大疑慮。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對綜合財務報表中的相關披露資料的關注。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核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。我們負責貴集團審核的方向、監督和執行。我們對審核意見承擔全部責任。

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

我們與管治層溝通了(其中包括)計劃的審核範圍、時間安排、重大審核發現等事項，包括我們在審核期間識別出內部控制的任何重大缺陷。

Independent Auditor's Report

獨立核數師報告

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

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

The engagement partner on the audit resulting in the independent auditor's report is Ka-Lai Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 March 2017

我們亦向管治層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通所有合理地被認為會影響我們獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。

從與管治層溝通的事項中，我們決定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們會在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是文嘉麗。

德勤•關黃陳方會計師行
執業會計師
香港

二零一七年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

綜合損益及其他全面收益賬

截至二零一六年十二月三十一日止年度

			1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	5	79,569	43,960
Cost of operations	營運成本		(18,217)	(14,124)
Gross profit	毛利		61,352	29,836
Other income	其他收入		2,273	2,146
Other gains and losses	其他收益及虧損	6	(24,776)	29,811
Administrative expenses	行政開支		(57,170)	(60,266)
Sales and marketing expenses	銷售及市場推廣開支		(13,897)	(5,534)
Finance costs	融資成本	7	(19,753)	(13,322)
Share of loss of an associate	分佔一間聯營公司虧損		-	(61)
Share of loss of a joint venture	分佔一間合營企業虧損		-	(353)
Loss before taxation	除稅前虧損	8	(51,971)	(17,743)
Income tax expense	所得稅開支	9	(4,614)	(1,450)
Loss for the year/period	年度/期間虧損		(56,585)	(19,193)
Other comprehensive (expense) income	其他全面(開支)收益			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>於隨後可能重新分類至損益之項目:</i>			
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額		(27,640)	(13,015)
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>於隨後將不會重新分類至損益之項目:</i>			
Gain on revaluation of properties transferred from property, plant and equipment to investment properties	由物業、廠房及設備轉撥至投資物業之物業重估收益		-	17,036
			(27,640)	4,021
Total comprehensive expense for the year/period	年度/期間全面開支總額		(84,225)	(15,172)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

綜合損益及其他全面收益賬

截至二零一六年十二月三十一日止年度

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
(Loss) profit for the year/period attributable to:	應佔年／期內(虧損)溢利：		
Owners of the Company	本公司擁有人	(56,702)	(19,655)
Non-controlling interests	非控股權益	117	462
		<u>(56,585)</u>	<u>(19,193)</u>
Total comprehensive (expense) income attributable to:	應佔全面(開支)收益總額：		
Owners of the Company	本公司擁有人	(85,284)	(15,562)
Non-controlling interests	非控股權益	1,059	390
		<u>(84,225)</u>	<u>(15,172)</u>
Loss per share (HK cent)	每股虧損(港仙)		
Basic and diluted	基本及攤薄	(0.97)	(0.47)
		<u>(0.97)</u>	<u>(0.47)</u>

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Consolidated Statement of Financial Position

At 31 December 2016

綜合財務狀況報表

於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	20,625	21,197
Investment properties	投資物業	14	582,448	1,085,984
Interest in an associate	於一間聯營公司之權益	15	–	–
Deposit paid for acquisition of investment properties	已付收購投資物業之按金		–	3,250
Pledged bank deposits	已抵押銀行存款	16	4,148	9,239
			607,221	1,119,670
Current assets	流動資產			
Properties under development for sale	待售發展中物業	17	1,438,523	801,878
Deposits paid for land acquisitions	已付土地收購按金	18	1,030,622	–
Inventories	存貨		199	258
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	19	57,397	15,289
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	187,403	9,812
Tax recoverable	可收回稅項		68,067	2,916
Pledged bank deposits	已抵押銀行存款	16	8,646	30,669
Restricted bank balances	受限制銀行結餘	16	27,561	1,468
Bank balances and cash	銀行結餘及現金	16	230,359	202,787
			3,048,777	1,065,077
Investment properties classified as held for sale	分類為持作出售之投資物業	21	42,187	1,342
			3,090,964	1,066,419
Current liabilities	流動負債			
Accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用	22	174,582	78,970
Deposits received and receipt in advance from property buyers	已收及預收物業買家之按金	23	901,455	57,250
Amounts due to related companies	應付關連公司款項	25	77,475	143,832
Amounts due to ultimate holding company	應付最終控股公司款項	25	–	26,740
Loans from a related company	來自一間關連公司之貸款	26	1,052,105	182,486
Bank and other borrowings – due within one year	銀行及其他借貸 – 於一年內到期	24	157,550	158,938
Bank overdraft	銀行透支	24	–	7,748
Tax liabilities	稅項負債		8,765	2,464
			2,371,932	658,428
Net current assets	流動資產淨值		719,032	407,991
Total assets less current liabilities	資產總值減流動負債		1,326,253	1,527,661

Consolidated Statement of Financial Position

At 31 December 2016

綜合財務狀況報表

於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	27	716,706	557,626
Reserves	儲備		446,405	541,155
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		1,163,111	1,098,781
Non-controlling interests	非控股權益	42	(6,093)	(7,178)
Total equity	權益總額		1,157,018	1,091,603
Non-current liabilities	非流動負債			
Rental deposits received	已收租賃按金		768	955
Loans from a related company	來自一間關連公司之貸款	26	109,535	154,747
Bank and other borrowings – due after one year	銀行及其他借貸 – 於一年後到期	24	47,375	267,986
Deferred tax liabilities	遞延稅項負債	28	11,557	12,370
			169,235	436,058
Total equity and non-current liabilities	權益及非流動負債總額		1,326,253	1,527,661

The consolidated financial statements on pages 77 to 185 were approved and authorised for issue by the Board of Directors on 29 March 2017 and are signed on its behalf by:

第77至185頁之綜合財務報表已於二零一七年三月二十九日由董事會批准及授權刊發，並由下列董事代表簽署：

Zhang Jingguo
張敬國
DIRECTOR
董事

Zhang Guoqiang
張國強
DIRECTOR
董事

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

綜合權益變動表

截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔權益							Non-controlling interests	Total
		Share capital	Capital reduction reserve	Exchange reserve	Share option reserve	Property revaluation reserve	Retained earnings	Total		Total
		股本	資本削減儲備	外匯儲備	購股權儲備	物業重估儲備	保留盈餘	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2015	於二零一五年四月一日	189,595	149,180	(10,633)	548	-	418,170	746,860	(7,568)	739,292
(Loss) profit for the period	期間(虧損)/溢利	-	-	-	-	-	(19,655)	(19,655)	462	(19,193)
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額	-	-	(12,943)	-	-	-	(12,943)	(72)	(13,015)
Gain on revaluation of properties transferred from property, plant and equipment to investment properties	由物業、廠房及設備轉撥至投資物業之重估物業收益	-	-	-	-	17,036	-	17,036	-	17,036
Total comprehensive (expense) income for the period	期間全面(開支)收益總額	-	-	(12,943)	-	17,036	(19,655)	(15,562)	390	(15,172)
Issue of shares under open offer (note 27(a))	根據公開發售發行股份(附註27(a))	36,557	-	-	-	-	-	36,557	-	36,557
Issue of shares for acquisition of subsidiaries (notes 27 and 29)	就收購附屬公司發行股份(附註27及29)	330,750	-	-	-	-	-	330,750	-	330,750
Transaction costs directly attributable to issue of shares (note 27(a))	發行股份直接應佔之交易成本(附註27(a))	(974)	-	-	-	-	-	(974)	-	(974)
Issue of shares upon exercise of share options (notes 27 and 33)	於行使購股權時發行股份(附註27及33)	1,698	-	-	(548)	-	-	1,150	-	1,150
At 31 December 2015	於二零一五年十二月三十一日	557,626	149,180	(23,576)	-	17,036	398,515	1,098,781	(7,178)	1,091,603
(Loss) profit for the year	年度(虧損)/溢利	-	-	-	-	-	(56,702)	(56,702)	117	(56,585)
Exchange difference arising on translation of foreign operations	因換算海外業務而產生之匯兌差額	-	-	(28,582)	-	-	-	(28,582)	942	(27,640)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	-	-	(28,582)	-	-	(56,702)	(85,284)	1,059	(84,225)
Issue of shares under share subscription (note 27(b))	根據股份認購發行股份(附註27(b))	159,080	-	-	-	-	-	159,080	-	159,080
Acquisition of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	-	(115)	(115)	115	-
Disposal of subsidiaries (notes 30(a) and 30(b))	出售附屬公司(附註30(a)及30(b))	-	-	(9,351)	-	-	-	(9,351)	(89)	(9,440)
At 31 December 2016	於二零一六年十二月三十一日	716,706	149,180	(61,509)	-	17,036	341,698	1,163,111	(6,093)	1,157,018

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

綜合現金流量表

截至二零一六年十二月三十一日止年度

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
	Notes 附註		
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(51,971)	(17,743)
Adjustments for:	經下列各項調整：		
Decrease in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產 公平值減少	23,417	131
(Increase) decrease in fair value of investment properties	投資物業之公平值(增加)減少	(1,050)	10,492
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	387	107
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,002	1,196
Gain on disposal of investment properties	出售投資物業之收益	(349)	(226)
Gain on disposal of an associate	出售一間聯營公司之收益	(8,367)	-
Gain on disposal of a joint venture	出售一間合營企業之收益	-	(279)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	-	(2,055)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	258
Loss on disposal of subsidiaries	出售附屬公司之虧損	13,128	-
Bargain purchase arising from acquisition of subsidiaries	收購附屬公司之議價收購	-	(47,738)
Impairment loss recognised in respect of amounts due from an investee	就應收投資對象款項確認之 減值虧損	-	4,625
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司之權益確認之 減值虧損	-	2,540
Share of loss of an associate	分佔一間聯營公司虧損	-	61
Share of loss of a joint venture	分佔一間合營企業虧損	-	353
Interest income	利息收入	(334)	(355)
Finance costs	融資成本	19,753	13,322
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(4,384)	(35,311)
Decrease in financial assets at fair value through profit or loss	按公平值計入損益之金融資產 減少	1,078	29,912
Decrease (increase) in inventories	存貨減少(增加)	59	(58)
(Increase) decrease in accounts receivable, deposits and prepayments	應收賬款、按金及預付款項 (增加)減少	(64,074)	13,256
Increase in restricted bank deposits	受限制銀行存款增加	(26,241)	(133)
Increase in properties under development for sale	待售發展中物業增加	(676,680)	(194,074)
Increase in deposits paid for land acquisitions	已付土地收購按金增加	(1,030,622)	-
Increase (decrease) in accounts payable, deposits received and accruals	應付賬款、已收按金及應計費用 增加(減少)	109,535	(1,215)
Increase in deposits received and receipt in advance from property buyers	已收及預收物業買家之按金 增加	847,485	57,250
Decrease in amounts due to related companies	應付關連公司款項減少	71,351	-
Cash used in operating activities	經營業務所用現金	(772,493)	(130,373)
Tax paid	已繳稅項	(63,789)	(499)
Net cash used in operating activities	經營業務所用現金淨額	(836,282)	(130,872)

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

綜合現金流量表

截至二零一六年十二月三十一日止年度

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Investing activities	投資活動		
Interest received	已收利息	334	355
Purchase of investment properties	購入投資物業	(291,178)	(256,975)
Purchase of property, plant and equipment	購入物業、廠房及設備	(207)	(409)
Proceeds from disposal of investment properties	出售投資物業所得款項	24,574	116,523
Proceeds from disposal of an associate	出售一間聯營公司所得款項	8,367	-
Proceeds from disposal of a joint venture	出售一間合營企業所得款項	-	657
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	-	4,773
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	848
Release of pledged bank deposits	解除已抵押銀行存款	30,669	28,370
Placement of pledged bank deposits	存放已抵押銀行存款	(10,992)	(5,060)
Repayment from former subsidiaries after deemed disposal of subsidiaries	視作出售附屬公司後之前附屬公司還款	117,183	-
Net cash outflow from deemed disposal of subsidiaries	視作出售附屬公司之現金流出淨額	30(a) (19,978)	-
Net cash inflow from acquisition of subsidiaries	收購附屬公司之現金流入淨額	29 -	6,028
Net cash used in investing activities	投資活動所用現金淨額	(141,228)	(104,890)
Financing activities	融資活動		
New bank and other borrowings raised	新造銀行及其他借貸	240,589	158,737
Repayment of bank and other borrowings	償還銀行及其他借貸	(40,177)	(133,877)
Interest paid	已付利息	(16,973)	(10,835)
Proceeds from issuance of shares under share subscription	根據股份認購發行股份之所得款項	27(b) 159,080	-
Proceeds received from open offer of the Company's shares	本公司股份公開發售之所得款項	27(a) -	25,258
Share issuance expenses	股份發行開支	27(a) -	(974)
Proceeds from exercise of share options	行使購股權所得款項	33 -	1,150
(Repayment to) advance from ultimate holding company	(償還最終控股公司款項)最終控股公司墊款	(26,740)	26,740
Advances from related companies	關連公司墊款	997,124	2,650,232
Repayment to related companies	償還關連公司款項	(299,352)	(2,285,364)
Repayment of obligations under finance leases	償還融資租賃責任	-	(56)
Net cash from financing activities	融資活動所得現金淨額	1,013,551	385,669
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	36,041	149,907
Cash and cash equivalents at the beginning of the year/period	於年初/期初之現金及現金等值項目	195,039	47,087
Effect of foreign exchange rate changes	外匯匯率變動影響淨額	(721)	(1,955)
Cash and cash equivalents at the end of the year/period	於年末/期末之現金及現金等值項目	230,359	195,039
Analysis of cash and cash equivalents at the end of the year/period	於年末/期末之現金及現金等值項目分析：		
Bank balances and cash	銀行結餘及現金	230,359	202,787
Bank overdraft	銀行透支	-	(7,748)
		230,359	195,039

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2016

綜合財務報表附註

截至二零一六年十二月三十一日止年度

1. GENERAL

ZH International Holdings Limited (the “Company”) is a public limited liability company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Its immediate and ultimate holding company is Joy Town Inc., a private company incorporated in the British Virgin Islands with limited liability which is controlled by Ms. Huang Yanping (“Ms. Huang”), a non-executive director of the Company and spouse of Mr. Zhang Jingguo, Chairman of the Company. The ultimate controlling party of the Company is Ms. Huang.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 41. The Company and its subsidiaries are hereinafter collectively referred to as the Group.

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

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

In 2015, the reporting period end date of the Group was changed from 31 March to 31 December because the directors of the Company (“Directors”) decided to bring the annual reporting period end date of the Group to align the financial year end date of the Company with that of the operating subsidiaries. Accordingly, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and related notes for the current reporting period cover twelve-month period from 1 January 2016 to 31 December 2016. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover nine-month period from 1 April 2015 to 31 December 2015 and therefore may not be comparable with amounts shown for the current reporting period.

1. 一般資料

正恒國際控股有限公司(「本公司」)為在香港註冊成立之上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)主板上市。

其直接及最終控股公司Joy Town Inc.為一間於英屬處女群島註冊成立之有限私營公司，由本公司一名非執行董事Huang Yanping女士(「Huang女士」，為本公司主席張敬國先生之配偶)控制。本公司最終控股方為Huang女士。

本公司為一間投資控股公司。其附屬公司主要業務載於附註41。本公司及其附屬公司以下統稱本集團。

本公司之註冊辦事處地址及主要營業地點於年度報告「公司資料」一節中披露。

綜合財務報表以本公司之功能貨幣港元(「港元」)呈列。

於二零一五年，本集團之報告結算日由三月三十一日更改為十二月三十一日，此乃由於本公司董事(「董事」)議使本集團之年度報告結算日與本公司及營運附屬公司的財政年度結算日一致。據此，本報告期間的綜合損益及其他全面收益賬、綜合權益變動表及綜合現金流量表以及相關附註涵蓋二零一六年一月一日至二零一六年十二月三十一日止十二個月期間。綜合損益及其他全面收益賬、綜合權益變動表、綜合現金流量表以及相關附註之比較數字涵蓋二零一五年四月一日至二零一五年十二月三十一日止九個月，故未必可與本報告期間的數字作直接比較。

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2016

綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

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

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current year and prior period and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂

於本年度強制生效之香港財務報告準則之修訂

於本年度，本集團首次應用下列由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則修訂：

香港財務報告準則修訂本	二零一二年至二零一四年週期香港財務報告準則之年度改進
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號修訂本	投資主體：應用合併例外情況
香港財務報告準則第11號修訂本	收購共同經營權益之會計法
香港會計準則第1號修訂本	主動披露
香港會計準則第16號及香港會計準則第38號修訂本	折舊與攤銷可接受方法之澄清
香港會計準則第16號及香港會計準則第41號修訂本	農業：生產性植物
香港會計準則第27號修訂本	獨立財務報表之權益法

本年度，應用香港財務報告準則修訂本對本集團本年度及過往期間之財務表現及狀況及／或該等綜合財務報表載列之披露並無重大影響。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ⁵

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for annual periods beginning on or after 1 January 2017
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

已頒佈但尚未生效之新訂及香港財務報告準則之修訂

本集團並無提早應用下列已頒佈但尚未生效之新訂及香港財務報告準則之修訂：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號修訂本	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第4號修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間之資產出售或注入 ³
香港財務報告準則第15號修訂本	香港財務報告準則第15號客戶合約收益之澄清 ¹
香港會計準則第7號修訂本	主動披露 ⁴
香港會計準則第12號修訂本	就未變現虧損確認遞延稅項資產 ⁴
香港財務報告準則修訂本	二零一四年至二零一六年週期香港財務報告準則之年度改進 ⁵

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 於決定生效當日或之後開始之年度期間生效
- ⁴ 於二零一七年一月一日或之後開始之年度期間生效
- ⁵ 於二零一七年一月一日或二零一八年一月一日或之後開始之年度期間生效，倘適用。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

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

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入分類及計量金融資產、金融負債、一般對沖會計法及金融資產減值要求之新規定。

與本集團有關之香港財務報告準則第9號主要規定所述如下：

- 於香港財務報告準則第9號範圍內所有已確認金融資產其後須按攤銷成本或公平值計量，特別是就以業務模式持有以收取合約現金流量為目的之債務投資，及純粹為支付本金及未償還本金利息而擁有合約現金流量之債務投資，則一般於後續會計期間末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之業務模式中持有之債務工具，以及金融資產合約條款令於特定日期產生之現金流純粹為支付本金及尚未償還本金利息之債務工具，按透過按公平值計量計入其他全面收益之方式計量。所有其他債務投資及股本投資均於後續會計期間末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，以於其他全面收益呈報股本投資(並非持作買賣者)公平值之其後變動，惟獨股息收入一般於損益確認。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 Financial instruments (continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, the application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect until a detail review has been completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第9號金融工具(續)

- 就金融資產減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件後方確認信貸虧損。

根據本集團於二零一六年十二月三十一日之金融工具及風險管理政策，日後採用香港財務報告準則第9號可能對本集團金融資產之分類及計量產生重大影響。此外，預期信貸虧損模式可能會導致提前就本集團按攤銷成本計量之金融資產之尚未發生信貸虧損計提撥備。然而，在完成詳細檢討前，未能實際可行地提供這方面影響之合理估計。

香港財務報告準則第15號客戶合同收益

香港財務報告準則第15號經已頒佈，其制定一項單一全面模式供實體用作將來自客戶合同所產生之收益入賬。於香港財務報告準則第15號生效後，將取代現時之收益確認指引，包括香港會計準則第18號*收益*、香港會計準則第11號*建築合約*及相關詮釋。

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截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

The core principle of HKFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第15號客戶合同收益(續)

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之5個步驟：

- 第1步：確定客戶之合同
- 第2步：確定合同內的履約承擔
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合同內的履約承擔
- 第5步：當實體符合履約承擔時確認收益

根據香港財務報告準則第15號，實體應於達成履約承擔時確認收益，即於特定履約承擔相關之商品或服務「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務報告準則第15號要求更詳盡之披露。

二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、主體對代理代價及發牌之應用指引。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected/and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第15號客戶合同收益(續)

董事預期，日後採納香港財務報告準則第15號或會對呈報金額產生影響，原因為其可能影響收益確認時間，而所確認的收益金額將取決於可變限制因素，且要求作出更多有關收益之披露。然而，本集團必須在完成詳細審閱後，才可能提供對香港財務報告準則第15號之影響之合理估算。此外，日後採納香港財務報告準則第15號或會導致綜合財務報表內作出更多之披露。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個全面模式。香港財務報告準則第16號生效後，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

Notes to the Consolidated Financial Statements

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investment cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into principal and an interest portion which will be presented as financing and operating cash flows, respectively.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就任何重新計量之租賃負債作出調整。租賃負債初步按租賃付款(非當日支付)之現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。就現金流量之分類而言，本集團目前將預付租賃付款作為自用租賃土地及分類為投資物業的相關投資現金流量予以呈列，而其他經營租賃付款則作為經營現金流量予以呈列。根據香港財務報告準則第16號，與租賃負債相關之租賃付款將分配至本金及利息部分，並將分別作為融資及經營現金流量呈列。

根據香港會計準則第17號，本集團已就本集團作為承租人之租賃土地確認預付租賃款項。應用香港財務報告準則第16號或會導致該等資產之分類發生潛在變動(視乎本集團是否單獨或於同一條目內(於此情況下，倘擁有相應之相關資產，其將予以呈列)呈列使用權資產而定)。

相對承租人會計處理而言，香港財務報告準則第16號大致轉承香港會計準則第17號之出租人會計法規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更為廣泛之披露。

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For the Year Ended 31 December 2016

綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases (continued)

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$3,495,000 as disclosed in note 35. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reason estimate of the financial effect until the Directors complete a detailed review.

