



AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司

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

(Stock Code 股份代號 : 232)



ANNUAL REPORT 2017 年報

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FINANCIAL HIGHLIGHTS

財務摘要

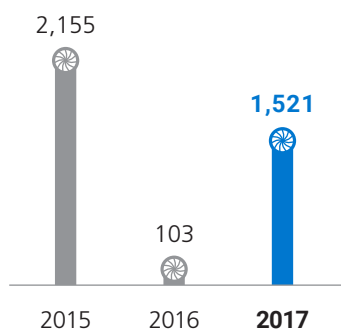
Year ended 31 December

截至十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue from continuing operations	來自持續經營業務之收益	1,520,710	102,786	2,154,988
Profit/(loss) attributable to owners of the parent	母公司所有者應佔溢利/(虧損)	(288,481)	(685,842)	41,820
Basic and diluted earnings/(loss) per share	每股基本及攤薄盈利/(虧損)	(HK5.23 cents 港仙)	(HK12.43 cents 港仙)	HK0.76 cent 港仙
Total assets	資產總值	4,384,075	5,703,073	6,417,546
Total liabilities	負債總值	(2,112,143)	(3,176,320)	(3,085,888)
Non-controlling interests	非控股權益	(539,427)	(553,481)	(594,124)
Net assets (net of non-controlling interests)	資產淨值(扣除非控股權益)	1,732,505	1,973,272	2,737,534

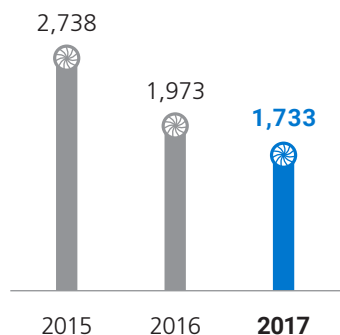
Revenue from continuing operations (HK\$' million)

來自持續經營業務之收益
(百萬港元)



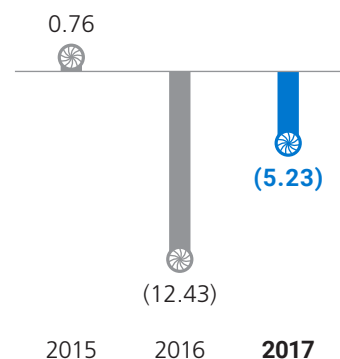
Net assets (net of non-controlling interests) (HK\$' million)

資產淨值(扣除非控股權益)
(百萬港元)



Basic and diluted earnings/(loss) per share (HK¢)

每股基本及攤薄盈利/
(虧損)(港仙)



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

On behalf of the board (the "Board") of directors (the "Directors") of AVIC International Holding (HK) Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

OVERALL REVIEW

In 2017, the Group recorded revenue from continuing operations of HK\$1,520,710,000 (2016: HK\$102,786,000) and loss attributable to owners of the parent of HK\$288,481,000 (2016: HK\$685,842,000). Basic loss per share amounted to HK¢5.23 (2016: HK¢12.43). The return on equity, calculated on the basis of profit/loss attributable to owners of the parent as a percentage of equity attributable to owners of the parent as of 31 December 2017, was -17% (2016: -35%).

The improvement in loss position was mainly attributable to: (1) the decrease in the share of losses of the joint venture and associates by HK\$199,561,000 from HK\$218,382,000 in 2016 to HK\$18,821,000 in 2017, (2) the decrease in the fair value loss on an equity investment at fair value through profit or loss by HK\$191,237,000 from HK\$198,094,000 in 2016 to HK\$6,857,000 in 2017, (3) the decrease in the fair value loss on derivative financial instruments by HK\$97,221,000 from HK\$108,558,000 in 2016 to HK\$11,337,000 in 2017, (4) a one-off gain on disposal of convertible loans of HK\$87,151,000 recorded, and (5) the decrease in the impairment of available-for-sale investments by HK\$66,827,000 from HK\$134,107,000 in 2016 to HK\$67,280,000 in 2017, even though properties under development and completed properties held for sale have been written down to net realisable value and resulted in a loss of HK\$296,848,000 (2016: Nil) which was included in the cost of sales.

本人謹代表AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「本公司」)之董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度之全年業績。

整體回顧

於二零一七年，本集團錄得來自持續經營業務之收益1,520,710,000港元(二零一六年：102,786,000港元)及母公司所有者應佔虧損288,481,000港元(二零一六年：685,842,000港元)。每股基本虧損則為5.23港仙(二零一六年：12.43港仙)。股本回報率按母公司所有者應佔溢利／虧損佔二零一七年十二月三十一日之母公司所有者應佔權益之百分比計算為-17%(二零一六年：-35%)。

虧損狀況改善主要是由於：(1)分佔合營公司及聯營公司之虧損由二零一六年的218,382,000港元減少199,561,000港元至二零一七年的18,821,000港元、(2)按公平值計入損益之股本投資之公平值虧損由二零一六年的198,094,000港元減少191,237,000港元至二零一七年的6,857,000港元、(3)衍生金融工具之公平值虧損由二零一六年的108,558,000港元減少97,221,000港元至二零一七年的11,337,000港元、(4)錄得出售可換股貸款之一次性利潤87,151,000港元、以及(5)可供出售的投資之減值由二零一六年的134,107,000港元減少66,827,000港元至二零一七年的67,280,000港元，即使發展中物業及持作出售之已完成物業因減值至可變現淨值而產生了虧損296,848,000港元(二零一六年：無)(包括在銷售成本內)。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

BUSINESS REVIEW

Property development and investment business

Currently, two projects are in progress for the property development and investment business. One is located at the Southern side of Zhongshan Road of the Shahekou District of the Dalian City ("Dalian Project"), and another is situated in a newly developed residential area with communal facilities in the Liangjiangxin District of Chongqing ("Chongqing Project").

Dalian Project comprises four parcels of land having a total site area of approximately 46,938 square meter (excluding communal site area). A large-scale development project, the International Square, is being constructed comprising offices, retail shops and residential buildings. The total saleable area of Dalian Project upon completion is approximately 350,488 square meter. Dalian Project is currently in the normal development and construction phase, and pre-sale of certain residential and office space of the International Square has commenced since June 2013. Saleable area of 244,885 square meter has been completed as at 31 December 2017, of which 172,958 square meter has been sold, 18,299 square meter was available for rent and included in investment properties, and the remaining was included in completed properties held for sale. As at 31 December 2017, the total saleable area of properties under development was approximately 105,603 square meter.

Chongqing Project comprises twelve parcels of land with a total site area of approximately 375,252 square meter and is currently in the early development phase.

業務回顧

物業發展及投資業務

現時，物業發展及投資業務有兩個項目正在進行，一是位於大連市沙河口區中山路東南側（「大連項目」），另一是位於重慶市兩江新區配備有公共設施之新發展住宅區內（「重慶項目」）。

大連項目由總地盤面積約46,938平方米（不包括公共地盤面積）的四幅地塊組成，正在興建一個包括辦公室、零售商舖及住宅樓宇的大型發展項目——中航國際廣場。大連項目於竣工後的總可出售面積約為350,488平方米。大連項目現正處於正常開發建設階段，而中航國際廣場之若干住宅及辦公室單位已自二零一三年六月起開始預售。於二零一七年十二月三十一日已竣工的可出售面積為244,885平方米，其中銷售了172,958平方米，18,299平方米則可供出租並包括在投資物業內，其餘則包括在持作出售之已完成物業內。於二零一七年十二月三十一日，發展中物業的總可出售面積約為105,603平方米。

重慶項目由總地盤面積約375,252平方米之十二幅地塊組成，現正處於前期開發階段。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

As at 31 December 2017, the properties under development and completed properties held for sale amounted to HK\$2,937,160,000 (2016: HK\$4,105,317,000) and investment properties amounted to HK\$368,639,000 (2016: HK\$315,866,000). The customer deposits, which represent the proceeds of the pre-sale of properties, amounted to HK\$217,981,000 (2016: HK\$920,238,000). Property development and investment business recorded revenue of HK\$1,520,710,000 (2016: HK\$102,786,000) and gross loss of HK\$185,812,000 (2016: gross profit of HK\$28,517,000) for the year. The main reason for the gross loss was due to the loss of HK\$296,848,000 (2016: Nil) arisen from writing down properties under development and completed properties held for sale to net realisable value and included in the cost of sales. The net realisable value was determined based on valuations performed by an independent professionally qualified valuer. As a result, the property development and investment business segment recorded a loss of HK\$267,833,000 (2016: HK\$47,058,000) for the year.

FINANCIAL REVIEW

Disposal of convertible loans

During the year, convertible loans which have been fully impaired were disposed of to an independent third party at a consideration of HK\$87,151,000. As a result, a gain on disposal of convertible loans of HK\$87,151,000 (2016: Nil) was recognised.

Convertible bonds

The Group held convertible bonds issued by Peace Map Holding Limited ("PMH") and AVIC Joy Holdings (HK) Limited ("AVIC Joy"), respectively, both are listed companies in Hong Kong. These convertible bonds are hybrid instruments that include non-derivative host contracts and the embedded derivatives. The non-derivative host contracts, representing the bond components, have been designated as available-for-sale investments. The embedded derivatives, representing the conversion options, have been designated as derivative financial instruments.

於二零一七年十二月三十一日，發展中物業及持作出售之已完成物業為2,937,160,000港元(二零一六年：4,105,317,000港元)，投資物業為368,639,000港元(二零一六年：315,866,000港元)。客戶按金(指預售物業所得款項)為217,981,000港元(二零一六年：920,238,000港元)。年內，物業發展及投資業務錄得收益1,520,710,000港元(二零一六年：102,786,000港元)及毛損185,812,000港元(二零一六年：毛利28,517,000港元)。毛損的主要原因是發展中物業及持作出售之已完成物業因減值至可變現淨值而產生了虧損296,848,000港元(二零一六年：無)，並包括在銷售成本內。可變現淨值乃根據獨立專業合資格估值師進行之估值而釐定。因此，物業發展及投資業務分部於年內錄得虧損267,833,000港元(二零一六年：47,058,000港元)。

財務回顧

可換股貸款之出售

年內，已全數減值的可換股貸款已出售予一獨立第三方，代價為87,151,000港元。因此，確認了出售可換股貸款之利潤87,151,000港元(二零一六年：無)。

可換股債券

本集團持有分別由天下圖控股有限公司(「天下圖控股」)及幸福控股(香港)有限公司(「幸福控股」)(兩間均為香港上市公司)發行之可換股債券。該等可換股債券為包含非衍生工具主合約及嵌入式衍生工具之混合工具。非衍生工具主合約代表債券部份，已被指定為可供出售的投資。嵌入式衍生工具代表換股期權，已被指定為衍生金融工具。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

The Group's derivative financial instruments are managed and their performance is evaluated on a fair value basis. Any fair value gain or loss is recognised in profit or loss. Fair values are stated based on valuations performed by independent professionally qualified valuers, which are mainly influenced by the prices of the underlying securities and the time value of the derivative financial instruments.

The Group's portfolio of derivative financial instruments as at 31 December 2017 consisted of the derivatives at fair values of Nil (2016: HK\$9,277,000) and HK\$1,000 (2016: HK\$2,061,000) embedded in the convertible bonds issued by PMH and AVIC Joy, respectively. During the year, a fair value loss of HK\$11,337,000 (2016: HK\$108,558,000) was recognised in respect of the derivatives embedded in the convertible bonds issued by PMH and AVIC Joy, which was mainly due to the drop in the share prices of both companies, as well as the coming maturity of both convertible bonds.

Due to the decline in the fair value of the bond components of the convertible bonds issued by PMH and the existence of objective evidence of impairment, an impairment of HK\$18,795,000 (2016: Nil) was recorded, which was included in the impairment of available-for-sale investments.

Equity investment at fair value through profit or loss

The Group held shares issued by PMH and classified the investment as an equity investment at fair value through profit or loss. During the year, the Group recorded a fair value loss on an equity investment at fair value through profit or loss of HK\$6,857,000 (2016: HK\$198,094,000) due to the drop in the share price of PMH.

