



廖創興企業有限公司
Liu Chong Hing Investment Limited

TURNING CONCEPTS INTO REALITY

構思部署 願景成真



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PHASE 3 THE GRAND RIVIERA, FOSHAN
佛山翠湖綠洲花園第三期

Qualities of our management team
help us turn concepts into reality and take us global.

優秀管理團隊，輔助實踐理念、邁向國際。



passionate 熱誠

PHASE 2 THE GRAND RIVIERA, FOSHAN
佛山翠湖綠洲花園第二期

FIVE-YEAR FINANCIAL SUMMARY 五年財務摘要

	2013 二零一三年 HK\$'000 港幣千元	2014 二零一四年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Total assets 總資產	94,440,825	14,654,676	12,909,389	13,721,239	14,535,135
Total liabilities 總負債	81,424,503	3,617,900	1,965,058	2,798,303	2,696,260
Total net assets 資產淨值總額	13,016,322	11,036,776	10,944,331	10,922,936	11,838,875
Net assets value per share 每股資產淨值	港幣 HK\$34.38 元	港幣 HK\$29.15 元	港幣 HK\$28.91 元	港幣 HK\$28.85 元	港幣 HK\$31.27 元
Profit for the year attributable to owners of the Company 分配於本公司股東之本年度溢利	543,460	2,356,935	410,366	457,907	744,888
Basic earnings per share 每股基本盈利	港幣 HK\$1.44 元	港幣 HK\$6.23 元	港幣 HK\$1.08 元	港幣 HK\$1.21 元	港幣 HK\$1.97 元
Dividend per share 每股股息	港幣 HK\$0.28 元	港幣 HK\$0.40 元	港幣 HK\$0.42 元	港幣 HK\$0.47 元	港幣 HK\$0.60 元
Dividend payout ratio (from continuing operations only) 派息比率(只計來自持續經營)	39%	38%	39%	39%	30%

NOTE 1: Dividend per share in 2014 did not include special cash dividend of HK\$2.80 per share due to the completion of Partial Offer (the meaning ascribed thereto in the Company's circular to shareholders dated 4 December 2013) for disposal of Chong Hing Bank Limited shares and the special dividend by way of distribution in specie to the shareholders of the Company in the proportion of 1 share in the issued share capital of Chong Hing Bank Limited for every 10 shares in the issued share capital of the Company.

附註一：二零一四年度每股股息不包括因完成出售創興銀行有限公司股份部分要約(與本公司二零一三年十二月四日致股東通函的定義一致)而派發的特別現金股息每股港幣2.80元，及以實物分派形式按本公司已發行股本每10股分配1股創興銀行有限公司已發行股本而派發之特別股息。

NOTE 2: Dividend payout ratio in 2014, if including the special cash dividend and the special dividend by way of distribution in specie, the ratio should be adjusted to 81%.

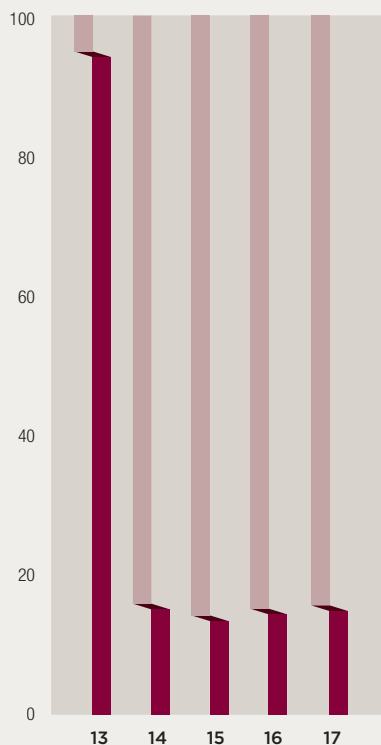
附註二：如包括特別現金股息及以實物分派之特別股息，二零一四年之派息比率將調整至81%。

NOTE 3: Profit for the year attributable to owners of the Company of HK\$2,356.9 million recorded in 2014, including the profit from discontinued operations of HK\$1,963.3 million.

附註三：二零一四年分配於本公司股東之本年度溢利港幣2,356,900,000元，包括來自已終止經營溢利港幣1,963,300,000元。

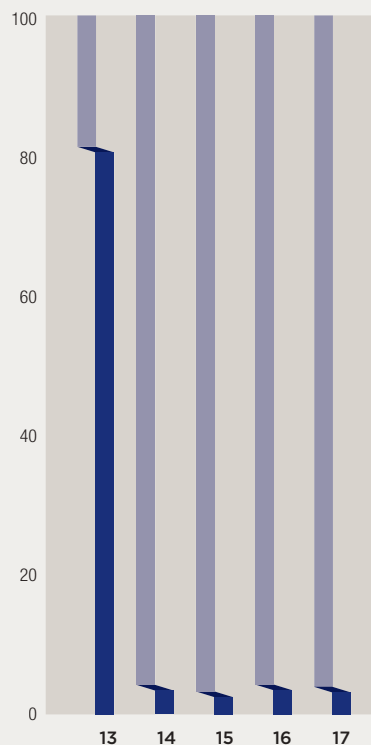
Total Assets 總資產

HK\$ in Billion 港幣十億元



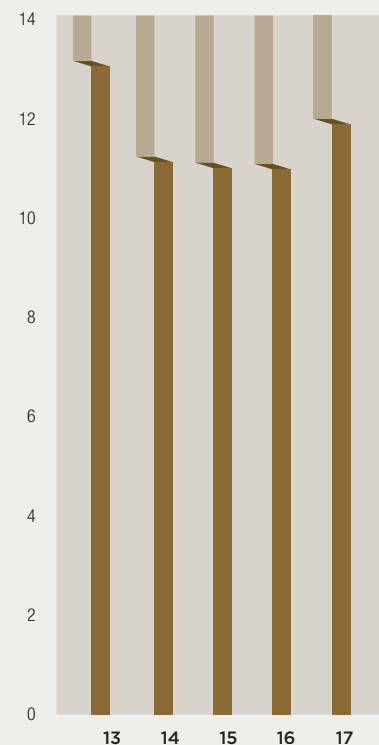
Total Liabilities 總負債

HK\$ in Billion 港幣十億元



Total Net Assets 資產淨值總額

HK\$ in Billion 港幣十億元



Profit for the Year Attributable to Owners of the Company

分配於本公司股東之本年度溢利
HK\$ in Million 港幣百萬元



Basic Earnings per Share

每股基本盈利
HK\$ 港幣



Dividend per Share

每股股息
HK\$ 港幣





Optimistic 樂觀

CHONG HING BANK CENTRE, HONG KONG
香港創興銀行中心



I AM PLEASED TO PRESENT TO YOU A REVIEW OF THE GROUP'S BUSINESS PERFORMANCE AS WELL AS SOME OBSERVATIONS FROM THE OVERALL ECONOMIC ENVIRONMENT FOR THE YEAR 2017 AND EXPECTATIONS FOR THE YEAR AHEAD.

本人欣然向閣下呈報本集團二零一七年之業績回顧，以及本人對整體經濟環境之觀察所得，對來年發展之期望。



Dear Shareholders,

I am pleased to present to you a review of the Group's business performance as well as some observations from the overall economic environment for the year 2017 and expectations for the year ahead.

2017 REVIEW

Since President Trump's inauguration in January 2017, he has initiated a list of policies to stimulate the US economy including those on employment, infrastructure, and energy development. The Tax Reform plan passed through Congress and became law at the end of last year. The US economic data improved; the economy has grown 2.1%. The key Stock Indices have reached new highs.

親愛的股東：

本人欣然向閣下呈報本集團二零一七年之業績回顧，以及本人對整體經濟環境之觀察所得，對來年發展之期望。

二零一七年回顧

自特朗普二零一七年一月上任後，推動一系列刺激經濟的政策，包括刺激就業、推動基建、開發能源項目及年底通過稅改法案等，美國經濟數據好轉，經濟增長率為2.1%，股指走勢強勁，屢創歷史新高。

The formal Brexit negotiations started between the EU and Britain at the end of March 2017. As a result, both the British economy and the Pound Sterling were weak. This state of affair persisted until preliminary agreements were reached by both sides on the British exist settlement and various other issues in December. Since then, the stock market has revived upward.

On 29 November, North Korea test-fired an intercontinental ballistic missile which she claimed could strike anywhere on the US mainland. This incidence intensified further the already tensed situation in the Korean Peninsula.

In 2017, the US Federal Reserve has put up interest rate 3 times, making a total rate increase of 0.75%. The interest rate is now forecast to be raised another 3 times in 2018. This together with the Fed's shrinking of its balance sheet adds uncertainty to the direction of global fund flow, which will affect on the global economy and, in particular, the Hong Kong property market.

The Mainland has successfully concluded the 19th National Congress and has a new Politburo for the next five years. The global impact of the economic policies announced therein needs to be taken seriously. "The Belt and the Road", in particular, will broaden the already wide horizon of the Mainland economy and will enable her to participate more closely to the International economic order. In 2017, Mainland China has reversed, for the first time since 2011, her downward growth trend. The GDP has broken through the RMB80 trillion mark, an annual increase of 6.9%. The properties prices have remained high. In spite of the effort made the Government to cool the residential sector (through purchases and price restrictions), the total residential property sales has increased by 11.3%.

英國於二零一七年三月底啟動脫歐談判，拖累英國的經濟表現，英鎊表現疲弱，直至十二月英國和歐盟就退歐分手費等問題達成初步意見，使英國股市恢復上揚。

北韓十一月廿九日又一次進行洲際導彈測試，射程聲稱涵蓋美國本土全境，令朝鮮半島緊張局勢急劇升溫，引致全球政經帶來潛在負面影響。

聯儲局在二零一七年加息三次，全年共加息0.75%，並預期明年持續另加息三次，及宣布啟動縮減資產負債表(「縮表」)，未來資金流向有很大不確定性，對全球經濟特別是香港樓市的影響加劇。

中國大陸成功召開十九大，確定未來五年新政局。其經濟政策對世界影響不容忽視。尤其是「一帶一路」，令中國經濟拓展為更具全方位的開放格局，深度融入世界經濟體系。二零一七年中國經濟增長呈現上升的態勢，國民生產總值突破人民幣八十萬億元，全年增長6.9%，這是中國經濟增速自二零一一年來首次扭轉下行局面，實現企穩回升。房地產價格高企，雖然中國政府採取措施(限購、限價)為住房銷售市場降溫，全年住宅地產銷售額仍增長11.3%。



▲ Chong Hing Bank Centre 創興銀行中心
▼ Chong Hing Square 創興廣場



In 2017, Hong Kong SAR has a new Government. Under the new SAR Chief Executive, the hitherto tensed political atmosphere has appeared to be relaxing. The Hong Kong economy has continued to improve driven by the global economic recovery. Both the stock and the properties market boomed with each breaking its record high, with public land auction prices achieving a new historical record.

BUSINESS RESULTS

For the year ended 31 December 2017, the Group recorded profit of HK\$773.8 million, it represents an increase of 65% when comparing with the year of 2016.

The Board of Directors has proposed to recommend at the forthcoming Annual General Meeting to be held on 15 May 2018, the payment of a final cash dividend of HK\$0.42 per share. Together with the interim cash dividend of HK\$0.18 per share paid on 29 September 2017, the total cash dividend amounted to HK\$0.60 per share for the year 2017. It represented an increase of 28% compared with the total cash dividend of HK\$0.47 per share for the year of 2016.

A detailed business review and analyses are to be found in the “Management Discussion and Analysis” section of this Annual Report.

二零一七年香港特區政府換屆，新任特首施政開局至今，對立氣氛有所緩和。全球經濟復甦態勢明顯，帶動香港經濟持續向好，股市樓市暢旺，均創歷史新高。政府賣地收益大幅提升，賣地價屢創歷史新高。

經營業績

截至二零一七年十二月三十一日止年度，本集團錄得溢利約港幣 773,800,000 元，較二零一六年上升 65%。

董事會擬於二零一八年五月十五日舉行之應屆股東周年大會，建議派發末期現金股息每股港幣 0.42 元。連同於二零一七年九月二十九日已派發之中期現金股息每股港幣 0.18 元，二零一七年度之現金股息合共為每股港幣 0.60 元。與二零一六年現金股息每股港幣 0.47 元相比增加 28%。

在本年報之「管理層之討論及分析」一章之內，將有詳盡的業務回顧及分析。

BUSINESS PREVIEW AND OUTLOOK OF 2018

After years of steady growth in profit, the Group, with a substantial net cash balance, is in a strong financial position. However, we will continue to uphold its prudent approach and at the same time actively seek new business opportunity. Property investment and development remains our core business. We will continue to keep our focus and will search world-wide for investment opportunities. In November 2017, the Group has invested through a 50% equity participation in a joint-venture company in two warehouse properties in Japan.

In the USA, we expect the passing of the Tax Reform Bill will bring positive stimulus to the US economy, and the global economy continues to recover. The market will focus on strength of the US dollar and the direction of global fund flow. The shrinking of the balance sheet by the Federal Reserve and its interest rate policy will bring uncertainty to the market. Their impact on the Hong Kong Property market needs cautious assessment.

Moreover, since January of this year, President Trump has imposed a series of tariffs on certain trade items, and they may adversely affect the world economy. We will continue to monitor closely the unfolding of the forthcoming events.

The Brexit negotiation is bringing a long period of uncertainty to Britain and EU and their economies will be affected. On the other side of the globe the nuclear missile testings by the North Korea will continue to destabilize the world.

業務前瞻及二零一八年展望

經過多年穩定的溢利增長，集團擁有大量淨現金餘額，財務狀況穩健。但是，我們將繼續秉持穩健發展的營商理念，於平穩發展中積極尋找新商機。地產投資及物業發展仍是本集團的主營業務，雖然覓地發展難求，但我們仍會專注物業投資和發展，將積極在全球範圍內尋找商機。於二零一七年十一月，本集團收購一家公司50%股權，以合營公司形式投資兩座位於日本的倉庫。

美國稅改法案通過，將對美國經濟帶來正面刺激，預期全球經濟復甦趨勢維持不變，美匯是否轉強及資金流向將是值得關注的焦點。美國聯邦儲備局啟動「縮表」與加息，將對資本市場帶來不確定因素，對本港樓市的影響尤為值得關注及小心衡量。

此外，自本年一月以來，特朗普總統已對某些貿易項目徵收了一系列關稅，恐對全球經濟帶來負面的影響，本集團將密切留意事態的發展。

英國脫歐啟動後，預期將出現一段漫長的不明朗時期，影響英國及歐盟的經濟表現。另一方面，朝鮮的核試令世界局勢繼續存在不穩定因素。



Phase 1 The Grand Riviera, Foshan 佛山翠湖綠洲花園第一期

The US Tax Reform may attract fund flowing to the US and may have an adverse effect on sentiment of investing in Mainland China and in other countries. On the other hand, the Belt and Road Initiative and the forthcoming development of the Guangdong – Hong Kong – Macau Bay Area will bring about a new economic momentum to the Mainland, the Asia region and the rest of the world. They together with the forthcoming opening of the Hong Kong – Zuhai – Macau Bridge and the Guangzhou – Shenzhen – Hong Kong Express Rail Link will add new impetus to the Hong Kong economy.

美國的稅改可能引發資金回流美國，並對在中國大陸及其他國家的投資帶來負面影響。另一方面，國家的「一帶一路」及「粵港澳大灣區」發展規劃將創造培育國內、亞洲區域以至全球範圍的新經濟增長點，此兩項大戰略規劃與不久即將開通的「港珠澳大橋」及「中港高鐵線」，將為香港經濟注入新動力。



Phase 2 The Grand Riviera, Foshan 佛山翠湖綠洲花園第二期

Our new Chief Executive and Financial Secretary of the SAR have proposed a series of policies to bring benefits to the people of Hong Kong, such as adjusting the tax bands and marginal tax rates, and a comprehensive promotion of Innovation and Technology development etc. We are, therefore, expecting a steady growth in the Hong Kong economy.

新任行政長官及財政司長於施政報告中建議推出多項利民措施，包括：調整稅階及邊際稅率及全方位推動創新及科技發展等，預期可令香港經濟穩步增長。



▲ The Westwood 西寶城
◀ Chatham Gate 昇御門
▼ Japan Logistics Centres 日本物流中心



CONDOLENCES AND ACKNOWLEDGEMENTS

Our past Chairman Dr. Liu Lit Mo regrettably passed away in mid July last year. Dr. Liu had been the Managing Director of the Group for over forty years. He has made important contributions to the stability and development of the Group. We send our deepest condolences to his family.

I would like to express my heartfelt thanks to stakeholders and shareholders for their continued trust and support, to all my fellow directors for their wise stewardship, and to our senior management and staff for their commitment and dedication.

Liu Lit Chi

*Chairman, Managing Director
and Chief Executive Officer*

7 March 2018

悼念與致謝

本集團前主席廖烈武博士不幸於七月中旬病逝，廖博士擔任本集團董事總經理長達四十多年，對維持本集團之穩定及發展作出重要貢獻，本集團向其家屬表示深切慰問。

本人謹此對持份者及股東之繼續信賴與支持、各董事之精明籌劃，以及管理人員與員工之盡心盡力服務，致以衷心謝意。

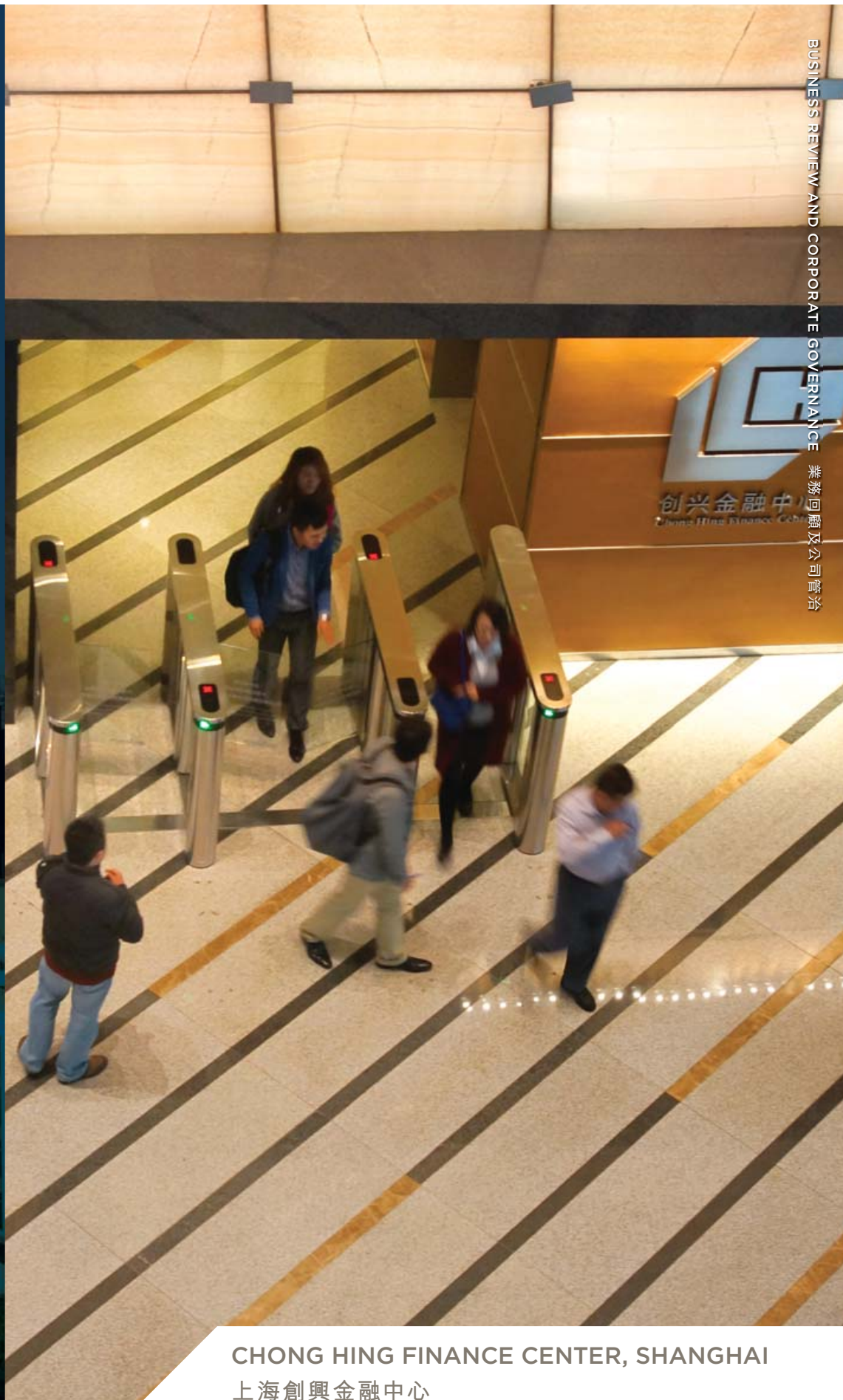
廖烈智

*主席、董事總經理
兼行政總裁*

二零一八年三月七日



reliable 可靠



BUSINESS REVIEW AND CORPORATE GOVERNANCE 業務回顧及公司管治

CHONG HING FINANCE CENTER, SHANGHAI
上海創興金融中心



Chong Hing Finance Center, Shanghai 上海創興金融中心

The Board of Directors of Liu Chong Hing Investment Limited (the “Board”) has pleasure in presenting to the shareholders its annual report together with the audited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company and its subsidiaries (the “Group”) are property investment, property development and investment holding. The principal activities of the principal subsidiaries and joint ventures are shown in notes 39 and 18 to the consolidated financial statements respectively.

廖創興企業有限公司董事會（「董事會」）現將截至二零一七年十二月三十一日止年度之年度報告書及經審核之財務報表，欣然提呈列位股東省覽。

主要業務及業務回顧

本公司及其附屬公司（「本集團」）之主要業務為物業投資、物業發展及投資控股。各主要附屬公司及合營企業之主要業務已分別詳列於綜合財務報表附註第39及18項內。

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance ("Companies Ordinance"), including a fair review of the business and a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2017, and an indication of likely future development in the Group's business, can be found in the "Five-Year Financial Summary", "Chairman's Statement", "Summary of Financial Highlights", "Management Discussion and Analysis" and "Corporate Governance Report" sections of the Annual Report. The above sections form part of this report.

RESULTS AND STATE OF AFFAIRS

The results of the Group for the year ended 31 December 2017 and the state of the Company's and the Group's affairs at that date are set out on pages 137 to 232 of this annual report.

DIVIDENDS

An interim cash dividend of HK\$0.18 per share was paid to shareholders on 29 September 2017. The Board recommends a final cash dividend of HK\$0.42 per share, making a total cash dividend of HK\$0.60 per share for the year.

RESERVES

Movements in reserves of the Group during the year are set out in consolidated statement of changes in equity and the movements in reserves of the Company during the year are set out in note 36 to the consolidated financial statements.

The Company's reserves available for distribution to shareholders as at 31 December 2017 comprised the accumulated profits of HK\$7,186,558,000 (2016: HK\$5,219,409,000).

INVESTMENT PROPERTIES

Movements in investment properties during the year are set out in note 15 to the consolidated financial statements.

如欲細閱按香港公司條例(「公司條例」)附表5所規定而載列的本集團業務討論及分析，包括業務的公允回顧、本集團面對的主要風險及不明朗因素的描述、二零一七年財政年度終結後發生並影響本集團的重要事件詳情，以及對本集團業務未來或會採取的發展方向的指示，可參閱年報內「五年財務摘要」、「主席報告書」、「財務摘要」、「管理層之討論及分析」以及「企業管治報告書」。以上章節構成本報告一部份。

業績及業務狀況

本集團截至二零一七年十二月三十一日止年度的業績及本公司與本集團於該日的業務狀況刊於本年報第137至232頁。

股息

中期現金股息每股港幣0.18元已於二零一七年九月二十九日派發。董事會建議派發末期現金股息每股港幣0.42元，全年合計共派發現金股息每股港幣0.60元。

儲備

本年度內本集團儲備之變動詳列於綜合權益變動表，本年度本公司儲備之變動詳列於綜合財務報表附註第36項內。

於二零一七年十二月三十一日，本公司可派予股東之儲備包括累積溢利港幣7,186,558,000元(二零一六年：港幣5,219,409,000元)。

投資物業

本年度投資物業變動詳列於綜合財務報表附註第15項內。

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 16 to the consolidated financial statements.

PROPERTIES UNDER DEVELOPMENT/PROPERTIES UNDER DEVELOPMENT FOR SALE/PROPERTIES HELD FOR SALE

Movements in properties under development/properties under development for sale/properties held for sale during the year are set out in notes 16 and 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 27 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 9 May 2012, which replaced the previous share option scheme, for the primary purpose of providing incentives to directors and eligible employees, and will expire on 8 May 2022. Under the Scheme, the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside eligible third parties at the discretion of the Board.

The total number of shares in respect of which options may be granted under the 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 in respect of which options may be granted to any individual 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 may be exercised at any time from the date of grant of the share option to the 5th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the Company's share on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, or the closing price of the shares on the date of grant.

No options have been granted under the above mentioned scheme since the Scheme was adopted.

物業、廠房及設備

本年度物業、廠房及設備變動詳列於綜合財務報表附註第16項內。

發展中物業／待出售發展中物業／待出售物業

本年度發展中物業／待出售發展中物業／待出售物業變動詳列於綜合財務報表附註第16及17項內。

股本

本公司股本詳情列於綜合財務報表附註第27項內。

股份期權計劃

本公司股份期權計劃(「該計劃」)已於二零一二年五月九日通過及實行，並取代舊有的股份期權計劃，主要原因是為激勵各董事及合資格僱員，該計劃將於二零二二年五月八日屆滿。根據該計劃，本公司可提供期權給予合資格僱員，包括向本公司及其附屬公司之董事授予股份，以認購本公司股票。此外，本公司可於任何時間，經董事會同意向任何合資格第三者提供股份期權。

根據該計劃，在沒有獲得本公司股東事先批准下，股份期權可授出股份總數不得超出本公司不時已發行股本之10%。而在沒有獲得本公司股東事先批准下，有關授予任何個別人士之期權，所授出股份總數不得超出本公司不時已發行股本之1%。

該股份期權可於授出日至授出日期起計第五周年之任何時間內予以行使。行使價由本公司董事釐訂，惟不低於本公司股份於授出日之本公司股份面值、於授出日前五個交易日之平均收市價或授出當日之收市價之較高者。

該計劃獲採納以來，本公司並無據此授出期權。



The Grand Riviera, Foshan 佛山翠湖綠洲花園
 ▲ Phase 4 showflats 第四期示範單位
 ▼ Phase 3 appearance and facilities 第三期外貌及設施





The Grand Riviera, Foshan 佛山翠湖綠洲花園
▲ Garden landscape 園林景色
◀ Kindergarten in Phase 2 位於第二期的幼兒園
▼ Building facilities and features 大廈設施與特色



SUBSIDIARIES

Particulars relating to the subsidiaries are set out in note 39 to the consolidated financial statements respectively.

GROUP BORROWINGS AND INTEREST CAPITALISED

Details of bank loans and other borrowings repayable within five years are set out in note 24 to the consolidated financial statements.

The Group's interest capitalised during the year amounted to HK\$19,033,000 (2016: HK\$36,670,000).

BOARD OF DIRECTORS

The directors of the Company during the year and up to the date of this report are shown on page 102 of this annual report.

The term of office of each director, who has been longest in office, shall retire by rotation and offer themselves for re-election in accordance with the Company's Articles of Association.

In accordance with Article 105 and 97 of the Articles of Association, Mr. Liu Kam Fai, Winston, Mr. Lee Wai Hung, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsun Sum, Eric shall retire at the conclusion of the AGM. The Company intends to comply with code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, which provides, among other things, that every director, including those appointed for a specific term, should be subject to retirement at least once every three years. Mr. Liu Kam Fai, Winston, Mr. Lee Wai Hung, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsun Sum, Eric, being eligible, will offer themselves for re-election at the forthcoming AGM.

The biographical details of directors and senior management are set out on pages 107 to 115.

The Company has received from each Independent Non-executive Director an annual confirmation of his independent pursuant to rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Company considered all Independent Non-executive Directors are independent.

附屬公司

有關附屬公司資料詳列於綜合財務報表附註第39項內。

集團借款及資本化之利息

銀行貸款及其他需五年內歸還之借款已詳列於綜合財務報表附註第24項內。

本集團於本年度內資本化之利息共港幣19,033,000元(二零一六年：港幣36,670,000元)。

董事會

本年度內及截至本報告書日期止，本公司董事芳名詳列於本年報第102頁內。

根據本公司章程細則，任何任期最長之董事必須於任期屆滿時輪值告退，並建議推薦重選連任。

根據章程細則第一零五及九十七條規定，廖金輝先生、李偉雄先生、鄭慕智博士及唐晉森先生，將於股東周年大會完結時退任。本公司擬遵守《上市規則》附錄14之企業管治守則條文A.4.2之規定，除其他情況，每名董事（包括董事有特定期限任命）應至少每三年輪值退任一次。廖金輝先生、李偉雄先生、鄭慕智博士及唐晉森先生將於股東周年大會完結時退任並合資格推薦重選連任。

董事及高級管理人員簡介詳列於第107至115頁內。

本公司已接獲各位獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條規定每年度發出之獨立性確認函，而本公司對彼等之獨立性表示認同。



▲ ▼ Chong Hing Square retail shops 創興廣場商舖

▶ The Westwood 西實城
▼ Fairview Court 富慧閣



COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

All directors have confirmed that they complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules throughout the review period.

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests of the directors and the Chief Executive Officer in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

THE COMPANY

Liu Chong Hing Investment Limited

遵守上市公司董事進行證券交易的標準守則

於回顧期間，所有董事確認彼等已遵守上市規則附錄10所載之上市公司董事進行證券交易的標準守則之規定。

董事在本公司及其相聯法團擁有之股本權益

於二零一七年十二月三十一日，董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有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香港聯合交易所有限公司(「聯交所」)之權益，或根據證券及期貨條例第352條已記入本公司所存置登記冊之權益，或根據上市發行人董事進行證券交易之標準守則已知會本公司及聯交所之權益如下：

在本公司及其相聯法團的股份及相關股份中的權益

本公司

廖創興企業有限公司

NUMBER OF ORDINARY SHARES HELD 持有普通股股份數目

Name of director 董事姓名	Long/short position 好倉/淡倉	Personal interests (held as beneficial owner) 個人權益 (實益持有)	Family interests (interests of spouse or child under 18) 家族權益 (配偶或18歲以下子女之權益)	Corporate interests (interests of controlled corporation) 公司權益 (受控制公司之權益)	Total interests 總權益	Total interests as approximate % of the relevant issued share capital 權益總數佔已發行股本概約百分率
Mr. Liu Lit Chi 廖烈智先生	Long 好倉	24,000	–	195,339,000 (notes 1 and 2) (附註1及2)	195,363,000	51.59%
Mr. Liu Kam Fai, Winston 廖金輝先生	Long 好倉	2,570,000	–	–	2,570,000	0.67%
Dr. Liu Lit Chung 廖烈忠醫生	Long 好倉	–	–	132,326,710 (note 1) (附註1)	132,326,710	34.95%

notes:

- 132,326,710 shares in the Company are beneficially held by Liu's Holdings Limited, of which Mr. Liu Lit Chi and Dr. Liu Lit Chung are amongst its shareholders. The above numbers of shares are duplicated under the corporate interests for each of these directors.
- Alba Holdings Limited, of which Mr. Liu Lit Chi and his associates are shareholders, beneficially holds 63,012,290 shares in the Company, and thus is included in the corporate interests of Mr. Liu Lit Chi.

附註：

- 廖烈智先生及廖烈忠醫生為廖氏集團有限公司之股東，該公司合共實益擁有本公司股份132,326,710股。是項股數，在各董事名下之公司權益項目內重複。
- 廖烈智先生及其聯繫人士為愛寶集團有限公司之股東，該公司實益擁有本公司股份63,012,290股，並歸納在廖烈智先生名下之公司權益項目內。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2017, so far as is known to the Company, the following persons (other than the directors or the Chief Executive Officer of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of substantial shareholder 主要股東名稱	Long/short position 好倉/淡倉	Capacity 身份	No. of ordinary share held 所持普通股股份數目	% of the issued share capital 佔已發行股本百分比
Liu's Holdings Limited 廖氏集團有限公司	Long 好倉	Beneficial owner 實益持有人	132,326,710 (note 1) (附註1)	34.95%
Alba Holdings Limited 愛寶集團有限公司	Long 好倉	Beneficial owner 實益持有人	63,012,290 (note 2) (附註2)	16.64%

notes:

- Liu's Holdings Limited, a private company incorporated in Hong Kong, is owned by, amongst others, Mr. Liu Lit Chi and Dr. Liu Lit Chung. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations."
- Alba Holdings Limited, a private company incorporated in Hong Kong, is owned by Mr. Liu Lit Chi and his associates. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations."

Save as disclosed above, the Company had not been notified by any person (other than the directors or Chief Executives Officer of the Company) who had interests or short positions in the shares and underlying shares of the Company of 5% or more as at 31 December 2017 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東及其他人士的權益

於二零一七年十二月三十一日，就本公司所知，下列人士（本公司董事或行政總裁除外）於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或淡倉，或直接或間接擁有可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值5%或以上之權益：

附註：

- 廖氏集團有限公司乃於香港註冊成立之私人公司，擁有人包括廖烈智先生及廖烈忠醫生。該等公司權益亦已於上列名為「董事在本公司及其相聯法團擁有之股本權益」分節披露。
- 愛寶集團有限公司乃於香港註冊成立之私人公司，分別由廖烈智先生及其聯繫人士共同擁有。該等公司權益亦已於上列名為「董事在本公司及其相聯法團擁有之股本權益」分節披露。

除上述所披露外，並沒有任何人士（本公司董事或行政總裁除外）就其根據證券及期貨條例第XV部對於二零一七年十二月三十一日持有本公司5%或以上之股份及相關股份之權益或淡倉向本公司作出披露，或根據證券及期貨條例第336條須予備存之登記冊內所記錄進行披露。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 37 to the consolidated financial statements, "Related Party Disclosures", no contracts of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party and in which a director of the Company had, whether directly or indirectly, a material interest, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of, the Company or any other body corporate.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable within one year without payment of compensation (other than statutory compensation).

CONNECTED PARTY TRANSACTIONS

In January 2016, the Company entered into a lease agreement with the landlord, a company wholly owned by Dr. Liu Lit Mo, former Chairman, and his spouse. The Company leased the property at a monthly rent of HK\$456,000 with effect from 1 January 2016 for a term of two years. The lease agreement had been terminated upon Dr. Liu Lit Mo passed away in July 2017. For the year ended 31 December 2017, the aggregate rent paid by the Company amounted to HK\$3,192,000.

In March 2016, the Company entered into a lease agreement with Dr. Liu Lit Chung, a Non-executive Director. The Company leased the property for a monthly rent of HK\$75,000 for a term of two years commencing from 1 March 2016 and the lease was renewed with the same term, effective from 1 March 2018, for another two years ending on 29 February 2020. For the year ended 31 December 2017, the aggregate rent paid by the Company amounted to HK\$900,000.

董事合約權益

除綜合財務報表附註第37項內「關聯人士披露事項」所述之外，於年結日或本年度內任何時間，本公司各董事並無直接或間接在本公司或其任何附屬公司所訂立之重大合約中享有與本集團業務相關的重大利益。

本年度內本公司或其任何附屬公司從未參與任何安排致使各董事因取得本公司或任何其他公司之股份或債券而獲益。

於即將召開之股東周年大會上膺選連任之本公司董事，並無與本公司訂有不可由僱主於一年內毋須支付賠償金(但法定之賠償金除外)而終止之服務合約。

關連人士交易

於二零一六年一月，本公司與前任主席廖烈武博士及其配偶全資擁有的公司簽訂租賃合約。租金為每月港幣456,000元，由二零一六年一月一日起有效，為期兩年。廖烈武博士於二零一七年七月逝世，租賃合約亦已告終止。截至二零一七年十二月三十一日止年度，本公司共支付租金港幣3,192,000元。

於二零一六年三月，本公司與非執行董事廖烈忠醫生簽訂租賃合約。租金為每月港幣75,000元，租賃期兩年由二零一六年三月一日開始，並按同等條款再續約兩年，由二零一八年三月一日起至二零二零年二月二十九日止。截至二零一七年十二月三十一日止年度，本公司共支付租金港幣900,000元。

In March 2011, the Company entered into a service agreement with K.A. Kho & Associates for architectural and consultancy services provided to the Company. Mr. Kho Eng Tjoan, Christopher, a Non-executive Director, is the sole director and the sole shareholder of K.A. Kho & Associates. In addition, a supplemental agreement with aggregate service fee of HK\$12,900,000 was signed in February 2016. For the year ended 31 December 2017, the service fee paid by the Company amounted to HK\$924,000 and the aggregate service fee paid and payable by the Company amounted to HK\$12,173,000 as at 31 December 2017.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued the Independent Assurance Report in respect of the continuing connected transactions, details of which are also disclosed by the Group in note 37 to the consolidated financial statements, in accordance with Main Board Listing Rule 14A.56. A copy of such report has been provided by the Company to Stock Exchange.

In the opinion of the directors who do not have any interest, whether directly or indirectly, in the above transactions, the transactions were conducted in the ordinary course of business of the Group on normal commercial terms.

於二零一一年三月，許金安則師樓與本公司簽訂一份服務協議，為本公司提供建築及其他顧問服務。本公司之非執行董事許榮泉先生乃許金安則師樓之唯一董事及唯一股東。另一補充協議於二零一六年二月簽訂，服務費用修訂為港幣12,900,000元。截至二零一七年十二月三十一日止年度，本公司共支付顧問費港幣924,000元。於二零一七年十二月三十一日，本公司已付及應付的服務費總額為12,173,000港元。

根據香港會計師公會頒佈之香港監證業務準則第3000號「非審核或審閱歷史財務資料監證工作」及參考執行指引第740號「根據香港上市規則就持續關連交易發出的核數師函件」，本公司核數師已獲聘請為本集團持續關連交易編製報告。核數師已根據主板上市規則第14A.56條發出持續關連交易之獨立保證報告，詳情載於本集團綜合財務報表附註第37項。本公司已將有關核數師報告副本送呈聯交所。

若干對上述交易並無直接或間接利益之董事認為上述交易均屬本集團經常業務，並按照一般商業條款進行。

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases attributable to the Group's five largest suppliers and the Group's turnover attributable to the Group's five largest customers were both less than 30%. None of the directors, their associates or any shareholder (which to the knowledge of the Board owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers or customers.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2017, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

SHAREHOLDINGS INFORMATION

TOP 10 LARGEST SHAREHOLDERS

According to the register of members of the Company as at 31 December 2017, the top 10 largest shareholders are as follows:

Name of shareholder	股東名稱	Number of shares held 持有股份數目	% 百分比
1. HKSCC Nominees Limited	香港中央結算(代理人)有限公司	149,791,920	39.57
2. Chong Hing (Nominees) Limited	創興(代理)有限公司	141,275,288	37.32
3. Alba Holdings Limited	愛寶集團有限公司	35,000,222	9.24
4. BTMU Nominees (HK) Limited	BTMU Nominees (HK) Limited	10,000,000	2.64
5. Win Ever (Nominees) Limited	Win Ever (Nominees) Limited	8,000,000	2.11
6. Wragg Limited	Wragg Limited	4,472,000	1.18
7. Leung Hok Pang	Leung Hok Pang	3,848,000	1.02
8. Cheng Kee Man	Cheng Kee Man	3,160,000	0.83
9. Cheng Kee Hong	Cheng Kee Hong	3,100,000	0.82
10. On Luk Tong Limited	On Luk Tong Limited	1,090,000	0.29
Total	合計	359,737,430	95.02

主要客戶及供應商

本年度內，本集團之前五大供應商共佔本集團採購不足百分之三十，而本集團之前五大客戶共佔本集團營業額不足百分之三十。本公司各董事及其聯繫人士或任何股東(董事會知悉擁有本公司已發行股本百分之五或以上)概無佔有該五大供應商或客戶任何權益。

購買、出售或贖回股份

截至二零一七年十二月三十一日止年度內，本公司及其附屬公司並無購買、出售或贖回任何本公司之股份。

持股資料

持股量最高的10位股東

根據本公司股東登記冊的資料，於二零一七年十二月三十一日持股量最高的10位股東如下：

LOCATION OF SHAREHOLDERS

According to the register of members of the Company as at 31 December 2017, the location of shareholders are as follows:

Location of shareholders	股東分佈	Number of shares held 持有股份數目	% 百分比
Hong Kong	香港	378,521,140	99.9835
China and South East Asia	中國及東南亞	36,060	0.0095
Europe	歐洲	800	0.0002
US and Canada	美國及加拿大	16,860	0.0045
Others	其他	8,580	0.0023
Total	合計	378,583,440	100

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2017.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Companies Ordinance requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of their respective profit or loss for the year then ended. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them on a consistent basis, making judgements and estimates that are prudent, fair and reasonable; state the reasons for any significant departure from accounting standards; prepare the financial statements on the going concern basis, unless it is not appropriate to presume that the Company and the Group will continue in business for the foreseeable future.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

股東分佈

根據本公司股東登記冊的資料，於二零一七年十二月三十一日股東分佈如下：

充分之公眾持股量

本公司於二零一七年十二月三十一日止年度，全年均維持充分之公眾持股量。

董事就財務報表之責任

公司條例規定董事負責就各財政年度編製財務報表，真實及公平地反映本公司及本集團於該財政年度結算日之財政狀況，以及截至結算日止年度本公司及本集團各自之溢利或虧損情況。編製財務報表時，董事須選取並貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及估計；就任何嚴重偏離會計準則之情況申明理由；按持續經營基準編製財務報表，除非情況不適用假定本公司及本集團於可見將來仍會繼續經營業務，另作別論。

董事須負責存置妥當會計記錄，以保障本公司及本集團資產，以及採取合理步驟防止及查察有否任何欺詐及其他不合常規之情況。

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee was established on 30 October 2014. The current members of the committee comprised of Mr. Liu Lit Chi, Mr. Liu Kam Fai, Winston, Mr. Liu Kwun Shing, Christopher and Mr. Lee Wai Hung. Based on the duly approved terms of reference by the Board, the committee is authorised to discuss, formulate policies and make decisions on all matters relating to the daily management and operations of the Company and its subsidiaries. It also helps to discuss significant daily operational issues, review business performance and take prompt corrective actions as appropriate. The Board believes that the function of committee could help to relieve the Board of detailed review of information and to increase the operational efficiency among different departments.

Detailed terms of reference could be seen at the Company's website.

AUDIT COMMITTEE

Audit Committee report is shown on pages 37 to 38. The principal duties of the Audit Committee are reviewing the internal controls and the financial reporting requirements of the Group. The Audit Committee meeting will normally hold twice in each financial year immediately before the Board meeting for approving the interim and final results. The committee is satisfied with the Company's internal control procedures and the financial reporting disclosures.

NOMINATION COMMITTEE

Nomination Committee report is shown on page 39. The report showed the main duty and the work performed by the committee during the year of 2017.

REMUNERATION COMMITTEE

Remuneration Committee report is shown on page 40. The report showed the main duty and work performed by the committee during the year of 2017.

執行管理委員會

執行管理委員會已於二零一四年十月三十日成立。委員會現任委員包括廖烈智先生、廖金輝先生、廖坤城先生及李偉雄先生。根據董事會正式批准的職權範圍，委員會獲授權就本公司及其附屬公司的日常管理及營運相關事宜商討、制定政策，並作出決策。委員會亦協助討論重大日常營運事宜、檢討業務表現，並在適當的情況下迅速採取修正措施。董事會相信，委員會之職能可減輕董事會作詳盡審閱資料之負擔並提升各部門之間的營運效率。

職權範圍之詳情請參見本公司網站。

審核委員會

審核委員會報告列於第37至38頁。審核委員會之主要職責為審查本集團之內部監控程序及符合財務報告之要求，審核委員會一般每年開會兩次，主要在每年董事會通過中期及末期業績前召開會議，委員會滿意本公司之內部監控程序及財務報告所披露之資料。

提名委員會

提名委員會報告列於第39頁。該報告列示委員會的主要職責及於二零一七年所進行的工作。

薪酬委員會

薪酬委員會報告列於第40頁。該報告列示委員會的主要職責及於二零一七年所進行的工作。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has substantially complied throughout the year ended 31 December 2017 with those paragraphs of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, with which it is required to report compliance.

Guidelines and procedures for corporate governance of the Company are set out on pages 54 to 78.

PERMITTED INDEMNITY PROVISION

The Company has arranged directors and officers liability insurance for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the directors as required by section 470 of the Companies Ordinance when this report prepared by the directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the Board of Directors of the subsidiaries of the Company during the year and up to the date of this report are as follows:

Ms. Eva Liu

Mr. Luk Chi Chung

Ms. Cavior Liu

Mr. Pan Sze Yuen, Cecil

Ms. Yan Yuet Lam, Charmaine

Mr. Liu Kwun Bo, Darryl

遵從企業管治守則

本公司於截至二零一七年十二月三十一日止年度內，基本上已遵守其須申報有關上市規則附錄14所載之企業管治守則之所有條文。

本公司之企業管治指引及程序詳列於第54至78頁內。

獲准彌償規定

本公司已就由企業活動招致針對董事及高級管理層的法律行動而引起的董事及高級職員責任，安排投保董事及高級職員責任保險。在董事編製的本報告按照公司條例第391(1)(a)條獲通過時，該獲准的彌償條款已經如公司條例第470條為保障董事利益的規定而生效。

附屬公司董事

於本年度及截至本報告日期，出任本公司附屬公司董事會成員之董事的姓名如下：

廖綺華女士

陸智聰先生

廖鈞慧女士

潘思遠先生

甄玥霖女士

廖軍堡先生

AUDITOR

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who have expressed their willingness to continue in office. Accordingly, a resolution will be submitted to the forthcoming annual general meeting to reappoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Liu Chong Hing Investment Limited

Liu Lit Chi

*Chairman, Managing Director
and Chief Executive Officer*

Hong Kong, 7 March 2018

核數師

本年度之綜合財務報表經德勤•關黃陳方會計師行審核，該會計師行已表示其願意繼續擔任有關職務。故此即將舉行之股東周年大會上將會提呈一項決議案以重聘德勤•關黃陳方會計師行為本公司之核數師。

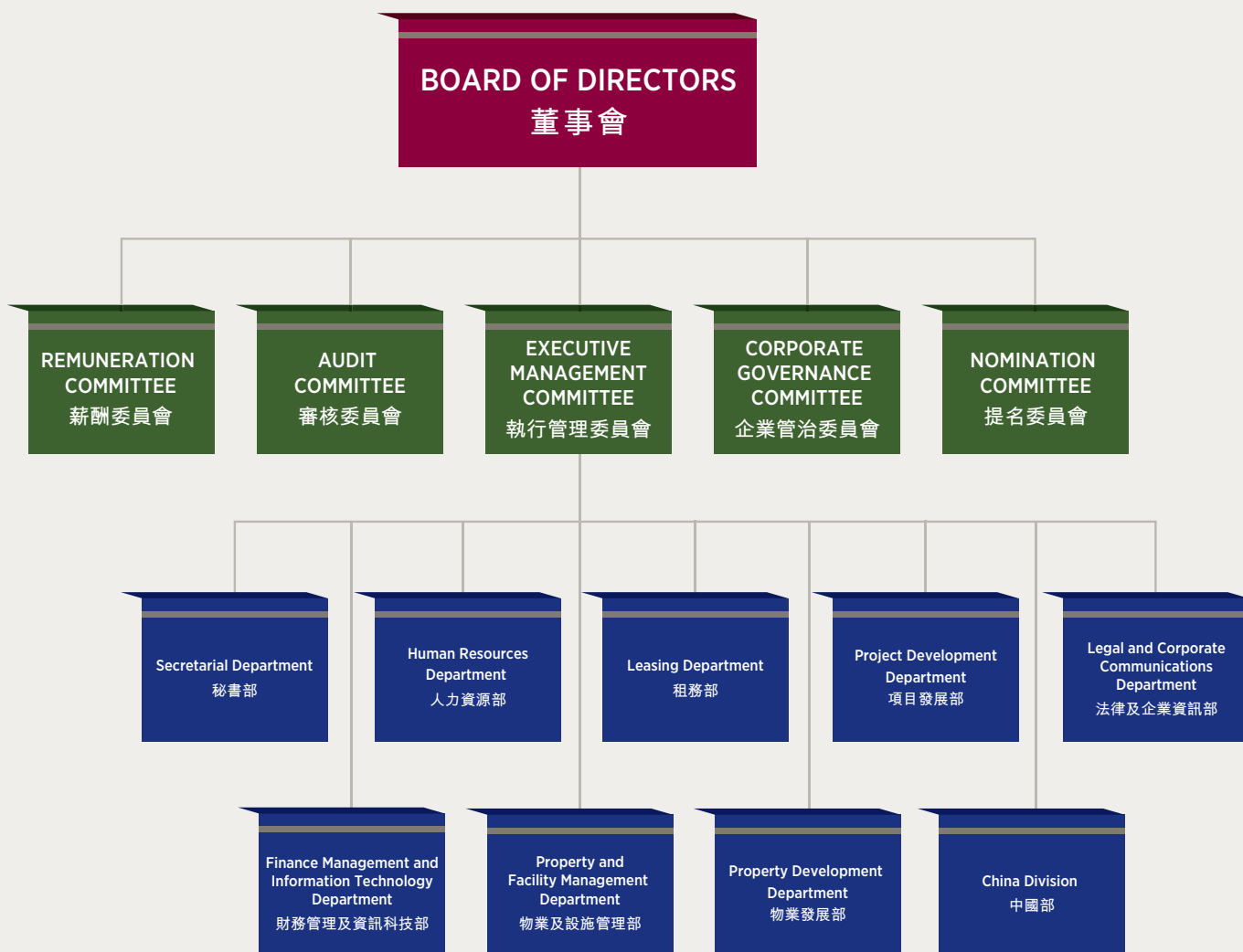
承董事會命

廖創興企業有限公司

廖烈智

*主席、董事總經理
兼行政總裁*

香港，二零一八年三月七日



The Audit Committee is made up of three members, all of them are Independent Non-executive Directors of the Company.

The committee oversees the financial reporting system and internal control procedures. In this process, management is principally responsible for the preparation of group financial statements including the selection of suitable accounting policies. External auditors are responsible for auditing and attesting to group financial statements and will report to the management of the Company from time to time on any weakness in controls which come to their attention. The Audit Committee oversees the respective work of management and external auditors to ensure the management has discharged its duty to have an effective internal control procedures.

The Audit Committee had performed the works as follows:

1. To review the audited financial statements of the Company for the year ended 31 December 2017;
2. To review the interim results of the Company for the six months ended 30 June 2017;
3. To review and monitor the external auditors' independence;
4. To review the system of internal control of the Company;
5. To review the audit plan and the engagement from external auditors;
6. To make recommendation on the re-appointment of external auditors; and
7. To review the sufficiency of manpower resources of account and finance team of the Group in order to carry out the duties.

It was reported that no major internal control weakness was found and all the recommendations previously suggested by auditors were agreed and implemented by the management in 2017.

Based on these reviews and discussions, and the report of the external auditors, the Audit Committee recommended to the Board approval of the consolidated financial statements for the year ended 31 December 2017 with the Auditor's Report thereon.

審核委員會由三名委員組成，全部為本公司獨立非執行董事。

審核委員會監督本集團財務申報及其內部監控程序。根據有關程序，管理層主要負責集團財務報表之編製，包括揀選合適之會計政策。外聘核數師負責審核及驗證集團之財務報表及不時向本公司管理層匯報需要改善的內部監控制度。審核委員會監督管理層及外聘核數師之工作，確保管理層已履行其職責建立有效的內部監控系統。

審計委員會已履行以下工作：

1. 檢討本公司截至二零一七年十二月三十一日止年度之經審核財務報表；
2. 檢討本公司截至二零一七年六月三十日止六個月之中期業績；
3. 檢討及監察外聘核數師之獨立性；
4. 檢討本公司之內部監控制度；
5. 檢討審計計劃及聘用外聘核數師；
6. 就再度委任之外聘核數師而提出建議；及
7. 檢討本集團會計及財務團隊之人手資源足夠性，以便充分履行職責。

本公司之內部監控並無存在任何重大不足之處，並且過往由核數師提出之所有建議亦獲得管理層採納並已在二零一七年內執行。

基於上述檢討及討論以及外聘核數師之報告書，審核委員會建議董事會批准截至二零一七年十二月三十一日止年度綜合財務報表連同有關之核數師報告書。

The Committee recommended to the Board that the shareholders be asked to re-appoint Messrs. Deloitte Touche Tohmatsu as the Company's external auditor for 2018.

審核委員會向董事會建議，尋求股東批准續聘德勤•關黃陳方會計師行為本集團二零一八年度之外聘核數師。

Members of the Audit Committee

Mr. Cheng Yuk Wo (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Au Kam Yuen, Arthur

審核委員會委員

鄭毓和先生(主席)

鄭慕智博士

區錦源先生

Hong Kong, 6 March 2018

香港，二零一八年三月六日

The Nomination Committee (“NC”) consists of five members.

The main duties of the committee are (i) to review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; (ii) to identify individuals suitably qualified to become directors of the Company and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive directors of the Company; and (iv) make recommendations to the Board on the appointment or re-appointment of the directors and succession plan for directors, in particular the chairman and chief executive of the Company.

The NC discharges its responsibilities by reference to the terms of reference which set out their roles, responsibilities and duties. The terms of reference were duly authorised by the Board.

In year 2017, the NC had reviewed and discussed the following issues at its meetings:

1. To review the composition, size and structure of the Board of the Company.
2. To review the attendance records of directors of the Company.
3. To review the scope of responsibilities of directors of the Company.
4. To review and confirm the independence of all the Independent Non-executive Directors.
5. To review and amend as required from time to time the Board diversity policies.

The NC is accountable to the Board and minutes of the meeting are circulated to the Board for information.