For other new and revised HKFRSs, the Directors do not expect a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

2. 應用新訂及香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港財務報告準則第16號租賃(續)

於二零一六年十二月三十一日，本集團擁有不可撤銷經營租賃承擔3,495,000港元(如附註35所披露)。初步評估顯示該等安排將符合香港財務報告準則第16號項下租賃之定義，因此本集團將就所有租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低價值或短期租賃。此外，應用新規定可能導致上文所述之計量、呈列及披露有所變動。然而，在董事進行詳細審閱前，對財務影響作出合理估計並不可行。

董事預計，其他新訂及經修訂香港財務報告準則將不會對本集團綜合財務報表內之所報告金額及所披露事項構成重大影響。

3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例之適用披露規定。

誠如以下載列之會計政策所述，除於各報告期間結算日按公平值計量之投資物業及若干金融工具外，綜合財務報表已按歷史成本法編製。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-Based Payment*, leasing transaction that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

3. 主要會計政策(續)

歷史成本一般按換取貨品及服務時所給予代價之公平值計算。

公平值是指在市場參與者於計量日期按有秩序交易出售資產時將收取之價格或轉讓負債時將支付之價格，不論該價格是否直接可觀察或採用另一項估值方法作出估計。於估計資產或負債之公平值時，本集團計及市場參與者於計量日期就該資產或負債進行定價時將會考慮之有關資產或負債特徵。於該等綜合財務報表中用作計量及／或披露用途之公平值均按此基準釐定，惟香港財務報告準則第2號股份付款範疇內之以股份為基礎付款交易、香港會計準則第17號租賃範疇內之租賃交易及與公平值類似但並非公平值之計量(例如，香港會計準則第2號中存貨之可變現淨值或香港會計準則第36號中資產減值之使用價值)除外。

非金融資產之公平值計量計及市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者而能夠產生經濟利益之能力。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情闡述如下：

- 第一級輸入數據指實體於計量日可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據指除第一級所包括之報價外，自資產或負債可直接或間接觀察之輸入數據；及

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. 主要會計政策(續)

- 第三級輸入數據指資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司以及由本公司及其附屬公司控制之實體之財務報表。本公司在下列情況下取得控制權：

- 有權控制被投資公司；
- 自參與被投資公司營運所得浮動回報之承擔或權利；及
- 能夠運用其權利影響回報。

倘事實及情況顯示以上所列之三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內購入或出售之附屬公司收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益表及其他全面收益表之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

附屬公司之財務報表於必要時作出調整，以使其會計政策與本集團會計政策一致。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策(續)

綜合基準(續)

所有集團內公司間資產及負債、權益、收入、開支及現金流量(與本集團成員公司間之交易有關)均於綜合賬目時悉數對銷。

本集團於現有附屬公司擁有權之變動

本集團對現有附屬公司擁有權益之變動如並無導致本集團失去對該等附屬公司之控制權，將作為權益交易入賬。本集團相關權益組成部分之賬面值(包括儲備及非控股權益)已作出調整，以反映其於附屬公司之相關權益變動。非控股權益於相關權益組成部分重新歸屬後所作調整之金額與已付或已收代價之公平值兩者之間之任何差額，均直接於權益中確認並歸屬於本公司股東。

當本集團失去對一間附屬公司之控制權時，收益或虧損於損益中確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)本公司擁有人應佔附屬公司之資產(包括商譽)及負債之原先賬面值之間之差額計算。所有原先於其他全面收益確認有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所指定/准許者重新分類至損益或轉撥至另一類別權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號於其後入賬時被列作初步確認之公平值，或(如適用)於聯營公司或合營企業投資之初步確認成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Business combinations

Acquisitions of businesses (including business combination under common control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

業務合併

業務收購(包括共同控制下之業務合併)使用收購法列賬。在業務合併中轉讓之代價按公平值計量，而公平值乃按本集團所轉讓資產、本集團向被收購方前擁有人承擔之負債及本集團為交換被收購方控制權所發行股本權益於收購日期之公平值總和計算。收購相關成本一般在產生時於損益確認。

於收購日期，所收購之可識別資產及所承擔之負債應按其公平值確認，惟下列各項除外：

- 遞延稅項資產或負債或與僱員福利安排有關之資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方之股份付款安排或本集團之股份付款安排取代被收購方之股份付款安排有關之負債或股權工具於收購日期根據香港財務報告準則第2號*股份付款*計量(見下文會計政策)；及
- 根據香港財務報告準則第5號*持作出售之非流動資產及已終止營運業務*劃分為持作出售之資產(或出售組合)根據該準則計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interest held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

3. 主要會計政策(續)

業務合併(續)

商譽是以所轉撥的代價、非控股權益於被收購方中所佔金額、及收購方以往持有之被收購方股權之公平值(如有)的總和，減所收購的可識別資產及所承擔之負債於收購日期的淨值後，所超出差額計值。倘若經重估後，所收購之可識別資產與所承擔負債於收購日之數額淨值超過轉讓代價、被收購方之任何非控股權益金額及收購方過往於被收購人持有之股權公平值(如有)總和，則差額即時於損益確認為收購溢利。

投資物業

投資物業為持有以賺取租金及／或資本增值之物業。投資物業包括持作尚未確定日後用途之土地，其被視為持有作資本增值用途。

投資物業初步以成本計量，包括任何直接應佔開支。於初步確認後，投資物業以公平值計量。本集團所有以經營租賃持有以賺取租金或作資本增值之物業權益均分類為投資物業入賬，並按公平值模式計量。因投資物業公平值變動所產生之收益或虧損於產生期間計入損益。

投資物業於出售或當該項投資物業永久不再使用且預期於出售後不會產生未來經濟利益時取消確認。取消確認物業產生之任何收益或虧損(按該物業之出售所得款項淨額與賬面值之間之差額計算)於取消確認該物業期間計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Investment properties (continued)

Owner-occupied properties are transferred to investment properties when and only when there is a change in use evidenced by end of owner occupation. At the date of transfer, the properties are measured at their fair value, with any gain being recognised in other comprehensive income and accumulated in “property revaluation reserve”, which will not be reclassified to profit or loss at the time of disposal (it will instead be transferred to retained earnings at the time of disposal).

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition and it is highly probable that the sale will be completed within one year from the date when the asset is reclassified as held for sale.

Investment properties classified as held for sale are measured using the fair value model in accordance with HKAS 40 *Investment Property*.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation (except for freehold land) and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than freehold land) over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

業務合併(續)

於有跡象顯示業主所佔用物業之使用情況於業主佔有期滿後出現變動時，業主所佔用物業轉撥至投資物業。於轉撥當日，該等物業以公平值計量，任何收益均於其他全面收益確認，並於「物業重估儲備」中累計，惟於出售時將不會重新分類為損益(反而在出售時將轉撥至保留盈利)。

持作出售非流動資產

非流動資產將於其大部分賬面值可透過銷售交易而非持續使用予以收回時分類為持作出售。僅於資產在其現況可供即時出售，且很大可能可自資產重新分類為持作出售之日起計一年內完成出售之情況下，將視作達成條件。

被分類為持作出售之投資物業乃根據香港會計準則第40號 *投資物業* 按公平值模式計量。

物業、廠房及設備

物業、廠房及設備在綜合財務狀況報表按成本減其後累計折舊(永久業權土地除外)及累計減值虧損(如有)入賬。

折舊按撇銷物業、廠房及設備項目(永久業權土地除外)成本以直線法於估計可用年期內計及其估計剩餘價值確認。估計可使用年期、剩餘價值及折舊法於各報告期間結算日審閱，任何估計變動之影響按前瞻基準入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Freehold land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties under development for sale

Properties under development which are intended to be held for sale are carried at lower of cost and net realisable value and are shown as current assets. Net realisable value is determined by reference to estimated selling price less anticipated costs to completion of the development and costs to be incurred in marketing and selling the completed properties.

Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised during construction period.

Properties under development are transferred to properties held for sale when the relevant completion certificates are issued by the respective government authorities.

Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策(續)

物業、廠房及設備(續)

永久業權土地不計提折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損按該資產之出售所得款項與賬面值間之差額釐定，並於損益確認。

待售發展中物業

發展中待售物業乃按成本及可變現淨值兩者中之較低者入賬並列作流動資產。可變現淨值透過參考估計售價減預計發展完成之成本及將於營銷及銷售落成物業時產生之成本釐定。

成本包括土地成本，產生之發展開支，並在適當情況下包括建造期間內作資本化之借款費用。

待相關政府部門出具相應的完工證明時，發展中待售物業結轉至待售物業。

有形資產減值

於報告期間結算日，本集團審閱其有形資產之賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何有關跡象，則將估計資產之可收回金額，以釐定減值虧損程度(如有)。倘無法估計個別資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理且一致之分配基準，則公司資產亦獲分配至個別現金產生單位，或分配至可識別合理且一致分配基準之最小現金產生單位組別。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Impairment on tangible assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

有形資產減值(續)

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量使用可反映現時市場對貨幣時間價值之評估及該資產特有之風險(未來現金流量之估計並無就此作調整)之稅前貼現率，貼現至其現值。

倘資產之可收回金額估計少於其賬面值，則該資產之賬面值將減至其可收回金額。減值虧損即時於損益確認。

倘減值虧損於其後撥回，則該資產之賬面值將增至其經修訂估計可收回金額，但因此增加之賬面值不會超逾資產於過往年度倘並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時於損益確認。

金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔之交易成本於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本隨即於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments, except for short-term receivables where the recognition of interest would be immaterial.

Financial assets at FVTPL

Financial assets at FVTPL of the Group are financial assets held for trading and designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or

金融工具(續)

金融資產

本集團之金融資產分為按公平值計入損益(「按公平值計入損益」)之金融資產及貸款及應收款項。分類取決於該等金融資產之性質及用途並於初步確認時釐定。所有定期購買或銷售金融資產按交易日基準確認及取消確認。定期購買或銷售指須於市場規例或慣例設定之時限內交付資產之金融資產購買或銷售。

實際利息法

實際利息法為計算債務工具之攤銷成本及分配相關期間利息收入之方法。實際利率為於初步確認時按金融資產之預計年期或較短期間(如適用)準確貼現估計未來現金收入(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或折讓)至賬面淨值之利率。

債務工具之利息收入按實際利率基準確認，惟短期應收款項除外，其確認利息並不重大。

按公平值計入損益之金融資產

本集團按公平值計入損益之金融資產為持作買賣之金融資產及指定為按公平值計入損益。金融資產於下列情況下獲分類為持作買賣：

- 購入之主要目的為於不久將來出售；或

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

- on initial recognition it is part of an identified portfolio of financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in other gains and losses in the consolidated statement of profit or loss. Fair value is determined in the manner described in note 34.

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產(續)

- 於初步確認時，其為本集團及本公司共同管理已識別金融工具組合之一部分，並有短期獲利之最近實際模式；或
- 其為並非指定且不能有效作為對沖工具之衍生工具。

金融資產(可由收購者支付作為業務合併一部分的持作買賣金融資產或或然代價除外)可於初步確認時被指定為按公平值計入損益，倘：

- 有關指定消除或大幅減少出現不一致之計量或確認歧異；或
- 該金融資產構成一組金融資產或金融負債或兩者其中部分，並根據本集團制定的風險管理或投資策略管理按公平值基準進行管理及評估表現，且有關分組的資料乃按該基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具的合約的一部分，而香港會計準則第39號允許將整個組合合約指定為按公平值計入損益。

按公平值計入損益之金融資產以公平值計量，而因重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額並不包括金融資產所賺取之任何股息或利息，並計入綜合損益賬內的其他收益及虧損。公平值乃按附註34所述方式釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts receivable, pledged bank deposits, restricted bank balances, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For other financial assets, the objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價且具固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項(包括應收賬款、已抵押銀行存款、受限制銀行結餘以及銀行結餘及現金)均採用實際利息法按攤銷成本減任何已識別減值虧損入賬(見下文有關金融資產減值虧損之會計政策)。

利息收入採用實際利率確認，惟利息確認並不重大之短期應收款項除外。

金融資產之減值

金融資產(按公平值計入損益者除外)於報告期間結算日評定有否減值跡象。倘有客觀證據顯示，金融資產之估計未來現金流量因於初步確認金融資產後發生之一宗或以上事件而受到影響，則金融資產被視為減值。

就其他金融資產而言，客觀減值證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，例如未能繳付或延遲償還利息及本金；或
- 借款人有可能面臨破產或財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and amounts due from subsidiaries, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable or amount due from a subsidiary is considered uncollectible, it is written-off against the allowance account.

金融工具(續)

金融資產(續)

金融資產之減值(續)

就貿易應收賬款等若干類別貸款及應收款項而言，被評估為並無出現個別減值之資產其後按整體基準進行減值評估。應收款項之客觀減值證據可能包括本集團過往收款經驗、組合內延遲還款至超逾信貸期之增加次數，以及與應收款項逾期有關之全國或地方之經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，所確認之減值虧損金額為該資產賬面值與按金融資產初始實際利率貼現之估計未來現金流量現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與就恢復類似金融資產以現行市場回報率貼現所得估計未來現金流量現值間之差額計算。有關減值虧損不會於往後期間撥回(見下文會計政策)。

除貿易應收賬款及應收附屬公司款項外，所有金融資產之減值虧損會直接於金融資產賬面值中扣減，而其賬面值會透過使用撥備賬作出扣減。撥備賬之賬面值變動於損益確認。倘貿易應收賬款及應收附屬公司款項被視為無法收回，則於撥備賬撇銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Subsequent recoveries of amounts previously written-off are credited to profit or loss. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group's financial liabilities (including trade payables, amounts due to related companies and ultimate holding company, loans from a related company, bank overdraft and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

金融工具(續)

金融資產(續)

金融資產之減值(續)

其後收回過往已撇銷之款項則計入損益。就按攤銷成本計量之金融資產而言，倘減值虧損金額於往後期間有所減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該資產於減值被撥回當日之賬面值不得超過倘未確認減值而原應有之攤銷成本。

金融負債及股本工具

集團實體發行之負債及股本工具乃根據所訂立之合約安排內容以及金融負債及股本工具之定義分類為金融負債或股本。

金融負債

本集團金融負債(包括貿易應付賬款、應付關連公司及最終控股公司款項、來自一間關連公司之貸款、銀行透支以及銀行及其他借貸)其後採用實際利息法按攤銷成本計量。

實際利息法

實際利息法為計算金融負債之攤銷成本及分配相關期間利息開支之方法。實際利率於初步確認時按金融負債之預計年期或(如適用)較短期間準確貼現估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或折讓)之利率。

利息開支按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if designated as at fair value through profit or loss, are subsequently measured at the higher of:

- (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

股本工具

股本工具為證明於實體經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團發行之股本工具於已收所得款項(扣除直接發行成本)確認。

財務擔保合約

財務擔保合約為發行人根據債務工具條款，因特定債務人於到期日未能償還款項而須支付特定款項以補償持有人所招致虧損之合約。

本集團發行之財務擔保合約初步按其公平值計量及(倘指定為按公平值計入損益)其後按下列之較高者計量：

- (i) 根據香港會計準則第37號撥備、或然負債及或然資產釐定之合約責任金額；及
- (ii) 已初步確認金額減(如適用)於擔保期內確認之累計攤銷。

取消確認

僅於自資產獲得現金流量之合約權利屆滿或將金融資產及該資產所有權之絕大部分風險及回報轉讓至另一實體時，本集團將會取消確認金融資產。

於取消確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認並於權益累計之累計收益或虧損總額間之差額於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time those assets are substantially ready for their intended use or sale.

3. 主要會計政策(續)

金融工具(續)

取消確認(續)

本集團於及僅於本集團之責任獲解除、被註銷或屆滿時，方會取消確認金融負債。已取消確認之金融負債賬面值與已付及應付代價之差額於損益確認。

租賃

當租賃條款將所有權之絕大部分風險及回報轉讓予承租人時，租賃即分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃之租金收入於有關租期內以直線法於損益確認。在磋商及安排經營租賃時產生之初步直接成本加至租賃資產之賬面值。

本集團作為承租人

經營租賃付款按租期以直線法確認為開支。

存貨

存貨以成本與可變現淨值兩者之較低者列賬。存貨成本按先進先出之基準釐定。

借貸成本

與收購、建造或生產需要長時間方能達致擬定用途或銷售之合資格資產直接有關之借貸成本，均加入該等資產成本，直至該等資產可大致上作擬定用途或銷售為止。

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截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs (continued)

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

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

3. 主要會計政策(續)

借貸成本(續)

將特定借貸用以支付合資格資產前就該等借貸所作暫時投資賺取之投資收入，從合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

稅項

所得稅開支指本期應付稅項與遞延稅項之總和。

本期應付稅項按年／期內應課稅溢利計算。由於收入或開支為於其他年度應課稅或應扣減及毋須課稅或不作扣稅之項目，故應課稅溢利與綜合損益及其他全面收益賬所報除稅前虧損不同。本集團之本期稅項負債按截至報告期間結算日已頒佈或實際頒佈之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則一般限於有可能取得應課稅溢利以抵銷可動用之可扣減暫時差額時就所有可扣減暫時差額確認。如暫時差額由商譽或由首次確認不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

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截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Taxation (continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

稅項(續)

遞延稅項負債乃就與於附屬公司及聯營公司之投資權益相關之應課稅暫時差額確認，惟本集團能夠控制暫時差額之撥回及暫時差額不大可能於可見將來撥回則除外。

遞延稅項資產之賬面值會於各報告期間結算日檢討，並作出相應扣減，直至並無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項資產及負債按償付負債或變現資產期內預期適用之稅率(根據截至報告期間結算日已頒佈或實際已頒佈之稅率(及稅法))計量。

遞延稅項負債及資產之計量反映按照本集團所預期之方式於報告期間結算日收回或清償其資產及負債賬面值之稅務後果。

就計量採用公平值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，有關物業之賬面值乃假設透過銷售全數收回，除非該假設被推翻則除外。倘投資物業可予折舊及於業務模式(其業務目標為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益)內持有時，則有關假設會被推翻。

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截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

稅項(續)

本期及遞延稅項於損益確認，惟倘其與其他全面收入或直接於權益確認之項目有關則除外，於該情況下，本期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘本期稅項或遞延稅項因對業務合併進行初步會計處理而產生，則稅務影響計入業務合併之會計處理。

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易按交易當日之現行匯率確認。於報告期間結算日，以外幣列值之貨幣項目以當日現行匯率重新換算。以外幣計值且按公平值列賬之非貨幣項目，會按釐定公平值當日之現行匯率重新換算。以外幣過往成本計量之非貨幣項目不予重新換算。

結算及重新換算貨幣項目所產生之匯兌差額於其產生期間於損益確認，惟應收或應付海外業務之貨幣項目之匯兌差額除外，其既無計劃結算或不大可能結算(因此構成海外業務淨投資之一部分)，並於其他全面收益內初步確認及於出售或部分出售本集團之權益時自權益重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued) 3. 主要會計政策(續)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "exchange reserve" (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Retirement benefit costs

Payments to Mandatory Provident Fund Scheme and other retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

外幣(續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期間結算日之現行匯率換算為本集團呈列貨幣（即港元）。收入及開支按期內平均匯率換算，除非期內匯率出現重大波動，於此情況下，則會採用交易當日之匯率。所產生匯兌差額（如有）於其他全面收入確認，並於「外匯儲備」項下之權益累計（歸屬於非控股權益（倘適用））。

於出售海外業務（即出售本集團於海外業務之全部權益或出售涉及失去對一間附屬公司（包括海外業務）之控制權或出售於聯合安排（包括海外業務）之部分權益，當中的保留權益成為金融資產）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

退休福利成本

強制性公積金計劃及其他退休福利計劃之付款於僱員提供使彼等有權享有供款之服務時作為開支支銷。

收益確認

收益按已收或應收代價之公平值計量，指於日常業務過程中出售貨品及提供服務之應收款額（扣除折扣及銷售相關稅項）。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue is recognised when the amount of revenue can be reliably measured; when it is probably that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from hotel operations is recognised when the relevant services are provided.

Property management fee income is recognised in profit or loss when the services are rendered.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue from sale of properties developed for sale is recognised upon delivery of properties to the purchasers pursuant to the sales and purchase agreements. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing above.