本集團之衍生金融工具乃按公平值基準管理，其表現亦按公平值基準評價。任何公平值利潤或虧損均於損益中確認。公平值乃根據獨立專業合資格估值師進行之估值確定，其價值主要受相關證券價格以及該衍生金融工具的時間值所影響。

於二零一七年十二月三十一日之衍生金融工具組合包括天下圖控股及幸福控股所發行之可換股債券中嵌入之衍生工具，公平值分別為零（二零一六年：9,277,000港元）及1,000港元（二零一六年：2,061,000港元）。年內，就天下圖控股及幸福控股所發行之可換股債券中嵌入之衍生工具確認了衍生金融工具之公平值虧損11,337,000港元（二零一六年：108,558,000港元），主要由於兩間公司的股價皆下跌，而且該些可換股債券皆快要到期。

由於天下圖控股所發行之可換股債券之債券部份之公平值下跌以及存在減值之客觀證據，因此錄得減值18,795,000港元（二零一六年：無），並包括在可供出售的投資之減值內。

按公平值計入損益之股本投資

本集團持有由天下圖控股所發行之股份，並把該投資分類為按公平值計入損益之股本投資。年內，由於天下圖控股之股價下跌，本集團錄得按公平值計入損益之股本投資之公平值虧損6,857,000港元（二零一六年：198,094,000港元）。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

Impairment of a listed equity available-for-sale investment

The Group held shares issued by AVIC Joy and classified the investment as an available-for-sale investment. Due to the significant decline in the share price of AVIC Joy during the year, an impairment of HK\$48,485,000 (2016: HK\$134,107,000) was recorded, which was included in the impairment of available-for-sale investments.

Joint venture and associates

During the year, the Group recorded share of losses of the joint venture and associates in an aggregate of HK\$18,821,000 (2016: HK\$218,382,000).

Administrative expenses

During the year, the Group recorded administrative expenses from continuing operations of HK\$73,718,000 (2016: HK\$41,611,000). The increase was mainly due to the expenses arisen from an extreme very substantial acquisition and connected transaction of the Company, amounted to HK\$21,742,000.

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group has consistently maintained sufficient working capital. As at 31 December 2017, the Group had current assets of HK\$3,825,763,000 (2016: HK\$4,969,966,000), including cash and bank balances and time deposits in an aggregate of HK\$627,140,000 (2016: HK\$605,925,000). The Group's current liabilities as at 31 December 2017 were HK\$980,982,000 (2016: HK\$1,692,802,000).

可供出售的上市股本投資之減值

本集團持有由幸福控股所發行之股份，並把該投資分類為可供出售的投資。由於年內幸福控股之股價大幅下跌，因此錄得減值48,485,000港元(二零一六年：134,107,000港元)，並包括在可供出售的投資之減值內。

合營公司及聯營公司

年內，本集團錄得分佔合營公司及聯營公司之虧損合共18,821,000港元(二零一六年：218,382,000港元)。

行政管理費用

年內，本集團錄得來自持續經營業務之行政管理費用73,718,000港元(二零一六年：41,611,000港元)，增加主要是因為本公司進行一項極端非常重大收購事項及關連交易而產生了費用21,742,000港元。

資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零一七年十二月三十一日，本集團有流動資產3,825,763,000港元(二零一六年：4,969,966,000港元)，其中包括現金及銀行結存及定期存款合共627,140,000港元(二零一六年：605,925,000港元)。本集團於二零一七年十二月三十一日之流動負債為980,982,000港元(二零一六年：1,692,802,000港元)。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

As at 31 December 2017, the Group's equity attributable to owners of the parent amounted to HK\$1,732,505,000 (2016: HK\$1,973,272,000), comprising issued capital of HK\$551,959,000 (2016: HK\$551,959,000) and reserves of HK\$1,180,546,000 (2016: HK\$1,421,313,000). The Group's interest-bearing debts, including loans from a fellow subsidiary of HK\$923,077,000 (2016: HK\$1,234,637,000), loans from an intermediate holding company of HK\$503,550,000 (2016: HK\$475,419,000) and interest-bearing bank borrowings of Nil (2016: HK\$230,134,000) are mainly denominated in Renminbi and arranged on a fixed rate basis. The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of equity attributable to owners of the parent plus the interest-bearing debts, was 45% (2016: 50%).

The Group's banking facilities are mainly utilised for general working capital requirements.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2017, there were no charges on the Group's assets. Details of the charges on the Group's assets as at 31 December 2016 are set out in note 32(a) to the financial statements.

EXPOSURE TO FOREIGN CURRENCY RISK

The Group's foreign currency exposures primarily arise from certain sales or purchases by operating units in Renminbi. In view of the fact that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to foreign currency risk is minimal.

於二零一七年十二月三十一日，本集團之母公司所有者應佔權益為1,732,505,000港元（二零一六年：1,973,272,000港元），由已發行股本551,959,000港元（二零一六年：551,959,000港元）及儲備1,180,546,000港元（二零一六年：1,421,313,000港元）所組成。本集團之計息債務（包括來自同系附屬公司的貸款923,077,000港元（二零一六年：1,234,637,000港元）、來自中間控股公司的貸款503,550,000港元（二零一六年：475,419,000港元）及無計息銀行貸款（二零一六年：230,134,000港元））乃主要以人民幣結算及以固定利率計息。本集團之資本負債率按計息債務佔母公司所有者應佔權益加計息債務之百分比計算為45%（二零一六年：50%）。

本集團之銀行信貸主要用於應付一般營運資金的需要。

本集團資產抵押

於二零一七年十二月三十一日，本集團並沒有資產抵押。有關本集團於二零一六年十二月三十一日的資產抵押之詳情載於財務報表附註32(a)。

外幣風險

本集團的外匯風險主要產生自營運單位以人民幣進行的若干銷售及採購。鑒於本集團致力把相同貨幣的資產及負債配合，因此本集團所承受的外匯風險很低。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS

The Company carried out an extreme very substantial acquisition and connected transaction, and continued exploring opportunities to dispose of its real estate assets. As set out in the announcement of the Company dated 19 September 2017, the Company (as purchaser) entered into an acquisition agreement with substantial shareholders of the Company, AVIC International (HK) Group Limited ("AVIC HK") (as seller) and AVIC International Holding Corporation (as seller guarantor), pursuant to which the Company agreed to acquire the entire issued share capital of Motto Investment Limited ("Motto") and the shareholder's loan notes owing by Motto to AVIC HK (the "Acquisition"), at an aggregate consideration of HK\$2,400,000,000, out of which HK\$1,000,000,000 was satisfied by cash and HK\$1,400,000,000 was satisfied by way of allotment and issue of shares of the Company. The core businesses of Motto and its subsidiaries include: (a) the design, development and production of general aviation aircraft piston engines fueled by gasoline and diesel fuels as well as engine spare parts; and (b) aftermarket services and supports for general aviation aircraft. The Directors believe that the Acquisition will provide an opportunity for the Group to capture the prospect of aviation industry, which will enable the Group to enhance the stability of revenue and cash flows and reduce the Group's reliance on property development in China which is undergoing a downward risk and subject to tightened government regulatory requirements. Further details of the Acquisition were included in the circular of the Company dated 29 December 2017. Subsequent to the reporting period, the Acquisition was completed on 7 February 2018.

重大收購及出售

本公司進行了一項極端非常重大收購事項及關連交易，同時持續探索出售其房地產資產之機會。誠如本公司於二零一七年九月十九日之公告所載，本公司（作為買方）與本公司之主要股東——中航國際（香港）集團有限公司（「中航香港」）（作為賣方）和中國航空技術國際控股有限公司（作為賣方擔保人）訂立收購協議，據此，本公司同意收購Motto Investment Limited（「Motto」）之100%股本權益及Motto欠中航香港之股東貸款票據（「收購事項」），總代價為2,400,000,000港元，其中1,000,000,000港元以現金結清，而1,400,000,000港元則以本公司股份配發及發行方式償付。Motto以及其附屬公司的核心業務包括：(a)由航空汽油及航空煤油燃料驅動的通用航空飛機活塞發動機及發動機備件的設計、開發及生產；及(b)通用航空飛機的售後市場服務及支援。董事認為，收購事項將為本集團提供獲得航空業前景之機會，這將可令本集團提升收益及現金流量穩定性以及減少本集團對中國物業開發之依賴，而中國之物業開發目前正面臨下行風險及受收緊之政府監管要求規限。收購事項的進一步詳情已載於本公司於二零一七年十二月二十九日之通函內。報告期後，收購事項已於二零一八年二月七日完成。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

CONTINGENT LIABILITIES

Details of the significant contingent liabilities of the Group are set out in note 42 to the financial statements.

ENVIRONMENTAL AND REGULATORY COMPLIANCE

Environmental protection and the effective use of natural resources have gradually become an important concept in modern economic growth. We follow the major trends in environmental protection around the world. Our operations are also in an effort to increasingly integrate this concept. Based on new technology and management approach, we strictly control our environmental impact and resource usage, in an effort to forge cleaner production featuring lower pollution and lower emissions toward sustainable development.

We strictly follow all applicable laws and regulations released by the relevant authorities which are material to us. Throughout the year, there was no incidence of non-compliance with the relevant laws and regulations that have a significant impact on us.

The Company's environmental policies and performance are summarised in the Environmental, Social and Governance Report on page 36 to 48 of this annual report.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2017, there were 70 (2016: 73) employees in the Group. The employee wages and salaries for the continuing operations, excluding directors' remuneration, amounted to HK\$31,231,000 (2016: HK\$28,586,000) for the year ended 31 December 2017. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to building good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

或然負債

有關本集團重大或然負債之詳情載於財務報表附註42。

環境及法規的遵從

保護環境及善用天然資源已逐步成為現代經濟發展的重要觀念，我們配合全球環保大趨勢，營運模式亦日益與此觀念接軌。我們採用新科技、新管理配套，嚴格控制環境影響及資源使用，致力打造低污染低排放的清潔生產模式，作為我們走向可持續發展經濟的重要方向。

我們嚴格遵循所有由相關監管部門發佈而對我們有重要影響的相關的適用法律及規例。於二零一七年全年，我們沒有不遵守對其業務有重大影響的有關法律及規例的事故。

本公司的環境政策及表現在本年報第36頁至第48頁的環境、社會及管治報告中概述。

僱員及薪酬政策

於二零一七年十二月三十一日，本集團共有僱員70名（二零一六年：73名）。截至二零一七年十二月三十一日止年度，持續經營業務之僱員工資及薪金（不包括董事酬金）為31,231,000港元（二零一六年：28,586,000港元）。本集團重視與僱員保持良好關係。董事認為，為僱員提供優越的工作環境及福利，有助建立良好員工關係及挽留員工。本集團的薪酬政策乃根據各員工的表現及市場情況制定並定期進行檢討。本集團並為僱員提供其他福利包括醫療及人壽保險，以及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

EVENTS AFTER THE REPORTING PERIOD

- (a) On 7 February 2018, the Company completed the Acquisition, as detailed in the section headed "MATERIAL ACQUISITIONS AND DISPOSALS" above. A total of 3,783,783,783 new shares of the Company have been issued as fully paid to AVIC HK on 7 February 2018. Accordingly, immediately after the completion of the Acquisition, the issued share capital of the Company increased to HK\$930,337,478, and the total number of issued shares increased to 9,303,374,783.
- (b) On 6 March 2018, the convertible bond issued by AVIC Joy with a principal amount of HK\$51,776,000 matured and was redeemed by AVIC Joy.

OUTLOOK

The Company, as an investment holding company, is committed to investing in the general aviation business and other fields, and aims to enhance its value and create long-term return for its shareholders in terms of returns on investments and operating profits. The newly acquired general aviation aircraft piston engine business has a potential for return in the long run and will provide the Group with a source of revenue and profit and thus asset growth. Given that China is encouraging the development of general aviation industry, particularly the reform of low-altitude airspace management, the general aviation business will have a golden opportunity for development in future. Property development in China is undergoing a downward risk and subject to tightened government regulatory requirements, and the Company is continuing to explore opportunities to dispose of its real estate assets. The Group will identify the projects with a bright development prospect, and will continue to review and optimise its business portfolio.

報告期後事項

- (a) 於二零一八年二月七日，本公司完成收購事項，詳情載於以上「重大收購及出售」項下。合共3,783,783,783股本公司新股份於二零一八年二月七日已繳足發行予中航香港。因此，緊隨收購事項完成後，本公司已發行股本增至930,337,478港元，而已發行股份總數增至9,303,374,783股。
- (b) 於二零一八年三月六日，由幸福控股所發行本金額為51,776,000港元之可換股債券到期，並已被幸福控股贖回。

展望

本公司作為一間投資控股公司，致力於在通用航空業務及其他領域進行投資，並通過獲取投資收益和經營收益，從而提升其價值並為股東創造長期回報。新收購的通用航空活塞發動機業務具有長期回報潛力，將為本集團提供收入和利潤來源，並帶動資產增長。鑒於中國促進通用航空產業發展，尤其是改革低空空域管理，通用航空業務未來具有良好的發展機遇。中國之物業開發目前正面臨下行風險及受收緊之政府監管要求規限，本公司正繼續探索出售其房地產資產之機會。本集團將物色具有良好發展前景之項目，且不斷檢討並優化本集團的業務組合。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow Directors and all our staff for their support, hard work and dedication.