The NC meets when required but at least once per year.

Members of the Nomination Committee

Mr. Liu Lit Chi (*Chairman*)

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Mr. Cheng Yuk Wo

Mr. Kho Eng Tjoan, Christopher

Hong Kong, 6 March 2018

提名委員會由五名委員組成。

委員會主要職責是(i)檢討董事會的架構、人數及組成，並就任何為配合本公司之策略而擬對董事會作出之變動提出建議；(ii)物色具備合適資格可擔任董事之人士，並挑選提名個別人士出任董事或就此向董事會提供意見；(iii)評核本公司獨立非執行董事之獨立性；及(iv)就董事委任或重新委任及董事(特別是本公司主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會履行之職責會參照職權範圍書內列明之角色、責任和義務。此職權範圍書亦已獲董事會授權。

於二零一七年內，提名委員會曾於會議上審議及討論下列事項：

1. 檢討本公司董事會的組織、人數及架構。
2. 檢討本公司董事出席會議之紀錄。
3. 檢討本公司董事的責任範圍。
4. 檢討及確認所有獨立非執行董事之獨立性。
5. 按不時需要，檢討及修訂，董事會多元化政策。

提名委員會向董事會負責說明及傳閱會議記錄等資料。

提名委員會如有需要時可召開會議，但每年最少要舉行一次。

提名委員會委員

廖烈智先生(主席)

區錦源先生

馬鴻銘博士

鄭毓和先生

許榮泉先生

香港，二零一八年三月六日

The Remuneration Committee (“RC”) consists of four members, a majority of whom are Independent Non-executive Directors of the Company.

The main duties of the committee are to formulate the Company’s remuneration policy as well as to determine and/or make recommendation to the Board with regard to the structure of remuneration packages for all directors and senior management. When necessary and appropriate, the Chairman and Managing Director are consulted on such issues.

The RC discharges its responsibilities by reference to the terms of reference which set out their roles, responsibilities and duties. The terms of reference were duly authorised by the Board.

The RC, having consulted with the Chairman of the Board, had reviewed and discussed the following issues at its meeting:

1. To review the Company’s policy, structure and the remunerations packages for all directors and senior management;
2. To determine and/or make recommendation to the Board regarding the Directors’ fees and other allowance for the year 2018; and.
3. To review and approve the annual performance bonus and its policy.

The RC is accountable to the Board and minutes of the meeting are circulated to the Board for information.

The RC meets when required but at least once per year.

Members of the Remuneration Committee

Dr. Cheng Mo Chi, Moses (*Chairman*)

Mr. Kho Eng Tjoan, Christopher

Dr. Ma Hung Ming, John

Mr. Cheng Yuk Wo

Hong Kong, 6 March 2018

薪酬委員會由四名委員組成，大部份為本公司獨立非執行董事。

委員會主要職責是制定本公司之薪酬政策，並向董事會推薦有關全部董事及高級管理人員之薪酬組合的決定及／或建議。如需要，可向主席及董事總經理協商決定。

薪酬委員會履行之職責會參照職權範圍書內列明之角色、責任和義務。此職權範圍書亦已獲董事會授權。

薪酬委員會經諮詢董事會主席之意見後，並於會議上審議及討論下列問題：

1. 審閱本公司有關董事及高級管理人員之薪酬政策、架構及薪酬組合；
2. 決定及／或建議董事會有關二零一八年之董事酬金及其他津貼；及
3. 審閱及批准全年業績之花紅及政策。

薪酬委員會有義務向董事會說明及傳閱與會議記錄有關的一切資料。

薪酬委員會如有需要時可召開會議，但每年最少要舉行一次。

薪酬委員會委員

鄭慕智博士 (*主席*)

許榮泉先生

馬鴻銘博士

鄭毓和先生

香港，二零一八年三月六日

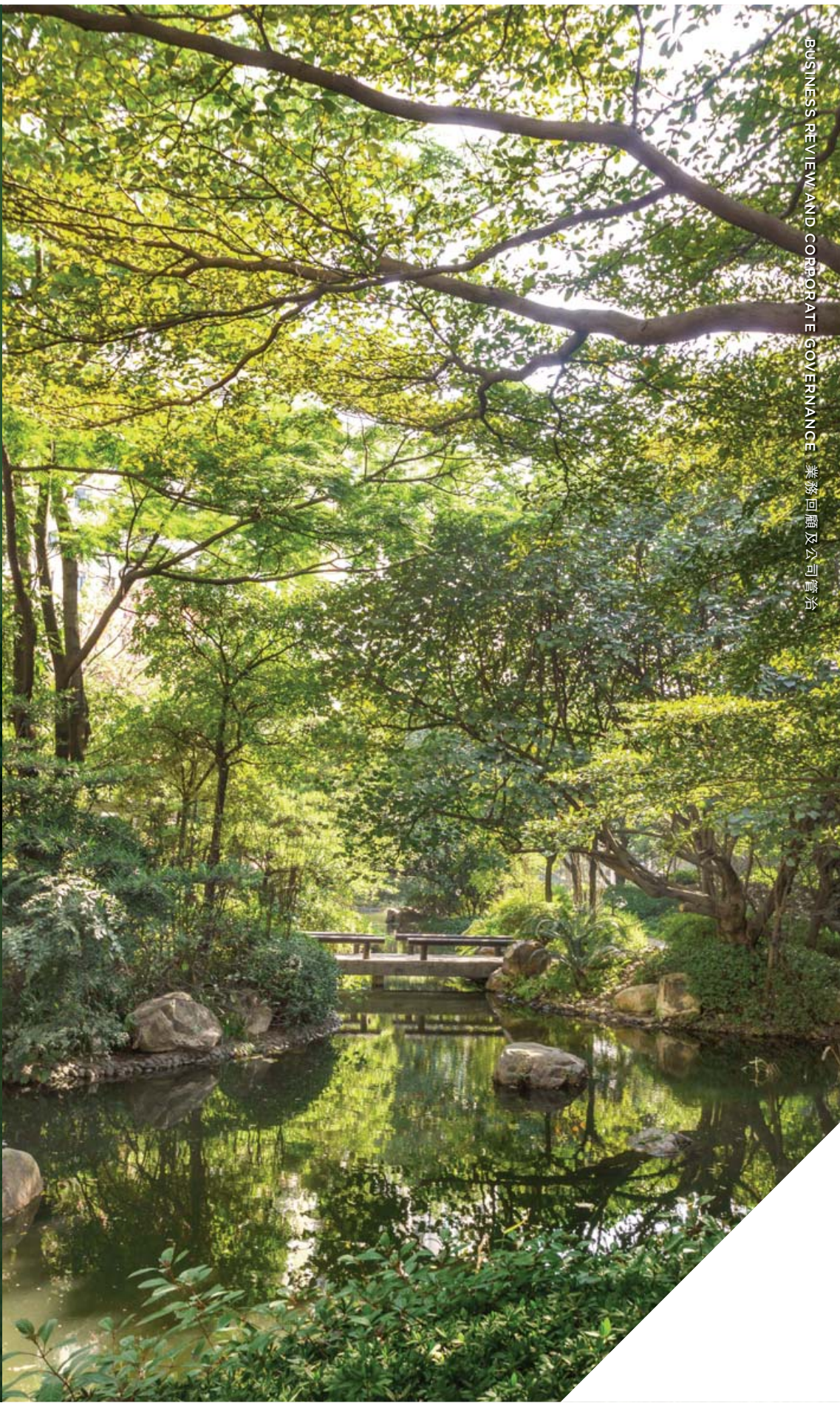
SUMMARY OF FINANCIAL HIGHLIGHTS 財務摘要

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	Change 變動 % 百分率
Revenue 收益	2,215,351	1,031,138	114.8
Profit for the year attributable to owners of the Company 分配於本公司股東之本年度溢利	744,888	457,907	62.8
Basic earnings per share 每股基本盈利	港幣 HK\$1.97 元	港幣 HK\$1.21 元	62.8
Net assets value per share 每股資產淨值	港幣 HK\$31.27 元	港幣 HK\$28.85 元	8.4
Dividend per share 每股股息			
Interim 中期	港幣 HK\$0.18 元	港幣 HK\$0.17 元	5.9
Final 末期	港幣 HK\$0.42 元	港幣 HK\$0.30 元	40.0
Total 合共	港幣 HK\$0.60 元	港幣 HK\$0.47 元	27.7
Dividend payout ratio 派息比率	30%	39%	(9)



PHASE 1 THE GRAND RIVIERA, FOSHAN

佛山翠湖綠洲花園第一期



balanced 平衡

For the year ended 31 December 2017, the Group recorded audited consolidated profit of approximately HK\$773.8 million, comparing to that of 2016 amounted to approximately HK\$468.8 million, representing an increase of approximately 65%. The net changes were mainly due to the profits recognition from the sale of Foshan residential project (Phase 3) and the increase in fair value of investment properties.

Revenue mainly referred to the revenues generated from property investment, property development, property management, treasury investment, trading & manufacturing and hotel operation.

Other income referred to various miscellaneous income other than the main revenue.

Other gains and losses mainly comprised of gain on changes in fair value of investment properties, net exchange gains, impairment loss recognised in respect of available-for-sale investments and impairment loss recognised in respect of other receivables.

PROPERTY INVESTMENT

OVERALL RENTAL REVENUE

For the year ended 31 December 2017, the Group recorded gross rental revenue of approximately HK\$365.6 million, increased by approximately HK\$4.5 million from approximately of HK\$361.1 million in 2016, slightly increase of 1%.

OVERALL OCCUPANCIES

The Group's overall occupancy from major investment properties continued to maintain at 91.6% as at 31 December 2017.

截至二零一七年十二月三十一日止年度，本集團錄得經審核綜合溢利約港幣773,800,000元，較二零一六年同期所得溢利約港幣468,800,000元，上升約65%。變動主要是由於出售佛山住宅項目（第三期）的收益確認以及投資物業公平價值增加所致。

收益主要指從物業投資、物業發展、物業管理、財務投資、貿易及製造以及酒店經營所產生的收益。

其他收入是指主要收益以外的各個雜項收入。

其他收益及虧損主要包括投資物業公平價值變動收益、匯兌淨收益、可供出售投資之減值虧損確認，及其他應收款之減值虧損確認。

物業投資

整體租金收益

截至二零一七年十二月三十一日止年度，本集團錄得之毛租金收益約港幣365,600,000元，由二零一六年港幣361,100,000元增加約港幣4,500,000元，輕微上升1%。

整體出租率

於二零一七年十二月三十一日，本集團主要投資物業之整體出租率持續維持於約91.6%。



Phase 4 The Grand Riviera, Foshan sales events
佛山翠湖綠洲花園第四期銷售活動





Phase 4 The Grand Riviera, Foshan sales events
佛山翠湖綠洲花園第四期銷售活動



HK PROPERTIES

CHONG HING SQUARE

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey ginza-type retail/commercial development offers over 182,000 square feet of retail and commercial space. For the year ended 31 December 2017, Chong Hing Square generated rental revenue of approximately HK\$122.2 million with occupancy of 100% as at 31 December 2017. As the renovation work has been completed in 2017, overall image and value of the building was enhanced. This renovation enables the building to obtain a good rental rates for both new leases (such as Xiaomi and Pricerite) and existing leases renewals (such as Aeon). Total renovation cost was amounted to approximately of HK\$64 million and all expenditures are funded by internal resources.

CHONG HING BANK CENTRE

Chong Hing Bank Centre, located at 24 Des Voeux Road Central, is a 26-storey Grade A office building. Having retained several floors for group's use, the office building was leased to Chong Hing Bank Limited for 5 years fixed tenancy. For the year ended 31 December 2017, a total of approximately HK\$67.9 million rental revenue was derived from this building.

CHONG YIP CENTRE

Chong Yip Centre is located at 402-404 Des Voeux Road West. It provides over 54,000 square feet of retail and commercial space. For the year ended 31 December 2017, this retail and commercial shopping center generated rental revenue of approximately HK\$20.9 million, slightly decreased by 1.4% when comparing to that of 2016. The occupancy was decreased to 71% as at 31 December 2017. The management has been intensively studying different renovation proposals to upgrade this building for the purpose of gaining better rental return.

FAIRVIEW COURT

Fairview Court is located at 94 Repulse Bay Road. The group owns 5 residential units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the year ended 31 December 2017, Fairview Court recorded rental revenue of approximately HK\$3.1 million with 100% occupancy.

香港物業

創興廣場

創興廣場，位處旺角彌敦道601號，為樓高二十層之銀座式零售／商業大廈，提供逾182,000平方呎零售及娛樂用地。截至二零一七年十二月三十一日止年度，創興廣場產生之租金收益約港幣122,200,000元，該大廈於二零一七年十二月三十一日之出租率為100%。由於翻新工程已於二零一七年完成，大廈的整體形象和價值得到提升。這對持續引入新租戶（如小米及實惠）和與現有租戶（如Aeon）續租時，均能確保獲得可觀的租金收入。總裝修費用約港幣64,000,000元，所有支出均由內部資源撥付。

創興銀行中心

創興銀行中心位於中環德輔道中24號，為樓高二十六層之甲級寫字樓。除保留數層供本集團自用外，其餘辦公樓層出租予創興銀行有限公司，租期五年。截至二零一七年十二月三十一日止年度，該大廈錄得租金收益共約港幣67,900,000元。

創業商場

創業商場位於德輔道西402-404號，提供逾54,000平方呎之零售及商業用地。截至二零一七年十二月三十一日止年度，該零售及商業購物中心產生之租金收益約港幣20,900,000元，相較二零一六年同期輕微下降1.4%。於二零一七年十二月三十一日，出租率下降至71%。管理層現正積極研究不同的裝修方案，以提升該商場價值，從而獲得更好的租金回報。

富慧閣

富慧閣位於淺水灣道94號，為一低密度樓宇，本集團持有五個住宅單位，各單位出租面積逾4,100平方呎。截至二零一七年十二月三十一日止年度，富慧閣錄得租金收益約港幣3,100,000元及100%出租率。

PRC PROPERTIES**CHONG HING FINANCE CENTER, SHANGHAI**

The Group's mainland flagship property located at 288 Nanjing Road West in Huang Pu District of Shanghai is a 36-storey Grade A commercial building which commands a strategic location and enviable view over The People's Square just across the street. With a total floor area of over 516,000 square feet of office and commercial spaces and 198 carparks, this property was approximately 86% let in terms of office space and 100% let in terms of retail space as at year ended. For the year ended 31 December 2017, this office building generated rental revenue of approximately HK\$144.3 million, representing an increase of 2%.

PROPERTY DEVELOPMENT**HONG KONG****ONE-EIGHT-ONE Hotel & Serviced Residences**

The previous office building (formerly known as Western Harbour Center), located at 181-183 Connaught Road West, was under construction to convert into a 183-room hotel and serviced residences. Construction work came to the final stage and the occupation permit was scheduled to be obtained in the first half of 2018. Total renovation costs including professional fee amounted to approximately of HK\$499 million and all expenditures are funded by internal resources.

Tai Po, New Territories

The Group had acquired a plot of land with 262,000 square feet in Tai Po district, New Territories. The management has initiated the studies for the future development of this agriculture land.

PRC**The Grand Riviera, Foshan**

This comprehensive development situated at 1 Guilong Road, Luocun in the Nanhai District of Foshan, is conveniently located within half an hour's drive from the Foshan financial district and within 5 minutes' drive from the new Foshan West Station.

Development Status

The Foshan residential project is a comprehensive development and it is being developed by phases. As at today, Phase 1, 2 and 3 were completed. For Phase 4, construction already commenced in the third quarter of 2016 and is scheduled to be completed in 2018.

中國物業**上海創興金融中心**

本集團之國內旗艦物業座落於上海黃浦區南京西路288號，是一座36層高的甲級商業大廈，地點極具策略優勢，可飽覽對面人民廣場之優美景觀。該物業提供寫字樓及商業總樓面面積逾516,000平方呎及198個車位，於年結日，此物業之寫字樓出租率約為86%，零售單位出租率則為100%。本物業截至二零一七年十二月三十一日止年度，產生租金收益總額約港幣144,300,000元，上升約2%。

物業發展**香港****ONE-EIGHT-ONE 酒店及服務式住宅**

位處干諾道西181-183號的原寫字樓（前稱為滙港中心），現正改建成為一間擁有183間客房的酒店及服務式住宅。重建工程進入最後階段，預計酒店將於二零一八年上半年取得入伙紙。總改建費用包括專業費用約為港幣499,000,000元，所有支出均由內部資源撥付。

新界大埔

本集團購入新界大埔區一幅佔地262,000平方呎之地塊。管理層已就該幅農地的日後發展展開研究。

中國**佛山翠湖綠洲花園**

該綜合發展項目位處佛山市南海區羅村貴隆路1號，交通便捷，距離佛山金融區不足半小時車程，而距離新佛山西站不足5分鐘車程。

發展狀況

佛山住宅項目是一個綜合發展、分期開發的項目。現時第一期、第二期和第三期已發展完成。第四期已於二零一六年第三季度開始施工，計劃於二零一八年完成。

Financial and Sale results

For the year ended 31 December 2017, the Group recorded sale revenue of approximately HK\$1,694.5 million, increased by approximately HK\$1,206.1 million from HK\$488.4 million in 2016, representing an increase of 247%. This is due to the revenue and profit recognition for The Grand Riviera Phase 3.

The Grand Riviera, Foshan (Phase 1)

As at 7 March 2018, a total of 785 residential units (representing 93% of the total units) and 393 car parking units (representing 35% of the total units) were successfully sold generating total sale proceeds of approximately RMB711.8 million and RMB55.2 million, respectively.

The Grand Riviera, Foshan (Phase 2 and 3)

As at 7 March 2018, all 1,542 residential units and 477 car parking units (representing 43% of the total units for sale) of Phase 2 were successfully sold returning total sale proceeds of approximately RMB932.3 million and RMB68.9 million, respectively.

For Phase 3, all 1,498 residential units were successfully sold out returning sale proceeds of approximately RMB1,130.8 million. As the construction of Phase 3 was completed on schedule, the flats have been started to handover to the buyers since October 2017, and thus the sale results of Phase 3 were recognized in the fourth quarter of 2017.

The Grand Riviera, Foshan (Phase 4)

For Phase 4 development, it constructed 11 blocks of 14-storey residential flats above the ground. It provides 1,377 residential units with developable areas over 156,000 square metres. Including the retail and commercial areas of approximately 5,900 square metres, other amenities areas of approximately 7,700 square metres and 1,227 car parking spaces mainly built at the basement level, the total developable areas of Phase 4 is over 216,000 square metres. For the size of residential units, it provided four typical sizes with areas of 90, 100, 130 and 140 square metres. Construction work has commenced since the third quarter of 2016.

財務和銷售業績

截至二零一七年十二月三十一日止年間，本集團錄得銷售收入約港幣1,694,500,000元，較二零一六年同期收入約港幣488,400,000元增加約港幣1,206,100,000元，增幅247%。變動主要是由於出售翠湖綠洲花園（第三期）的收益及溢利確認。

佛山翠湖綠洲花園（第一期）

於二零一八年三月七日，共成功售出785個住宅單位（佔單位總數的93%）及393個停車位（佔停車位總數的35%），總銷售收益分別約人民幣711,800,000元及人民幣55,200,000元。

佛山翠湖綠洲花園（第二期和第三期）

於二零一八年三月七日，第二期總數共售出全部1,542個住宅單位及477個停車位（佔停車位總數的43%），產生總銷售收益分別約人民幣932,300,000元及人民幣68,900,000元。

第三期總數共1,498個住宅單位亦已成功全部售罄，產生總銷售收益約人民幣1,130,800,000元。第三期建築工程已按計劃完成，並於二零一七年十月交付買家入伙。因此，第三期銷售業績已於二零一七年第四季入帳。

佛山翠湖綠洲花園（第四期）

第四期發展項目計劃興建11幢樓高14層之住宅樓宇，提供1,377個住宅單位，發展面積超過156,000平方米。另提供零售商業面積約5,900平方米、其他輔助設施約7,700平方米及主要建於地庫的1,227個停車位，四期總發展面積超過216,000平方米。住宅單位提供了四種面積分別為90、100、130和140平方米的典型戶型。建築工程已於二零一六年第三季度開展。

As at 7 March 2018, 924 residential units (representing 97% of the total units put up for pre-sale) were successfully sold, generating total sale proceeds of approximately RMB1,179.7 million.

If all of the remaining (unsold) properties including residential units, retail shops and car parks, could be sold under the current market situation, it is estimated that the Group would receive further total sale proceeds of approximately HK\$2 billion.

BUDGET HOTEL PROJECT

Since 2008, the Group started to operate budget hotel business in Shanghai, Beijing and Guangzhou. All of these budget hotels are managed by and under the brand name of Hanting. For the year ended 31 December 2017, hotel revenue decreased by 35% from approximately of HK\$17 million in 2016 to approximately HK\$11 million in 2017. Due to the restructuring of the business strategy, the Group had sold the budgeted hotels at Shanghai and Beijing in 2016, only the hotel in Guangzhou remains in operation.

INVESTMENT IN JAPAN WAREHOUSES

In November 2017, the Group acquired 50% of the issued share capital of a company which in turn beneficially owned two warehouses in Japan. The management regarded the investment would bring the Group's a stable rental return together with a long term appreciation of the properties given the good management team, quality of tenants and the fast growing logistic business relating to 2020 Tokyo Olympic. Total investment for this project amounted to HK\$191 million.

CAPITAL STRUCTURE

The Group's shareholders' funds increased from approximately HK\$10,923.9 million as at 31 December 2016 to approximately HK\$11,799.7 million as at 31 December 2017, representing a net increase of approximately HK\$875.8 million. The increase in shareholders' funds was attributed to (a) profit attributable to the owners of the Group of approximately HK\$744.9 million; (b) net increase of investment revaluation reserve and exchange reserve totaling approximately HK\$312.6 million and (c) dividend paid approximately HK\$181.7 million.

於二零一八年三月七日，共成功售出924個住宅單位(佔推售單位總數的97%)，產生總銷售收益約人民幣1,179,700,000元。

若所有剩餘(未售)物業(包括住宅單位、零售商舖和停車位)按目前市況出售，則本集團預計可進一步獲得總銷售收益約港幣20億元。

經濟型酒店項目

本集團自二零零八年起，開始於上海、北京及廣州經營經濟型酒店業務。該等經濟型酒店全部均由漢庭管理並以漢庭之品牌名稱經營。截至二零一七年十二月三十一日止年間，酒店總收益由二零一六年約港幣17,000,000元下降約35%至二零一七年約港幣11,000,000元。鑒於本集團調整投資策略，於二零一六年已出售上海和北京的經濟型酒店，只維持營運廣州酒店。

投資日本倉庫

於二零一七年十一月，本集團收購一間於日本實益擁有兩間倉庫的公司已發行股本的50%。管理層認為，該投資由於擁有良好的管理團隊，優質的租戶以及因2020年東京奧運急速發展的物流業務，將為集團帶來穩定的租金回報及長遠升值。該項目的總投資額約港幣191,000,000元。

資本架構

本集團的股東資金由二零一六年十二月三十一日的港幣10,923,900,000元增加至二零一七年十二月三十一日的港幣11,799,700,000元，淨增幅為港幣875,800,000元。股東資金增加是由於(a)分配於本集團股東應佔溢利約港幣744,900,000元；(b)投資重估儲備及匯兌儲備總計淨增加約港幣312,600,000元；及(c)已付股息約港幣181,700,000元。

FINANCE AND TREASURY OPERATIONS

NET CASH BALANCE

As at 31 December 2017, the Group's net cash balance (being cash and deposits less borrowings) stood at approximately HK\$1,282.1 million, increased by approximately HK\$169.8 million from approximately HK\$1,112.3 million in 2016, representing an increase of 15.3%.

The increase of net cash balance mainly related to the sale of The Grand Riviera, Foshan residential project. For the year of 2017, the group has received cash sale proceeds of approximately HK\$1,356.9 million from this project.

In the years ahead, the Group's major capital expenditures will be incurred for the Foshan residential project, hotel redevelopment project, and the renovation of Chong Yip Centre. The management will ensure all these capital expenditures within the budget and do not undermine the company's working capital.

The management expected that the Group's cash balances could be increased further by the sale of The Grand Riviera, Foshan residential project, and the stable rental revenue generated from different rental properties.

BANKING FACILITIES

Most of the banking facilities as at 31 December 2017 were committed banking facilities. In managing the debt portfolio, the Group has endeavored to maintain diversified sources of funding. Currently, the major source of financing is still coming from the banking sector, in which the Group has bilateral banking facilities with various banks, most of which have established long relationship with the Group. The management will consider to widen the funding source from capital market if both the market conditions and terms are favorable to the Company.

The management will closely monitor the company's funding position, internal funding and cheaper external funding will be used for coming development project.

財務及庫務營運

淨現金結餘

於二零一七年十二月三十一日，本集團的淨現金結餘(即現金及存款扣減借款)為約港幣1,282,100,000元，由二零一六年約港幣1,112,300,000元增加約港幣169,800,000元，增幅15.3%。

淨現金餘額的增加主要與佛山翠湖綠洲花園住宅項目的銷售有關。於二零一七年，本集團已收到該項目之現金銷售收益超過約港幣1,356,900,000元。

於未來幾年，本集團主要的資本支出為佛山住宅項目、重建酒店項目及裝修創業商場。管理層將控制該資本支出在預算以內，並不影響公司的營運資金。

管理層預期佛山翠湖綠洲花園銷售收益及來自不同租賃物業的穩定租金收入，可進一步增加本集團的現金餘額。

銀行貸款

於二零一七年十二月三十一日，大部份的銀行貸款均為承諾貸款。在管理債務組合時，本集團一直致力維持資金來源多元化。現時，主要的融資來源仍然是來自銀行貸款，已有數家銀行為本集團提供雙邊銀行融資額，而且大部份已與本集團建立長久關係。若市況及貸款條款皆對本公司有利，管理層將會考慮擴闊來自資本市場的融資來源。

管理層會密切監察本公司的資金狀況，在未來的發展計劃中會動用內部資金及成本較低的外部資金來源。

LIQUIDITY RISK AND CASH BALANCES

It is the Group's financial policy to maintain positive cash balance and high liquidity. To maintain sufficient liquidity will not only help the Group to fulfill all short term payment obligations but also to improve the Group's working capital.

Liquidity mainly comes from recurring rental income of various investment properties, cash sale proceeds from various completed and uncompleted development projects and committed banking facilities. Liquidity risk of the Group is low and it has been further reduced by early refinancing and improvement of cash flow.

LOAN MATURITY ANALYSIS

Liquidity risk could also be reduced by extending the loan tenors. The Group's debt maturity portfolio is spread out over a medium term, with 28% of debts becoming due within 1 year, and 72% of debts becoming due within 1-2 years respectively. It was the fact that the Group's liquidity and cash flow position in PRC was improved substantially following the successful sale of Grand Riviera, Foshan. Therefore, the construction loan was no need to renew or extend upon maturity.

RISK MANAGEMENT

In managing interest rate and foreign exchange exposures, the Group may use certain derivative instruments such as interest rate swaps, cross currency swaps, forward rate agreements and foreign exchange contracts. It is the Group's policy to allow using derivatives as hedging purposes only. With respect to the counterparty risk of the derivatives, the Group transacts only with financial institutions with strong investment-grade ratings.

INTEREST RATE EXPOSURE

The volatility and uncertainty of the movement of interest rate may result in a potential negative impact to the Group's financial position. Given that, the management will actively involve and review the movement of interest rate so as to minimize the financial impact.

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy to minimize mismatch in currency and not to speculate in currency movement. As at year ended 31 December 2017, other foreign exchange exposures related to some major investments in Shanghai, Foshan and Japan projects which altogether amounted to the equivalent of about HK\$6,420.8 million or 44.2% of the Group's total assets.

流動資金風險及現金結餘

本集團的財務政策是保持現金結餘及充裕流動資金。保持充裕流動資金不僅有助本集團履行所有短期還款責任，亦可改善本集團的營運資金狀況。

本集團的流動資金主要來自各項投資物業的經常性租金收入、來自各項落成及即將落成發展項目的現金銷售收益以及承諾銀行信貸。本集團的流動資金風險因提早再融資和現金流的改善已進一步降低。

到期貸款分析

延長貸款期限可以減低流動資金風險。本集團的中期到期債務組合分別為28%債務於一年內到期，及72%債務則於一年至兩年內內到期。事實上，本集團在中國的流動資金及現金流量狀況在成功出售佛山翠湖綠州花園後大幅改善。因此，有關的建築貸款無需再在到期時續約或延期。

風險管理

在監管利率及外匯風險時，本集團可使用若干衍生工具，例如利率掉期、貨幣掉期、遠期利率協議及外匯合約。本集團只容許使用該等衍生工具作為對沖風險用途。至於衍生工具的交易風險方面，本集團僅會與具備良好投資評級的財務機構進行交易。

利率風險

利率波動及走勢不明朗可能會對本集團的財政狀況產生潛在負面影響。管理層將會密切留意及檢討利率走勢，以盡量減輕利率走勢對財政構成的影響。

外匯風險

本集團的政策乃盡量減低貨幣錯配的風險，亦不會進行外匯投機買賣。其他外匯風險乃與上海、佛山及日本的重重大投資項目有關。於二零一七年十二月三十一日，該等投資約港幣6,420,800,000元，佔本集團資產的44.2%。

DERIVATIVES FINANCIAL INSTRUMENTS

During the year, the Group has entered derivative transactions with bank in order to hedge a new investment in Japan. The foreign exchange risk exposure has been reduced by entering Cross Currency Swap transaction for the purpose of matching the Japanese assets with Yen borrowings. Besides, in order to minimize the exchange rate risk effects of cash inflow, the Japanese yen dividend receivable have been hedged by Single Rate Forward. The management keep closely monitoring these foreign exchange exposures by implementing different appropriate measures on a timely and effective manner.

EMPLOYEE AND EMOLUMENT POLICY

As at 31 December 2017, the Group employed a workforce of 464 (31 December 2016: 423). Staff cost for the year include salaries, bonuses and allowances, were approximately HK\$90.8 million. (2016: HK\$87.5 million).

The Group's remuneration policy, having been advised and determined by the Remuneration Committee, will ensure that the pay levels of its employee are reasonable and competitive in the market and their total rewards including basic salary and bonus system are linked with their performance. The members and work done of Remuneration Committee are shown on page 40.

金融衍生工具

年內，本集團已與銀行進行衍生工具交易，用作對沖在日本的新投資項目。為了使日圓資產與日圓借款相匹配，此交叉貨幣掉期交易可以減低外匯的風險。此外，為減低現金流入的匯率風險，應收之日圓股息已利用單一匯率遠期合約對沖。管理層通過及時及有效地執行適當措施密切監察這些外匯風險。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團聘有464名員工(二零一六年十二月三十一日：423名)。本年間之僱員成本(包括薪金、花紅及津貼)總額約為港幣90,800,000元(二零一六年：港幣87,500,000元)。

經薪酬委員會考慮及建議，本集團薪酬政策相比市場僱員薪酬水平是合理及有競爭性的。僱員總薪酬包括基本工資及花紅制度，均與工作表現掛鉤。薪酬委員會之委員名單及其工作詳列於第40頁。

During the financial year ended 31 December 2017, the Company has substantially complied with the Provisions of the Corporate Governance Code (the “Corporate Governance Code” or the “Code”) as set out in Appendix 14 of Listing Rules.

GUIDELINES AND PROCEDURES FOR CORPORATE GOVERNANCE OF THE COMPANY

(A) CORPORATE GOVERNANCE CHART

The Board is committed to maintaining a high standard of corporate governance for the purpose of enhancing long term shareholders value. The corporate governance chart adopted by the Company could be referred to Liu Chong Hing Investment Limited Simplified Organisation Chart on page 36.

(B) DIRECTORS

(I) THE BOARD: RESPONSIBILITY FOR LEADERSHIP AND CONTROL OF THE COMPANY

- The Board is accountable to the shareholders for leadership and supervision of the senior management for the purpose of creating long term shareholders value and producing a sustainable growth and successful business.
- The principal tasks of the Board are to set objective, formulate strategies and to monitor the operating and financial performance.
- The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.
- The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.
- Duties of the Board include approving interim reports and annual reports, announcements and press release of interim and final results, setting the dividend policy, and approving the issue, allotment or disposal or grant of options in respect of unissued new shares of the Company.

截至二零一七年十二月三十一日止財政年度，本公司基本已遵守上市規則附錄14所載企業管治守則（「企業管治守則」或「守則」）條文的規定。

本公司企業管治指引及程序

(A) 公司管治架構圖

董事會致力維持高水平之企業管治，為股東締造長遠價值。本公司採納之管治架構圖可參照載於第36頁的廖創興企業有限公司簡化組織圖。

(B) 董事

(I) 董事會：負責領導及監控本公司

- 董事會須就領導及監管高級管理層向股東負責，透過維持不斷增長及成功之業務，為股東締造長遠價值。
- 董事會之主要任務為設定目標、制訂策略以及監控本公司之營運及財務表現。
- 董事會負責評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。
- 董事會亦監督管理層對風險管理及內部監控系統的設計、實施及監察，而管理層應向董事會提供有關系統是否有效的確認。
- 董事會之職責包括批准中期報告及年度報告、公告以及中期及末期業績公告、考慮股息政策，以及批准發行、配發或出售或授出本公司未發行新股份之期權。

(II) CHAIRMAN AND MANAGING DIRECTOR: CLEAR DIVISION OF RESPONSIBILITIES

- The Company has clear and distinct division of responsibilities between the Chairman and Managing Director.
- Mr. Liu Lit Chi, the Chairman of the Board, provides leadership and is responsible for the effective functioning and leadership of the Board. The Managing Director is responsible for the Company's business, daily management and operations generally.
- Managing Director assumes overall responsibility for Group's operation and performance by delegating duties to different Executive Directors and senior management to achieve targeted objectives. The Board gives clear directions to management as to their powers of management, circumstance in which the management should make report.
- However, immediately following the deceased of former Chairman Dr. Liu Lit Mo and during the second half year of 2017, the role of Chairman and the Managing Director of the Company has not been segregated as required by the code provision A.2.1 of the Code. The Board considers this arrangement is in the best interest of the Company that by nature of the Group's business which requires considerable market expertise and Mr. Liu Lit Chi, with his profound expertise in the property and banking industry, shall continue in his dual capacity as the Chairman and Managing Director.

(III) BOARD COMPOSITION: BALANCE AND INDEPENDENCE

- The Board currently comprises four Executive Directors, two Non-executive Directors and five Independent Non-executive Directors of the full Board. During the year ended 31 December 2017, the Board met the requirements of the Listing Rules relating to the appointment of at least one-third of the Board should be Independent Non-executive Directors.
- The appointment of Independent Non-executive Directors strictly adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received written confirmation of their independence from each of the Independent Non-executive Directors.

(II) 主席及董事總經理：職責分工明確

- 本公司主席和董事總經理之間分工明確，責任清晰。
- 董事會主席廖烈智先生領導及負責董事會的有效運作，董事總經理負責本公司的業務、日常管理和一般營運。
- 董事總經理負責集團之整體營運及表現，透過轉授職責予不同執行董事及高級管理人員達致指定目標。董事會就管理層之權責及管理層須提交報告之情況給予管理層清晰指引。
- 然而，緊隨前任主席廖烈武博士逝世後的二零一七年下半年期間，本公司並未遵循守則條文A.2.1將主席及董事總經理的職責予以區分。董事會認為，是項安排符合本公司最佳利益，因本集團業務性質要求具備豐富市場經驗，而廖烈智先生於地產及銀行行業均累積豐富經驗，故廖烈智先生應繼續身兼主席及董事總經理之雙重職務。

(III) 董事會之組成：協調與獨立

- 董事會現時由四名執行董事、二名非執行董事及五名獨立非執行董事組成。截至二零一七年十二月三十一日止年度，董事會已遵守上市規則有關委任獨立非執行董事人數須佔董事會至少三分之一之要求。
- 獨立非執行董事之委任嚴格遵守上市規則第3.13條所載有關評估獨立性之指引。本公司已接獲各獨立非執行董事就彼等獨立性之書面確認。

- The Board considers that the five Independent Non-executive Directors are free from any business or other relationship which might interfere with the exercise of their independent judgment and each of Independent Non-executive Directors brings their own relevant expertise to the Board.
- The presence of all Independent Non-executive Directors could ensure that the Board functions effectively and independently.
- The Independent Non-executive Directors are also the committee members of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. In short, these committees have Independent Non-executive Directors.
- In addition, the Company has set up the Corporate Governance Committee on 7 March 2012 comprising three Executive Directors and two Independent Non-executive Directors to perform the corporate governance duties.
- The biographies of the directors appear on pages 107 to 115. These demonstrate diversity of experience and calibre of the Board in making management decisions.
- 董事會認為五名獨立非執行董事並無任何業務或其他關係而可能影響其獨立判斷，各獨立非執行董事運用彼等本身之相關專業知識服務董事會。
- 委任獨立非執行董事可確保董事會能夠有效及獨立運作。
- 獨立非執行董事兼任審核委員會、薪酬委員會、提名委員會及企業管治委員會之委員，換言之，該等委員會委員均有獨立非執行董事。
- 此外，本公司於二零一二年三月七日成立企業管治委員會，由三名執行董事及兩名獨立非執行董事組成，負責履行企業管治職責。
- 董事之簡歷載於第107至第115頁，顯示彼等各有不同經驗，使董事會可以作出明智之管理決定。

(IV) APPOINTMENTS, RE-ELECTION AND REMOVAL

- The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.
- Those directors who have been longest in office as at each annual general meeting will retire from office and be subjected to re-election.
- For newly appointed directors, they are required to submit themselves to shareholders for re-election to the Board at the first annual general meeting following their appointment.
- All directors have entered into a letter of appointment with the Company and were appointed for a specific term, subject to re-election and retirement by rotation at least once every three years in accordance with the Company's Articles of Association.
- 提名委員會主要負責就董事委任或重新委任以及就董事繼任計劃向董事會提出建議。
- 任期最長之董事將於每屆股東周年大會上退任董事，並可重選連任。
- 新委任董事須於獲委任後首次股東周年大會上獲股東重選方可連任董事。
- 所有董事已與本公司訂立委任函件，並有特定任期，惟須根據本公司章程細則至少每三年輪值退任一次。

- Code provision A.4.2 stipulates that every director shall be subject to retirement by rotation at least once every three years. Under the Article 105 of the Company's articles of association, all directors are subject to retirement by rotation except the Managing Director who shall not be subject to retirement by rotation under Articles 113 of the Company's articles of association.
- However, for the purpose of enhancing better corporate governance, the Board initiated a special resolution to be passed on 2018 AGM (15 May 2018) for amending and replacing entirely by a new article 113. If the resolution was passed, a Managing Director shall be subject to retirement under articles 105 and 106.
- Details of the term of appointment of all Non-executive Directors and Independent Non-executive Directors are as follows:
 - (i) to perform such functions and exercise such powers as are appropriate to your position as an Independent Non-executive Directors or Non-executive Directors of the Company;
 - (ii) to comply with all laws, rules and regulations applicable to you as a director of the Company, including but not limit to the Listing Rules; and
 - (iii) to notify the Board immediately upon the occurrence of, or the directors becoming aware of, any matter which may affect their independence.
- The terms of reference of Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Management Committee are available to review in the Company's website.
- 守則條文A.4.2規定每名董事應輪值退任，至少三年一次。根據本公司章程細則第105條，所有董事均須輪值告退，唯董事總經理根據本公司章程細則第113條則毋須輪值退任。
- 然而，為提高公司管治水平，董事會將動議一項特別決議案，並將於二零一八年股東周年大會（二零一八年五月十五日召開）上通過，修訂並完全替代成為新的章程第113條。如果決議獲得通過，董事總經理根據第105條和第106條應當退任。
- 所有非執行董事及獨立非執行董事之委任條款詳情如下：
 - (i) 履行及行使適合於本公司獨立非執行董事或非執行董事職務之有關職責及有關權力；
 - (ii) 遵守適用於本公司董事之所有法律、規則及規例，包括但不限於上市規則；及
 - (iii) 於發生或董事知悉任何可影響其獨立性之事宜時立即通知董事會。
- 有關審核委員會、薪酬委員會、提名委員會、企業管治委員會及執行管理委員會之職權範圍，可瀏覽本公司網頁。

(V) RESPONSIBILITIES OF DIRECTORS: GENERAL DUTIES AND SHARE DEALINGS

- The directors fully appreciate their role and duties as directors with supportive commitment of creating a healthy corporate governance culture.
- On appointment, new directors will be given an introduction to the Group's major business activities, induction into their responsibilities and duties, and other regulatory requirements.
- Throughout the year, all directors complied with the required standard set out in the Model Code in Appendix 10 of the Listing Rules regarding Securities Transactions by Directors of Listed Issuers.

(VI) CONTINUOUS PROFESSIONAL DEVELOPMENT

- Code provision A.6.5 proposes that all directors should participate in continuous professional development to develop and refresh their knowledge and skills.
- All directors are well aware of the requirement of attending continuous professional training for the year ending 31 December 2018.

(VII) COMPANY SECRETARY

Mr. Lee Wai Hung, the company secretary also an Executive Director of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. The company secretary reports to the Chairman and is responsible for advising the Board through the Chairman of the Board or Executive Management Committee on governance matters and also facilitates induction and professional development of the directors. All directors have access to the advice and services of the company secretary to ensure that the Board procedures, all applicable law, rules and regulations are followed. During the year, the company secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biography of Mr. Lee is set out in the section "Biographical Details of Directors and Senior Management" in the annual report.

(V) 董事之責任：一般職責及股份交易

- 所有董事均充分瞭解彼等之角色及職責，銳意創造一套健全之企業管治文化。
- 新任董事於入職時，將獲簡介本集團之主要業務、彼等之責任及職責以及其他監管要求。
- 年內，所有董事一直遵守上市規則附錄10有關上市公司董事進行證券交易的標準守則所規定之要求。

(VI) 持續專業發展

- 守則條文A.6.5建議所有董事應參與持續專業發展以開發及更新其知識和技能。
- 所有董事均清楚知悉截至二零一八年十二月三十一日止年度須參加持續專業培訓之規定。

(VII) 公司秘書

本公司之公司秘書亦為執行董事李偉雄先生為本集團之全職僱員，並知悉本公司之日常事務。公司秘書向主席匯報，並負責透過董事會主席或執行管理委員會就管治事宜向董事會提供意見，並協助董事就任及專業發展。全體董事均可獲公司秘書提供意見及服務，以確保遵守董事會程序以及所有適用法律、規則及規例。於年內，公司秘書已妥為遵守上市規則第3.29條下之相關專業培訓規定。李先生之履歷載於本年度報告「董事及高級管理人員簡介」一節內。

(C) BOARD PROCESS**(I) MEETINGS: MATTERS RESERVED FOR FULL BOARD DECISION AND GENERAL PROCEEDINGS**

- In order to achieve a high standard of corporate governance and in compliance with the requirement as mentioned under Appendix 14 – Corporate Governance Code, the Board has performed to hold full Board meeting at least quarterly during the year 2017.

The Executive Management Committee was established on 30 October 2014. The current members of the committee comprised of Mr. Liu Lit Chi, Mr. Liu Kam Fai, Winston, Mr. Liu Kwun Shing, Christopher and Mr. Lee Wai Hung. Based on the duly approved terms of reference by the Board, the committee is authorised:

- to discuss, formulate policies and make decisions on all matters relating to the daily management and operations of the Company and its subsidiaries;
 - to discuss significant daily operational issues;
 - to review key business performance and take prompt corrective actions as appropriate;
 - to discuss and formulate financial policy, including review and presentation of final and interim results of the Company to the Board, as well as make recommendation of interim and/or final dividends or other distributions to the Board;
 - to discuss business opportunities arising from changing conditions so as to formulate policies to sustain the growth of the Company; and
 - The Executive Management Committee is currently received monthly management report which shows the Group's financial and operating results with detailed analysis of different business activities.
- The main function of the committee could help to relieve the Board of detailed review of information and to increase the operational efficiency among different departments. For the avoidance of doubt, all matters that require public announcement pursuant to the Listing Rules or rules of any other relevant regulatory body must be approved by the Board.

(C) 董事會議事程序**(I) 會議：須由全體董事議決之事宜及一般程序**

- 為達致高水平之企業管治及遵守附錄14企業管治守則所述之規定，於二零一七年度董事會已履行最少每季舉行一次全體董事會會議之責任。

執行管理委員會已於二零一四年十月三十日成立。委員會現任委員包括廖烈智先生、廖金輝先生、廖坤城先生及李偉雄先生。根據董事會正式批准的職權範圍，委員會獲授權：

- 就本公司及其附屬公司的日常管理及營運相關事宜商討、制定政策，並作出決策；
 - 討論重大日常營運事宜；
 - 檢討業務表現，並在適當的情況下迅速採取修正措施；
 - 討論並制定財政政策，包括審閱及向董事會呈列本公司的末期及中期業績，以及向董事會建議派發中期及／或末期股息或作出其他分派；
 - 討論形勢變化所帶來的商機，並制定政策以確保本公司持續成長；及
 - 執行管理委員會現時每月均收到管理報告，詳細分析本集團不同商務活動的財務和經營業績。
- 委員會之主要職能可協助董事會減輕詳盡審閱資料之負擔並提升部門間的營運效率。為免生疑問，所有根據上市規則或其他相關監管機構的規定須予以公佈之事宜，必須尋求董事會批准。

- Matters reserved for full Board decision include material bank facilities arrangement, material acquisitions and disposals of assets, material transactions with connected parties, significant investments including large capital projects, delegation of authority, treasury and risk management policy, any matters involving a conflict of interest for a substantial shareholder or director.
- All directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with and advises the Board on corporate governance and compliance matters.
- The Company Secretary is responsible for taking minutes of the Board and the Board committee meetings, which are normally circulated to directors for comment within a reasonable time after each meeting and the final signed version is sent to all directors for their records and open for directors' inspection.
- All directors are allowed to take independent professional advice at Company's expense.
- There is in place a directors' and officers' liabilities insurance cover.
- Details of 2017 Board meetings attendance record are set out below:
- 須由全體董事議決之事宜包括重大銀行信貸安排、重大資產買賣事項、與關連方之重大交易、包括涉及巨額資金之重大投資項目、授權事項、財務及風險管理政策以及主要股東或董事涉及利益衝突之任何事項。
- 所有董事可聯絡公司秘書，彼負責確保董事會符合議事程序，並就企業管治及監管事宜向董事會提出建議。
- 公司秘書負責整理董事會及董事委員會之會議記錄，該等會議記錄一般在每次會議後之合理時間內送交董事傳閱，而最終簽署作實之定稿則送交全體董事存照，並可供董事隨時查閱。
- 所有董事均獲准利用公費尋求獨立專業意見。
- 公司已為董事及要員購買責任保險。
- 二零一七年度董事會會議出席記錄載列如下：

		Number of meeting attended 出席會議次數	Attendance rate 出席率
Executive Directors	執行董事		
Liu Lit Mo (Former Chairman, passed away on 12 July 2017)	廖烈武 (前任主席，於二零一七年七月十二日逝世)	2/2	100%
Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer)	廖烈智 (主席、董事總經理兼行政總裁)	4/4	100%
Liu Kam Fai, Winston (Deputy Managing Director)	廖金輝 (副董事總經理)	4/4	100%
Liu Kwun Shing, Christopher (also alternate director to Dr. Liu Lit Chung)	廖坤城 (亦為廖烈忠醫生之替代董事)	4/4	100%
Lee Wai Hung	李偉雄	4/4	100%
Non-executive Directors	非執行董事		
Liu Lit Chung	廖烈忠	4/4	100%
Andrew Liu (resigned on 8 March 2017)	廖駿倫 (已於二零一七年三月八日辭任)	0/1	0%
Liu Chun Ning, Wilfred (retired on 9 May 2017)	廖俊寧 (已於二零一七年五月九日退任)	0/1	0%
Kho Eng Tjoan, Christopher	許榮泉	4/4	100%
Independent Non-executive Directors	獨立非執行董事		
Cheng Mo Chi, Moses	鄭慕智	2/4	50%
Tong Tsin Ka (retired on 9 May 2017)	唐展家 (已於二零一七年五月九日退任)	1/1	100%
Au Kam Yuen, Arthur	區錦源	4/4	100%
Ma Hung Ming, John	馬鴻銘	3/4	75%
Cheng Yuk Wo	鄭毓和	4/4	100%

(II) SUPPLY OF INFORMATION: QUALITY AND TIMELINESS

- The Company attaches great importance to continually improve on the quality and timeliness of the dissemination of information to the directors.
- The Chairman is responsible for ensuring adequate supply of information to the directors.
- The agenda and accompanying board papers will be sent in full to all directors in a timely manner (we aim to give relevant documents at least five clear days replacing current practice of at least three clear days in advance of meeting). Where appropriate, communications are sent electronically.
- All directors are currently provided with quarterly management reports which shows the Group's financial and operating results with detailed analysis of those major rental properties, property under development and other investments.
- A full Board meeting, held by each quarter, was regularly taken for the purpose of reviewing and updating the Company's business and operating results with reference to the quarterly management report.
- Managing Director is currently holding internal management meetings twice a week with all executive directors and different department heads to update directors on their lines of business and to review performance for delegated assignment.
- Executive Management Committee meetings were held twice a week to discuss the daily operation and to review the Company matters by reference to monthly management reports.

(II) 資料提供：質素和及時性

- 繼續改善向董事發放資料之質素和及時性是本公司之首要任務。
- 主席有責任確保向董事提供充足資料。
- 議程及隨附之董事會文件將及時地全數送交所有董事(目標是在召開董事會會議前給予最少五日送交有關文件，代替現時最少三日之慣例)。所有通訊將以電子形式發佈(如適用)。
- 所有董事現時獲提供季度管理報告，內容提供本集團之財務及營運業績詳盡分析，其中包括主要租賃物業、發展中物業及其他投資。
- 每季定期舉行一次全體董事會會議，根據季度管理報告審閱及更新本公司業務及營運業績。
- 董事總經理現時每週二次與所有執行董事及不同部門主管舉行內部管理會議，向董事提供彼等業務之最新狀況及審核其獲指派工作之表現。
- 執行管理委員會每週舉行兩次會議，討論日常營運事宜，並參考每月管理報告檢討本公司事務。

(III) RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

After the year ended of 2015, the Executive Management Committee had engaged Messrs. Deloitte Touche Tohmatsu (“Deloitte”) to provide consultancy services in relation to enterprise risk management and internal controls. The Board understands that it is the Board’s responsibility to evaluate the risks of the Company and to implement the Company’s strategic objective through an established, appropriate and effective risk management and internal control systems.

Senior management had discussed with Deloitte regarding to the Company’s existing system and internal controls and an appropriate policy and detailed work plan had been formulated after having identified the main area of risk.

- During the year of 2017, the management had completed the internal control assessment and various follow up actions had been done based on the findings and recommendations by Deloitte. The management is highly regarded the internal controls and considered that such review based on the identified audit areas, will be performed annually so as to manage the risk and control the effectiveness of the system.

(D) REMUNERATION OF DIRECTORS

Procedures for Remuneration Committee to set directors and senior management’s remuneration policy:

- The Company has set up Remuneration Committee on 3 March 2005. Its terms of reference are to review and determine the remuneration packages for all directors and senior management.
- The Remuneration Committee currently comprises four members, including three of the Independent Non-executive Directors, namely Dr. Cheng Mo Chi, Moses (Chairman), Dr. Ma Hung Ming, John and Mr. Cheng Yuk Wo and a Non-executive Director, Mr. Kho Eng Tjoan, Christopher.
- The committee meets at least once per annum.

(III) 風險管理及內部監控系統

於二零一五年底後，執行管理委員會已聘請德勤•關黃陳方會計師行(「德勤」)對有關企業風險管理和內部監控提供諮詢服務。董事會了解評估公司的風險是董事會的責任，並通過建立適當和有效的風險管理和內部監控系統來實現公司的策略目標。

經與德勤討論了公司現有的制度和內部監控，並確定主要風險後，高級管理層已制定出適當的政策和詳細的工作計劃。

- 於二零一七年期間，管理層已經由德勤調查結果和建議的基礎上完成了內部監控評估和各種跟進行動。管理層高度重視內部監控，認為此類建基於確定的審計範疇的年度審查，將有利於管理層有效進行風險管理和系統控制。

(D) 董事酬金

薪酬委員會釐定董事及高級管理人員薪酬政策之程序：

- 本公司已於二零零五年三月三日成立薪酬委員會，其職權範圍乃負責檢討及釐定所有董事及高級管理人員之薪酬待遇。
- 薪酬委員會目前由四名委員組成，包括三個獨立非執行董事，鄭慕智博士(主席)、馬鴻銘博士、鄭毓和先生及非執行董事許榮泉先生。
- 委員會每年至少舉行一次會議。

- The main duties of the committee include the followings:
 - (i) to make recommendations to the Board on or determine the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (ii) to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payment and any compensation payable for loss or termination of their office or appointment;
 - (iii) to make recommendations to the Board on or determine the remuneration of Non-executive Directors;
 - (iv) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
 - Details of 2017 Remuneration Committee meeting attendance record are set out below:
- 委員會之主要職責包括下列各項：
 - (i) 就本公司所有董事及高級管理人員之薪酬政策及架構以及就設立正式而具透明度之程序制訂此等薪酬政策，向董事會提出建議；
 - (ii) 授權釐訂個別執行董事及高級管理人員之薪酬待遇，包括實物利益、退休金權利及賠償費用及任何失去或終止職務或委任之賠償；
 - (iii) 就釐定非執行董事之薪酬向董事會作出建議；
 - (iv) 根據董事會擬定之企業目標作檢討及批准管理層薪酬建議。
 - 二零一七年度薪酬委員會會議出席記錄載列如下：

Members of Remuneration Committee	Number of meeting attended 出席會議次數	Attendance rate 出席率
Cheng Mo Chi, Moses (<i>Chairman</i>)	1/1	100%
Kho Eng Tjoan, Christopher	1/1	100%
Ma Hung Ming, John	0/1	0%
Cheng Yuk Wo	1/1	100%
Cavior Liu (<i>Secretary</i>)	1/1	100%

- The committee is authorised by the Board to oversee and determine the remuneration of Executive Directors and Senior Management.
 - No director is involved in deciding his own remuneration. On matters other than those concerning him, the Chairman or Managing Director may be invited to committee meetings to give advices.
- 委員會獲董事會授權監察及釐定執行董事及高級管理人員之薪酬，並就此提供建議。
 - 董事並無參與釐定其本人之薪酬決定。除有關牽涉其本身、主席或董事總經理之事項外，主席或董事總經理可應邀出席委員會之會議以提供意見。

- Committee members are allowed under certain procedures to take independent professional advice at Company's expense for making and determining the remuneration package proposal.
- The committee will present a report to the Board after each meeting, which addresses its work and findings.
- The committee will make recommendation to the Board regarding the remuneration, comprising directors' fees for all Directors, for shareholders approval at the annual general meeting.
- Details on the mandate and summary of the work by the Remuneration Committee during the year are set out in the Remuneration Committee Report on page 40.
- The terms of reference of Remuneration Committee are available on the Company's website and the Stock Exchange's website.
- 根據若干程序，委員會委員獲准就作出及釐定薪酬待遇方案採納獨立專業意見，開支由本公司承擔。
- 委員會於每次會議後須向董事會呈交有關其工作情況及審閱結果之報告。
- 委員會將就薪酬方案，包括所有董事之董事袍金向董事會作出建議，以供股東於股東周年大會批准。
- 年內薪酬委員會之授權及工作摘要載於第40頁之薪酬委員會報告書內。
- 有關薪酬委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(E) ACCOUNTABILITY AND AUDIT

(I) FINANCIAL REPORTING: BALANCED, CLEAR AND COMPREHENSIVE ASSESSMENT OF THE COMPANY'S PERFORMANCE, POSITION OF PROSPECTS

- The Board believes that it presents a comprehensive, balanced and understandable assessment of the Group's position and prospects in all shareholder communications.
- The Board fully appreciates its responsibilities regarding the preparation of financial statements.