3. 主要會計政策(續)

收益確認(續)

倘收益款項能可靠計量、未來經濟利益可能流入本集團，且符合下列所述本集團各業務的特定標準時，方會確認收益。

酒店業務收益於提供相關服務時確認。

物業管理費用收入於提供相關服務時於損益確認。

投資之股息收入於收取付款之股東權利確立時確認(假設經濟利益可能流入本集團以及當收入金額能可靠計量)。

在經濟利益可能流入本集團及收入金額能夠可靠地計量之情況下，金融資產之利息收入會獲確認。利息收入乃參照未償還本金按適用之實際利率及時間比例計算(適用之實際利率即準確貼現金融資產預計年內估計未來現金收入至資產於初始確認時之賬面淨值之利率)。

出售待售已發展物業所得收益為根據買賣協議於物業交付買家後確認。在滿足以上收益確認之條件前從買家收到之訂金及分期付款計入綜合財務狀況報表內流動負債項下。

本集團確認經營租賃收益之會計政策於上文租賃會計政策中論述。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination of functional currency of the Company

The Group operates in Hong Kong, the United States of America (the "USA"), the PRC, Singapore and Japan. Its revenue and expenses are denominated in the respective local currency of the group entities it operates which includes HK\$, United States dollars ("USD"), Renminbi ("RMB"), Singapore dollars ("SGD") and Japanese Yen ("JPY") which are the functional currencies of the group entities. In determining the functional currency of the Company, the management has carefully considered the currencies to which the Company and its subsidiaries have exposed arising from their operating and financing activities. The management considered that HK\$ is able to represent most faithfully the economic environment the Company operates because substantial financing activity of the Company and its subsidiaries are denominated in HK\$ and investment strategies are considered with reference to the volatility against HK\$. Accordingly, the Directors determine that HK\$ is the functional currency of the Company.

4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用附註3所述本集團會計政策時，董事須對不能從其他資料來源得知之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及其他被認為有關之因素作出。實際結果可能有別於此等估計。

有關估計及相關假設會持續檢討。如修訂會計估計只影響修訂估計期間，則該等估計在該期間確認，如有關修訂影響現時及未來期間，則在修訂期間及未來期間確認。

應用會計政策之重大判斷

董事於應用本集團會計政策之過程中，除該等涉及估計(見下文)之判斷外，亦作出以下對綜合財務報表之已確認數額造成最重大影響之重大判斷。

釐定本公司之功能貨幣

本集團在香港、美利堅合眾國(「美國」)、中國、新加坡及日本經營業務。其收益及開支以集團實體經營所在地各自之當地貨幣計值，各集團實體之功能貨幣分別為港元、美元(「美元」)、人民幣(「人民幣」)、新加坡元(「新加坡元」)及日圓(「日圓」)。於釐定本公司之功能貨幣時，管理層已仔細地考慮本公司及其附屬公司經營業務及融資活動所涉及之貨幣。由於本公司及其附屬公司大部分融資活動均以港元計值，且投資策略乃根據港元匯率波動加以考慮，故管理層認為港元可最忠誠地代表本公司業務所在之經濟環境。因此，董事決定以港元作為本公司之功能貨幣。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties situated in the USA are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale whereas those situated in the Hong Kong and Singapore are not held under such a business model. Therefore, the presumption that the carrying amounts of investment properties are recovered entirely through sale is rebutted for properties situated in the USA but is not rebutted for properties situated in Hong Kong and Singapore. As a result, the Group has not recognised any deferred taxes on changes in fair value of these investment properties located in Hong Kong and Singapore as the Group is not subject to any income taxes on disposal of these investment properties. The presumption that the carrying amount of the Group's investment properties in the USA is to recover through sale rather than through use has been rebutted and deferred tax on the changes in fair value is recognised according to the relevant tax rules.

Key sources of estimation uncertainty

The following and those disclosed in note 37 are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

應用會計政策之重大判斷(續)

於投資物業之遞延稅項

就以公平值模型計量之投資物業產生之遞延稅項資產或負債而言，董事已審閱本集團之投資物業組合，總結為本集團位於美國之投資物業以商業模式(其目標是隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益)持有，而該等位於香港及新加坡之投資物業則並非以該商業模式持有。因此，就位於美國之物業而言，透過出售全部回收投資物業賬面值之假定被推翻，惟就位於香港及新加坡之物業而言，假定則不被推翻。由於本集團出售位於香港及新加坡之投資物業時毋須繳納任何所得稅，故本集團並無就該等投資物業之公平值變動確認任何遞延稅項。就本集團位於美國之投資物業賬面值而言，透過出售而非使用回收賬面值之假定已被推翻，故已根據相關稅務規則就公平值之變動確認遞延稅項。

估計不明朗因素之主要來源

以下及附註37所披露之資料為有關未來之主要假設及於報告期間結算日估計不明朗因素(會導致下個財政年度內之資產及負債賬面值出現大幅調整之重大風險)之其他主要來源。

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截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes

Certain assets of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset, the management of the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuer to perform the valuation. The Group's investment properties are carried at fair value. At the end of each reporting period, the management of the Group works closely with the independent qualified professional valuers to establish and determine the appropriate valuation model and techniques and inputs, such as monthly market rent and capitalisation rate, for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors. Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties are disclosed in note 14.

The Directors have exercised their judgment are satisfied that the assumptions used in the valuation are reflected of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustment to the fair value changes resulted in the consolidated statement of profit or loss.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

公平值計量及估值程序

就財務報告而言，本集團若干資產以公平值計量。於估算資產之公平值時，本集團管理層使用可用市場可觀察數據。倘無法獲得第一級輸入數據，本集團則委聘獨立合資格專業估值師進行估值。本集團之投資物業按公平值列賬。於各報告期間結算日，本集團管理層與獨立合資格專業估值師緊密合作，就第三級公平值計量建立和決定適當之估值模型、技術及輸入數據(如每月市場租金及資本化率)。倘資產之公平值有重大改動，其波動原因將向董事報告。釐定投資物業公平值時所用估值技術、輸入數據及主要假設之資料於附註14披露。

董事經判斷後信納估值所用之假設將反映現行市況。該等假設變動將導致本集團投資物業之公平值變動及於綜合損益賬對該公平值變動作出對應調整。

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截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Net realisable value assessment of properties under development for sale

The Group carried out impairment assessment on properties under development at each end of each reporting period by comparing the cost and its net realisable value. The net realisable value is the estimated future selling price less estimated cost of completion and the estimated costs necessary to make the sale (if any). The estimated future selling prices are estimated by management with reference to the Group's pre-sale selling prices and the recent selling prices of similar properties in the nearby or relevant locations. The management also estimated the estimated future selling expenses and the expected costs to completion by reference to the actual selling expenses of the Groups' completion projects, adjusted by certain current market data, the legal and regulating framework and general market condition. The Group's properties under development for sale are all situated in the PRC, details of which are set out in the consolidated statement of financial position and note 17. At 31 December 2016, the aggregate carrying amount of properties under development for sale amounted to approximately HK\$1,438,523,000 (2015: HK\$801,878,000) are expected to be recovered through future sales and stated at the lower of cost and net realisable value. All of which are expected to be recovered higher than the cost and hence no write down to net realisable value is required at the year ended 31 December 2016.

4. 關鍵會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

待售發展中物業之可變現淨值評估

本集團透過對比成本與其可變現淨值，於各報告期間結算日對發展中物業進行減值評估。可變現淨值乃按估計未來售價減估計完成成本及出售所需之估計成本(如有)計算。估計未來售價乃由管理層經參考本集團之預售價及於附近或相關地點之類似物業之近期售價後估計得出。管理層已參考本集團竣工項目所需的實際銷售開支對估計未來銷售開支及預期完工成本進行估計，有關實際銷售開支已根據若干現有市場數據、法律及監管體制以及整體市況作出調整。本集團之待售發展中物業均位於中國，其詳情載於綜合財務狀況報表及附註17。於二零一六年十二月三十一日，待售發展中物業之賬面值總額約1,438,523,000港元(二零一五年：801,878,000港元)預期可透過未來銷售予以收回，並按成本及可變現淨值兩者之較低者列賬。截至二零一六年十二月三十一日止年度，所有待售發展中物業預期將以高於成本之價格收回，故毋須撇減至可變現淨值。

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5. REVENUE AND SEGMENT INFORMATION

5. 收益及分部資料

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Revenue is analysed as follows:	收益分析如下：		
Rental income	租金收入	53,826	35,487
Income from hotel operations	酒店業務收入	6,969	5,113
Dividend income from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產股息收入	8,704	1,492
Property management fee income	物業管理費收入	9,736	1,513
Interest income	利息收入	334	355
		79,569	43,960

Information reported to the board of directors of the Company (the “Board”), being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on different business activities of the Group. This is also the basis upon which the Group is organised and managed.

向本公司董事會(「董事會」)，即主要營運決策者(「主要營運決策者」)報告作資源分配及分部表現評估之資料是以本集團不同業務活動為基礎。此亦是本集團組織及管理之基準。

Accordingly, the Group’s reportable segments under HKFRS 8 are as follows:

因此，本集團根據香港財務報告準則第8號之可報告分部如下：

- | | |
|---|---|
| a) Securities trading and investment | a) 證券買賣及投資 |
| b) Property investment and management in the USA on American Housing REIT, Inc. (“AHR”) and Global Medical REIT, Inc. (“GMR”), both are operated and managed by a subsidiary of the Group | b) American Housing REIT, Inc. (「AHR」) 及 Global Medical REIT, Inc. (「GMR」) (均由本集團一間附屬公司經營及管理) 於美國之物業投資及管理 |
| c) Property investment other than AHR and GMR | c) AHR及GMR以外之物業投資 |
| d) Hotel operations | d) 酒店業務 |
| e) Property development in the PRC | e) 中國物業發展 |

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截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

The Group has property investment and management businesses in Hong Kong, the USA, Singapore and Japan. Other than AHR and GMR which operate in the USA, the property investment businesses in other regions are aggregated into one reportable segment.

The following is an analysis of the Group's revenue, results and assets by reportable and operating segments:

Segment revenue and results

		Segment revenue 分部收益		Segment results 分部業績	
		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元	1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Securities trading and investment	證券買賣及投資	8,704	1,492	(14,790)	1,216
Property investment and management in the USA on AHR and GMR	AHR及GMR於美國之物業投資及管理	47,433	26,191	(31,986)	(13,067)
Property investment other than AHR and GMR	AHR及GMR以外之物業投資	16,129	10,809	8,045	(5,783)
Hotel operations	酒店業務	6,969	5,113	(928)	(858)
Property development in the PRC	中國物業發展	-	-	(17,996)	(6,996)
Others	其他	334	355	218	114
		79,569	43,960	(57,437)	(25,374)
Unallocated corporate income	未分配公司收入			858	441
Unallocated corporate expenses	未分配公司開支			(14,647)	(36,820)
Other gains and losses	其他收益及虧損			19,397	45,477
Unallocated finance costs	未分配融資成本			(142)	(1,053)
Share of loss of an associate	分佔聯營公司之虧損			-	(61)
Share of loss of a joint venture	分佔合營企業之虧損			-	(353)
Loss before taxation	除稅前虧損			(51,971)	(17,743)
Income tax expense	所得稅開支			(4,614)	(1,450)
Loss for the year/period	年度/期間虧損			(56,585)	(19,193)

本集團於香港、美國、新加坡及日本擁有物業投資及管理業務。除AHR及GMR於美國經營業務外，其他地區之物業投資業務合併作一個可報告分部。

本集團按可報告及經營分部之收益、業績及資產分析如下：

分部收益及業績

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5. REVENUE AND SEGMENT INFORMATION 5. 收益及分部資料(續) (continued)

Segment revenue and results (continued)

分部收益及業績(續)

		Segment assets	
		分部資產	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Securities trading and investment	證券買賣及投資	191,518	10,072
Property investment and management in the USA on AHR and GMR	AHR及GMR於美國之 物業投資及管理	165,900	591,015
Property investment other than AHR and GMR	AHR及GMR以外之物業投資	537,053	509,978
Hotel operations	酒店業務	7,740	7,655
Property development in the PRC	中國物業發展	2,637,334	810,259
		<hr/>	<hr/>
		3,539,545	1,928,979
Unallocated assets	未分配資產	158,640	257,110
		<hr/>	<hr/>
		3,698,185	2,186,089
		<hr/>	<hr/>

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截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION 5. 收益及分部資料(續)

Other segment information

For the year ended 31 December 2016

其他分部資料

截至二零一六年十二月三十一日止年度

	Securities trading and investment	Property investment in the USA on AHR and GMR	Property investment other than AHR and GMR	Hotel operations	Property development in the PRC	Unallocated	Total
	證券買賣及投資	AHR及GMR於美國之物業投資及管理	AHR及GMR以外之物業投資	酒店業務	中國物業發展	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment results or segment assets:	計入分部業績或分部資產計量之金額：						
Additions to investment properties and property, plant and equipment	-	294,530	32	28	13	32	294,635
Depreciation of property, plant and equipment	-	31	552	201	55	163	1,002
Gain on disposal of investment properties	-	349	-	-	-	-	349
Gain on disposal of an associate	-	-	-	-	-	8,367	8,367
Bad debts written-off in respect of accounts receivable	-	387	-	-	-	-	387
(Loss) gain on disposal of subsidiaries	-	(22,333)	-	-	-	9,205	(13,128)
Increase (decrease) in fair value of investment properties	-	1,371	(321)	-	-	-	1,050
Decrease in fair value of financial assets at fair value through profit or loss	23,417	-	-	-	-	-	23,417

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截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION 5. 收益及分部資料(續)

Other segment information (continued)

For the period ended 31 December 2015

其他分部資料(續)

截至二零一五年十二月三十一日止期間

	Securities trading and investment	Property investment and management in the USA by AHR and GMR	Property investment other than AHR and GMR	Hotel operations	Property development in the PRC	Unallocated	Total
	證券買賣及投資	AHR及GMR於美國之物業投資及管理	AHR及GMR以外之物業物業投資	酒店業務	中國物業發展	未分配	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment results or segment assets:	計入分部業績或分部資產計量之金額：						
Additions to investment properties and property, plant and equipment	-	254,500	259	-	-	150	254,909
Depreciation of property, plant and equipment	-	-	-	88	-	1,108	1,196
Gain on disposal of investment properties	-	226	-	-	-	-	226
Gain on disposal of a joint venture	-	-	-	-	-	279	279
Gain on disposal of available-for-sale financial assets	-	-	-	-	-	2,055	2,055
Bad debts written-off in respect of accounts receivable	-	107	-	-	-	-	107
Loss on disposal of property, plant and equipment	-	-	-	-	-	258	258
Increase (decrease) in fair value of investment properties	-	1,340	(11,832)	-	-	-	(10,492)
Decrease in fair value of financial assets at fair value through profit or loss	131	-	-	-	-	-	131
Bargain purchase arising from acquisition of subsidiaries	-	-	-	-	-	47,738	47,738
Impairment loss recognised in respect of interest in an associate	-	-	-	-	-	2,540	2,540

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截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

Other segment information (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit from (loss incurred by) each segment without allocation of certain items, mainly comprising certain corporate income, certain other gains and losses, share of result of an associate, share of result of a joint venture, certain depreciation, certain administrative expenses, Directors' and chief executives' salaries and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than unallocated assets (comprising certain property, plant and equipment, interest in an associate, certain other receivables, deposits and prepayments, and certain bank balances and cash).

Information about segment liabilities is not regularly reviewed by the CODM. Accordingly, no such information is presented.

5. 收益及分部資料(續)

其他分部資料(續)

經營分部之會計政策與附註3所述之本集團會計政策一致。分部業績指各分部賺取之利潤(產生之虧損)，並無分配若干項目，主要包括若干公司收入、若干其他收益及虧損、分佔一間聯營公司業績、分佔一間合營企業業績、若干折舊、若干行政開支、董事及主要行政人員之薪金以及若干融資成本。此乃向主要營運決策者呈報以作資源分配及表現評估之計量基準。

就監察分部表現及於分部間分配資源而言，所有資產獲分配至經營分部，惟未分配資產(包括若干物業、廠房及設備、於一間聯營公司之權益、若干其他應收款項、按金及預付款項以及若干銀行結餘及現金)除外。

主要營運決策者並無定期審閱分部負債之資料。因此，並無呈列該項資料。

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截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are located in five (2015: five) major geographical areas. Information about the Group's revenue from external customers is presented based on the geographical market of the customers, irrespective of the origin of the goods and services. Information about the Group's non-current assets, excluding financial instruments, is presented based on the geographical location of the assets.

地區資料

本集團業務設於五個(二零一五年：五個)主要地區。本集團來自外部客戶收益之資料乃基於客戶地區市場呈列，而不計及貨品及服務之原產地。本集團非流動資產(金融工具除外)之資料乃基於資產所在地呈列。

	Revenue from external customer 來自外部客戶收益		Non-current assets 非流動資產		
	1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	
Hong Kong The PRC North America Singapore Japan	香港 中國 北美洲 新加坡 日本	2,850 267 56,437 9,312 10,703	3,235 – 26,799 6,546 7,380	99,235 83 113,321 336,104 54,330	100,139 135 613,889 344,444 51,824
		79,569	43,960	603,073	1,110,431

Information about major customers

Included in revenue is an amount of HK\$17,823,000 from one customer (1.4.2015 to 31.12.2015: one customer amounting to HK\$9,409,000) in the Group's security trading and investment segment and property investment and management in the USA on AHR and GMR segment (2015: property investment and management in the USA on AHR and GMR) which contributed 10% or more of the Group's total revenue for the year ended 31 December 2016.

有關主要客戶之資料

截至二零一六年十二月三十一日止年度，收益包括來自本集團之安全交易及投資分部以及AHR及GMR於美國之物業投資及管理分部(二零一五年：AHR及GMR於美國之物業投資及管理)一名客戶之款項17,823,000港元(二零一五年四月一日至二零一五年十二月三十一日：一名客戶之款項，為9,409,000港元)，貢獻本集團總收益10%或以上。

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綜合財務報表附註

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6. OTHER GAINS AND LOSSES

6. 其他收益及虧損

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Gain on disposal of investment properties	出售投資物業之收益	349	226
Gain on disposal of an associate (note 15)	出售一間聯營公司之收益 (附註15)	8,367	-
Gain on disposal of a joint venture	出售一間合營企業之收益	-	279
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	-	2,055
Bad debts written-off in respect of accounts receivable	就應收賬款撇銷壞賬	(387)	(107)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	(258)
Loss on disposal of subsidiaries (notes 30(a) and 30(b))	出售附屬公司之虧損(附註30(a)及30(b))	(13,128)	-
Exchange gain (loss), net	匯兌收益(虧損)淨額	2,390	(2,334)
Increase (decrease) in fair value of investment properties (note 14)	投資物業之公平值增加(減少) (附註14)	1,050	(10,492)
Increase (decrease) in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產 公平值增加(減少)		
- realised	- 已變現	6	(755)
- unrealised	- 未變現	(23,423)	886
Bargain purchase arising from acquisition of subsidiaries (note 29)	收購附屬公司之議價收購 (附註29)	-	47,738
Impairment loss recognised in respect of amounts due from an investee (note 19)	就應收被投資公司款項確認之 減值虧損(附註19)	-	(4,625)
Impairment loss recognised in respect of interest in an associate	就於一間聯營公司之權益確認之 減值虧損	-	(2,540)
		(24,776)	29,811

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7. FINANCE COSTS

7. 融資成本

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Interests on:	下列各項之利息：		
Bank and other borrowings	銀行及其他借貸	19,753	13,322
Loans from a related company	來自一間關連公司之貸款	11,381	3,893
		<hr/> 31,134	<hr/> 17,215
Less: capitalised in properties under development for sale	減：於待售發展中物業 資本化之金額	<hr/> (11,381)	<hr/> (3,893)
		<hr/> 19,753	<hr/> 13,322

Borrowing costs capitalised during the current year arose on the specific borrowings which are the rates of 4% (2015: 4%) per annum.

本年度內資本化之貸款成本乃源自年利率為4%(二零一五年：4%)之指定貸款。

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8. LOSS BEFORE TAXATION

8. 除稅前虧損

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Loss before taxation has been arrived at after charging:	除稅前虧損經扣除下列各項：		
Total staff costs:	員工成本總額：		
Directors' emoluments (note 10(a))	董事薪酬(附註10(a))	1,781	6,952
Other staffs:	其他員工：		
Salaries and other benefits	薪金及其他福利	19,201	14,011
Retirement benefit scheme contributions	退休福利計劃供款	1,118	475
Total employee benefit expenses	僱員福利開支總額	22,100	21,438
Less: capitalised in properties under development for sale	減：於待售發展中物業資本化之金額	(487)	-
		21,613	21,438
Auditor's remuneration	核數師薪酬		
– audit services	– 核數服務	1,810	1,810
– non-audit services	– 非核數服務	40	160
Operating lease payments	經營租賃付款	1,371	2,489
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,002	1,196
after crediting:	經計入：		
Gross rental income from investment properties	投資物業租金收入總額	53,826	35,487
Less: direct operating expenses incurred for:	減：所產生之直接經營開支：		
– investment properties generated rental income	– 為產生租金收入之投資物業	(12,317)	(8,832)
– investment properties that did not generate rental income	– 為並無產生租金收入之投資物業	(326)	(517)
		(12,643)	(9,349)
		41,183	26,138

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9. INCOME TAX EXPENSE

9. 所得稅開支

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Income tax expense comprises:	所得稅開支包括：		
Current tax	本期稅項		
– Hong Kong	– 香港	–	–
– Overseas	– 海外	5,437	63
		<u>5,437</u>	<u>63</u>
(Over)under provision in prior years	過往年度(超額撥備)撥備不足		
– Hong Kong	– 香港	–	–
– Overseas	– 海外	(498)	850
		<u>(498)</u>	<u>850</u>
Deferred taxation (note 28)	遞延稅項(附註28)	(325)	537
		<u>4,614</u>	<u>1,450</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year/period.