By order of the Board

AVIC International Holding (HK) Limited

Liu Hongde

Chairman

Hong Kong, 14 March 2018

致謝

本人謹此向各董事及全體職員所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命

AVIC International Holding (HK) Limited

中國航空工業國際控股(香港)有限公司

主席

劉洪德

香港，二零一八年三月十四日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

EXECUTIVE DIRECTORS

Mr. Liu Hongde, aged 57, has been an Executive Director, the Chairman of the Company, and a member of the Remuneration Committee of the Company since December 2016. He is a PhD in Management Science and Engineering of Harbin Engineering University (哈爾濱工程大學) and a professoriate senior engineer. He enjoys the special government allowances of the State Council. Mr. Liu has extensive working experience in the areas of operation management, scientific research management, organisational and cultural development. Mr. Liu is currently the chairman of the board of directors of AVIC International Holding Corporation ("AVIC International"), a director of AVIC International (HK) Group Limited ("AVIC International (HK) Group") and the supervisor of Aviation Industry Corporation of China, Ltd ("AVIC"), all being substantial shareholders of the Company. Mr. Liu was appointed in February 2017 as an executive director of AVIC International Holdings Limited ("AVIC IHL"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Prior to joining AVIC International, Mr. Liu was the deputy general manager of Harbin Dongan Engine Corporation (哈爾濱東安發動機公司), the general manager and chairman of Harbin Dongan Auto Engine Co., Ltd. (哈爾濱東安汽車動力股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the director and the deputy executive general manager of Harbin Aviation Industry (Group) Co., Ltd. (哈爾濱航空工業(集團)有限公司), the chairman of Jiangxi Changhe Automobile Co., Ltd. (江西昌河汽車股份有限公司, which shares are listed and traded on the Shanghai Stock Exchange), the general manager of AVIC Automobile Industry Corporation (中國航空汽車工業總公司), the deputy general manager of AviChina Industry & Technology Company Limited, which shares are listed on the Stock Exchange, the head of the corporate cultural departments of the China Aviation Industry Corporation II (中國航空工業第二集團公司) and AVIC, and the vice executive chairman of the trade union of AVIC.

執行董事

劉洪德先生，57歲，自二零一六年十二月出任本公司執行董事、主席及薪酬委員會成員。劉先生為哈爾濱工程大學管理科學與工程專業博士及研究員級高級工程師。彼享受國務院政府特殊津貼。劉先生於經營管理、科研管理、組織及文化建設方面擁有豐富工作經驗。劉先生現任本公司主要股東中國航空技術國際控股有限公司(「中航國際」)董事長、中航國際(香港)集團有限公司(「中航國際(香港)集團」)董事及中國航空工業集團有限公司(「中航工業」)監事。劉先生於二零一七年二月獲委任為股份於香港聯合交易所有限公司(「聯交所」)上市之中航國際控股股份有限公司(「中航國際控股」)的執行董事。加入中航國際前，劉先生曾出任哈爾濱東安發動機公司副總裁、哈爾濱東安汽車動力股份有限公司(其股份於上海證券交易所上市及買賣)總裁及董事長、哈爾濱航空工業(集團)有限公司董事及常務副總裁、江西昌河汽車股份有限公司(其股份於上海證券交易所上市及買賣)董事長、中國航空汽車工業總公司總裁、中國航空科技工業股份有限公司(其股份於聯交所上市)副總裁、中國航空工業第二集團公司企業文化部部長、中航工業企業文化部部長、以及中航工業工會常務副主席。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Pan Linwu, aged 53, has been an Executive Director of the Company since February 2008 and the Deputy Chairman of the Company since January 2013. He holds a Master's degree in Aeronautical Engineering from Beihang University, an EMBA from Cheung Kong Graduate School of Business, a Bachelor's degree in Engineering from Beihang University and a Specialised Diploma in Financial Accounting from Beijing Open University. In 1989, Mr. Pan served as the Deputy Head of the General Administration Division of the Audit Department of the Ministry of Aero-Space Industry. In September 1993, he was transferred to AVIC International and served as the Deputy Director of the Audit Division and was promoted to Director in May 1996. Mr. Pan had been the Chief Financial Officer of AVIC International since 2001, and he was also appointed as the Deputy General Manager of AVIC International in April 2012. In addition, he was the Executive Director of AVIC IHL from June 2012 to February 2017. He was also a Director of Tacko International Limited ("Tacko"), which is a substantial shareholder of the Company from October 2013 to April 2017.

Mr. Lai Weixuan, aged 53, has been an Executive Director of the Company since June 2015. He is a senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University. Mr. Lai is now the Chief Executive Officer of AVIC International and a director of AVIC International (HK) Group. Mr. Lai joined AVIC International Shenzhen Company Limited ("AVIC Shenzhen", a wholly owned subsidiary of AVIC International) in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the Chairman of Fiyta Holdings Limited ("Fiyta"), the deputy chairman of Tianma Microelectronics Co., Ltd. ("Tianma") and the chairman of Rainbow Department Store Co., Ltd. ("Rainbow Department Store"). Fiyta, Tianma and Rainbow Department Store are companies listed on Shenzhen Stock Exchange. He is also a director of a subsidiary of the Group. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC IHL from 2004 to 2012 and was appointed as an executive director again in 2014.

潘林武先生，53歲，自二零零八年二月起出任本公司執行董事，並自二零一三年一月起出任本公司副董事長。彼持有北京航空航天大學航空工程碩士學位、長江商學院高級工商管理碩士學位、北京航空航天大學工程學學士學位及北京廣播電視大學財務會計學專業文憑。一九八九年，潘先生曾任審計署駐航空航天工業部審計局綜合處副處長。一九九三年九月，彼獲調派中航國際，擔任監察審計室副主任，至一九九六年五月擢升為監察審計室主任。潘先生自二零零一年起出任中航國際財務總監，並於二零一二年四月獲委任為中航國際副總經理。此外，彼於二零一二年六月至二零一七年二月曾擔任中航國際控股之執行董事。彼亦曾於二零一三年十月至二零一七年四月擔任本公司主要股東Tacko International Limited (「Tacko」)之董事。

賴偉宣先生，53歲，自二零一五年六月出任本公司執行董事。賴先生為高級會計師，同濟大學管理學博士及北京大學光華管理學院EMBA。賴先生現為中航國際總裁及中航國際(香港)集團董事。賴先生於一九八三年加入中航國際之全資附屬公司中國航空技術深圳有限公司(「中航深圳」)。賴先生曾任中航深圳副總經理、飛亞達(集團)股份有限公司(「飛亞達」)董事長、天馬微電子股份有限公司(「天馬」)副董事長及天虹商場股份有限公司(「天虹商場」)董事長。飛亞達、天馬及天虹商場之股份於深圳證券交易所上市。賴先生亦為本集團一間附屬公司之董事。賴先生具有豐富之財務及經營管理經驗，曾於二零零四年至二零一二年於中航國際控股擔任執行董事，並於二零一四年再次獲委任為執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Ms. Zhou Chunhua, aged 52, has been an Executive Director of the Company since December 2016. She is a professorate senior accountant, EMBA of Cheung Kong Graduate School of Business. Ms. Zhou has extensive working experience in the areas of financial management, capital operation, audit supervision and risk management. Ms. Zhou was appointed as the deputy general manager and the chief accountant of AVIC International in December 2016. She is currently an executive director of AVIC IHL, a director of AVIC International, AVIC International (HK) Group, AVIC International Investment Limited and the Chairman of 中航技投資有限責任公司. Before that, she was the assistant to manager and vice chief accountant of Shenyang Liming Aero-Engine Group Corporation Ltd. (瀋陽黎明航空發動機集團有限公司), the director, deputy general manager and chief accountant of AVIC Beijing Keeven Aviation Instrument Co., Ltd. (中航工業北京青雲航空儀錶有限公司), the deputy manager of the audit department of AVIC and the deputy general manager and chief accountant of AVIC Electromechanical Systems Company Limited (中航機電系統有限公司) as well as a director, deputy general manager and chief accountant of AVIC Electromechanical Systems Co., Ltd. (中航工業機電系統股份有限公司, which shares are listed and traded on the Shenzhen Stock Exchange).

Mr. Xu Hongge, aged 46, has been an Executive Director and the Chief Executive Officer of the Company since June 2015. He holds a Bachelor's degree in architecture from Southeast University. He also completed the Post-EMBA program from Cheung Kong Graduate School of Business in 2010. Mr. Xu previously served as an executive vice president of China Vanke Co., Ltd, a company listed on the Stock Exchange and Shenzhen Stock Exchange. He has over 24 years of experience in property development industry.

周春華女士, 52歲, 自二零一六年十二月出任本公司執行董事。周女士為研究員級高級會計師, 長江商學院EMBA。周女士於財務管理、資本運作、審計及風險管理方面擁有豐富工作經驗。周女士於二零一六年十二月獲委任為中航國際副總裁兼總會計師。周女士現任中航國際控股執行董事、中航國際董事、中航國際(香港)集團董事、中航國際投資有限公司董事及中航技投資有限責任公司董事長。在此之前, 彼為瀋陽黎明航空發動機集團有限公司總裁助理兼副總會計師、中航工業北京青雲航空儀錶有限公司董事、副總裁兼總會計師、中航工業之審計部副經理、中航機電系統有限公司之副總裁兼總會計師以及中航工業機電系統股份有限公司(該公司之股份於深圳證券交易所上市及買賣)之董事、副總裁兼總會計師。

徐洪舸先生, 46歲, 自二零一五年六月出任本公司執行董事兼行政總裁。徐先生持有東南大學建築系建築學專業學士學位, 並在二零一零年完成長江商學院高層管理教育的長江商學院後EMBA課程。徐先生曾於聯交所及深圳證券交易所上市之萬科企業股份有限公司擔任執行副總裁。徐先生擁有超過24年的房地產開發行業經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

NON-EXECUTIVE DIRECTOR

Mr. Chow Wai Kam, JP, aged 70, has been a Non-Executive Director of the Company since June 2015. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001. He is currently an Executive Director of CK Asset Holdings Limited ("CKAH"), a company listed on the Stock Exchange. Mr. Chow joined the Hutchison Group in July 1995 and was the Group Managing Director of the property and hotels divisions of the Hutchison Group since 2000. He is now the Group Managing Director of Hutchison Property Group Limited, a wholly-owned subsidiary of CKAH. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland China and overseas.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Yu Lin, David, JP, SBS, aged 74, has been an Independent Non-executive Director of the Company since May 1999. He is also a member and the Chairman of the Audit Committee and the Remuneration Committee of the Company. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited. Mr. Chu is an independent non-executive director of Chuang's China Investments Limited, Chuang's Consortium International Limited and Zhuhai Holdings Investment Group Limited, all being listed on the Stock Exchange.

非執行董事

周偉淦先生, 太平紳士, 70歲, 自二零一五年六月出任本公司非執行董事。周先生分別於一九七零年十一月及一九七二年十一月獲得香港大學建築學文學學士學位及建築學學士學位。並分別自一九七六年七月及一九九一年一月起成為認可人士(建築師名單)及註冊建築師。自二零零一年八月起, 周先生成為香港建築師學會資深會員。周先生現為於聯交所上市之長江實業集團有限公司(「長實集團」)之執行董事。周先生於一九九五年七月加入和黃集團, 並自二零零零年起曾任和黃集團之物業及酒店部門集團董事總經理。周先生現任長實集團之全資附屬公司和記地產集團有限公司集團董事總經理。周先生於各類發展之項目管理與建築設計方面, 包括於香港、中國與海外之酒店、住宅、商業、工業及校舍項目有逾四十年經驗。

獨立非執行董事

朱幼麟先生, JP, SBS, 74歲, 自一九九九年五月出任本公司獨立非執行董事。朱先生同時出任本公司審核委員會及薪酬委員會成員兼主席。朱先生持有美國東北大學電機工程及管理學學位, 後獲哈佛大學頒授工商管理碩士學位及獲美國東北大學頒發名譽博士學位(公共服務)。朱先生曾於多間頗具規模之國際機構如美國銀行、General Electric Co.及怡和洋行有限公司工作。朱先生現出任莊士中國投資有限公司、莊士機構國際有限公司及珠海控股投資集團有限公司獨立非執行董事(上述公司全部均於聯交所上市)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Li Ka Fai, David, aged 63, has been an Independent Non-executive Director of the Company since December 2007. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). Mr. Li is also a fellow of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, UK, The Institute of Chartered Secretaries and Administrators, UK as well as The Institute of Chartered Accountants in England & Wales. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited and Wai Yuen Tong Medicine Holdings Limited, all being listed on the Stock Exchange.

Mr. Zhang Ping, aged 53, was appointed as an independent non-executive Director and a member of the Audit Committee of the Company on 26 May 2017. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organised key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC IHL, a company listed on the Stock Exchange, until December 2014. He is currently an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司).