(II) AUDIT COMMITTEE AND AUDITORS: TERMS OF REFERENCE AND RELATIONSHIP WITH MANAGEMENT AND EXTERNAL AUDITORS

- The Audit Committee currently comprises four members, all of them are Independent Non-executive Directors, namely Mr. Cheng Yuk Wo (Chairman), Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur and Mr. Tong Tsun Sum, Eric.
- All members have experience in reviewing and analysing audited financial statements of public companies or major organisation.

(E) 問責及審核

(I) 財務報告：對本公司之表現及前景展望作出平衡、清晰及全面之評估

- 董事會相信，其在所有股東通訊內對本集團之狀況及前景所作出之評估乃全面、平衡及容易理解。
- 董事會充分瞭解其在編製財務報表時之責任。

(II) 審核委員會及核數師：職權範圍及與管理層及外聘核數師之關係

- 審核委員會目前由四名委員組成，所有委員為獨立非執行董事，分別為鄭毓和先生(主席)、鄭慕智博士、區錦源先生和唐晉森先生。
- 所有委員在審閱及分析上市公司或大型機構有關經審核財務報表方面具有豐富經驗。

- The committee meets not less than twice per annum. Meetings are also attended by invitation by the Chairman, the Managing Director and Executive Director who is in charge of finance matters. The committee also meets not less than twice per annum with the Company's auditor.
- The main duties of the committee include the followings:
 - (i) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
 - (ii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
 - (iii) to develop and implement policy on engaging an external auditor to supply non-audit services;
 - (iv) to monitor integrity of the Company's financial statements and annual report and accounts, half year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
 - (v) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;
 - (vi) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
 - (vii) to consider major investigation findings on risk management and internal control matters as delegated by the board or on its own initiative and management's response to these findings;
- 委員會每年舉行至少兩次會議。可邀請主席、董事總經理及負責財務事宜之執行董事出席會議。委員會亦與本公司核數師每年至少舉行兩次會議。
- 委員會之主要職責包括下列各項：
 - (i) 主要負責就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師之薪酬及聘用條款，及處理任何有關該核數師辭任或辭退該核數師之問題；
 - (ii) 按適用之準則檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
 - (iii) 就外聘核數師提供非核數服務制定政策，並予以執行；
 - (iv) 監察本公司之財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告之完整性，並審閱該等報表及報告所載有關財務申報之重大意見；
 - (v) 檢討本公司的財務監控，以及檢討本公司的風險管理及內部監控系統(除非有另設的董事會轄下風險委員會又或董事會本身會明確處理)；
 - (vi) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。討論內容應包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
 - (vii) 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；

(viii) to review the Group's financial and accounting policies and practices;

(ix) to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response; and

(x) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.

- Details of 2017 Audit Committee meetings attendance record are set out below:

(viii) 檢討本集團之財務及會計政策及常規；

(ix) 檢查外聘核數師致管理層之函件、核數師就會計紀錄、財務賬目或監控制度向管理層提出的任何重大疑問及管理層作出之回應；及

(x) 確保董事會及時回應於外聘核數師給予管理層之審核情況說明函件中提出的事宜。

- 二零一七年度審核委員會會議出席記錄載列如下：

		Number of meeting attended 出席會議次數	Attendance rate 出席率
Members of Audit Committee	審核委員會委員		
Tong Tsin Ka (Former Chairman, retired on 9 May 2017)	唐展家 (前任主席，於二零一七年五月九日退任)	1/1	100%
Cheng Yuk Wo (Chairman, since 9 May 2017)	鄭毓和(主席，自二零一七年五月九日起)	2/2	100%
Cheng Mo Chi, Moses	鄭慕智	2/2	100%
Au Kam Yuen, Arthur	區錦源	2/2	100%
Tong Tsun Sum, Eric (appointed on 7 March 2018)	唐晉森(於二零一八年三月七日委任)	0/0	0%
Lee Wai Hung (Secretary)	李偉雄(秘書)	2/2	100%

- Under its terms of reference, the committee is required, amongst other things, to oversee the relationship with external auditors, to review the Company's interim and annual financial statements, and to evaluate the Group system of internal controls.

- There is an agreed procedure for Audit Committee members to take independent professional advice at Company's expense.

- The committee presents a report or makes advice to the Board after each meeting for addressing their work done and findings.

- Details on the mandate and work performed by the Audit Committee during the year are set out in the Audit Committee Report on pages 37 to 38.

- The terms of reference of Audit Committee are available on the Company's website and the Stock Exchange's website.

- 根據其職權範圍，委員會必須(其中包括)監察與外聘核數師之關係、審閱本公司之中期及年度財務報表，以及評估集團內部監控制度。

- 審核委員會委員可根據既定程序，尋求獨立專業意見，費用由本公司支付。

- 委員會於每次會議後向董事會提交有關其工作情況及審閱結果之報告或提供意見。

- 年內審核委員會之授權及工作詳情載於第37至38頁之審核委員會報告書內。

- 有關審核委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(III) AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the auditor had received from the Company and its subsidiaries approximately HK\$2.97 million for audit and audit related services (2016: HK\$2.89 million) as well as HK\$0.3 million for non-audit services (2016: HK\$0.6 million).

(IV) INTERNAL CONTROL: SOUND AND EFFECTIVE SYSTEM TO SAFEGUARD SHAREHOLDER INTERESTS AND COMPANY ASSETS

- Risk management is a crucial part of the Group's strategic management to monitor the Company's overall financial position and to protect its assets.
- The Group is committed to implementing effective risk management policies and internal control procedures to identify and manage the risks that the Group may be exposed to.
- These policies and procedures are reviewed regularly by Executive Management Committee together with the assistant by external auditors during the course of audit and separate assignment to ensure their effectiveness and compliance with Code on Corporate Governance Practices.
- The Managing Director and Executive Directors will discuss with external auditor in the Audit Committee meeting at least twice a year on key issues in relation to internal controls, audit findings and risk management.
- As concluded in 2017 Audit Committee meeting, no irregularities and major weakness in control were found by the auditor.

(F) NOMINATION COMMITTEE

- The Company has set up the Nomination Committee on 7 March 2012, which is mainly responsible for making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.
- The Nomination Committee is chaired by the Chairman of the Board. The committee shall comprise members not less than three and a majority of the committee was Independent Non-executive Directors.

(III) 核數師酬金

截至二零一七年十二月三十一日止年度，本公司及其附屬公司之核數師就審核及審核相關服務收取約港幣2,970,000元(二零一六年：港幣2,890,000元)，就非審核服務收取港幣300,000元(二零一六年：港幣600,000元)。

(IV) 內部監控：以健全有效之系統保障股東利益及本公司之資產

- 風險管理是本集團為監控本公司整體財政狀況及保障其資產之策略性管理之關鍵部分。
- 本集團致力落實有效風險管理政策及內部監控程序，以確認及管理本集團可能面對之風險。
- 於審核期間和獨立工作，執行管理委員會在外聘核數師之協助下，定期檢討有關政策及程序，以確保其成效，並遵守企業管治常規守則。
- 董事總經理及執行董事將於審核委員會會議上(每年最少舉行兩次)，就內部監控、審核結果及風險管理等主要事項與外聘核數師進行討論。
- 誠如於二零一七年審核委員會會議所作總結，核數師概無發現任何違規或監管不足之情況。

(F) 提名委員會

- 本公司於二零一二年三月七日成立提名委員會，主要負責就董事委任或重新委任以及就董事繼任計劃向董事會提出建議。
- 提名委員會主席由董事會主席擔任。委員會須由不少於三名委員組成，而大部分委員均為獨立非執行董事。

- The Nomination Committee is currently chaired by Mr. Liu Lit Chi, the Chairman of the Board.
 - Other members are Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John, Mr. Cheng Yuk Wo and Mr. Tong Tsun Sum, Eric (Independent Non-executive Directors) and Mr. Kho Eng Tjoan, Christopher (a Non-executive Director).
 - The committee meets at least once per annum.
 - The main duties of the committee include the followings:
 - to review the structure, size and composition (including the skills, knowledge and experience required) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - to identify individuals suitably qualified to become directors of the Company and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - to assess the independence of Independent Non-executive Directors of the Company; and
 - to make recommendations to the Board on the appointment or re-appointment of the directors and succession plan for directors, in particular the Chairman and Chief Executive Officer of the Company.
 - Details of 2017 Nomination Committee meeting attendance record are set out belows:
- 提名委員會主席現由董事會主席廖烈智先生擔任。
 - 委員會現時其他委員包括獨立非執行董事區錦源先生、馬鴻銘博士、鄭毓和先生及唐晉森先生，以及非執行董事許榮泉先生。
 - 委員會每年至少舉行一次會議。
 - 委員會之主要職責包括下列各項：
 - 至少每年檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)並就任何為配合本公司之策略而擬對董事會作出之變動提出建議；
 - 物色具備合適資格可擔任本公司董事之人士，並挑選提名個別人士出任董事或就此向董事會提供意見；
 - 評核本公司獨立非執行董事之獨立性；及
 - 就董事委任或重新委任及董事(特別是本公司主席及行政總裁)繼任計劃向董事會提出建議。
 - 二零一七年度提名委員會會議出席記錄載列如下：

		Number of meeting attended 出席會議次數	Attendance rate 出席率
Members of Nomination Committee	提名委員會委員		
Liu Lit Mo (Former Chairman, passed away on 12 July 2017)	廖烈武 (前任主席，於二零一七年七月十二日逝世)	1/1	100%
Liu Lit Chi (Chairman, Since 12 July 2017)	廖烈智(主席，自二零一七年七月十二日起)	1/1	100%
Tong Tsin Ka (retired on 9 May 2017)	唐展家(於二零一七年五月九日退任)	1/1	100%
Kho Eng Tjoan, Christopher	許榮泉	1/1	100%
Cheng Yuk Wo	鄭毓和	1/1	100%
Au Kam Yuen, Arthur (appointed on 8 March 2017)	區錦源(於二零一七年三月八日委任)	0/0	0%
Ma Hung Ming, John (appointed on 8 March 2017)	馬鴻銘(於二零一七年三月八日委任)	0/0	0%
Tong Tsun Sum, Eric (appointed on 7 March 2018)	唐晉森(於二零一八年三月七日委任)	0/0	0%
Lee Wai Hung (Secretary)	李偉雄(秘書)	1/1	100%

- Committee members are allowed to take independent professional advice at Company's expense.
- 委員會委員可尋求獨立專業意見，費用由本公司支付。

- Details of the mandate and summary of the work by the Nomination Committee during the year are set out in the Nomination Committee Report on page 39.
- The terms of reference of the Nomination Committee are available on the Company's website and the Stock Exchange's website.

(G) CORPORATE GOVERNANCE COMMITTEE

- The Company has set up the Corporate Governance Committee on 7 March 2012, which is mainly responsible for performing the corporate governance duties of the Board.
- The Corporate Governance Committee is chaired by Mr. Liu Kwun Shing, Christopher.
- Its other current members are Mr. Liu Kam Fai, Winston, and Mr. Lee Wai Hung, both of them are Executive Directors of the Company and two Independent Non-executive Directors namely, Mr. Au Kam Yuen, Arthur and Dr. Ma Hung Ming, John.
- The committee meets at least once per annum.
- The Corporate Governance Committee determines the policy for the corporate governance of the Company. The duties performed by the Corporate Governance Committee include the followings:
 - to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
 - to review and monitor the training and continuous professional development of the directors of the Company and the senior management;
 - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - to develop, review and monitor the code of conduct applicable to the directors and the employees of the Company;
 - to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report as required under the Listing Rules; and

- 年內提名委員會之授權及工作詳情載於第39頁之提名委員會報告書內。

- 有關提名委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(G) 企業管治委員會

- 本公司於二零一二年三月七日成立企業管治委員會，主要負責履行董事會之企業管治職務。
- 企業管治委員會主席由廖坤城先生擔任。
- 委員會現時其他委員包括廖金輝先生及李偉雄先生，全部均為本公司執行董事，以及兩位獨立非執行董事區錦源先生及馬鴻銘博士。
- 委員會每年至少舉行一次會議。
- 企業管治委員會釐定本公司企業管治政策。企業管治委員會履行之職責包括下列各項：
 - 制訂及檢討本公司之企業管治政策及常規，並向董事會提出建議；
 - 檢討及監察本公司董事及高級管理人員之培訓及持續專業發展；
 - 檢討及監察本公司之政策及常規是否遵守法律及監管規定；
 - 制訂、檢討及監察適用於本公司董事及僱員之行為守則；
 - 檢討本公司是否遵守企業管治守則及有否根據上市規則之規定於企業管治報告作出披露；及

(vi) to hold regular meetings with all department heads from time to time requesting them to review their corporate governance within the department and require them to submit proposal or remedy action to redress the matters.

(vi) 不時與所有部門主管定期舉行會議，要求彼等檢討其部門內之企業管治，並提呈建議或補救行動糾正有關事宜。

- Details of 2017 Corporate Governance Committee meeting attendance record are set out below:

- 二零一七年度企業管治委員會會議出席記錄載列如下：

		Number of meeting attended 出席會議次數	Attendance rate 出席率
Members of Corporate Governance Committee			
Liu Kwun Shing, Christopher <i>(Chairman, appointed on 9 August 2017)</i>	企業管治委員會委員 廖坤城 <i>(主席，於二零一七年八月九日委任)</i>	1/1	100%
Au Kam Yuen, Arthur	區錦源	1/1	100%
Ma Hung Ming, John	馬鴻銘	1/1	100%
Liu Kam Fai, Winston	廖金輝	1/1	100%
Lee Wai Hung	李偉雄	1/1	100%

- Committee members are allowed to take independent professional advice at Company's expense.
- The terms of reference of the Corporate Governance Committee are available on the Company's website.

- 委員會委員獲准聽取獨立專業意見，費用由本公司承擔。
- 有關企業管治委員會之職權範圍，可瀏覽本公司網頁。

(H) DELEGATION BY BOARD

(I) RELATIONSHIP WITH MANAGEMENT

- The Board and management (include different departmental heads) fully appreciate their respective roles with supportive commitments of creating a healthy corporate governance culture.
- The Board is responsible for overseeing the processes that management (include different departmental heads) has in place to identify business opportunities and risks.
- The Board has delegated management functions to Executive Management Committee and different department heads for the Company's operations and daily business affairs.

(H) 董事會授權

(I) 與管理層之關係

- 董事會及管理層(包括各部門主管)充分瞭解彼此在支持創造一套健全企業管治文化上擔當之角色。
- 董事會負責監察管理層(包括各部門主管)確定商機及風險之現有程序。
- 董事會已授權執行管理委員會及各部門主管處理公司日常營運及業務事宜。

(II) BOARD COMMITTEES: SPECIFIC TERMS OF REFERENCE AND REPORT TO FULL BOARD

- The Board currently has five Board committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Management Committee, each of the Committee have specific written terms of reference.
- The Audit Committee is chaired by Mr. Cheng Yuk Wo and all members are Independent Non-executive Directors.
- The Remuneration Committee is chaired by Dr. Cheng Mo Chi, Moses and has a majority of Independent Non-executive Directors.
- The Nomination Committee is chaired by Mr. Liu Lit Chi, the Chairman of the Board and has a majority of Independent Non-executive Directors.
- The Corporate Governance Committee is chaired by Mr. Liu Kwun Shing, Christopher and comprises two Executive Directors and two Independent Non-executive Directors of the Company.
- The Executive Management Committee comprises four Executive Directors of the Company.
- Each Board committees present their respective reports to the Board after each meeting, for addressing their work done and findings.

(I) SHAREHOLDER COMMUNICATION POLICY

(I) PREAMBLE

This policy sets out the Company's standards and practice in relation to communicating with its shareholders and prospective investors.

- The Company is committed to maintaining a policy of open and timely disclosure of relevant information on its activities to shareholders, subject to applicable legal requirements.
- The Company believes that providing regular communications to its shareholders and the market is important to ensure they have the available information reasonably required to make informed assessments of the Company's strategy, operations and financial performance.

(II) 董事委員會：特定職權範圍，向董事會全體成員負責

- 董事會現時設有五個董事委員會，分別為審核委員會、薪酬委員會、提名委員會、企業管治委員會及執行管理委員會，各委員會均訂有特定職權範圍書。
- 審核委員會主席為鄭毓和先生及所有委員全屬獨立非執行董事。
- 薪酬委員會主席為鄭慕智博士及其中獨立非執行董事佔大多數。
- 提名委員會主席一職由董事會主席廖烈智先生出任，其中獨立非執行董事佔大多數。
- 企業管治委員會主席由廖坤城先生出任，及由本公司兩名執行董事及兩名獨立非執行董事組成。
- 執行管理委員會由本公司四名執行董事組成。
- 各董事委員會於每次會議後向董事會提交有關其工作情況及審閱結果之報告。

(I) 股東溝通政策

(I) 前言

本政策載列有關本公司與其股東及有意投資者溝通之準則及常規。

- 本公司致力維持適時向股東公開及披露其業務之相關資料，惟須受適用法律規定所規限。
- 本公司相信與其股東及市場定期溝通，對確保彼等獲得合理所需資訊以就本公司之策略、營運及財務表現作出知情評估至為重要。

- Communication channels

Communication is made through:

- the Company's annual and interim reports, which have been enhanced to present a comprehensive, balanced and understandable assessment of the Group position and prospects.
- notices of and explanatory memoranda for annual and other general meetings, which have been enhanced to provide shareholders with additional information in an understandable manner.
- press releases on major developments of the Company and its subsidiaries.
- disclosures to the Stock Exchange and relevant regulatory bodies.
- Company's website at <http://www.lchi.com.hk> from which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, business development and operations, press releases, annual reports, and corporate information of the Group.

(II) SHAREHOLDERS' MEETING

- The Board welcomes moves towards a more constructive use of annual general meeting and regards the annual general meeting as the principal opportunity to meet private shareholders.

- 溝通渠道

上述溝通乃通過下列各項進行：

- 加強本公司年度及中期報告之內容，以對本集團之狀況及前景作出全面、平衡及易於理解之評估。
- 加強周年及其他股東大會之通告及說明備忘錄之內容，以易於理解之方式向股東提供進一步資料。
- 有關本公司及其附屬公司重大發展之新聞公佈。
- 向聯交所及有關監管機構作出之披露。
- 股東可藉瀏覽本公司之網頁（網址：<http://www.lchi.com.hk>）以獲悉本集團之資料。此網頁提供（其中包括）本集團之企業公告、業務發展及營運、新聞稿、年報及企業資料。

(II) 股東大會

- 董事會歡迎股東在股東周年大會上提供有建設性之建議，並視股東周年大會為與個別股東接觸之主要機會。

- Details of director's attendance record of the annual general meeting of the Company held for year ended 31 December 2017 are set out below:
- 截至二零一七年十二月三十一日止年度之本公司股東大會董事出席記錄載列如下：

		Number of meeting attended 出席會議次數	Attendance rate 出席率
Executive Directors	執行董事		
Liu Lit Mo (Former Chairman, passed away on 12 July 2017)	廖烈武 (前任主席，於二零一七年七月十二日逝世)	1/1	100%
Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer)	廖烈智 (主席、董事總經理兼行政總裁)	1/1	100%
Liu Kam Fai, Winston (Deputy Managing Director)	廖金輝 (副董事總經理)	1/1	100%
Liu Kwun Shing, Christopher (also alternate director to Dr. Liu Lit Chung)	廖坤城 (亦為廖烈忠醫生之替代董事)	1/1	100%
Lee Wai Hung	李偉雄	1/1	100%
Non-executive Directors	非執行董事		
Liu Lit Chung	廖烈忠	1/1	100%
Andrew Liu (resigned on 8 March 2017)	廖駿倫 (於二零一七年三月八日辭任)	0/0	0%
Liu Chun Ning, Wilfred (retired on 9 May 2017)	廖俊寧 (於二零一七年五月九日退任)	0/1	0%
Kho Eng Tjoan, Christopher	許榮泉	1/1	100%
Independent Non-executive Directors	獨立非執行董事		
Cheng Mo Chi, Moses	鄭慕智	1/1	100%
Tong Tsin Ka (retired on 9 May 2017)	唐展家 (於二零一七年五月九日退任)	1/1	100%
Au Kam Yuen, Arthur	區錦源	1/1	100%
Ma Hung Ming, John	馬鴻銘	1/1	100%
Cheng Yuk Wo	鄭毓和	1/1	100%

- The Company arranges for the annual report and financial statements and related papers to be posted for shareholders so as to allow at least 21 days for consideration prior to the annual general meeting. And all other general meetings to be sent at least 14 days.
- The Board encourages and supports shareholder participation in general meetings. Shareholders are encouraged to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend such meetings.
- Mechanisms for enabling shareholder participation will be reviewed on a regular basis by the Board to encourage the highest level of participation.
- Chairman of the Board, appropriate members of the Board committees and the external auditor of the Company will attend the annual general meetings to answer questions from the shareholders.
- 為使股東有充裕時間考慮，本公司安排於股東周年大會前至少21日向股東寄發年報、財務報表及相關文件，而就所有其他股東大會而言，則須在大會舉行前至少14日發送通知。
- 董事會鼓勵及支持股東參與股東大會。董事會鼓勵無法出席有關大會之股東委派代表代其出席大會並於會上投票。
- 董事會定期檢討准許股東參與股東大會之機制，務求將參與程度提升至最高。
- 董事會主席、董事委員會之適當委員及本公司之外聘核數師將參與股東周年大會以回答股東之提問。

(III) SHAREHOLDERS' ENQUIRIES

- Inquiries from shareholders, investors, media or the public are responded by the Executive Directors, Director of Finance, Company Secretary or the appropriate members of senior management.
- The Company will respond in a timely manner to shareholders' queries and concerns.

(IV) THE ADMINISTRATION OF ANNUAL GENERAL MEETING

- All ordinary shares of the Company have equal voting rights. Annual general meeting proceedings are continually reviewed in the light of Code on Corporate Governance Practices.
- Separate resolutions are proposed at the meeting on each substantially separate issue, including the election of individual directors.
- Preparation of a comprehensive annual general meeting circular containing:
 - re-election of directors;
 - general mandate to buy-back shares;
 - general mandate to issue shares;
 - amendments to the Articles of Association, if any;
 - voting at annual general meeting; and
 - comprehensive information on each resolution to be proposed.

The Company's Articles contain the rights of shareholders to demand and the procedures for a poll voting on resolution at shareholders' meetings. Details of such rights to demand a poll and the poll procedures are included in all circulars in relation to shareholders' meetings and will be explained during the proceedings of shareholders' meetings. In case poll voting is conducted, the poll results will be posted on the websites of the Stock Exchange and the Company on the business day following the shareholders' meeting.

To promote effective communication, the Company maintains a website at <http://www.lchi.com.hk> where the Company's announcements, business development and operations, financial information, corporate governance practices and other information are posted.

Information on top 10 largest shareholders and location of shareholders are set out in Directors' Report on page 31.

(III) 股東之查詢

- 股東、投資者、媒體或公眾之查詢，均由執行董事、財務總監、公司秘書或適當之高級管理人員作出回應。
- 本公司將即時回應股東之查詢及關注。

(IV) 股東周年大會之行政事宜

- 本公司所有普通股擁有同等投票權。股東周年大會之議事程序將繼續根據企業管治常規守則進行檢討。
- 會上須就各重大獨立事項(包括選舉個別董事)提呈獨立決議案。
- 編製一份綜合以下內容之股東周年大會通函：
 - 重選董事；
 - 回購股份之一般授權；
 - 發行股份之一般授權；
 - 修訂章程細則，如有；
 - 於股東周年大會上投票；及
 - 每個將予提呈之決議案之詳細資料。

本公司章程細則亦訂明股東於股東大會上就決議案要求以按股數投票方式表決之權利及程序。有關要求以按股數投票方式進行表決及表決程序之詳情載於所有就召開股東大會而刊發之致股東通函內，並於股東大會進行時加以說明。倘以按股數投票方式進行表決，投票表決之結果將會於股東大會後下一個交易日在聯交所及本公司網站刊登。

為加強溝通，本公司設立網站(網址：<http://www.lchi.com.hk>)刊發本公司公告、業務發展及營運、財務資料、企業管治常規以及其他資料。

首10名持股量最高股東之資料及股東分佈載於第31頁之董事會報告書內。

(V) PROCEDURES FOR SHAREHOLDERS TO CONVENE A GENERAL MEETING (“GM”)

- Shareholders holding not less than 5% of the total voting rights of all shareholders having a right to vote may request to call a GM of the Company.
- The written request: (a) must state the general nature of the GM; (b) may include the text of a resolution that may properly be moved and is intended to be moved at the GM; (c) must be signed by the shareholders making such request, and (d) may consist of several documents in like form each signed by one or more of those shareholders. A request by joint holders of shares must be signed by all such holders.
- The request should be deposited at the registered office of the Company for the attention of the Company Secretary.
- The request will be verified with the Company’s share registrar and upon its confirmation that the request is valid, the Company Secretary will convene a GM on behalf of the Board by serving sufficient notice in accordance with the statutory requirements or applicable rules or regulations to all the registered shareholders.
- If the request is verified to be not in order, shareholders concerned will be advised of the result and no GM will be convened.
- If the directors do not within 21 days from the date of the deposit of the request proceed to convene a GM, the shareholders concerned or any of them representing more than one-half of the total voting rights of all of them may themselves convene a GM, but any GM so convened shall not be held after the expiration of three months from the date of the deposit of the request.
- In the case of a GM at which a resolution is to be proposed as a special resolution, the directors shall be deemed not to have duly convened the GM if they do not give such notice as is required by section 578 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

(V) 股東召開股東大會（「股東大會」）之程序

- 持有全數不少於5%表決權之股東可提出書面要求召開股東大會。
- 該書面要求須：(a)列明股東大會性質；(b)可包含在該股東大會上恰當地動議並擬在該股東大會上動議的決議案全文；(c)須由提出該要求之股東簽署，及(d)可能包括一名或多名該等股東簽署之多份形式類似之文件。股份聯名持有人提出之要求須由所有該等持有人簽署。
- 該要求須寄交本公司註冊辦事處公司秘書。
- 該要求須由本公司股份過戶登記處核實，一旦確認該要求屬有效，公司秘書將代表董事會根據法定要求或適用規則或規例向所有登記股東送達充分通知而召開股東大會。
- 倘該要求被證實無效，有關股東將獲知會，而股東大會將不會召開。
- 如董事未能於收到要求日期起計21日內召開股東大會，有關股東或任何擁有過半總投票權之股東均可召開股東大會，惟召開之股東大會不得於提出要求日期起計三個月屆滿後舉行。
- 就提呈一項決議案為特別決議案之股東大會而言，如董事未能根據公司條例（香港法律第622章）第578條作出有關通知，則彼等將被視為並無正式召開股東大會。

(VI) PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

- Pursuant to section 615 of the Companies Ordinance (Cap 622, Laws of Hong Kong), the Company must give notice of a resolution if it has received requests from the following number of shareholders:
 - (i) Shareholders holding at least 2.5% of the total voting rights of all shareholders having the right to vote on the resolution at the annual general meeting to which the request relates; or
 - (ii) not less than 50 shareholders who have the right to vote on the resolution at the annual general meeting to which the request relates.
- The written request: (a) must be signed by all the shareholders concerned; (b) may be sent to the Company in hard copy form at the registered office of the Company; (c) must identify the resolution of which notice is to be given; (d) must be authenticated by the person or persons making it; and (e) must be received by the Company not later than 6 weeks before the annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.
- The request will be verified with the Company's share registrar and upon its confirmation that the request is valid, the Company will give notice of the resolution or circulate the statement provided that:
 - (a) if the request relates to an annual general meeting,
 - (i) the proposed statement is received in time to enable the Company to send a copy of the statement when the notice of annual general meeting is despatched; or
 - (ii) otherwise, the shareholders concerned have deposited a sum reasonably sufficient to meet the Company's expenses in regard thereto not later than 7 days before the annual general meeting.
 - (b) if the request relates to a GM (other than an annual general meeting), the shareholders concerned have deposited a sum reasonably sufficient to meet the Company's expenses in regard thereto not later than 7 days before the GM.

(VI) 股東於股東大會提呈建議之程序

- 根據公司條例(香港法律第622章)第615條,本公司如接獲以下數目之股東要求,必須就決議案作出通知:
 - (i) 持有最少2.5%全體股東總表決權,在該要求所關乎的股東周年大會上就該決議案表決的股東;或
 - (ii) 不少於50名有權在該要求所關乎的股東周年大會上就該決議案表決的股東。
- 書面要求:(a)須由所有有關股東簽署;(b)可採用印本形式寄送至本公司註冊辦事處;(c)須確認有待發出通知所關乎的決議案;(d)須經所有提出該要求的人認證;及(e)必須在不遲於該要求所關乎的股東周年大會前或(如較遲)該大會通知發出前六個星期送達本公司。
- 該要求須由本公司股份過戶登記處核實,一旦該要求確認為有效,本公司將發出決議案通告或傳閱聲明:
 - (a) 若該項要求與股東周年大會有關,則
 - (i) 本公司接獲建議聲明後須有足夠時間在寄發股東周年大會通告時寄出聲明副本;或
 - (ii) 有關股東須在不遲於股東周年大會7日前寄存合理足夠的款項以支付本公司就此產生的開支。
 - (b) 若該項要求與(股東周年大會以外的)股東大會有關,則有關股東須在不遲於股東大會7日前寄存合理足夠的款項以支付本公司就此產生的開支。

- If the request is verified to be not in order or the shareholders concerned have failed in the above manner to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholders concerned will be advised of the result and no action will be taken by the Company in that regard.
- Pursuant to section 616 of the Companies Ordinance, the Company that is required under section 615 of the Companies Ordinance to give notice of a resolution must send a copy of it at the Company's own expenses to each shareholder of the Company entitled to receive notice of the annual general meeting in the same manner as the notice of the meeting; and at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.
- 倘該要求被證實無效，或有關股東未能照以上方式寄存足夠款項支付本公司就所述目的之開支，本公司將通知有關股東，且不會就此作出任何行動。
- 根據公司條例第616條，若有規定要求本公司根據公司條例第615條發出決議案通告，本公司必須向本公司每位有權收取股東周年大會通告的股東寄發決議案副本，費用由本公司支付，寄發方式與大會通告一致；時間與寄出大會通告時間一致，或合理時間範圍內盡快寄出通告。

The above procedures are subject to applicable legislation and regulations, in particular, the Companies Ordinance (Cap 622, Laws of Hong Kong). For further details on the shareholder qualifications, and the procedures and timeline, shareholders are kindly requested to refer to Sections 566 to 567, 571, 578, 580 to 582, 610 and 615 of the Companies Ordinance (Cap 622, Laws of Hong Kong).

(VII) PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Subject to applicable laws, rules and regulations, including Companies Ordinance (Laws of Hong Kong), the Listing Rules and the articles of association of the Company as amended from time to time, if any shareholder(s) of the Company intends to propose a person other than a director of the Company for election as a director of the Company at any GM, the following procedures shall apply:

- a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged with the Board at the registered office of the Company;
- 以上程序須遵守適用的法律和法規，具體而言即公司條例(香港法律第622章)。有關股東資格的進一步詳情，以及程序和時間表，敬請股東查閱公司條例(香港法律第622章)第566至567、571、578、580至582、610及615條。
- 由正式合資格出席大會並有權投票之股東(並非擬參選人士)簽署通告，表明建議提名該人士參選的意向，並附上所提名人士簽署表示願意參選的通告，該等通告須呈交於本公司註冊辦事處之董事會；

(VII) 股東提名董事候選人之程序

根據適用法例、規則及規例，包括公司條例(香港法律)，上市規則及本公司不時修訂之組織章程細則，如本公司任何股東於任何股東大會擬提名本公司董事以外之人士應選本公司董事職務，以下程序將適用：

- the minimum length of the period during which such notice(s) are given shall be at least 7 days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the GM appointed for such election and end no later than 7 days prior to the date of such GM; and
- in order for the Company to inform shareholders of the Company of that proposal, such notice(s) for the nomination of a director must state the full name of the person nominated for election as a director and include the person's biographical details as required by the Listing Rules.
- 該等通告之最短通告期限為至少7日，且該等通告之刊發期間由有關該推選之股東大會通告寄發翌日起至不遲於該股東大會舉行日期前7日止；及
- 根據上市規則之規定，為了讓本公司通知股東有關提名，提名董事之通告須列明提名應選董事之人士之全名，並載列該名人士之履歷詳情。

(J) CONSTITUTIONAL DOCUMENTS

There were changes to the Company's Articles of Association in the annual general meeting held on 29 April 2015, the shareholders of the Company approved the amendments to the Articles of Association of the Company. The changes were carried out in compliance with the latest Hong Kong Companies Ordinance (Cap. 622) which came into effect on 3 March 2014. The revised Articles of Association is available in the Company's website.

(J) 章程文件

本公司之章程細則於二零一五年四月二十九日舉行之股東周年大會上曾作出變動，本公司股東批准對本公司修訂公司章程細則。所作的更改乃符合於二零一四年三月三日最新生效之香港公司條例(香港法例第622章)。有關已修訂之章程細則可瀏覽本公司網站。

ABOUT THIS REPORT

Throughout the years of operation and development, we have been adhering to our business philosophy of Corporate Social Responsibility (“CSR”). This report is prepared with reference to the “Environmental, Social and Governance (the “ESG”) Reporting Guide” under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEx”). Since its establishment, the Group has strived to carry out property investment and management activities diligently and professionally. We believe such conviction can help us to avoid or minimise the impacts on the public in the vicinity of our managed properties and create a sustainable and better environment for the community.

Unless otherwise specified, this report covers our progress and performance on ESG issues from 1 January 2017 to 31 December 2017, focusing on the core activities of the Group, which include property investment, property development, property management and hotel operation business.

ABOUT LIU CHONG HING INVESTMENT LIMITED

The Group’s investment properties mainly include commercial buildings and residential buildings, and the prime locations of our retail and residential properties result in their high occupancy rates. For the year ended 31 December 2017, our primary properties include offices, commercial buildings, residential buildings, industrial building, land and a hotel and serviced residences (which is expected to commence its operation in 2018) in Hong Kong; and commercial building, commercial and residential properties in PRC.

Over the past twenty years, the Group has built a solid reputation with its property development and remodeling works to enhance the value of the properties it invested in.

關於本報告

在多年來的經營和發展中，我們始終恪守我們的企業社會責任經營理念。本報告根據香港聯合交易所有限公司（「香港交易所」）《證券上市規則》附錄二十七所載的「環境、社會及管治報告指引」編製。自成立以來，本集團一直力求以勤勉、專業的態度開展物業投資及管理活動。我們認為此信念有助我們避免或盡量降低我們對所管理物業周邊公眾的影響，創造可持續和更美好的社區環境。

除非另有說明，本報告重點關注本集團的核心業務（包括物業投資、物業發展、物業管理及酒店經營業務），內容涵蓋我們自二零一七年一月一日至二零一七年十二月三十一日止期間在環境、社會及管治事宜上的進展和表現。

關於廖創興企業有限公司

本集團的物業投資主要包括商業大廈及住宅樓宇。我們的零售及住宅物業所處位置優越，因此出租率高。截至二零一七年十二月三十一日止年度，我們的主要物業包括位於香港的寫字樓、商業大廈、住宅樓宇、工業大廈、土地以及一間酒店及服務式住宅（預期將於二零一八年開始營運）；及位於中國的商業大廈、商業及住宅物業。

在過往二十年中，本集團憑藉物業發展及重建工程提升所投資物業的價值，贏得良好聲譽。

STAKEHOLDER ENGAGEMENT

Identifying and clarifying stakeholders is indispensable in sustainable development. Continuous communication with our stakeholders enables us to make informed decisions and to accurately assess the potential impacts of our business decisions. The table below shows a list of the Group's stakeholders, as well as our efforts in communication and response.

Stakeholder Groups 持份者組別	Specific Stakeholders 具體持份者	Methods of Communication 溝通方法
Investors 投資者	<ul style="list-style-type: none"> Shareholders 股東 	<ul style="list-style-type: none"> Corporate website 公司網站 Annual financial report 年度財務報告 Annual general meetings 年度股東大會 Conference call 電話會議
Employees 僱員	<ul style="list-style-type: none"> Senior Management 高級管理層 Staff 員工 Potential recruits 潛在新僱員 	<ul style="list-style-type: none"> Training, seminars 培訓、研討會 Face-to-face meetings 面對面會談 Independent focus groups and interviews 獨立專項小組及面談 CSR and volunteering activities 企業社會責任及志願者活動
Customers 客戶	<ul style="list-style-type: none"> Tenants 租戶 Buyers 買家 	<ul style="list-style-type: none"> Customer satisfaction survey 客戶滿意度調查 Guest comment card and client feedback survey 賓客意見卡及客戶反饋調查 Designated customer hotline 專責客戶熱線
Suppliers/Contractors 供應商/承包商	<ul style="list-style-type: none"> Material suppliers 原材料供應商 Subcontractors 分包商 	<ul style="list-style-type: none"> Supplier assessment 供應商評估 Daily work review 每日工作檢討 Site inspection/meeting with contractors 地盤視察/會見承包商
Government 政府	<ul style="list-style-type: none"> National and local governments 國家及地方政府 Regulators 監管部門 	<ul style="list-style-type: none"> Written correspondence 書面通訊

持份者參與

識別及明確持份者對可持續發展而言不可缺少。與持份者保持溝通有助我們作出知情決定並準確地評估業務決策的潛在影響。下表列出本集團的持份者以及我們的溝通及回應措施。

MATERIALITY ANALYSIS

To ensure that this report addresses the issues that are critical to the Group and significant to our stakeholders, we have conducted a materiality assessment on the Group's CSR agenda. By doing so, we are able to identify the areas for improvement in our CSR work with a more comprehensive, transparent and specific response to enhance the quality of the annual report.

重要性分析

為確保本報告針對處理對本集團而言至關重要及對我們的持份者而言屬重要的問題，我們已對本集團的企業社會責任計劃進行重要性評估。藉此，我們能夠識別企業社會責任工作中待改善的範疇，以更全面、透明及具體的回應措施來提高年報的質素。

PROTECTING OUR ENVIRONMENT

EMISSION CONTROL

As far as environmental management is concerned, the Group strives to minimise greenhouse gas (“GHG”) emissions, hazardous and non-hazardous waste generation and always develops new practices that are beneficial to the environment. By adhering to the environmental policy, we have implemented industry-accepted measures and initiatives in a number of aspects including energy-efficient system, waste recycling and pollution prevention. We conducted periodic monitoring and reviews of the relevant key performance indicators to protect the environment of our operation location. To comply with applicable environmental protection laws and regulations, the operations of Chong Hing Bank Centre, Chong Hing Square and Fairview Court are governed by the requirement under ISO 14001:2015 which is certified by the British Standards Institution. Under the standard guidelines, we consider and properly manage the impact of the lifecycle of our projects on the environment and advocate the importance of environmental management within the Group’s strategic planning processes.

GREEN DESIGN

In spite of the insignificant emissions impact the Group had made to the environment, we are dedicated to ensuring sustainable development and protecting the environment from the potential environmental impact which may be made by the development of our daily business operations. The Group has taken a number of efficient initiatives to infuse the energy-saving and emission reduction philosophy into the entire process of its development and operation.

To conserve energy, occupancy sensors are installed to automatically draw the curtains to block out the sunlight, room temperature is pre-set between 24°C and 26°C at One-Eight-One Hotel & Serviced Residences, and escalators are set to operate at a slow speed when unoccupied in Chong Hing Finance Centre. These measures can help to reduce noise emission and extend the service life of the parts and components.

As a responsible corporation, we endeavour to support social integration and to create a barrier-free environment in our daily operations by installing disabled access in all our properties.

For the year ended 31 December 2017, the Group has not received any notice of non-compliance in relation to environmental laws and regulations.

保護環境

排放控制

就環境管理而言，本集團致力減少溫室氣體、有害及無害廢物的產生，堅持探索對環境有益的新措施。透過恪守環境政策，我們已在節能系統、廢物回收及污染防治等多方面實施獲業界認可的措施及計劃。我們定期監測及檢討相關的核心表現指標，以保護經營地點的環境。為遵守適用環境保護法律及規例，創興銀行中心、創興廣場及富慧閣的經營按英國標準學會認證的ISO 14001:2015規定進行管理。根據該等標準指引，我們審視並妥善管理項目生命週期對環境的影響，並在本集團的策略性規劃過程中提倡環境管理的重要性。

環保設計

儘管本集團過往的排放對環境的影響甚小，我們仍然致力確保可持續發展及保護環境免受我們的日常業務營運可能產生的潛在影響。本集團已採取多項有效措施以將節能減排理念注入整個發展及經營流程中。

為節約能源，我們在One-Eight-One酒店及服務式住宅安裝用戶感應器自動關起窗簾來遮擋陽光，室內溫度預設在24°C至26°C之間，並將創興金融中心的扶手電梯設定為當無人使用時會慢速運行。上述措施有助降低噪音排放及延長零部件的使用壽命。

作為負責任的企業，我們力求促進社會融合，透過在我們的所有物業中安裝無障礙通道，於日常營運中創造無障礙環境。

截至二零一七年十二月三十一日止年度，本集團並未收到任何涉及環境法律及規例的不合規通知。

GREEN OPERATION

We strive to minimise the impact of our operations on the environment and natural resources. With a view to ensuring the GHG emissions are reduced to the best possible amount and raising the awareness on climate change issues, Chong Hing Bank Centre and Chong Hing Square have been recognised by the Hong Kong Government's Indoor Air Quality Certification Scheme with "Good Class" certifications.

We also promote the use of electric vehicles to reduce urban pollution. For our forthcoming One-Eight-One Hotel & Serviced Residences, electric sockets for charging such vehicles have been installed. This initiative further complements our GHG emission control as electric vehicles will be provided for our hotel limousine service. Moreover, we have introduced and followed the "Environmental 4Rs" Principles to explore possible measures in our daily business operations, which are to reduce, reuse, recycle and replace waste and pollutants.

For the year ended 31 December 2017, the Group has not received any notice of non-compliance in relation to the Air Pollution Control Ordinance.

GHG emission data during the review period:

Aspects 範疇	CO ₂ equivalent (Unit: Tonne) 二氧化碳當量(單位：噸)
Scope 2 範圍2 Indirect GHG Emissions 間接溫室氣體排放	336.21 tonnes噸
Scope 3 範圍3 Other Indirect GHG Emissions 其他間接溫室氣體排放	16.36 tonnes噸

The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

綠色經營

我們致力盡可能減少經營對環境及自然資源的影響。我們著眼於確保溫室氣體排放降至最低並提高人們對氣候變化問題的意識，創興銀行中心及創興廣場獲香港政府室內空氣質素檢定計劃檢定為「良好級」。

我們亦推廣使用電動車以減少城市污染。就即將開始營運的One-Eight-One酒店及服務式住宅而言，我們已安裝供電動車充電用的電源插座，並將使用電動車提供酒店接送服務，藉此進一步完善我們的溫室氣體排放控制措施。此外，我們已引入及遵循「環保4Rs」原則，在日常業務經營中探索可以減少使用、重用、循環再造及取代使用廢物及污染物的措施。

截至二零一七年十二月三十一日止年度，本集團並未收到任何涉及《空氣污染管制條例》的不合規通知。

於回顧期內的溫室氣體排放數據：

上述量化信息的計算為基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

REDUCING WASTE AND PROMOTING RECYCLING

Waste generated from each business division is different in nature and needed to be handled differently. Due to our business nature, no significant hazardous waste was generated from our operation in 2017. We recognise the importance of waste reduction and thus waste management measures have been introduced to minimise both the amount of waste generated and the impact on the environment.

Our waste recycling campaign has commenced in 2016 and we have carried out a variety of initiatives, such as placing recycling bins in convenient spots. Chong Hing Bank Centre has set up disposal waste fluorescent tube to store chemical and metallic waste for a licensed waste collector to collect disposal items regularly. The provision of collection service from licensed waste collectors are to comply with the requirement of the Environmental Protection Department (“EPD”) and relevant regulations in Hong Kong.

From the daily operations of Chong Hing Bank Centre and Chong Hing Square, waste cooking oils (“WCO”) were unavoidably generated. Properly recycling WCO not only can produce industrial products such biodiesel and soap, but can also avoid environmental pollution arising from improper handling. In order to protect the environment and prevent WCO from re-entering the food chain, we are committed to following the guidelines of the EPD to only authorise registered eligible collectors to handle our WCO.

With our efforts in promoting environmental sustainability, we target to strengthen our recycling practices and reduce waste.

Waste Management Achievements in 2017

Issue	廢物類型	Unit	單位	2017 二零一七年
Non-hazardous waste	無害廢物	tonne	噸	1,800
Used cooking oil	經使用過的煮食油	tonne	噸	61.2
Grease trap waste	隔油池廢物	tonne	噸	91.3
Paper	紙	kg	公斤	29,614.3
Plastic	塑膠	kg	公斤	82
Aluminium	鋁	kg	公斤	100.8
Electronic waste	電子廢物	kg	公斤	50

The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

減少廢物及促進回收利用

各業務分部所產生的廢物性質不一，需分類處理。由於我們所屬行業的業務性質，於二零一七年我們的經營並無產生重大有害廢物。我們意識到減少廢物的重要性，因而已採取廢物管理措施以盡量減少所產生的廢物及降低對環境的影響。

我們自二零一六年起展開廢物回收利用活動，並已實行多項措施，例如在便利的地點設置回收箱。創興銀行中心已設置廢棄收集槽來存放化學及金屬廢物，以供持牌廢物收集商定期收集廢棄物品。持牌廢物收集商提供回收服務乃為遵守環境保護署（「環保署」）及香港相關例規的規定。

創興銀行中心及創興廣場的日常經營無可避免會產生廢置煮食油。妥善回收廢置煮食油不但能夠生產生物柴油及肥皂等工業產品，亦可避免不當處理導致的環境污染。為保護環境及避免廢置煮食油再次進入食物鏈，我們承諾遵循環保署的指引，僅批准已登記的合資格收集商處理我們的廢置煮食油。

我們堅持不懈地提高環境可持續性，致力完善我們的回收利用措施及減少廢物。

二零一七年廢物管理成果

上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

GREEN PURCHASING PRACTICES

During the review period, we have adopted sustainable consumption practices. The Group would consider the environmental impact of our suppliers' products and to the extent practicable, favour those suppliers and contractors who follow environmentally-sound practices such as offering products with greater durability and greater energy efficiency. Before procuring any materials or products, our procurement staff examines the necessity and manages demand of the product or service to avoid any unnecessary consumption. During the selection process, the aspects we take into account include the quality of products as well as safety, health and emissions, pollutants, natural resources required such as noise, energy consumption and waste materials at all stages. We should also consider the alternatives for purchasing a replacement product with greater durability and greater energy efficiency.

For the forthcoming hotel service in 2018, we have selected biodegradability products to reduce significant impact on the environment as biodegradation is organic materials breaking down into simpler substances, such as carbon dioxide, water and ammonia, by the action of microorganisms in wastewater treatment plants. The materials will normally be degraded into stable compounds or their elemental ions.

USE OF RESOURCES

Our commitment to the environment extends beyond our operations. We also capitalise on the opportunity to reduce waste, conserve water, and save energy in our customers' facilities by achieving innovation in terms of sustainability.

Environmental Performance at Chong Hing Bank Centre and Chong Hing Square in 2017

Aspects 範疇	Unit 單位	Consumption 消耗
Electricity consumption and its intensity (per full-time employee) 用電量及用電密度(每名全職僱員)	kWh 千瓦時 per employee 每名僱員	449,973 1,584.40 kWh 千瓦時
Water consumption and its intensity (per full-time employee) 用水量及用水密度(每名全職僱員)	m ³ 立方米 per employee 每名僱員	819 2.88 m ³ 立方米

The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

環保採購實務

於回顧期內，我們一直在努力採用可持續的消費和實踐。本集團會考慮供應商產品對生命週期的環境影響，並在切實可行的範圍內，優先選擇遵循對環境有利措施(如提供更耐用及更節能的產品)的供應商及承包商。在採購任何物料或產品之前，我們的採購人員會審核所採購的產品或服務是否必要並管理需求量，以避免任何不必要的消耗。在甄選程序中，我們會在所有階段考慮產品質素及安全、健康及排放、污染物、所需自然資源等方面，如噪音、能源消耗及廢料。我們亦會考慮採購更耐用及能源效益更高的替代產品。

就即將於二零一八年營運的酒店服務而言，我們已選擇可生物降解的產品以減少對環境的重大影響。生物降解可透過污水處理廠中的微生物作用，將有機物料分解為二氧化碳、水及氮氣等較簡單物質。該等材料通常會降解至穩定化合物或其基本離子。

資源運用

我們對環境的承諾不只限於我們的業務。我們亦把握機會於客戶的設施中減廢、節水及節能，實現可持續的創新。

二零一七年創興銀行中心及創興廣場的環境表現

上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

CIVILISED DEVELOPMENT UPGRADES

The Group is highly attentive to the impact on the environment and communities during its project development. We strictly comply with all applicable laws and regulations on environmental protection and follow the standards of civilised construction. Since Chong Hing Square has been operating for a relatively long period of time, the management had commenced a substantial renovation to the building to increase the capital value of the property and further complements our environmental concerns. We are also aware of the potential environmental impacts resulting from emissions and wastewater generated from operations and the corresponding concerns from the local community. Therefore, to adhere to the “Building Energy Efficiency Ordinance” issued by the Electrical and Mechanical Services Department of Hong Kong, we have upgraded the chiller plant inside Chong Hing Square for an efficient operation. The building exterior and billboard are also replaced with light-emitting diode (“LED”) lighting to reduce energy consumption.

INNOVATIVE DESIGN

With the establishment of Phase 3 of The Grand Riviera, Foshan, the Group has attached significance to the impact on the environment. The design philosophy of The Grand Riviera Phase 3 adopts the green design concept of Phase 1 and Phase 2 and is to ensure the design revolves around environmentally-friendliness, cost-effective management and comfort. There are 4 major ecological garden designs and a garden avenue up to one kilometre in this project, and over 47% landscape area has conformed to our determination on the philosophy of greening.

文明發展改善工程

本集團高度關注其項目發展期間對環境及社區的影響。我們嚴格遵守所有適用的環境保護法律及規例和文明施工標準。由於創興廣場的經營時間相對較長，管理層已對該大廈進行大規模的翻新工程，以提升該物業的資本價值及進一步配合我們的環保關注點。我們亦意識到經營產生的排放及廢水所帶來的潛在環境影響以及本地社區的相關憂慮。因此，為遵守香港機電工程署頒佈的《建築物能源效益條例》，我們已更新創興廣場內的製冷機組以實現高效經營。大廈外牆及廣告牌亦更換為發光二極管（「LED」）照明以減少能源消耗。

創新設計

在發展佛山翠湖綠洲花園第三期時，本集團著重考慮對環境的影響。翠湖綠洲花園第三期的設計理念沿用了第一期及第二期的綠色設計概念，確保設計圍繞環保、成本效益管理及舒適度。該項目設計有四個主要生態花園及長達一公里的花園大道，超過47%的景觀符合我們倡導的綠色理念。





In addition, water smoke spraying device is set in the self-provided power supply system. The emission level is minimised to comply with “the Standard for Emission of Air Pollutants” of Guangdong Province. Sound absorption control has been incorporated into the air inlet, wall and ceiling in order to comply with “Industrial Enterprises Noise Standard Boundary” and “Acoustic Environmental Quality Standards”. Elevator system is controlled by microcomputer to increase energy efficiency of the device and lower any noise pollution; elevator fans and lights will be turned off automatically once the elevator has not been occupied for a period of time.

For our new One-Eight-One Hotel & Serviced Residences, we dedicated and considered the aspect of environmental impact within our future daily operations. The interior lighting design in the hotel adopts LED lighting system for power saving purpose. To further conserve energy, the external windows of the hotel are all applied with double Low-E coating which allows to minimise the ultraviolet and infrared light that can pass through glass without compromising the visible light that is transmitted.