該年度／期間之香港利得稅均按估計應課稅溢利之16.5%計算。

PRC Enterprise Income Tax is calculated at the applicable income tax rate of 25% on the assessable profits of the companies.

中國企業所得稅按該等公司應課稅溢利之25%適用所得稅率計算。

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax has been made in the consolidated financial statements as there are no assessable profits in Hong Kong and the PRC for the year/period.

由於年／期內並無於香港及中國產生應課稅溢利，因此並無於綜合財務報表就香港利得稅及中國企業所得稅作出撥備。

Singapore income tax is calculated at 17% of assessable profit for the year/period. According to the relevant Singapore tax regulations, certain Singapore subsidiaries of the Group enjoyed the partial tax exemption and tax rebate during the year/period.

新加坡所得稅按該年度／期間應課稅溢利之17%計算。根據相關新加坡稅務規例，本集團若干新加坡附屬公司於該年度／期間享有部分稅項豁免及退稅。

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9. INCOME TAX EXPENSE (continued)

The subsidiaries in the USA are generally subject to Federal Income Tax up to 35% and State Tax ranging from 4% to 9.99% (2015: 5% to 9.99%) on the taxable income. Certain of these subsidiaries retained with undistributed income are also entitled to an additional personal holding company tax at 20% on the taxable income. Certain subsidiaries are LLCs which are by default disregarded entities (i.e. viewed as divisions of the holding company) and would be taxed part of their holding company for federal tax purposes.

Income tax expense for the year/period is reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅開支(續)

於美國之附屬公司通常需按應課稅收入支付最高35%之聯邦所得稅及介乎4%至9.99%(二零一五年: 5%至9.99%)之州稅。預留未分派收入之若干該等附屬公司亦需按應課稅收入之20%支付個人控股公司附加稅。若干附屬公司屬有限公司, 本身不被視為實體(即視為控股公司之分部), 將就聯邦所得稅而言當作控股公司一部分計算稅項。

年/期內所得稅開支與綜合損益及其他全面收益賬所示除稅前虧損對賬如下:

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Loss before taxation	除稅前虧損	(51,971)	(17,743)
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%	(8,575)	(2,928)
Effect of different tax rates on operations in other jurisdictions	在其他司法權區營運稅率不同之影響	3,183	(3,648)
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	10,368	7,619
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(16,204)	(11,107)
Tax effect of deductible temporary differences not recognised	尚未確認可扣減暫時差額之稅務影響	(81)	-
Effect of tax exemption and tax rebate granted to subsidiaries in Singapore	新加坡附屬公司獲授稅務豁免及退稅之影響	(153)	-
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	16,675	10,657
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(101)	(61)
(Over)underprovision in prior years	過往年度(超額撥備)撥備不足	(498)	850
Tax effect of share of result of a joint venture	分佔一間合營企業業績之稅務影響	-	58
Tax effect of share of result of an associate	分佔一間聯營公司業績之稅務影響	-	10
Income tax expense for the year/period	年/期內所得稅開支	4,614	1,450

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

10. 董事及主要行政人員薪酬以及五名最高薪人士

(a) Directors' emoluments

The emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking, were as follows:

(a) 董事薪酬

就某一人士出任董事服務(無論是本公司或其附屬公司業務)已付或應付之薪酬如下:

Name of directors	董事姓名	Notes 附註	1.1.2016 to 31.12.2016 二零一六年一月一日至二零一六年十二月三十一日				Total 總計
			Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefit contributions 退休福利計劃之供款 HK\$'000 千港元	Long service payment 長期服務金 HK\$'000 千港元	
<i>Executive directors</i> 執行董事							
Mr. Zhang Jingguo	張敬國先生	(a)	-	-	-	-	-
Mr. Zhang Guoqiang	張國強先生	(b)	-	452	91	-	543
Mr. Eric Jackson Chang	張世澤先生	(b)	-	500	18	-	518
<i>Non-executive directors</i> 非執行董事							
Ms. Huang Yanping	Huang Yanping女士	(b)	-	-	-	-	-
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr. Liu Da	劉達先生	(b)	240	-	-	-	240
Dr. Liu Qiao	劉俏博士	(b)	240	-	-	-	240
Mr. Ma Yuntao	馬運強先生	(b)	240	-	-	-	240
			720	952	109	-	1,781

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截至二零一六年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(a) Directors' emoluments (continued)

(a) 董事薪酬(續)

Name of directors	董事姓名	Notes 附註	1.4.2015 to 31.12.2015 二零一五年四月一日至二零一五年十二月三十一日				Total 總計
			Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement contributions 退休福利計劃之供款 HK\$'000 千港元	Long service payment 長期服務金 HK\$'000 千港元	
<i>Executive directors</i>							
Mr. Zhang Jingguo	張敬國先生	(a)	-	-	-	-	-
Mr. Zhang Guoqiang	張國強先生	(b)	-	203	-	-	203
Mr. Eric Jackson Chang	張世澤先生	(b)	-	215	8	223	
Mr. Chan Heng Fai	陳恒輝先生	(c)	-	2,765	4	319	3,088
Mr. Chan Tong Wan	陳統運先生	(c)	-	689	15	-	704
Mrs. Chan Yoke Keow	陳玉嬌女士	(c)	-	1,469	4	342	1,815
<i>Non-executive directors</i>							
Ms. Huang Yanping	Huang Yanping女士	(b)	-	-	-	-	-
Dr. Lam, Lee G	林家禮博士	(c)	162	-	-	-	162
Mr. Fong Kwok Jen	鄺國禎先生	(c)	81	-	-	-	81
<i>Independent non-executive directors</i>							
Mr. Liu Da	劉達先生	(b)	103	-	-	-	103
Dr. Liu Qiao	劉俏博士	(b)	103	-	-	-	103
Mr. Ma Yuntao	馬運強先生	(b)	103	-	-	-	103
Mr. Wong Tat Keung	黃達強先生	(c)	133	-	-	-	133
Mr. Wong Dor Luk, Peter	王多祿先生	(c)	117	-	-	-	117
Mr. Chan King Fai	陳京輝先生	(c)	117	-	-	-	117
			919	5,341	31	661	6,952

(a) Appointed on 6 July 2015

(a) 於二零一五年七月六日獲委任

(b) Appointed on 27 July 2015

(b) 於二零一五年七月二十七日獲委任

(c) Resigned on 27 July 2015

(c) 於二零一五年七月二十七日辭任

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截至二零一六年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

Mr. Zhang Jingguo is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

The executive Directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive Directors' emoluments shown above were mainly for their services as the Directors.

The independent non-executive Directors' emoluments shown above were mainly for their services as the Directors.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, no (2015: two) were directors whose emoluments are disclosed above. The emoluments of five (2015: the remaining three) individuals were as follows:

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(a) 董事薪酬(續)

張敬國先生亦為本公司行政總裁，上述所披露彼之薪酬包括彼作為主要行政人員所提供之服務。

上文所示執行董事之薪酬主要為彼等就管理本公司及本集團事務所提供之服務。

上文所示非執行董事之薪酬主要為彼等作為董事所提供之服務。

上文所示獨立非執行董事之薪酬主要為彼等作為董事所提供之服務。

(b) 員工薪酬

本集團五名最高薪人士薪酬中，並無董事(二零一五年：兩名)之薪酬已於上文披露。五名(二零一五年：其餘三名)人士之薪酬如下：

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	7,911	3,998
Contributions to retirement benefit scheme	退休福利計劃之供款	18	18
		7,929	4,016

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截至二零一六年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Employees' emoluments (continued)

Their emoluments were within the following brands:

HK\$1,000,001 to HK\$1,500,000
HK\$1,500,001 to HK\$2,000,000

1,000,001港元至1,500,000港元
1,500,001港元至2,000,000港元

There was no emolument paid to the Directors and the five highest paid individuals as an inducement to accept office as director or as compensation for loss of office and no Directors waived any of their emoluments for the year/period.

No emoluments paid or receivable in respect of Directors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year/period.

10. 董事及主要行政人員薪酬以及五名最高薪人士(續)

(b) 員工薪酬(續)

彼等之酬金介乎下列組別：

		Number of employees 員工人數	
		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	3
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	3	—
		5	3

概無向董事及五名最高薪人士支付酬金，作為吸引出任董事職務或離職賠償，年／期內概無董事放棄任何彼等之酬金。

年／期內，概無就董事為本公司或其附屬公司業務之事務管理所提供其他服務支付或應收酬金。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

10A. TRANSACTIONS, ARRANGEMENTS OR CONTRACTS IN WHICH DIRECTORS OF THE COMPANY HAVE MATERIAL INTERESTS

- (a) During the period ended 31 December 2015, the Company has completed an open offer by issuing 365,565,717 ordinary shares, of which Mr. Chan Heng Fai (“Mr. Chan”), the then director of the Company and the then ultimate controlling party and/or his family and the companies controlled by him, subscribed 244,336,472 shares and the Group has paid HK\$309,000 to Mr. Chan as underwriter’s commission.
- (b) During the period ended 31 December 2015, the Company has entered into a sale and purchase agreement with Ms. Huang, pursuant to which Ms. Huang has disposed of the entire interest in Vigor Capital Holdings Limited, which indirectly held a property development project in the PRC, to the Group which was settled by the issue of 1,350,000,000 ordinary shares of the Company to the ultimate holding company. Details of the transactions are set out in note 29.

11. DIVIDENDS

The Directors did not recommend the payment of a dividend for the year/period.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following information:

10A. 本公司董事擁有重大權益之交易、安排或合約

- (a) 於截至二零一五年十二月三十一日止期間，本公司完成發行365,565,717股普通股之公開發售，其中陳恒輝先生（「陳先生」，本公司當時之董事及當時之最終控制方）及／或其家族以及受其控制之公司認購244,336,472股股份，本集團已向陳先生支付309,000港元作為包銷商佣金。
- (b) 於截至二零一五年十二月三十一日止期間，本公司與Huang女士訂立買賣協議，據此Huang女士已出售Vigor Capital Holdings Limited（於中國間接持有一個物業發展項目）之全部權益予本集團，而本公司透過向最終控股公司發行1,350,000,000股本公司普通股結算。有關該交易之詳情載於附註29。

11. 股息

年／期內，董事並無建議派付股息。

12. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下資料計算：

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Loss	虧損		
Loss for the purpose of basic and diluted loss per share	每股基本及攤薄虧損之虧損	56,702	19,655

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12. LOSS PER SHARE (continued)

12. 每股虧損(續)

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損之普通股加權平均數	5,850,836	4,197,949

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company for the year/period of approximately HK\$56,702,000 (1.4.2015 to 31.12.2015: HK\$19,655,000) and the weighted average number of 5,850,836,000 (1.4.2015 to 31.12.2015: 4,197,949,000) ordinary shares in issue during the year/period.

每股基本及攤薄虧損乃根據本公司擁有人應佔年內／期間虧損約56,702,000港元(二零一五年四月一日至二零一五年十二月三十一日：19,655,000港元)及於年內／期間已發行普通股加權平均數5,850,836,000股(二零一五年四月一日至二零一五年十二月三十一日：4,197,949,000股)計算。

No dilutive effect to the loss per share as there are no potential ordinary share in issue for the year ended 31 December 2016.

由於於截至二零一六年十二月三十一日止年度並無潛在已發行普通股，故每股虧損並無攤薄影響。

The computation of the diluted loss per share for the period ended 31 December 2015 did not assume the exercise of the Company's share options which were in issue during the period, because this would result in a decrease in the loss per share.

於截至二零一五年十二月三十一日止期間每股攤薄虧損之計算方法並不假設本公司期內已發行之購股權獲行使，因為其會令每股虧損下降。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and building	Hotel	Leasehold improvement	Furniture, fixtures, computer equipment and motor vehicles 傢俬、裝置、 電腦設備及汽車	Total
		土地及樓宇 HK\$'000 千港元	酒店 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	電腦設備及汽車 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本					
At 1 April 2015	於二零一五年四月一日	26,460	8,193	1,952	10,195	46,800
Additions	添置	-	-	232	177	409
Acquisition of subsidiaries (note 29)	收購附屬公司 (附註29)	-	-	-	59	59
Disposals	出售	-	-	-	(5,921)	(5,921)
Transfer to investment properties	轉撥至投資物業	(12,582)	-	-	-	(12,582)
Exchange realignment	匯兌調整	-	(8)	(35)	(83)	(126)
At 31 December 2015	於二零一五年 十二月三十一日	13,878	8,185	2,149	4,427	28,639
Additions	添置	-	-	-	207	207
Exchange realignment	匯兌調整	-	236	(15)	(33)	188
At 31 December 2016	於二零一六年 十二月三十一日	13,878	8,421	2,134	4,601	29,034
DEPRECIATION	折舊					
At 1 April 2015	於二零一五年四月一日	3,205	944	1,447	6,519	12,115
Charge for the period	期內開支	396	88	194	518	1,196
Disposals	出售	-	-	-	(4,084)	(4,084)
Transfer to investment properties	轉撥至投資物業	(1,698)	-	-	-	(1,698)
Exchange realignment	匯兌調整	-	-	(24)	(63)	(87)
At 31 December 2015	於二零一五年 十二月三十一日	1,903	1,032	1,617	2,890	7,442
Charge for the year	年內開支	311	107	165	419	1,002
Exchange realignment	匯兌調整	-	23	(19)	(39)	(35)
At 31 December 2016	於二零一六年 十二月三十一日	2,214	1,162	1,763	3,270	8,409
CARRYING VALUES	賬面值					
At 31 December 2016	於二零一六年 十二月三十一日	11,664	7,259	371	1,331	20,625
At 31 December 2015	於二零一五年 十二月三十一日	11,975	7,153	532	1,537	21,197

Notes to the Consolidated Financial Statements

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying values of land and building and hotel held by the Group are analysed as follows:

Leasehold land and building in Hong Kong
Freehold land and building in Japan

13. 物業、廠房及設備(續)

本集團所持土地、樓宇及酒店之賬面值分析如下：

	31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元
	11,664	11,975
	7,259	7,153
	18,923	19,128

At 31 December 2016, certain of the Group's leasehold land and buildings with an aggregate carrying value of approximately HK\$11,664,000 (2015: HK\$11,975,000) has been pledged to secure the Group's borrowings (notes 24 and 34).

於二零一六年十二月三十一日，本集團賬面值合共約11,664,000港元(二零一五年：11,975,000港元)之若干租賃土地及樓宇已抵押以取得本集團之借貸(附註24及34)。

The above items of property, plant and equipment, except for freehold land, are depreciated at the following rates per annum:

上述物業、廠房及設備項目(永久業權土地除外)按以下年率折舊：

Land and buildings	Over the shorter of the term of lease, or 2% on straight line method
Leasehold improvements	Over the term of the lease or 6.67% – 20% on straight line method, whichever is the shorter
Furniture, fixtures, computer equipment and motor vehicles	20% – 25% on reducing balance method

土地及樓宇	按租期或按直線法之2% (以較短者為準)
租賃物業裝修	按租期或按直線法之6.67%–20% (以較短者為準)
傢俬、裝置、 電腦設備及汽車	20%–25%，採用餘額遞減法

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2016

綜合財務報表附註

截至二零一六年十二月三十一日止年度

14. INVESTMENT PROPERTIES

14. 投資物業

		1.1.2016 to 31.12.2016 二零一六年 一月一日至 二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日至 二零一五年 十二月三十一日 HK\$'000 千港元
FAIR VALUE	公平值		
At the beginning of the year/period	於年／期初	1,085,984	844,901
Additions	添置	294,428	254,500
Disposals	出售	(752,238)	(16,622)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	-	27,920
Transfer to investment properties classified as held for sale (note 21)	轉撥至分類為持作出售之投資物業 (附註21)	(42,187)	(1,342)
Increase (decrease) in fair value – unrealised	公平值增加(減少) – 未變現	1,050	(10,492)
Exchange adjustments	匯兌調整	(4,589)	(12,881)
		<hr/>	<hr/>
At the end of the year/period	於年／期末	582,448	1,085,984

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

本集團所有以經營租賃持有以賺取租金或作資本升值之物業權益皆按公平值模式計量，並分類為投資物業入賬。

The investment properties with an aggregate fair value of HK\$461,438,000 (2015: HK\$774,684,000) are under charge to secure the Group's borrowings (notes 24 and 34).

公平值合共461,438,000港元(二零一五年：774,684,000港元)之投資物業已抵押以取得本集團借貸(附註24及34)。

As at 31 December 2015, the Group was in the process of completing title registration of certain investment properties located in the USA with an aggregate carrying amount of HK\$40,001,000. The title registration was completed during the current year.

於二零一五年十二月三十一日，本集團正在辦理位於美國賬面值合共40,001,000港元之若干投資物業業權登記。業權登記已於本年度完成。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

14. INVESTMENT PROPERTIES (continued)

The fair values of the investment properties situated in Hong Kong, Singapore and the USA as at 31 December 2016 are based on the valuations carried out by APAC Asset Valuation and Consulting Limited (“APAC”). As at 31 December 2015 and at the date of transfer to investment properties during 2015, valuations of all investment properties have been carried out by Avista Valuation Advisory Limited (“Avista”), Cushman & Wakefield of Connecticut, Inc., CBRE Inc. and VMG Health, LLC.

APAC and Avista are the members of the Hong Kong Institute of Surveyors and Valuers, while other valuers are members of Appraisal Institute Real Estate Appraisers, all are independent qualified professional valuers not connected with the Group.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is the current use.

The fair values of the investment properties are derived from the capitalisation of net income method with due allowance for the reversionary income.

All of the fair value measurements of the Group’s investment properties other than investment properties classified as held for sale were categorised into Level 3 of the fair value hierarchy. There were no transfers in or out of Level 3 during the year/period.

At the end of the reporting period, management of the Group works with valuers to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the Directors.

14. 投資物業(續)

位於香港、新加坡及美國之投資物業於二零一六年十二月三十一日之公平值乃基於亞太資產評估及顧問有限公司(「亞太」)所進行估值釐定。於二零一五年十二月三十一日及於二零一五年轉撥至投資物業當日，全部投資物業之估值乃由艾華迪評估諮詢有限公司(「艾華迪」)、Cushman & Wakefield of Connecticut, Inc.、CBRE Inc.及VMG Health, LLC.進行。

亞太及艾華迪均為Hong Kong Institute of Surveyors and Valuers會員，而其他估值師為Appraisal Institute Real Estate Appraisers會員，全部為與本集團並無關連之獨立合資格專業估值師。

估計投資物業公平值時，投資物業最常用及最佳用途為現時用途。

投資物業公平值自收入淨額資本化法得出，並為復歸收入作出適當撥備。

本集團投資物業(分類為持作出售之投資物業除外)所有公平值計量歸入第三級公平值層級。於年/期內並無發生轉入或轉出第三級之情況。

於報告期間結算日，本集團管理層與估值師合作，就第三級公平值計量建立和決定適當之估值技術及輸入數據。倘資產之公平值有重大改動，其波動原因將向董事報告。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

14. INVESTMENT PROPERTIES (continued)

The major inputs used in the fair value measurement of the Group's significant investment properties as at 31 December 2016 and 31 December 2015 are set out below:

Investment properties held by the Group in the consolidated statement of financial position
綜合財務狀況表中本集團所持投資物業

Investment properties – offices located in Hong Kong with a carrying value of HK\$85,000,000 (2015: HK\$85,600,000)

投資物業—位於香港賬面值85,000,000港元(二零一五年: 85,600,000港元)之辦公室

Fair value hierarchy
公平值層級

Level 3

第三級

Valuation technique(s) and key input(s)
估值技術及主要輸入數據

Income Capitalisation Approach

The key inputs are:

- (1) Capitalisation rate; and
- (2) Monthly market rent.

收入資本化法

主要輸入數據為:

- (1) 資本化率; 及
- (2) 每月市場租金。

14. 投資物業(續)

本集團重大投資物業於二零一六年十二月三十一日及二零一五年十二月三十一日之公平值計量所用主要輸入數據載列如下:

Significant unobservable input(s)
重大不可觀察輸入數據

Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and market condition, of 3.1% (2015: 3%) per annum.

Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of HK\$38 and HK\$43 (2015: HK\$41) per square foot on gross floor area basis.

計及租金收入資本化潛力、物業性質以及市況後，資本化率為每年3.1% (二零一五年: 3%)。

計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後，每月市場租金按建築面積為基準，平均為每平方呎38港元及43港元(二零一五年: 41港元)。

Relationship of unobservable inputs to fair value
不可觀察輸入數據相對公平值的關係

The higher the capitalisation rate, the lower the fair value.

The higher the monthly market rent, the higher the fair value.

資本化率越高，公平值越低。每月市場租金越高，公平值越高。

Sensitivity
敏感度

A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

A significant increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.