李家暉先生，63歲，自二零零七年十二月出任本公司獨立非執行董事。李先生同時出任本公司審核委員會及薪酬委員會成員。李先生持有化學及管理榮譽理學士學位。李先生現為李湯陳會計師事務所副執行合夥人。李先生亦為香港會計師公會執業資深會計師、英國特許公認會計師公會、英國特許秘書及行政人員公會、及英格蘭及威爾斯特許會計師公會資深會員。李先生現出任招商局港口控股有限公司、中港照相器材集團有限公司、四海國際集團有限公司、金利來集團有限公司、上海實業城市開發集團有限公司及位元堂藥業控股有限公司獨立非執行董事(上述公司全部均於聯交所上市)。

張平先生，53歲，於二零一七年五月二十六日獲委任為本公司獨立非執行董事及審核委員會成員。張先生獲得中國社會科學院研究生院經濟博士學位。張先生自一九八八年七月開始在中國社會科學院經濟研究所工作。他曾領導及主持多項重點國家經濟研究項目。彼在理論研究和調查的基礎上寫出了諸多論著，主要研究領域為中國經濟增長和宏觀經濟政策。張先生曾出任股份於聯交所上市之中航國際控股的獨立非執行董事至二零一四年十二月。張先生現任民生通惠資產管理有限公司獨立董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

SENIOR MANAGEMENT

Mr. Zhao Yang, aged 47, joined the Group in January 2017 as the Chief Financial Officer and is responsible for the Group's corporate finance, accounting and treasury functions. He is also a director of Tacko and certain subsidiaries of the Company. He holds a Bachelor's degree in Finance from Nankai University and EMBA degree from China Europe International Business School. Mr. Zhao Yang is a senior economist. Prior to joining the Group, Mr. Zhao held senior management positions in different companies, of which two are Shenzhen listed companies. Mr. Zhao has over 24 years of experience in accounting and finance.

Mr. Zhong Rong, aged 41, Deputy Chief Financial Officer, joined the Group in July 2015 and is responsible for assisting the Chief Financial Officer for the Group's corporate finance, accounting and treasury functions. He holds a Master's degree in management and is a member of The Chinese Institute of Certified Public Accountants. He has over 18 years of experience in accounting and finance.

Ms. Wu Shaohua, aged 32, joined the Group in January 2017 as Deputy Chief Financial Officer and is responsible for assisting the Chief Financial Officer for the Group's corporate finance, accounting and treasury functions. She holds a Master's degree in accounting from University of International Business and Economics and MBA degree from Missouri State University. Prior to joining the Group, Ms. Wu held senior management positions in different companies. She has almost 10 years of experience in accounting and finance and international aviation business.

管理高層

趙揚先生，47歲，二零一七年一月加入本集團擔任財務總監，負責本集團之企業融資、會計及財政等職務。趙先生同時出任Tacko董事，並為本公司若干附屬公司董事。趙先生持有南開大學金融學士學位及中歐國際工商學院EMBA，並為高級經濟師。在加盟本集團之前，趙先生曾於多間公司擔任高級管理職務，其中兩間為深圳上市公司。趙先生在會計及財務方面擁有逾24年經驗。

鐘榮先生，41歲，副財務總監，二零一五年七月加入本集團，並負責協助財務總監處理本集團之企業融資、會計及財政等職務。鐘先生持有管理學碩士，並為中國註冊會計師。鐘先生在會計及財務方面擁有逾18年經驗。

武紹華女士，32歲，二零一七年一月加入本公司擔任副財務總監，並負責協助財務總監處理本集團之企業融資、會計及財政等職務。武女士持有對外經濟貿易大學會計學碩士及美國密蘇里州立大學工商管理碩士學位。在加盟本集團之前，武女士曾於多間公司擔任高級管理職務。武女士在會計財務方面、以及國際航空業務方面擁有近10年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE

The Company is committed to maintain good standards of corporate governance practices by emphasising transparency, accountability and responsibility to its shareholders.

For the year ended 31 December 2017, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the "Corporate Governance Code" (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except as noted hereunder:

1. Other than the Non-executive Director appointed on 23 June 2015 and the Independent Non-executive Director appointed on 26 May 2017, the other two Independent Non-executive Directors are appointed without specific terms (code provision A.4.1), details of which are mentioned under the section headed "NON-EXECUTIVE DIRECTORS" in this report; and
2. the Company does not have a nomination committee (code provisions A.5.1 to A.5.4), details of which are mentioned under the section headed "BOARD OF DIRECTORS" in this report.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. A reminder is served by the Company to each Director twice annually of the black out period that Director cannot deal in the securities and derivatives (if any) of the Company.

企業管治

本公司致力於對其股東強調透明度、問責性及責任性，從而保持良好的企業管治常規。

除下文所述外，本公司於截至二零一七年十二月三十一日止年度已實施並遵守載於聯交所證券上市規則（「上市規則」）附錄十四的《企業管治守則》（「企業管治守則」）的所有守則條文及（如適用）建議最佳常規：

1. 除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期（守則條文第A.4.1條），詳情載於本報告內「非執行董事」項下；及
2. 本公司並未設立提名委員會（守則條文第A.5.1至A.5.4條），詳情載於本報告內「董事會」項下。

本公司將參考企業管治的最新發展，定期檢討及改善其企業管治常規。

董事的證券交易

本公司已採納載於上市規則附錄十的《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的行為守則。本公司每年就禁止買賣期發出兩次通知提醒每位董事不可買賣本公司之證券及衍生工具（如有）。

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Directors are required to notify the Chief Executive Officer (who is also a Director) and receive a dated written acknowledgement before dealing in the securities and derivatives (if any) of the Company. In the case of the Chief Executive Officer himself, he must notify the Chairman and receive a dated written acknowledgement before any dealing.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2017.

The Company has also established a written guideline no less exacting than the Model Code for securities transactions by relevant employees (including any employee of the Company or director or employee of a subsidiary who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company). No incidence of non-compliance was noted by the Company.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Currently, the Board comprises five Executive Directors, including Chairman and Deputy Chairman, and four Non-executive Directors, including three Independent Non-executive Directors. An Independent Non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as prescribed by the Listing Rules. 8 out of the 9 Directors served the full year for the year ended 31 December 2017. The biographical details of the Directors are set out on pages 13 to 18 of this annual report. There is no relationship (including financial, business, family or other material/relevant relationship) between Board members.

董事進行本公司之證券及衍生工具(如有)買賣前,必須先知會行政總裁(行政總裁亦為董事),並待收到註明日期之書面確認才可進行買賣。倘為行政總裁本人,則必須先知會主席,並待收到註明日期之書面確認才可進行買賣。

在作出特定查詢後,所有董事確認彼等於截至二零一七年十二月三十一日止年度已遵守標準守則所載的規定。

本公司亦已制定一份不遜於標準守則的有關僱員(包括本公司任何僱員、或附屬公司的任何董事或僱員,不會利用他們因在該公司或該附屬公司的職務或工作而可能管有與本公司證券有關的內幕消息)進行證券交易的書面指引。本公司並無知悉任何違規事件。

董事會

本公司由董事會管理,董事會負有領導及監控本公司之責任。董事透過集體領導及監督本公司事務,共同負責推動本公司的成功。

董事會目前由五名執行董事(包括主席及副主席)及四名非執行董事(包括三名獨立非執行董事)組成。一名獨立非執行董事具備上市規則所規定之適當的專業資格或會計或相關的財務管理專長。九位董事中有八位於截至二零一七年十二月三十一日止整個年度內任職。董事之履歷資料載於本年報第13頁至第18頁。董事會成員之間並無任何關係(包括財務、業務、家屬或其他重大/相關的關係)。

CORPORATE GOVERNANCE REPORT

企業管治報告

Notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. A new Director appointed by the Board after the preceding annual general meeting shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election at that meeting.

The Company does not have a nomination committee. The Board is directly in charge of nomination of Directors. In accordance with the Bye-laws of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. For nomination, consideration will be made to the qualifications and capabilities of the nominated individual. During the year, the Board selected and recommended the appointment of Mr. Zhang Ping as Independent Non-executive Director.

儘管可能有任何董事按任何合約條款或其他條款被委任或聘用，於每屆股東周年大會上，其時三分之一的董事（或，若董事的人數不是三(3)的倍數，則最接近但不少於三分之一的人數）須輪席退任，即每位董事至少每三年須退任一次。每年退任的董事須為自上一次選舉以來任期最長的董事，對於同一日連任的董事，則須以抽籤方式決定（除非董事之間另有協定）。退任董事合資格重選連任。於上屆股東週年大會後獲董事會委任之新董事，將任職至本公司下屆股東大會（如為填補空缺者）或任職至本公司下屆股東週年大會（如為增加現有董事會成員），並合資格在有關會議上重選連任。

本公司並未設立提名委員會。董事會直接負責董事之委任事宜。根據本公司細則，董事會有權不時並於任何時間委任任何人士為董事，以填補空缺或增加董事會成員，但因此委任之董事人數不得超過股東於股東大會上不時訂定的最多人數。提名時將考慮該獲提名人士之資格及能力。年內，董事會遴選及推薦委任張平先生為獨立非執行董事。

CORPORATE GOVERNANCE REPORT 企業管治報告

At present, the Company does not consider it necessary to have a nomination committee as the Board is responsible for reviewing the structure, size, diversity and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board is also responsible for assessing the independence of each Independent Non-executive Director and reviewing the succession plan for the Directors, in particular the Chairman and the Chief Executive Officer.

The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to maintaining a competitive advantage of the Board. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities. The Board will consider and if appropriate, set measurable objectives to implement the Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Policy, from time to time, to ensure its continued effectiveness.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions.

由於董事會負責不時審閱董事會之架構、人數、多元化及組成，以及新董事之委任，確保董事會由具備配合本公司業務所需技能及經驗之人士組成，加上董事會亦負責評核每位獨立非執行董事的獨立性及檢討董事（尤其是主席及行政總裁）之繼任計劃，因此本公司認為目前不需設立提名委員會。

本公司已採納了一份載列實現並保持董事會成員多元化途徑的董事會成員多元化政策（「本政策」），以保持董事會的競爭優勢。本公司透過考慮多項因素，包括但不限於才能、技能、地域及行業經驗、背景、性別及其他特質，以尋求實現董事會多元化。董事會將考慮並在適當情況下制定可計量目標以推行本政策，並檢討該等目標以確保其合適度及確定達標的進度。董事會將不時檢討本政策，以確保其持續有效。

董事會制定本集團之整體策略，監察其財務表現及對管理層維持有效之監督。董事會成員盡心履行及忠誠行事，爭取股東長遠最大利益，並使本集團之目標及方向與當前經濟及市場狀況保持一致。

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企業管治報告

The Board is also responsible for performing the corporate governance functions under the requirements of the CG Code. The major role and functions of the Board regarding its corporate governance include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and
5. to review the Company's compliance with the CG Code and disclosure in this report.

The following is a summary of the work of the Board in respect of corporate governance matters during the year ended 31 December 2017:

1. performed corporate governance duties under the CG Code;
2. reviewed the Company's corporate governance policies and practices;
3. reviewed the connected transactions and the continuing connected transactions of the Group;
4. reviewed the compliance with the CG Code; and

董事會同時負責履行企業管治守則項下要求的企業管治職能。董事會就其企業管治的主要角色和職能，包括：

1. 制定及檢討本公司的企業管治政策及常規並向董事會提出建議；
2. 檢討及監察董事及本公司管理高層的培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
4. 制定、檢討及監察本公司僱員及董事的操守準則及合規手冊（如有）；及
5. 檢討本公司遵守企業管治守則的情況及於本報告內的披露。

以下是董事會於截至二零一七年十二月三十一日止年度內就企業管治事宜的工作概要：

1. 履行企業管治守則項下的企業管治職責；
2. 檢討本公司之企業管治政策及常規；
3. 檢討本集團之關連交易及持續關連交易；
4. 檢討是否遵守企業管治守則；及

CORPORATE GOVERNANCE REPORT

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5. reviewed the effectiveness of the risk management and internal control systems of the Company through the Audit Committee.

The senior management of the Company is delegated with responsibilities in the day-to-day management and administration of the Company and makes operational and business decisions within the control and delegation framework of the Company.

The Company has issued formal letters of appointment for Directors setting out the key terms and conditions of their appointment.

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the extent of insurance cover each year.

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that board procedures, and all applicable rules and regulations, are followed; and also regularly updates the Board on governance and regulatory matters. Any Director, in the furtherance of his or her duties, may take independent professional advice in appropriate circumstances through the Chairman at the expense of the Company. The availability of professional advice extends to the Audit and Remuneration Committees.

Minutes of Board meetings are taken by the Company Secretary and, together with any supporting Board papers, are available to all Board members. During the year ended 31 December 2017, seven regular Board meetings were held by the Company.