Additionally, for better protection of our hotel guest's privacy, we have adopted an acoustic treatment in the hotel, the duct airflow velocities shall be limited to control noise generated from airflow system to achieve overall maximum STC50 level of sound insulation requirement.

THE ENVIRONMENT AND NATURAL RESOURCES

As we look to the future, sustainability will remain an integral part to our business, our employees, and the innovations we bring to market. The environmental challenges in the world today must be addressed by the leading corporations which are willing to transform their industries with enhanced efficiency, technology and sustainable practices. The Group will continue its sustainability journey in the direction of positive social, environmental and economic improvement.

此外，我們的自設能源供應系統配備水霧噴灑設備，盡可能降低排放水平以遵守廣東省「大氣污染物排放標準」。進風口、牆身及天花板裝有吸音控制裝置，以遵守「工業企業廠界環境噪聲排放標準」及「聲環境質量標準」。升降機系統由微型電腦控制，以提高裝置的能源效益及降低噪音污染；若升降機有一段時間無人使用，升降機的風扇及燈將自動關閉。

就本集團的全新One-Eight-One酒店及服務式住宅而言，我們專門考慮了未來日常經營中的環境影響問題。酒店的內部燈光設計採用LED照明系統以節省用電。為進一步節約能源，酒店外窗均採用雙層Low-E鍍膜，可最大程度降低穿透玻璃的紫外光及紅外線而不減少射入的可見光。

此外，為更好地保護酒店賓客私隱，我們在酒店中採取隔音處理，利用牆身及結構阻隔噪音，限制排氣管道氣流速度以控制氣流系統產生的噪音，從而令整體隔音最高可達STC50水平。

環境及自然資源

展望未來，可持續性仍將貫穿我們的業務、僱員及推動市場創新。願意透過提升效率、科技及可持續措施來推動行業變革的領軍企業必須處理當前世界面臨的環境挑戰。本集團將沿推動社會、環境及經濟發展之方向，繼續走在可持續發展之路上。

WATER CONSERVATION

In accordance with the suggestions from the Water Supplies Department, Chong Hing Bank Centre complies with the standards of the Quality Water Supply Scheme for Buildings and takes various water-saving measures to ensure water is efficiently utilised. These measures include the installation of flow controllers on water taps, dual flush toilet cisterns, more durable materials and replacement of Eco urinals with automatic sensors.

EMPLOYMENT AND LABOUR PRACTICES

CARING FOR OUR EMPLOYEES AND COMMUNITY

Employees are valuable assets and human rights should be respected — we uphold this idea by planning a comprehensive approach of recruitment, employment, promotion and retention with reasonable remuneration and benefits for our employees. We advocate a community spirit that thrives on mutual respect and equal opportunities and we firmly comply with the legislation on equal opportunities, such as the Sex Discrimination Ordinance, Race Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance.

To ensure diversity and equality, our selection process is non-discriminatory and is solely based on employees' performance, experience and skills. During the hiring process, candidates may be perceived positively by test assessors who see the close connection between the test taken and the job, and we focus more heavily on behaviour rather than simply assessing characteristics. A comprehensive framework incorporating detailed human resources management policies is embedded in our Human Resources Operation Manual and Staff Handbook. The operation manual and handbook provide information and guidelines to our staff in both Hong Kong and the PRC in the areas of working conditions, benefits and remunerations, training and development as well as health and safety. Employees are also encouraged to discuss their goals in job advancement and career development with their senior management in daily activities and a performance appraisal is to be conducted annually.

Additionally, we are fully committed to complying with any laws and regulations that are relevant to the Ordinances mentioned above and do not engage any forced and child labour.

For the year ended 31 December 2017, the Group has not received any notice of non-compliance in relation to employment and labour laws and regulations.

節約用水

根據水務署的建議，創興銀行中心遵循大廈優質供水認可計劃的標準，採取各種節水措施以確保高效用水，包括在水龍頭安裝節流器、使用雙掣式沖廁水箱、更耐用的材料及換用自動感應小便器。

僱傭及勞工實務

關懷僱員及社區

僱員為寶貴資產，人權應當受到尊重 — 我們秉承此理念，制定以合理薪酬及福利以招聘、僱傭、晉升及留住僱員的綜合方案。我們提倡建立以互相尊重及平等機會為本的社區精神，堅定不移地遵守平等機會相關法例，如《性別歧視條例》、《種族歧視條例》、《殘疾歧視條例》及《家庭崗位歧視條例》。

為確保平等及多元化，我們的甄選程序並無歧視成分且完全基於僱員的表現、經驗及技能。於招聘過程中，對於在測試中能夠表現出能勝任所申請的職位的應聘者，測試評審員會給予正面評價，且我們更加關注個人行為而非簡單地評估個性。我們已制定綜合性架構，納入詳細的人力資源管理政策，並載刊於人力資源操作手冊及員工手冊。該操作手冊及員工手冊向我們位於香港及中國內地的員工提供了工作條件、福利薪酬、培訓發展及健康安全方面的資訊及指引。我們亦鼓勵僱員在日常活動中與高級管理人員討論其工作晉升及職業發展目標，並會進行年度績效評估。

此外，我們盡全力遵守與上述條例相關的任何法律及規例，且無僱用任何強制勞工及童工。

截至二零一七年十二月三十一日止年度，本集團並未收到任何涉及僱傭及勞工法律及規例的不合規通知。

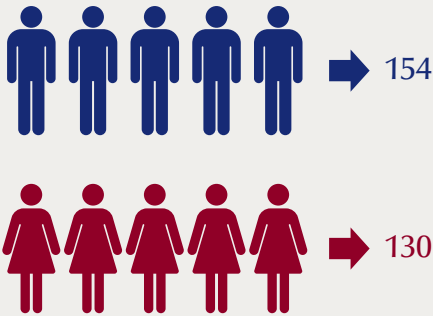
STAFF COMPOSITION

During the year, we employed a total of 284 staff, including back office and site staff. All our staff members are located in Hong Kong and PRC.

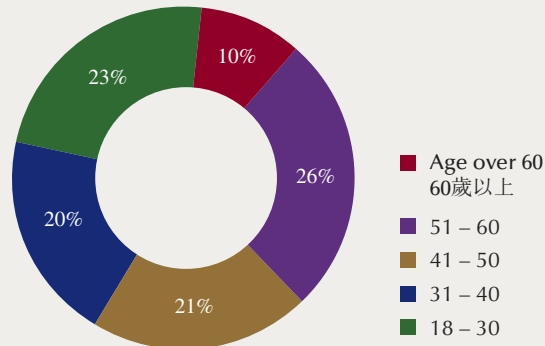
員工組成

我們於年內總共僱用了284位員工，包括後勤及場地員工。所有員工均位於香港及中國。

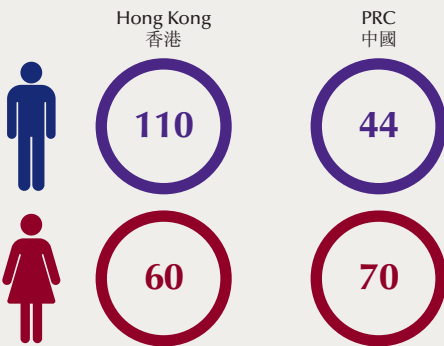
Number of employees
僱員人數



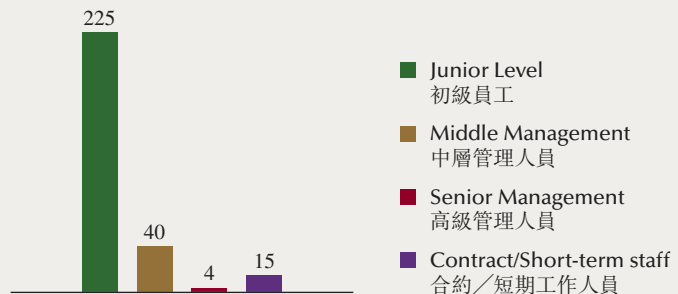
Employees by age group
僱員按年齡段劃分



Employees by gender and region
僱員按性別及地區劃分



Employees by employment category
僱員按僱傭類別劃分



STAFF TURNOVER

During the review period, the Group has a turnover rate of approximately 18%. The employee turnover by gender is rather balanced this year 45% male and 55% female. Geographically, 60% of the staff were from Hong Kong, whereas the remaining 40% were from PRC.

員工流失率

於回顧期內，本集團的員工流失率約18%。按性別劃分，其中45%為男性僱員，55%為女性僱員，比例相當均衡。按地區劃分，60%的員工來自香港，其餘40%來自中國。

The employee turnover rate by age group was distributed as follows: 40% of the employees were from 18 to 30 years old, 15% were 31 to 40 years old, 17% were 41 to 50 years old, 21% were 51 to 60 years old, and the rest of them were over 60 years old.

按年齡段劃分的員工流失率分佈如下：40%的僱員介乎18歲至30歲，15%介乎31歲至40歲，17%介乎41歲至50歲，21%介乎51歲至60歲，其餘為60歲以上。

The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

EMPLOYEE WELFARE

The Group strictly follows the labour laws and regulations and provides comprehensive leave packages to employees, which cover sick leave, casual leave, marriage leave, funeral leave, maternity leave, annual leave, injury leave and statutory holidays. The welfare system aims to take care of all employees, enrich the variety of corporate culture activities, and increase the sense of belonging among the employees.

In addition to the basic social insurance program, the Group provides a number of benefits, including:

- Group medical coverage (to employee's spouse)
- Education allowances for work-related training

OCCUPATIONAL HEALTH AND SAFETY

As a leading property enterprise focusing on property development and investment, the occupational health and safety risk related to property management business and workplace operations is relatively low. For the operations of property development business, inevitably our employees and workers may suffer from health and safety risks. To ensure site safety and promptly rectify any findings in major breaches and unsafe condition, the project team carries out site visits and inspections on a regular basis. The Group has continued to optimise its work practices and daily management for the sake of the staff's health and safety with the aim to create a safe, healthy and comfortable working environment. As such, we target to have zero accident and fatal case in 2018.

Our property management business had obtained OHSAS 18001 certified by the British Standards Institution for the recognition of our compliance with occupational health and safety requirements.

For the year ended at 31 December 2017, the Group has not received any notice of non-compliance in relation to health and safety laws and regulations.

僱員福利

本集團嚴格遵循勞工法律及規例，向僱員提供全面的休假方案，包括病假、事假、婚假、喪假、產假、年假、工傷假及法定假期。此福利系統旨在關懷全體僱員，豐富公司文化活動的多樣性，提升僱員歸屬感。

除基本社會保障計劃外，本集團亦提供多項福利，包括：

- 團體醫療保險（提供予僱員配偶）
- 用於工作相關培訓的教育津貼

職業健康與安全

作為專注於物業開發及投資的頂尖物業企業，我們與物業管理業務及工作場所作業相關的職業健康及安全風險相對較低。在物業發展業務經營過程中，我們的僱員及工人無可避免會承受健康及安全風險。為確保工地安全及及時發現並糾正任何重大違規及不安全狀況，項目團隊會定期進行地盤巡查及視察。本集團不斷改善保障員工健康與安全的工作規範及日常管理，以創造安全、健康及舒適的工作環境。因此，我們的目標是於二零一八年實現零事故及零傷亡。

作為對我們遵守職業健康與安全要求的肯定，我們的物業管理業務已通過英國標準學會的OHSAS 18001認證。

截至二零一七年十二月三十一日止年度，本集團並未收到任何涉及健康與安全法律及規例的不合規通知。

Work Injury Statistics for 2017	二零一七年工傷統計數據	
Number of work-related fatalities	工作相關死亡人數	0人
Rate of work-related fatalities	工作相關死亡率	0%
Lost days due to work injury	因工傷而損失的工作日	14 days日

DEVELOPMENT AND TRAINING

We understand that human capital plays a crucial part of our business. Thus, we have established a series of training programmes to ensure all the employees receive a significant level of training.

During our review period, we have launched a series of training programmes for our operational staff as shown below:

- Fire, chemical and water leakage prevention workshops for office and property management staff;
- Chemical handling and cleaning trainings for housekeepers in hotel;
- Building safety and maintenance workshops for property management staff;
- Digital marketing training workshop for marketing department;
- Seminars on sustainable development and waste management for property management staff; and
- Green building training provided by Building Environmental Assessment Method (“BEAM”) Plus professionals to encourage sustainable development.

BEAM Professionals (“BEAM Pro”) are green building professionals accredited by the Hong Kong Green Building Council in various aspects of the green building lifecycle. In our daily operations, BEAM Pro can assist in integrating the latest green building standards and practices into our building planning, design and construction as well as broadening our green knowledge, in order to facilitate our contribution in creating a sustainable community.

To enhance the competitiveness of the Group and of each individual, we not only have provided plenty of training sessions to the senior management, but have also encouraged employees from all levels to participate in training sessions offered by the Group.

During the review period, the percentage of employees participated in trainings by gender was 10% of male and 9% of female, with average training duration of approximately 2 hours and 5.3 hours respectively. The percentage of employees participated in trainings for senior management, middle management and junior level were approximately 25%, 43% and 4% respectively. The average training duration by each of these employee categories were approximately 9 hours, 3.8 hours and 2.3 hours respectively.

The Calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

發展及培訓

我們深諳人力資本在我們的業務中發揮重要作用。因此，我們已制定一系列培訓計劃，確保所有僱員均已接受高水平培訓。

在回顧期內，我們推出了一系列為營運人員而設的培訓項目，如下所示：

- 為寫字樓及物業管理人員而設的火災、化學品及漏水防治工作坊；
- 為酒店房務而設的化學品處理及清潔培訓；
- 為物業管理人員而設的建築安全及維修工作坊；
- 為市場營銷部而設的數字營銷培訓工作坊；
- 為物業管理人員而設的可持續發展及廢物管理研討會；及
- 升級版綠建環評方法(「BEAM」)專業人士提供的綠色建築培訓，鼓勵可持續發展。

綠建專才(「BEAM Pro」)是獲香港綠色建築議會認可的綠色建築專業人才，來自綠色建築生命週期中的不同領域。在我們的日常營運中，綠建專才能協助將最新的綠色建築標準及實務融入我們的建築規劃、設計、建造當中並拓闊我們的綠色知識，從而促進我們對創造可持續社區的貢獻。

為提高本集團及每位員工的競爭力，我們不僅為高級管理層提供大量培訓課程，亦鼓勵各階層僱員參與本集團提供的培訓課程。

於回顧期內，按性別劃分參與培訓的僱員比例，男性為10%，女性為9%，平均培訓時長分別約為2小時及5.3小時。高級管理層、中級管理層及初級員工參與培訓的僱員比例分別約為25%、43%及4%。該等僱員類別各自的平均培訓時長分別約為9小時、3.8小時及2.3小時。

上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

GIVING BACK TO THE COMMUNITY

We are committed to supporting the community by incorporating social participation and contribution in our strategic development and we believe this will nurture great corporate culture and practices in the Group.

During the review period, we continually took part in community activities, which not limited to Hong Kong but also sparing our love to the PRC for the benefit of the community and the Group's stakeholders and strived to inspire our staff to play an active part in employees' relationship and social welfare initiatives.

During the year, we have had a relocation of one of the departments in our office and donated some office equipment to Yan Chai Hospital. This can not only help advocating the idea of offering greater durability to office equipment but supporting charity development and the community.

WASTE NO MORE

As part of our continuous support and belief of rescuing edible surplus food from different sectors of the food industry that would otherwise be disposed of as waste, we partnered with Food Angel to assist in preparing raw vegetables and packed food in December 2017.

The packed food will be turned into nutritious hot meals in Food Angel's central kitchen and be redistributed to the underprivileged communities in Hong Kong.

回饋社區

我們致力支援社區，將社會參與及貢獻融入發展策略。我們相信這將為本集團培育卓越的企業文化及工作規範。

於回顧期內，我們持續為社區及本集團持份者的福祉參與社區活動，從不止步於香港，更向中國獻愛心，並努力激勵員工在僱員關係及社會福利計劃中發揮積極作用。

於年內，我們辦事處的其中一個部門進行搬遷，向仁濟醫院捐贈一些辦公設備。此舉不僅有助於提倡延長辦公設備使用壽命的理念，亦支持慈善事業及社區發展。

惜食

我們一直支持在食品業的不同部門從原本會當作垃圾棄置的食品中回收可食用部分，為此，我們於二零一七年十二月與「惜食堂」合作，協助準備蔬菜和包裝食品。

惜食堂中央廚房會將包裝食品加工為營養豐富的熱食，重新分發給香港的弱勢社區。





GIFT THAT EMPOWER

In October 2017, we partnered with MicroForests, a social enterprise which focuses on providing opportunities and assistance to single moms and low-income women to achieve social equality. In the workshops held by the social enterprise, staff gets to create their own unique MicroForests. As part of our commitment is to support the next generation, especially children in need, we have also invited children from Tung Wah Group of Hospitals – Jockey Club Lei Tung Integrated Services Centre to join us in this event.

EMPLOYEE ENGAGEMENT

We believe by sharing happiness and care with those in need, contributing in voluntary services promotes a stronger community bonding. We hold a strong principle that our staff can contribute to the community by participating in voluntary services while developing their personal capabilities such as leadership, management and communication skills. In 2017, our community engagement services mainly focus on contributing in children and youth development, elderly caring and poverty alleviation.

共融傳誠

於二零一七年十月，我們與「微型森林」合作舉行了一項義工活動。「微型森林」是一間專為單親媽媽及低收入婦女提供機會及幫助以實現社會公平的社會企業。為了實踐我們扶持下一代(特別是有需要的兒童)成長的承諾，我們邀請了東華三院賽馬會利東綜合服務中心的兒童一同參加此次活動，與我們的員工著手創造獨一無二的微型盆栽。

僱員參與

我們相信，向有需要的人分享快樂及向其施以關懷並在志願服務中作出貢獻，能形成更強的社區凝聚力。我們希望員工能在參與志願服務為社區作貢獻的同時，發展領導、管理及溝通技巧等個人能力。於二零一七年，我們的社區參與服務主要專注於為兒童及青少年發展、關愛長者及減少貧困作出貢獻。

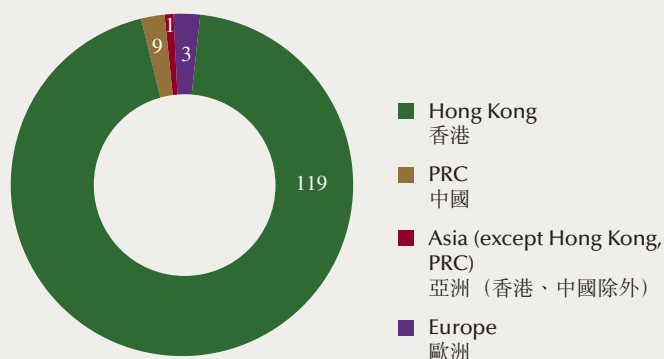
OPERATION PRACTICES

SUPPLY CHAIN MANAGEMENT

Suppliers are indispensable to our value chain as their responsible business practices are crucial in contributing to our success in the pursuit of quality excellence and in enhancing our reputation. With a comprehensive supply chain management mechanism, we have been able to monitor and evaluate different aspects of their performance including product and service quality, business ethics by periodic assessment and collecting feedback on the supplier performance. Periodic reviews are performed in order to compliance. For instance, we would require the contractor to provide a combination of supporting documents for us to perform a background check. These documents could be the certificate of their related products/services, maintenance manuals, health and safety logbooks, and the warranty of their products.

During the review period, local suppliers were usually be flavoured by overseas suppliers so that the transportation footprint was to be minimised. The following chart demonstrates the number of the Group's suppliers by region for the year:

Number of Suppliers by Region
按地區劃分的供應商數目



PRODUCT RESPONSIBILITIES

Customers are the foundation and motivation of the Group's sustainable development and the stimulus for its product innovation. We insist on providing comprehensive customer services and we further refined the customer satisfaction surveys for different regional subsidiaries. With customers' feedback on product positioning and quality, planning, sales, business operation, property management and customer service obtained in customer satisfaction surveys, we can generally visualise customer satisfaction towards the Group. Comments from our customers are to be inspected, and a standardised complaint handling procedure has been established to address our customers' concerns.

營運實務

供應鏈管理

供應商為我們價值鏈上不可或缺的一環，因為其負責任的商業實踐對我們追求卓越品質和提高我們的聲譽至為重要。憑藉全面的供應鏈管理機制，我們能夠監控及評估其表現的不同方面，包括產品及服務質素、商業道德(定期評估)及收集對供應商表現的反饋。我們會定期檢討以確保合規。例如，我們會要求承包商提供一套證明文件供我們進行背景調查。該等文件可作為其相關產品/服務、維護手冊、健康及安全記錄簿及產品保證的證明。

於回顧期內，相比海外供應商，我們通常傾向於選擇本地供應商，以盡量減少運輸足跡。下圖顯示年內本集團按地區劃分的供應商數目：

產品責任

客戶是本集團可持續發展的基石及動力，亦是產品創新的激勵因素。我們堅持提供全面的客戶服務，並進一步改進不同地區附屬公司的客戶滿意度調查。根據客戶在客戶滿意度調查中對產品定位及質素、規劃、銷售、業務經營、物業管理及客戶服務的反饋，我們能大致了解客戶對本集團的滿意度。我們審視客戶意見，並設立標準化的投訴處理流程來解決客戶關心的問題。

For our property development business, we focus on providing high quality service in our business operations. Our quality management system is certified to be in compliance with the requirements and standards of the ISO 9001:2015 Quality Management System, which is certified by the British Standards Institution.

At One-Eight-One Hotel & Serviced Residences, the Group places emphasis on security of customers' personal data and supports a general policy of openness about how we collect, use and disclose customers' personal information. A copy of Privacy Policy and Personal Information Collection Statement are placed in each hotel room, and we strongly recommend customers take their time to read them carefully and retain for future reference.

For the year ended 31 December 2017, the Group has not received any notice of non-compliance in relation to data privacy laws and regulations, such as the Personal Data (Privacy) Ordinance.

ANTI-CORRUPTION

We abide by the stringent anti-corruption policies and procurement practices governed by the Independent Commission Against Corruption ("ICAC") which outline the conflicts of interest, intellectual property rights, privacy and confidentiality of information, bribery and corruption and equal opportunities. A whistleblowing policy and comment boxes are in place to provide a confidential platform for employees to report issues observed from our operations. By doing so, we are actively aware of the ever-changing landscape of corruption and fraud. We may establish certain policies internally to strengthen the employees' awareness of the relevant laws and regulations.

For the year ended 31 December 2017, the Group has not received any notice of non-compliance brought against the Group or the employees in relation to corruption-related laws and regulations, such as the Prevention of Bribery Ordinance in Hong Kong.

就我們的物業發展業務而言，我們專注在業務經營中提供高質素服務。我們的質量管理系統獲英國標準學會認證為符合ISO 9001:2015質量管理系統的規定及標準。

就One-Eight-One酒店及服務式住宅而言，本集團重視保護客戶個人資料安全，並就如何收集、使用及披露客戶的個人資料制定全面的開放政策。酒店每間客房均放置一份私隱政策及個人資料收集聲明，我們強烈建議客戶花時間仔細閱讀此聲明並保留供未來參閱。

截至二零一七年十二月三十一日止年度，本集團並未收到任何涉及資料私隱法律及規例（如《個人資料(私隱)條例》）的不合規通知。

反貪

我們遵守廉政公署規管的嚴格反貪政策與採購實務，其中概述了有關利益衝突、知識產權、私隱及資料保密、賄賂與貪污以及平等機會的規定。我們已設立舉報政策及意見箱，讓僱員可於保密平台舉報在經營中所發現的問題。藉此，我們可主動了解不斷變化的貪污及欺詐情況。我們會設立若干內部政策來增強僱員對相關法律及規例的意識。

截至二零一七年十二月三十一日止年度，本集團並未收到針對本集團或僱員提起的任何涉及反貪污相關法律及規例（如香港《防止賄賂條例》）的不合通知。

PERFORMANCE DATA SUMMARY
ENVIRONMENTAL PERFORMANCE¹

表現數據摘要
環境表現¹

		Unit 單位	2017 Performance 二零一七年數據
Indirect GHG emissions (Scope 2)	間接溫室氣體排放 (範圍2)	tonne CO ₂ equivalent 噸二氧化碳當量	336.21
Other Indirect GHG Emissions (Scope 3)	其他間接溫室氣體排放 (範圍3)	tonne CO ₂ equivalent 噸二氧化碳當量	16.36
GHG emissions intensity	溫室氣體排放密度	kg CO ₂ /employee 公斤二氧化碳/員工	1,183.83
Non-hazardous waste disposal	無害廢物處置	tonne 噸	1,800
Non-hazardous waste intensity	無害廢物密度	tonne/number of days 噸/天數	4.93
Recycled Materials			
再生材料			
Plastic	塑料	kg 公斤	82
Paper	紙	kg 公斤	29,614
Used Cooking Oil	經使用過的煮食油	tonne 噸	61.2
Grease trap waste	隔油池廢物	tonne 噸	91.3
Aluminum Cans	鋁罐	kg 公斤	100.8
Electronic Waste	電子廢物	kg 公斤	50
Energy consumption			
能源消耗			
Electricity consumption	用電量	kWh 千瓦時	449,973
Electricity intensity	用電密度	kWh/employee 千瓦時/員工	1,584.40
Fuel Consumption — Towngas	燃料消耗 — 煤氣	MJ	372,144
Fuel Intensity	燃料消耗密度	MJ/employee MJ/員工	1,310.40
Water Consumption	耗水量	m ³ 立方米	819
Water Intensity	用水密度	m ³ /employee 立方米/員工	2.88

Note

1. The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

備註

1. 上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

SOCIAL PERFORMANCE — EMPLOYMENT PRACTICE¹

社會表現 — 聘用措施¹

		Unit 單位	2017 Performance 二零一七年數據
Total workforce by employment type	按就業類型劃分的總勞動力		
Full-time	全職	no. of people 人數	269
Part-time	兼職	no. of people 人數	15
Total workforce by gender	按性別分別的勞動力總數		
Male	男	no. of people 人數	154
Female	女	no. of people 人數	130
Total workforce by age group	按年齡組劃分的員工總數		
18 – 30 years old	18 – 30歲	no. of people 人數	66
31 – 40 years old	31 – 40歲	no. of people 人數	56
41 – 50 years old	41 – 50歲	no. of people 人數	59
51 – 60 years old	51 – 60歲	no. of people 人數	75
Over 60 years old	60歲以上	no. of people 人數	28
Total workforce by geographical region	按地理區域劃分的總勞動力		
Hong Kong	香港	no. of people 人數	170
Mainland China	中國大陸	no. of people 人數	114
Total workforce by employee category	按員工類別劃分的員工總數		
Senior Management	高級管理人員	no. of people 人數	4
Middle Management	中層管理人員	no. of people 人數	40
Junior Level	初級員工	no. of people 人數	225
Contract/Short-term staff	合約/短期工作人員	no. of people 人數	15
Average Training Hours by Gender	按性別劃分平均培訓時間		
Male	男	hours 小時	2
Female	女	hours 小時	5.3
Average Training Hours by employee category	按員工類別劃分平均培訓時間		
Senior Management	高級管理人員	hours 小時	9
Middle Management	中層管理人員	hours 小時	3.8
Junior Level	初級	hours 小時	2.3

Note

備註

1. The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

1. 上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

SOCIAL PERFORMANCE — EMPLOYMENT PRACTICE¹
(CONTINUED)

社會表現 — 聘用措施¹ (續)

		Unit 單位	2017 Performance 二零一七年數據
Employee turnover by gender			
Male	按性別劃分的員工流失 男	% rate 百分比	45%
Female	女	% rate 百分比	55%
Employee turnover by age group			
18 – 30 years old	按年齡劃分的員工流失率 18 – 30歲	% rate 百分比	40%
31 – 40 years old	31 – 40歲	% rate 百分比	15%
41 – 50 years old	41 – 50歲	% rate 百分比	17%
51 – 60 years old	51 – 60歲	% rate 百分比	21%
Over 60 years old	60歲以上	% rate 百分比	7%
Employee turnover by geographical region			
Hong Kong	按地區劃分的員工流失率 香港	% rate 百分比	60%
The People's Republic of China	中華人民共和國	% rate 百分比	40%
Work and Safety			
Occupational health and safety	工作和安全 職業健康和安全		
Total number of work-related fatalities	工作相關死亡總數	no. of people 人數	0
Work-related fatalities rate	工作相關死亡率	% rate 百分比	0%
Lost days due to work injury	因工傷而損失的工作日數	no. of days 天數	14

Note

1. The calculation of the above quantitative information is based on our best approximation and the data available up to 31 December 2017.

備註

1. 上述量化信息的計算乃基於截至二零一七年十二月三十一日止的數據所得的最佳近似值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The following table provides an overview on the general disclosures and key performance indicators (“KPIs”) of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Review or supplementing the Review with additional information.

環境，社會和管治內容索引

本報告根據香港聯合交易所有限公司證券上市規則附錄二十七的「環境，社會及管治報告指引」編製。下表概述指引各主要範疇不同層面的一般披露及關鍵績效指標，並載列概覽相關互相參照之章節或提供額外說明。

Description 描述	Reference 參考	Remark 備註	
ENVIRONMENTAL 環境			
<i>Aspect A1: EMISSIONS</i> 層面A1：排放			
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Protecting Our Environment 保護環境	Pages 81–84 第81至84頁
KPI A1.1	The types of emissions and respective emissions data		We do not generate significant air emissions in our operation. Please refer to Performance Data Summary for our greenhouse gas emissions data.
關鍵績效指標 A1.1	排放物種類及相關排放數據。		我們的營運並無涉及大量廢氣排放。有關我們的溫室氣體排放請參閱保護環境及表現數據摘要。
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Performance Data Summary 表現數據摘要	Page 82 第82頁
關鍵績效指標 A1.2	溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。		Hazardous waste generation and handling are not material to our operations. 我們的業務並無涉及危險廢物的產生和處理。
關鍵績效指標 A1.3	所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Performance Data Summary 表現數據摘要	Page 83 第83頁
關鍵績效指標 A1.4	所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。		
KPI A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果。	Protecting Our Environment 保護環境	Pages 81–83 第81至83頁
關鍵績效指標 A1.5	描述減低排放量的措施及所得成果。		
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Protecting Our Environment 保護環境	Page 83 第83頁
關鍵績效指標 A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。		

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE
CONTENT INDEX (CONTINUED)**

環境，社會和管治內容索引(續)

Description 描述	Reference 參考	Remark 備註	
ENVIRONMENTAL (Continued) 環境(續)			
<i>Aspect A2: USE OF RESOURCES</i> 層面A2：資源的使用			
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials 有效使用資源(包括能源、水及其他原材料)的政策。	Protecting Our Environment 保護環境	Pages 85–86 第85至86頁
KPI A2.1 關鍵績效指標A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Performance Data Summary 表現數據摘要	Page 84 第84頁
KPI A2.2 關鍵績效指標A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility) 總耗水量及密度(如以每產量單位、每項設施計算)。	Performance Data Summary 表現數據摘要	Page 84 第84頁
KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果。	Protecting Our Environment 保護環境	Pages 85–86 第85至86頁
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Protecting Our Environment 保護環境	Page 87 第87頁
KPI A2.5 關鍵績效指標A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。		We do not generate significant packaging material waste in our operation. 我們的業務並無涉及包裝物料的用量。
<i>Aspect A3: THE ENVIRONMENT AND NATURAL RESOURCES</i> 層面A3：環境及天然資源			
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策。	Protecting Our Environment 保護環境	Pages 86–87 第86至87頁
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Protecting Our Environment 保護環境	Pages 85–87 第85至87頁
EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規			
<i>Aspect B1: EMPLOYMENT</i> 層面B1：僱傭			
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Caring for Our Employees and Community 關懷僱員及社區	Page 87 第87頁
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Performance Data Summary 表現數據摘要	Page 88 第88頁
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率。	Performance Data Summary 表現數據摘要	Page 88 第88頁

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
CONTENT INDEX (CONTINUED)

環境，社會和管治內容索引(續)

Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES (Continued) 僱傭及勞工常規(續)		
<i>Aspect B2: HEALTH AND SAFETY</i> 層面 B2：健康與安全		
General Disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Caring for Our Employees and Community 關懷僱員及社區
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率。	Performance Data Summary 表現數據摘要
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury 因工傷損失工作日數。	Performance Data Summary 表現數據摘要
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Caring for Our Employees and Community 關懷僱員及社區
<i>Aspect B3: DEVELOPMENT AND TRAINING</i> 層面 B3：發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Caring for Our Employees and Community 關懷僱員及社區
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	Performance Data Summary 表現數據摘要
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Performance Data Summary 表現數據摘要
<i>Aspect B4: LABOUR STANDARDS</i> 層面 B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour 有關防止童工或強制勞工的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Caring for Our Employees and Community 關懷僱員及社區
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工。	Caring for Our Employees and Community 關懷僱員及社區
KPI B4.2 關鍵績效指標 B4.2	Description of step taken to eliminate such practices when discovered 描述在發現違規情況時消除有關情況所採取的步驟。	Caring for Our Employees and Community 關懷僱員及社區
<i>Aspect B5: SUPPLY CHAIN MANAGEMENT</i> 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Operation Practices 營運實務
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目。	Operation Practices 營運實務
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Operation Practices 營運實務

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE
CONTENT INDEX (CONTINUED)**

環境，社會和管治內容索引(續)

Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES (Continued) 僱傭及勞工常規(續)		
<i>Aspect B6: PRODUCT RESPONSIBILITY</i> 層面B6：產品責任		
General Disclosure 一般披露	Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Operation Practices 營運實務
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	Operation Practices 營運實務
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法。	Operation Practices 營運實務
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights 描述與維護及保障知識產權有關的慣例。	Operation Practices 營運實務
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	Operation Practices 營運實務
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Operation Practices 營運實務
<i>Aspect B7: ANTI-CORRUPTION</i> 層面B7：反貪污		
General Disclosure 一般披露	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Operation Practices 營運實務
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Operation Practices 營運實務
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法。	Operation Practices 營運實務
<i>Aspect B8: COMMUNITY INVESTMENT</i> 層面B8：社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Giving Back to the Community 回饋社區
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	Giving Back to the Community 回饋社區
KPI B8.2 關鍵績效指標 B8.2	Resources contributed (e.g. money or time) to the focus area 在專注範疇所動用資源(如金錢或時間)。	Giving Back to the Community 回饋社區

As at 7 March 2018 於二零一八年三月七日

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Liu Lit Chi

(Chairman, Managing Director and Chief Executive Officer)

Mr. Liu Kam Fai, Winston

(Deputy Managing Director)

Mr. Liu Kwun Shing, Christopher

(also alternate director to Dr. Liu Lit Chung)

Mr. Lee Wai Hung

NON-EXECUTIVE DIRECTORS

Dr. Liu Lit Chung, *MBBS (Lon), MRCP(UK), F.R.C.P. (Lon)*

Mr. Kho Eng Tjoan, Christopher

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,

Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Mo Chi, Moses, *GBM, GBS, OBE, LLB (HK), J.P.*

Mr. Tong Tsin Ka, *FCA (AUST.), FCPA, FCIS*

(retired on 9 May 2017)

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John, *PhD, BBS, J.P.*

Mr. Cheng Yuk Wo, *Msc(Econ), BA(Hons), CPA (Canada),*

CA, FCA, FCPA, CPA (Practising)

Mr. Tong Tsun Sum, Eric, *CA(Aust), CPA (Practising), CFE*

(appointed on 7 March 2018)

COMPANY SECRETARY

Mr. Lee Wai Hung

董事會

執行董事

廖烈智先生

(主席、董事總經理兼行政總裁)

廖金輝先生

(副董事總經理)

廖坤城先生

(亦為廖烈忠醫生之替代董事)

李偉雄先生

非執行董事

廖烈忠醫生 *MBBS (Lon), MRCP (UK), F.R.C.P.(Lon)*

許榮泉先生

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,

Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

獨立非執行董事

鄭慕智博士 *GBM, GBS, OBE, LLB (HK), J.P.*

唐展家先生 *FCA (AUST.), FCPA, FCIS*

(於二零一七年五月九日退任)

區錦源先生

馬鴻銘博士 *PhD, BBS, J.P.*

鄭毓和先生 *Msc(Econ), BA(Hons), CPA (Canada),*

CA, FCA, FCPA, CPA (Practising)

唐晉森先生 *CA(Aust), CPA (Practising), CFE*

(於二零一八年三月七日委任)

公司秘書

李偉雄先生

AUDIT COMMITTEE

Mr. Cheng Yuk Wo (*Chairman*)
 Dr. Cheng Mo Chi, Moses
 Mr. Au Kam Yuen, Arthur
 Mr. Tong Tsun Sum, Eric (appointed on 7 March 2018)
 Mr. Lee Wai Hung (*Secretary*)

NOMINATION COMMITTEE

Mr. Liu Lit Chi (*Chairman*)
 Mr. Kho Eng Tjoan, Christopher
 Mr. Cheng Yuk Wo
 Mr. Au Kam Yuen, Arthur
 Dr. Ma Hung Ming, John
 Mr. Tong Tsun Sum, Eric (appointed on 7 March 2018)
 Mr. Lee Wai Hung (*Secretary*)

REMUNERATION COMMITTEE

Dr. Cheng Mo Chi, Moses (*Chairman*)
 Mr. Kho Eng Tjoan, Christopher
 Dr. Ma Hung Ming, John
 Mr. Cheng Yuk Wo
 Ms. Cavior Liu (*Secretary*)

CORPORATE GOVERNANCE COMMITTEE

Mr. Liu Kwun Shing, Christopher (*Chairman*)
 Mr. Au Kam Yuen, Arthur
 Dr. Ma Hung Ming, John
 Mr. Liu Kam Fai, Winston
 Mr. Lee Wai Hung

Executive Management Committee

Mr. Liu Lit Chi (*Chairman*)
 Mr. Liu Kam Fai, Winston
 Mr. Liu Kwun Shing, Christopher
 Mr. Lee Wai Hung

審核委員會

鄭毓和先生(主席)
 鄭慕智博士
 區錦源先生
 唐晉森先生(於二零一八年三月七日委任)
 李偉雄先生(秘書)

提名委員會

廖烈智先生(主席)
 許榮泉先生
 鄭毓和先生
 區錦源先生
 馬鴻銘博士
 唐晉森先生(於二零一八年三月七日委任)
 李偉雄先生(秘書)

薪酬委員會

鄭慕智博士(主席)
 許榮泉先生
 馬鴻銘博士
 鄭毓和先生
 廖鈞慧女士(秘書)

企業管治委員會

廖坤城先生(主席)
 區錦源先生
 馬鴻銘博士
 廖金輝先生
 李偉雄先生

執行管理委員會

廖烈智先生(主席)
 廖金輝先生
 廖坤城先生
 李偉雄先生

As at 7 March 2018 於二零一八年三月七日

**SENIOR MANAGEMENT
DEPARTMENT HEADS**

Ms. Eva Liu	Head of Property Development
Mr. Luk Chi Chung	Head of Finance Management and Information Technology
Ms. Cavior Liu	Head of Human Resources
Ms. Yan Yuet Lam, Charmaine	Head of China Budget Hotel
Mr. Pan Sze Yuen, Cecil	Head of Project Development
Mr. Jan Kwok Wai, Kim	Head of China Property Development
Mr. Tong Tse Hon	Head of Leasing
Ms. Hung Shuk Yee	Head of Property and Facilities Management

MANAGERS

Mr. Tam King Hung, Peter	Senior Project Manager
Ms. Tsia Fung Yee, Tina	Accounting Manager
Ms. Wong Yuk Man	Accounting Manager
Ms. Cheng Suet Kiu	Manager of Finance Management and Information Technology
Mr. Wong Ming Kwong	Maintenance Manager
Mr. Ho Chi Chung	Project Manager
Mr. Pui Yuk, Ray	Property Manager

**高級管理人員
部門主管**

廖綺華女士	物業發展部主管
陸智聰先生	財務及資訊科技部主管
廖鈞慧女士	人力資源部主管
甄玥霖女士	中國經濟型酒店部主管
潘思遠先生	項目發展部主管
詹國偉先生	中國物業發展部主管
唐子漢先生	租務部主管
洪淑儀女士	物業及設施管理部主管

經理

譚景雄先生	高級策劃經理
謝芳怡女士	會計部經理
王育敏女士	會計部經理
鄭雪嬌女士	財務及資訊科技部經理
黃銘光先生	維修經理
何志聰先生	策劃經理
貝育先生	物業經理

SOLICITORS

Deacons

Gallant Y.T. Ho & Co.

P.C. Woo & Co.

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

BANKERS

Australia and New Zealand Banking Group Limited

China CITIC Bank International Limited

Chong Hing Bank Limited

Credit Suisse AG Hong Kong Branch

DBS Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited

Hang Seng Bank Limited

Nanyang Commercial Bank, Limited

OCBC Wing Hang Bank Limited

Standard Chartered Bank (Hong Kong) Limited

The Bank of Tokyo-Mitsubishi UFJ, Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

Wing Lung Bank Limited

律師

的近律師行

何耀棟律師事務所

胡百全律師事務所

核數師

德勤 • 關黃陳方會計師行

執業會計師

銀行

澳新銀行集團有限公司

中信銀行(國際)有限公司

創興銀行有限公司

瑞士信貸銀行股份有限公司香港分行

星展銀行(香港)有限公司

富邦銀行(香港)有限公司

恒生銀行有限公司

南洋商業銀行有限公司

華僑永亨銀行有限公司

渣打銀行(香港)有限公司

株式會社三菱東京UFJ銀行有限公司

香港上海滙豐銀行有限公司

大華銀行有限公司

永隆銀行有限公司

As at 7 March 2018 於二零一八年三月七日

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創興金融中心3105室

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佛山辦事處

中國廣東省

佛山市南海區

獅山鎮羅村社會管理處城西區地段

貴隆路一號

翠湖綠洲花園一期

電話：(86757) 6386 0888 傳真：(86757) 6386 2218

電郵：foshan@lchi.com.cn

EXECUTIVE DIRECTORS

MR. LIU LIT CHI

aged 78, is the Chairman of the Board of the Company since 9 August 2017. Mr. Liu has been serving as the Managing Director and Chief Executive Officer of the Company since 26 February 2014. Mr. Liu has been an Executive Director of the Company since its incorporation in 1970. Mr. Liu also serves as the Chairman of Executive Management Committee and Nomination Committee as well as a director of a number of subsidiaries of the Company. Mr. Liu, who was educated in Hong Kong and the United Kingdom, is also a director of a number of other companies in Hong Kong and elsewhere. Save as disclosed above, Mr. Liu did not hold any directorship in any other listed public companies in the previous three years. Mr. Liu is the brother of Dr. Liu Lit Chung, an uncle of Mr. Liu Kam Fai, Winston and Mr. Liu Kwun Shing, Christopher.

MR. LIU KAM FAI, WINSTON

BA., MSc.

aged 51, was appointed an Executive Director of the Company since 1997. He was re-designated as the Deputy Managing Director of the Company in August 2008. Mr. Liu holds a Master degree in Economics from the University of London, specialising in Finance and Macro Economic Policy. Mr. Liu oversees the Company's strategic development, project implementation and business operations. Mr. Liu also served as a member of Corporate Governance Committee and Executive Management Committee as well as a director of a number of subsidiaries of the Company. His other directorship in public listed companies in the last three years includes Freeman Financial Corporation Limited, which is a public company listed on the Stock Exchange in Hong Kong. Save as disclosed above, Mr. Liu did not hold any directorship in any other listed public companies in the last three years. Mr. Liu is a nephew of Mr. Liu Lit Chi and Dr. Liu Lit Chung, a cousin of Mr. Liu Kwun Shing, Christopher.

執行董事

廖烈智先生

七十八歲，自二零一七年八月九日起出任本公司董事會主席。同時，廖先生自二零一四年二月二十六日起出任為本公司董事總經理兼行政總裁，自一九七零年本公司成立起已成為本公司執行董事。廖先生亦出任本公司執行管理委員會及提名委員會主席以及若干附屬公司之董事。廖先生在香港及英國接受教育，現為多間香港及其他地區公司之董事。除上述披露者外，於過去三年內，廖先生並沒有在任何其他上市公眾公司擔任任何董事職務。廖先生是廖烈忠醫生之兄長，廖金輝先生及廖坤城先生之叔伯父。

廖金輝先生

BA., MSc.

五十一歲，自一九九七年起獲委任為本公司執行董事，於二零零八年八月起再獲委任為本公司副董事總經理。廖先生持有倫敦大學經濟學碩士學位，主修財務及宏觀經濟政策。廖先生現負責本公司發展策略、項目執行、以及日常營運運作。廖先生現時亦出任本公司企業管治委員會及執行管理委員會委員以及若干附屬公司之董事。他於過去三年以來曾擔任董事之上市公司包括民豐企業控股有限公司，該公司為香港聯交所上市之公眾公司。除上述披露者外，於過去三年內，廖先生並沒有在任何其他上市公眾公司擔任任何董事職務。他是廖烈智先生及廖烈忠醫生之侄兒，廖坤城先生之堂兄。

EXECUTIVE DIRECTORS (CONTINUED)

MR. LIU KWUN SHING, CHRISTOPHER

aged 42, is an Executive Director of the Company, a position which he has held since August 2008 following a re-designation from his previous role since 2000 as Non-executive Director of the Company and alternate director to Dr. Liu Lit Chung (who is a Non-executive Director of the Company). Mr. Liu also serves as the Chairman of the Corporate Governance Committee and a member of the Executive Management Committee as well as a director of a number of subsidiaries of the Company. Mr. Liu is a holder of a Master of Arts degree in Jurisprudence from the University of Oxford. He is also a qualified solicitor in both Hong Kong and England & Wales. Prior to joining the Company on a full-time basis, he was a partner of Deacons in Hong Kong, with a primary focus in corporate finance, mergers and acquisitions and private equity matters, and currently remains an advisory legal counsel of the international law firm. Mr. Liu is a member of the Foshan Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC) as well as a director of both Beijing Chinese Overseas Friendship Association and Shanghai Chinese Overseas Friendship Association (COFA). Mr. Liu is also a director of the Federation of Hong Kong Foshan Association Limited, Hong Kong GuangFoZhao Fraternity Association Limited, the Federation of Hong Kong Chiu Chow Community Organization, Hong Kong Chiu Chow Chamber of Commerce, an executive director of Guangdong Chamber of Foreign Investors, a Vice-chairman of Foshan Investment Chamber of Private Enterprises, a board member of Entrepreneurs' Organisation (Hong Kong), a member of Hong Kong- Shanghai Economic Development Association Limited and a director of Shanghai Huang Pu District Association of Enterprises with Foreign Investment. With a passion for the betterment of society and education, he is also a member of the Institutional Review Board of Hong Kong University/Hospital Authority Hong Kong West Cluster and the Joint Chinese University of Hong Kong – New Territories East Cluster Clinical Research Ethics Committee as well as a school manager of Liu Po Shan Memorial College. Save as disclosed above, Mr. Liu did not hold any directorship in any other listed public companies in the previous three years. He is the son of Dr. Liu Lit Chung, a nephew of Mr. Liu Lit Chi, a cousin of Mr. Liu Kam Fai, Winston.

執行董事(續)

廖坤城先生

四十二歲，曾於二零零零年起出任本公司非執行董事以及本公司非執行董事廖烈忠醫生之替代董事，並於二零零八年八月起改任為本公司執行董事。於集團內，廖先生亦出任本公司企業管治委員會主席及執行管理委員會委員以及若干附屬公司之董事。廖先生持有英國牛津大學法律系碩士學位，亦為香港及英格蘭與威爾士之合資格律師。於加入本公司出任全職職務前，廖先生任職香港的近律師行之合夥人，主要從事企業融資、併購及收購及私人權益的法律事務，而目前仍然擔任該國際律師事務所之法律顧問。廖先生身兼中國廣東省佛山市政協委員、北京海外聯誼會及上海海外聯誼會理事。廖先生亦是香港佛山社團總會常務會董、香港廣佛肇聯誼總會會董、香港潮屬社團總會董事、香港潮州商會青年委員會董事、廣東外商公會常務理事、佛山市民營企業投資商會副會長、香港青年企業家協會、滬港經濟發展協會及上海黃浦區外商投資企業協會之常務董事。除此之外，廖先生對社會和教育充滿熱誠，並擔任香港大學及醫管局港島西醫院聯網研究倫理委員會委員、香港中文大學新界東醫院聯網臨床研究倫理聯席委員及廖寶珊紀念書院校董。除上述披露者外，於過去三年內，廖先生並沒有在任何其他上市公眾公司擔任任何董事職務。他是廖烈忠醫生之兒子，廖烈智先生之侄兒，廖金輝先生之堂弟。

EXECUTIVE DIRECTORS (CONTINUED)**MR. LEE WAI HUNG***LLB, FCCA, FCPA (Practising), ATiHK, MBA, PgD in CRE*

aged 55, is an Executive Director and Company Secretary of the Company. Mr. Lee is also serving as a member of Corporate Governance Committee and Executive Management Committee as well as a director of a number of subsidiaries of the Company. Mr. Lee holds a Bachelor of Law degree, a Master of Business Administration degree and Postgraduate Diploma in Construction and Real Estate. He is also a fellow of Hong Kong Institute of Certified Public Accountants (Practising) and a fellow member of the Association of Chartered Certified Accountants. Before joining the Company, Mr. Lee had worked in an international accounting firm for over six years. Mr. Lee has over twenty eight years of experience in corporate finance and accounting. Mr. Lee joined the Company in 1992 and was appointed as director in 1994. Mr. Lee is primarily responsible for the Company's finance and secretarial matters.

NON-EXECUTIVE DIRECTORS**DR. LIU LIT CHUNG***MBBS (Lon), MRCP (UK), F.R.C.P. (Lon)*

aged 68, became a director in 1979 and also the Deputy Managing Director of the Company for over ten years. He holds a Medical degree from King's College Hospital, London University and is a Member of the Royal College of Physicians of the United Kingdom. He was awarded the Fellowship of Royal College of Physician of London for his work in Motor Neuron Disease. In 2005, he was further awarded the Honorary Fellowship by the Hong Kong College of Physicians. Dr. Liu is the brother of Mr. Liu Lit Chi, an uncle of Mr. Liu Kam Fai, Winston and the father of Liu Kwun Shing, Christopher.

執行董事(續)**李偉雄先生***LLB, FCCA, FCPA (Practising), ATiHK, MBA, PgD in CRE*

五十五歲，為本公司執行董事兼公司秘書。李先生亦為企業管治委員會及執行管理委員會委員以及出任本公司若干附屬公司之董事。李先生擁有法律學位、工商管理碩士學位及建築及房地產學深造文憑。亦為香港會計師公會及英國特許公認會計師公會資深會員。李先生在加入本公司前曾在國際性會計公司工作超過六年。李先生擁有超過二十八年財務及會計經驗，於一九九二年加入本公司並於一九九四年獲委任為董事。李先生主要職責是處理本公司財務及秘書事務。

非執行董事**廖烈忠醫生***MBBS (Lon), MRCP (UK), F.R.C.P. (Lon)*

六十八歲，於一九七九年成為本公司董事，並任本公司董事副總經理超過十年，擁有倫敦大學King's College Hospital醫學學位，亦為英國皇家內科醫學院院士會員。因為在運動神經細胞疾病作出重大貢獻，所以獲得倫敦皇家內科醫學院頒發榮授院士榮譽。於二零零五年更再獲得香港內科醫學院頒發之榮授院士榮譽。廖醫生是廖烈智先生之弟弟，廖金輝先生之叔叔及廖坤城先生之父親。

NON-EXECUTIVE DIRECTORS (CONTINUED)**MR. KHO ENG TJOAN, CHRISTOPHER**

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC, Assoc. AIA,

Registered Architect, A.P. (Architect), MHKIoD

aged 55, served as Non-executive Director of the Company since May 2011 and he is now serving as a member of Remuneration Committee and Nomination Committee of the Company. Mr. Kho holds a Bachelor of Environmental Studies degree on Urban and Regional Planning and a Master of Architecture degree. He is an Authorized Person under the Buildings Ordinance, a Registered Architect under the Architects Registration Ordinance, a member of the Hong Kong Institute of Architects, a corporate member of Royal Institute of British Architects, an associate member of Royal Australian Institute of Architects, a member of Royal Architectural Institute of Canada and an associate member of American Institute of Architects. Mr. Kho was an Executive Committee of the University of Waterloo Alumni Association and a Committee Member of the University of Manitoba Alumni Association from 1989 to 1990. During the year from 1997 to 2003, he was a Director and Council Member of the Wah Yan (Hong Kong) Past Students Association Limited. Mr. Kho is also a Committee Member of the Professional Committee of the Hong Kong Federation of Fujian Associations since 2009. Furthermore, Mr. Kho is appointed as a Council Member of Fukien Chamber of Commerce and Director of Fukien Chamber of Commerce Education Fund Limited in 2017.

非執行董事 (續)**許榮泉先生**

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC, Assoc.

AIA, Registered Architect, A.P. (Architect), MHKIoD

五十五歲，自二零一一年五月起出任為本公司非執行董事及他現在亦為本公司薪酬委員會及提名委員會委員。許先生擁有城市規劃系學士學位及建築系碩士學位。他是建築物條例下之認可人士(建築師)及建築師註冊條例下之註冊建築師，香港建築師學會會員，英國皇家建築師學會會員，澳洲皇家建築師學會會員，加拿大皇家建築師學會會員和美國建築師學會會員。許先生曾於一九八九年至一九九零年期間出任加拿大滑鐵盧大學校友會執行委員及加拿大緬民吐巴大學校友會委員，並於一九九七年至二零零三年期間曾出任香港華仁舊生會董事及委員。許先生自二零零九年起更擔任香港福建社團聯會專業人士委員會委員。此外，許先生於二零一七年獲委任為旅港福建商會理事及旅港福建商會教育基金有限公司董事局董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS

DR. CHENG MO CHI, MOSES

GBM, GBS, OBE, LLB (HK), J.P.

aged 68, was appointed as an Independent Non-executive Director of the Company in August 1999 and he has served as Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Dr. Cheng is a practising solicitor and the Consultant of Messrs. P.C. Woo & Co. He is also serving as Chairman of The Insurance Authority and Chairman of the Process Review Panel For Securities and Futures Commission. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the Founder Chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. He was also the President of International Alliance of Practising Lawyers.