所用資本化率微升會導致公平值大幅減少，反之亦然。

所用每月市場租金大幅增加會導致公平值大幅增加，反之亦然。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – residential homes located in USA with a carrying value of HK\$80,973,000 (2015: HK\$144,124,000)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, from 12.5% to 14.5% (2015: 10% to 16.13%) per annum. Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of US\$0.56 to US\$0.93 (2015: US\$0.44 to US\$1.07) per square foot on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the monthly market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A significant increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
投資物業—位於美國賬面值80,973,000港元(二零一五年: 144,124,000港元)之住宅單位	第三級	收入資本化法 主要輸入數據為: (1) 資本化率; 及 (2) 每月市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後, 資本化率介乎每年12.5%至14.5%(二零一五年: 10%至16.13%)。 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後, 每月市場租金按建築面積為基準, 平均為每平方呎0.56美元至0.93美元(二零一五年: 0.44美元至1.07美元)。	資本化率越高, 公平值越低。 每月市場租金越高, 公平值越高。	所用資本化率微升會導致公平值大幅減少, 反之亦然。 所用每月市場租金大幅增加會導致公平值大幅增加, 反之亦然。

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14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – commercial and residential units located in Singapore with a carrying value of HK\$335,929,000 (2015: HK\$343,876,000)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of range from 3.1% to 3.5% (2015: 3.1% to 3.4%) per annum. Monthly market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of SGD3.5 to SGD9 (2015: SGD3.3 to SGD9.3) per square foot on gross floor area basis.	The higher the capitalisation rate, the lower the fair value. The higher the monthly market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A significant increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
投資物業—位於新加坡賬面值335,929,000港元(二零一五年: 343,876,000港元)之商用及住宅單位	第三級	收入資本化法 主要輸入數據為: (1) 資本化率; 及 (2) 每月市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後, 資本化率介乎每年3.1%至3.5%(二零一五年: 3.1%至3.4%)。每月市場租金, 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後, 每月市場租金按建築面積為基準, 平均為每平方呎3.5新加坡元至9新加坡元(二零一五年: 3.3新加坡元至9.3新加坡元)。	資本化率越高, 公平值越低。 每月市場租金越高, 公平值越高。	所用資本化率微升會導致公平值大幅減少, 反之亦然。 所用每月市場租金大幅增加會導致公平值大幅增加, 反之亦然。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

14. INVESTMENT PROPERTIES (continued)

14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團所持投資物業	Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據相對公平值的關係	Sensitivity 敏感度
Investment properties – medical facilities located in USA with a carrying value of HK\$246,000,000 as at 31 December 2015 *	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Annual market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 6% to 6.25% per annum in 2015. Annual market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and property, US\$25.45 per square foot in 2015.	The higher the capitalisation rate, the lower the fair value. The higher the annual market rent, the higher the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa. A significant increase in the annual market rent used would result in a significant increase in fair value, and vice versa.
投資物業—於二零一五年十二月三十一日，位於美國賬面值246,000,000港元之醫療設施*	第三級	收入資本化法 主要輸入數據為： (1) 資本化率；及 (2) 每年市場租金。	計及租金收入資本化潛力、物業性質以及當前市況後，二零一五年資本化率為每年6%至6.25%。 計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後，二零一五年每年市場租金為每平方呎25.45美元。	資本化率越高，公平值越低。 每年市場租金越高，公平值越高。	所用資本化率微升會導致公平值大幅減少，反之亦然。 所用每年市場租金大幅增加會導致公平值大幅增加，反之亦然。

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14. INVESTMENT PROPERTIES (continued)

Investment properties held by the Group in the consolidated statement of financial position
綜合財務狀況表中本集團所持投資物業

Fair value hierarchy
公平值層級

Valuation technique(s) and key input(s)
估值技術及主要輸入數據

Significant unobservable input(s)
重大不可觀察輸入數據

Relationship of unobservable inputs to fair value
不可觀察輸入數據相對公平值的關係

Sensitivity
敏感度

Investment properties – medical facilities located in USA with a carrying value of HK168,190,000 as at 31 December 2015 *

Level 3

Income Capitalisation Approach of sandwich leasehold building portion only

Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 7.25% per annum in 2015.

The higher the capitalisation rate, the lower the fair value.
The higher the annual market rent, the higher the fair value.

A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

A significant increase in the annual market rent used would result in a significant increase in fair value, and vice versa.

The key inputs are:

- (1) Capitalisation rate; and
- (2) Annual market rent from leasing out the medical facilities net of the annual market rental of land element.

Annual market rent, taking into account the time, location, and individual factors, such as frontage and size, between the comparables and the property, US\$38.62 per square foot per year on gross building area basic after deducting the rental of land in 2015.

投資物業—於二零一五年十二月三十一日位於美國賬面值168,190,000港元之醫療設施*

第三級

僅為三明治租賃樓宇部分之收入資本化法

計及租金收入資本化潛力、物業性質以及當前市況後，資本化率於二零一五年為每年7.25%。

資本化率越高，公平值越低。
每年市場租金越高，公平值越高。

所用資本化率微升會導致公平值大幅減少，反之亦然。

所用每年市場租金大幅增加會導致公平值大幅增加，反之亦然。

主要輸入數據為：

- (1) 資本化率；及
- (2) 自出租醫療設施(扣除土地之每年市場租金之因素)之每年市場租金。

計及可資比較物業與該物業之時間、位置及個別因素(如朝向與大小)後，於扣除二零一五年之土地租金後，每年市場租金按建築面積為基準，為每年每平方呎38.62美元。

* The investment properties were disposed of during the current year through the deemed disposal of GMR and its subsidiaries (note 30(a)).

* 該等投資物業已於本年度藉視作出售GMR及其附屬公司(附註30(a))出售。

There has been no change from the valuation technique used in the prior period.

所用估值技術與過往期間相同。

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15. INTEREST IN AN ASSOCIATE

As at 31 December 2015, the Group had an associate, namely RSI International Systems Inc., (“RSI”), whose shares were listed on the TSX Venture Exchange in Canada. The cost of investment in RSI was HK\$10,489,000 and fully impaired in prior period as the shares had a history of low volume of trading.

During the year, the Group disposed of its entire interest in RSI for a consideration of approximately Canadian dollars 1,486,000 (approximately HK\$8,367,000) accordingly, a net gain of HK\$8,367,000 resulted and recorded in other gains and losses.

16. PLEDGED BANK DEPOSITS/RESTRICTED BANK BALANCES AND BANK BALANCES AND CASH

Restricted bank balances is required in accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau to be placed certain amount of presale proceeds of properties as guarantee deposits in designated bank accounts for the constructions of the related properties. The guarantee deposits can only be used for payments for construction costs of the relevant properties when approval from PRC State-Owned Land and Resource Bureau is obtained. Such guarantee deposits will only be released after the completion certificates have been obtained or the issuance of the property ownership certificates, whichever is earlier.

Pledged bank deposits represent deposits pledged to banks to secure the banking facilities granted to the Group and also the mortgage loan facilities granted by certain banks to the property buyers of the Group’s properties. The pledged bank deposits will be released upon the settlement of relevant bank borrowings and the expiry of the mortgage guarantees provided to the property buyers. Bank deposits amounting to HK\$4,148,000 (2015: HK\$9,239,000) have been pledged to secure the Group’s non-current bank borrowings and are therefore classified as non-current assets.

15. 於一間聯營公司之權益

於二零一五年十二月三十一日，本集團擁有一間聯營公司RSI International Systems Inc.（「RSI」），該公司股份乃於加拿大證券交易所創業板上市。於RSI之投資成本為10,489,000港元，由於股份過去成交量較低，於過往期間已全面減值。

年內，本集團以代價約1,486,000加拿大元（約8,367,000港元）出售其於RSI之全部權益，由此產生8,367,000港元淨收益，乃計入其他收益及虧損。

16. 已抵押銀行存款／受限制銀行結餘以及銀行結餘及現金

受限制銀行結餘指根據中國國土資源局發佈之有關文件規定，將物業預售所得款項之若干金額存入指定銀行戶口作為有關物業建築工程之保證金之款項。經中國國土資源局批准後，有關保證金方可用於支付相關物業之建築成本。有關保證金於獲取完工證明後或發出物業所有權證時（以較早者為準），方可解除。

已抵押銀行存款指已抵押予銀行之存款，以取得授予本集團之銀行信貸融資及若干銀行授予本集團物業之物業買家之按揭貸款融資。已抵押銀行存款將於相關銀行借貸償還後及提供予物業買家之按揭擔保到期後解除。本集團已抵押銀行存款4,148,000港元（二零一五年：9,239,000港元），以獲得非即期銀行貸款，因此分類為非流動資產。

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- | | |
|---|--|
| <p>16. PLEDGED BANK DEPOSITS/RESTRICTED BANK BALANCES AND BANK BALANCES AND CASH (continued)</p> <p>Restricted bank balances and bank balances carry interest at market rates which range from 0.01% to 0.35% (2015: 0.01% to 0.05%) per annum. Pledged bank deposits carry interest at fixed rates which range from 0.03% to 0.35% (2015: 0.15% to 0.35%) per annum.</p> | <p>16. 已抵押銀行存款／受限制銀行結餘以及銀行結餘及現金(續)</p> <p>受限制銀行結餘及銀行結餘市場年利率為0.01至0.35厘(二零一五年：0.01至0.05厘)。已抵押銀行存款固定年利率為0.03至0.35厘(二零一五年：0.15至0.35厘)。</p> |
| <p>17. PROPERTIES UNDER DEVELOPMENT FOR SALE</p> <p>Properties under development for sale are all situated in the PRC and carrying value of HK\$1,147,114,000 (2015: HK\$801,878,000) are expected to be realised after twelve months from the end of the reporting period.</p> <p>The Group carried out the impairment assessment at the end of the reporting period and no write down to the NRV of properties under development for sale during the current year.</p> | <p>17. 待售發展中物業</p> <p>待售發展中物業全部位於中國及賬面值為1,147,114,000港元(二零一五年：801,878,000港元)，並預期將於報告期間結算日起十二個月後變現。</p> <p>經於報告期間結算日進行減值評估，本集團並無撇減年內待售發展中物業之可變現淨值。</p> |
| <p>18. DEPOSITS PAID FOR LAND ACQUISITIONS</p> <p>The amount represented deposits paid for land acquisitions arising from the acquisition of land use rights in the PRC. These deposits would be converted into properties under development for sales upon completion of the land acquisition process. Certain land acquisitions amounting to approximately HK\$997,124,000 were completed subsequent to the ended of reporting period.</p> | <p>18. 已付土地收購按金</p> <p>有關金額指於中國收購土地使用權而產生之已付土地收購按金。該等按金將於土地收購程序完成後轉換為待售發展中物業。於報告期間結算日後，已完成約997,124,000港元之若干土地收購。</p> |

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19. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS 19. 應收賬款、按金及預付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Accounts receivable	應收款賬	10,124	1,185
Prepaid business, value-added and other taxes	預繳營業稅、增值稅及其他稅項	37,449	3,888
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	6,872	10,216
		54,445	15,289
Amounts due from investees	應收投資對象款項	9,298	6,346
Impairment on amounts due from an investee	應收一名投資對象款項減值	(6,346)	(6,346)
		2,952	-
		57,397	15,289

Accounts receivable represent the management fee receivables, dividend receivables, rental receivables and hotel room revenue receivables.

The management fee receivable has to be settled in arrear quarterly, pursuant to the revised management agreement entered into with GMR.

The settlement terms of rental receivables are upon presentation of demand notes. Rental receivables in the USA are initially received by the property managers appointed by the Group as collection agents. Pursuant to agreements between the property managers and the Group, the property managers shall pay the rental collected on behalf of the Group on a monthly basis.

Hotel room revenue is normally settled by cash or credit card.

應收賬款指管理費、股息、租賃及酒店房間收入應收款項。

根據與GMR訂立之經修訂管理協議，管理費應收款項須於每個季度末償付。

應收租金之結算條款為出示繳款通知書時結算。於美國，租賃應收款項初步由本集團委任作為收款代理人之物業經理接收。根據該等物業經理與本集團訂立之協議，該等物業經理須每月支付代本集團接收之租金。

酒店房間收入一般以現金或信用卡結算。

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綜合財務報表附註

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19. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS (continued)

All accounts receivable were aged by 0–60 days, based on invoice dates, and not impaired.

Accounts receivable that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Accounts receivable that was past due but not impaired as the Group has hold collaterals over the balances. Based on past experience, the management believes that no additional allowance for impairment is necessary as there is no significant change in credit quality and the balances are considered to be fully recoverable.

During the year, the Group has reviewed the recoverable amount of amounts due from investees and considered no further impairment is required (2015: provision for HK\$4,625,000).

19. 應收賬款、按金及預付款項(續)

根據發票日期，全部應收賬款賬齡均為0至60日且並無減值。

無逾期亦無減值之應收賬款涉及大部分近期並無拖欠記錄之客戶。已逾期但無減值之應收賬款乃由於本集團就該等結餘持有抵押品。根據以往經驗，管理層相信毋須作出額外減值撥備，因信貸質素並無重大轉變且該等結餘被視為將可全數收回。

年內，本集團已審閱應收投資對象款項之可收回金額，並認為毋須作出進一步減值(二零一五年：計提4,625,000港元撥備)。

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益之金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Held-for-trading investments:	持作買賣之投資：		
Equity securities listed in Hong Kong	於香港上市之股本證券	50	430
Equity securities listed outside Hong Kong	於香港境外上市之股本證券	7,167	9,382
		7,217	9,812
Designated as at fair value through profit or loss:	指定為按公平值計入損益：		
Equity securities listed outside Hong Kong	於香港境外上市之股本證券	180,186	–
		187,403	9,812

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截至二零一六年十二月三十一日止年度

21. INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE 21. 分類為持作出售之投資物業

As at 31 December 2016, the Group has entered into agreements with independent third parties for the disposals of certain investment properties located in the USA for an aggregate cash consideration of approximately HK\$42,187,000 (2015: HK\$1,342,000). The Directors assessed and concluded that the held-for-sale criteria set out in HKFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* of these disposals are met. Therefore, these contracted investment properties are classified as investment properties classified as held for sale as at 31 December 2016. The fair value of investment properties classified as held for sale is determined with reference to their contracted selling price. The disposals have been completed and consideration was received in full subsequent to the end of the reporting period and during the current year.

於二零一六年十二月三十一日，本集團已與獨立第三方訂立協議，以總現金代價約42,187,000港元(二零一五年：1,342,000港元)出售若干位於美國之投資物業。董事評估及總結該等出售已符合香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」所載之持作出售標準。因此，於二零一六年十二月三十一日，該等已訂約投資物業被分類為分類為持作出售之投資物業。分類為持作出售之投資物業之公平值乃參考其合約銷售價而釐定。該等出售已完成，並已於報告期間結算日後及於本年度全數收取代價。

22. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS 22. 應付賬款、已收按金及應計費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Accounts payable	應付賬款	206	459
Accrued construction costs	應計建築成本	155,099	59,883
Rental deposits	租賃按金	2,582	3,041
Retention deposits and payable	保留金及應付款項	3,181	-
Real estate and other tax payable	應付房產稅及其他稅項	1,820	2,544
Other payables and accruals	其他應付款項及應計費用	11,694	13,043
		174,582	78,970

All accounts payable were aged within one year, based on invoice date.

根據發票日期，全部應付賬款賬齡為一年內。

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23. DEPOSITS RECEIVED AND RECEIPT IN ADVANCE FROM PROPERTY BUYERS 23. 已收及預收物業買家之按金

Deposits received and receipt in advance from property buyers amounting to HK\$445,570,000 (2015: HK\$57,250,000) are expected to be released to profit or loss more than twelve months after the end of the reporting period.

已收及預收物業買家之按金445,570,000港元(二零一五年: 57,250,000港元)預期將於報告期間結算日後十二個月以後才轉撥至損益賬。

24. BANK AND OTHER BORROWINGS AND BANK OVERDRAFT 24. 銀行及其他借貸及銀行透支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank borrowings – secured	銀行貸款－有抵押	166,939	392,903
Bank overdraft – unsecured	銀行透支－無抵押	–	7,748
Borrowing from a financial institution – secured	來自金融機構之借款－有抵押	38,069	38,431
		<u>205,008</u>	<u>439,082</u>
Less: front-end fee	減：融資金額	(83)	(4,410)
		<u>204,925</u>	<u>434,672</u>
Analysis for reporting purpose as	就呈報目的分析為：		
Current liabilities	流動負債		
– bank and other borrowings	－銀行及其他借貸	157,550	158,938
– bank overdraft	－銀行透支	–	7,748
		<u>157,550</u>	<u>166,686</u>
Non-current liabilities	非流動負債		
– bank and other borrowings	－銀行及其他借貸	47,375	267,986
		<u>47,375</u>	<u>267,986</u>
		<u>204,925</u>	<u>434,672</u>

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截至二零一六年十二月三十一日止年度

24. BANK AND OTHER BORROWINGS AND BANK OVERDRAFT (continued) 24. 銀行及其他借貸及銀行透支(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The borrowings repayable based on scheduled repayment dates set out in the loan agreements are as follows:	按貸款協議所載預定還款日期償還之貸款如下：		
Within one year	一年以內	149,735	155,389
More than one year but not exceeding two years	一年以上但不超過兩年	8,336	170,299
More than two years but not exceeding five years	兩年以上但不超過五年	18,770	78,400
More than five years	五年以上	28,167	34,994
		205,008	439,082

The carrying amounts of the bank borrowings include an amount of HK\$7,815,000 (2015: HK\$11,297,000) which is not repayable within one year based on scheduled repayment dates has been shown under current liabilities as the counterparties have discretionary rights to demand immediate repayment.

銀行貸款賬面值包括7,815,000港元(二零一五年：11,297,000港元)，根據還款時間表毋須於一年內償還，惟由於對方有酌情權要求即時還款，故列作流動負債。

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24. BANK AND OTHER BORROWINGS AND BANK OVERDRAFT (continued) 24. 銀行及其他借貸及銀行透支(續)

The range of effective interest rates of the bank borrowings is 1.85% to 3.40% (2015: 1.14% to 4.97%) per annum. The bank borrowings denominated in various currencies and carrying interest at prevailing market rates are analysed below.

銀行貸款實際年利率介乎1.85至3.40厘(二零一五年：1.14至4.97厘)。銀行貸款以多種貨幣列值及按現行市場利率計息，分析如下：

Currencies 貨幣	Interest rates 利率	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$ 港幣	Hong Kong Interbank Offered Rate (“HIBOR”) plus 1.75% (2015: HIBOR plus 0.75% to 1.75%) 香港銀行同業拆息(「香港銀行同業拆息」)加1.75厘 (二零一五年：香港銀行同業拆息加0.75至1.75厘)	11,307	41,137
SGD 新加坡元	SGD Swap Offered Rate (“SGDSOR”) plus 1.75% (2015: SGDSOR plus 1.5%) 新加坡元拆息(「新加坡元拆息」)加1.75厘 (二零一五年：新加坡元拆息加1.5厘)	42,896	18,395
SGD 新加坡元	Singapore Interbank Offered Rate (“SIBOR”) plus 0.98% and 1.88% (2015: SIBOR plus 0.75% and 1.75%) 新加坡銀行同業拆息(「新加坡銀行同業拆息」) 加0.98及1.88厘(二零一五年：新加坡銀行同業拆息加0.75及1.75厘)	51,897	82,716
USD 美元	London Interbank Offered Rate (“LIBOR”) plus 2.00% (2015: LIBOR plus 0.75% to 2.00%) 倫敦銀行同業拆息(「倫敦銀行同業拆息」)加2.00厘 (二零一五年：倫敦銀行同業拆息加0.75至2.00厘)	60,839	66,274
USD 美元	2015: Fixed rates at 3.72% to 4.91% 二零一五年：定息3.72至4.91厘	–	182,026
		166,939	390,548

Borrowing from a financial institution with the carrying amount of HK\$37,986,000 (2015: HK\$36,376,000) bear interest at LIBOR plus 4.75% (2015: LIBOR plus 4.75%) and is denominated in USD.

賬面值37,986,000港元(二零一五年：36,376,000港元)之來自金融機構貸款按照倫敦銀行同業拆息加4.75厘(二零一五年：倫敦銀行同業拆息加4.75厘)計息並以美元計值。

Bank overdrafts bore interest at 5% per annum for the period ended 31 December 2015.

於截至二零一五年十二月三十一日止期間，銀行透支按年利率5厘計息。

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25. AMOUNTS DUE TO RELATED COMPANIES AND ULTIMATE HOLDING COMPANY

The amounts due to related companies and the ultimate holding company are unsecured, interest-free and repayable on demand.

Ms. Huang has the controlling interests over these related companies.

26. LOANS FROM A RELATED COMPANY

The related company is Henan Zensun Real Estate Co., Ltd. (“Zensun”), in which Ms. Huang has controlling interests.

The loans amounting to HK\$164,516,000 (2015: HK\$337,233,000) are unsecured, interest bearing at the lower of (i) 4% per annum or (ii) such other interest rate the Group is able to borrow in an amount equal to the relevant loan from a bank or a financial institution at the date of drawdown, except for the amount of HK\$109,535,000 (2015: HK\$154,747,000) which is repayable in 2018 and classified under non-current liabilities, the remaining amount is repayable within one year.

The remaining loans amounting to HK\$997,124,000 (2015: HK\$Nil) are unsecured, interest-free and repayable two years after the date of drawdown. Those amounts are not repayable within one year based on scheduled repayment dates has been shown under current liabilities as the related party has discretionary rights to demand immediate repayment.