5. 透過審核委員會檢討本公司實施之風險管理及內部監控系統是否有效。

按本公司之監控及授權架構，本公司管理高層獲授權負責本公司之日常及行政管理，並作出營運及業務上之決策。

本公司已發出訂明有關委任的主要條款及條件的正式的董事委任書。

本公司已就因董事及高級職員所承擔之法律責任安排適當保險，本公司每年對保險之保障範圍進行檢討。

所有董事均可獲得公司秘書的意見和服務，公司秘書負責確保遵循董事會程序及所有適用規則及規例；並定期就管治及法規等事宜向董事會提供最新的信息。任何董事可在適當的情況下透過主席尋求獨立專業意見，以協助有關董事履行對本公司的責任，費用由本公司支付。尋求專業意見亦適用於審核委員會及薪酬委員會。

董事會會議記錄由公司秘書記存，連同任何相關的董事會文件，可供董事會所有成員查閱。於截至二零一七年十二月三十一日止年度，本公司曾舉行七次董事會定期會議。

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The attendance record of Directors at regular Board meetings and other Committee meetings as well as general meetings during the year ended 31 December 2017 are set out in the table below:

董事於截至二零一七年十二月三十一日止年度內出席董事會定期會議及其他委員會會議以及股東大會的記錄載於下表：

Director	董事	Number of regular meetings or meetings attended/held 出席/舉行定期會議或會議次數			Number of general meetings attended/held 出席/舉行股東大會次數	
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Annual 週年	Special 特別
<i>Executive Directors</i> 執行董事						
Liu Hongde	劉洪德	7/7	2/2	–	1/1	0/0
Pan Linwu	潘林武	7/7	–	–	1/1	0/0
Lai Weixuan	賴偉宣	7/7	–	–	1/1	0/0
Zhou Chunhua	周春華	5/7	–	–	0/1	0/0
Xu Hongge	徐洪舸	1/7	–	–	0/1	0/0
<i>Non-executive Director</i> 非執行董事						
Chow Wai Kam	周偉淦	7/7	–	–	1/1	0/0
<i>Independent Non-executive Directors</i> 獨立非執行董事						
Chu Yu Lin, David	朱幼麟	7/7	2/2	3/3	1/1	0/0
Li Ka Fai, David	李家暉	7/7	2/2	3/3	1/1	0/0
Zhang Ping**	張平**	4/4	–	2/2	0/0	0/0
Li Zhaoxi*	李兆熙*	3/3	–	1/1	0/1	0/0

* Mr. Li Zhaoxi retired on 26 May 2017. Up to the date of his retirement, three Board meetings and one general meeting were held during the year.

* 李兆熙於二零一七年五月二十六日退任。截至他退任日止年內曾舉行三次董事會會議及一次股東大會。

** Mr. Zhang Ping was appointed as director of the Company on 26 May 2017. Four Board meetings, two Audit Committee meetings and no general meeting were held during the period from the date of his appointment up to the end of the year.

** 張平先生於二零一七年五月二十六日獲委任為本公司董事。從他的任命之日至今年年底期間召開了四次董事會會議、兩次審核委員會會議及沒有舉行股東大會。

During the year ended 31 December 2017, a meeting was held by the Chairman with the Non-executive Directors (including Independent Non-executive Directors) without presence of the Executive Directors. Save for the annual general meeting, no special general meeting was held during the year 2017.

於截至二零一七年十二月三十一日止年度內，主席與非執行董事（包括獨立非執行董事）在沒有執行董事出席的情況下舉行了一次會議。除股東週年大會外，於二零一七年內沒有舉行股東特別大會。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every newly appointed director is given a comprehensive, formal and tailored induction training to ensure that he is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year ended 31 December 2017, the Company arranged an in-house training on connected transactions for the Directors and senior management of the Group. According to the records provided by the Directors, the Directors received the following training during the year 2017:

董事培訓及專業發展

每名新委任的董事獲給予全面、正式兼特為其而設的就任須知，以確保他們完全知道本身在法規及普通法、上市規則、法律及其他監管規定下的職責。

本公司鼓勵全體董事參與持續專業發展，發展並更新其知識及技能。截至二零一七年十二月三十一日止年度，本公司為本集團董事及管理高層安排關連交易的內部培訓。根據董事提供的記錄，董事於二零一七年內接受以下培訓：

Director	董事	Type of continuous professional development programmes 持續專業發展計劃類別	
		Reading materials and updates 閱讀材料及更新資料	Attending briefing sessions/seminars 出席簡介會/研討會
<i>Executive Directors</i> 執行董事			
Liu Hongde	劉洪德	✓	✓
Pan Linwu	潘林武	✓	✓
Lai Weixuan	賴偉宣	✓	✓
Zhou Chunhua	周春華	✓	✓
Xu Hongge	徐洪舸	✓	—
<i>Non-executive Director</i> 非執行董事			
Chow Wai Kam	周偉淦	✓	✓
<i>Independent Non-executive Directors</i> 獨立非執行董事			
Chu Yu Lin, David	朱幼麟	✓	✓
Li Ka Fai, David	李家暉	✓	✓
Zhang Ping**	張平**	✓	✓
Li Zhaoxi*	李兆熙*	✓	✓

* retired on 26 May 2017.

** appointed on 26 May 2017.

* 於二零一七年五月二十六日退任。

** 於二零一七年五月二十六日獲委任。

CORPORATE GOVERNANCE REPORT

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the Chairman is separated from that of the Chief Executive Officer. Currently, the Chairman and the Chief Executive Officer of the Company are Mr. Liu Hongde and Mr. Xu Hongge respectively.

The Chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying Board papers are circulated where possible at least three days before the time of a Board meeting. The Chairman is also responsible for making sure all Directors are properly briefed on issues arising at Board meetings. The Chief Executive Officer is delegated with the authorities to manage the business of the Group in all aspects effectively.

The division of responsibilities between the Chairman and the Chief Executive Officer has been clearly established and set out in writing.

NON-EXECUTIVE DIRECTORS

The Non-executive Directors bring a wide range of skills and experience to the Group. They serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole. The Board considers that three out of the four Non-executive Directors are independent in character and judgment and fulfill the independence guidelines set out in rule 3.13 of the Listing Rules.

Other than the Non-executive Director appointed on 23 June 2015 and the Independent Non-executive Director appointed on 26 May 2017, the other two Independent Non-executive Directors are appointed without specific terms, but are subject to retirement by rotation as explained above under section headed "BOARD OF DIRECTORS".

主席及行政總裁

為確保權力和授權分佈均衡，主席及行政總裁的角色有獨立區分。現時本公司之主席及行政總裁分別為劉洪德先生及徐洪舸先生。

主席負責領導董事會，確保董事會各方面有效地運作及釐定董事會會議議程，並考慮將其他董事提出的議題加入議程。會議議程及隨附的董事會文件（在可能情況下）在舉行董事會會議當日最少三日前傳閱。主席亦負責確保所有董事均適當知悉在董事會會議上提出的事項。行政總裁則獲授權有效地管理本集團各方面之業務。

主席及行政總裁的職責區分已清晰界定並以書面列明。

非執行董事

非執行董事為本集團帶來廣泛技能及經驗。彼等就保障股東及本公司之整體利益上發揮重要制衡功能。董事會認為四名非執行董事中之三名在個性及判斷上皆獨立，並符合上市規則第3.13條所載的獨立性準則。

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期，惟須根據以上「董事會」項下所述輪席退任。

CORPORATE GOVERNANCE REPORT

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REMUNERATION COMMITTEE

The Remuneration Committee currently comprises one Executive Director, Mr. Liu Hongde, and two Independent Non-executive Directors, namely, Mr. Chu Yu Lin, David (as chairman) and Mr. Li Ka Fai, David. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The role, authority and duties of the Remuneration Committee are clearly set out in its terms of reference.

The Remuneration Committee met twice during the year 2017 to review and recommend the remuneration of Non-executive Directors and to review and approve the remuneration packages of Executive Directors and senior management. The attendance of each member is set out in the table above under section headed "BOARD OF DIRECTORS".

The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate Executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, no director or any of his associates is allowed in deciding his own remuneration. During the year 2017, the Remuneration Committee has adopted the model "to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management".

薪酬委員會

薪酬委員會目前由一名執行董事(劉洪德先生)及兩名獨立非執行董事(朱幼麟先生擔任主席及李家暉先生)組成。薪酬委員會的職責包括向董事會就有關本公司董事及管理高層之薪酬政策及架構、以及就制訂有關薪酬政策而建立之正規且具透明度的程序提供建議。薪酬委員會的角色、權限及職責已清晰地載於其職權範圍內。

於二零一七年內，薪酬委員會曾舉行兩次會議，以檢討及建議非執行董事之薪酬，並檢討及批准執行董事及管理高層之薪酬待遇。各成員之出席記錄載於上述「董事會」項下的出席表內。

行政人員薪酬政策之主要目的是透過把執行董事的待遇與按企業目標量度的表現掛鉤，藉此挽留及勉勵本公司執行董事。根據薪酬政策，任何董事或其任何聯繫人不得參與釐定其自身的薪酬。於二零一七年內，薪酬委員會已採納了《獲董事會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇》的模式。

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Details of remuneration of members of senior management of the Company by band for the 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，本公司管理高層之酬金等級載列如下：

Remuneration	酬金	Number of individuals 人數
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	2

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8 and 9 to the financial statements respectively.

根據上市規則附錄十六之披露要求，董事酬金及五名最高薪僱員之詳情分別載於財務報表附註8及9。

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems and the effectiveness of the Company's internal audit function. It currently comprises three Independent Non-executive Directors, namely Mr. Chu Yu Lin, David (as chairman), Mr. Li Ka Fai, David and Mr. Zhang Ping. The Audit Committee met three times during the year 2017 to review the interim and final results, the interim and annual reports, the external auditor's engagement letter and fee, the risk management and internal control systems of the Group, the effectiveness of the Group's internal audit function and the continuing connected transactions. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS". The duties of the Audit Committee are clearly set out in its terms of reference.

審核委員會

本公司已設立根據上市規則第3.21條規定成立之審核委員會，以檢討及監督本集團之財務申報程序、風險管理及內部監控系統及公司的內部審計職能的有效性。審核委員會現由三名獨立非執行董事（朱幼麟先生擔任主席、李家暉先生及張平先生）組成。審核委員會於二零一七年內曾舉行三次會議，以審閱本集團的中期業績及末期業績、中期報告及年報、外聘核數師之委聘函及費用、風險管理及內部監控系統、本集團的內部審核功能的有效性以及持續關連交易。各成員之出席記錄載於上述「董事會」項下的出席表內。審核委員會的職責已清晰地載於其職權範圍內。

Full minutes of meetings are kept and sent to all members of the Board. Matters raised at the meetings were reported back to the Board so that due consideration was given as to the action to be taken.

相關會議的全部記錄已備存，並發送予董事會所有成員。在會議上提出的事項均已匯報董事會，以便及時考慮所需行動。

CORPORATE GOVERNANCE REPORT 企業管治報告

AUDITORS' REMUNERATION

Ernst & Young are the auditors of the Company. The services provided by them include audit and non-audit. Fees for auditing and non-auditing (including interim review, taxation and other professional services) services for the year ended 31 December 2017 amount to HK\$1,665,000 and HK\$7,367,000 respectively.

FINANCIAL REPORTING

The Directors are responsible for monitoring the preparation of financial statements of each financial period and ensuring those financial statements provide a true and fair view of the state of affairs of the Group and of the results and cash flows for the relevant financial period. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them consistently, adopted Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, made a prudent and reasonable judgment and estimation, and, prepared the financial statements on a going concern basis.

The Company has timely announced and published its financial results in accordance with the requirements of the Listing Rules.

The auditors are responsible for forming an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the members of the Company, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (the "Companies Act"), and for no other purpose.

A statement by the auditors about their reporting responsibilities is set out in the Independent Auditor's Report of this annual report.

核數師酬金

安永會計師事務所乃本公司之核數師。彼等所提供之服務包括審核及非審核。截至二零一七年十二月三十一日止年度，審核及非審核（包括中期審閱、稅務及其他專業服務）服務費用分別為1,665,000港元及7,367,000港元。

財務申報

董事負責監督擬備每個財政期間之財務報表，使該財務報表能真實而中肯地反映本集團於該有關財政期間之業務狀況、業績及現金流量表現。在擬備該等財務報表時，董事已選擇及貫徹採用合適的會計政策；採納香港會計師公會頒佈的香港財務報告準則；及作出審慎合理判斷及估計，並按持續經營基準擬備財務報表。

本公司已按上市規則規定適時公告及發佈其財務業績。

核數師的責任乃根據彼等審核工作的結果，對該等財務報表作出獨立意見，並根據百慕達公司法一九八一（「公司法」）第90條僅為本公司全體股東報告，而不作任何其他用途。

核數師就其申報責任而作出的聲明載於本年報獨立核數師報告內。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness through the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, losses or fraud. Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. Procedures have also been designed for compliance of applicable laws, rules and regulations.