In addition to his directorship in the Company, Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Beer (Holdings) Company Limited (Formerly known as China Resources Enterprise, Limited), K. Wah International Holdings Limited, Guangdong Investment Limited, Tian An China Investments Company Limited, Towngas China Company Limited and Kader Holdings Company Limited, all being public listed companies in Hong Kong. Dr. Cheng's other directorship in public listed companies in the last three years includes ARA Asset Management Limited, which was formerly listed in Singapore. Save as disclosed above, Dr. Cheng did not hold any directorship, whether in Hong Kong or overseas, in any other public listed companies in the previous 3 years.

獨立非執行董事

鄭慕智博士

GBM, GBS, OBE, LLB (HK), J.P.

六十八歲，於一九九九年八月獲委任為本公司獨立非執行董事，他亦為本公司薪酬委員會主席及審核委員會成員。鄭博士為執業律師及胡百全律師事務所顧問律師，並擔任保險業監管局主席及證券及期貨事務監察委員會程序覆檢委員會主席。鄭博士曾任香港立法局議員。他為香港董事學會的創會主席，現為該會的榮譽會長及榮譽主席，並曾擔任國際執業律師聯盟會長。

除為本公司之董事外，鄭博士現擔任中國移動有限公司、華潤啤酒(控股)有限公司(前稱華潤創業有限公司)、嘉華國際集團有限公司、粵海投資有限公司、天安中國投資有限公司、港華燃氣有限公司及開達集團有限公司(均為香港上市公司)的董事職務。他過去三年以來曾擔任董事的其他上市公司包括ARA Asset Management Limited，該公司曾為新加坡上市公司。除上述披露外，鄭博士於過去三年並沒有在其他香港或海外的上市公司擔任任何董事職位。

**INDEPENDENT NON-EXECUTIVE DIRECTORS
(CONTINUED)**

MR. AU KAM YUEN, ARTHUR

aged 78, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he also serves as a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Au studied Law in Sydney and London respectively. He was admitted as a solicitor in England in 1975 and in Hong Kong in 1976. He is a sole proprietor of Arthur Au & Co., a firm of solicitors established since 1979. Mr. Au is a Notary Public and was a member of the Notary Public Disciplinary Tribunal Panel. He is also a School Management Committee Member of the Clementi Secondary School. He now serves as legal adviser to the Association of Hong Kong Nursing Staff (previously named as the Association of Government Nursing Staff) and The New Territories North District Manufacturers Association of Hong Kong Limited. Mr. Au is an active Rotarian, he was a District Governor of Rotary International District 3450 (Hong Kong/Macao/Mongolia) in 1990-1991.

DR. MA HUNG MING, JOHN

PhD, BBS, J.P.

aged 51, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he has also served as a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Dr. Ma currently is the executive director of Carrianna Group Holdings Company Limited, this is a public company listed on The Stock Exchange of Hong Kong Limited. He has extensive experience in the catering industry, as well as property management and development. He was awarded the Bronze Bauhinia Star (BBS) from The Government of the Hong Kong Special Administrative Region in 2003 and a Honorary Doctorate of Philosophy by Morrison University in 2004. As for the community service, Dr. Ma was the Chairman of Tung Wah Group of Hospitals for the year 2002. He is a member of Tung Wah Group of Hospitals Advisory Board, the Standing Committee of Shenzhen Committee of Chinese People's Political Consultative Conference and the President of Youth Council. He also serves as the Vice Chairman of Federation of Hong Kong Guangdong Community Organisations, Vice President of Hong Kong Chiu Chow Chamber of Commerce and the Vice President of Kowloon Federation of Associations. On 1 July 2015, Dr. Ma was appointed to Justices of the Peace by The Government of the Hong Kong Special Administrative Region. Save as disclosed above, Dr. Ma did not hold any directorship in any other public listed companies in the last three years.

獨立非執行董事(續)

區錦源先生

七十八歲，於二零一二年十二月三日獲委任為本公司獨立非執行董事，他亦為本公司審核委員會、提名委員會及企業管治委員會委員。區先生先後分別在澳洲雪梨及英國倫敦等海外攻研法律。他於一九七五年及一九七六年分別獲得英國及香港執業律師資格，並自一九七九年起成立區錦源律師行及為該行之獨資經營者。區先生是國際公證人及曾任國際公證人紀律審裁委員會成員，亦為金文泰中學學校管理委員會成員。區先生現任香港護士協會(前稱政府護理員協會)及香港新界北區廠商會有限公司法律顧問。區先生熱心扶輪工作，並為一九九零年至一九九一年度，國際扶輪3450地區(香港、澳門及蒙古國)之區域總監。

馬鴻銘博士

PhD, BBS, J.P.

五十一歲，於二零一二年十二月三日獲委任為本公司獨立非執行董事，他亦為本公司薪酬委員會、提名委員會及企業管治委員會委員。馬博士現時出任佳寧娜集團控股有限公司的執行董事，此公司為香港聯合交易所之上市公司。他在飲食業、物業管理及地產發展方面具有豐富的經驗。於二零零三年馬博士獲香港特別行政區政府頒授銅紫荊星章及於二零零四年獲美國摩利臣大學頒授榮譽哲學博士。在公益服務方面，馬博士曾於二零零二年出任東華三院主席，現任香港東華三院顧問局成員、深圳市政協常委及青年議會會長，並擔任香港廣東社團總會常務副主席、香港潮州商會副會長及九龍社團聯會副會長，並於二零一五年七月一日，馬博士獲香港特別行政區政府委任為太平紳士。除上述所披露者外，馬博士於過往三年並沒有在任何其他上市公眾公司擔任任何董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

MR. CHENG YUK WO

Msc (Econ), BA(Hons), CPA (Canada), CA, FCA, FCPA, CPA(Practising)

aged 57, was appointed as Independent Non-executive Director of the Company on 7 March 2014 and he has also served as member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from University of Kent, England. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Chartered Professional Accountants of Canada and the Institute of Chartered Accountants of Ontario, Canada. Mr. Cheng has over 20 years' of expertise in accounting, finance and corporate advisory services. Mr. Cheng is currently an independent nonexecutive director of Chia Tai Enterprises International Limited, Chong Hing Bank Limited, C.P. Lotus Corporation, CSI Properties Limited, HKC (Holdings) Limited, Goldbond Group Holdings Limited, CPMC Holdings Limited, Top Spring International Holdings Limited, DTXS Silk Road Investment Holdings Company Limited, Miricor Enterprises Holdings Limited, Somerley Capital Holdings Limited and Kidsland International Holdings Limited, the abovementioned companies are listed on the Stock Exchange in Hong Kong. His other directorship in public companies in the last three years include Imagi International Holdings Limited, which is a public company listed on the Stock Exchange in Hong Kong. Save as disclosed above, Mr. Cheng has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

獨立非執行董事 (續)

鄭毓和先生

Msc (Econ), BA(Hons), CPA (Canada), CA, FCA, FCPA, CPA(Practising)

五十七歲，於二零一四年三月七日獲委任為本公司獨立非執行董事，他亦為本公司審核委員會、薪酬委員會及提名委員會委員。鄭先生持有英國倫敦大學經濟學院科學(經濟)碩士(主修會計及金融)及英國肯特大學會計系之榮譽文學士學位。彼乃英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，亦為加拿大特許專業會計師協會及加拿大略省特許會計師公會之會員。鄭先生擁有逾二十年於會計、金融及企業顧問服務之專業知識。鄭先生現為正大企業國際有限公司、創興銀行有限公司、卜蜂蓮花有限公司、資本策略地產有限公司、香港建設(控股)有限公司、金榜集團控股有限公司、中糧包裝控股有限公司、萊蒙國際集團有限公司、大唐西市絲路投資控股有限公司、卓珈控股集團有限公司、新百利融資控股有限公司及凱知樂國際控股有限公司之獨立非執行董事，以上所述之公司均為香港聯交所上市之公眾公司。鄭先生於過去三年以來曾擔任董事之上市公司包括意馬國際控股有限公司，該公司為香港聯交所上市之公眾公司。除上述披露外，於過去三年內，鄭先生並沒有在香港或海外任何證券市場之上市公眾公司擔任任何董事職務。

**INDEPENDENT NON-EXECUTIVE DIRECTORS
(CONTINUED)**

MR. TONG TSUN SUM, ERIC

CA (Aust), CPA (Practising), CFE

aged 47, was appointed as an Independent Non-executive Director and a member of the audit and the nomination committee of the Company in March 2018. He obtained a Bachelor of Economics from University of Sydney, Australia, a Master of Commerce in Professional Accounting from Macquarie University, Australia. He is a member of CPA Australia, Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants Australia and New Zealand. He is also a member of The Institute of Chartered Secretaries and Administrators, the Governance Institute of Australia and the Association of Certified Fraud Examiners.

SENIOR MANAGEMENT

MS. EVA LIU

MA (Cantab), DipArch (Kingston), MA (City), ARB (UK), RIBA

aged 54, Head of Property Development. Ms. Liu is a Chartered Architect (UK), holding Master of Arts Degrees, in Architecture from the University of Cambridge, and Property Valuation And Law from The City University in London. She was in architectural practice in England before joining the Company in 1999. She is the sister of Mr. Liu Kam Fai, Winston.

MR. LUK CHI CHUNG

FCCA, CPA (Practising), MAEB

aged 50, Head of Finance Management and Information Technology. Mr. Luk is a professional accountant, holding Master of Arts Degree in Electronic Business and has over twenty eight years of experience in finance and accounting. Mr. Luk joined the Company in 1995 and is in charge of Finance Management Department and Information Technology Department.

MS. CAVIOR LIU

aged 53, Head of Human Resources. Ms. Liu holds a Bachelor degree in Psychology from University of British Columbia. She joined the Company in 2000, in charge of Human Resources & Administration Department. Ms. Liu is a school manager of Liu Po Shan Memorial College. She is the sister of Mr. Liu Kam Fai, Winston.

獨立非執行董事(續)

唐晉森先生

CA (Aust), CPA (Practising), CFE

47歲，於二零一八年三月獲委任為本公司獨立非執行董事以及審核委員會及提名委員會的成員。彼獲得澳洲悉尼大學經濟學學士學位，澳洲麥覺理大學專業會計商科碩士學位。他是澳大利亞會計師公會、香港會計師公會、澳洲及新西蘭特准會計師公會會員。他亦為英國特許秘書協會的成員、澳大利亞治理學院和美國欺詐審查師協會的成員。

高級管理人員

廖綺華女士

MA (Cantab), DipArch (Kingston), MA (City), ARB (UK), RIBA

五十四歲，物業發展部主管。廖女士為英國皇家建築師學會會士，擁有英國劍橋大學建築系及英國(倫敦)城市大學物業系碩士。她本為英國執業建築師，於一九九九年加入本公司，廖女士是廖金輝先生之姊姊。

陸智聰先生

FCCA, CPA (Practising), MAEB

五十歲，財務管理及資訊科技部主管。陸先生為專業會計師，擁有電子商業碩士學位及二十八年以上財務及會計經驗。陸先生於一九九五年加入本公司，現為財務管理部及資訊科技部主管。

廖鈞慧女士

五十三歲，人力資源部主管。廖女士擁有 University of British Columbia 心理學學士學位。她於二零零零年加入本公司負責人力資源兼行政部，廖女士是廖寶珊紀念書院之校董，她是廖金輝先生之姊姊。

SENIOR MANAGEMENT (CONTINUED)

MS. YAN YUET LAM, CHARMAINE

aged 43, Head of China Budget Hotel. Ms. Yan joined the Company in 2007. Ms. Yan was educated in Vancouver, Canada. Before joining the Company, Ms. Yan had worked with various mainland companies at senior management post for leading and handling numerous successful real estate projects including the Shanghai Forest Manor, one of the top residential villa projects in Shanghai. In addition, Ms. Yan has extensive experience in business club operations both in Beijing and Shanghai. Ms. Yan is currently in charge of the Company's budget hotel business.

MR. PAN SZE YUEN, CECIL

MA (Cantab), DipArch (Cantab), RIBA

aged 54, Head of Project Department. Mr. Pan is a Chartered Architect (UK), holding Master of Arts Degree in Architecture from the University of Cambridge, and has over twenty years of experience as a practicing architect in both UK and Hong Kong. Mr. Pan joined the Company in 2006.

MR. JAN KWOK WAI, KIM

BEng (Civil), CEng, MICE

aged 49, Head of China Property Development. Mr. Jan joined the Company in 2008. Mr. Jan is a professional engineer with over twenty years of construction and project management experience representing Clients, Consultants and Contractors on both private-sector and government funded projects in China, Hong Kong and Macau.

MR. TONG TSE HON

BBA (First Class Honor), CFP

aged 49, Head of Leasing, holding a Bachelor (First Class Honor) Degree in Business Administration and a Certified Financial Planner conferred by the Institute of Financial Planners of Hong Kong. Mr. Tong joined the Company in 2004.

MS. HUNG SHUK YEE

aged 53, Head of Property and Facilities Management. Ms. Hung holds a Master Degree in Business Administration of the University of Hull. She has over twenty years of experience in general administration, procurement and facilities management in the banking sector. Ms. Hung joined the company in 2016 and is in charge of the Property and Facilities Management Department.

高級管理人員 (續)

甄玥霖女士

四十三歲，中國經濟型酒店部主管。甄女士於二零零七年加入本公司。甄女士於加拿大溫哥華接受教育。加入本公司前，甄女士曾任職國內管理層職位，負責地產項目包括上海著名豪宅項目「上海西郊莊園」。除此甄女士擁有管理及經營北京及上海兩地的商務會所的經驗。甄女士現負責經濟型酒店經營項目。

潘思遠先生

MA (Cantab), DipArch (Cantab), RIBA

五十四歲，項目發展部主管。潘先生為英國皇家建築師學會會士，擁有英國劍橋大學建築系碩士，及二十年以上作為英國及香港執業建築師經驗。潘先生於二零零六年加入本公司。

詹國偉先生

BEng (Civil), CEng, MICE

四十九歲，中國物業發展部主管。詹先生於二零零八年加入本公司。詹先生為專業土木工程師並擁有超過二十年以上建築及項目管理之工作經驗，涉及的項目分佈在中國、香港及澳門，曾分別代表發展商、顧問公司及承建商參與私營及政府建設項目。

唐子漢先生

BBA (First Class Honor), CFP

四十九歲，租務部主管。工商管理一級榮譽畢業，香港財務策劃師學會認可財務策劃師資格。唐先生於二零零四年加入本公司。

洪淑儀女士

五十三歲，物業及設施管理部主管。洪女士擁有 University of Hull 工商管理學碩士學位，她於銀行業界的行政、採購及設施管理等範疇有超過二十年經驗。洪女士於二零一六年加入本公司負責物業及設施管理部。

NOTICE IS HEREBY GIVEN that the annual general meeting of Liu Chong Hing Investment Limited (the “Company”) for the year 2018 (“2018 AGM”) will be held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Tuesday, 15 May 2018 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated Financial Statements together with Reports of the Directors and of the Auditor of the Company for the year ended 31 December 2017.
2. To approve the payment of the final cash dividend of HK\$0.42 per share for the year ended 31 December 2017 (“2017 Final Dividend”).
3. To re-elect (a) Mr. Liu Kam Fai, Winston, (b) Mr. Lee Wai Hung, (c) Dr. Cheng Mo Chi, Moses, (d) Mr. Tong Tsun Sum, Eric as directors of the Company and (e) to fix the directors’ remuneration for the year ending 31 December 2018.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix their remuneration.

As special business to consider and, if thought fit, pass with or without modifications the following ordinary resolutions and special resolution:

茲通告廖創興企業有限公司(「本公司」)謹訂於二零一八年五月十五日(星期二)上午十一時正假座香港德輔道中二十四號創興銀行中心二十七樓舉行二零一八年度股東周年大會，討論下列議案：

1. 省覽並採納本公司截至二零一七年十二月三十一日止年度經審核之綜合財務報表及董事會與核數師報告。
2. 批准派發截至二零一七年十二月三十一日止年度之末期現金股息每股港幣0.42元。
3. 重選本公司董事(a)廖金輝先生；(b)李偉雄先生；(c)鄭慕智博士；(d)唐晉森先生及(e)釐定截至二零一八年十二月三十一日止年度之董事酬金。
4. 再度聘任德勤•關黃陳方會計師行為核數師及授權董事會釐定其酬金。

並作為特別事項，酌情考慮通過(不論有否修訂)下列普通決議案及特別決議案：

ORDINARY RESOLUTIONS 普通決議案

5. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to Buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission in Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange (as amended from time to time), be and is hereby generally and unconditionally approved;

5. **「動議：**
 - (a) 在下文(b)段之規限下，一般性及無條件批准本公司之董事於有關期間(定義見下文)行使本公司之一切權力在香港聯合交易所有限公司(「聯交所」)或本公司股份上市所在，並獲香港證券及期貨事務監察委員會與聯交所就此認可之任何其他證券交易所回購本公司股本，惟上述回購事項須按照一切適用法例及聯交所或任何其他證券交易所之證券上市規則(不時修訂)及在其規限下進行；

- (b) the aggregate number of shares of the Company which the Company is authorised to buy back pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked, renewed or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

- (b) 本公司依據上文(a)段之批准獲授權回購之本公司股份總數目不得超過於本決議案獲通過之日本公司已發行股份總數目之10%，而上述批准須受相應限制；及
- (c) 就本決議案而言，「有關期間」指本決議案獲通過之日起至下列最早日期止之期間：
- (i) 本公司下屆股東周年大會結束時；
 - (ii) 按照香港法例第622章公司條例或本公司之公司組織章程細則規定，本公司下屆股東周年大會須予舉行期限屆滿之日；或
 - (iii) 本公司股東於股東大會上通過普通決議案撤銷、更新或修訂本決議案所載列之授權之日。」

6. **「動議：**

- (a) 在下文(c)段之規限下，一般性及無條件批准本公司之董事於有關期間(定義見下文)行使本公司之一切權力以配發、發行及處置本公司資本中之額外股份，以及作出或授予將會或可能須行使該等權力之建議、協議及期權(包括債券、認股權證、公司債券、票據及任何賦有權利可認購或可兌換為本公司股份之證券)；
- (b) 上文(a)段之批准將授權本公司之董事於有關期間(定義見下文)作出或授予將會或可能須於有關期間完結後行使該等權力之建議、協議及期權(包括債券、認股權證、公司債券、票據及任何賦有權利可認購或可兌換為本公司股份之證券)；

(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any rights of subscription or conversion under any warrants, bonds, debentures, notes and any securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; (iii) an issue of shares of the Company upon the exercise of the subscription rights attaching to any options granted under any share option scheme adopted by the Company; (iv) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Company's memorandum and articles of association from time to time; or (v) specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate number of issued shares of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; or
- (iii) the date on which the authority set out in this resolution is revoked, renewed or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

(c) 本公司之董事依據上文(a)段之批准配發或有條件或無條件同意配發(不論依據期權或其他)及發行之股份總數目,除依據(i)配售新股(定義見下文);(ii)行使根據本公司任何現有認股權證、債券、公司債券、票據及任何附有可認購或可兌換為本公司股份之權利之證券;(iii)本公司採納之任何股份期權計劃所授出之期權所附認購權獲行使時而發行之本公司股份;或(iv)按照本公司不時生效之公司組織章程大綱及章程細則,發行股份以股代息或配發股份以代替本公司股份獲派之全數或部分股息之類似安排;或(v)本公司股東於股東大會授出特定授權外,不得超過於本決議案獲通過當日之本公司已發行股份總數目之20%,而上述批准須受相應限制;及

(d) 就本決議案而言,

「有關期間」指本決議案獲通過之日起至下列最早日期止之期間:

- (i) 本公司下屆股東周年大會結束時;或
- (ii) 按照香港法例第622章公司條例或本公司之公司組織章程細則規定,本公司下屆股東周年大會須予舉行期限屆滿之日;或
- (iii) 本公司股東於股東大會上通過普通決議案撤銷、更新或修訂本決議案所載列之授權之日;及

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares or any class of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. “**THAT** conditional upon Ordinary Resolutions Nos. 5 and 6 set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company bought back by the Company under the authority granted pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting, provided that such extended amount of shares so bought back shall not exceed 10% of the aggregate number of issued shares of the Company at the date of passing of this resolution.”

SPECIAL RESOLUTION 特別決議案

8. “**THAT:**
- The current Article 113 of the articles of association of the Company as extracted below:
- “A Managing Director shall not, while he continues to hold that office, be subject to retirement under Articles 105 and 106 hereof, but, subject to the provisions of any contract between him and the Company, he shall be subject to the same provisions as to resignation and removal as the other directors of the Company, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of director from any cause.”
- be amended and replaced entirely by the following new Article 113:

「配售新股」指本公司之董事於指定期間向於指定記錄日期名列本公司股東名冊之本公司股份或任何類別股份之持有人，按彼等於該日之持股比例提呈發售股份（惟本公司之董事可就零碎股權或經考慮適用於本公司之任何司法管轄區法例之任何限制或責任或任何認可監管機構或任何證券交易所之規定後，作出彼等認為必需或適當之取消權利行動或另作安排）。

7. 「**動議**待本大會通告所載第5或6項普通決議案獲通過後，擴大本公司董事獲授予本大會通告所載根據第6項普通決議案可行使本公司權力以配發、發行並處置股份之一般授權，在其上另加相當於本公司根據本大會通告所載第5項普通決議案授予之授權可回購本公司之股份數目，惟該加上之回購股份數目不得超過本公司於本決議案通過日期已發行股份總數之10%。」

8. 「**動議：**
- 現行本公司章程細則第113條摘錄如下：
- 「董事總經理繼續擔任該職務時，不得根據本章程第105條和第106條退休，但根據他與本公司之間的合同規定，如果他因任何原因不再擔任董事職務，他應遵守與本公司其他董事辭職和離職相同的規定，立即停止擔任董事總經理。」

修訂並完全替代成為新的章程第113條：

“A Managing Director shall be subject to retirement under Articles 105 and 106 hereof as other directors of the Company. Subject to the provisions of any contract between him and the Company, he shall be subject to the same provisions as to resignation and removal as the other directors of the Company. He shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of director from any cause.”;

save for the aforesaid, all other articles of the articles of association of the Company remain unchanged; and the company secretary of the Company be and is authorised to deal with all relevant procedural requirements.”

9. To transact any other business.

By Order of the Board

Liu Chong Hing Investment Limited

Liu Lit Chi

*Chairman, Managing Director
and Chief Executive Officer*

Hong Kong, 29 March 2018

Notes:

1. A member of the Company entitled to attend and vote at the 2018 AGM is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

「根據本章程第105條和第106條的規定，董事總經理與本公司其他董事一樣應當退任。根據他與本公司之間的合同規定，如果他因任何原因不再擔任董事職位，他應遵守與本公司其他董事辭職和離職相同的規定，立即停止擔任董事總經理。」；

除上述者外，本公司章程細則的其他所有條款維持不變；及本公司的公司秘書獲授權處理所有相關程序要求。」

9. 處理其他事項。

承董事會命

廖創興企業有限公司

廖烈智

*主席、董事總經理
兼行政總裁*

香港，二零一八年三月二十九日

附註：

1. 凡有權出席二零一八年度股東周年大會並於大會上投票之本公司股東可委派另一人士作為其代表代其出席及投票。持有兩股或以上股份之股東可委任多於一名代表同時出席大會。受委派之代表毋須為本公司股東。
2. 代表委任書連同代表委任書據之簽署的授權書或其他授權文件(如有)或經公證人核證之該等授權書或授權文件之副本須不遲於大會或其續會舉行前四十八小時送達本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東一八三號合和中心十七M樓，方為有效。

3. Record dates of entitlements of the Members:

(a) For the purpose of determining shareholders who are entitled to attend and vote at the 2018 AGM to be held on Tuesday, 15 May 2018, whose name should be recorded in the Company's shareholders book on Tuesday, 15 May 2018. The Register of Members of the Company will be closed from Thursday, 10 May 2018 to Tuesday, 15 May 2018, both days inclusive. In order to qualify for attending and voting at the 2018 AGM, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 9 May 2018.

(b) For the purpose of determining shareholders who qualify for the 2017 Final Dividend, whose name should be recorded in the Company's shareholders book on Friday, 25 May 2018. The Register of Members of the Company will be closed from Wednesday, 23 May 2018 to Friday, 25 May 2018, both days inclusive. In order to qualify for the final dividend, all share certificates with completed transfer forms either overleaf or separately must be lodged for registration with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 21 May 2018.

4. The registration for attending the above meeting will start at 10:30 am on 15 May 2018.

5. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.

6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8:00 am on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the Company website (www.lchi.com.hk) and HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

7. A circular containing further information on the proposals regarding the (i) re-election of Directors; (ii) general mandates for the buy back and issue of shares and (iii) Amendment to Articles of Association will be sent to shareholders today along with the Company's 2017 Annual Report.

8. As at the date hereof, the Board of Directors of the Company comprises Executive Directors: Mr. Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer), Mr. Liu Kam Fai, Winston (Deputy Managing Director), Mr. Liu Kwun Shing, Christopher (also alternate director to Dr. Liu Lit Chung) and Mr. Lee Wai Hung; Non-executive Directors: Dr. Liu Lit Chung and Mr. Kho Eng Tjoan, Christopher; and Independent Non-executive Directors: Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John, Mr. Cheng Yuk Wo and Mr. Tong Tsun Sum, Eric.

3. 確定股東權利之記錄日期:

(a) 為確定合資格出席在二零一八年五月十五日(星期二)舉行之二零一八年股東周年大會(「二零一八年股東周年大會」)並於會上投票之股東,其名字須列於二零一八年五月十五日(星期二)之股東名冊內,本公司將由二零一八年五月十日(星期四)至二零一八年五月十五日(星期二)(包括首尾兩天)暫停辦理股份過戶登記手續。股東為確保有權出席二零一八年股東周年大會於會上投票,請將所有股票連同已填妥背面或另頁之過戶表格,最遲須於二零一八年五月九日(星期三)下午四時三十分前送達本公司股份過戶登記處:香港中央證券登記有限公司,地址為香港皇后大道東一八三號合和中心十七樓一七一一至一七一六號舖,辦理過戶登記手續。

(b) 為確定合資格享有二零一七年末期股息之股東,其名字須列於二零一八年五月二十五日(星期五)之本公司股東名冊內,本公司將於二零一八年五月二十三日(星期三)至二零一八年五月二十五日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。股東為確保符合資格獲派末期股息,請將所有股票連同已填妥背面或另頁之過戶表格,最遲須於二零一八年五月二十一日(星期一)下午四時三十分前送達本公司股份過戶登記處:香港中央證券登記有限公司,地址為香港皇后大道東一八三號合和中心十七樓一七一一至一七一六號舖,辦理過戶登記手續。

4. 上述大會將於二零一八年五月十五日上午十時三十分開始進行登記。

5. 本通告的中文版為譯本僅供參考,如有任何抵觸,概以英文版為準。

6. 若會議當日上午八時或之後任何時間懸掛八號或以上颱風信號又或黑色暴雨警告信號生效,會議將延期舉行或休會後另再舉行續會。本公司將於本公司網站(www.lchi.com.hk)及香港交易所披露易網站(www.hkexnews.hk)上載公告,通知股東重新安排的會議日期、時間及地點。

在黃色或紅色暴雨警告信號生效期間,會議將會如期舉行。於惡劣天氣情況下,股東應因應自身情況自行決定是否出席會議。

7. 載有關於(i)重選董事;(ii)有關回購及發行股份之一般性授權之各項建議進一步詳情的通函及(iii)修改組織章程細則,將於今天連同本公司二零一七年年報一併發送股東。

8. 於本公佈日期,本公司之董事會成員包括執行董事:廖烈智先生(主席、董事總經理兼行政總裁)、廖金輝先生(副董事總經理)、廖坤城先生(亦為廖烈忠醫生之替代董事)及李偉雄先生;非執行董事:廖烈忠醫生及許榮泉先生;及獨立非執行董事:鄭慕智博士、區錦源先生、馬鴻銘博士、鄭毓和先生及唐晉森先生。

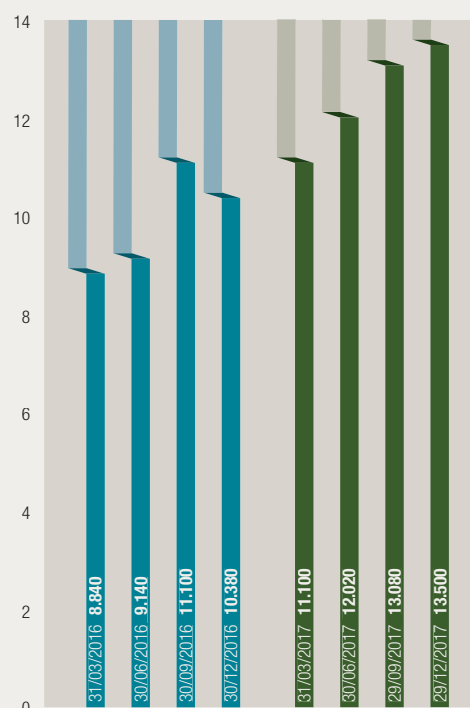
MARKET PRICE MOVEMENT AND MARKET CAPITALIZATION CHART

市價走勢及市值圖表

Last Trading Date of Each Month 每月最後交易日	Closing Price per Share 每股收市價 (HK\$ 港幣)	Marketing Capitalization 市值 (HK\$ in million 港幣百萬元)
29/1/2016	8.400	3,180
29/2/2016	8.620	3,263
31/3/2016	8.840	3,347
29/4/2016	8.760	3,316
31/5/2016	8.900	3,369
30/6/2016	9.140	3,460
29/7/2016	9.660	3,657
31/8/2016	11.400	4,316
30/9/2016	11.100	4,202
31/10/2016	10.960	4,149
30/11/2016	10.800	4,089
30/12/2016	10.380	3,930
27/1/2017	10.760	4,074
28/2/2017	11.180	4,233
31/3/2017	11.100	4,202
28/4/2017	12.280	4,649
31/5/2017	12.080	4,573
30/6/2017	12.020	4,551
31/7/2017	12.920	4,891
31/8/2017	12.780	4,838
29/9/2017	13.080	4,952
31/10/2017	13.400	5,073
30/11/2017	13.520	5,118
29/12/2017	13.500	5,111

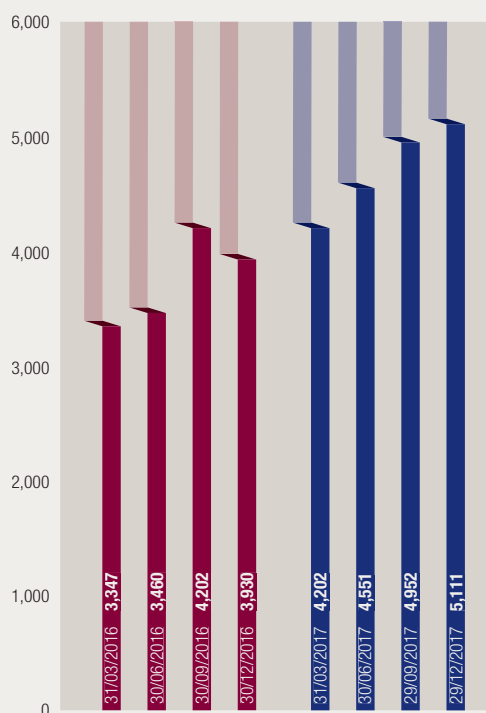
Closing Price per Share 每股收市價

March 2016 to December 2017
二零一六年三月至二零一七年十二月
HK\$ 港幣



Market Capitalization 市值

March 2016 to December 2017
二零一六年三月至二零一七年十二月
HK\$ in Million 港幣一百萬元

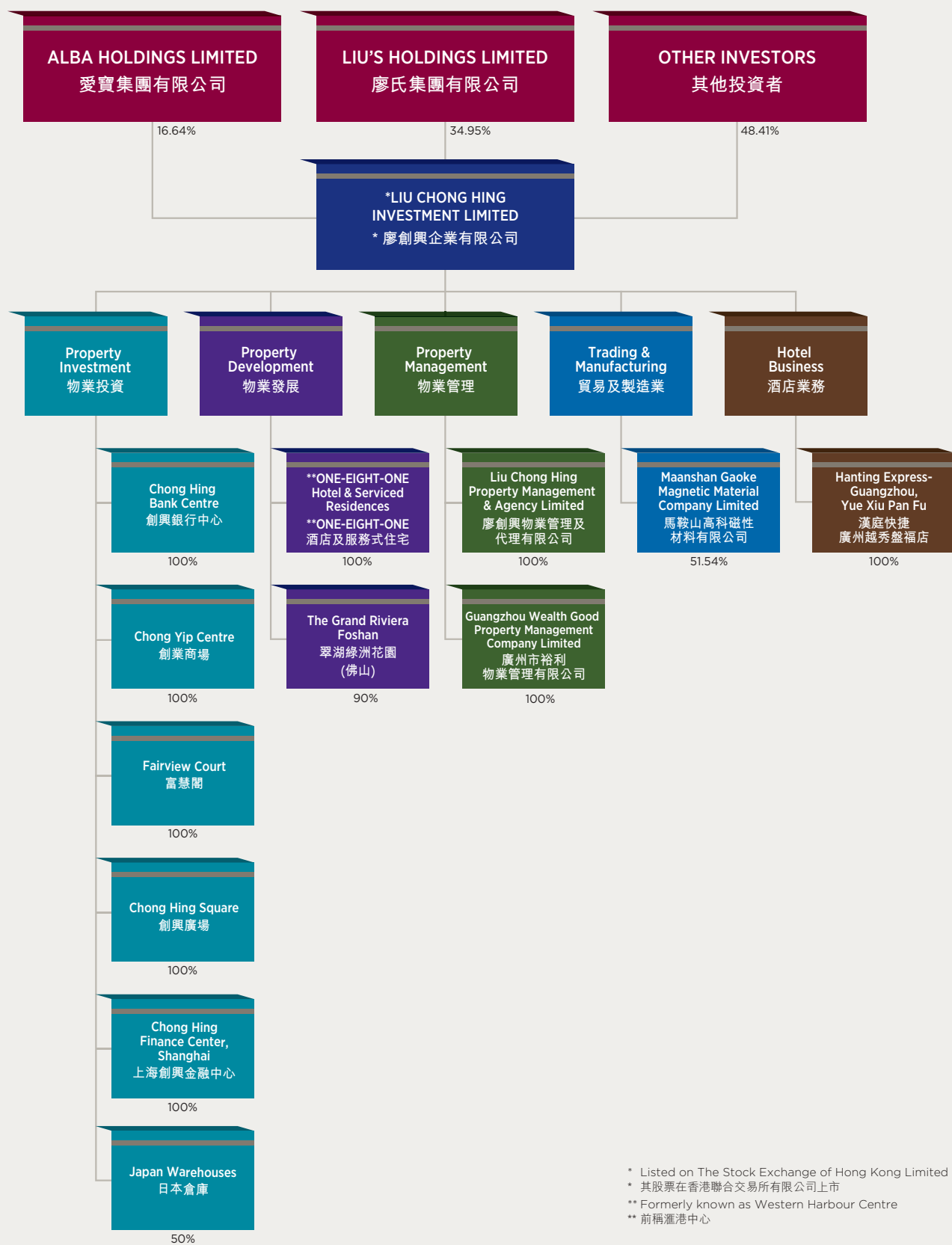


note: Closing price (HK\$) are extracted from the web site of The Stock Exchange of Hong Kong Limited.(Stock code: 00194)

附註：港元收市價乃摘自香港聯合交易所有限公司網站。(股份代號：00194)

LIU CHONG HING GROUP SIMPLIFIED CORPORATE STRUCTURE CHART 廖創興集團簡化架構圖

As at 31 December 2017
於二零一七年十二月三十一日



* Listed on The Stock Exchange of Hong Kong Limited
* 其股票在香港聯合交易所有限公司上市
** Formerly known as Western Harbour Centre
** 前稱滙港中心

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP

本集團主要物業表

As at 31 December 2017 於二零一七年十二月三十一日

Description	Interest in the property attributable to the Group 本集團應佔之物業權益	Approximate site area (sq. ft.) 概約地盤面積 (平方呎)	Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎)	Existing use 現時用途
<i>Investment properties</i>				
<i>投資物業</i>				
<i>Hong Kong:</i>				
<i>香港：</i>				
1. Chong Hing Bank Centre 24 Des Voeux Road Central 創興銀行中心 德輔道中24號	100%	7,100	110,000	0
2. Chong Yip Centre 402-404 Des Voeux Road West 創業商場 德輔道西402-404號	100%	32,400	54,000	C/P
3. Fairview Court 94 Repulse Bay Road 富慧閣 淺水灣道94號	100%	30,000	26,000	R/P
4. The Westwood 8 Belcher's Street 西寶城 卑路乍街8號	10%	–	221,900	C/P
			411,900	
<i>Kowloon and New Territories:</i>				
<i>九龍及新界：</i>				
5. Chong Hing Square 601 Nathan Road, Mongkok 創興廣場 旺角彌敦道601號	100%	12,300	182,000	C
6. Bonsun Industrial Building 364-366 Sha Tsui Road, Tsuen Wan 萬象工業大廈 荃灣沙咀道364-366號	100%	18,000	8,200	I/P
7. Chatham Place 388 Chatham Road North, Hung Hom 昇御商場 紅磡漆咸道北388號	10%	–	61,000	C/P
			251,200	

Description	Interest in the property attributable to the Group 本集團應佔之物業權益	Approximate site area (sq. ft.) 概約地盤面積 (平方呎)	Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎)	Existing use 現時用途
<i>Investment properties</i> 投資物業				
<i>People's Republic of China:</i> 中華人民共和國：				
8. Chong Hing Finance Center No. 288 Nanjing Road West Huang Pu District Shanghai 創興金融中心 上海 黃浦區 南京西路288號	100%	55,000	103,000 413,000 180,000	C O P
			696,000	
<i>Japan:</i> 日本：				
9. Higashi Matsuyama Logistics Centre 296-1, 294-1, 301-2, 301-1, 300-1, 299-1, 302-1, 295-1, Shingo, Ooaza, Higashi Matsuyama-shi, Saitama Prefecture 東松山物流中心 埼玉縣東松山市 Shingo, Ooaza 296-1、294-1、301-2、301-1、300-1、299-1、302-1、 295-1	50%	102,800	193,600	W
10. Kakegawa Logistics Centre 102, Shobugaike, Kakewawa-shi, Shizuoka Prefecture 掛川物流中心 靜岡縣掛川市 Shobugaike 102號	50%	509,000	457,000	W
			650,600	
			2,009,700	

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP

本集團主要物業表

As at 31 December 2017 於二零一七年十二月三十一日

Description	Interest in the property attributable to the Group 本集團應佔之物業權益	Approximate site area (sq. ft.) 概約地盤面積 (平方呎)	Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎)	Existing use 現時用途	Status 工程進度
<i>Properties under development/Properties under development for sale</i> 發展中物業/待出售發展中物業					
<i>Hong Kong:</i> 香港:					
11. ONE-EIGHT-ONE Hotel & Serviced Residences 181-183 Connaught Road West ONE-EIGHT-ONE酒店及服務式住宅 干諾道西181-183號	100%	10,800	162,000	H	Construction in progress 施工進行中
12. Various Lots in D.D. 29 Ting Kok Road, Tai Po 大埔汀角路 29號地段	100%	262,000	n/a 不適用	n/a 不適用	Planning 計劃中
<i>People's Republic of China:</i> 中華人民共和國:					
13. The Grand Riviera West of Luocun Luocun Social Management Office Shishan Town Nanhai District Foshan 翠湖綠洲花園 佛山市 南海區 獅山鎮羅村社會管理處 城西區地段	90%	2,755,000	5,840,000 350,000 2,097,000 63,000 85,000	R C P S T	First, second and third phase: Completed 第一、二及三期: 已完成 Fourth phase: Construction in progress 第四期: 施工進行中
			8,435,000		
			8,597,000		

C=Commercial 商業

H=Hotel 酒店

I=Industrial 工業

P=Car Park 車位

R=Residential 住宅

O=Office 寫字樓

S=Clubhouse and recreational facilities 會所及康樂設施

T= Others (including kindergarten, property management office, etc.)

W=Warehouse 貨倉

其他(包括幼稚園、物業管理用房等)

FINANCIAL CALENDAR As at 7 March 2018

財務日誌於二零一八年三月七日

RESULTS ANNOUNCEMENT**業績公佈**

Interim Results for six-month ended 30 June 2017 截至二零一七年六月三十日止 六個月之中期業績	:	Announced on 9 August 2017 已於二零一七年八月九日公佈
Annual Results for year ended 31 December 2017 截至二零一七年十二月三十一日止 年度之全年業績	:	Announced on 7 March 2018 已於二零一八年三月七日公佈

SHAREHOLDERS' MEETING**股東大會**

Annual General Meeting 股東周年大會	:	To be held on 15 May 2018 將於二零一八年五月十五日舉行
Latest time to lodge transfer forms 遞交過戶文件最後期限	:	4:30 pm on 9 May 2018 二零一八年五月九日下午四時三十分
Closure of Register of Members (for purpose of ascertaining entitlements to attend and vote at the 2018 Annual General Meeting) 暫停辦理股份過戶登記手續 (確定有權出席二零一八年 股東周年大會及投票)	:	From 10 May 2018 to 15 May 2018 (both days inclusive) 二零一八年五月十日至二零一八年五月十五日 (首尾兩天包括在內)

CASH DIVIDENDS**現金股息**

Interim cash dividend 中期現金股息	:	HK\$0.18 per share 每股港幣0.18元
Paid on 支付日期	:	29 September 2017 二零一七年九月二十九日
Proposed final cash dividend 擬派末期現金股息	:	HK\$0.42 per Share 每股港幣0.42元
Payable on 支付日期	:	5 June 2018 二零一八年六月五日
Ex-dividend date of final dividend 末期股息除息日	:	18 May 2018 二零一八年五月十八日
Latest time to lodge transfer forms 遞交過戶文件最後期限	:	4:30 pm on 21 May 2018 二零一八年五月二十一日下午四時三十分
Closure of Register of Members (for purpose of ascertaining entitlements to receive the final dividend) 暫停辦理股份過戶登記手續 (確定有權收取末期股息)	:	From 23 May 2018 to 25 May 2018 (both days inclusive) 二零一八年五月二十三日至二零一八年五月二十五日 (首尾兩天包括在內)

Share Registrars and transfer office	:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
股份登記及轉名處		香港中央證券登記有限公司 香港灣仔皇后大道東一八三號 合和中心十七樓一七一二至一七一六號舖
Share listing	:	The Company's shares are listed on The Stock Exchange of Hong Kong Limited
股票掛牌		本公司股票於香港聯合交易所有限公司 掛牌買賣
Stock Code	:	00194
股份代號		00194
Board lot	:	2,000 shares
買賣單位		2,000 股
No. of issued ordinary share	:	378,583,440 shares
已發行普通股股份數目		378,583,440 股
Company's e-mail address	:	info@lchi.com.hk
公司電郵地址		info@lchi.com.hk
Investors and Shareholders contact	:	Attention: Mr. Lee Wai Hung 23rd Floor, Chong Hing Bank Centre 24 Des Voeux Road Central, Hong Kong Tel: (852) 2983 7779 Fax: (852) 2983 7723 Website: http://www.lchi.com.hk
投資者及股東聯絡		致：李偉雄先生 香港德輔道中二十四號創興銀行中心二十三樓 電話：(852) 2983 7779 傳真：(852) 2983 7723 網頁： http://www.lchi.com.hk

FINANCIAL REPORT 財務報表

130	Independent Auditor's Report	獨立核數師報告書
137	Consolidated Statement of Profit or Loss	綜合損益表
138	Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表
139	Consolidated Statement of Financial Position	綜合財務狀況表
141	Consolidated Statement of Changes in Equity	綜合權益變動表
143	Consolidated Statement of Cash Flows	綜合現金流量表
145	Notes to the Consolidated Financial Statements	綜合財務報表附註



TO THE MEMBERS OF LIU CHONG HING INVESTMENT LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Liu Chong Hing Investment Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 137 to 232, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致廖創興企業有限公司股東

(於香港註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第137至232頁的廖創興企業有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

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

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter as they represented 58% of the Group's total assets, combined with the judgements associated with determining the fair value. As disclosed in note 15 to the consolidated financial statements, the investment properties are located in Hong Kong and the People's Republic of China (the "PRC"). The carrying amounts of investment properties amounted to HK\$8,392,900,000 as at 31 December 2017 and a gain on changes in fair value of HK\$292,070,000 was recorded in the profit for the year then ended.

As set out in note 4 to the consolidated financial statements, the Group's investment properties are stated at fair value based on the valuations performed by an independent qualified professional valuer ("Valuer"). Details of the valuation techniques and key inputs used in the valuations are disclosed in note 15 to the consolidated financial statements. The valuations have been arrived at using direct comparison method and income capitalisation method, which are dependent on certain key inputs and assumptions in respect of prevailing market conditions such as unit sale rate, reversion yield and monthly market rent.

關鍵審計事項

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

投資物業估值

我們識別投資物業估值為關鍵審計事項，乃由於其佔 貴集團總資產58%，連同與釐定公平價值有關的判斷。誠如綜合財務報表附註15所披露，投資物業位於香港及中華人民共和國（以下簡稱「中國」）。投資物業於二零一七年十二月三十一日的賬面值為港幣8,392,900,000元，而截至該日止年度的收益計入港幣292,070,000元的公平價值變動收益。

誠如綜合財務報表附註4所載，本集團的投資物業乃按獨立合資格專業估值師（以下簡稱「估值師」）所評估的公平價值列賬。所使用的估值技術和主要輸入變數詳情載於綜合財務報表附註15。估值乃採用直接比較法及收益資本化法計算，其取決於現行市場條件的若干主要輸入變數及假設，例如單位銷售利率，租期後的回報率及每月市值租金。

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

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

- Evaluating the competence, capabilities and objectivity of the Valuer;
- Obtaining an understanding of the valuation process and significant assumptions to assess if the adopted approach is appropriate for the respective properties;
- Evaluating the appropriateness of the valuation methods used based on our knowledge of the property markets in Hong Kong and the PRC; and
- Assessing the reasonableness of the key inputs, including unit sale rate, reversion yield and monthly market rent by comparing these estimates to entity-specific information and market data based on our knowledge of the property markets.

Valuation of properties held for sale

We identified the valuation of properties held for sale as a key audit matter due to the judgements associated with determining the net realisable value of the properties held for sale. The carrying amount of properties held for sale situated in the PRC is HK\$544,261,000 as at 31 December 2017 and an impairment loss of HK\$48,359,000 was recognised during the year ended 31 December 2017.

As set out in note 4 to the consolidated financial statements, the future selling prices are estimated by reference to the recent selling prices of similar properties in the same project or relevant locations. The management also estimated the future selling expenses by reference to the actual selling expenses of the Group's completed projects, adjusted by certain current market data.

我們的審計如何對關鍵審計事項進行處理

有關我們對投資物業估值的程序包括以下各項：

- 估值師的工作能力、才能及客觀性；
- 理解估值過程及重大假設，以評估該等方法是否適合於相關的物業；
- 根據我們對香港及中國物業市場的知識，評估所用估算方法的合適程度；及
- 根據我們對物業市場的知識，透過將該等估算與實體特定的信息及市場數據作比較評估所應用關鍵輸入的合理性，包括單位銷售價格、租期後的回報率及每月市場租金。

待出售物業的估值

確認為待出售物業的估值為關鍵審計事項，取決於對待出售物業相關可變現淨值的判斷，於二零一七年十二月三十一日，位於中國之待出售物業之賬面值港幣544,261,000元，及港幣48,359,000元減值虧損於二零一七年十二月三十一日止年度內損益賬確認。

誠如綜合財務報表附註4所載，未來銷售價格乃參照類似物業在同一項目或相關地點的近期售價估算。管理層亦參考 貴集團已完成項目的實際銷售開支，並根據若干現時市場數據作出調整，以估計未來銷售開支。

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our procedures in relation to the valuation of the properties held for sale included:

- Assessing the appropriateness of the estimated future selling prices of the properties held for sale, on a sample basis, by comparing them to recent transaction prices of similar properties in the same project or relevant locations, based on our knowledge of the property markets in the PRC; and
- Comparing the estimated future selling price of properties held 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 the management's estimation.

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.

我們的審計如何對關鍵審計事項進行處理

有關我們對待出售物業估值的程序包括以下各項：

- 基於我們對中國房地產市場的了解，通過比較類似物業在同一項目或相關地點的近期交易價格，而適當評估待出售物業的預計未來售價；和
- 將待出售物業的估計未來售價（以抽樣為基準）與報告期末後出售的物業的實際售價進行比較，以評估管理層估計的合理性。

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎有重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

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.

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照香港《公司條例》第405條的規定僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Sze On Tat.

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

出具本獨立核數師報告的審計項目合夥人是施安達。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
7 March 2018

德勤•關黃陳方會計師行

執業會計師

香港
二零一八年三月七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

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

		NOTES 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收益	5	2,215,351	1,031,138
Direct costs	直接成本		(1,290,323)	(438,027)
			925,028	593,111
Other income	其他收入	7	8,506	8,566
Administrative and operating expenses	行政及營運開支		(217,886)	(169,600)
Other gains and losses	其他收益及虧損	8	278,911	109,294
Finance costs	財務成本	9	(26,658)	(21,939)
Share of results of joint ventures	所佔合營企業業績		1,645	(3)
Profit before tax	除稅前溢利		969,546	519,429
Income tax expense	所得稅支出	10	(195,730)	(50,631)
Profit for the year	本年度溢利	11	773,816	468,798
Profit for the year attributable to:	本年度溢利分配於：			
Owners of the Company	本公司股東		744,888	457,907
Non-controlling interests	非控股股東權益		28,928	10,891
			773,816	468,798
Basic earnings per share	每股基本盈利	14	HK\$ 港幣 1.97	HK\$ 港幣 1.21

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME 綜合損益及其他全面收益表

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

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit for the year	本年度溢利	773,816	468,798
Other comprehensive income (expense)	其他全面收益(支出)		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益賬之項目：</i>		
Exchange differences arising on translation	換算所產生之匯兌差額	246,044	(240,002)
Fair value gains (losses) on available-for-sale investments	可供出售投資之公平價值收益(虧損)	37,939	(77,376)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	因可供出售投資減值虧損導致重新分類到損益賬之投資重估儲備	39,860	20,440
Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale investments	因出售可供出售投資導致重新分類到損益賬之投資重估儲備	-	(1,522)
Exchange reserve reclassified to profit or loss upon disposal of subsidiaries	因出售附屬公司導致重新分類到損益賬之匯兌儲備	-	(2,872)
Other comprehensive income (expense) for the year (net of tax)	本年度其他全面收益(支出) (除稅後)	323,843	(301,332)
Total comprehensive income for the year	本年度全面收益總額	1,097,659	167,466
Total comprehensive income (expense) attributable to:	全面收益(支出)總額分配於：		
Owners of the Company	本公司股東	1,057,499	170,633
Non-controlling interests	非控股股東權益	40,160	(3,167)
		1,097,659	167,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	NOTES 附註			
Non-current assets	非流動資產			
Investment properties	投資物業	15	8,392,900	7,881,519
Property, plant and equipment	物業、廠房及設備	16	125,804	125,828
Properties under development	發展中物業	16	1,207,006	1,005,598
Interests in joint ventures	合營企業權益	18	192,210	1,225
Investments in securities	證券投資	19	690,486	651,653
Long term loan receivables	長期應收借款		4,763	15,799
Fixed bank deposit with more than three months to maturity when raised	存入三個月後到期之定期銀行存款	22	—	247,065
Deferred tax assets	遞延稅項資產	26	3,850	5,807
			10,617,019	9,934,494
Current assets	流動資產			
Properties under development for sale	待出售發展中物業	17	659,998	954,969
Properties held for sale	待出售物業	17	555,975	622,481
Inventories	存貨	20	26,949	13,429
Trade and other receivables	貿易及其他應收賬款	21	115,285	127,489
Investments in securities	證券投資	19	16,793	12,305
Derivative financial instruments	金融衍生工具	25	26	—
Taxation recoverable	可收回稅款		20,706	14,989
Fixed bank deposits with more than three months to maturity when raised	存入三個月後到期之定期銀行存款	22	359,796	775,857
Other bank balances and cash	其他銀行存款及現金	22	2,162,588	1,265,226
			3,918,116	3,786,745
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	23	1,001,766	1,295,710
Taxation payable	應付稅款		100,005	960
Borrowings — due within one year	借款 — 於一年內到期	24	383,655	144,768
			1,485,426	1,441,438
Net current assets	流動資產淨額		2,432,690	2,345,307
Total assets less current liabilities	總資產減流動負債		13,049,709	12,279,801
Non-current liabilities	非流動負債			
Rental deposits from tenants	向租戶收取之租賃按金		98,597	91,094
Borrowings — due after one year	借款 — 於一年後到期	24	864,345	1,038,861
Derivative financial instruments	金融衍生工具	25	790	—
Deferred tax liabilities	遞延稅項負債	26	247,102	226,910
			1,210,834	1,356,865
			11,838,875	10,922,936

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Equity	股權			
Share capital	股本	27	381,535	381,535
Reserves	儲備		11,418,154	10,542,375
Equity attributable to:	股權分配於：			
Owners of the Company	本公司股東		11,799,689	10,923,910
Non-controlling interests	非控股股東權益		39,186	(974)
Total equity	股權總額		11,838,875	10,922,936

The consolidated financial statements on pages 137 to 232 were approved and authorised for issue by the Board of Directors on 7 March 2018 and are signed on its behalf by:

載於第137至232頁之綜合財務報表已於二零一八年三月七日獲董事會批准及授權發行，並由下列人士代表簽署：

MR. LIU LIT CHI
廖烈智先生
CHAIRMAN, MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
主席、董事總經理兼行政總裁

MR. CHENG YUK WO
鄭毓和先生
CHAIRMAN OF AUDIT COMMITTEE
審核委員會主席

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司股東應佔							Non-controlling interests 非控股股東權益	Total 總計
		Share capital 股本	Special reserve 特殊儲備	Property revaluation reserve 物業重估儲備	Investment revaluation reserve 投資重估儲備	Exchange reserve 匯兌儲備	Accumulated profits 累積溢利	Total 總計		
		HK\$'000 港幣千元	HK\$'000 港幣千元 (note a) (附註a)	HK\$'000 港幣千元 (note b) (附註b)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元		
At 1 January 2016	於二零一六年一月一日	381,535	13,915	2,956,817	104,592	333,735	7,125,474	10,916,068	28,263	10,944,331
Profit for the year	本年度溢利	-	-	-	-	-	457,907	457,907	10,891	468,798
Exchange differences arising on translation	換算所產生之匯兌差額	-	-	-	-	(225,944)	-	(225,944)	(14,058)	(240,002)
Fair value losses on available-for-sale investments	可供出售投資之公平價值虧損	-	-	-	(77,376)	-	-	(77,376)	-	(77,376)
Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale investments	因出售可供出售投資導致重新分類到損益賬之投資重估儲備	-	-	-	(1,522)	-	-	(1,522)	-	(1,522)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	因可供出售投資減值虧損導致重新分類到損益賬之投資重估儲備	-	-	-	20,440	-	-	20,440	-	20,440
Exchange reserve reclassified to profit or loss upon disposal of subsidiaries	因出售附屬公司導致重新分類到損益賬之匯兌儲備	-	-	-	-	(2,872)	-	(2,872)	-	(2,872)
Other comprehensive expense for the year	本年度其他全面支出總額	-	-	-	(58,458)	(228,816)	-	(287,274)	(14,058)	(301,332)
Total comprehensive (expense) income for the year	本年度全面(支出)收益總額	-	-	-	(58,458)	(228,816)	457,907	170,633	(3,167)	167,466
Dividends recognised as distribution (note 13)	已確認為分派之股息(附註13)	-	-	-	-	-	(162,791)	(162,791)	-	(162,791)
Dividends paid to non-controlling interests	支付非控股股東權益股息	-	-	-	-	-	-	-	(26,070)	(26,070)
At 31 December 2016	於二零一六年十二月三十一日	381,535	13,915	2,956,817	46,134	104,919	7,420,590	10,923,910	(974)	10,922,936

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司股東應佔						Non-controlling interests		Total
		Share capital	Special reserve	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Accumulated profits	Total	Non-controlling interests	Total
		股本	特殊儲備	物業重估儲備	投資重估儲備	匯兌儲備	累積溢利	總計	股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			(note a) (附註 a)	(note b) (附註 b)						
At 1 January 2017	於二零一七年一月一日	381,535	13,915	2,956,817	46,134	104,919	7,420,590	10,923,910	(974)	10,922,936
Profit for the year	本年度溢利	-	-	-	-	-	744,888	744,888	28,928	773,816
Exchange differences arising on translation	換算所產生之匯兌差額	-	-	-	-	234,812	-	234,812	11,232	246,044
Fair value gains on available-for-sale investments	可供出售投資之公平價值收益	-	-	-	37,939	-	-	37,939	-	37,939
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	因可供出售投資減值虧損導致重新分類到損益賬之投資重估儲備	-	-	-	39,860	-	-	39,860	-	39,860
Other comprehensive income for the year	本年度其他全面收益總額	-	-	-	77,799	234,812	-	312,611	11,232	323,843
Total comprehensive income for the year	本年度全面收益總額	-	-	-	77,799	234,812	744,888	1,057,499	40,160	1,097,659
Dividends recognised as distribution (note 13)	已確認為分派之股息(附註13)	-	-	-	-	-	(181,720)	(181,720)	-	(181,720)
At 31 December 2017	於二零一七年十二月三十一日	381,535	13,915	2,956,817	123,933	339,731	7,983,758	11,799,689	39,186	11,838,875

notes:

- (a) Special reserve represents the difference between the consideration paid and the carrying values of the underlying assets and liabilities attributable to the additional interest in a subsidiary acquired during the year ended 31 December 2004 and the year ended 31 December 2012.
- (b) Property revaluation reserve represents the reserve arising from valuation of properties under property, plant and equipment upon transfer to investment properties in previous years.