In the opinion of the Directors, the carrying amounts of the loans approximate their fair values at initial recognition.

25. 應付關連公司及最終控股公司款項

應付關連公司及最終控股公司款項為無抵押、免息並按要求償還。

Huang女士對該等關連公司擁有控股權益。

26. 來自一間關連公司之貸款

關連公司為河南正商置業有限公司(「正商」)，Huang女士於其中擁有控股權益。

該164,516,000港元(二零一五年：337,233,000港元)之貸款為無抵押，按下列較低者計息：(i)年利率4厘或(ii)相等於在提取日期本集團能夠向銀行或金融機構借入有關貸款金額之其他利率。除應於二零一八年償還及分為非流動負債之109,535,000港元(二零一五年：154,747,000港元)外，餘下金額須於一年內償還。

餘下金額997,124,000港元(二零一五年：零港元)之貸款為無抵押、免息及須於提取日後兩年內償還。該款項根據還款時間表毋須於一年內償還，惟關連人士有酌情權要求即時還款，故已列作流動負債。

董事會認為，該等貸款之賬面值於首次確認時與其公平值相若。

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27. SHARE CAPITAL OF THE COMPANY

27. 本公司股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares with no par value:	無面值之普通股		
At 1 April 2015	於二零一五年四月一日	3,655,657,172	189,595
Issue of shares under open offer (note a)	根據公開發售發行股份(附註a)	365,565,717	35,583
Exercise of share options (note 33)	行使購股權(附註33)	10,197,080	1,698
Issue of shares for acquisition of subsidiaries (note 29)	收購附屬公司所發行之股份(附註29)	1,350,000,000	330,750
		<hr/>	<hr/>
At 31 December 2015	於二零一五年十二月三十一日	5,381,419,969	557,626
Issue of shares under share subscription (note b)	根據股份認購發行股份(附註b)	795,400,000	159,080
		<hr/>	<hr/>
At 31 December 2016	於二零一六年十二月三十一日	6,176,819,969	716,706

Notes:

- a. On 22 April 2015, the Company completed an open offer by issuing 365,565,717 ordinary shares on the basis of one rights share for every ten existing shares, at a subscription price of HK\$0.1 per rights share. The cash proceeds received amounted to approximately HK\$36,557,000 (of which HK\$11,299,000 was received during the period ended 31 March 2015), before share issue expenses of HK\$974,000.
- b. On 30 May 2016, the Company completed a subscription transaction to issue 795,400,000 new ordinary shares at the subscription price of HK\$0.20 per subscription share and received proceeds of approximately HK\$159,080,000.

All the shares issued during the year/period rank pari passu with other shares in issue in all respects.

附註：

- a. 於二零一五年四月二十二日，本公司已完成公開發售，以每股供股股份0.1港元之認購價按每持有十股現有股份獲發一股供股股份之基準發行365,565,717股普通股。已收現金所得款項約為36,557,000港元(扣除股份發行開支974,000港元前)(其中11,299,000港元於截至二零一五年三月三十一日止期間收取)。
- b. 於二零一六年五月三十日，本公司完成一項認購交易，按認購價每股認購股份0.20港元發行795,400,000股新普通股，收取所得款項約159,080,000港元。

年/期內發行之所有股份在所有方面與其他已發行股份享有同等權益。

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截至二零一六年十二月三十一日止年度

28. DEFERRED TAXATION

28. 遞延稅項

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation of investment properties 投資物業重估 HK\$'000 千港元	Business combination 業務合併 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2015	於二零一五年四月一日	66	3,934	–	4,000
Acquisition of subsidiaries (note 29)	收購附屬公司 (附註29)	–	–	7,629	7,629
Charge to profit or loss	於損益賬扣除	–	537	–	537
Exchange realignment	匯兌調整	–	204	–	204
At 31 December 2015	於二零一五年 十二月三十一日	66	4,675	7,629	12,370
Credit to profit or loss	於損益賬計入	–	(325)	–	(325)
Exchange realignment	匯兌調整	–	4	(492)	(488)
At 31 December 2016	於二零一六年 十二月三十一日	66	4,354	7,137	11,557

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截至二零一六年十二月三十一日止年度

28. DEFERRED TAXATION (continued)

At 31 December 2016, the Group had unused tax losses of HK\$597,149,000 (2015: HK\$544,971,000) which are subject to agreement with respective tax authorities, available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Tax loss can be carried forward indefinitely, subject to fulfilment of certain conditions or rules, except for tax loss amounting to HK\$27,581,000 (2015: HK\$11,434,000) incurred in the PRC will expire in the following years ending 31 December:

2020	二零二零年
2021	二零二一年

Following the change in the controlling shareholder of the Company during the previous period, certain tax losses incurred in the USA before such shareholding change cannot be further utilised to offset future profits pursuant to applicable tax regulations in the USA. The related tax losses have been excluded from the Group's unused tax losses and its related deferred tax asset.

28. 遞延稅項(續)

於二零一六年十二月三十一日，本集團未動用稅項虧損為597,149,000港元(二零一五年：544,971,000港元)，與有關稅務機構訂立之協議，可用作抵扣未來利潤。由於未能預測日後溢利來源，故並無就未動用稅項虧損確認遞延稅項資產。符合若干條件或規則後，稅項虧損可無限期結轉，惟於中國產生之稅項虧損27,581,000港元(二零一五年：11,434,000港元)將於截至以下年度十二月三十一日止屆滿。

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	10,386	11,434
	17,195	—
	27,581	11,434

於過往期間本公司控股股東變動後，根據美國適用稅務法規，在該股權變動前於美國產生之若干稅項虧損不可進一步用作抵扣未來溢利。有關稅項虧損被排除在本集團未動用稅項虧損及其有關遞延稅項資產以外。

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29. ACQUISITION OF SUBSIDIARIES

Acquisition of equity interest in Vigor Capital Holdings Limited

Pursuant to a sale and purchase agreement entered into on 2 October 2015 between Ms. Huang and the Company, Ms. Huang agreed to sell and the Company agreed to acquire 100% of the issued share capital of Vigor Capital Holdings Limited (“Vigor”), a company wholly owned by Ms. Huang for a consideration of issue of 1,350,000,000 ordinary shares of the Company (representing approximately 25.1% of the enlarged issued share capital of the Company). The transaction was completed on 24 November 2015. Vigor is an investment holding company and indirectly holds 100% registered capital in 河南正商經開置業有限公司, which is engaged in property development in the PRC.

The consideration of the acquisition at date of completion, representing the fair value of 1,350,000,000 ordinary shares of the Company, determined using the published share price available at the date of the acquisition, amounted to HK\$330,750,000.

The acquisition is accounted for using the acquisition method of accounting in accordance with HKFRS 3 *Business Combinations*. The Directors believe that the acquired items constitutes a business in accordance with HKFRS 3 (for example, construction activities and pre-completion sales activities had been started before the acquisition). The bargain purchase recognised was HK\$47,738,000, mainly arose from the drop of the Company’s share price from the date of sale and purchase agreement to the completion of the transaction.

Acquisition-related costs of HK\$1,067,000 have been expensed and included in administrative expenses during the period ended 31 December 2015.

29. 收購附屬公司

收購Vigor Capital Holdings Limited之股權

根據於二零一五年十月二日Huang女士與本公司訂立之買賣協議，Huang女士已同意出售且本公司已同意收購Vigor Capital Holdings Limited(「Vigor」，由Huang女士全資擁有)之全部已發行股本，代價乃以發行1,350,000,000股本公司之普通股(相當於本公司經擴大已發行股本之約25.1%)之方式支付。該交易於二零一五年十一月二十四日完成。Vigor為一間投資控股公司，間接持有河南正商經開置業有限公司(於中國從事物業發展)之全部註冊股本。

於完成日期之收購代價為330,750,000港元，相當於本公司1,350,000,000股普通股之公平值，乃使用於收購日期可得之已公佈股價釐定。

收購事項根據香港財務報告準則第3號業務合併以收購會計法入賬。董事認為，根據香港財務報告準則第3號，所收購項目構成一項業務(例如建築活動及完成前銷售活動已於收購事項進行前開始)。已確認議價購買為47,738,000港元，主要由本公司股價由買賣協議日期至交易完成時有所下跌產生。

截至二零一五年十二月三十一日止期間，與收購事項有關之成本為1,067,000港元已列為開支，並計入行政開支內。

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截至二零一六年十二月三十一日止年度

29. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of equity interest in Vigor Capital Holdings Limited (continued)

The recognised amounts of assets and liabilities of the acquired companies at the date of acquisition (which is 24 November 2015) are set out below:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	59
Properties under development for sale	可供出售發展中物業	605,911
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	1,979
Tax recoverable	可收回稅項	1,150
Amounts due from related companies	應收關連公司款項	7,185
Bank balances and cash	銀行結餘及現金	6,028
Accounts payable and accruals	應付賬款及應計費用	(67,411)
Tax payable	應付稅項	(2)
Amounts due to related companies	應付關連公司款項	(14,055)
Loans from a related company	來自一間關連公司貸款	(154,727)
Deferred tax liabilities	遞延稅項負債	(7,629)
		<hr/>
Net assets acquired	所收購資產淨值	378,488
		<hr/>
Consideration	代價	330,750
Less: recognised net assets of the acquirees	減：已確認被收購方之資產淨值	(378,488)
		<hr/>
Bargain purchase gain (included in 'other gains and losses' in the profit or loss (note 6))	議價收購之收益(計入損益中「其他收益及虧損」內(附註6))	(47,738)
		<hr/>
Net cash inflow on acquisition:	收購之現金流入淨額：	
Cash and cash equivalent balances acquired	所收購之現金及現金等值項目結餘	6,028
		<hr/>

Included in the loss of the Group for the period ended 31 December 2015 was an aggregate loss of HK\$4,143,000 attributable to the acquired companies (after elimination of transactions with the Group). No revenue was generated from the acquired companies during the period.

Had the acquisition of been completed on 1 April 2015, the Group's loss for the period would have been increased by HK\$8,724,000. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

29. 收購附屬公司(續)

收購Vigor Capital Holdings Limited之股權(續)

於收購日期(即二零一五年十一月二十四日)之已收購公司之已確認資產及負債金額載列如下：

		HK\$'000 千港元
物業、廠房及設備		59
可供出售發展中物業		605,911
應收賬款、按金及預付款項		1,979
可收回稅項		1,150
應收關連公司款項		7,185
銀行結餘及現金		6,028
應付賬款及應計費用		(67,411)
應付稅項		(2)
應付關連公司款項		(14,055)
來自一間關連公司貸款		(154,727)
遞延稅項負債		(7,629)
		<hr/>
所收購資產淨值		378,488
		<hr/>
代價		330,750
減：已確認被收購方之資產淨值		(378,488)
		<hr/>
議價收購之收益(計入損益中「其他收益及虧損」內(附註6))		(47,738)
		<hr/>
收購之現金流入淨額：		
所收購之現金及現金等值項目結餘		6,028
		<hr/>

計入本集團截至二零一五年十二月三十一日止期間之虧損乃由於獲收購公司應佔虧損總額4,143,000港元(在剔除與本集團之交易後)所致。期內獲收購公司並無產生收益。

倘收購事項已於二零一五年四月一日完成，則本集團期內虧損將增加8,724,000港元。備考資料僅供說明用途，並非說明倘收購於二零一五年四月一日已完成之情況下，本集團實際將可錄得之收益及經營業績，亦不擬作為未來業績之預測。

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截至二零一六年十二月三十一日止年度

30. DISPOSAL OF SUBSIDIARIES

(a) Deemed disposal of GMR and its subsidiaries

During the year, GMR, a former subsidiary of the Company, has successfully completed its share offering and migration listing in the New York Stock Exchange. Consequently, the Group's equity interest in GMR was diluted from 99.9% to 14.8%, resulting in a loss of control in GMR. Thereafter, GMR was ceased to be subsidiary of the Company, and the Group classified the investment in GMR as designated as at fair value through profit or loss (note 20).

The net assets of the GMR and its subsidiaries at the date of the disposal were as follows:

Net assets disposed of:
Investment properties
Restricted bank balances
Prepaid expenses
Accounts receivable, deposits and prepayments
Pledged bank deposits
Bank balances and cash
Accounts payable, deposits received and accrued charges
Amount due to immediate holding company
Amounts due to the group companies
Secured bank borrowings – due after one year

Deemed loss on disposal of subsidiaries:

Net assets disposed of
Fair value of retained interest
Non-controlling interests
Cumulative exchange difference in respect of the net assets of GMR reclassified from translation reserve to profit or loss on loss of control of GMR

Net cash outflow arising from the deemed disposal:
Bank balances and cash disposed of

30. 出售附屬公司

(a) 視作出售GMR及其附屬公司

於本年度，本公司之前附屬公司GMR成功完成其於紐約證券交易所之股份發售及轉板上市。因此，本集團於GMR之股權由99.9%攤薄至14.8%，導致本集團失去GMR之控制權。此後，GMR不再為本公司之附屬公司，且本集團將其於GMR之投資分類為指定為按公平值計入損益(附註20)。

GMR及其附屬公司於出售事項日期之資產淨值如下：

	HK\$'000 千港元
已出售資產淨值：	
投資物業	729,355
受限制銀行結餘	148
預付開支	16,526
應收賬款、按金及預付款項	5,053
已抵押銀行存款	7,437
銀行結餘及現金	19,978
應付賬款、已收按金及應計費用	(14,110)
應付直接控股公司款項	(105,640)
應付集團公司款項	(11,543)
有抵押銀行貸款－於一年後到期	(422,550)
	<u>224,654</u>
視作出售附屬公司之虧損：	
已出售資產淨值	(224,654)
保留權益公平值	202,086
非控股權益	89
就GMR之資產淨值由換算儲備重新分類至失去GMR控制權之損益而產生之累計匯兌差額	146
	<u>(22,333)</u>
視作出售事項產生之現金流出淨額：	
已出售銀行結餘及現金	<u>(19,978)</u>

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截至二零一六年十二月三十一日止年度

30. DISPOSAL OF SUBSIDIARIES (continued)

(a) Deemed disposal of GMR and its subsidiaries (continued)

During the year, included in the revenue and the loss of the Group for the year are revenue of HK\$23,529,000 and a net loss of HK\$15,247,000 respectively attributable to GMR and its subsidiaries.

(b) Disposal of subsidiaries

During the year, the Group disposed of its entire interest in certain subsidiaries and a net gain of approximately HK\$9,205,000 was recognised upon disposal. The amount represents the reclassification of cumulative exchange difference from translation reserve to profit or loss.

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In view of the Group's expansion strategy, the Group has sourced fundings from its related companies in which Ms. Huang has beneficial interests and continued to look for external financing sources. The Group's overall strategy remains unchanged from prior period.

The capital structure of the Group consists of net debt, which includes bank and other borrowings, amounts due to related companies and loans from a related company disclosed in notes 24, 25 and 25, net of bank balances and cash, restricted bank balances and pledged bank deposits, and equity attributable to owner of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with the share capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, raising of new borrowings or redemption of debts.

30. 出售附屬公司(續)

(a) 視作出售GMR及其附屬公司(續)

於本年度，計入本集團年度收益及虧損乃由於分別由GMR及其附屬公司應佔之收益23,529,000港元及虧損淨額15,247,000港元所致。

(b) 出售附屬公司

於本年度內，本集團出售其於若干附屬公司之全部權益，並於出售事項後確認收益淨額約9,205,000港元。該款項指累計匯兌差額由換算儲備至損益之重新分類。

31. 資本風險管理

本集團管理資本乃為確保本集團實體能夠持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。鑒於本集團之擴建策略，本集團由Huang女士擁有實益權益之關連公司籌集資金來源及繼續尋求外部融資渠道。本集團整體策略與過往期間保持不變。

本集團資本架構包括負債淨額，即包括於附註24、25及25披露之銀行及其他借貸、應付關連公司款項及來自一間關連公司貸款，減銀行結餘及現金、受限制銀行結餘及已抵押銀行存款及本公司擁有人應佔股權，包括已發行股本及儲備。

董事每年均會審閱資本架構。為配合該項審閱，董事認為資本成本及風險與股本相關。根據董事建議，本集團將透過支付股息、發行新股份、籌集新借貸或贖回債務，平衡其整體資本架構。

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截至二零一六年十二月三十一日止年度

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	187,403	9,812
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	289,508	249,339
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計算之金融負債	1,614,220	1,015,852

b. Financial risk management objectives and policies

Details of the Group's financial instruments are disclosed above and in the respective notes. The risks associated with these financial instruments include foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk.

The management monitors and manages the financial risk of the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

32. 金融工具

a. 金融工具之類別

		31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元
金融資產	金融資產		
按公平值計入損益之金融資產	按公平值計入損益之金融資產	187,403	9,812
貸款及應收款項(包括現金及現金等值項目)	貸款及應收款項(包括現金及現金等值項目)	289,508	249,339
金融負債	金融負債		
按攤銷成本計算之金融負債	按攤銷成本計算之金融負債	1,614,220	1,015,852

b. 財務風險管理目標及政策

本集團之金融工具詳情於上文及各附註披露。與該等金融工具有關之風險包括外幣風險、利率風險、價格風險、信貸風險及流動資金風險。

管理層透過分析風險之程度及幅度之內部風險評估監控及管理本集團之財務風險。有關減輕該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

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截至二零一六年十二月三十一日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Foreign currency risk

Certain assets and liabilities are denominated in foreign currencies of respective group entities, which are mainly USD, SGD and JPY. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

外幣風險

若干資產及負債以各集團實體之外幣列值，主要為美元、新加坡元及日圓。本集團目前並無外幣對沖政策。然而，管理層監控外幣風險，並將於需要時考慮對沖重大外幣風險。

於報告日期以外幣列值之貨幣資產及貨幣負債之賬面值如下：

		31.12.2016 二零一六年 十二月三十一日 HK\$'000 千港元	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元
Assets	資產		
USD	美元	13,897	681
SGD	新加坡元	33,912	71,520
JPY	日圓	3,852	4,499
Liabilities	負債		
USD	美元	22,723	223,614
SGD	新加坡元	-	1

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32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Foreign currency sensitivity

As HK\$ is pegged to USD, no sensitivity analysis on the fluctuation on USD against HK\$ is presented.

The Group's foreign currency risk is mainly concentrated on fluctuation of SGD and JPY against HK\$. The following table details the Company's sensitivity to a 5% (2015: 5%) increase or decrease in SGD and JPY against HK\$.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year/period end for a 5% change in SGD and JPY. A positive number indicates an increase in post-tax loss for the year/period where SGD and JPY weakens against the HK\$. For a 5% strengthening of SGD and JPY against HK\$, there would be an equal and opposite impact on the post-tax loss and the balance would be negative.

SGD	新加坡元
JPY	日圓

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year/period end exposure does not reflect the exposure during the year/period.

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

外幣風險(續)

外幣敏感度

由於港元與美元掛鈎，故並無呈列美元兌港元波動之敏感度分析。

本集團之外幣風險主要集中於新加坡元及日圓兌港元之波動。下表詳列本公司對新加坡元及日圓兌港元增加或減少5%(二零一五年：5%)之敏感度。

敏感度分析僅包括未平倉外幣列值貨幣項目，於年／期末按新加坡元及日圓之5%變動調整換算。正數顯示本年度／期間除稅後虧損於新加坡元及日圓兌港元疲弱時之增幅。於新加坡元及日圓兌港元增強5%時，將對除稅後虧損造成相等且相反之影響，而結餘則為負數。

Profit or loss	
損益	
1.1.2016	1.4.2015
to	to
31.12.2016	31.12.2015
二零一六年	二零一五年
一月一日至	四月一日至
二零一六年	二零一五年
十二月三十一日	十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
1,416	2,986
161	188

由於年／期終風險未能反映年／期內風險，故管理層認為，敏感度分析並不能反映固有外匯風險。

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32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Interest rate risk

The Group's results and operating cash flows would be affected by the changes of market interest rates. The Group's exposure to market risk for changes in interest rates mainly arises from bank and other borrowings and loans from a related company. Bank and other borrowings and loans from a related company carried at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

The Group has exposure to cash flow interest rate risk through the impact of the rate changes on bank balances and bank and other borrowings which are carried at variable interest rate. The Group has exposure to fair value interest rate risk through fixed rate bank deposits, fixed rate USD bank and other borrowings and fixed rate RMB loans from a related company.

The Directors consider the Group's exposure of the bank deposits to fair value interest rate risk is not significant as interest bearing bank deposits at fixed rate are within short maturity periods in general.

The Directors manage the interest rate risk by maintaining a balanced portfolio of fixed rate borrowings and floating rate borrowings.