Reviews of the adequacy and effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, were conducted by the internal audit section of the Group from time to time. The results and recommendations were reported to the Audit Committee and thereafter to the Board. The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions have also been reviewed by the Board and Audit Committee. During the year ended 31 December 2017, internal audit section of the Group evaluated the effectiveness and adequacy of the Group's risk management and internal control systems by adopting an integrated risk assessment approach. In addition, the Group also engaged an independent internal control consultant to conduct independent evaluations on its internal control. The consultant's internal control assessment report together with the review report of the internal audit section were presented to the Audit Committee and the Board for review in December 2017. No material deficiency was identified. the Board considered that the Group's risk management and internal control systems were adequate and effective and the Company has complied with the provisions on risk management and internal control of the CG Code. The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of Audit Committee, internal audit section and senior management.

風險管理及內部監控

董事會對於本集團的風險管理及內部監控系統負有整體責任，並透過審核委員會對其有效程度進行檢討。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述、損失或詐騙作出合理而非絕對的保證。就保障資產免受非法使用或處置、保存妥善會計記錄以及提供可靠的財務資料供內部或作刊發用途，已設計出相應步驟。同時亦已設計出相應步驟確保適用的法例、規則及法規得以遵守。

本集團的內部審核部門不時就本集團的風險管理及內部監控系統的足夠性及有效性進行檢討。有關檢討涵蓋所有重要監控，包括財務監控、營運監控及合規監控。相關結果及建議已向審核委員會報告；及後向董事會報告。董事會及審核委員會亦審閱本集團在會計、內部審核及財務匯報職能方面的資源充足性、員工資歷及經驗，以及員工所接受的培訓課程及有關預算的足夠性。於截至二零一七年十二月三十一日止年度內，本集團的內部審核部門通過綜合風險評估方法評估本集團的風險管理及內部監控系統的有效性及足夠性。此外，本集團亦委聘獨立的內部監控顧問對其內部監控進行獨立評估。顧問的內部監控評估報告連同內部審核部門的評估報告於二零一七年十二月呈交審核委員會及董事會審閱。本公司並無發現重大缺點。董事會認為本集團的風險管理及內部監控系統是足夠及有效的，同時本公司也遵守了企業管治守則關於風險管理及內部監控的條文。董事會確認該系統和程序能就實現本公司戰略目標而可能涉及的重大風險進行辨識、監控和作出報告。董事會在審核委員會、內部審核部門及管理高層的支持下監督該些風險。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company has implemented Corporate Disclosure Policy, which set out the reporting procedures for the handling and dissemination of inside information.

COMPANY SECRETARY

Ms. Tsui Choi Yee, Connie, the Company Secretary, is an employee of the Company and responsible directly to the Board. She has complied with all the qualification, experience and training requirement under the Listing Rules.

The Company Secretary reports to the Chairman and the Chief Executive Officer.

INVESTOR RELATIONS

The updated Memorandum of Association and Bye-laws of the Company had been posted on the Company's website at www.avic.com.hk and the Stock Exchange's designated website at www.hkexnews.hk. During the year 2017, there was no change in the Memorandum of Association and Bye-laws of the Company.

SHAREHOLDERS' RIGHTS

Convening of a special general meeting by shareholders

Pursuant to the Bye-laws of the Company and the Companies Act, the Board shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company (the "Registered Office"), which is presently situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and may consist of several documents in like form each signed by one or more requisitionists.

本公司已經實施企業信息披露政策，其中規定了對內幕消息的處理發發佈的報告程序。

公司秘書

公司秘書徐彩儀女士是本公司僱員，並直接向董事會負責。徐女士一直遵守上市規則項下所有的資歷、經驗及培訓要求。

公司秘書向主席及行政總裁匯報。

投資者關係

本公司最新的組織大綱及細則已登載於本公司網頁 www.avic.com.hk 及聯交所指定網頁 www.hkexnews.hk。於二零一七年內，本公司組織大綱及細則並無變動。

股東權利

股東召開股東特別大會

根據本公司細則及公司法，於持有可於本公司股東大會投票之已繳足股本不少於十分之一之股東遞交呈請書當日，董事會須隨即召開股東特別大會。

呈請書必須列明會議目的，並必須由呈請人簽署及遞交本公司註冊辦事處（「註冊辦事處」，現時地址為 Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda），而呈請書可由若干相同格式之文件組成，而每份文件均由一名或以上呈請人簽署。

CORPORATE GOVERNANCE REPORT

企業管治報告

If the Board does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting forward proposals at shareholders' meetings

Pursuant to the Companies Act, either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than one hundred shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition. Provided that if, an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事會並無於呈請人遞交呈請書當日起二十一日內隨即召開會議，則呈請人（或其中代表全體呈請人總表決權半數以上之任何人士）可自行召開會議，惟按此方式召開之任何會議不得於遞交呈請書當日起計三個月屆滿後舉行。

於股東大會上提呈議案之程序

根據公司法，任何股東數目代表不少於該呈請書提出當日有權於會議上投票之所有股東之總投票權二十分之一；或不少於一百名股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通告，以告知任何可能於該會議上正式動議及擬於該會議上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知於該會議上提呈之任何建議決議案所述事宜或將處理之事項。

由所有呈請人簽署之呈請書，必須在不少於（倘為要求通知決議案之呈請書）會議舉行前六週或（倘為任何其他呈請書）會議舉行前一週，遞交到註冊辦事處，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請書後六週或較短期間內之某一日召開股東週年大會，則該呈請書雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for shareholders to propose a person for election as a Director

Regarding the procedures for proposing a person for election as a Director, please refer to the procedures made available under section Corporate Governance of the Company's website at www.avic.com.hk.

Procedures for directing shareholder's enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit B, 15th Floor, United Centre
 95 Queensway, Hong Kong
 Fax: (852) 2915 0867

Shareholders may also make enquiries with the Board at general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to fair disclosure, comprehensive and transparent reporting. Effective communication with shareholders has always been one of the Company's priorities. Information in relation to the Group is disseminated to shareholders in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

The Company has established a shareholders' communication policy which is subject to review on a regular basis to ensure its effectiveness.

股東提名候選董事之程序

關於提名候選董事之程序，請參閱本公司網頁 www.avic.com.hk 企業管治項下之程序。

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書轉遞其查詢及問題予董事會。公司秘書之聯絡詳情如下：

香港金鐘道95號
 統一中心15樓B室
 傳真：(852) 2915 0867

股東亦可在本公司之股東大會上向董事會作出查詢。

與股東的溝通

本公司致力於公平披露、綜合及透明的報告。本公司一向高度重視與股東之間的有效溝通。有關本集團之資料，已透過各種正式渠道及時向股東發佈，包括中期報告及年報、公告以及通函。

本公司已制定一份股東通訊政策並對該政策定期作出檢討以確保其成效。

CORPORATE GOVERNANCE REPORT

企業管治報告

General meetings of the Company provide good opportunities for direct communications between the Board and its shareholders. The Chairman of the Board, all other Directors and senior management endeavor to attend any general meeting of the Company and answer queries from shareholders. Separate resolution is proposed for each issue by the chairman of the meeting at each general meeting. Notice of general meeting is served together with the circular to the shareholders at least twenty clear business days or twenty-one clear days, whichever is the longer, before an annual general meeting and at least ten clear business days or twenty-one clear days, whichever is the longer, before a meeting called for passing of a special resolution, and, at least ten clear business days or fourteen clear days, whichever is the longer, before a meeting other than an annual general meeting or a meeting for the passing of a special resolution.

Detailed procedures for conducting a poll are to be explained by the chairman of the meeting at the commencement of the general meeting. Any questions raised from shareholders regarding voting by way of a poll may also be answered by the chairman of the meeting.

The 2017 annual general meeting of the Company was held on 26 May 2017. At the meeting, a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of retiring directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules. All Directors except for two Executive Directors and an Independent Non-executive Director, the chairman of the audit committee and remuneration committee and a member of the audit committee and remuneration committee, attended the 2017 annual general meeting and had effective communications with shareholders.

本公司之股東大會提供董事會與股東直接溝通之良好機會。董事會主席、所有其他董事及管理高層盡量出席本公司的任何股東大會，並解答股東的提問。會議主席於每個股東大會上就各項議題提呈個別決議案。股東大會通告連同通函分別於召開股東週年大會最少二十個完整營業日或二十一日前（以較長者為準）及為通過特別決議案之會議最少十個完整營業日或二十一日前（以較長者為準），以及於召開其他會議（股東週年大會或為通過特別決議案之會議除外）最少十個完整營業日或十四日前（以較長者為準），送交本公司股東。

以投票方式進行表決的詳細程序於股東大會開始時由會議主席說明，而股東就有關以投票方式表決提出的任何提問亦可由會議主席回答。

本公司二零一七年股東週年大會已於二零一七年五月二十六日舉行。在會議上，會議主席就各項個別議題提呈個別決議案（包括重選退任董事），並以投票方式表決。本公司已根據上市規則規定的方式公告投票結果。除兩位執行董事及一位獨立非執行董事外，所有董事，審核委員會兼薪酬委員會主席及一名審核委員會兼薪酬委員會成員出席二零一七年股東週年大會並與股東有效溝通。

Environmental, Social and Governance Report

環境·社會及管治報告

SCOPE OF REPORTING

This report covers the Dalian-based property development and investment business of AVIC International Holding (HK) Limited (hereinafter the “Company”).

The reporting period is fiscal year 2017 (1 January 2017 – 31 December 31 2017), which runs consistent with the annual report of the Company.

This report was prepared in accordance with Appendix 27 *Environmental, Social and Governance Reporting Guide of the Listing Rules*, and has made general disclosures in accordance with the “Comply or Explain” requirements set out in the guide. The scope of reporting for this year has been extended to cover key performance indicators.

STAKEHOLDER COMMUNICATION

The Company deeply values efficient communication with its stakeholders, and is committed to fair disclosure, comprehensive and transparent reporting. Information in relation to the Company has been disseminated in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The Company believes that a low-carbon economy would become one of the key concepts for future economic developments. To keep up with environmental protection trends around the world, the Company’s operating model has become increasingly integrated with this concept. New management approaches and technology have been adopted. Reducing impact on the environment, optimizing the use of resources, and achieving a clean, low pollution and emission production model would lead the Company towards a low-carbon economy.

報告範圍

本報告是關於中國航空工業國際控股(香港)有限公司(下稱公司)位於大連的物業發展及投資業務。

報告的時間範圍為二零一七年財政年度(二零一七年一月一日至十二月三十一日),與公司年報的時間一致。

本報告依循上市規則附錄二十七《環境·社會及管治報告指引》編撰,並按指引中「不遵守就解釋」的要求作出披露,將本年度的報告範圍延伸至關鍵績效指標。

與持份者溝通

公司一向高度重視與持份者之間的有效溝通,致力於公平披露、綜合及透明的報告。有關本公司之資料,會透過各種正式渠道及時發佈,包括中期報告及年報、公告以及通函。

環境·社會及管治表現

公司深信低碳經濟將成為未來經濟發展的其中一個核心理念,為配合此環球環保趨勢,公司的營運模式亦日益與此觀念接軌。公司在軟件上採用新管理配套,在硬件上採用新科技,致力減低環境影響,優化資源使用,務求達致低污染低排放的清潔生產模式,引領公司走向低碳經濟的重要方向。

Environmental, Social and Governance Report

環境、社會及管治報告

Furthermore, corporate social responsibility has been given increasingly more attention. Employment at the Company is based on the principle of equality. The Company focused on occupational health and safety, fulfilled product responsibility, and assumed social responsibility such as anti-corruption prevention mechanisms. The Company believes that one of the driving forces in increasing its value is to fulfill its social responsibility.

ENVIRONMENT

Emissions

Reducing emissions, preventing pollution and promoting continuous improvement of the environment have been the Company's core philosophy for corporation development. The Company has abided by government laws and regulations, followed closely on the latest trend on international environmental protection and worked diligently to protect the environment. The Company has integrated environmental management and emission reduction considerations into all operational decisions of the company. This includes reducing greenhouse gas and wastewater emissions, increasing energy efficiency, and promoting recycling.

The Company prioritised the use of energy efficient equipment. For example, low-wattage high-brightness lighting systems have been utilised to effectively reduce energy consumption, thus reducing greenhouse gas emissions. To decrease wastewater discharge, the Company adopted grey water recycling technology. Wastewater is collected, then precipitated and filtered for reuse, which have effectively reduced wastewater discharge.