附註：

- (a) 特殊儲備指本集團於截至二零零四年十二月三十一日止年度及截至二零一二年十二月三十一日止年度向一間附屬公司所支付代價與應佔該附屬公司額外權益之相關資產及負債賬面值之差額。
- (b) 物業重估儲備指轉換為投資物業後，估值物業、廠房及設備項下物業所產生的儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	969,546	519,429
Adjustments for:	調整：		
Gain on changes in fair value of investment properties	投資物業公平價值變動收益	(292,070)	(158,302)
(Gain) loss on changes in fair value of financial assets at fair value through profit or loss	按公平價值計入損益之金融資產公平價值變動(收益)虧損	(4,490)	791
Loss on changes in fair value of derivative financial instruments	衍生金融工具公平價值變動虧損	764	-
Gain on disposal of available-for-sale-investments	出售可供出售投資收益	-	(1,816)
Gain on disposal of subsidiaries	出售附屬公司收益	-	(10,841)
Dividend income from investments	投資股息收入	(10,936)	(60,075)
Interest income	利息收入	(45,801)	(31,335)
Imputed interest income on non-current interest-free advance to an investee company	向被投資公司作出非流動免息墊支之估算利息收入	-	(49)
Share of results of joint ventures	所佔合營企業業績	(1,645)	3
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,012	8,899
Finance costs	財務成本	26,658	21,939
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	379
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之減值虧損確認	39,860	20,440
Impairment loss recognised in respect of other receivables	其他應收賬款之減值虧損確認	12,898	-
Impairment loss recognised in respect of properties held for sale	待出售物業之減值虧損確認	48,359	-
Operating cash flows before movements in working capital	未計營運資金變動之經營現金流量	754,155	309,462
Decrease (increase) in restricted bank deposits	受限制銀行存款之減少(增加)	43,379	(223,780)
Decrease (increase) in trade and other receivables	貿易及其他應收賬款之減少(增加)	31,638	(1,237)
Decrease in properties held for sale	待出售物業之減少	1,149,352	333,173
Increase in properties under development for sale	待出售發展中物業之增加	(714,981)	(578,072)
(Increase) decrease in inventories	存貨之(增加)減少	(12,579)	6,548
(Decrease) increase in trade and other payables	貿易及其他應付賬款之(減少)增加	(411,283)	1,021,383
Cash generated from operations	經營業務所得現金	839,681	867,477
Income tax paid	已付所得稅	(91,765)	(57,942)
Dividend received on investments	已收投資股息	10,936	60,075
Interest received	已收利息	36,083	31,335
NET CASH FROM OPERATING ACTIVITIES	經營活動所得之現金淨額	794,935	900,945

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	NOTE 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
INVESTING ACTIVITIES			
Investing activities			
Addition of available-for-sale investments		(892)	(3,780)
Purchase of property, plant and equipment		(9,736)	(32,259)
Advance to a joint venture		(190,565)	—
Dividend received from a joint venture		1,225	—
Addition of investment properties		(28,787)	(17,011)
Addition of properties under development		(175,300)	(252,582)
Proceeds from sale and redemption of available-for-sale investments		—	1,886
Placement of fixed bank deposits with more than three months to maturity when raised		(42,844)	(539,978)
Release of fixed bank deposits with more than three months to maturity when raised		705,970	339,558
Repayment from an investee company		—	5,000
Disposal of subsidiaries	38	—	10,546
NET CASH FROM (USED IN) INVESTING ACTIVITIES		259,071	(488,620)
FINANCING ACTIVITIES			
Financing activities			
New borrowings raised		193,406	349,849
Repayments of borrowings		(162,250)	(483,108)
Dividends paid		(181,720)	(188,861)
Interest paid on borrowings		(33,615)	(58,609)
NET CASH USED IN FINANCING ACTIVITIES		(184,179)	(380,729)
NET INCREASE IN CASH AND CASH EQUIVALENTS		869,827	31,596
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,041,446	1,043,618
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		55,227	(33,768)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH		1,966,500	1,041,446

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

1. GENERAL

Liu Chong Hing Investment Limited (the “Company”) is a public limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and principal place of business of the Company is disclosed in the Corporate Information section to the annual report.

The principal activities of the Company are property investment and investment holding. The principal activities of the principal subsidiaries and joint ventures are shown in notes 39 and 18, respectively.

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

2. APPLICATION OF NEW AND REVISED 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 (“HKICPA”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

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

1. 一般事項

廖創興企業有限公司(「本公司」)為一間在香港註冊成立之公眾有限責任公司，其股份於香港聯合交易所有限公司掛牌。本公司之註冊辦事處地址及主要營業地點已在本年報的公司資料披露。

本公司之主要業務為物業投資及投資控股。主要附屬公司及合營企業之主要業務分別載列於附註39及18。

綜合財務報表以本公司之功能貨幣港幣(「港幣」)呈列。

2. 應用新訂及經修訂香港財務報告準則

經修訂香港財務報告準則於本年度強制生效

本集團於本年度首次採納下列由香港會計師公會頒佈之經修訂香港財務報告準則：

香港會計準則第7號 (修訂本)	披露動議
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
香港財務報告準則第12號 (修訂本)	香港財務報告準則 二零一四年至二零一六年 週期之年度改進

除以下所述外，於本年度採納新訂及經修訂香港財務報告準則對本集團本年及往年的財務表現及財務狀況及／或此等綜合財務報表所列披露並無重大影響。

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 7 *Disclosure Initiative*

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 35. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 35, the application of these amendments has had no impact on the Group's consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(續)

香港會計準則第7號(修訂本)披露動議

本集團已於本年度首次應用該修訂本。該修訂本要求實體提供披露資料，令使用財務報表的人士得以評估融資活動所產生負債的變動(包括現金及非現金變動)。此外，該修訂本亦要求，當金融資產的現金流量已經或其未來現金流量將會計入融資活動的現金流量時，實體須披露有關金融資產的變動。

具體而言，該修訂本要求披露下列各項：(i) 融資現金流量的變動；(ii) 取得或失去附屬公司或其他業務控制權所引起的變動；(iii) 外幣匯率變動的影響；(iv) 公平價值的變動；及(v) 其他變動。

有關該等項目期初及期末結餘之對賬載於附註35。根據修訂本之過渡條文，本集團並無披露去年的比較資料。除附註35的額外披露外，應用該等修訂並無對本集團綜合財務報表造成影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²

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 2021.

2. 應用新訂及經修訂香港財務報告準則 (續)

新訂及經修訂香港財務報告準則已頒佈但尚未生效

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益及有關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	不確定稅項之處理 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的分類及計量 ¹
香港財務報告準則第4號(修訂本)	與香港財務報告準則第9號金融工具一併應用的香港財務報告準則第4號保險合約 ¹
香港財務報告準則第9號(修訂本)	具有負賠償的提前還款特性 ²
香港財務報告準則第10號(修訂本)及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之間的資產出售或投入 ³
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ²
香港會計準則第28號(修訂本)	香港財務報告準則二零一四年至二零一六年週期之年度改進 ¹
香港會計準則第40號(修訂本)	投資物業轉讓 ¹
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²

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 於將釐定之日期或之後開始之年度期間生效

⁴ 於二零二一年一月一日或之後開始之年度期間生效

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured at their fair value at 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. 應用新訂及經修訂香港財務報告準則(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號引入金融資產、金融負債之分類及計量、一般對沖會計之新規定以及金融資產之減值規定。

有關本集團的香港財務報告準則第9號之主要規定：

- 納入香港財務報告準則第9號範圍內之所有已確認金融資產，其後均被要求按攤銷成本或公平價值計量。特別是，旨在以收取合約現金流量之業務模式內所持有，且合約現金流量僅為支付本金及未償本金之利息為業務模式而持有之債項投資，一般於其後會計期末時按攤銷成本計量。於目的為同時收回合約現金流及出售金融資產之業務模式中持有之債務工具，以及條款令於特定日期產生之現金流純粹為支付本金及未償還本金之利息的債項工具，按透過其他全面收益一般按公平價值列賬之方式計量。所有其他金融資產均於其後會計期間按公平價值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收益呈列股本投資(並非持作買賣用途)之其後公平價值變動，而一般僅於損益賬確認股息收入。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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 *Financial Instruments: Recognition and Measurement*. 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 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement:

- listed equity securities and unlisted equity securities classified as available-for-sale investments carried at fair value as disclosed in note 19: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the fair value gains or losses accumulated in the investment revaluation reserve amounting to HK\$123,933,000 as at 1 January 2018 will no longer be subsequently reclassified to profit or loss under HKFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group's profit or loss and other comprehensive income but will not affect total comprehensive income.
- all other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

- 就金融資產之減值而言，香港財務報告準則第9號規定按預期信貸虧損模式計算。此與香港會計準則第39號金融工具：確認及計量項下按已產生信貸虧損模式計算相反，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方確認信貸虧損。

根據本集團於二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預期以下對初始應用香港財務報告準則第9號的潛在影響：

分類及計量：

- 如附註19所示，上市股本證券及非上市股本證券分類為按公平價值列值的可供出售投資，根據香港財務報告準則第9號，該等證券合資格指定按透過其他全面收益按公平價值列賬之方式計量，惟投資重估儲備於二零一八年一月一日累計港幣123,933,000元的公平價值收益或虧損隨後將不再根據香港財務報告準則第9號重新分類至損益，此舉有別於現時的會計處理。此將影響在本集團損益及其他全面收益表內確認的金額，但不會影響全面收益總額。
- 所有其他金融資產及金融負債繼續按現時根據香港會計準則第39號的相同基礎計算。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 9 *Financial Instruments* (Continued)

Impairment:

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade and other receivables. Such further impairment recognised under expected credit loss model would reduce the opening retained profits at 1 January 2018.

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.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. 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
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

減值：

一般而言，本公司董事預計應用香港財務報告準則第9號的預期信貸損失模式，將導致提早就有關本集團按經攤銷成本計量的金融資產，以及於本集團應用香港財務報告準則第9號時須作出減值撥備的其他項目而尚未產生的信貸損失作撥備。

按本公司董事的評審結果，如本集團應用預期信貸損失模式，本集團於二零一八年一月一日確認的減值虧損累計金額會較根據香港會計準則第39號確認的累計金額為高，主要是由於對貿易及其他應收賬款作預期信貸損失撥備所致。根據預期信貸損失模式確認的額外減值將會削弱於二零一八年一月一日的期初保留溢利。

香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號頒佈，其制定一項單一全面模式供實體用作將來自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋的收益確認指引。

香港財務報告準則第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體完成履約責任時(或就此)確認收益

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號來自客戶合約的收益(續)

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，例如，當特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求更詳盡的披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號有關確認履約義務、主理人與代理人之考量及授權應用指引澄清。

本公司董事預期，於未來應用香港財務報告準則第15號可能需作額外的披露，惟本公司董事預計應用香港財務報告準則第15號不會對有關報告期間確認收益的時間及金額構成重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於生效日期起將取代香港會計準則第17號租賃及有關詮釋。

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情況外，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的模式替代。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (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. Upon application of 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 by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and 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.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$38,527,000 as disclosed in note 31. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, 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.

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，隨後按成本(若干例外情況除外)減累計折舊及減值虧損計量，經租賃負債任何重新計量調整。租賃負債初步按當時未支付租賃付款現值計量。隨後，租賃負債經(其中包括)利息及租賃付款以及租賃修改影響予以調整。就現金流分類而言，本集團現時呈列先期預付租賃款項作為有關自用租賃土地及該等分類為投資物業的投資現金流，而其他經營租賃付款呈列為經營現金流。根據香港財務報告準則第16號，有關租賃負債租賃付款將分配至本金及利息部分，本集團會將兩者分別呈列為融資及經營現金流。

根據香港會計準則第17號，本集團已就融資租賃安排確認資產及相關融資租賃負債及就租賃土地(本集團作為承租人)確認預付租賃款項。應用香港財務報告準則第16號可能導致該等資產分類的潛在變動，視乎是否本集團分開呈列使用權資產或按將呈列相應有關資產(如擁有)相同項目呈列。

相比承租人會計法而言，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計法規定，並繼續要求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號要求廣泛披露。

誠如附註31所披露，於二零一七年十二月三十一日，本集團擁有不可撤銷經營租賃承擔港幣38,527,000元。初步評估表示該等安排將符合租賃定義。應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相關的負債，除非符合低價值或短期租賃。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 16 Leases (Continued)

In addition, the Group currently considers refundable rental deposits paid of HK\$2,616,000 and refundable rental deposits received of HK\$139,875,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

Except for the new and revised HKFRSs mentioned above, the directors of the Company anticipate that the application of all other new and revised HKFRSs will have no material impact on the consolidated financial statements when they become effective.

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 and by the Hong Kong Companies Ordinance.

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

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

2. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

此外，本集團現時按香港會計準則第十七號所適用者，視已付可退回租賃按金港幣2,616,000元及已收可退回租賃按金港幣139,875,000元為租賃項下的權利及責任。按照香港財務報告準則第16號對租賃付款的定義，該等按金並非與使用相關資產權利有關的付款，故此該等按金的賬面值須調整至攤銷成本，而有關調整則被視為額外的租賃付款。已付可退回租賃按金的調整將計入使用權資產的賬面值。已收可退回租賃按金的調整則被視為預付租金付款。

此外，應用新規定可導致上文所示的計量、呈列及披露有所變動。

除上文所述的新訂及經修訂香港財務報告準則外，本公司董事預計應用所有其他新訂及經修訂香港財務報告準則(如生效)將不會對綜合財務報表構成重大影響。

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則與香港公司條例規定之適用披露資料。

除下文所載會計政策所述以公平價值計算之若干物業及金融工具外，綜合財務報表乃根據歷史成本基準編製。

歷史成本一般按交換貨品代價之公平價值計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 transactions that are within the scope of HKAS 17, 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
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策(續)

公平價值指於計量日期時在合法交易中的市場參與者之間出售資產時所收取或轉讓負債時所支付的價格，不管價格為直接觀測可得或利用另一估價技巧估計所得。在估計資產或負債的公平價值時，本集團會考慮於計量日期時市場參與者定價時會考慮的資產或負債之特點。在此等綜合財務報表中，就計量及／或披露理由而得出的公平值均按此基準釐定，惟在香港財務報告準則第2號以股代款範圍內的以股代款交易、在香港會計準則第17號範圍內的租賃交易、以及與公平價值有類似之處但並非公平價值的計量，例如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值，則不在此限。

非金融資產的公平價值計量計及市場參與者透過最大限度使用該資產達致最佳用途、或透過將資產售予將最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

此外，就財務報告而言，公平價值計量根據公平價值計量的輸入變數可觀測得到的程度以及有關輸入變數對公平價值計量整體的重要性，分類為第一級、第二級或第三級，現描述如下：

- 第一級輸入變數為同等資產或負債在活躍市場上所報(不經調整)而實體在計量當日可以取得的價格；
- 第二級輸入變數為可以直接或間接觀測得到，但不包括於第一級的報價內的資產或負債變數；及
- 第三級為資產及負債中屬不可觀測得到的變數。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The significant 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 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.

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

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

3. 主要會計政策 (續)

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。控制權就本公司乃指：

- 可對投資對象行使權力；
- 自參與投資對象之業務獲得或有權獲得可變回報；及
- 有能力藉對投資對象行使其權力而影響其回報。

倘有事實及情況顯示上述三項控制因素中之一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。

對附屬公司的合併，乃由本集團對附屬公司擁有控制權開始，並於本集團失去對附屬公司的控制權時終止。尤其是對於年內所收購或出售的一間附屬公司，其收入及開支將由本公司獲得控制權日期起直至本集團終止控制權當日止計入綜合損益表。

溢利或虧損以及其他全面收益之各部分歸屬於本公司股東及非控股股東權益。附屬公司之全面收益總額歸屬於本公司股東及非控股股東權益，即使此舉會導致非控股股東權益產生赤字結餘。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

有關本集團股東之間的所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時全面對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

合營企業權益

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

合營企業之業績及資產與負債以權益法計入綜合財務報表。根據權益法，於合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合營企業之損益及其他全面收益而作出調整。合營企業的淨資產變化(除損益和其他全面收益外)不用入賬，除非該變化導致本集團持有的擁有權權益有所變動。當本集團應佔合營企業之虧損超出本集團於該合營企業之權益時(包括實質上成為本集團於該合營企業的淨投資一部分之任何長期權益)，本集團停止確認其所佔之進一步虧損。僅於本集團已產生法律或推定責任，或已代表該合營企業支付款項之情況下，方會進一步確認虧損。

於合營企業之投資由獲投資公司成為合營企業當日起利用權益法入賬。收購於合營企業之投資時，投資成本若超出本集團應佔獲投資公司的可識認資產及負債公平價值淨額，一切餘額確認為商譽，並包括在投資的賬面值內。本集團應佔獲投資公司的可識認資產及負債公平價值淨額經重估後若超出投資成本，會在收購投資當期內即時於損益賬中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. 主要會計政策 (續)

合營企業權益 (續)

應用香港會計準則第39號之規定旨在決定是否需要就本集團於合營企業之投資確認任何減值虧損。倘有需要，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號資產減值以單一資產形式進行減值測試，方法是比較其可收回金額(即使用價值與公平價值減出售成本兩者中之較高者)與賬面值。任何已確認減值虧損構成該項投資之賬面值其中一部分，有關減值虧損之任何撥回乃根據香港會計準則第36號確認，惟以於該項投資之可收回金額其後增加之情況為限。

當本集團不再對合營企業有共同控制權時，按出售有關投資對象的全部權益列賬，由此產生的收益或虧損在損益內確認。當本集團於前合營企業中留有權益而保留權益在香港會計準則第39號的範圍內又屬金融資產，則根據香港會計準則第39號，本集團按該日公平價值計量保留權益，而公平價值視為其於初始確認時的公平價值。合營企業於終止使用權益法當日的賬面值與任何保留權益的公平價值加任何出售合營企業部分權益時所得款項之間的差額，計入出售合營企業收益或虧損的釐定過程。此外，本集團計入所有先前就該合營企業於其他全面收益中確認的金額所用基準，與在該合營企業直接售出有關資產或負債時規定須用的基準相同。故此，若該聯合營企業先前於其他全面收益中確認的收益或虧損會在有關資產或負債出售時重新歸類至損益賬中，則本集團會在出售／部分出售相關合營企業時將該收益或虧損由權益重新分類至損益賬。

當一集團實體與本集團合營企業進行交易時，所產生之溢利或虧損只在有關合營企業之權益與本集團無關的情況下，方會於本集團之綜合財務報表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, other similar allowances and sales related tax.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable 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 the sale of goods is recognised when the goods are delivered and titles have passed.

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. 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.

Service income (including property management fees and hotel operation income) is recognised when services are provided.

Dividend income from investments is recognised when the rights to receive payment have been established.

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.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策(續)

收益確認

收益按已收或應收代價之公平價值計量，並減去估計客戶退貨、回撥、類似銷售撥備及銷售相關稅。

在能夠可靠地計量時；在未來經濟利益有可能流入本集團時及在符合下文所述本集團的各業務的特定條件時確認收益。

於貨品交付及擁有權移交時，確認銷售貨品之收益。

於日常業務過程中銷售物業所得的收入，於相關物業已竣工及交付予買方時確認。在符合上述收入確認準則前自買方收取的按金及分期付款於綜合財務狀況表內確認為流動負債。

服務收入(包括管理費及酒店營運收入)於提供服務時確認。

來自投資之股息收入在股東有權獲得收取有關付款時入賬。

利息收入是按時間基準參考尚未償還本金及適用實際利率累計。實際利率指在初始確認金融資產時按其預期可使用年期確切貼現估計未來現金收入至有關資產之賬面淨值的利率。

本集團在確認經營租約方面的會計政策於下文租賃會計政策中有所描述。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 asset.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

3. 主要會計政策 (續)

租賃

當租賃之條款實質上將所有權所產生之絕大部分風險及回報轉移至承租人，有關租賃被分類為融資租約。所有其他租約被分類為經營租約。

本集團作為出租人

經營租約租金收入乃按有關租約之年期以直線法於損益賬中確認。就經營租約進行磋商及安排時產生之首次直接成本，乃加入租約資產之賬面值。

本集團作為承租人

經營租約之應付租金(包括按經營租約收購土地之成本)於有關租約期間按直線法確認為開支。

倘訂立經營租約時享有租金優惠，有關優惠確認為負債。利益優惠總額以直線法確認為租金開支減少。

自用租賃土地及樓宇

當本集團就一項包括租賃土地及樓宇元素的物業權益付款時，本集團根據對於各元素所有權附帶的絕大部分風險及報酬是否已轉移至本集團之評估而將各元素分別作出分類，除非清晰顯示兩項元素均屬經營租約則除外，其時整項物業入賬列作經營租賃。具體而言，整項代價(包括任何一次性預付款項)按租賃土地及樓宇元素於初步確認時之租賃權益相對公平價值之比例在租賃土地與樓宇元素之間分配。

當租金能夠可靠分配時，入賬列作經營租約之租賃土地權益將在綜合財務狀況表中列為「預付租金支出」，按直線基準在租賃期間支銷。當租金無法在土地及樓宇間可靠分配時，整項租賃分類為融資租約。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are 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 in joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. 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.

3. 主要會計政策(續)

外幣

於編製各獨立集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按交易當日之適用匯率換算為其功能貨幣確認。於各報告期間末，以外幣列值之貨幣項目按結算日之適用匯率重新換算。按公平價值入賬及以外幣列值之非貨幣項目按釐定公平價值當日之當時匯率重新換算。以外幣按歷史成本計算之非貨幣項目均不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於該等差額產生期間於損益賬內確認，除應收或應付海外業務而結算並無計劃亦不可能發生(因此構成於海外業務投資淨額之一部分)之貨幣項目之匯兌差額，該等匯兌差額初步於其他全面收益內確認，並於出售或部分出售本集團的合營企業權益時由權益重新分類至損益賬。

就呈列綜合財務報表而言，本集團之海外業務資產及負債乃按報告期間結算日當時之匯率換算為本集團呈列貨幣(即港幣)。收入及開支項目按該年度之平均匯率換算。產生之匯兌差額(如有)乃於其他全面收益確認，並於匯兌儲備一節權益中累積計算(歸屬於非控股股東權益，如適用)。

出售境外經營時(即出售本集團在境外經營的全部權益、因出售喪失對包含境外經營的附屬公司的控制權，或出售包含境外經營的合營企業之部分權益(而境外經營的留存權益成為金融資產))，與該境外經營相關的歸屬於本公司所有者權益的累計匯兌差額全部重分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

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

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.

Retirement benefit costs

Payments to defined contribution retirement benefit plans and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss 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.

3. 主要會計政策 (續)

借款成本

購買、興建或製造合資格資產(須經一段長時間方可作擬定用途或銷售之資產)之直接應佔借款成本,於該等資產實質上達至擬定用途或銷售前,借款成本將加入該等資產之成本中。

特定借款在應用於合資格資產前用作短期投資所賺取之投資收入須在合資格資本化之借款成本中扣除。

所有其他借款成本須於其產生期間確認於損益賬中。

退休福利成本

向界定退休福利供款計劃及強制性公積金計劃支付之供款於僱員提供服務後並符合領取有關供款資格時列為開支。

稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表所報之除稅前溢利不同,此乃由於前者不包括在其他年度應課稅或可扣稅收入或開支,以及從未課稅或可扣稅之項目。本集團之即期稅項負債採用於報告期間結算日之前已頒佈或實質頒佈之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

3. 主要會計政策(續)

稅項(續)

遞延稅項根據綜合財務報表資產及負債賬面值與用以計算應課稅溢利相應稅基之臨時差額確認。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產通常就所有可抵扣臨時差額確認，其可抵扣臨時差額很可能產生於應課稅溢利。倘於一項交易中，因企業合併以外原因首次確認其他資產及負債而引致之臨時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。另外，若臨時差額產生於商譽的初始確認，則不會確認遞延稅項負債。

遞延稅項負債乃按因於附屬公司之投資及合營企業權益而引致之應課稅臨時差額而確認，惟若本集團可控制臨時差額之撥回及臨時差額很有可能不會於可見將來撥回之情況除外。與有關投資及權益相關之可扣稅臨時差額產生之遞延稅項資產，僅在可能有足夠應課稅溢利以動用臨時差額利益及預期於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期間結算日作檢討，並在不再可能有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項資產及負債乃以預期於償付負債或變現資產之期間應用之稅率，根據於報告期間結算日已頒佈或實質上已頒佈之稅率(及稅法)計算。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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.

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.

Property, plant and equipment/properties under development

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債及資產之計算結果反映本集團於報告期末預期就收回或償還資產及負債賬面值可能引致之稅務後果。

就計算投資物業的遞延稅項負債或遞延稅項資產而言，利用公平價值模式計量的投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及其業務模式（其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益）內持有時，有關假設會被推翻。

即期及遞延稅項於溢利或虧損中確認，惟與於其他全面收益或直接於權益確認之項目相關者除外，於該情況下，即期及遞延稅項亦分別於其他全面收益或權益中確認。

物業、廠房及設備／發展中物業

物業、廠房及設備包括持有用於生產或供應貨物或服務，或用於行政用途（下列在建中物業除外）之樓宇及租賃土地（分類為融資租約），乃按成本值減其後累積折舊及其後累積減值虧損（如有）在綜合財務狀況表列賬。

用於生產、供應或行政用途的在建物業以成本減任何已確認減值虧損列賬。成本包括專業費及（就合資格資產而言）根據本集團會計政策資本化的借貸成本。有關物業完工後並達到可使用狀態時被劃分為適當類別物業、廠房及設備。當這些資產達到可用狀態時，按與其他物業資產一樣的基準開始折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment/properties under development (Continued)

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests 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.

3. 主要會計政策(續)

物業、廠房及設備／發展中物業(續)

折舊撥備旨在於資產之(在建中物業除外)估計可使用年期內以直線法撇銷該資產成本減殘值。估計可使用年期、殘值及折舊方法於各報告期間結算日檢討，因估計有所轉變而產生之影響則按前瞻基準列賬。

當物業、廠房及設備項目因業主不再自用，證明其用途改變而轉撥至投資物業時，該項目(包括相關預付租金支出)於轉讓當日之賬面值與公平價值間任何差額於其他全面收益確認及於物業重估儲備累計。日後出售或報廢該資產時，相關重估儲備將直接轉入保留溢利。

於物業、廠房及設備項目出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備須終止確認。因出售或停用物業、廠房及設備項目而產生之任何收益或虧損按出售所得款項淨額與該項資產之賬面值之差額釐定，並於損益賬確認。

投資物業

投資物業乃持作賺取租金及／或用作資本增值用途之物業。

投資物業初步按成本計量，包括交易成本。於初次確認後，投資物業採用公平價值模式按其公平價值計量。本集團一切在經營租約下持有以賺取租金或用作資本增值用途的物業權益，乃視作投資物業入賬，並利用公平價值模式計量。因投資物業公平價值變動而產生之收益或虧損於變動產生期間計入損益賬。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (Continued)

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

For a transfer from properties under development for sale to investment properties (which is evidenced by commencement of an operating lease), any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

For a transfer from investment properties to properties under development for sale which is evidenced by the commencement of development with a view to sale, any difference between the fair value of the property at the date of transfer and its previously carrying amount is recognised in profit or loss. The property's deemed cost for subsequent accounting is the fair value at the date of change in use.

Properties under development for sale

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

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated selling price less selling expenses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策 (續)

投資物業 (續)

投資物業出售後，或當永久停止使用該投資物業，或預期出售該投資物業不會產生未來經濟利益時，須終止確認。終止確認物業所產生任何收益或虧損（按出售所得款項淨額與該物業之賬面值間之差額計算）於物業終止確認之年度計入損益賬。

就待出售發展中物業轉撥至投資物業而言（由開始經營租賃所證明），該物業之公平價值與其先前賬面值之差額於損益賬中確認。

在將投資物業轉撥至待出售發展中物業（以旨在出售而動工發展為憑證）時，該物業於轉撥當日之公平價值與其過往賬面值兩者間之任何差額於損益賬確認。有關物業在日後入賬時以其於改變用途當日之公平價值視為成本。

待出售發展中物業

待出售發展中物業於有關政府機關發出相關竣工證明文件時，轉撥至待出售物業。

待出售物業

待出售物業乃按成本與可變現淨值兩者中之較低者入賬。可變現淨值乃參考估計售價減銷售開支而釐定。

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。成本乃按加權平均成本法計算。可變現淨值指存貨估計售價減完成估計成本及銷售所需成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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 or 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.

3. 主要會計政策(續)

有形資產減值

於報告期末，本集團審閱其有形資產之賬面值以決定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。

可收回金額乃公平價值減銷售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及估計未來現金流量尚未經調整之資產有關風險。

倘若資產之可收回金額估計乃少於其賬面值，則該資產之賬面值削減至其可收回金額。減值虧損即時於損益賬確認。

當減值虧損其後撥回，該資產之賬面值增至其可收回金額之經修訂估計值，然而，增加後之賬面值不得超過假若該資產過往年度並無確認減值虧損原應釐定之賬面值。減值虧損之撥回金額即時於損益賬確認。

金融工具

當集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。

金融資產及金融負債初步按公平價值計量。因收購或發行金融資產及金融負債(不包括按公平價值計入損益之金融資產或金融負債)而直接產生之交易成本，於初次確認時加入金融資產或金融負債(如適用)之公平價值，或自金融資產或金融負債(如適用)之公平價值扣除。收購按公平價值計入損益之金融資產或金融負債時，直接相關的交易成本應即時於損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets 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 and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, or (ii) it is 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 term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策 (續)

金融工具 (續)

金融資產

本集團之金融資產劃分類以下特定類別，包括按公平價值計入損益之金融資產、可供出售金融資產、貸款及應收賬款。分類視乎該等金融資產之性質及目的，並於首次確認時釐定。所有一般購買或出售之金融資產均按交易日期基準確認或終止確認。一般購買或出售金融資產須按於市場規例或慣例確立之時限內交付資產。

實際利率法

實際利率法乃計算債務投資工具之攤銷成本及於相關期間攤分利息收入之方法。實際利率指按債務工具之預期可使用年期或(如適用)較短期間確切貼現估計未來現金收入(包括組成實際利率、交易成本及其他溢價或折讓整體部分之全部已付或已收費用)之利率。

債務投資工具之收益以實際利率法確認。

按公平價值計入損益之金融資產

當金融資產為(i)持作買賣用途；或(ii)指定為按公平價值計入損益時，則金融資產分類為按公平價值計入損益。

若符合下列情況，金融資產將歸類為持作買賣用途：

- 收購金融資產之目的主要為於不久將來出售；或
- 該金融資產在初步確認時為由本集團共同管理之已識別金融工具投資組合之一部分，並且最近有可短期獲利之實際趨勢；或
- 該金融資產並非被指定為有效對沖工具之衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading 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 (asset or liability) 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' line item. Fair value is determined in the manner described in note 34c.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平價值計入損益之金融資產(續)

被持有作買賣用途以外的金融資產，或會在初次確認時被指定為按公平價值計入損益，倘：

- 該指定對銷或顯著降低使用其他方式將出現之衡量或確認不一致；或
- 受管理之金融資產構成一組金融資產或金融負債之部分或兩者，其表現根據本集團記錄之風險管理或投資策略按公平價值基準評估，而有關分組之資料按該基準於內部提供；或
- 其組成包含一個或多個嵌入式衍生工具之合約部分，而香港會計準則第39號允許整個合併合約(資產或負債)指定為按公平價值計入損益。

按公平價值計入損益之金融資產按公平價值計量，因重新計量而出現之收益或虧損於損益賬確認。於損益賬確認之收益或虧損淨額不包括以金融資產賺取之任何股息或利息，並計入綜合損益表之其他收益及虧損。釐定公平價值之方式載列於附註34c。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (Continued)****Financial assets (Continued)***AFS financial assets*

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

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 trade and other receivables, loan receivables, fixed bank deposits with more than three months to maturity when raised, and other bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

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

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)***可供出售金融資產*

可供出售金融資產為被指定為可供出售或並無劃分為(a)貸款及應收賬款、(b)持至到期投資或(c)按公平價值計入損益之金融資產之非衍生工具。

由本集團持有並分類為可供出售金融資產之權益及債務證券乃於各報告期間結算日以公平價值計量，公允價值不能可靠地計量的非上市股權投資除外。以實際利率法計算利息收入有關之可供出售貨幣債務證券賬面值變動以及可供出售權益投資之股息於溢利或虧損內確認。可供出售金融資產之其他賬面值變動則於其他全面收益內確認，並於投資重估儲備中累積。倘金融資產獲出售或確認出現減值，過往於投資重估儲備累積計算之收益或虧損會重新分類至損益賬。

可供出售股本投資如沒有於活躍市場提供市價，而其公平價值不能準確計量，或與此等無報價股本投資有關及必須以將之交付的方式結算的衍生工具，會以成本減任何可確定的減值虧損於報告期間結算日計量。

貸款及應收賬款

貸款及應收賬款為有固定或可釐定付款額但並無於活躍市場報價之非衍生金融資產。於初次確認後，貸款及應收款項(包括貿易及其他應收賬款、應收借款、存入三個月後到期之定期銀行存款、其他銀行存款及現金)採用實際利率法按攤銷成本減任何已識別減值列賬。

利息收入通過應用實際利率確認，惟確認利息不屬重大的短期應收賬款則除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 AFS equity investments, a significant or prolonged decline in the fair value of that security below its cost is considered to be objective evidence of impairment.

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

金融資產(不包括按公平價值計入損益之金融資產)乃於各報告期間結算日評估是否有減值跡象。若金融資產於初次確認後發生一項或多項事件而導致有客觀證據證明金融資產之估計未來現金流量受到影響，則視為出現減值。

就可供出售之股本投資而言，該證券之公平價值大幅或持續低於其成本時被視為有客觀證據證明出現減值。

就所有其他金融資產而言，減值之客觀證據包括：

- 發行人或交易對手方遇上重大財政困難；或
- 違反合約，如逾期或拖欠利息或本金付款；或
- 借款人有可能破產或進行財務重組；或
- 因財政困難導致該金融資產之活躍市場不再存在。

應收款項組合的客觀減值證據可包括本集團的過往收款經驗、組合內延遲還款的次數增加，以及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

以攤銷成本入賬的金融資產，其確認的減值虧損為該資產的賬面值與以原實際利率貼現估計未來現金流量之現值之差額。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loan receivables, 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 loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

對於所有金融資產，金融資產賬面值會直接因減值虧損而減少，惟應收貸款除外，在此情況下，賬面值透過利用撥備賬減少。撥備賬賬面值的變動於損益中確認。當應收貸款被認為無法收回時，則於撥備賬內撇銷。其後收回先前已撇銷的金額於損益中計入。

當按公平價值入賬可供出售金融資產被視為可予減值時，先前於其他全面收益內確認之累積虧損則重新分類至發生減值之本期之損益賬內。

就按攤銷成本計量之金融資產而言，倘若減值虧損之金額於其後減少而該等減少可客觀地與確認減值虧損後所發生之事件聯繫，則先前確認之減值虧損於溢利或虧損撥回，惟於撥回減值日期之資產賬面值不能超出未確認減值前之攤銷成本。

可供出售股本投資而言，先前於損益賬中確認的減值虧損不得於損益賬撥回。於減值虧損後錄得之任何公平價值增加於其他全面收益直接確認，並於投資重估儲備累積計算。就可供出售之債務投資而言，倘若投資之公平價值增加可客觀地與確認減值虧損後發生之事件聯繫，則減值虧損會其後於損益賬撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

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.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

由集團實體發行之債務及股本工具按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工具。

股本工具

股本工具為證明本集團資產剩餘權益(經扣除其所有負債)之任何合約。本公司發行之股本工具乃以已收所得款項扣除直接發行成本確認。

實際利率法

實際利率法乃計算債務投資工具之攤銷成本及於相關期間攤分利息收入之方法。實際利率指按債務工具之預期可使用年期或(如適用)較短期間確切貼現估計未來現金收入(包括組成實際利率、交易成本及其他溢價或折讓整體部分之全部已付或已收費用)之利率。

利息支出按實際利率基準確認。

按公平價值計入損益之金融負債

當金融負債為(i)持作買賣用途;或(ii)指定為按公平價值計入損益時,則金融負債分類為按公平價值計入損益。

若符合下列情況,金融負債將歸類為持作買賣用途:

- 收購金融負債之目的主要為於不久將來回購它;或
- 該金融負債在初步確認時為由本集團共同管理之已識別金融工具投資組合之一部分,並且最近有可短期獲利之實際趨勢;或
- 該金融負債並非被指定為有效對沖工具之衍生工具。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading 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 liability 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 (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured 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 interest paid on the financial liabilities and is included in the 'other gains and losses' line item.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

按公平價值計入損益之金融負債 (續)

被持有作買賣用途以外的金融負債，或會在初次確認時被指定為按公平價值計入損益，倘：

- 該指定對銷或顯著降低使用其他方式將出現之衡量或確認不一致；或
- 受管理之金融負債構成一組金融資產或金融負債之部分或兩者，其表現根據本集團記錄之風險管理或投資策略按公平價值基準評估，而有關分組之資料按該基準於內部提供；或
- 其組成包含一個或多個嵌入式衍生工具之合約部分，而香港會計準則第39號允許整個合併合約（資產或負債）指定為按公平價值計入損益。

按公平價值計入損益之金融負債按公平價值計量，因重新計量而出現之收益或虧損於損益賬確認。於損益賬確認之收益或虧損淨額不包括以金融負債支付之任何利息，並計入綜合損益表之其他收益及虧損。

按攤銷成本計量的金融負債

金融負債（包括貿易及其他應付賬款、銀行及其他借款）則其後採用實際利率法按攤銷成本計量。

衍生金融工具

衍生工具於衍生工具合約訂立當日以公平價值初步確認，並隨後於報告期末重新計量至其公平價值。產生的收益或虧損立即在損益中確認，除非該衍生工具被指定為有效的對沖工具，在這種情況下，確認損益的時間取決於對沖關係的性質。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策(續)

金融工具(續)

終止確認

當本集團收取資產現金流量之合約權利屆滿或轉讓金融資產及該資產所有權之絕大部分風險及回報予另一實體時，方會終止確認金融資產。倘本集團或本公司並不轉讓或保留所有權的絕大部分風險及回報，並繼續控制被轉讓資產，則本集團或本公司會以其持續參與程度為限繼續確認其於資產之保留權益並確認相關負債。倘本集團或本公司保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團或本公司將繼續確認金融資產，同時亦就已收取之所得款項確認有抵押借貸。

終止確認金融資產時，資產賬面值與已收及應收代價以及已於其他全面收益確認及累計入權益累積收益或虧損總額間之差額乃於損益賬確認。

本集團於及僅於本集團之責任解除、取消或到期時終止確認金融負債。已終止確認金融負債賬面值與已付和應付代價間之差額於損益賬確認。

4. 重要會計判斷及估計不明朗因素之主要來源

於應用本集團之會計政策(如附註3所述)時，本公司董事須對未能即時自其他來源取得之資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關之其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準檢討。會計估計之修訂乃於估計被修訂之期間確認(倘修訂僅影響該期間)，或於修訂期間及未來期間(倘修訂影響本期間及未來期間)確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios in Hong Kong and the People's Republic of China (the "PRC") and concluded that (a) the Group's investment properties in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, (b) the Group's investment properties in the PRC are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties in Hong Kong, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on disposal of these investment properties. The presumption that the carrying amounts of the Group's investment properties situated in the PRC are recovered entirely through sale has been rebutted and the deferred tax on the changes in fair value of those investment properties is recognised according to the relevant tax rules.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 重要會計判斷及估計不明朗因素之主要來源 (續)

應用會計政策的重要判斷

除關於估計的判斷外(見下文)，以下是董事於應用對綜合財務報表確認金額有最重大影響之本集團會計政策之關鍵性判斷。

投資物業遞延稅項

就計量利用公平價值模式計量的投資物業產生之遞延稅項負債或遞延稅項資產而言，本公司董事審閱本集團在香港及中華人民共和國(「中國」)之投資物業組合後認為，(a)本集團在香港之投資物業並非以旨在隨時間消耗該等投資物業實現絕大部份經濟利益之業務模式持有；(b)本集團在中國之投資物業以旨在隨時間消耗該等投資物業實現絕大部份經濟利益之業務模式持有。因此，計量本集團在香港之投資物業的遞延稅項時，本公司董事已確定，利用公平價值模式計量的投資物業之賬面值乃通過銷售全數收回之有關假設並無遭到駁回。故此，由於本集團無需就出售該等投資物業繳納任何所得稅，本集團並無就位於香港之投資物業的公平價值變動確認任何遞延稅項。該假設本集團位於中國的投資物業的賬面值全部通過出售而被駁回，且該等投資物業公平價值變動的遞延稅項乃根據相關稅務規則確認。

估計不明朗因素之主要來源

於報告期間結算日，因將來之假設及其他估計帶來之主要不穩定因素，可能對資產及負債之賬面值於下一財政年度內帶來重大調整之風險，討論如下：

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 31 December 2017 at their fair value, details of which are disclosed in note 15. The fair value of the investment properties was determined by reference to valuations conducted on these properties by an independent qualified professional valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavourable changes to these assumptions may result in changes in the fair value of the Group's investment properties and corresponding adjustments to the changes in fair value reported in the consolidated statement of profit or loss and the carrying amount of these properties included in the consolidated statement of financial position. The carrying amount of the Group's investment properties at 31 December 2017 is approximately HK\$8,392,900,000 (2016: HK\$7,881,519,000).

Impairment of properties under development for sale/ properties held for sale

The Group's properties under development for sale and properties held for sale in the PRC and Hong Kong, details of which are set out in the consolidated statement of financial position and note 17, are expected to be recovered through future sales. In case the future selling prices, less all related direct selling expenses, are less than their current carrying value plus further costs to complete the properties under development for sale to a saleable condition, the Group will recognise losses. The future selling prices are estimated by reference to the recent selling prices of similar properties in the same project or relevant locations. The management also estimated the future selling expenses by reference to the actual selling expenses of the Group's completed projects, adjusted by certain current market data. The carrying amounts of properties under development for sale and properties held for sale of the Group at 31 December 2017 are approximately HK\$659,998,000 (2016: HK\$954,969,000) and HK\$555,975,000 (2016: HK\$622,481,000), respectively. During the year ended 31 December 2017, an impairment loss of approximately HK\$48,359,000 (2016: HK\$nil) in respect of properties held for sale was recognised in the consolidated statement of profit or loss.

4. 重要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)

投資物業之公平價值

投資物業乃於二零一七年十二月三十一日在綜合財務狀況表按彼等之公平價值列賬，詳情於附註15披露。投資物業之公平價值乃參考獨立合資格專業估值師以物業估值技術對該等物業所進行之估值釐定。物業估值技術涉及對現時市場情況的若干假設。該等假設之有利或不利變動或會改變本集團投資物業公平價值，因而相應調整於綜合損益表呈報之公平價值變動，以及計入綜合財務狀況表內該等物業之賬面值。於二零一七年十二月三十一日，本集團投資物業之賬面值約為港幣8,392,900,000元(二零一六年：港幣7,881,519,000元)。

待出售發展中物業／待出售物業之減值

本集團於中國及香港之待出售發展中物業及待出售物業之詳情分別載於綜合財務狀況表及附註17，預期可透過日後銷售收回。倘日後售價減去所有相關直接銷售開支，少於其現有賬面值加上完成待出售發展中物業至可銷售狀況之額外成本，本集團將確認虧損。將來的售價是參考同一項目或相關地點的類似物業。管理層亦參考本集團已完成項目的實際銷售費用，根據若干目前市場數據調整未來銷售費用。於二零一七年十二月三十一日，本集團待出售發展中物業及本集團待出售物業之賬面值分別約為港幣659,998,000元(二零一六年：港幣954,969,000元)及港幣555,975,000元(二零一六年：港幣622,481,000元)。截至二零一七年十二月三十一日止年度，待出售物業之減值虧損約為港幣48,359,000元(二零一六年：無)於損益賬確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Fair value of unlisted available-for-sale investments

The fair value of unlisted available-for-sale investments that are stated at fair value are determined with reference to market values of underlying assets, or arrived at using valuation techniques, including market multiple approach and discounted cash flow techniques, which included some assumptions that are not supportable by observable market prices or rates, the inputs may include prices information, volatility statistics, liquidity statistics and other factors. In determining the fair value where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates, earnings growth factor and the adjusted discount factor. The carrying amount of the Group's unlisted available-for-sale investments at 31 December 2017 is approximately HK\$342,230,000 (2016: HK\$334,646,000).

Income taxes

As at 31 December 2017, a deferred tax asset in relation to unused tax losses of approximately HK\$65 million (2016: HK\$81 million) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$437 million (2016: HK\$461 million) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

4. 重要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)

非上市可供出售投資之公平價值

以公平價值列賬的非上市可供出售投資之公平價值，乃根據相關資產市值釐定，或利用估值技巧得出，包括市場乘數法及折現現金流量技巧，其中包括不獲觀察市場價格或利率支持的一些假設。輸入變數可能包括價格資料、浮動率數據、流動性數據及其他因素。釐定公平價值時，若使用折現現金流量技巧，則估計未來現金流量乃根據管理層的最佳估計、盈利增長因子及經調整的折現因子。本集團非上市可供出售投資於二零一七年十二月三十一日之賬面值約為港幣342,230,000元(二零一六年：港幣334,646,000元)。

所得稅

於二零一七年十二月三十一日，未動用稅項虧損約港幣65,000,000元(二零一六年：港幣81,000,000元)於本集團綜合財務狀況表內確認為遞延稅項資產。由於無法預測未來溢利來源，故並未就稅項虧損約港幣437,000,000元(二零一六年：港幣461,000,000元)確認遞延稅項資產。遞延稅項資產的可變現程度主要取決於日後是否有充足的未來溢利或應課稅暫時差異。倘實際產生的未來溢利少於預期，將引致重大遞延稅項資產撥回，該撥回將於發生期間於損益賬確認。

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5. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Gross rental income	毛租金收入	365,611	361,136
Sales of properties held for sale	待出售物業銷售	1,686,008	479,937
Sales of goods	貨物銷售	75,984	63,048
Interest income on available-for-sale investments and bank deposits	銀行存款及可供出售投資之利息收入	45,801	31,335
Property management fees	物業管理費	19,742	18,608
Hotel operation income	酒店經營收入	11,269	16,999
Dividend income from listed investments held for trading	上市持作買賣用途投資之股息收入	289	138
Dividend income from available-for-sale investments	可供出售投資之股息收入	10,647	59,937
		2,215,351	1,031,138

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation or assessment of segment performance focuses on types of goods and services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

- Property investment — investment and letting of properties
- Property development — development and sale of properties
- Property management — provision of property management services
- Treasury investment — dealings and investments in securities and other financial instruments
- Trading and manufacturing — manufacture and sale of magnetic products
- Hotel operation — management and operation of hotels

5. 收益

以下為按本集團的本年度收益分析：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
毛租金收入	365,611	361,136
待出售物業銷售	1,686,008	479,937
貨物銷售	75,984	63,048
銀行存款及可供出售投資之利息收入	45,801	31,335
物業管理費	19,742	18,608
酒店經營收入	11,269	16,999
上市持作買賣用途投資之股息收入	289	138
可供出售投資之股息收入	10,647	59,937
	2,215,351	1,031,138

6. 分類資料

本公司向執行董事，即主要經營決策人，就資源分配或評核分類表現而呈報之分類資料，乃按營運單位所提供的銷售和服務性作為分析基準。概無合計主要經營決策人識別之業務分類以達成本集團之呈報分類。

按香港財務報告準則第8號營運分類本集團之業務及呈報分類如下：

- 物業投資 — 物業投資及租賃
- 物業發展 — 物業發展及銷售
- 物業管理 — 提供物業管理服務
- 財務投資 — 證券及其他金融工具的交易及投資
- 貿易及製造 — 磁性產品製造及銷售
- 酒店經營 — 酒店管理及經營

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

6. 分類資料 (續)

分類收益及業績

以下為按業務及呈報分類之本集團收益及業績分析。

		Property investment 物業投資 HK\$'000 港幣千元	Property development 物業發展 HK\$'000 港幣千元	Property management 物業管理 HK\$'000 港幣千元	Treasury investment 財務投資 HK\$'000 港幣千元	Trading and manufacturing 貿易及製造 HK\$'000 港幣千元	Hotel operation 酒店經營 HK\$'000 港幣千元	Segment total 分類總計 HK\$'000 港幣千元	Eliminations 對銷 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
For the year ended	截至二零一七年									
31 December 2017	十二月三十一日止年度									
Segment revenue	分類收益	369,829	1,694,507	31,971	48,238	75,984	11,269	2,231,798	(16,447)	2,215,351
Comprising:	包括:									
— revenue from customers	— 客戶收益	365,611	1,694,507	19,742	48,238	75,984	11,269			
— inter-segment transactions (note)	— 集團內交易 (附註)	4,218	-	12,229	-	-	-			
Operating expenses	營運開支	(146,748)	(1,254,803)	(21,079)	(14,102)	(68,803)	(10,615)	(1,516,150)	16,447	(1,499,703)
Gain on changes in fair value of investment properties	投資物業公平價值變動收益	292,070	-	-	-	-	-	292,070	-	292,070
Gain on changes in fair value of financial assets at FVTPL	按公平價值計入損益之金融工具公平價值變動收益	-	-	-	4,490	-	-	4,490	-	4,490
Loss on changes in fair value of derivative financial instruments	金融衍生工具之公平價值變動虧損	-	-	-	(764)	-	-	(764)	-	(764)
Net exchange gains (losses)	匯兌淨收益 (虧損)	8,140	26,635	(297)	1,396	-	(1)	35,873	-	35,873
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之減值虧損確認	-	-	-	(39,860)	-	-	(39,860)	-	(39,860)
Impairment loss recognised in respect of other receivables	其他應收賬款之減值虧損確認	-	-	-	(2,541)	(9,452)	(905)	(12,898)	-	(12,898)
Segment profit (loss)	分類溢利 (虧損)	523,291	466,339	10,595	(3,143)	(2,271)	(252)	994,559	-	994,559
Finance costs	財務成本									(26,658)
Share of results of joint ventures	所佔合營企業業績									1,645
Profit before tax	除稅前溢利									969,546

note: Inter-segment transactions are charged at prevailing market prices.