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

利率風險

本集團之業績及經營現金流量可能受市場利率變動影響。本集團之市場利率變動風險主要來自銀行及其他借貸、來自一間關連公司貸款。以浮動利率及固定利率安排之銀行及其他借貸及來自一間關連公司貸款導致本集團分別承受現金流量利率風險及公平值利率風險。

由於按浮動利率計息之銀行結餘及銀行及其他借貸利率有變，故本集團承受現金流量利率風險。本集團因按固定利率計息之銀行存款及按固定利率計息之美元銀行及其他借貸以及按固定利率計息之以人民幣計值之關連公司貸款而承受公平值利率風險。

董事認為，由於按固定利率計息之附息銀行存款總體上到期日較短，故本集團之銀行存款所承受公平值利率風險並不重大。

董事透過維持固定利率借貸及浮動利率借貸組合之平衡，從而管理利率風險。

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截至二零一六年十二月三十一日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates risk for its variable rate borrowings at the end of the reporting period. The sensitivity analysis does not consider the exposure of the bank deposits because the impact is not significant. The variable-rate borrowings carry interest at HIBOR, LIBOR, SIBOR and SGDSOR. The analysis is prepared assuming that the bank borrowings outstanding at the end of the reporting periods were outstanding for the whole year. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonably possible change in the interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss after taxation for the period would increase/decrease by HK\$1,711,000 (1.4.2015 to 31.12.2015: HK\$2,042,000).

In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year/period end exposure does not reflect the exposure during the year/period.

Other price risk

The Group is exposed to equity price risk arising from listed investments classified as financial assets at fair value through profit or loss.

Price sensitivity

The sensitivity analyses below have been determined based on the exposure to price risks of financial assets at fair value through profit or loss at the end of the reporting period. If the market price of the financial assets at fair value through profit or loss had been 30% (2015: 30%) higher/lower while all other variables were held constant, the Group's post-tax loss would decrease/increase by HK\$46,944,000 (1.4.2015 to 31.12.2015: HK\$2,437,000), as a result of the changes in fair value of the financial assets at fair value through profit or loss.

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

利率風險(續)

利率敏感度分析

以下敏感度分析根據其於報告期間結算日之浮息借貸利率風險釐定。由於影響不大，故敏感度分析並不計及銀行存款之風險。浮息借貸按香港銀行同業拆息、倫敦銀行同業拆息、新加坡銀行同業拆息及新加坡元掉期利率計息。編製該分析時假設報告期間結算日未償還銀行借貸於一整年內仍屬未償還當向主要管理人員內部報告利率風險時將採取增加或減少100個基點，為管理層對利率之合理可能變動作出之評估。

倘利率增加/減少100個基點而所有其他變數維持不變，本集團期內之除稅後虧損應分別增加/減少1,711,000港元(二零一五年四月一日至二零一五年十二月三十一日：2,042,000港元)。

由於年/期終風險未能反映年/期內風險，故管理層認為，敏感度分析並不能反映利率風險。

其他價格風險

本集團承受被分類為按公平值計入損益之金融資產之上市投資股本價格風險。

價格敏感度

以下敏感度分析以報告期間結算日按公平值計入損益之金融資產價格所承受風險釐定。倘按公平值計入損益之金融資產市價上升/下降30%(二零一五年：30%)而所有其他變數維持不變，本集團之除稅後虧損因按公平值計入損益之金融資產公平值變動而減少/增加46,944,000港元(二零一五年四月一日至二零一五年十二月三十一日：2,437,000港元)。

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截至二零一六年十二月三十一日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Other price risk (continued)

Price sensitivity (continued)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year/period end exposure does not reflect the exposure during the year/period.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties' failure to discharge their obligations in relation to each class of recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Company as disclosed in note 36.

As at 31 December 2016, the credit risk of the Group was primarily attributable to and concentrated on bank deposits. The Directors consider the credit risk for bank deposits is limited because the counterparties are financial institutions with high credit ratings.

Liquidity risk

The Group's liquidity requirements for operation and its compliance with lending covenants is monitored closely by the management of the respective companies, to ensure that it maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

其他價格風險(續)

價格敏感度(續)

由於年/期終風險未能反映年/期內風險，故管理層認為，敏感度分析並不能反映固有價格風險。

信貸風險

於報告期間結算日，本集團承受之最高信貸風險為倘交易對手未能履行綜合財務狀況報表所述各級已確認金融資產承擔及附註36所披露本公司發出財務擔保之或然負債款額，其將導致本集團產生財務虧損。

於二零一六年十二月三十一日，本集團之信貸風險主要來自及集中於銀行存款。由於對手為具高信貸評級之財務機構，故董事認為，銀行存款之信貸風險有限。

流動資金風險

各公司管理層密切監察本集團營運之流動資金需求及借貸契諾之守規情況，以確保維持足夠現金儲備及可從主要財務機構獲得充足現金儲備及足夠資金額度，從而滿足長短期之流動資金需要。

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截至二零一六年十二月三十一日止年度

32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險(續)

下表詳列本集團金融負債根據議定還款期之剩餘合約年期，乃根據本集團須付款之最早日期按照金融負債之未貼現現金流量編製。下表已載入利息及本金現金流量。

		Weighted average interest rate 加權平均 利率 %	On demand or within 1 year 應要求或 一年內 HK\$'000 千港元	Within 1-2 years 一至兩年內 HK\$'000 千港元	Within 2-5 years 二至五年內 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2016	於二零一六年 十二月三十一日							
Accounts payable, deposits received and accruals	應付賬款、已收按金 及應計費用	-	170,180	-	-	-	170,180	170,180
Amounts due to related companies	應付關連公司款項	-	77,475	-	-	-	77,475	77,475
Loans from a related company	來自一間關連公司之 貸款							
- interest-bearing	一計息	4.00	60,634	112,057	-	-	172,691	164,516
- non-interest bearing	一免息	-	997,124	-	-	-	997,124	997,124
Bank and other borrowings and bank overdraft	銀行及其他借貸及銀 行透支	3.35	160,156	5,704	17,112	30,692	213,664	204,925
			1,465,569	117,761	17,112	30,692	1,631,134	1,614,220
Financial guarantee contracts (Note)	財務擔保合約 (附註)		467,282	-	-	-	467,282	-
At 31 December 2015	於二零一五年 十二月三十一日							
Accounts payable, deposits received and accruals	應付賬款、已收按金 及應計費用	-	73,385	-	-	-	73,385	73,385
Amounts due to related companies	應付關連公司款項	-	143,832	-	-	-	143,832	143,832
Amounts due to ultimate holding company	應付最終控股公司 款項	-	26,740	-	-	-	26,740	26,740
Loans from a related company	來自一間關連公司之 貸款	4.00	189,785	6,190	160,937	-	356,912	337,233
Bank and other borrowings and bank overdraft	銀行及其他借貸及銀 行透支	3.29	166,110	175,068	85,713	36,065	462,956	434,672
			599,852	181,258	246,650	36,065	1,063,825	1,015,852
Financial guarantee contracts (Note)	財務擔保合約 (附註)	-	11,476	-	-	-	11,476	-

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32. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Note: The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group's bank borrowings with a repayment on demand clause but not repayable within one year are classified under "on demand" time band in the maturity analysis. Taking into account the Group's financial position and the fair value of the pledged assets, the Directors believe that it is not probable that the banks will exercise its discretionary right to demand immediate repayment and such term borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreement. On this basis, the interest and principal cash flows for the bank borrowings would be as follows:

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or within 1 year 應要求或 一年內 HK\$'000 千港元	Within 1-2 years 一至兩年內 HK\$'000 千港元	Within 2-5 years 二至五年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現 現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2016	於二零一六年 十二月三十一日						
Bank borrowings with a repayment on demand clause	附帶按要求償還條款之 銀行貸款	2.77	269	3,761	4,297	8,327	7,815
At 31 December 2015	於二零一五年 十二月三十一日						
Bank borrowings with a repayment on demand clause	附帶按要求償還條款之 銀行貸款	2.14	282	3,722	7,974	11,978	11,297

32. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險(續)

*附註：*上述財務擔保合約款項為擔保對手方索取相關款項時，本集團根據安排可能須結付全數擔保款額之最高金額。基於報告期間結算日之預期，本集團認為須根據相關安排支付相關款項之可能性不大。然而，該估計視乎對手方根據擔保索償之可能性而有變，惟此可能性須視乎獲擔保對手方所持財務應收款項會否蒙受信貸虧損而定。

本集團附帶按要求償還條款但不於一年內償還之銀行貸款於到期日分析歸入「應要求」時間組表。計及本集團財務狀況及已抵押資產之公平值，董事相信，銀行不大可能行使其要求即時還款之酌情權，而有關定期貸款將按貸款協議所載預定還款日期償還。按此基準，銀行貸款之利息及本金現金流量會如下：

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32. FINANCIAL INSTRUMENTS (continued)

c. Fair value of financial instruments

The Group's financial assets at fair value through profit or loss (representing the listed investments with standard terms and conditions and traded in active liquid markets) are measured at fair value at the end of each reporting period and they are grouped under Level 1 of the fair value hierarchy with reference to quoted market bid prices.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements at amortised cost approximate their fair values.

33. SHARE OPTION SCHEME

On 28 August 2013, a new share option scheme (the "Share Option Scheme") was adopted by the Company. The purpose of the Share Option Scheme is to motivate eligible persons who contribute to the success of the Group's operations. The Share Option Scheme remains in force for 10 years from that date, unless otherwise cancelled or amended. Eligible persons of the Share Option Scheme include (i) a director or proposed director (including an independent non-executive director) of any member of the Group; (ii) a direct or indirect shareholder of any member of the Group; (iii) a supplier of goods or services to any member of the Group; (iv) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (v) a person or entity that provides research, development or other technological support or any advisory, consultancy, professional services to any member of the Group; and (vi) a landlord or tenant (including a sub-tenant) of any member of the Group. Subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time during the life of the New Share Option Scheme to offer the grant of any option to any eligible person as the Board may in its absolute discretion select and the basis of eligibility shall be determined by the Board from time to time.

32. 金融工具(續)

c. 金融工具之公平值

本集團按公平值計入損益之金融資產(指附帶標準條款及條件之上市投資並於活躍流動市場進行買賣)於各報告期間結算日按公平值計量並根據公平值層級第一級參考市場所報買入價分組。

其他金融資產及金融負債之公平值根據貼現現金流量分析之一般公認定價模型釐定。

管理層認為，按攤銷成本計算並於綜合財務報表中確認之金融資產及金融負債賬面值與其公平值相約。

33. 購股權計劃

於二零一三年八月二十八日，本公司採納新購股權計劃(「購股權計劃」)。購股權計劃旨在激勵對本集團業務成就有所貢獻之合資格人士。除非另經註銷或修訂，否則購股權計劃由該日起一直有效十年。購股權計劃之合資格人士包括(i)本集團任何成員公司之董事或候任董事(包括獨立非執行董事)；(ii)本集團任何成員公司之直接或間接股東；(iii)本集團任何成員公司之貨品或服務供應商；(iv)本集團任何成員公司之客戶、諮詢顧問、業務或合營企業伙伴、特許經營人、承包商、代理或代表；(v)向本集團任何成員公司提供研發或其他技術支持或任何顧問、諮詢顧問、專業服務之人士或實體；及(vi)本集團任何成員公司之業主或租戶(包括分租戶)。根據新購股權計劃之條款，於新購股權計劃有效期內任何時間，董事會有權向其全權酌情選擇之任何合資格人士提呈授出購股權，而合資格基準不時由董事會釐定。

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33. SHARE OPTION SCHEME (continued)

Pursuant to the Share Option Scheme, the maximum number of shares in respect of which options may be granted is such number of shares which, when aggregated with shares subject to any other share option scheme(s), must not exceed 10% of the issued share capital of the Company from time to time. The maximum number of shares issuable under share options to each eligible person in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to the shareholders' approval in a general meeting.

The amount payable upon the acceptance of an option is HK\$1.00. The period within which an option must be exercised shall be such period as the Board may in its absolute discretion determine at the time of grant, save that such period shall not be more than 10 years commencing on the date of grant of an option.

The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

33. 購股權計劃(續)

根據購股權計劃，可能授出之購股權涉及之股份數目上限，與任何其他購股權計劃涉及之股份相加，最多不得超過本公司不時已發行股本之10%。於任何十二個月期間根據購股權可向購股權計劃各合資格人士發行之股份數目上限，以本公司任何時間已發行股份1%為限。任何進一步授出超逾該限額之購股權須待股東於股東大會批准後，方可實行。

向本公司董事、主要行政人員或主要股東或彼等各自之任何聯繫人士授出購股權，均須取得獨立非執行董事之事先批准(為購股權承授人之任何獨立非執行董事除外)。此外，在任何十二個月期間，倘向任何主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出任何超過本公司於任何時間已發行股份0.1%及總值超過5,000,000港元(根據本公司股份於授出日期之價格計算)之購股權，則須待股東於股東大會批准後，方可實行。

購股權獲接納時應付金額1.00港元。購股權之必須行使期限由董事會於授出購股權時全權酌情釐定，惟有關期限自購股權授出日期起計不得超過十年。

購股權之行使價由董事會釐定，惟不得低於以下各項之最高者：(i)本公司股份於提呈授出日期(必須為交易日)於聯交所每日報價表所報收市價；(ii)本公司股份於緊接提呈授出日期前五個交易日於聯交所每日報價表所報平均收市價；及(iii)本公司股份面值。

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33. SHARE OPTION SCHEME (continued)

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options vested immediately and may be exercised at any time not exceeding a period of 5 years from the date on which the share options is accepted.

The following table disclose movements of the Company's share options held by Mr. Fong Kwok Jen, the then director of the Company, during the period ended 31 December 2015:

33. 購股權計劃(續)

與根據購股權計劃可能授予之購股權有關之股份總數在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份10%。與於任何一年內授予或可能授予任何人士之購股權有關之已發行及將予發行股份數目在未經本公司股東事先批准前，不允許超過本公司於任何時間點已發行股份1%。購股權自購股權獲接納之日起不超過五年期間內任何時間即時歸屬並可能獲行使。

下表披露於截至二零一五年十二月三十一日止期間由本公司當時之董事鄺國禎先生持有之本公司購股權變動：

Date of grant	授出日期	Exercised price per option 每份購股權行使價 HK\$ 港元 (note) (附註)	Number of options 購股權數目			At 31 December 2015 and 31 December 2016 於二零一五年十二月三十一日及二零一六年十二月三十一日
			At 1 April 2015 於二零一五年四月一日	Adjustment in respect of open offer 就公開發售作出之調整	Exercise during the period ended 31 December 2015 截至二零一五年十二月三十一日止期間已行使	
13 February 2015	二零一五年二月十三日	0.1128	10,000,000	197,080	(10,197,080)	-

Note: The number and exercise price of the outstanding share options were adjusted as a result of completion of the open offer of rights issues of the Company's shares (note 27).

附註：尚未行使之購股權數目及行使價因完成公開發售本公司股份之供股股份而作出調整(附註27)。

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33. SHARE OPTION SCHEME (continued)

In respect of the share options exercised during the period ended 31 December 2015, the weighted average share price at the dates of exercise was HK\$0.435.

The estimated fair value of each of the option granted at the date of grant was HK\$0.05.

The fair value at the date of grant was calculated using the Binominal Option Pricing Model. The inputs into the model were as follows:

Closing price at the date of grant	HK\$0.114
Exercise price	HK\$0.115
Risk-free rate	1.35%
Expected life	5 years
Expected volatility	61.01%
Expected dividend yield	0%
Early exercise behaviour	280%

The Binominal option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years.

The vested share options are assumed to be exercised with an early exercise behaviour and if the share price is more than 2.8 times the exercise price.

33. 購股權計劃(續)

就於截至二零一五年十二月三十一日止期間已行使之購股權而言，於各行使日期之加權平均行使價為0.435港元。

於授出日期之各已授出購股權之估計公平值為0.05港元。

於授出日期之公平值按二項期權定價模式計算。該模式之輸入數據如下：

授出日期之收市價	0.114港元
行使價	0.115港元
無風險利率	1.35%
預期年期	5年
預期波動	61.01%
預期股息率	0%
提早行使行動	280%

購股權之公平值採用二項期權定價模式估計。計算購股權公平值之變數及假設則按照董事之最佳估計作出。購股權之價值基於若干主觀假設之不同變數改變。

預期波幅採用過去五年本公司股份價格之歷史波幅釐定。

倘股份價格超過行使價2.8倍，即假設已歸屬購股權將予行使及提早行使。

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34. PLEDGE OF ASSETS

The following assets are pledged to certain banks and a financial institution as securities to obtain banking facilities granted to the Group and mortgage facilities granted to certain property buyers at the end of the reporting period:

Investment properties	投資物業
Investment properties classified as held for sale	分類為持作出售之投資物業
Property, plant and equipment	物業、廠房及設備
Pledged bank deposits	已抵押銀行存款
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產

In addition, the shares of certain subsidiaries are pledged as securities to obtain certain banking facilities granted to the Group as at 31 December 2015.

35. OPERATING LEASE COMMITMENT

As lessor

Property rental income in respect of the investment properties earned of HK\$53,826,000 (2015: HK\$35,487,000), net of outgoings of HK\$12,643,000 (2015: HK\$9,349,000), is HK\$41,183,000 (2015: HK\$26,138,000). The investment properties held have committed tenants for the next one to three years at fixed rentals.

34. 資產抵押

於報告期間結算日，以下資產已抵押予若干銀行及一間金融機構作為本集團獲授銀行融資及若干物業買家獲授按揭融資之質押：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
投資物業	461,439	774,684
分類為持作出售之投資物業	28,818	—
物業、廠房及設備	11,664	11,975
已抵押銀行存款	12,794	39,908
按公平值計入損益之金融資產	—	8,177
	514,715	834,744

此外，於二零一五年十二月三十一日，已抵押若干附屬公司之股份，以作為本集團獲授若干銀行融資之抵押。

35. 經營租賃承擔

作為出租人

與投資物業有關之物業租金收入已賺取53,826,000港元(二零一五年：35,487,000港元)，扣除支出12,643,000港元(二零一五年：9,349,000港元)後為41,183,000港元(二零一五年：26,138,000港元)。持作投資物業已有租戶按固定租金承擔租賃，租期為自下一年起至三年不等。

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35. OPERATING LEASE COMMITMENT (continued)

As lessor (continued)

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

As lessee

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

Operating lease payments represent rentals payable by the Group for certain offices and those leases are negotiated for an average term of one to three years.

35. 經營租賃承擔(續)

作為出租人(續)

於報告期間結算日，本集團與租戶訂有以下時間到期之日後最低租賃付款：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	14,963	46,013
In the second to fifth years inclusive	7,316	125,714
Over five years	–	199,233
	22,279	370,960

作為承租人

於報告期間結算日，本集團就不可撤銷經營租賃於以下時間到期之日後最低租賃付款作出承諾：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	1,267	2,541
In the second to fifth years inclusive	2,228	5,552
Over five years	–	7,546
	3,495	15,639

經營租賃付款指本集團就其若干辦公室及該等經議定平均年期介乎一到三年之租賃之應付租金。

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36. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

Contracted for but not provided in respect of:
Acquisition of investment properties
Acquisitions of land use rights
Property development expenditures for properties under development for sale

36. 資本承擔

於報告期間結算日，本集團承擔如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
已訂約但未撥備： 收購投資物業	–	294,527
收購土地使用權	1,356,434	–
待售發展中物業之 物業發展開支	369,054	–
	<hr/>	
	1,725,488	294,527

37. CONTINGENT LIABILITIES

(i) As at 31 December 2016, the Group had contingent liabilities relating to guarantees amounting to approximately RMB408,400,000 (approximately HK\$456,022,000) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principals together with accrued interests thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over legal title to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the buyers of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the consolidated financial statements for the year ended 31 December 2016 as the default risk is low.

37. 或然負債

(i) 於二零一六年十二月三十一日，本集團就有關本集團物業之買家訂立之按揭貸款而由若干銀行提供之按揭融資之擔保擁有或然負債約人民幣408,400,000元(約456,022,000港元)。根據擔保條款，倘該等買家拖欠按揭款項，本集團須負責支付失責買家欠付銀行的未償還按揭本金連同累計利息及任何罰款。本集團將有權接管相關物業的法定業權及擁有權。該等擔保將於以下較早者發生時解除：(i)物業買家償還按揭貸款；及(ii)就按揭物業發出物業所有權證並完成按揭的取消登記。董事認為，由於違約風險不大，故並無就擔保合約於截至二零一六年十二月三十一日止年度之綜合財務報表作出撥備。

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37. CONTINGENT LIABILITIES (continued)

- (ii) At 31 December 2016 and 31 December 2015, the Group has outstanding financial guarantee issued to a bank in respect of banking facilities granted to an investee in which the Group has a 10% interest. The aggregate amount that could be required to be paid if the guarantee was called upon is HK\$11,260,000 (2015: HK\$11,476,000). In the opinion of the Directors, the fair value of the guarantee is insignificant at initial recognition, 31 December 2015 and 31 December 2016 as the Directors consider that the possibility of default is remote. Accordingly, no value has been recognised on the consolidated and Company's statements of financial position disclosed in note 40. Should the actual outcome be different from expected, provision for losses will be recognised in the consolidated financial statements.

38. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

According to the relevant laws and regulations in the PRC, certain subsidiaries established in the PRC are required to contribute a specific percentage of the payroll of their employees to retirement benefit schemes to fund the retirement benefits of their employees. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the respective schemes.