與此同時，企業的社會責任亦日益備受關注。公司的僱傭政策以平等為原則，注重職業健康安全，履行產品責任，承擔防貪機制等社會責任，並將履行社會責任視為提高公司價值的動力之一。

環境

排放物

公司將減低排放，致力預防污染，以及推動持續改善環境表現作為企業發展過程的核心理念，同時遵守政府法例法規要求、留意最新國際相關環保趨勢，努力做好環境保護的相關工作。公司將環境管理及減少排放的考慮因素納入各階層的營運決策之內，包括減少排放溫室氣體、提高能源效益、減少排放污水，以及提倡回收再造以減少棄置廢物。

公司優先採用節能高效器具，避免使用非必要的高耗能器具，例如在照明方面優先選用低瓦數高光度的照明系統，有效減低電力消耗，從而達致減少溫室氣體排放的目的。另一方面，公司又採用中水回用技術，集中收集廢水，經過沉澱及濾膜過濾後再次利用，對減少污水排放有莫大效益。

Environmental, Social and Governance Report 環境、社會及管治報告

To reduce impact on the environment, the Company has provided proper waste management solutions by segregating waste, increasing the potential of downstream recycling and appropriately discarding non-recyclable waste. The Company has recycled and reused rubber and glass components, and has also prioritised using prefabricated building materials such as concrete and glass products to avoid the generation of waste on site.

公司又從廢物管理方面著手，致力減少廢物，為達致減少環境影響的目標，在可行的情況下將廢物分類回收，提升下游再造利用的潛力，並適當地棄置不可回收再造的廢物。公司回收橡膠及玻璃零件加工再用，並優先選用預製建築材料包括混凝土及玻璃成品，從而避免現場製造造成的廢物。

During the reporting period, there has been no case of prosecution against the Group due to violation of any environmental laws.

集團嚴格遵行相關的環保法例，期內未有因為違反與環保相關法例而被檢控的個案。

Total Greenhouse Gas Emissions and Intensity

Total Greenhouse Gas Emissions

Calculated range included 312 tonnes of
electricity consumption and carbon dioxide
diesel combustion from equivalent (CO₂-e)
stationary sources

溫室氣體總排放量及密度

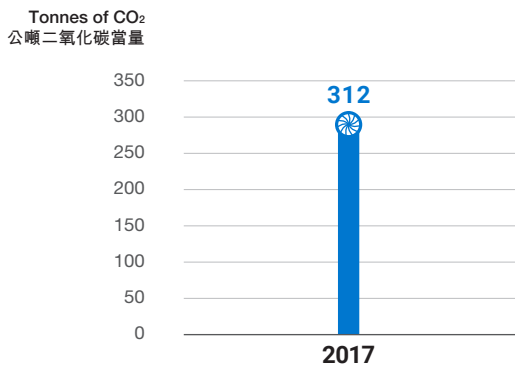
溫室氣體總排放量

計算範圍包括電力消耗、312公噸二氧化碳
以及固定源的柴油燃燒 當量

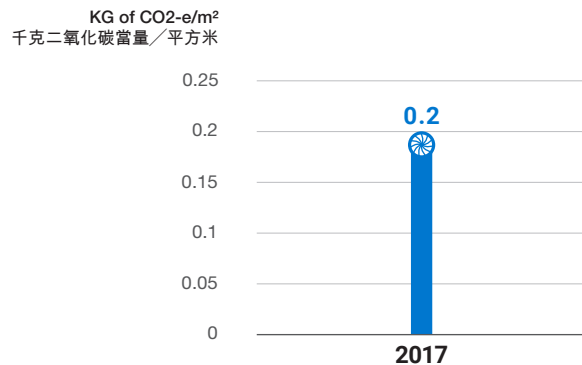
Average greenhouse gas 0.20 kg of CO₂-e/m²
emissions per square metre
of floor area

平均每平方米樓面面積 0.20千克
所產生的溫室氣體排放量 二氧化碳當量
/平方米

Total Greenhouse Gas Emissions (Tonnes of CO₂e)
溫室氣體總排放量 (公噸二氧化碳當量)



Average Greenhouse Gas Emissions per square metre of Floor Area (kg of CO₂-e/m²)
平均每平方米樓面面積所產生的溫室
氣體排放量 (千克二氧化碳當量/平方米)



Environmental, Social and Governance Report 環境、社會及管治報告

Total Amount Non-hazardous Waste and Intensity

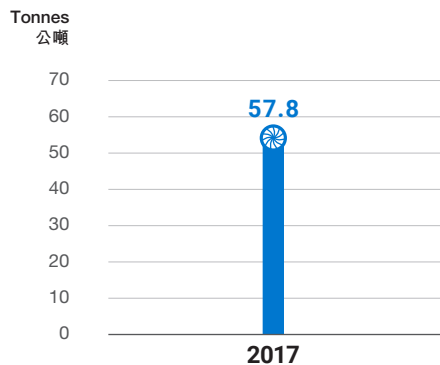
無害廢棄物總量及密度

Total Amount Non-hazardous Waste 57.8 tonnes
Average amount of non-hazardous waste generated per square metre of floor area 0.037g/m²

無害廢棄物總量 57.8公噸
平均每平方米樓面面積所產生的無害廢棄物 0.037克/平方米

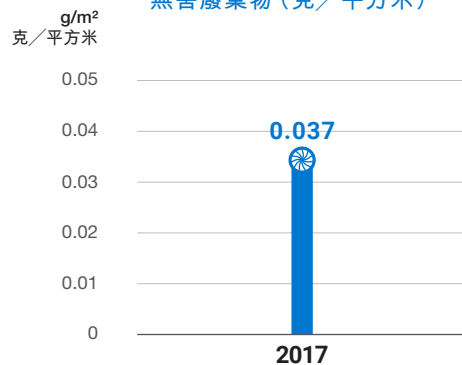
Total Amount of Nonhazardous Waste (Tonnes)

無害廢棄物總量(公噸)



Average Amount of Non-hazardous Waste Generated per square meter of Floor Area (g/m²)

平均每平方米樓面面積所產生的無害廢棄物(克/平方米)



Use of Resources

Cleaner production has been an important corporate responsibility for the Company. Efficient use of resources in upstream and minimisation of downstream waste have helped in controlling and reducing pollutants discharge, which in turn helped prevent pollution and benefited the transformation of the entire production process.

For construction methodology, the Company has prioritized the use of modular and prefabricated buildings to effectively reduce consumption of raw materials.

The Company has placed significant importance on energy management in order to achieve effective use of electrical resources. By prioritising the use of more energy efficient appliances, the Company would be able to reduce energy consumption in the long run.

資源使用

公司視清潔生產為重要的企業責任，透過提升資源使用效益，從源頭帶動善用資源，令下游減少形成廢物，同一時間有助控制和減少排放污染物，達成污染預防和生產全程序控制轉變。

在建造方法上，公司優先選用預製組件，有效提高材料的應用效率，從而節省原材料的耗用量。

公司重視能源管理，以期達致有效善用電力資源。公司通過優先採用更具能源效益的器具，包括慎選節能照明系統，務求能長遠減少能源消耗。

Environmental, Social and Governance Report 環境、社會及管治報告

On the other hand, the Company has placed emphasis on water resources management. Proper pipelines have been used for water source. A rainwater collection system was installed to fully utilise rainwater and reduced the consumption of water from other sources. The Company has also minimised the use of water consumption by collecting and reusing downstream wastewater that has been treated through precipitation and filtration.

The Company has actively promoted a paperless office environment by encouraging the use of electronic means in place of paper. When use of paper was necessary, the Company would encourage double-sided printing and copying on scrap paper with an aim to conserve trees.

Effective use of energy and other resources have helped the Company in becoming long-term partners with our clients as costs have been reduced.

另一方面，公司亦關注水資源管理，採用正式管道作為臨水管道，又建設雨水收集系統，充份利用雨水，有效地減少耗用地面水源。公司又同時收集下游的廢水，經過沉澱及濾膜過濾後推行中水回收再用，大幅減少水源消耗。

公司又提倡無紙化辦公，鼓勵以電子方式處理文件。縱然在必須使用紙張的情況下堅持奉行綠色辦公原則，透過充份利用廢紙列印及雙面列印，減少耗用紙張，從而有效保育林木。

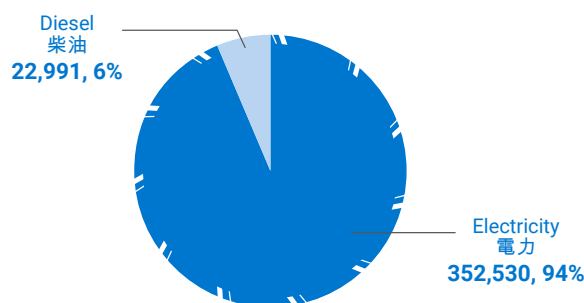
有效的能源及其他資源運用令成本下降，有助公司成為客戶的可持續發展夥伴。

Total Direct and Indirect Energy Consumption and Intensity

直接及間接能源總耗量及密度

Type of Energy	Energy Consumption	能源類型	能源耗用量
Electricity	352,530 kWh	電力	352,530 千瓦時
Diesel	22,991 kWh	柴油	22,991 千瓦時
Total	375,521 kWh	總計	375,521 千瓦時
Average Total Energy Consumption per square metre of Floor Area	0.24 kWh/m ²	平均每平方米樓面面積所耗用的能源	0.24 千瓦時 / 平方米

Total Direct and Indirect Energy Consumption (kWh)
直接及間接能源總耗量 (千瓦時)



Environmental, Social and Governance Report 環境、社會及管治報告

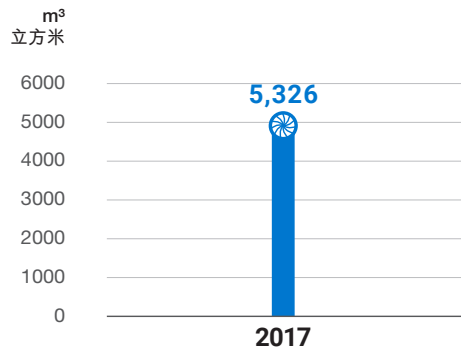
Total Water Consumption and Intensity

Total Water Consumption	5,326 m ³
Average Total Water Consumption per square metre of Floor Area	0.0034 m ³ /m ²

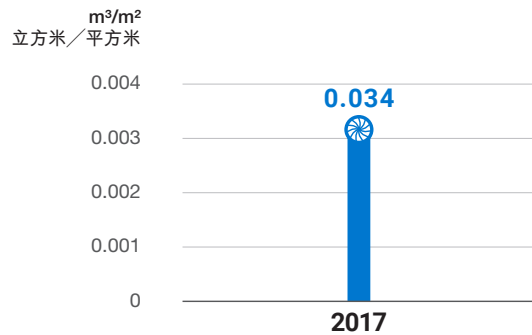
總耗水量及密度

總耗水量	5,326立方米
平均每平方米樓面面積所耗用的水量	0.0034立方米／平方米

Total Water Consumption (m³)
總耗水量 (立方米)



Average Total Water Consumption per square metre of Floor Area (m³/m²)
平均每平方米樓面面積所耗用的水量 (立方米／平方米)



Environment and Natural Resources

The Company has adopted a series of effective measures to prevent and mitigate impact on the environment and its surroundings, for example minimising dust, noise and indoor air pollution. The Company has carried out landscaping at construction sites, and watering and wetting to reduce dust. The Company has also strictly limited construction time to prevent working at night. The construction team also utilised aluminum formwork construction technology to minimise noise pollution. Environmentally friendly materials have been used for interior decorations which would reduce emissions and improve indoor air quality.

There was no major environmental incident at the Company during this period.

環境及天然資源

公司致力採取一系列有效措施避免及緩減對環境及周邊的影響，針對減少粉塵、噪音、室內空氣污染等影響。公司在建築工地現場進行綠化，並澆水減少粉塵污染，又嚴格限制施工時間，避免夜間施工。建築團隊同時透過採用鋁模板施工技術，降低噪音污染，並在室內裝飾材料方面選用環保物料，減少排放，確保優良的室內空氣品質。

期內公司未有出現重大環境事故。

Environmental, Social and Governance Report

環境·社會及管治報告

SOCIAL

Employment

The Company's employment policy follows the principle of fair competition and selection of the finest. The Company ensures a fair and equal recruitment process. Candidates would be considered based on their skills, knowledge and job-related experience, regardless of their gender, age, race, family status, religion or disability. The Company Guidelines for Appointment, Termination and Transfer have detailed information on the process and requirements. Any appointment and termination would be based on the qualification requirements for the relevant positions. It also states to adhere to the close relatives principle to avoid any conflict of interest. Employees have been provided with equal opportunities for promotion and career development without discrimination. The Company currently has female employees holding director, department manager and manager positions, showcasing its concept of equality in promotion and career development.

Employees can enjoy statutory holidays, statutory paid annual leave, marriage leave, maternity leave, paternity leave, nursing leave, bereavement leave, injury leave and sick leave. Employees working during the holiday would be paid triple the normal wage. Those working on the weekend would enjoy compensation days off. Furthermore, the Company provides benefits, work-hour benefits, employee care, health checkups and employee activities for all employees. With regards to social security insurance, employees are also covered with group accident insurance to ensure full protection.

During the reporting period, there has been no case of prosecution against the Company due to violation of any employment laws.