附註：集團內交易按現行市值收取。

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6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment.

6. 分類資料(續)

分類收益及業績(續)

以下為按業務及呈報分類之本集團收益及業績分析。

		Property investment 物業投資 HK\$'000 港幣千元	Property development 物業發展 HK\$'000 港幣千元	Property management 物業管理 HK\$'000 港幣千元	Treasury investment 財務投資 HK\$'000 港幣千元	Trading and manufacturing 貿易及製造 HK\$'000 港幣千元	Hotel operation 酒店經營 HK\$'000 港幣千元	Segment total 分類總計 HK\$'000 港幣千元	Eliminations 對銷 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
For the year ended	截至二零一六年									
31 December 2016	十二月三十一日止年度									
Segment revenue	分類收益	364,526	488,390	29,706	82,957	63,048	16,999	1,045,626	(14,488)	1,031,138
Comprising:	包括：									
— revenue from customers	— 客戶收益	361,136	488,390	18,608	82,957	63,048	16,999			
— inter-segment transactions (note)	— 集團內交易(附註)	3,390	-	11,098	-	-	-			
Operating expenses	營運開支	(130,710)	(370,400)	(21,095)	(19,042)	(55,123)	(17,179)	(613,549)	14,488	(599,061)
Gain on changes in fair value of investment properties	投資物業公平價值變動收益	158,302	-	-	-	-	-	158,302	-	158,302
Loss on changes in fair value of financial assets at FVTPL	按公平價值計入損益之金融工具公平價值變動虧損	-	-	-	(791)	-	-	(791)	-	(791)
Gain on disposal of available-for-sale investments	出售可供出售投資收益	-	-	-	1,816	-	-	1,816	-	1,816
Gain on disposal of subsidiaries	出售附屬公司之收益	-	-	-	-	-	10,841	10,841	-	10,841
Net exchange (losses) gains	匯兌淨(虧損)收益	(12,621)	(20,865)	272	(6,845)	-	4	(40,055)	-	(40,055)
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之減值虧損確認	-	-	-	(20,440)	-	-	(20,440)	-	(20,440)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	-	-	-	(379)	-	(379)	-	(379)
Segment profit	分類溢利	379,497	97,125	8,883	37,655	7,546	10,665	541,371	-	541,371
Finance costs	財務成本									(21,939)
Share of results of joint ventures	所佔合營企業業績									(3)
Profit before tax	除稅前溢利									519,429

note: Inter-segment transactions are charged at prevailing market prices.

附註：集團內交易按現行市值收取。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit earned by/loss from each segment without allocation of share of results of joint ventures and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

業務分類之會計政策與附註3所述之本集團會計政策相同。分類溢利/虧損指在未計入所佔合營企業業績及財務成本之情況下各分類所賺取之溢利/蒙受之虧損。本集團已以此分類方法向主要經營決策人呈報，並用作資源分配及評核分類表現。

6. SEGMENT INFORMATION (CONTINUED)**Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable segment:

Segment assets

		分類資產	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Property investment	物業投資	8,685,612	8,082,169
Property development	物業發展	4,211,020	3,935,311
Property management	物業管理	3,246	2,985
Treasury investment	財務投資	1,319,535	1,587,864
Trading and manufacturing	貿易及製造	93,570	85,717
Hotel operation	酒店經營	5,386	5,172
Total segment assets	分類資產總額	14,318,369	13,699,218
Taxation recoverable	可收回稅款	20,706	14,989
Interests in joint ventures	合營企業權益	192,210	1,225
Deferred tax assets	遞延稅項資產	3,850	5,807
Consolidated assets	綜合資產	14,535,135	13,721,239

Segment liabilities

		分類負債	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Property investment	物業投資	182,362	176,417
Property development	物業發展	898,224	1,191,472
Property management	物業管理	3,055	3,001
Treasury investment	財務投資	1,722	5,567
Trading and manufacturing	貿易及製造	15,082	9,668
Hotel operation	酒店經營	708	679
Total segment liabilities	分類負債總額	1,101,153	1,386,804
Taxation payable	應付稅款	100,005	960
Borrowings	借款	1,248,000	1,183,629
Deferred tax liabilities	遞延稅項負債	247,102	226,910
Consolidated liabilities	綜合負債	2,696,260	2,798,303

6. 分類資料(續)**分類資產及負債**

以下為按呈報分類之本集團資產及負債分析：

分類資產

		分類資產	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Property investment	物業投資	8,685,612	8,082,169
Property development	物業發展	4,211,020	3,935,311
Property management	物業管理	3,246	2,985
Treasury investment	財務投資	1,319,535	1,587,864
Trading and manufacturing	貿易及製造	93,570	85,717
Hotel operation	酒店經營	5,386	5,172
Total segment assets	分類資產總額	14,318,369	13,699,218
Taxation recoverable	可收回稅款	20,706	14,989
Interests in joint ventures	合營企業權益	192,210	1,225
Deferred tax assets	遞延稅項資產	3,850	5,807
Consolidated assets	綜合資產	14,535,135	13,721,239

分類負債

		分類負債	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Property investment	物業投資	182,362	176,417
Property development	物業發展	898,224	1,191,472
Property management	物業管理	3,055	3,001
Treasury investment	財務投資	1,722	5,567
Trading and manufacturing	貿易及製造	15,082	9,668
Hotel operation	酒店經營	708	679
Total segment liabilities	分類負債總額	1,101,153	1,386,804
Taxation payable	應付稅款	100,005	960
Borrowings	借款	1,248,000	1,183,629
Deferred tax liabilities	遞延稅項負債	247,102	226,910
Consolidated liabilities	綜合負債	2,696,260	2,798,303

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6. SEGMENT INFORMATION (CONTINUED)**Segment assets and liabilities (Continued)**

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than taxation recoverable, interests in joint ventures and deferred tax assets. All liabilities are allocated to operating segments other than taxation payable, borrowings and deferred tax liabilities.

Other segment information

		Property investment 物業投資 HK\$'000 港幣千元	Property development 物業發展 HK\$'000 港幣千元	Property management 物業管理 HK\$'000 港幣千元	Treasury investment 財務投資 HK\$'000 港幣千元	Trading and manufacturing 貿易及製造 HK\$'000 港幣千元	Hotel operation 酒店經營 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Amounts included in the measure of segment results and segment assets:	包括計量分類業績及分類資產之金額：							
2017	二零一七年							
Additions to non-current assets (Note)	非流動資產增加 (附註)	32,476	203,029	-	134	4,123	169	239,931
Depreciation	折舊	7,047	926	-	643	2,357	39	11,012
Impairment loss recognised in respect of properties held for sale	待出售物業之減值虧損確認	-	48,359	-	-	-	-	48,359
2016	二零一六年							
Additions to non-current assets (Note)	非流動資產增加 (附註)	42,497	269,102	-	3,085	3,427	32	318,143
Depreciation	折舊	6,388	232	-	76	2,126	77	8,899

note: Non-current assets exclude interests in joint ventures, financial instruments and deferred tax assets.

6. 分類資料 (續)**分類資產及負債 (續)**

為監察分類表現及於分類間分配資源，除於可收回稅款、合營企業的權益及遞延稅項資產外，所有資產均分配至業務分類，而除應付稅款、借款及遞延稅項負債外，所有負債均分配至業務分類。

其他分類資料

附註：非流動資產不包括合營企業權益、金融工具及遞延稅項資產。

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Geographical information

The Group's operations are located in Hong Kong and other parts of the PRC.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

		Revenue 收益		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong	香港	269,341	314,103	6,769,547	6,267,422
PRC	中國	1,946,010	717,035	2,956,163	2,745,523
		2,215,351	1,031,138	9,725,710	9,012,945

Non-current assets exclude interests in joint ventures, financial instruments and deferred tax assets.

Information about major customers

There is no revenue from customers for the years ended 31 December 2017 and 31 December 2016 contributing over 10% of the total operating revenue of the Group.

7. OTHER INCOME

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Imputed interest income on advance to an investee company	墊款予被投資公司之估算利息收入	—	49
Others	其他	8,506	8,517
		8,506	8,566

6. 分類資料(續)

其他分類資料(續)

地區資料

本集團業務位於香港及中國其他地區。

有關本集團持續經營外來客戶之收益資料乃按經營業務所處地區呈報。有關本集團非流動資產的資料則按資產所在地區呈報。

非流動資產不包括合營企業權益、金融工具及遞延稅項資產。

主要客戶資料

截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度，並無來自客戶之收益佔本集團總營運收益超過10%。

7. 其他收入

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8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Gain on changes in fair value of investment properties	投資物業公平價值變動收益	292,070	158,302
Gain (loss) on changes in fair value of financial assets at FVTPL	按公平價值計入損益之金融工具公平價值變動收益(虧損)	4,490	(791)
Loss on changes in fair value of derivative financial instruments	金融衍生工具之公平價值變動虧損	(764)	-
Gain on disposal of available-for-sale investments	出售可供出售投資收益	-	1,816
Gain on disposal of subsidiaries	出售附屬公司之收益	-	10,841
Net exchange gains (losses)	匯兌淨收益(虧損)	35,873	(40,055)
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之減值虧損確認	(39,860)	(20,440)
Impairment loss recognised in respect of other receivables	其他應收賬款之減值虧損確認	(12,898)	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	(379)
		278,911	109,294

9. FINANCE COSTS

9. 財務成本

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest on borrowings:	借款利息：		
Bank loans	銀行貸款	44,466	57,586
Other borrowings	其他借款	1,225	1,023
		45,691	58,609
Less: Amount capitalised as cost of properties under development/properties under development for sale at a capitalisation rate ranging from 2.75% to 4.96% (2016: 2.46% to 4.96%) per annum	減：以每年介乎2.75%至4.96%的資本化比率(二零一六年：2.46%至4.96%)列作發展中物業/待出售發展中物業成本之資本化金	(19,033)	(36,670)
		26,658	21,939

10. INCOME TAX EXPENSE

10. 所得稅支出

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
The charge comprises:	支出包括：		
Current tax:	本年度稅項：		
Hong Kong Profits Tax	香港利得稅	17,052	18,263
PRC Enterprise Income Tax	中國企業所得稅	132,408	7,820
		149,460	26,083
(Over)underprovision in prior years:	過往年度(超額)不足撥備：		
Hong Kong Profits Tax	香港利得稅	(160)	64
PRC Enterprise Income Tax	中國企業所得稅	-	2,418
		(160)	2,482
PRC Land Appreciation Tax ("LAT")	中國土地增值稅	36,799	13,161
Deferred taxation (note 26)	遞延稅項(附註26)	9,631	8,905
		195,730	50,631

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

本年度之稅項與綜合損益表所示除稅前溢利之對賬如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before tax	除稅前溢利	969,546	519,429
Hong Kong Profits Tax at the rate of 16.5% (2016: 16.5%)	按稅率16.5%(二零一六年:16.5%)計算之香港利得稅	159,975	85,706
Tax effect of share of results of joint ventures	所佔合營企業業績之稅務影響	(271)	1
Tax effect of expenses not deductible for tax purpose	不可扣稅費用之稅務影響	20,412	12,472
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(54,035)	(64,651)
(Over)underprovision in prior years	過往年度不足(超額)撥備	(160)	2,482
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	4,778	7,129
Tax effect of utilisation of tax losses previously not recognised	先前未確認動用之稅務虧損之稅務影響	(8,937)	(353)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	45,154	1,564
PRC LAT	中國土地增值稅	36,799	13,161
Tax effect of PRC LAT	中國土地增值稅之稅務影響	(9,200)	(3,290)
Others	其他	1,215	(3,590)
Tax charge for the year	本年度稅項支出	195,730	50,631

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10. INCOME TAX EXPENSE (CONTINUED)

notes:

- (a) Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for both years.
- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2016: 25%).
- (c) The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

11. PROFIT FOR THE YEAR

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit for the year has been arrived at after charging:	本年度溢利已扣除下列各項：		
Directors' emoluments (note 12)	董事酬金(附註12)	33,678	36,391
Other staff costs	其他員工成本	54,414	48,659
Staff retirement scheme contributions, net of HK\$467,000 (2016: HK\$126,000) forfeited contributions	員工退休福利供款，扣除沒收供款 港幣467,000元(二零一六年：港幣126,000元)	2,717	2,427
Total staff costs	員工成本總計	90,809	87,477
Auditor's remuneration	核數師酬金	2,674	2,523
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,012	8,899
Operating lease rentals in respect of land and buildings	土地及樓宇經營租約之租金	6,610	8,183
Selling expenses (included in "administrative and operating expenses")	銷售開支(包括在「行政及營運開支」)	51,441	18,921
Impairment loss recognised in respect of properties held for sale (included in "direct costs")	待出售物業之減值虧損確認 (包括在「直接成本」)	48,359	-
and after crediting:	並計入：		
Gross rental income from investment properties	投資物業總租金收入	365,611	361,136
Less: direct expenses of investment properties that generated rental income during the year	減：年內產生租金收入之投資物業直接費用	(31,278)	(28,489)
		334,333	332,647

10. 所得稅支出(續)

附註：

- (a) 香港利得稅乃根據兩個年度估計應課稅溢利按稅率16.5%(二零一六年：16.5%)計算。
- (b) 按中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，中國附屬公司稅率為25%(二零一六年：25%)。
- (c) 根據中國稅法及規則的相關規定，本集團已預提中國土地增值稅。具體土地增值稅額取決於稅局根據物業投資項目的竣工程度而定，稅局有可能不認同本集團對土地增值稅撥備的計算基準。

11. 本年度溢利

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 14 (2016: 14) directors were as follows:

12. 董事、行政總裁及僱員酬金

已付或應付予14名(二零一六年: 14名)董事之酬金如下:

		Other emoluments 其他酬金				Total emoluments 總酬金 HK\$'000 港幣千元
		Fees 袍金 HK\$'000 港幣千元	Salaries and other benefits 薪酬及其他福利 HK\$'000 港幣千元	Performance related incentive payment (note f) 業績相關的獎勵金(附註f) HK\$'000 港幣千元	Retirement scheme contributions 退休福利計劃供款 HK\$'000 港幣千元	
2017	二零一七年					
Executive Directors (note a)	執行董事(附註a)					
Liu Lit Mo	廖烈武	250	6,227	132	175	6,784
Liu Lit Chi	廖烈智	150	8,770	420	504	9,844
Liu Kam Fai, Winston	廖金輝	150	4,793	277	330	5,550
Liu Kwun Shing, Christopher	廖坤城	150	3,940	267	291	4,648
Lee Wai Hung	李偉雄	150	3,084	260	309	3,803
Non-executive Directors (note b)	非執行董事(附註b)					
Liu Lit Chung	廖烈忠	150	1,099	-	-	1,249
Andrew Liu	廖駿倫	150	-	-	-	150
Liu Chun Ning, Wilfred	廖俊寧	150	-	-	-	150
Kho Eng Tjoan, Christopher	許榮泉	250	-	-	-	250
Independent Non-executive Directors (note c)	獨立非執行董事(附註c)					
Cheng Mo Chi, Moses	鄭慕智	250	-	-	-	250
Tong Tsin Ka	唐展家	250	-	-	-	250
Au Kam Yuen, Authur	區錦源	250	-	-	-	250
Ma Hung Ming, John	馬鴻銘	250	-	-	-	250
Cheng Yuk Wo	鄭毓和	250	-	-	-	250
Total	總計	2,800	27,913	1,356	1,609	33,678

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12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED) 12. 董事、行政總裁及僱員酬金(續)

		Other emoluments 其他酬金				Total emoluments 總酬金 HK\$'000 港幣千元
		Fees 袍金 HK\$'000 港幣千元	Salaries and other benefits 薪酬及其他福利 HK\$'000 港幣千元	Performance related incentive payment (note f) 業績相關的獎勵金(附註f) HK\$'000 港幣千元	Retirement scheme contributions 退休福利計劃供款 HK\$'000 港幣千元	
2016	二零一六年					
Executive Directors (note a)	執行董事(附註a)					
Liu Lit Mo	廖烈武	250	9,551	250	300	10,351
Liu Lit Chi	廖烈智	150	7,922	420	480	8,972
Liu Kam Fai, Winston	廖金輝	150	5,376	269	320	6,115
Liu Kwun Shing, Christopher	廖坤城	150	3,609	248	259	4,266
Lee Wai Hung	李偉雄	150	2,952	248	295	3,645
Non-executive Directors (note b)	非執行董事(附註b)					
Liu Lit Chung	廖烈忠	150	1,092	-	-	1,242
Andrew Liu	廖駿倫	150	-	-	-	150
Liu Chun Ning, Wilfred	廖俊寧	150	-	-	-	150
Kho Eng Tjoan, Christopher	許榮泉	250	-	-	-	250
Independent Non-executive Directors (note c)	獨立非執行董事(附註c)					
Cheng Mo Chi, Moses	鄭慕智	250	-	-	-	250
Tong Tsin Ka	唐展家	250	-	-	-	250
Au Kam Yuen, Authur	區錦源	250	-	-	-	250
Ma Hung Ming, John	馬鴻銘	250	-	-	-	250
Cheng Yuk Wo	鄭毓和	250	-	-	-	250
Total	總計	2,800	30,502	1,435	1,654	36,391

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

notes:

- (a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (b) The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.
- (c) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (d) The five highest paid individuals in the Group in 2017 and 2016 were all directors of the Group and details of their emoluments are included in above.
- (e) During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors) as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2017 and 31 December 2016.
- (f) The performance related incentive payment is determined by reference to the individual performance of the directors and approved by the remuneration committee of the Group for the years ended 31 December 2017 and 31 December 2016.

13. DIVIDENDS

Dividends recognised as distribution during the year:	年內確認分派之股息：
Interim dividend paid for 2017 — HK\$0.18 per share (2016: interim dividend paid for 2016 — HK\$0.17 per share)	二零一七年已派中期股息每股港幣0.18元 (二零一六年：二零一六年已派中期股息 每股港幣0.17元)
Final dividend paid for 2016 — HK\$0.3 per share (2016: final dividend paid for 2015 — HK\$0.26 per share)	二零一六年已派末期股息每股港幣0.3元 (二零一六年：二零一五年已派末期股息 每股港幣0.26元)

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of HK\$0.42 (2016: final dividend in respect of the year ended 31 December 2016 of HK\$0.30) per share, in an aggregate amount of approximately HK\$159,005,000 (2016: HK\$113,575,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

12. 董事、行政總裁及僱員酬金 (續)

附註：

- (a) 上列執行董事之酬金與其管理本公司及本集團事務之服務有關。
- (b) 上列非執行董事之酬金與其作為本公司或附屬公司董事之服務有關。
- (c) 上列獨立非執行董事之酬金與其作為本公司董事之服務有關。
- (d) 二零一七年及二零一六年本集團五名最高薪人士中，全部為本集團董事，其薪酬已於上文內披露。
- (e) 年內，本集團概無向任何董事或五名最高薪人士(包括董事)支付任何酬金，作為加入本集團或加入本集團時之獎勵或離職補償。截至二零一七年十二月三十一日及二零一六年十二月三十一日兩個年度，並無董事放棄任何或接受放棄酬金的安排。
- (f) 截至二零一七年十二月三十一日及二零一六年十二月三十一日兩個年度與表現有關之獎勵按董事的個別表現釐定，並由本集團薪酬委員會批准。

13. 股息

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interim dividend paid for 2017 — HK\$0.18 per share (2016: interim dividend paid for 2016 — HK\$0.17 per share)	68,145	64,359
Final dividend paid for 2016 — HK\$0.3 per share (2016: final dividend paid for 2015 — HK\$0.26 per share)	113,575	98,432
	181,720	162,791

於報告期末，截至二零一七年十二月三十一日止年度之末期股息每股港幣0.42元(二零一六年：截至二零一六年十二月三十一日止年度之末期股息每股港幣0.3元)，合共約港幣159,005,000元(二零一六年：港幣113,575,000元)，經由董事會建議，並須於應屆股東周年大會上獲得股東批准。

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

14. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$744,888,000 (2016: HK\$457,907,000) and on 378,583,440 (2016: 378,583,440) ordinary shares in issue during the year.

No diluted earnings per share has been presented as there were no potential ordinary shares in issue during the years 2017 and 2016.

15. INVESTMENT PROPERTIES

		HK\$'000 港幣千元
FAIR VALUE	公平價值	
At 1 January 2016	於二零一六年一月一日	7,888,772
Currency realignment	匯率調整	(182,566)
Additions	增加	17,011
Gain on changes in fair value	公平價值變動收益	158,302
At 31 December 2016	於二零一六年十二月三十一日	7,881,519
Currency realignment	匯率調整	190,524
Additions	增加	28,787
Gain on changes in fair value	公平價值變動收益	292,070
At 31 December 2017	於二零一七年十二月三十一日	8,392,900

notes:

(a) All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

(b) Fair value measurements and valuation processes

In estimating the fair value of investment properties, it is the Group's policy to engage an independent qualified professional valuer to perform the valuations. The management works closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

On 31 December 2017 and 31 December 2016, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd. ("Vigers"), an independent qualified professional valuer not connected to the Group which has appropriate professional qualifications and recent experience in the valuations of similar properties in the relevant locations.

The valuations have been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions or, where appropriate, by capitalising the market rentals of all lettable units of the properties by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

14. 每股基本盈利

本公司股東應佔每股基本盈利乃依據本年度本公司股東應佔之溢利約港幣744,888,000元(二零一六年：港幣457,907,000元)及本年度已發行普通股378,583,440股(二零一六年：378,583,440股)計算。

二零一七年及二零一六年內均無任何潛在普通股，因此攤薄每股盈利不作呈報。

15. 投資物業

		HK\$'000 港幣千元
FAIR VALUE	公平價值	
At 1 January 2016	於二零一六年一月一日	7,888,772
Currency realignment	匯率調整	(182,566)
Additions	增加	17,011
Gain on changes in fair value	公平價值變動收益	158,302
At 31 December 2016	於二零一六年十二月三十一日	7,881,519
Currency realignment	匯率調整	190,524
Additions	增加	28,787
Gain on changes in fair value	公平價值變動收益	292,070
At 31 December 2017	於二零一七年十二月三十一日	8,392,900

附註：

(a) 本集團按經營租約持有以賺取租金之所有物業權益均按公平價值模式計量，並分類及列賬為投資物業。

(b) 公平價值計量和估值過程

估計投資物業的公平價值時，本集團的政策乃聘用獨立合資格專業估值師進行估值。管理層與估值師密切合作，建立適當的估值技術和估值模型輸入數據。

於二零一七年十二月三十一日及二零一六年十二月三十一日，獨立估值是由威格斯資產評估顧問有限公司(「威格斯」)進行。威格斯為與本集團並無關連之獨立合資格專業估值師，對在相關地點類似物業進行估值擁有適當的專業資格及近期經驗。

估值以直接比較法乃參考相同地區及狀態的類似物業的市場價格或參考可出租單位達到的租值以及鄰近類似物業的租用情況以資本化物業所有可租出單位的市場租值(按適用者)得出。於估值中，物業所有可租出單位的市場租值乃參考可租出單位達到的租值以及鄰近類似物業的其他租用情況評估所得。當中所用的資本化比率乃經參考估值師就該地區的類似物業觀察所得的收益率，再經根據估值師所知就相對應物業有關的特定因素調整後採用。

15. INVESTMENT PROPERTIES (CONTINUED)

notes: (Continued)

(b) Fair value measurements and valuation processes (Continued)

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表	Fair value hierarchy 公平價值架構	Valuation technique(s) and key input(s) 估值技巧及主要變數	Significant unobservable input(s) 重大不可觀測得出的變數	Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係
Investment properties in Hong Kong with an aggregate carrying amount of HK\$1,056,120,000 (2016: HK\$980,000,000)	Level 3	Direct comparison method The key input is (1) Unit sale rate	Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, ranging from HK\$110 to HK\$21,300 (2016: HK\$100 to HK\$19,300) per square feet on gross floor area basis for properties and ranging from HK\$740,000 to HK\$1,300,000 (2016: HK\$640,000 to HK\$720,000) per unit for car park spaces.	An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.
在香港的投資物業總賬面值 港幣1,056,120,000元(二零一六年：港幣980,000,000元)	第三級別	直接比較法 主要變數為 (1) 單位銷售價格	考慮到時間、地點及對照物業與物業本身之間的個別因素，如門面闊度及戶型，單位銷售價格定為商業部份每平方呎由港幣110元至港幣21,300元(二零一六年：港幣100元至港幣19,300元)(按總樓面面積計)，停車場部分則由港幣740,000元至港幣1,300,000元(二零一六年：港幣640,000元至港幣720,000元)。	所用的單位銷售價格一旦上升，會令投資物業的公平價值計量按同樣的百分比增加，反之亦然。

15. 投資物業(續)

附註：(續)

(b) 公平價值計量和估值過程(續)

在估計物業公平價值時，物業的最高及最佳用途為其目前用途。

下表列出有關投資物業的公平價值如何釐定的資料(重點在於當中所用的估值技巧及輸入變數)，以及按公平價值計量中的輸入變數可以觀測得出的程度，將公平價值計量分類至公平價值架構中的級別(第一至第三級別)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

15. INVESTMENT PROPERTIES (CONTINUED)

notes: (Continued)

(b) Fair value measurements and valuation processes (Continued)

Investment properties held by the Group in the consolidated statement of financial position
本集團持有的投資物業列於綜合財務狀況表

Fair value hierarchy

Valuation technique(s) and key input(s)

Significant unobservable input(s)

Relationship of unobservable inputs to fair value
不可觀測得出的變數與公平價值的關係

公平價值架構

估值技巧及主要變數

重大不可觀測得出的變數

Investment properties in Hong Kong with an aggregate carrying amount of HK\$4,408,200,000 (2016: HK\$4,183,800,000)

Level 3

Income capitalisation method

The key inputs are

(1) Reversion yield

Reversion yield, taking into account of the capitalisation of rental income potential, nature of the property and prevailing market condition, ranging from 3.3% to 4.8% (2016: 3.3% to 4.8%).

A slight increase in the reversion yield used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa.

(2) Monthly market rent

Monthly market rents, taking into account of time, location and individual factors such as frontage and size, between the comparable and the property, ranging from HK\$40 to HK\$220 (2016: HK\$29 to HK\$260) per square feet per month on lettable area basis.

A slight increase in the monthly market rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.

在香港的投資物業總賬面值港幣4,408,200,000元(二零一六年:港幣4,183,800,000元)

第三級別

收益資本化

主要變數為

(1) 租期後的回報率

考慮到租金潛在收入資本化、物業性質及現時市況，修訂收益率定為3.3%至4.8%(二零一六年:3.3%至4.8%)。

所用的租期後的回報率若有輕微上升，會令投資物業的公平價值計量有重大下跌，反之亦然。

(2) 每月市場租金

考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每月市場租金訂為按可出租面積計每平方呎由港幣40元至港幣220元(二零一六年:港幣29元至港幣260元)。

所用的每月市場租金若有輕微上升，會令投資物業的公平價值計量有重大上升，反之亦然。

Investment properties in the PRC with an aggregate carrying amount of HK\$263,189,000 (2016: HK\$251,537,000)

Level 3

Direct comparison method

The key input is

(1) Unit sale rate

Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, ranging from RMB4,950 to RMB24,000 (2016: RMB5,800 to RMB24,000) per square meter on gross floor area basis for properties.

An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa.

在中國的投資物業總賬面值港幣263,189,000元(二零一六年:港幣251,537,000元)

第三級別

直接比較法

主要變數為

(1) 單位銷售價格

考慮到時間、地點及對照物業與物業本身之間的個別因素，如門面闊度及戶型，單位銷售價格定為每平方米由人民幣4,950元至人民幣24,000元(二零一六年:人民幣5,800元至人民幣24,000元)(按總樓面面積計)。

所用的單位銷售價格一旦上升，會令投資物業的公平價值計量按同樣的百分比增加，反之亦然。

15. INVESTMENT PROPERTIES (CONTINUED)

notes: (Continued)

(b) Fair value measurements and valuation processes (Continued)

Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表	Fair value hierarchy 公平價值架構	Valuation technique(s) and key input(s) 估值技巧及主要變數	Significant unobservable input(s) 重大不可觀測得出的變數	Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係
Investment properties in the PRC with an aggregate carrying amount of HK\$2,665,391,000 (2016: HK\$2,466,182,000)	Level 3	Income capitalisation method The key inputs are (1) Reversion yield (2) Monthly market rent	Reversion yield, taking into account of the capitalisation of rental income potential, nature of the property and prevailing market condition, ranging from 6.5% to 7.0% (2016: 6.5% to 7.0%). Monthly market rents, taking into account of time, location and individual factors such as frontage and size, between the comparable and the property, ranging from RMB95 to RMB913 (2016: RMB95 to RMB821) per square meter per month on lettable area basis.	A slight increase in the reversion yield used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. A slight increase in the monthly market rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
在中國的投資物業總賬面值 港幣2,665,391,000元 (二零一六年： 港幣2,466,182,000元)	第三級別	收益資本化 主要變數為 (1) 租期後的回報率 (2) 每月市場租金	考慮到租金潛在收入資本化、物業性質及現時市況，修訂收益率定為6.5%至7.0%（二零一六年：6.5%至7.0%）。 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每月市場租金訂為按可出租面積計每平方米由人民幣95元至人民幣913元（二零一六年：人民幣95元至人民幣821元）。	所用的租期後的回報率若有輕微上升，會令投資物業的公平價值計量有重大下跌，反之亦然。 所用的每月市場租金若有輕微上升，會令投資物業的公平價值計量有重大上升，反之亦然。

The fair values of all investment properties at 31 December 2017 and 31 December 2016 were measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy.

In estimating the fair value of the Group's investment properties, the Group used market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages an independent qualified professional valuer to perform the valuations of the Group's investment properties. At the end of each reporting period, the Group works closely with the valuer to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company.

There were no transfer into or out of Level 3 during the year.

15. 投資物業 (續)

附註：(續)

(b) 公平價值計量和估值過程 (續)

二零一七年十二月三十一日及二零一六年十二月三十一日所有投資物業的公平價值乃利用有不可觀測得出的重大輸入變數之估值技巧，故分類為公平價值架構第三級別。

在估計本集團投資物業的公平價值時，本集團在可得資料的限制下盡量使用市場上可觀測數據。若第一級別輸入變數並不可得，本集團會委聘獨立合資格專業估值師對本集團投資物業作出估值。在各報告期末，本集團與估值師通力合作，以確立及釐定第二級別及第三級別公平價值計量的合適估值技巧及輸入變數。本集團在輸入變數可從活躍市場上的可觀測報價中得出輸入變數時，會首先斟酌採用第二級別。當第二級別輸入變數並不可用時，本集團會採用包括第三級別輸入變數的估值技巧。當資產公平價值有重大變動時，波動的起因會向本公司董事匯報。

年內沒有轉入或轉出第三級別。

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

16. PROPERTY, PLANT AND EQUIPMENT/PROPERTIES UNDER DEVELOPMENT**16. 物業、廠房及設備／發展中物業**

		Leasehold land and buildings	Plant and machinery	Furniture, fixtures, motor vehicles and computer equipment	Total
		租賃土地 及樓宇 HK\$'000 港幣千元	廠房及機器 HK\$'000 港幣千元	傢俬、 裝置、車輛 及電腦設備 HK\$'000 港幣千元	總值 HK\$'000 港幣千元
COST					
At 1 January 2016	於二零一六年一月一日	81,484	35,045	129,895	246,424
Currency realignment	匯率調整	—	(1,964)	(3,598)	(5,562)
Additions	增加	23,653	3,427	5,179	32,259
Disposals	出售	—	(1,187)	(29,695)	(30,882)
At 31 December 2016	於二零一六年十二月三十一日	105,137	35,321	101,781	242,239
Currency realignment	匯率調整	—	2,191	1,819	4,010
Additions	增加	—	4,123	5,613	9,736
At 31 December 2017	於二零一七年十二月三十一日	105,137	41,635	109,213	255,985
DEPRECIATION AND AMORTISATION					
At 1 January 2016	於二零一六年一月一日	10,985	18,985	111,776	141,746
Currency realignment	匯率調整	—	(1,083)	(3,209)	(4,292)
Charge for the year	本年度支出	1,738	2,126	5,035	8,899
Eliminated on disposals	於出售時對銷	—	(1,068)	(28,874)	(29,942)
At 31 December 2016	於二零一六年十二月三十一日	12,723	18,960	84,728	116,411
Currency realignment	匯率調整	—	1,195	1,563	2,758
Charge for the year	本年度支出	2,377	2,357	6,278	11,012
At 31 December 2017	於二零一七年十二月三十一日	15,100	22,512	92,569	130,181
CARRYING VALUE					
At 31 December 2017	於二零一七年十二月三十一日	90,037	19,123	16,644	125,804
At 31 December 2016	於二零一六年十二月三十一日	92,414	16,361	17,053	125,828

notes:

(a) The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease or 2% to 3%
Plant and machinery	10%
Furniture, fixtures, motor vehicles and computer equipment	10-20%

(b) As at 31 December 2017, properties under development amounting to approximately HK\$1,207,006,000 (2016: HK\$1,005,598,000) represent the cost in relation to the redevelopment of a property located in Hong Kong into a hotel. During the year ended 31 December 2017, additions of properties under development amounting to approximately HK\$201,408,000 (2016: HK\$268,873,000).

附註：

(a) 上述物業、廠房及設備項目乃按直線基準以下列年率折舊：

租賃土地及樓宇	按較短之租約年期或2%至3%
廠房及機器	10%
傢俬、裝置、車輛及電腦設備	10-20%

(b) 於二零一七年十二月三十一日，發展中物業為港幣1,207,006,000元(二零一六年：港幣1,005,598,000元)代表將一項位於香港的物業重新發展成酒店的成本。於二零一七年十二月三十一日止年度內，發展中物業增加約港幣201,408,000元(二零一六年：港幣268,873,000元)。

17. PROPERTIES UNDER DEVELOPMENT FOR SALE/ PROPERTIES HELD FOR SALE

As at 31 December 2017, the carrying value of properties under development for sale of approximately HK\$659,998,000 (2016: HK\$954,969,000) is expected to be realised after twelve months from the end of the reporting period.

As at 31 December 2017, the carrying value of properties held for sale of approximately HK\$544,261,000 (2016: HK\$610,767,000) and HK\$11,714,000 (2016: HK\$11,714,000) are located in the PRC and Hong Kong, respectively.

The cost of properties held for sale recognised as an expense during the year amounted to approximately HK\$1,149,352,000 (2016: HK\$333,173,000).

18. INTERESTS IN JOINT VENTURES

17. 待出售發展中物業／待出售物業

於二零一七年十二月三十一日，待出售發展中物業賬面值約為港幣659,998,000元(二零一六年：港幣954,969,000元)預期在報告期末十二個月後變現。

於二零一七年十二月三十一日，位於中國及香港的待出售物業賬面值分別約為港幣544,261,000元(二零一六年：港幣610,767,000元)及約為港幣11,714,000元(二零一六年：港幣11,714,000元)。

年內，已確認為開支之待出售物業成本約為港幣1,149,352,000元(二零一六年：港幣333,173,000元)。

18. 合營企業權益

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cost of investments in joint ventures — unlisted	投資於合營企業之成本 — 非上市	—	3
Deemed contribution to a joint venture (note c)	被視為對合營企業的注資(附註c)	190,565	—
Share of post-acquisition results and other comprehensive income, net of dividends received	所佔收購後業績及其他全面收益，扣除已收取股息	1,645	1,222
		192,210	1,225

Particulars of the Group's principal joint ventures at 31 December 2017 and 31 December 2016 are as follows:

下列為本集團於二零一七年十二月三十一日及二零一六年十二月三十一日擁有主要合營企業：

Name of company 合營企業名稱	Place of incorporation/ operations 註冊成立／營業地	Class of shares held 所持有股份類別	Proportion of ownership interest 擁有權益比例		Proportion of voting power held 持有投票權之比例		Principal activities 業務性質
			2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Falconmate Limited	Hong Kong/Hong Kong 香港／香港	Ordinary 普通股	— (note a) (附註a)	50%	— (note a) (附註a)	50%	Deregistered 已註銷
Value Investing Group Company Limited ("Value Investing") 價值投資集團有限公司	Hong Kong/Japan 香港／日本	Ordinary 普通股	50% (note b) (附註b)	—	50% (note b) (附註b)	—	Property investment 物業投資

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18. INTERESTS IN JOINT VENTURES (CONTINUED)

notes:

- (a) During the year ended 31 December 2017, Falconmate Limited has been deregistered.
- (b) In November 2017, the Group entered into the sale and purchase agreement with Value Partners Group Limited ("Value Partners") to acquire 50% of the issued share capital in Value Investing which in turn through a wholly-owned subsidiary holds 100% of the trust beneficial interests in the properties located in Japan, held under operating leases to earn rentals.

Pursuant to the sale and purchase agreement which Value Partners agreed to sell and the Group agreed to purchase 1 share in the issued share capital of Value Investing, representing 50% of the entire issued share capital of Value Investing at the consideration of HK\$1. Upon completion, the Group has provided an interest-free shareholder's loan in the amount of JPY2,749,848,740 (approximately HK\$191 million) to Value Investing to repay the corresponding amount of shareholder's loan owing by Value Investing to Value Partners, the effect of which is to ensure that the shareholders' loans of the Group and Value Partners will be pro rata to their shareholding.

Upon completion, the Group exercises joint control over Value Investing and the financial results and financial positions of Value Investing is incorporated in the Group's consolidated financial statements using the equity method of accounting.

- (c) Deemed contribution in a joint venture represents loan advanced to a joint venture which is unsecured, interest-free and has no fixed repayment terms. In the opinion of the directors of the Company, the loan is in substance formed part of investment in a joint venture.

The consolidated financial information of Value Investing, which is prepared in accordance with International Financial Reporting Standards, is set out below:

		2017 二零一七年 HK\$'000 港幣千元
Current assets	流動資產	426
Non-current assets	非流動資產	394,027
Current liabilities	流動負債	381,003
Cash and cash equivalents	現金及現金等值項目	426
Current financial liabilities	流動財務負債	381,003

		2017 二零一七年 HK\$'000 港幣千元
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	13,450

18. 合營企業權益(續)

附註：

- (a) 於截至二零一七年十二月三十一日止年度，Falconmate Limited已經註銷。
- (b) 於二零一七年十一月，本集團與惠理集團有限公司(「惠理」)訂立買賣協議，購入價值投資集團有限公司50%的已發行股本，並通過其全資附屬公司，持有100%實益的日本物業，根據經營租約以賺取租金。

根據該買賣協議，惠理及本集團均同意按港幣一元的代價出售及購買股份，相當於價值投資集團有限公司全部已發行股本的50%。交易完成後，本集團向價值投資集團有限公司提供了2,749,848,740日圓(約港幣191,000,000元)的免息股東貸款，用作償還價值投資集團有限公司結欠惠理的股東貸款的對應金額，其作用為確保本集團及惠理所佔的股東貸款將根據彼等的持股按比例計算。

交易完成後，本集團對價值投資集團有限公司實施共同控制的權力，而價值投資集團有限公司的財務業績和財務狀況，將以權益法計入本集團的綜合財務報表中。

- (c) 一項無抵押、免息且無固定還款的墊支予合營企業被視為對合營企業的注資。本公司董事認為該貸款實質為合營企業投資的一部分。

下列為價值投資集團有限公司根據國際財務報告準則編制之綜合財務資料：

18. INTERESTS IN JOINT VENTURES (CONTINUED)

Reconciliation of the above summarised consolidated financial information of Value Investing to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2017 二零一七年 HK\$'000 港幣千元
Net assets	資產淨額	13,450
Proportion of the Group's ownership interest in Value Investing	本集團所佔價值投資集團有限公司之所有權權益之部分	50%
Deemed investments	被視為投資成本	6,725
Pre-acquisition profits	收購前溢利	(5,080)
Carrying amount of the Group's interest in Value Investing	本集團於價值投資集團有限公司之權益賬面值	192,210

The summarised financial information below represents the aggregate amount of the Group's share of its interests in joint ventures which are not individually material:

18. 合營企業權益 (續)

由以上價值投資集團有限公司之概述綜合財務資料調節至綜合財務狀況表中確認之合營企業權益：

以下概述之財務資料指本集團於個別非重大之合營企業之權益總額：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Loss and total comprehensive expense for the year	本年度虧損及全面支出總額	-	(3)

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19. INVESTMENTS IN SECURITIES

19. 證券投資

		Financial assets at FVTPL 按公平價值計入損益之金融資產			
		Held for trading 持作買賣用途 HK\$'000 港幣千元	Designated at fair value 指定按公平價值列賬 HK\$'000 港幣千元	Available-for-sale investments 可供出售投資 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
		notes 附註			
2017	二零一七年				
Listed equity securities	上市股本證券	(a)	16,693	–	288,380
Unlisted equity securities	非上市股本證券	(b)	–	–	269,922
Structured products	結構性工具	(c)	–	7,737	–
Investment funds	投資基金	(d)	–	–	72,308
Others	其他	(e)	–	–	52,239
			16,693	7,737	682,849
					707,279
Analysed as:	分類為：				
Listed in Hong Kong	香港上市		16,693	–	340,619
Unlisted	非上市		–	7,737	342,230
			16,693	7,737	682,849
					707,279
Analysed for reporting purpose as:	以作報告之用分類為：				
Non-current assets	非流動資產				690,486
Current assets	流動資產				16,793
					707,279

19. INVESTMENTS IN SECURITIES (CONTINUED)

19. 證券投資(續)

		Financial assets at FVTPL 按公平價值計入損益之金融資產				
		notes	Held for trading 持作買賣用途 HK\$'000 港幣千元	Designated at fair value 指定按公平價值列賬 HK\$'000 港幣千元	Available-for-sale investments 可供出售投資 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
2016	二零一六年					
Listed equity securities	上市股本證券	(a)	12,203	—	257,446	269,649
Unlisted equity securities	非上市股本證券	(b)	—	—	265,522	265,522
Structured products	結構性工具	(c)	—	7,737	—	7,737
Investment funds	投資基金	(d)	—	—	69,124	69,124
Others	其他	(e)	—	—	51,926	51,926
			12,203	7,737	644,018	663,958
Analysed as:	分類為：					
Listed in Hong Kong	香港上市		12,203	—	309,372	321,575
Unlisted	非上市		—	7,737	334,646	342,383
			12,203	7,737	644,018	663,958
Analysed for reporting purpose as:	以作報告之用分類為：					
Non-current assets	非流動資產					651,653
Current assets	流動資產					12,305
						663,958

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19. INVESTMENTS IN SECURITIES (CONTINUED)

notes:

- (a) As at 31 December 2017, listed equity securities classified as available-for-sale investments held by the Group amounting to approximately HK\$288,380,000 (2016: HK\$257,446,000) are carried at fair value at the end of the reporting period. Due to a prolonged decline in the market price of the investment below cost, an impairment loss of approximately HK\$39,860,000 (2016: HK\$nil) was recognised in the profit or loss during the year ended 31 December 2017.
- (b) As at 31 December 2017, unlisted equity securities classified as available-for-sale investments held by the Group amounting to approximately HK\$269,922,000 (2016: HK\$265,522,000) are carried at fair value at the end of the reporting period.
- (c) As at 31 December 2017, structured deposits of approximately HK\$7,737,000 (2016: HK\$7,737,000) held by the Group have maturity date in 2019 and carry interest rates linked to London Interbank Offered Rate ("LIBOR"). Such structured deposits are designated as financial assets at FVTPL.
- (d) The investment funds invest in unlisted equity securities issued by private entities incorporated in Asia Pacific region. They are measured at fair value at the end of the reporting period. Investment funds with less than 12 months operation period before voluntary liquidation from the end of reporting period are classified as current portion in the consolidated statement of financial position. The Group has committed to contribute a pre-determined capital amount in these investment funds and the realised gains or losses of these funds are recognised in the profit or loss. These investment funds may call upon further capital contribution if required up to the pre-determined capital amount (note 30). There was no capital returned to the Group from the investment funds during the year ended 31 December 2017 and 31 December 2016.
- (e) As at 31 December 2017, the Group held a perpetual capital securities amounting to approximately HK\$52,239,000 (2016: HK\$51,926,000) are carried at fair value at the end of the reporting period. Such investments are issued in September 2014 with a fixed distribution rate of 6.5% per annum payable semi-annually for the first five years and reset to the prevailing 5-year U.S. Treasury plus the initial margin every five years thereafter.

20. INVENTORIES

The Group's inventories comprise:

Raw materials	原材料
Work in progress	半製成品
Finished goods	製成品
Other inventories	其他存貨

The cost of inventories recognised as an expense during the year amounted to approximately HK\$55,631,000 (2016: HK\$44,460,000).

19. 證券投資 (續)

附註：

- (a) 於二零一七年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為可供出售的上市股本證券約為港幣288,380,000元(二零一六年：港幣257,446,000元)。由於該投資的市場價格持續低於成本，約港幣39,860,000元(二零一六年：無)減值虧損於截至二零一七年十二月三十一日止年度之損益賬內確認。
- (b) 於二零一七年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為可供出售的非上市股本證券約為港幣269,922,000元(二零一六年：港幣265,522,000元)。
- (c) 於二零一七年十二月三十一日，本集團持有的結構性存款為港幣7,737,000元(二零一六年：港幣7,737,000元)，其息率每年按倫敦銀行同業拆息之利率計息，並將於二零一九年到期。該等結構性存款為指定按公平價值計入損益之金融資產。
- (d) 該等投資基金乃投資於在亞太區註冊成立之私營實體所發行的非上市股本證券。有關投資於報告期末按公平價值計量。自報告期末以來於自願清盤前營運期少於十二個月之投資基金於綜合財務狀況表內乃分類為流動資產。本集團承擔就該等投資基金按預定資本額注資之責任，而該等基金之已變現收益或虧損乃於損益賬內確認。該等投資基金可於須作出額外注資時動用，惟以預定資本額為限(附註30)。於二零一七年十二月三十一日及二零一六年十二月三十一日止年度內，該等投資基金並無向本集團退還注資。
- (e) 於二零一七年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為項無限定期資本證券約為港幣52,239,000元(二零一六年：港幣51,926,000元)。該證券於二零一四年九月發行，派息率固定為每年6.5%，首五年每半年派發一次。其後利息每五年以美國國債息率加期初邊際息率重置。

20. 存貨

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
The Group's inventories comprise:		
Raw materials	1,414	830
Work in progress	6,747	4,625
Finished goods	15,129	7,974
Other inventories	3,659	-
	26,949	13,429

於本年度確認為支出之存貨成本約為港幣55,631,000元(二零一六年：港幣44,460,000元)。

21. TRADE AND OTHER RECEIVABLES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade receivables	貿易應收賬款	24,990	25,632
Deposits paid	已付保證金	27,751	20,455
Loan receivables	應收借款	9,347	11,475
Prepayments and other receivables	預付賬款及其他應收賬款	53,197	69,927
		115,285	127,489

notes:

- (a) Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Monthly rent in respect of leased properties are payable monthly in advance by the tenants. Other trade customers settle their accounts with an average credit period of 30-90 days. The aged analysis of trade receivables of approximately HK\$24,990,000 (2016: HK\$25,632,000) presented based on the invoice date at the end of the reporting period is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 30 days	30日內	9,089	8,078
Between 31 days to 90 days	31至90日內	13,859	11,350
Over 90 days	超過90日	2,042	6,204
		24,990	25,632

- (b) As at 31 December 2017, debtors with an aggregate carrying amount of approximately HK\$2,250,000 (2016: HK\$2,731,000) were past due and aged over 90 days at the end of reporting period but the Group has not provided for impairment loss for these balances as management considers that the fundamental credit quality of these customers has not deteriorated. The Group does not hold any collateral over these balances.
- (c) All of the Group's trade receivables are denominated in the functional currency of the individual entities within the Group.
- (d) At the end of each reporting period, the Group performed the impairment assessment of trade and other receivables based on the recoverability of these balances. Impairment loss is made when there is objective evidence that the recoverability of the amount becomes doubtful, based on historical settlement experience, subsequent settlements, business relationship and credit assessment of counterparties. During the year ended 31 December 2017, an impairment loss of HK\$12,898,000 (2016: HK\$nil) in respect of other receivables was recognised in profit or loss.

21. 貿易及其他應收賬款

附註：

- (a) 接納任何新客戶前，本集團評估潛在客戶之信貸質素及設定客戶之信貸上限。客戶之信貸上限經定期審查。大部分貿易應收賬款並無過期或減值，且無欠款記錄。

買家按買賣合約應付有關銷售物業之代價。租客每月預付有關出售物業之每月租金。其他貿易客戶則於平均30-90日之信貸期還款。於本報告期末，依發票日期計入貿易應收賬款約港幣24,990,000元(二零一六年：港幣25,632,000元)之賬齡分析如下：

- (b) 截至二零一七年十二月三十一日，計入本集團應收賬款之總賬面值為約港幣2,250,000元(二零一六年：港幣2,731,000元)，其賬齡報告期末已逾期超過90日，本集團並無就該等結餘之減值虧損計提撥備，原因為管理層認為該等客戶之基本信貸質素並無倒退。本集團並無就該等結餘持有任何抵押物。
- (c) 本集團所有貿易應收賬款以本集團內個別實體之功能貨幣列值。
- (d) 於各報告期間結算日，本集團根據貿易及其他應收賬款餘額的收回能力而評估其虧損，根據以往還款情況、期後還款、商業關係及對對方之信貸評估，當客觀證明就該應收賬款的收回能力有存疑，便作出減值虧損。截至二零一七年十二月三十一日止年度，其他應收賬款之減值虧損為港幣12,898,000元(二零一六年：無)於損益賬確認。

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22. FIXED BANK DEPOSITS WITH MORE THAN THREE MONTHS TO MATURITY WHEN RAISED/OTHER BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.25% (2016: 0.01% to 0.25%) per annum. The fixed deposits carry fixed interest rates ranging from 0.25% to 4.20% (2016: 0.28% to 4.90%) per annum.

As at 31 December 2017, restricted bank deposits of HK\$196,088,000 (2016: HK\$223,780,000) in relation to the pre-sale proceeds from the Group's property development in PRC were included in other bank balances and cash. In accordance with relevant government requirements of property development in PRC, the deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained. Such deposits will be released after the completion of construction of the related properties.

Pledged bank deposits of approximately HK\$297,455,000 (2016: HK\$279,619,000) represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK\$nil (2016: HK\$247,065,000) have been pledged to secure long-term borrowings and are therefore classified as non-current assets and the remaining fixed deposits of approximately HK\$297,455,000 (2016: HK\$32,554,000) are classified as current assets.

The Group's bank balances and fixed bank deposits that are denominated in currencies other than the functional currency of the relevant group entity are set out below:

22. 存入三個月後到期之定期銀行存款／其他銀行存款及現金

銀行存款附有以市場利率計算的利息，介乎每年0.01%至0.25%（二零一六年：0.01%至0.25%）。定期存款附有固定利息，介乎每年0.25%至4.20%（二零一六年：0.28%至4.90%）。

於二零一七年十二月三十一日，其他銀行存款及現金包含港幣196,088,000元（二零一六年：港幣223,780,000元）的受限制銀行存款，該存款與本集團於中國之物業發展之預售物業所得款項有關。根據有關政府機關對物業發展的要求，該存款只可以在獲得政府當局核准時用作支付相關物業建築成本。該存款會於相關物業竣工後得以解除。

已抵押銀行存款約港幣297,455,000元（二零一六年：港幣279,619,000元）為存款已抵押予銀行以便本集團獲授予銀行融資。存款約港幣無（二零一六年：港幣247,065,000元）已為長期借款以作抵押並已分類為非流動資產，其餘定期存款約港幣297,455,000元（二零一六年：港幣32,554,000元）已分類為流動資產。

本集團以非相關集團實體的功能貨幣計值的銀行存款及定期銀行存款，現列如下：

		Denominated in RMB	Denominated in US\$
		以人民幣列值	以美元列值
		HK\$'000	HK\$'000
		港幣千元	港幣千元
As at 31 December 2017	於二零一七年十二月三十一日	390,134	174,068
As at 31 December 2016	於二零一六年十二月三十一日	362,761	168,652

23. TRADE AND OTHER PAYABLES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade payables	貿易應付賬款	8,828	7,874
Construction costs and retention payables	應付建築成本及預留保證金	445,909	270,256
Deposits received and receipt in advance in respect of rental of investment properties	投資物業之已收押金及預收租金	41,278	44,275
Receipt in advance on properties sold	銷售物業預收款	475,327	948,843
Other payables	其他應付賬款	30,424	24,462
		1,001,766	1,295,710

The following is an aged analysis of trade payables based on the invoice date.

貿易應付賬款的賬齡以發票日期分析如下。

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 30 days	30日內	8,828	7,874

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買貨物之平均信貸期為30日。本集團已制定財務風險管理政策，以確保所有應付賬款於信貸期內支付。

Receipt in advance on properties sold amounting to approximately HK\$387,573,000 (2016: HK\$nil) are expected to be released to profit or loss after twelve months from the end of the reporting period.