The Group makes defined contribution to the Singapore Central Provident Fund under which the Group is required to make a certain percentage of the salaries of the employees in Singapore, whereby the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

37. 或然負債(續)

- (ii) 於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團尚有就授予一名本集團擁有10%權益之投資對象之銀行融資已向銀行發出之財務擔保。倘擔保催收款項，須支付之總額為11,260,000港元(二零一五年：11,476,000港元)。董事認為，擔保之公平值於二零一五年十二月三十一日及二零一六年十二月三十一日首次確認時並不重大，而董事認為違約之可能性極低。因此並無於綜合賬目及附註40所披露本公司之財務狀況報表中確認撥備。倘實際結果與預期有別，虧損撥備將於綜合財務報表確認。

38. 退休福利計劃

本集團根據強制性公積金計劃管理局之規則及規例為全體香港合資格僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃資產與本集團資產分開持有，由受託人管理之基金持有。按照參與僱員從本集團所得相關收入之百分比供款，由彼等根據強積金計劃規則應付並計入損益。當僱員退出強積金計劃時，強制性供款全數歸僱員所有。

根據中國有關法律及法規，若干在中國成立的附屬公司須以其僱員薪金之特定百分比向退休福利計劃作出供款，為僱員的退休福利撥資。本集團就退休福利計劃之唯一責任為根據個別計劃作出所需供款。

本集團向新加坡中央公積金提供定額供款，據此，本集團須按新加坡僱員薪金之若干百分比供款，而本集團根據計劃之責任為等同該等定額供款退休福利計劃。

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38. RETIREMENT BENEFITS SCHEMES (continued)

Total retirement benefit expense charged to profit or loss for the year/period amounted to HK\$1,227,000 (1.4.2015 to 31.12.2015: HK\$1,167,000).

39. RELATED PARTY TRANSACTIONS

During the year/period, the Group had the following transactions with related companies:

38. 退休福利計劃(續)

年/期內計入損益之退休福利總開支為1,227,000港元(二零一五年四月一日至二零一五年十二月三十一日: 1,167,000港元)。

39. 關連人士交易

於年/期內，本集團與關連公司進行下列交易：

Related company 關連公司	Notes 附註	Transactions 交易	1.1.2016 to 31.12.2016 二零一六年 一月一日 至二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日 至二零一五年 十二月三十一日 HK\$'000 千港元
Zensun 正商	1	Interest expenses (capitalised in properties under development for sale) 利息開支(於待售發展中物業資本化)	11,381	3,893
Relevant members of Henan Zensun Corporate Development Company Limited (the "Zensun Development Group") 河南正商企業發展有限責任公司之有關成員公司(「正商發展集團」)	1	Construction cost (capitalised in properties under development for sale) 建築成本(於待售發展中物業資本化)	106,525	—
SeD USA, LLC	2	Property management services income 物業管理服務收入	—	1,513
Mr. Chan 陳先生	3	Commission expense 佣金開支	—	309

Notes:

- Zensun and Zensun Development Group are the entities controlled by ultimate controlling party of the Company and together with its spouse.
- SeD USA, LLC is a subsidiary of Singapore eDevelopment Limited, a listed company in Singapore over which Mr. Chan, the then director and the then ultimate controlling party of the Company.
- Mr. Chan is the then director of the Company.

附註：

- 正商及正商發展集團為由本公司最終控股方連同其配偶控制之實體。
- SeD USA, LLC為新加坡上市公司Singapore eDevelopment Limited之附屬公司，本公司當時董事及當時最終控制方陳先生。
- 陳先生為本公司當時董事。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

39. RELATED PARTY TRANSACTIONS (continued)

The remuneration paid and payable to the members of key management, including the directors, during the year/period, are as follows:

Short-term benefits	短期福利
Post-employment benefits	離職後福利

Balances with related parties are set out in the consolidated statement of financial position, and details of terms are set out in notes 10, 10A, 25 and 26.

In addition, during prior period, the Company acquired from the controlling shareholder the equity interest in Vigor. Details of which refer to note 29.

The Group is licensed by Zensun, which Ms. Huang has controlling interests, to use the trademark of “Zensun”, “正商”, on a royalty-free basis until July 2020.

39. 關連人士交易(續)

於年／期內，已付及應付主要管理人員(包括董事)之薪酬如下：

1.1.2016 to 31.12.2015 二零一六年 一月一日 至二零一六年 十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年 四月一日 至二零一五年 十二月三十一日 HK\$'000 千港元
1,672	6,112
109	31
1,781	6,143

與關連人士之結餘載列於綜合財務狀況報表，條款詳情載於附註10、10A、25及26。

此外，本集團於過往期間向控股股東收購Vigor之股權。詳情請參閱附註29。

本集團獲正商(Huang女士於其中擁有控股權益)許可按免專利費基準使用「Zensun」及「正商」商標至二零二零年七月。

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 40. 本公司財務狀況報表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	183	232
Investment properties	投資物業	2,250	2,270
Investments in subsidiaries	於附屬公司之投資	472,126	460,180
Amounts due from subsidiaries	應收附屬公司款項	642,392	487,235
		1,116,951	949,197
Current assets	流動資產		
Deposits and prepayments	按金及預付款項	910	1,047
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	6,613	8,177
Amounts due from subsidiaries	應收附屬公司款項	151,100	298,361
Bank balances and cash	銀行結餘及現金	44,297	80,525
		202,920	388,110
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,471	2,176
Bank and other borrowings – due within one year	銀行及其他借貸 – 一年內到期	–	30,669
Amounts due to subsidiaries	結欠附屬公司款項	309,002	437,432
Amounts due to ultimate holding company	結欠最終控股公司款項	–	26,740
Amounts due to a related company	結欠一間關連公司款項	–	85,257
Bank overdraft	銀行透支	–	7,748
		311,473	590,022
Net current liabilities	流動負債淨值	(108,553)	(201,912)
Total assets less current liabilities	資產總值減流動負債	1,008,398	748,005
Capital and reserves	資本及儲備		
Share capital	股本	716,706	557,626
Reserves (Note)	儲備(附註)	291,692	190,379
Total equity	權益總額	1,008,398	748,005

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued) 40. 本公司財務狀況報表(續)

Note: Details of the Company's reserves are set out below:

附註：本公司之儲備詳情載列如下：

		Share option reserve	Capital reduction reserve	Other reserve	(Accumulated losses) retained earning	Total
		購股權儲備	資本削減 儲備	其他儲備	(累計虧損) 保留盈餘	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2015	於二零一五年四月一日	548	149,180	–	(55,292)	94,436
Profit for the period	期間溢利	–	–	–	92,859	92,859
Exercise of share options	行使購股權	(548)	–	–	–	(548)
Deemed contribution from subsidiaries	附屬公司之視作出資	–	–	3,632	–	3,632
At 31 December 2015	於二零一五年十二月三十一日	–	149,180	3,632	37,567	190,379
Profit for the year	年度溢利	–	–	–	12,492	12,492
Deemed contribution from a subsidiary	一間附屬公司之視作出資	–	–	88,821	–	88,821
At 31 December 2016	於二零一六年十二月三十一日	–	149,180	92,453	50,059	291,692

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綜合財務報表附註

截至二零一六年十二月三十一日止年度

41. PARTICULARS OF THE SUBSIDIARIES

Particulars of the principal subsidiaries of the Company at 31 December 2016 and 31 December 2015 are as follows:

41. 附屬公司概要

於二零一六年十二月三十一日及二零一五年十二月三十一日，本公司主要附屬公司之資料如下：

Name of subsidiary 附屬公司名稱	Notes 附註	Place of incorporation and operation 註冊成立及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
75 Wall Street, LLC		USA 美國	Note (iv) 附註(iv)	-	-	100	100	Property investment 物業投資
American Housing REIT, Inc.	(i)	USA 美國	Common stock USD6,256 普通股6,256美元	-	-	99.8	99.8	Property investment 物業投資
AHR First Borrower, LLC		USA 美國	Note (iv) 附註(iv)	-	-	99.8	99.8	Loan financing and property investment 貸款融資及物業投資
AHR Second Borrower, LLC		USA 美國	Note (iv) 附註(iv)	-	-	99.8	99.8	Loan financing 貸款融資
China Credit Singapore Pte. Ltd.		Singapore 新加坡	Ordinary shares SGD13,417,282 普通股 13,417,282新加坡元	100	100	-	-	Provision of property management services 提供管理服務
Expats Residences Pte. Ltd.		Singapore 新加坡	Ordinary shares SGD25,002 普通股 25,002新加坡元	-	-	100	100	Property investment 物業投資
Global Medical REIT, Inc.	(ii)	USA 美國	Common stock USD250 普通股250美元	-	-	-	99.5	Investment holding 投資控股
GMR Asheville, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資

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截至二零一六年十二月三十一日止年度

41. PARTICULARS OF THE SUBSIDIARIES (continued) 41. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of incorporation and operation 註冊成立及 營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
GMR Gastro, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資
GMR Memphis, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資
GMR Omaha, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資
GMR Pittsburgh, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資
GMR Plano, LLC	(iii)	USA 美國	Note (iv) 附註(iv)	-	-	-	99.5	Property investment 物業投資
Heng Fung Capital Company Limited 恒鋒融資有限公司		Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	-	-	Property investment and securities trading 物業投資及證券買賣
Inter-American Management, LLC		USA 美國	Note (iv) 附註(iv)	-	-	85	85	Provision of property management services 提供物業管理服務
Aizuya Limited		Japan 日本	Common stock JPY30,000,000 普通股 30,000,000日圓	-	-	81.8	81.8	Hotel operations 酒店業務
Keng Fong Foreign Investment Co., Ltd.		USA 美國	Common stock USD250,000 普通股250,000美元	-	-	100	100	Property investment 物業投資

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截至二零一六年十二月三十一日止年度

41. PARTICULARS OF THE SUBSIDIARIES (continued) 41. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of incorporation and operation 註冊成立及 營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %	
Sansui Limited		Japan 日本	Common stock JPY 10,000 普通股 10,000日圓	-	-	81.8	81.8	Hotel operations 酒店業務
Sapporo Holdings Limited		Japan 日本	Common stock JPY3,000,000 普通股 3,000,000日圓	-	-	81.8	81.8	Property investment 物業投資
Singapore Service Residence Pte. Ltd.		Singapore 新加坡	Ordinary shares SGD1,250,000 普通股 1,250,000新加坡元	-	-	100	100	Property investment 物業投資
Xpress Credit Limited 特速信貸有限公司		Hong Kong 香港	Ordinary shares HK\$1,260,000 普通股 1,260,000港元	-	-	100	100	Securities trading and financing services 證券買賣及金融服務
河南興漢正商置業有限公司		PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	100	Property development 物業發展
河南正商經開置業有限公司		PRC 中國	Registered capital RMB300,000,000 註冊資本 人民幣300,000,000元	-	-	100	100	Property development 物業發展
河南象湖置業有限公司		PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	-	Property development 物業發展

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截至二零一六年十二月三十一日止年度

41. PARTICULARS OF THE SUBSIDIARIES (continued) 41. 附屬公司概要(續)

Name of subsidiary 附屬公司名稱	Notes 附註	Place of incorporation and operation 註冊成立及營業地點	Paid up issued capital/ registered capital 實繳已發行股本/ 註冊資本	Proportion of ownership interest held by the Company 由本公司持有所有權權益比例				Principal activities 主要業務	
				Directly 直接		Indirectly 間接			
				2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 %	2015 二零一五年 %		
河南新築置業有限公司		PRC 中國	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	-	-	100	-	Property development 物業發展	
河南正商華府置業有限公司		PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	-	Property development 物業發展	
河南正商新銘置業有限公司		PRC 中國	Registered capital RMB100,000,000 註冊資本 人民幣100,000,000元	-	-	100	-	Property development 物業發展	

Notes:

- (i) The shares of American Housing REIT, Inc. are quoted on the Over-The-Counter Bulletin Board of NASDAQ in the USA.
- (ii) The shares of Global Medical REIT, Inc. were quoted on the Over-The-Counter Bulletin Board of NASDAQ in the USA as at 31 December 2015 and disposed of during the current year (refer to note 30).
- (iii) The companies are subsidiaries of the Global Medical REIT, Inc. and disposed of during the current year (refer to note 30).
- (iv) According to the operating agreements, the member transfers funds or property to this company from time to time as a capital contribution but no capital contributions will be required from the member otherwise required by law.

附註:

- (i) American Housing REIT, Inc.之股份於美國納斯達克之場外櫃檯交易系統報價。
- (ii) Global Medical REIT, Inc.之股份於二零一五年十二月三十一日於美國納斯達克之場外櫃檯交易系統報價，已於本年度出售(請參閱附註30)。
- (iii) 該等公司為Global Medical REIT, Inc.之附屬公司，已於本年度出售(請參閱附註30)。
- (iv) 根據經營協議，成員公司不時向該公司轉移資金或物業作為資本貢獻，除非法律另行規定，否則並無規定資本貢獻必須來自成員公司。

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截至二零一六年十二月三十一日止年度

41. PARTICULARS OF THE SUBSIDIARIES (continued)

One (2015: two) of the subsidiaries had issued debt securities outstanding at 31 December 2016 and 31 December 2015 or at any time during the year/period.

The above list is the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities and places of business of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal places of business	主要業務地點	Number of subsidiaries 附屬公司數目	
			2016	2015
			二零一六年	二零一五年
Investment holding 投資控股	HK	香港	3	5
	BVI	英屬處女群島	3	3
	USA	美國	3	3
	Singapore	新加坡	2	3
	Japan	日本	1	2
	PRC	中國	1	1
			13	17
Inactive 不活躍	HK	香港	2	8
	BVI	英屬處女群島	–	1
	USA	美國	2	6
	Singapore	新加坡	2	1
	Japan	日本	–	1
			6	17

41. 附屬公司概要(續)

一間(二零一五年：兩間)附屬公司於二零一六年十二月三十一日及二零一五年十二月三十一日或年／期內任何時間有未平倉債務證券。

上表載列董事認為主要影響本集團資產淨值之本集團附屬公司。董事認為，倘詳列其他附屬公司資料將導致篇幅過於冗長。

於報告期間結算日，本公司擁有其他對本集團屬不重大之附屬公司。該等附屬公司之主要業務及業務地點概述如下：

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42. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiaries	附屬公司名稱	Proportion of equity interest held by non-controlling shareholders		Profit (loss) allocated to non-controlling shareholders		Accumulated non-controlling interests	
		二零一六年	二零一五年	1.1.2016 to 31.12.2016 二零一六年一月一日至二零一六年十二月三十一日 HK\$'000 千港元	1.4.2015 to 31.12.2015 二零一五年四月一日至二零一五年十二月三十一日 HK\$'000 千港元	二零一六年 HK\$'000 千港元	二零一五年 HK\$'000 千港元
eBanker USA.com Inc. and its subsidiaries	eBanker USA.com Inc. 及其附屬公司	18.2%	18.2%	374	1,327	(2,831)	(4,073)
Individually immaterial subsidiaries with non-controlling interests	擁有非控股權益之個別非重大附屬公司	N/A 不適用	N/A 不適用	(257)	(865)	(3,262)	(3,105)
				117	462	(6,093)	(7,178)

43. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group has entered into two agreements with two independent third parties, CBC Oxford McKinney, LLC and Oxford Derby Memory Care, LLC to acquire two senior housing communities in the USA, namely, the Oxford Grand McKinney and the Glen Carr House, for consideration of US\$17,050,000 (approximately HK\$132,284,000), and a consideration of US\$10,500,000 (approximately HK\$81,465,000), respectively. Upon completion of the acquisition transactions, the two senior housing communities will be classified as the Group's investment properties.

42. 非控股權益

下表為本公司有重大非控股權益之非全資附屬公司詳情：

43. 報告期後事項

於報告期間結算日後，本集團已分別與兩名獨立第三方，CBC Oxford McKinney, LLC 及 Oxford Derby Memory Care, LLC 訂立兩份協議以收購美國兩套長者住房院舍，即 Oxford Grand McKinney 及 Glen Carr House，代價分別為 17,050,000 美元（約 132,284,000 港元）及 10,500,000 美元（約 81,465,000 港元）。於收購交易完成後，兩套長者住房院舍將分類為本集團之投資物業。

Financial Summary

財務概要

		For the	For the nine	For the year ended 31 March		
		year ended	months ended	截至三月三十一日止年度		
		31 December	31 December	2015	2014	2013
		2016	2015			
		截至	截至			
		二零一六年	二零一五年			
		十二月	十二月			
		三十一日	三十一日			
		止年度	止九個月	二零一五年	二零一四年	二零一三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Results	業績					
Revenue	收益	79,569	43,960	60,661	32,483	56,634
(Loss) profit for the year/period	年度/期間 (虧損)溢利	(56,585)	(19,193)	(55,330)	(42,110)	30,004
Attributable to: Owners of the Company	應佔： 本公司擁有人	(56,702)	(19,655)	(54,920)	(43,503)	33,375
Non-controlling interests	非控股權益	117	462	(410)	1,393	(3,371)
(Loss) profit for the year/period	年度/期間 (虧損)溢利	(56,585)	(19,193)	(55,330)	(42,110)	30,004
		As at	As at	As at 31 March		
		31 December	31 December	於三月三十一日		
		2016	2015	2015	2014	2013
		於二零一六年	於二零一五年			
		十二月	十二月			
		三十一日	三十一日	二零一五年	二零一四年	二零一三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Assets and liabilities	資產及負債					
Total assets	總資產	3,698,185	2,186,089	1,168,869	1,094,327	1,175,624
Total liabilities	總負債	(2,541,167)	(1,094,486)	(429,577)	(272,557)	(275,876)
Non-controlling interests	非控股權益	6,093	7,178	7,568	5,028	4,648
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,163,111	1,098,781	746,860	826,798	904,396

Particulars of Major Properties

As at 31 December 2016

主要物業概要

於二零一六年十二月三十一日

INVESTMENT PROPERTIES

投資物業

Location 地點	Gross area 總面積	Effective % held 實際擁有權(%)	Type 類別	Lease term 租約
No.883 North Bridge Road, Shop on 1/F. and 27 Home Office Units on various floors, Southbank, Singapore 198785	28,732 sq. ft. 28,732平方呎	100%	Home Office 家居辦公室	Long-term lease 長期租約
5 Residential Units, Dakota Residences, 34-42 Dakota Crescent, Singapore 399939	9,128 sq. ft. 9,128平方呎	100%	Apartment 寓所	Long-term lease 長期租約
30/F and Carpark No. C8 on 2nd Carparking Floor, Wyndham Place, No.44 Wyndham Street, Central, Hong Kong 香港中環雲咸街44號雲咸商業中心30樓及2樓停車場C8號車位	3,480 sq. ft. 3,480平方呎	100%	Office premises and Car Parking space 辦公室物業及車位	Long-term lease 長期租約
Portion B of 24/F, Wyndham Place, No. 44 Wyndham Street, Central, Hong Kong 香港中環雲咸街44號雲咸商業中心24樓B部份	1,680 sq. ft. 1,680平方呎	100%	Office premises 辦公室物業	Long-term lease 長期租約
140 single-family rentals located in the metropolitan regions of Texas, Georgia, Florida and North Carolina, U.S.A. 位於美國德克薩斯州、喬治亞州、佛羅里達州及北卡羅來納州市中心地區之140間單棟出租單位	242,071 sq. ft. 242,071平方呎	99.8%	Residential 住宅	Freehold 永久業權
Parcels of Land located at 671-180-012, 013, 014, 015, 016, 017, 018 Desert Hot Springs, County of Riverside, State of California, 92503, U.S.A. 位於美國加州河濱縣Desert Hot Springs之地塊671-180-012、013、014、015、016、017、018	67.5 acres/ 273,200 sq. m./ 2,940,300 sq. ft. 67.5畝/ 273,200平方米/ 2,940,300平方呎	100%	Vacant land 空置土地	Freehold 永久業權

Particulars of Major Properties

As at 31 December 2016

主要物業概要

於二零一六年十二月三十一日

PROPERTIES UNDER DEVELOPMENT FOR SALE

待售發展中物業

Location 地點	Total site area (sq.m.) 總佔地面積 (平方米)	Effective % held 實際擁有權 (%)	Types of properties 物業類別	Lease term 租約	Expected completion time 預計完成時間
Zensun Xinghan Garden, 300m to the east of the junction of Dahe Road (North 4th Ring) and Guxu Road (West 4th Ring extension), Zhengzhou City, Henan Province, PRC 正商興漢花園， 中國河南省鄭州市大河路 (北四環)與古須路(西四環延長線) 交叉口向東300米	34,439	100	residential units 住宅單位	long-term lease 長期租約	4th quarter of 2017 二零一七年第四季度
Zensun Jingkai Plaza, south of Hanghai Dong Road, east of Jingkai Ninth Street, Economic and Technological Development Zone, Zhengzhou City, Henan Province, PRC 正商經開廣場， 中國河南省鄭州市經濟技術開發區 經開第九大街以東航海東路以南	47,736	100	apartments, commercial properties and office 公寓單位、商業物業 及辦公室	medium-term lease 中期租約	1st quarter of 2018 二零一八年第一季度
Zensun Shuxiangmingzhu Project, east to Songlin Dong Road and north to Ruifeng Road in Zhengzhou New District, Zhengzhou City, Henan Province, PRC 正商書香銘築項目， 中國河南省鄭州市鄭東 新區桑林東路東、瑞風路北	25,357	100	apartments, commercial properties and office 公寓單位、商業物業 及辦公室	medium-term lease 中期租約	4th quarter of 2019 二零一九年第四季

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