銷售物業預收款約港幣387,573,000元(二零一六年：無)，預期在本報告期末後十二個月後於損益賬內釋出。

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24. BORROWINGS

24. 借款

			2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Secured bank borrowings	有抵押銀行借款		1,201,027	1,136,273
Amount due to a joint venture	應付一間合營企業款項	(a)	—	1,250
Amounts due to non-controlling interests shareholders	應付非控股股東款項	(b)	46,973	46,106
			1,248,000	1,183,629
The maturity of borrowings is as follows:	借款之到期日如下：			
Carrying amount repayable:	須償還賬面值：	(c)		
Within one year	一年內		336,682	97,412
More than one year but not exceeding two years	一年後但不超過兩年		864,345	321,001
More than two years but not exceeding five years	兩年後但不超過五年		—	717,860
			1,201,027	1,136,273
Amount due to a joint venture	應付一間合營企業款項		—	1,250
Amounts due to non-controlling interests shareholders	應付非控股股東款項		46,973	46,106
			1,248,000	1,183,629
Amounts due within one year	於一年內到期欠款			
— Bank borrowings	— 銀行借款		336,682	97,412
— Amount due to a joint venture	— 應付一間合營企業款項		—	1,250
— Amounts due to non-controlling interests shareholders	— 應付非控股股東款項		46,973	46,106
			383,655	144,768
Amounts due after one year	於一年後到期欠款			
— Bank borrowings	— 銀行借款		864,345	1,038,861
			1,248,000	1,183,629

24. BORROWINGS (CONTINUED)

notes:

- (a) The amount was unsecured, non-interest bearing and fully repaid during the year ended 31 December 2017.
- (b) These borrowings are unsecured and repayable on demand. An amount of approximately HK\$35,247,000 (2016: HK\$35,070,000) bears variable interest at an effective interest rate of 2.03% (2016: 1.90%) per annum, while the remaining amounts are non-interest bearing.
- (c) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (d) The Group's borrowings that are denominated in a currency other than the functional currency of the relevant group entities are set out below:

		Denominated in HK\$ 以港幣列值 HK\$'000 港幣千元
As at 31 December 2017	於二零一七年十二月三十一日	93,777
As at 31 December 2016	於二零一六年十二月三十一日	204,743

- (e) As at 31 December 2017, HK\$ denominated bank loans of approximately HK\$731,766,000 (2016: HK\$697,592,000) and Renminbi ("RMB") denominated bank loans of approximately HK\$229,997,000 (2016: HK\$215,092,000) are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin of 1.44% to 2.10% and 100% of the People's Bank of China ("PBOC") prescribed interest rate, respectively. The effective interest rates ranged from 2.75% to 4.96% (2016: 2.46% to 4.96%) per annum. The remaining bank loans carry fixed interest rate at 4.96% (2016: 4.96%). Details of assets pledged are set out in note 29.

24. 借款(續)

附註：

- (a) 該等借款為無抵押，免息，並已於截至二零一七年十二月三十一日止年度償還。
- (b) 該等借款為無抵押及須應要求償還約港幣35,247,000元(二零一六年：港幣35,070,000元)之款項每年按浮動利率計息，實際利率為每年2.03%(二零一六年：1.90%)，餘額則為免息。
- (c) 有關欠款按貸款協議所載預定還款日期列賬。
- (d) 本集團以有關集團實體功能貨幣以外之其他貨幣列值之借款如下：

- (e) 於二零一七年十二月三十一日，以港幣列值之銀行貸款約港幣731,766,000元(二零一六年：港幣697,592,000元)及以人民幣列值之銀行貸款約港幣229,997,000元(二零一六年：港幣215,092,000元)分別為以香港銀行同業拆息計息另加1.44%至2.10%利差提供的浮息借款，及以100%之中國人民銀行規定利率的浮息借款。實際利率介乎每年2.75%至4.96%(二零一六年：2.46%至4.96%)。其餘銀行貸款之固定利率為4.96%(二零一六年：4.96%)。已抵押資產詳情載於附註29。

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 金融衍生工具

		Assets 資產		Liabilities 負債	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Derivatives not under hedge accounting:	非對沖會計之衍生工具：				
Cross currency swap contract	交叉貨幣掉期合約	—	—	111	—
Currency forward contracts	遠期外匯合約	26	—	679	—
		26	—	790	—
Analysed for reporting purpose as:	以作報告之用分類為：				
Current	流動	26	—	—	—
Non-current	非流動	—	—	790	—
		26	—	790	—

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25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cross currency swap contract

During the year ended 31 December 2017, the Group entered into a cross currency swap contract to manage its exposure to currency exchange fluctuation on its operations in Japan with principal amount of JPY2,749,848,740 at fixed currency exchange rate of Japanese Yen (“JPY”) to HK\$ at 0.07 and due in 2020. Under this swap, the Group would receive interest monthly at a floating rate of HIBOR plus 1.44% per annum based on the principal amount of approximately HK\$192,539,000 and pay interest annually at fixed rate at 1.19% per annum based on the principal amount of JPY2,749,848,740.

Currency forward contracts

During the year ended 31 December 2017, the Group entered into several currency forward contracts to manage its exposure to currency exchange fluctuation on its operations in Japan.

Buy 買	Sell 賣	Maturity 到期	Contract rate 合約利率
HK\$33,869,000 港幣 33,869,000 元	JPY481,097,000 日元 481,097,000	March 2018 to March 2020 二零一八年三月至二零二零年三月	0.0704 HK\$ 0.0704 港幣

Details of the fair value measurements of cross currency swap contract and currency forward contracts are set out in note 34c.

26. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	3,850	5,807
Deferred tax liabilities	遞延稅項負債	(247,102)	(226,910)
		(243,252)	(221,103)

25. 金融衍生工具(續)

交叉貨幣掉期合約

截至二零一七年十二月三十一日止年度，本集團已與銀行進行交叉貨幣掉期交易，來管理其在日本業務的外匯兌換風險，金額為 2,749,848,740 日圓，兌換港元固定匯率為 0.07，並於 2020 年到期。根據這種掉期交易，本集團將按月收取根據本金港幣 192,539,000 元以香港銀行同業拆息加 1.44% 年利率計算的利息，及每年支付根據本金 2,749,848,740 日圓以固定利率 1.19% 年利率計算的利息。

遠期外匯合約

截至二零一七年十二月三十一日止年度，本集團訂立數個遠期外匯合約來管理其在日本業務的外匯兌換風險。

詳情有關交叉貨幣掉期合約及遠期外匯合約之公平價值計量計載於附註 34c。

26. 遞延稅項

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已抵銷。以下為就財務匯報目的之遞延稅項結餘分析：

26. DEFERRED TAXATION (CONTINUED)

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior years.

		Difference of accounting and tax depreciation	Revaluation of investment properties in the PRC	Tax losses	Total
		會計與稅項 折舊之差異 HK\$'000 港幣千元	重估在中國 之投資物業 HK\$'000 港幣千元	稅項虧損 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 January 2016	於二零一六年一月一日	30,337	209,386	(15,836)	223,887
Charge to profit or loss	於損益賬中扣除	1,432	5,031	2,442	8,905
Currency realignment	匯率調整	-	(11,689)	-	(11,689)
At 31 December 2016	於二零一六年十二月三十一日	31,769	202,728	(13,394)	221,103
Charge to profit or loss	於損益賬中扣除	2,127	4,864	2,640	9,631
Currency realignment	匯率調整	-	12,518	-	12,518
At 31 December 2017	於二零一七年十二月三十一日	33,896	220,110	(10,754)	243,252

At the end of the reporting period, the Group had unused tax losses of approximately HK\$502 million (2016: HK\$542 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$65 million (2016: HK\$81 million) of such losses. No deferred tax asset has been recognised in respect of the remaining tax loss of approximately HK\$437 million (2016: HK\$461 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses at 31 December 2017 are tax losses of approximately HK\$37 million (2016: HK\$89 million) that will expire within 5 years from the year of originating. Other tax losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$284,318,000 (2016: HK\$18,952,000) as the Group is able to control the timing of the reversal of these temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

26. 遞延稅項 (續)

以下為本集團於本年度及以往年度已確認之主要遞延稅項負債及資產以及其變動。

於報告期末，本集團尚有約港幣502,000,000元(二零一六年：港幣542,000,000元)之未動用稅項虧損可用作抵銷未來溢利。當中約港幣65,000,000元(二零一六年：港幣81,000,000元)已確認為遞延稅項資產。由於無法預測未來溢利來源，其餘約港幣437,000,000元(二零一六年：港幣461,000,000元)之稅項虧損並未確認為遞延稅項資產。於二零一七年十二月三十一日，未確認稅項虧損中包括產生年度後五年內到期的稅項虧損約港幣37,000,000元(二零一六年：港幣89,000,000元)。其他稅項虧損均能無限期結轉至下一年度。根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司賺取溢利而宣派之股息須繳納預扣稅。由於本集團能夠控制撥回暫時差異之時間，而有關暫時差異可能不會於可見將來撥回，故尚未於綜合財務報表就中國附屬公司累積溢利之暫時差異港幣284,318,000元(二零一六年：港幣18,952,000元)作出遞延稅項撥備。

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27. SHARE CAPITAL

		Number of shares 股份數目	HK\$'000 港幣千元
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日， 二零一六年十二月三十一日及 二零一七年十二月三十一日		
Ordinary shares of no par	無面值之普通股	378,583,440	381,535

28. SHARE OPTION SCHEMES

The Company's share option scheme (the "2002 Scheme") was adopted pursuant to a resolution passed on 25 April 2002, for the primary purpose of providing incentives to directors and eligible employees, and expired on 24 April 2012. Under the 2002 Scheme, the Company could grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company at HK\$10 per option. Additionally, the Company could, from time to time, grant share options to outside eligible third parties at the discretion of the Board of Directors.

Without prior approval from the Company's shareholders, the total number of shares in respect of which options could be granted under the 2002 Scheme was not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares in respect of which options could be granted to any individual was not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options could be exercised at any time from the date of grant of the share option to the 5th anniversary of the date of grant. The exercise price was to be determined by the directors of the Company, and would not be less than the higher of the nominal value of the Company's share on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, or the closing price of the shares on the date of grant.

No options were granted under the 2002 Scheme since it was adopted. The 2002 Scheme expired on 24 April 2012.

A new share option scheme was approved and adopted by the Company pursuant to an ordinary resolution passed on 9 May 2012 (the "2012 Scheme"). The terms of the 2012 Scheme and the 2002 Scheme are broadly similar. The 2012 Scheme is effective for a period of 10 years.

No share option has been granted under the 2012 Scheme since its adoption.

27. 股本

28. 股份期權計劃

本公司根據於二零零二年四月二十五日通過之決議案採納股份期權計劃(「二零零二年計劃」)，主要目的是為激勵各董事及合資格僱員，該計劃將於二零一二年四月二十四日屆滿。根據二零零二年計劃，本公司可向合資格僱員(包括本公司及其附屬公司之執行董事)授出期權，以每份期權港幣10元認購本公司股份。此外，本公司可於任何時間，由董事會酌情向任何合資格外界第三方授出股份期權。

在未獲得本公司股東事先批准下，根據二零零二年計劃可授出期權之股份總數不得超出本公司於任何時間已發行股份之10%，而授予任何個別人士之期權所涉股份數目不得超出本公司於任何時間已發行股份之1%。

股份期權可於授出日期起計五年內任何時間行使。行使價由本公司董事釐訂，惟不低於本公司股份於授出日期之面值、於緊接授出日期前五個交易日之股份平均收市價或授出當日之股份收市價之較高者。

二零零二年計劃獲採納以來並無據此授出期權。二零零二年計劃於二零一二年四月二十四日屆滿。

根據於二零一二年五月九日通過之普通決議案，一項新股份期權計劃(「二零一二年計劃」)獲本公司批准及採納。二零一二年計劃之條款與二零零二年計劃之條款大致相同。二零一二年計劃有效期為10年。

二零一二年計劃獲採納以來並無據此授出期權。

29. PLEDGE OF ASSETS

At the end of the reporting period, the assets shown as below were pledged to banks to secure general banking facilities made available to the Group.

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
CARRYING VALUE	賬面值		
Leasehold land and building	租賃土地及樓宇	61,679	63,173
Investment properties	投資物業	4,636,391	4,277,182
Bank deposits	銀行存款	297,455	279,619

30. CAPITAL COMMITMENTS

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已簽約但未於綜合財務報表上撥備之資本開支：		
— Property, plant and equipment/properties under development/investment properties	— 物業、廠房及設備/發展中物業/投資物業	38,953	216,043
— Contribution to the capital of investment funds	— 投資基金的資本貢獻	22,870	23,715

31. OPERATING LEASE COMMITMENTS**The Group as lessee**

At the end of the reporting period, the Group had commitments for future minimum lease payments under these non-cancellable operating leases which fall due as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	8,626	12,286
In the second to fifth years inclusive	於第二至五年內(包括首尾兩年)	24,342	21,590
Over five years	五年後	5,559	9,107
		38,527	42,983

Operating lease payments represent rentals payable for certain of the Group's offices, hotel premises and staff quarters. Leases are negotiated for a range of one to sixteen years and rentals are fixed throughout the lease period.

29. 資產抵押

於報告期末，下列資產已抵押予銀行，以便本集團獲授予一般銀行融資。

30. 資本承擔**31. 經營租約承擔
集團作為承租人**

於報告期末，本集團不可撤銷經營租約而承擔於下列年期到期支付之未來最低租金支出如下：

經營租約款項指本集團若干寫字樓、酒店物業及員工宿舍之應付租金。協議租期為一至十六年不等，整段租期內的租金已在協議租約時預定。

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31. OPERATING LEASE COMMITMENTS (CONTINUED)

The Group as lessor

At the end of the reporting period, the Group as lessor had contracted with tenants for the following future minimum lease payments:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	318,082	323,722
In the second to fifth years inclusive	於第二至五年內(包括首尾兩年)	300,574	320,193
Over five years	五年後	16,011	1,505
		634,667	645,420

Property rental income earned during the year was approximately HK\$365,611,000 (2016: HK\$361,136,000). All of the properties held have committed tenants for the next one to eight years.

32. RETIREMENT BENEFITS SCHEMES

For its eligible employees in Hong Kong, the Group operates a defined contribution schemes registered under the Mandatory Provident Fund Scheme (the "MPF Scheme").

Contributions payable by the Group to the MPF Scheme are determined based on the rules underlying the respective schemes and are charged to consolidated statement of profit or loss. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the MPF Scheme, the employees contribute 5% of the relevant payroll to the MPF Scheme while the Group contributes 5% of the relevant payroll to the MPF Scheme.

In addition, certain employees of the Group's subsidiaries established in the PRC are members of state-managed retirement benefits schemes. The subsidiaries are required to contribute a certain percentage of their payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions.

31. 經營租約承擔(續)

集團作為出租人

於報告期末，本集團作為出租人已按以下未來最低租金支出與租客訂約：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	318,082	323,722
In the second to fifth years inclusive	於第二至五年內(包括首尾兩年)	300,574	320,193
Over five years	五年後	16,011	1,505
		634,667	645,420

年內的物業租金收入為港幣365,611,000元(二零一六年：港幣361,136,000元)。所有物業均與客戶簽有為期一至八年的租約。

32. 退休福利計劃

本集團為香港之合資格僱員實行一項界定供款計劃，並在強制性公積金計劃下註冊(「強積金計劃」)。

本集團根據強積金計劃之相關規則規定釐定應付之供款，將自綜合損益表扣除。強積金計劃資產由受託人以基金形式控制，與本集團之資產分開處理。根據強積金計劃，員工須按其有關入息供款5%於強積金計劃內，而本集團亦根據相關員工入息的5%向強積金計劃供款。

此外，本集團於中國成立之附屬公司之若干僱員為國家管理退休福利計劃之成員。該等附屬公司須按其酬金若干百分比向退休福利計劃作出供款，以撥付有關福利。本集團對該等退休福利計劃之唯一責任乃作出指定供款。

33. 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 balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 24, net of bank deposits and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

34. FINANCIAL INSTRUMENTS

34a. Categories of financial instruments

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Financial assets	金融資產		
FVTPL	按公平價值計入損益		
Held for trading	持作買賣用途	16,693	12,203
Designated at fair value	指定按公平值列賬	7,737	7,737
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款(包括現金及現金等值項目)	2,634,504	2,414,534
Derivative financial instruments	金融衍生工具	26	-
Available-for-sale investments	可供出售投資	682,849	644,018
Financial liabilities	金融負債		
Amortised cost	攤銷成本	1,733,161	1,486,221
Derivative financial instruments	金融衍生工具	790	-

33. 資本風險管理

本集團對其資本進行管理，以確保本集團旗下各實體可繼續按持續經營基準經營，同時致力在債務與股本之間維持平衡，為股東帶來最大回報。本集團之整體策略與去年並無變化。

本集團之資本結構由債項淨額(包括附註24所披露之借款)，銀行存款及現金淨額及本公司股東應佔權益(包括已發行股本及各項儲備)組成。

本公司董事定期檢討資本結構。作為檢討之一部分，董事考慮資本成本及由此產生之相關風險。根據董事之建議，本集團將透過支付股息、發行新股以及發行新債項或贖回現有債項等方式平衡其整體資本結構。

34. 金融工具

34a. 金融工具分類

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

34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies

The Group's major financial instruments include investments in securities, trade and other receivables, loan receivables, fixed bank deposits with more than three months to maturity when raised, other bank balances and cash, trade and other payables, borrowings, and derivative financial instruments.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk. 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.

Market risk

(i) Currency risk

The Group undertakes certain transactions denominated in foreign currencies and, hence exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's monetary assets and monetary liabilities, including intra-group balances at the end of the reporting period that are denominated in currencies other than the functional currency of the relevant entities are as follows:

		Assets 資產		Liabilities 負債	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Group	集團				
HK\$ against RMB	港幣兌人民幣	709	1,794	93,777	204,743
United States dollars ("US\$") against HK\$ and RMB	美元兌港幣及人民幣	303,884	294,972	—	—
RMB against HK\$	人民幣兌港幣	390,134	362,761	—	—
Intra-group balances	集團公司往來結餘				
HK\$ against RMB	港幣兌人民幣	110,910	103,644	1,329,145	1,352,638

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

34. 金融工具(續)

34b. 財務風險管理目標及政策

本集團的主要金融工具包括證券投資、貿易及其他應收賬款、應收借款、存入三個月後到期之定期銀行存款、其他銀行存款及現金、貿易及其他應付賬款、借款及金融衍生工具。

該等金融工具之詳情於各有關附註內披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、流動資金風險及信貸風險。有關如何降低該等風險之政策載列如下。管理層對該等風險進行管理及監控，以確保能夠及時有效實施合適的措施。

市場風險

(i) 貨幣風險

本集團有相當的交易是以外幣進行，所以會受匯率浮動影響。

於報告期末，本集團以相關實體功能貨幣以外幣列值之貨幣資產及貨幣負債，包括集團公司往來結餘賬面值如下：

本集團目前並無外匯對沖政策。然而，管理層會監察所受的外匯風險，亦會在有需要時考慮對沖主要外匯風險來源。

34. FINANCIAL INSTRUMENTS (CONTINUED)**34b. Financial risk management objectives and policies (continued)****Market risk (continued)***(i) Currency risk (continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 1% (2016: 1%) increase and decrease in HK\$ and RMB against US\$ and 10% (2016: 10%) increase and decrease in HK\$ against RMB. The respective percentages are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and also intra-group balances denominated in foreign currencies and adjusts their translation at the year end for the respective percentages change in the exchange rates.

A positive number below indicates an increase in post-tax profit or equity where HK\$ and RMB weaken 1% (2016: 1%) against US\$ and HK\$ weaken 10% (2016: 10%) against RMB. For a 1% (2016: 1%) strengthening of the HK\$ and RMB against US\$ and HK\$ weaken 10% (2016: 10%) against RMB, there would be an equal and opposite impact on the profit or equity, and the balances below would be negative.

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit or loss	損益		
HK\$ against RMB	港幣兌人民幣	109,494	121,237
US\$ against HK\$ and RMB	美元兌港幣及人民幣	1,518	1,473
RMB against HK\$	人民幣兌港幣	32,576	30,291
Other comprehensive income	其他全面收益		
US\$ against HK\$	美元兌港幣	1,221	1,186

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

34. 金融工具 (續)**34b. 財務風險管理目標及政策 (續)****市場風險 (續)***(i) 貨幣風險 (續)*

敏感度分析

下表詳載本集團對港幣及人民幣兌美元匯率上升及下降1% (二零一六年: 1%) 以及港幣兌人民幣上升及下降10% (二零一六年: 10%) 的敏感度。各項百分比都是在內部向主要管理人員匯報時所用的敏感度比率, 代表了管理層對匯率合理可能範圍內變動的評估。敏感度分析包括以外幣計值的未清繳貨幣項目及以外幣列值的集團公司往來結餘, 並就匯率各自的百分比改變在年末調整。

下表中正數表示港幣兌美元貶值1% (二零一六年: 1%) 及港幣兌人民幣貶值10% (二零一六年: 10%) 時除稅後溢利或權益增加。當港幣及人民幣兌美元升值1% (二零一六年: 1%) 及港幣兌人民幣升值10% (二零一六年: 10%) 時, 對溢利或權益會有同額但相反方向的影響, 而下列結餘會呈負數。

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit or loss	損益		
HK\$ against RMB	港幣兌人民幣	109,494	121,237
US\$ against HK\$ and RMB	美元兌港幣及人民幣	1,518	1,473
RMB against HK\$	人民幣兌港幣	32,576	30,291
Other comprehensive income	其他全面收益		
US\$ against HK\$	美元兌港幣	1,221	1,186

根據管理層的意見, 敏感度分析對固有的外匯風險並不具代表性, 因為年終承受的風險並不反映年內承受的風險。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is exposed to cash flow interest rate risk in relation to its variable-rate structured deposits, bank balances and borrowings (see notes 19, 22 and 24 for details of these financial instruments). The Group's cash flow interest rate risk is mainly attributable to fluctuation of HIBOR, LIBOR and prevailing interest rates offered by the PBOC. It is the Group's policy to keep its borrowings at floating rates of interest so as to minimise the fair value interest rate risk. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

現金流量利率風險為金融工具之未來現金流量因應市場利率變動而波動之風險。本集團目前並無利率對沖政策。然而，管理層會監察所受的利率風險，亦會在有需要時考慮對沖主要利率風險來源。

本集團就其浮息結構性存款、銀行存款及借款承受現金流量利率風險。(有關金融工具詳情見附註19、22及24)。本集團的現金流量利率風險主要歸因於香港銀行同業拆息、倫敦銀行同業拆息及由中國人民銀行提供的現行息率的波動。本集團的政策為保持借款利率浮動，以盡量減少公平價值利率風險。本集團因金融負債而承受的利率風險，詳情載於本附註的流動資金風險管理一節。

34. FINANCIAL INSTRUMENTS (CONTINUED)**34b. Financial risk management objectives and policies (continued)****Market risk (continued)***(ii) Interest rate risk (continued)*

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the Group's derivative and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2016: 50 basis points) fluctuation is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

		2017 二零一七年 Change in basis points 基點變動		2016 二零一六年 Change in basis points 基點變動	
		+50 HK\$'000 港幣千元	-50 HK\$'000 港幣千元	+50 HK\$'000 港幣千元	-50 HK\$'000 港幣千元
Profit or loss (net of tax)	溢利或虧損 (除稅後)	4,899	(4,899)	1,353	(1,353)

Numbers in bracket mean decrease.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

34. 金融工具 (續)**34b. 財務風險管理目標及政策 (續)****市場風險 (續)***(ii) 利率風險 (續)*

敏感度分析

下文的敏感度分析乃根據本集團因衍生及非衍生工具在報告期末承受的利率風險釐定。編製分析時假設於報告期末未到期的金融工具在整年內仍未到期。內部對主要管理人員匯報利率風險時用上50點子基點的浮動(二零一六：50點子)，代表管理層對利率在合理可能的範圍內變動的評估。

括號中數字為減少。

根據管理層的意見，敏感度分析對固有的利率風險並不具代表性，因為年終承受的風險並不反映年內承受的風險。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Price risk

The Group is exposed to equity price risk through their investments in listed equity securities. The management will closely monitor the price movement of the securities and regularly review the performance and asset allocation of the portfolio.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective listed equity instruments had been 10% (2016: 10%) higher/lower:

- the Group's post-tax profit for the year ended 31 December 2017 would increase by approximately HK\$1,394,000 (2016: HK\$1,019,000) or decrease by approximately HK\$25,474,000 (2016: HK\$1,019,000), respectively, as a result of the changes in fair value of investments held for trading and available-for-sale investments which have been impaired; and
- the Group's investment revaluation reserve would increase by approximately HK\$34,062,000 (2016: HK\$30,937,000) or decrease by approximately HK\$5,224,000 (2016: HK\$30,937,000), respectively, as a result of changes in fair value of available-for-sale investments.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2017, the Group had available unutilised bank loan facilities of approximately HK\$1,495 million (2016: HK\$1,688 million). Details of the amounts utilised at the end of the reporting period are set out in note 24.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(iii) 價格風險

本集團透過其於上市股本證券之投資承擔股價風險。管理層將密切監察該等證券之價格變動，並定期檢討有關組合之表現及資產分配。

敏感度分析

下文的敏感度分析乃根據報告日期承受的股價風險釐定。

若各項上市股本工具的價格高出／下降10% (二零一六年：10%)，則：

- 本集團截至二零一七年十二月三十一日止年度的除稅後溢利會增加約港幣1,394,000元(二零一六年：港幣1,019,000元)或減少港幣約25,474,000元(二零一六年：港幣1,019,000元)，原因是持作買賣用途投資的公平價值變動和可供出售投資之減值；及
- 本集團的投資重估儲備會增加約港幣34,062,000元(二零一六年：港幣30,937,000元)或減少約港幣5,224,000元(二零一六年：港幣30,937,000元)，原因是可供出售投資的公平價值變動。

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等值項目水平，為其業務營運提供資金並減輕現金流量波動的影響。管理層監控銀行借款之使用狀況及確保遵守貸款契諾。

本集團依賴銀行借款作為流動資金之主要來源。於二零一七年十二月三十一日，本集團有可動用而尚未提取之銀行貸款額為約港幣1,495,000,000元(二零一六年：港幣1,688,000,000元)。於報告期間結算日已動用金額之詳情載於附註24。

34. FINANCIAL INSTRUMENTS (CONTINUED)**34b. Financial risk management objectives and policies (continued)****Liquidity risk (continued)**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue, with reference to their respective contractual interest rate, and for those variable-rate instruments, by using the appropriate prevailing market rates at the end of the reporting period as stated in their contracts.

34. 金融工具 (續)**34b. 財務風險管理目標及政策 (續)****流動資金風險 (續)**

本集團的非衍生金融負債及財務擔保合約剩餘到期日詳列於下表。下表是根據未貼現金金融負債包括累積利息的合約到期日而制訂，而各合約列明的合同利率及浮動利率工具，乃參照本報告期末當時的市場利率而定。

		Weighted average interest rate	Within 1 year or repayable on demand	More than 1 year but less than 3 years	Total undiscounted financial liabilities	Carrying amounts
		加權平均利率 %	應要求或一年內償還 HK\$'000 港幣千元	一年至三年內償還 HK\$'000 港幣千元	未貼現的金融負債總額 HK\$'000 港幣千元	賬面值 HK\$'000 港幣千元
At 31 December 2017	於二零一七年十二月三十一日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Trade and other payables	貿易及其他應付賬項	—	485,161	—	485,161	485,161
Bank borrowings (note)	銀行借款(附註)	3.78	342,739	902,127	1,244,866	1,201,027
Amounts due to non-controlling interests shareholders	應付非控股股東權益					
— Interest bearing	— 計息	2.03	35,247	—	35,247	35,247
— Non-interest bearing	— 免息	—	11,726	—	11,726	11,726
Total	總額		874,873	902,127	1,777,000	1,733,161
At 31 December 2016	於二零一六年十二月三十一日					
<i>Non-derivative financial liabilities</i>	<i>非衍生金融負債</i>					
Trade and other payables	貿易及其他應付賬項	—	302,592	—	302,592	302,592
Bank borrowings (note)	銀行借款(附註)	3.50	138,883	1,086,945	1,225,828	1,136,273
Amount due to a joint venture	應付一間合營企業款項	—	1,250	—	1,250	1,250
Amounts due to non-controlling interests shareholders	應付非控股股東權益					
— Interest bearing	— 計息	1.90	35,070	—	35,070	35,070
— Non-interest bearing	— 免息	—	11,036	—	11,036	11,036
Total	總額		488,831	1,086,945	1,575,776	1,486,221

note: The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

附註：上述計入非衍生金融負債浮息工具之金額，將於浮動利率之變動與於報告期間結算日釐定之估計利率變動有差異時作出變動。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk of debts, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management has regular liaison with the borrowers to understand their financial position and to identify any early sign of potential problems. Should any potential default situation arise, management will take prompt actions to safeguard the Group's assets. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

信貸風險

於二零一七年十二月三十一日，本集團因交易對方未能履行其責任而使本集團蒙受財務損失所產生之最大信貸風險乃源自綜合財務狀況表所列相關已確認金融資產之賬面值。

為減少貸款的信貸風險，本集團管理層已委派團隊負責釐定信貸限額、信貸審核及其他監察程序，確保有採取跟進行動收回逾期貸款。此外，管理層定期與借貸人來往，了解其財務狀況並辨認任何潛在問題的早期跡象。一旦出現任何潛在違約情況，管理層會採取果斷的行動保障本集團的資產。就此，本公司董事認為本集團的信貸風險已大大減輕。

流動資金的信貸風險有限，因為訂約對方為獲國際評級機構頒授高信貸評級的銀行。

34. FINANCIAL INSTRUMENTS (CONTINUED)**34c. Fair value measurements of financial instruments**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

		2017 二零一七年			
		Level 1 第一級別 HK\$'000 港幣千元	Level 2 第二級別 HK\$'000 港幣千元	Level 3 第三級別 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Financial assets at FVTPL	按公平價值計入損益之 金融資產				
Non-derivative financial assets held for trading	持作買賣用途之非衍生 金融資產	16,693	—	—	16,693
Financial assets designated as at FVTPL	指定按公平價值計入損益之 金融資產	—	7,737	—	7,737
Derivative financial instruments	衍生金融工具	—	26	—	26
Available-for-sale financial assets	可供出售金融資產				
Listed equity securities	上市股本證券	288,380	—	—	288,380
Unlisted equity securities	非上市股本證券	—	—	269,922	269,922
Investment funds	投資基金	—	—	72,308	72,308
Others	其他	—	52,239	—	52,239
Total	總額	305,073	60,002	342,230	707,305
Financial liabilities at FVTPL	按公平價值計入損益之 金融負債				
Derivative financial instruments	衍生金融工具	—	790	—	790

34. 金融工具 (續)**34c. 金融工具公平價值計量**

本集團部分金融資產及金融負債以各報告期末的公平價值計量。下表提供有關金融資產之公平值釐定方式的資料(具體而言,即估值方法及採用的輸入變數)。

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34. FINANCIAL INSTRUMENTS (CONTINUED)

34c. Fair value measurements of financial instruments (continued)

		2016 二零一六年			
		Level 1 第一級別 HK\$'000 港幣千元	Level 2 第二級別 HK\$'000 港幣千元	Level 3 第三級別 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Financial assets at FVTPL	按公平價值計入損益之 金融資產				
Non-derivative financial assets held for trading	持作買賣用途之非衍生 金融資產	12,203	—	—	12,203
Financial assets designated as at FVTPL	指定按公平價值計入損益之 金融資產	—	7,737	—	7,737
Available-for-sale financial assets	可供出售金融資產				
Listed equity securities	上市股本證券	257,446	—	—	257,446
Unlisted equity securities	非上市股本證券	—	—	265,522	265,522
Investment funds	投資基金	—	—	69,124	69,124
Others	其他	—	51,926	—	51,926
Total	總額	269,649	59,663	334,646	663,958

There were no transfers between Levels 1, 2 and 3 during the year.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

The fair values of investment funds are determined by using valuation technique of market approach, which included some assumptions that are not supportable by observable market prices or rates. The inputs used in estimating the value of investment funds include the original transaction price, recent transactions and market multiple of the same or similar instruments, completed or pending third-party transactions in the underlying investment.

The fair values of perpetual capital securities classified as available-for-sale investments are determined based on indicative prices provided by the dealers and brokers. In addition, the Group makes comparison of the indicative prices with the prices obtained from pricing services providers to substantiate the indicative prices of these securities. The key inputs used in the valuation models are the interest rate data, which are observable at the end of the reporting period. The objective of valuation models is to arrive at a fair value estimation that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

34. 金融工具 (續)

34c. 金融工具公平價值計量 (續)

年內，第一、第二及第三級別之間概無發生任何轉移。

上市股本證券乃參考在相關交易所中引述所得的公開市場買入價釐定公平價值。

確定投資基金的公平價值是採用技術市場估值的方法，其中包括不獲觀察市場價格或利率支持的一些假設。估計投資基金的價值所用的輸入變數，包括原來的成交價，近期交易及市場多個相同或相似的工具，完成或等待第三方交易相關投資。

歸類為可供出售投資的永久資本債券的公平價值根據經銷商及經紀人所提供的指示性價格釐定。此外，本集團將指示性價格與從定價服務供應商手上獲得的價格加以比較，以令永久資本債券的指示性價格更貼近現實。估價模式的主要輸入變數為利率數據，該數據在報告期末時可以觀測得出。估價模式的目標是達致可反映金融工具在報告日期時市場參與者以公平磋商所得價格的公平價值估算。

34. FINANCIAL INSTRUMENTS (CONTINUED)

34c. Fair value measurements of financial instruments (continued)

The fair values of structured products designated as financial assets at FVTPL are calculated using discounted cash flows analysis derived from quoted interest rates, which are observable at the end of the reporting period.

The fair values of unlisted equity securities are determined with reference to market values of underlying assets, which mainly comprise investment properties located in Hong Kong held by the investee company and take into account the discount for lack of marketability. The valuation of the properties was principally arrived at using the comparison method, in which property is valued on the assumption that the property can be sold with the benefit of vacant possession. Comparison based on prices realised on actual sales of comparable properties is made for similar properties in the similar location.

The fair values of cross currency swap contract and currency forward contracts are measured by the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates and foreign exchange rates between JPY and HK\$, which is observable at the end of the reporting period.

The directors of the Company consider that the carrying amounts of the Group's other financial assets recorded at amortised costs in the consolidated financial statements approximate their fair values.

34. 金融工具(續)

34c. 金融工具公平價值計量(續)

指定為按公平價值計入損益的金融資產的結構性產品的公平價值，是採用貼現現金流分析計算，其報價利率乃根據報告期末觀察得到的。

確定非上市股本證券的公平價值是參考相關資產的市場價值，主要包括所投資公司持有的香港投資物業的市場價值，及考慮其缺乏市場性而作出折扣。物業估值主要運用比較法，假設該物業交吉出售獲利而作出的物業估值。比較是根據與可比性物業相類似的物業在類似的位置實現的實際銷售價格而定。

交叉貨幣掉期合約及遠期外匯合約的公平價值，是根據報價利率和日元兌港幣匯率得到的適用的收益曲線預計及貼現未來現金流來計算的，其報價匯率乃根據報告期末觀察得到的。

本公司之董事認為本集團於綜合財務報表內以攤銷成本入賬的其他金融資產之賬面值與其公平價值相若。

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34. FINANCIAL INSTRUMENTS (CONTINUED)**34c. Fair value measurements of financial instruments
(continued)****Reconciliation of Level 3 fair value measurements of
financial assets**

		Available-for-sale investments
		可供出售投資
		HK\$'000
		港幣千元
Balance at 1 January 2016	於二零一六年一月一日結餘	388,088
Total net losses recognised in other comprehensive income	於其他全面收益內確認之淨虧損	(57,190)
Purchases	購買	3,780
Matured/disposals	到期/出售	(32)
Balance at 31 December 2016	於二零一六年十二月三十一日結餘	334,646
Total net gains recognised in other comprehensive income	於其他全面收益內確認之淨收益	6,692
Purchases	購買	892
Balance at 31 December 2017	於二零一七年十二月三十一日結餘	342,230

Included in other comprehensive income is a gain of approximately HK\$6,692,000 (2016: a loss of HK\$57,190,000) related to available-for-sale investments held at the end of the reporting period.

The majority of the Group's investments are valued based on quoted market information or observable market data. A small percentage, 2.4% (2016: 2.4%), of total assets of the Group, is based on estimates and recorded as Level 3 investments. Whilst such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not have a big impact on the Group's financial positions.

34. 金融工具(續)**34c. 金融工具公平價值計量(續)****金融資產第三級別公平價值計量的調節**

其他全面收益內包含港幣6,692,000元收益(二零一六年：港幣57,190,000元虧損)，與於報告期末持有的可供出售投資有關。

本集團大部分的投資價值是根據市場的標價或可觀察的市場數據而釐定。佔本集團總資產的很小比例，約2.4%(二零一六年：2.4%)，乃根據本集團第三級別投資估算及入賬。此估價對估計假設相當敏感，惟當一個或多個假設轉變至合理及可能的代替假設時，相信不會對本集團的財務狀況造成重大影響。

34. FINANCIAL INSTRUMENTS (CONTINUED)**34c. Fair value measurements of financial instruments (continued)****Fair value measurements and valuation processes**

The management performs regular reviews to determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of an asset or a liability, 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 valuers or other service providers to perform the valuations. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The respective management team reports the findings to the Board of Directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed above.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Borrowings 借款 HK\$'000 港幣千元	Dividend payable 應付股息 HK\$'000 港幣千元	Interest payable 應付利息 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	1,183,629	–	–	1,183,629
Financing cash flows	融資現金流量	31,156	(181,720)	(33,615)	(184,179)
Finance costs	財務成本	–	–	45,691	45,691
Dividends recognised as distribution	已確認為分派之股息	–	181,720	–	181,720
Currency realignment	匯率調整	33,215	–	58	33,273
At 31 December 2017	於二零一七年十二月三十一日	1,248,000	–	12,134	1,260,134

34. 金融工具 (續)**34c. 金融工具公平價值計量 (續)****公平價值計量和評估過程**

管理層定期檢討，以確定適當的公平價值計量的估值技術和輸入變數。

本集團估計資產或負債的公平價值是採用可用之市場觀察數據。當第一級別輸入變數不可用，本集團聘用獨立合資格專業估值師或其他服務供應商進行估值。管理層與估值師密切合作，建立適當的估值技術和輸入樣板。相關管理團隊分別定期向本公司的董事會報告資產和負債的公平價值波動的調查結果並解釋原因。

用於確定各項資產和負債的公平價值的估值技術和輸入變數的信息於上文披露。

35. 融資活動產生的負債調節

下表詳述了本集團融資活動產生的負債變化，包括現金和非現金變化。融資活動產生的負債是那些現金流量，或未來的現金流量，將被分類為本集團的綜合現金流量表的融資活動現金流量。

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36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**36. 本公司財務狀況表及儲備**

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Investment properties	投資物業	1,971,000	1,811,000
Property, plant and equipment	物業、廠房及設備	566,168	576,264
Investments in subsidiaries	附屬公司之投資	417,588	499,984
Interests in joint ventures	合營企業之投資	—	3
Investments in securities	證券投資	132,184	128,685
Amounts due from subsidiaries	應收附屬公司賬款	4,678,734	4,455,123
Deferred tax assets	遞延稅項資產	3,850	5,807
		7,769,524	7,476,866
Current assets	流動資產		
Properties held for sale	待出售物業	2,808	2,808
Trade and other receivables	貿易及其他應收賬款	4,035	4,420
Investments in securities	證券投資	16,793	12,305
Derivative financial instruments	衍生金融工具	26	—
Fixed bank deposits with more than three months to maturity when raised	存入三個月後到期之定期銀行存款	83,566	766,108
Other bank balances and cash	其他銀行存款及現金	527,600	148,636
		634,828	934,277
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	7,787	7,608
Borrowings — due within one year	借款 — 於一年內到期	47,400	48,650
		55,187	56,258
Net current assets	流動資產淨額	579,641	878,019
Total assets less current liabilities	總資產減流動負債	8,349,165	8,354,885
Non-current liabilities	非流動負債		
Rental deposits from tenants	向租戶收取之租賃按金	39,650	39,650
Borrowings — due after one year	借款 — 於一年後到期	590,589	445,450
Derivative financial instruments	衍生金融工具	790	—
Non-interest bearing advances from subsidiaries	附屬公司之免息墊款	145,715	2,267,167
		776,744	2,752,267
		7,572,421	5,602,618
Capital and reserves	資本及儲備		
Share capital	股本	381,535	381,535
Reserves (note)	儲備(附註)	7,190,886	5,221,083
		7,572,421	5,602,618

The financial statements were approved and authorised for issue by the Board of Directors on 7 March 2018 and are signed on its behalf by:

財務報表已於二零一八年三月七日獲董事會批准及授權發行，並由下列人士代表簽署：

MR. LIU LIT CHI

廖烈智先生

CHAIRMAN, MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
主席、董事總經理兼行政總裁

MR. CHENG YUK WO

鄭毓和先生

CHAIRMAN OF AUDIT COMMITTEE
審核委員會主席

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

note: The movements in reserves are presented below:

36. 本公司財務狀況表及儲備(續)

附註：儲備之變動如下：

		Property revaluation reserve 物業重估儲備 HK\$'000 港幣千元	Investment revaluation reserve 投資重估儲備 HK\$'000 港幣千元	Accumulated profits 累積溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2016	二零一六年一月一日	448	(32,956)	4,983,310	4,950,802
Profit for the year	本年度溢利	–	–	398,890	398,890
Fair value gains on available-for-sale investments	可供出售投資之公平價值收益	–	14,243	–	14,243
Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale investments	因出售可供出售投資導致重新分類到損益賬之投資重估儲備	–	(501)	–	(501)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	因減值虧損可供出售投資導致重新分類到損益賬之投資重估儲備	–	20,440	–	20,440
Total comprehensive income for the year	本年度全面收益總額	–	34,182	398,890	433,072
Dividends recognised as distribution	已確認為分派之股息	–	–	(162,791)	(162,791)
At 31 December 2016	於二零一六年十二月三十一日	448	1,226	5,219,409	5,221,083
Profit for the year	本年度溢利	–	–	2,148,869	2,148,869
Fair value gains on available-for-sale investments	可供出售投資之公平價值收益	–	2,654	–	2,654
Total comprehensive income for the year	本年度全面收益總額	–	2,654	2,148,869	2,151,523
Dividends recognised as distribution	已確認為分派之股息	–	–	(181,720)	(181,720)
At 31 December 2017	於二零一七年十二月三十一日	448	3,880	7,186,558	7,190,886

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37. RELATED PARTY DISCLOSURES

(a) Related party transactions

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Expenses paid and payable to directors of the Company or its affiliates	已支付及應付予本公司或其附屬公司董事的費用		
Rental expenses	租金支出	4,092	6,372
Architecture and other consultancy service fee	建築和其他諮詢服務費	924	1,932

The Group had no other material significant transactions with related parties.

(b) Compensation of key management personnel

The emoluments of key management personnel of the Group during the year were as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Short-term benefits	短期福利	46,990	47,677
Post-employment benefits	僱員退休福利	2,832	2,665
		49,822	50,342

The emoluments of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

37. 關聯人士披露事項

(a) 關聯人士交易

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Expenses paid and payable to directors of the Company or its affiliates	已支付及應付予本公司或其附屬公司董事的費用		
Rental expenses	租金支出	4,092	6,372
Architecture and other consultancy service fee	建築和其他諮詢服務費	924	1,932

本集團並無與關聯人士訂立重大交易。

(b) 主要管理人員酬金

年內，本集團主要管理人員之薪酬如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Short-term benefits	短期福利	46,990	47,677
Post-employment benefits	僱員退休福利	2,832	2,665
		49,822	50,342

董事及主要行政人員之薪酬乃由薪酬委員會按個人表現及市場趨勢釐定。

38. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2016, the Group entered into agreements with independent third parties to dispose of certain subsidiaries, which were principally engaged in the hotel operations. The transactions were completed during the year ended 31 December 2016.

The aggregate net asset of the subsidiaries disposed of in the transactions were as follows:

38. 出售附屬公司

截至二零一六年十二月三十一日止年度，本集團與獨立第三方簽訂協議以出售從事酒店業務的附屬公司。這項交易已在截至二零一六年十二月三十一日止年度內完成。

出售當日附屬公司資產淨值如下：

		HK\$'000 港幣千元
Assets	資產	
Property, plant and equipment	物業、廠房及設備	577
Trade and other receivables	貿易及其他應收賬款	3,501
Bank balances and cash	銀行存款及現金	1,501
Liabilities	負債	
Trade and other payables	貿易及其他應付賬款	(1,501)
Net assets disposed of	出售資產淨值	4,078
Cash consideration received	已收現金代價	12,047
Net assets disposed of	出售資產淨值	(4,078)
Cumulative exchange reserve reclassified to profit or loss	從累積匯兌儲備重新分類至損益賬	2,872
Gain on disposal	出售收益	10,841
Satisfied by:	收款方式：	
Cash consideration received	已收現金代價	12,047
Net cash inflow arising on disposal:	出售事項產生的現金流入淨額：	
Total cash consideration received	已收現金代價	12,047
Cash and cash equivalents disposed of	被出售之銀行結餘及現金	(1,501)
		10,546

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39. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2017 and 31 December 2016 are as follows:

39. 主要附屬公司

於二零一七年十二月三十一日及二零一六年十二月三十一日，本公司之主要附屬公司資料如下：

Name of subsidiary 附屬公司名稱	notes 附註	Place of incorporation or establishment/ operations 註冊成立或 成立地/經營地	Issued ordinary share capital/ registered capital 已發行普通 股本/註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
Abaleen Enterprises Limited		Hong Kong 香港	HK\$100,000 港幣100,000元	100	100	–	–	Property investment 物業投資
Alain Limited 雅賢有限公司		Hong Kong 香港	HK\$9,500 港幣9,500元	100	100	–	–	Investment holding 投資控股
Bonsun Enterprises Limited 萬象企業有限公司		Hong Kong 香港	HK\$2,000,000 港幣2,000,000元	100	100	–	–	Property investment 物業投資
Chong Yip Finance Limited 創業財務有限公司		Hong Kong 香港	HK\$1,000,000 港幣1,000,000元	100	100	–	–	Money lending 貸款業務
Chong Yip (Nominees) Limited 創業(代理)有限公司		Hong Kong 香港	HK\$1 港幣1元	100	100	–	–	Provision of nominees services 提供代理人服務
Devon Realty Limited 德奮地產有限公司		Hong Kong 香港	HK\$200 港幣200元	100	100	–	–	Property investment 物業投資
Donington Company Limited		Hong Kong 香港	HK\$200 港幣200元	100	100	–	–	Property investment 物業投資
Golden Harbour International Limited 勝港國際有限公司		Hong Kong 香港	HK\$1 港幣1元	–	–	100	100	Property investment 物業投資
Harvest Gate Investments Limited 豐正投資有限公司		Hong Kong 香港	HK\$1 港幣1元	100	100	–	–	Property investment 物業投資
Heng Kin Investment Limited 恆建投資有限公司		Hong Kong 香港	HK\$2 港幣2元	100	100	–	–	Property investment 物業投資
Honour Speed Development Limited 鴻遠發展有限公司		Hong Kong 香港	HK\$2 港幣2元	100	100	–	–	Investment holding 投資控股
Hugh Glory Limited 貴隆有限公司		Hong Kong 香港	HK\$100 港幣100元	–	–	90	90	Investment holding 投資控股

39. PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of incorporation or establishment/ operations 註冊成立或 成立地/經營地	Issued ordinary share capital/ registered capital 已發行普通 股本/註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
Hugh Wealth International Limited 盈鴻國際有限公司		Hong Kong 香港	HK\$100 港幣 100 元	100	100	—	—	Investment holding 投資控股
Jacot Limited 正剛有限公司		Hong Kong 香港	HK\$2 港幣 2 元	100	100	—	—	Investment holding 投資控股
Ko Yew Company Limited 高優有限公司		Hong Kong 香港	HK\$200 港幣 200 元	100	100	—	—	Property investment 物業投資
Liu Chong Hing Estate Company, Limited 廖創興置業有限公司		Hong Kong 香港	HK\$10,000,000 港幣 10,000,000 元	100	100	—	—	Investment holding 投資控股
Liu Chong Hing Godown Company, Limited 廖創興大貨倉有限公司		Hong Kong 香港	HK\$72,000,000 港幣 72,000,000 元	100	100	—	—	Property investment 物業投資
Liu Chong Hing Property Management and Agency Limited 廖創興物業管理及代理有限公司		Hong Kong 香港	HK\$1,000,000 港幣 1,000,000 元	100	100	—	—	Property management 物業管理
Luxpolar Limited		Hong Kong 香港	HK\$2 港幣 2 元	—	—	100	100	Property investment 物業投資
One-Eight-One Hospitality Management Limited		Hong Kong 香港	HK\$1 港幣 1 元	100	100	—	—	Hotel operation and management 酒店營運及管理
Queen Profit International Investment Limited 群利國際投資有限公司		Hong Kong 香港	HK\$61,540 港幣 61,540 元	83.75	83.75	—	—	Investment holding 投資控股
Richview Property Management Company Limited 富景物業管理有限公司		Hong Kong 香港	HK\$10,000 港幣 10,000 元	—	—	100	100	Property management 物業管理
Sino Pink Development Limited 輝松發展有限公司		Hong Kong 香港	HK\$2 港幣 2 元	100	100	—	—	Property investment 物業投資

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39. PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of incorporation or establishment/ operations 註冊成立或 成立地/經營地	Issued ordinary share capital/ registered capital 已發行普通 股本/註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %	
Speed World Investment Limited 碧輝投資有限公司		Hong Kong 香港	HK\$100 港幣100元	–	–	60	60	Investment holding 投資控股
Strong Zone International Limited 高棋國際有限公司		Hong Kong 香港	HK\$1 港幣1元	100	100	–	–	Investment holding 投資控股
Supreme Stone Investments Limited 旺顯投資有限公司		Hong Kong 香港	HK\$1 港幣1元	–	–	100	100	Investment holding 投資控股
Top Team Limited		Hong Kong 香港	HK\$200 港幣200元	100	100	–	–	Investment holding 投資控股
Trade Castle Limited 質滿有限公司		Hong Kong 香港	HK\$1 港幣1元	–	–	100	100	Investment holding 投資控股
Truegrow Investments Limited 捷欣投資有限公司		Hong Kong 香港	HK\$1 港幣1元	–	–	100	100	Investment holding 投資控股
Wealth Good Investment Limited 裕利投資有限公司		Hong Kong 香港	HK\$2 港幣2元	100	100	–	–	Investment holding 投資控股
Yue Tung Ching Kee Company Limited 裕東正記有限公司		Hong Kong 香港	HK\$2,000,000 港幣2,000,000元	100	100	–	–	Property investment 物業投資
Foshan Nanhai Hugh Glory Property Development Company Limited 佛山南海貴隆地產發展有限公司	(i)	PRC 中國	HK\$500,000,000 港幣500,000,000元	–	–	90	90	Property development 物業發展
Guangzhou Chong Hing Property Development Company Limited 廣州創興房地產發展有限公司	(iii)	PRC 中國	RMB170,000,000 人民幣170,000,000元	–	–	60	60	Property development 物業發展
Guangzhou Trade Castle Property Consultancy Limited 廣州市質滿房地產諮詢有限公司	(i)	PRC 中國	HK\$8,500,000 港幣8,500,000元	–	–	100	100	Property investment 物業投資
Guangzhou Wealth Smart Property Management Company Limited 廣州市盈裕物業管理有限公司	(i)	PRC 中國	HK\$1,000,000 港幣1,000,000元	–	–	100	100	Property management 物業管理

39. PRINCIPAL SUBSIDIARIES (CONTINUED)

39. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	notes 附註	Place of incorporation or establishment/ operations 註冊成立或成立地/經營地	Issued ordinary share capital/ registered capital 已發行普通股/註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/註冊資本之比例				Principal activities 主要業務	
				Directly 直接		Indirectly 間接			
				2017 二零一七年 %	2016 二零一六年 %	2017 二零一七年 %	2016 二零一六年 %		
Maanshan Gaoko Magnetic Material Company Limited 馬鞍山高科磁性材料有限公司	(ii)	PRC 中國	RMB65,370,000 人民幣65,370,000元	–	–	51.54	51.54	Manufacturing of magnetic materials 製造磁性材料	
Shanghai Huang Pu Liu Chong Hing Property Development Company Limited 上海黃浦廖創興房地產開發有限公司	(i)	PRC 中國	US\$34,600,000 34,600,000美元	–	–	100	100	Property investment 物業投資	
Blossom Success Investments Limited 凱旋投資有限公司		British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	100	–	–	Investment holding 投資控股	
China Link Technologies Limited		British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$100 100美元	100	100	–	–	Investment holding 投資控股	
Determined Resources Limited		British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1,000 1,000美元	100	100	–	–	Share investment 股份投資	

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

董事認為，對本集團業績或資產有重大影響之本集團附屬公司名單已詳列於上表。董事認為，若提供其他附屬公司資料，則篇幅過於冗長。

概無附屬公司曾在本年底發行任何債務證券。

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39. PRINCIPAL SUBSIDIARIES (CONTINUED)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2017 二零一七年	2016 二零一六年
Hotel operation and management 酒店經營及管理	PRC 中國	1	1
Investment holding 投資控股	Hong Kong 香港	15	12
Property investment 物業投資	Hong Kong 香港	2	2
Inactive 暫無業務	Hong Kong/PRC 香港／中國	18	10

notes:

- (i) The companies are sole foreign equity ventures established in the PRC.
- (ii) The companies are sino-foreign equity joint ventures established in the PRC.
- (iii) The company is sino-foreign co-operative joint venture established in the PRC.
- (iv) At the end of the reporting period, the Group does not have non-wholly owned subsidiaries that have material non-controlling interests.

39. 主要附屬公司(續)

於本報告期末，本公司尚有其他對本集團而言不屬重大的附屬公司。該等附屬公司中大部份皆於香港營運。此等附屬公司的主要業務現概列如下：

附註：

- (i) 該等公司是於中國成立之外商獨資企業。
- (ii) 該等公司是於中國成立之中外合資經營公司。
- (iii) 該公司是於中國成立之中外合作經營公司。
- (iv) 於本報告期末，本集團並無擁有重大非控股股東權益的非全資擁有的附屬公司。



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