社會

僱傭

公司以平等競爭、擇優錄取為僱傭政策的核心理念，招聘過程中秉持公平及公正。人事決策建基於應徵者的才能、知識及與職位有關的經驗，而排除性別、年齡、種族、家庭狀況、宗教信仰或殘疾等因素，確保應徵申請被公平處理。公司訂立《任免及調動管理指引》具體列明職務任免流程及要求，職務任免均需符合對應職務相關任職資格要求，信守近親回避原則，以避免利益衝突。公司亦給予同事平等晉升和免受歧視的發展機會，公司目前有多名女性總監、部門經理及專業經理，充份體現公司在晉升和職業發展方面男女平等的理念。

公司職員可以享有法定節日、法定帶薪年休假、婚假、產假、陪产假、哺乳假、喪假、工傷假、病假的休假待遇，並提供三倍加班費補償予在法定節假日當天加班的同事；而對於週末加班的同事，則安排調休補償。除此之外，員工又享有公司提供的經濟福利、工時福利、員工關愛計劃、健康檢查、員工活動等福利專案。在社會保險之上，公司又為每位員工購買團隊意外保險，以體現對員工的充份保障。

公司嚴格遵行相關的僱傭法例，期內未有因為違反與僱傭相關法例而被檢控的個案。

Environmental, Social and Governance Report

環境、社會及管治報告

Health and Safety

Employees' occupational health and safety are an important part of the Company's policy. The Company is committed to creating a sound working environment through various aspects such as establishing an occupational safety system, educating employees on safety awareness, providing protective equipment, and regularly monitoring and auditing safety performance.

The safety management office directly manages the production of project safety and has been responsible for the establishment of site safety management systems and daily safety controls. Project safety management objectives have also been set and implemented. The management division frequently communicated with the production team and supervision team regarding the Company's various safety mechanisms and standards, and has established project safety management systems. The supervision team reviewed and audited the safety measures reported by the production team, and has responded with suggestions and requirements as needed. The team has worked with the management division for joint safety review with the main contractor, subcontractors, and such. Risks associated with on-site construction were analysed and summarised, and corrective measures have been implemented.

Safety trainings are held regularly, focusing on safety regulations and fire drills. A safety experience booth was built on site to educate workers on the proper use of safety products and implement precautionary and safety measures to ensure that employees understand related safety operations.

During the reporting period, there has been no case of prosecution against the Company due to violation of any occupational safety laws.

健康與安全

員工的職業健康安全是公司政策的其中一個重要範疇，公司透過建立職業安全制度、提升員工安全意識、提供保護裝置、定期監察及審核安全表現等多方面著手，致力為員工營造一個良好及安全的工作環境。

公司的專案管理部直接管理專案安全生產，負責建立工地安全管理體系和日常施工安全管理的工作，同時制定及落實專案安全管理目標。管理部就公司各項安全制度、標準等資料與組織施工單位及監理單位緊密溝通，並制定專案安全施工的管理制度。監理單位審核施工單位上報的各項安全專項方案，並對其提出建議及要求，又聯同管理部組織總承包商、分包單位等參加聯合安全檢查，對專案現場出現的安全施工風險問題進行分析、總結並及時採取有效的改善措施。

公司定期舉行安全培訓，倡導安全規定、消防演練，同時在施工現場設置安全體驗館，指導工人認識正確使用安全防護產品及落實安全防護措施，確保員工瞭解相關的安全操作事項。

公司嚴格遵行相關的安全法例，期內未因為違反與職業安全相關法例而被檢控的個案。

Environmental, Social and Governance Report

環境·社會及管治報告

Development and Training

Promotion is based on the performance, experience and personal competence of the employee. Employees are given fair and equal opportunities for promotion and career development. The Company would hold quarterly and yearly performance assessments and guidelines for the employees would be released based on the outcome of the assessment.

All new employees were provided with orientation and guidance activities and those already employed have been given various training opportunities, including in-house and outsourced training. The Company has also created opportunities in various projects for employees to communicate, learn and grow.

Labour Standards

The Company is strongly against child labour and forced labour, and has taken preventative measures as a management approach.

All employees must be at least 18 years old and relevant documents would be reviewed during the recruitment process to verify the age before a candidate is hired. Recruitment is performed on a fair and voluntary basis. Any forced or fraudulent recruitment is prohibited. The Company ensures that all employees are employed on a voluntary basis and prohibits any form of forced labour. The employee or employee representative would be consulted in the event of over-time work during the production process, which would be within the statutory limit. Management would not ask employees to engage in illegal operations or activities that pose significant safety or health risks.

During the reporting period, there has been no case of prosecution against the Company due to violation of any child labour or forced labour laws.

發展及培訓

員工的工作表現、經驗及個人能力為公司考慮員工晉升的主要因素，公司為員工提供公平晉升機會，致力令員工事業發展的過程公平及公正。公司並會進行季度績效考核及年度績效考核，根據考核結果向員工發出指引。

公司又為所有新入職員工提供入職及導引活動，並向在職員工提供多種培訓機會，包括公司內部及外部培訓，並創造機會讓員工在項目進行交流學習，為員工提供成長機會。

勞工準則

公司堅決反對童工及強迫勞工現像，以防患未然為管理方針。

公司規定所有員工均須年滿十八歲，在聘用任何應徵者之前均會檢查與年齡相關的檔案，有效核實其年齡。公司秉持公正自願原則進行招聘，嚴禁以強逼或欺詐手段招募，又確保所有員工都在自願的基礎上勞動或工作，禁止任何形式的強迫勞工。公司在生產過程中需要加班亦會與員工代表和員工協商，並且不會超過法定時間，而管理人員亦不會自恃職務強迫員工進行具有顯著安全衛生風險或違規的工作。

公司遵行預防童工及預防強迫勞工的相關法例，期內未有出現過任何童工或強迫勞工的情況。

Environmental, Social and Governance Report

環境、社會及管治報告

Supply Chain Management

The Company understands that corporate social responsibility needs to be shared by the whole supply chain. Suppliers are expected to implement sound environmental and social management measures and treat employees fairly and reasonably. The Company requires suppliers to follow the Suppliers Code by communicating through verbal or written means. While screening suppliers, in addition to capability and pricing, the Company would examine their qualifications by checking on the Administration of Industry and Commerce website to ensure the compliance, legitimacy and sound record of the supplier. Any supplier with a bad record or overdue inspection would be rejected.

The Company performs an annual review on the suppliers' and contractors' cooperation and coordination. This mechanism would link all aspects of the supplier's performance with future business opportunities, ensuring effective improvement and enhancement on the suppliers' part.

Product Responsibility

The Company understands that quality product is the foundation for its long-term growth, hence quality management measures are strictly controlled. Before its handover to customers, any housing product would be subject to rounds of internal reviews and external examinations by the quality control authority to obtain a completion certificate. This ensures that the standard not only complies with laws and regulations, but it also meets the requirements of the Company.

供應鏈管理

公司深明企業社會責任需要整條供應鏈共同承擔，故此公司期望供應商實施優良的環境及社會管理措施，並公平合理地對待其員工。公司通過會面及書面方式與供應商協商，要求供應商遵守供應商守則，在選擇供應商之前，除考慮其業務能力和價格之外，並會通過工商局網站審核供應商的資質，確保該供應商合規合法，記錄良好。如發現有不良記錄或者年檢逾期者，將拒絕與其合作。

公司每年對供應商及承判商的表現進行評估，通過上述機制將供應商各方面的表現和未來業務合作機會掛鉤，藉此有效推動供應商的改進和提升。

產品責任

公司深明優質的產品是公司長遠發展的重要基礎，對於質量管理實施嚴格控制。公司在交付房屋產品予客戶之前，會進行多輪內部檢查，然後通過政府質檢等相關部門的多輪審核，最終取得竣工備案證之後才交付予客戶，確保質量水平不單符合法律法規，且達到公司的質量要求。

Environmental, Social and Governance Report 環境·社會及管治報告

To further provide protection for customers, the Company has provided maintenance guarantees for two heating and cooling seasons for the air conditioning systems. A five-year maintenance guarantee has been implemented to cover the foundation and major structures, roof waterproofing, washrooms that require waterproofing, leak-proofing of room and exterior walls, and exterior insulation. A two-year maintenance guarantee has been provided to cover electrical piping, drainage pipes, equipment installation and renovation works. The Company has a customer service centre where designated staff would receive suggestions and complaints from customers and pass them to the relevant divisions for handling and settlement.

Furthermore, as a result of the growing prevalence of cybercrime, the Company has placed great significance on information security. All computers have been installed with anti-virus software. Customer data have been recorded by designated staff in a password protected system and would be unattainable without authorisation. The Company also values the protection of intellectual property rights and would not use any unauthorised third-party designs or products.

During the reporting period, there has been no case of prosecution against the Company due to violation of any product responsibility or privacy laws.

為進一步在下游為客戶提供保障，公司為冷暖氣系統提供兩個採暖季和供冷季保養；又為地基基礎工程和主體結構工程、屋面防水工程和有防水要求的洗手間、房間和外牆面的防滲防漏、外牆保溫提供五年保養；為電氣管線、排水管道、設備安裝、裝修工程提供兩年保養。公司又設有客戶服務中心，並由電話專員負責接聽客戶的意見及投訴電話，將意見及投訴立即回饋給相關部門進行處理和解決。

另一方面，有鑒於網絡罪行日益普遍，公司亦十分重視資訊保安，並為電腦統一安裝防毒軟件，客戶資料由專人輸入設有登入密碼保護的系統，未經授權人員無法存取，從而嚴格保密敏感資料。公司又同時關注保護知識產權，通過內部管理防止誤用未經協力廠商授權的設計及產品。

公司遵行相關的產品責任法例，期內未有因為違反與產品責任或私隱相關法例而被檢控的個案。

Environmental, Social and Governance Report

環境、社會及管治報告

Anti-corruption

As a responsible corporation, the Company must ensure that all personnel at managerial positions and other employees are clear of corruption. The Company has implemented corruption prevention measures and various honesty and diligence regulations through personnel, authoritative and monetary management aspects. These measures are constantly being improved and enhanced. The Company has used various forms of education to provide company officials with legal training, anti-corruption and pre-emptive education to reinforce self-discipline and conduct. This has also formed an effective internal and external supervision and control system, and ensured strong professional ethics and occupational discipline.

Constructions projects and bulk procurement of equipment would be subject to open tenders or tender negotiations. Contractors and suppliers are selected fairly to avoid abuse, corruption and other misconduct. There are strict provisions regarding accepting hospitality and entertainment at official events. Employees are not allowed to accept any banquet, travel, fitness and high-end entertainment offers. It is also forbidden to accept gifts, gift cards, securities, payment vouchers and other such items under any capacity.

During the reporting period, there has been no case of prosecution against the Company due to violation of any related laws.

反貪污

公司作為負責任的企業，必須確保管理層及員工廉潔反貪。公司從公司人、權、錢等管理環節入手，確立防貪反腐機制，制定完善的各項廉政、勤政規定，不斷完善預防工作對策和措施。公司並採取多種形式組織公司幹部接受法制教育、廉政教育、警示教育，增強廉潔自律意識，形成有效的內外部監督制約機制，促進樹立良好的職業道德和職業紀律，提高免疫力，層層落實預防貪污。

公司對工程建設專案和大額採購一律實行公開招標或議標，公平選擇施工單位和供貨方，有效防治濫權貪污等不當行為。公司對在公務活動中接受款待有嚴格規定，員工不得接受當事人安排的宴請、旅遊、健身或高檔娛樂消費等活動，又不得以任何名義接受禮金禮品、禮卡、有價證券、以及支付憑證等。

公司嚴格遵行相關的反貪防賄法例，期內未有因為違反相關法例而被檢控的個案。

Environmental, Social and Governance Report

環境·社會及管治報告

Community Investment

The Company would regularly review its community investment goals and objectives, and supervise its community investment, sponsorships and donations and approval policy. The Company would also review its social performance annually to see whether it meets the community investment policies and goals. Team capability would be monitored and enhanced to ensure the community investment policy is well implemented within each division.

OUTLOOK

The Company plans to implement more environmental, social and governance measures in its operation to reflect its responsibility towards the environment and society.

社區投資

公司會定期檢討社區投資的目標和方向，並監督社區投資、贊助和捐贈活動及批核政策。公司又會每年審視公司的社會表現是否切合社區投資政策和社區活動的目標，監管和優化團隊能力，並確保社區投資政策於各部門實行。

展望

公司在未來會繼續在營運上進行更多有利環境、社會以及管治的措施，以反映公司對環境及社會的承擔。

REPORT OF THE DIRECTORS 董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 1 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong), including a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 3 to 12 of this annual report. The Chairman's Statement and Management Discussion and Analysis forms part of this directors' report.

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2017 and the Group's financial position at that date are set out in the financial statements on pages 74 to 232 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2017.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 234 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

There were no movements in either the Company's authorised or issued share capital during the year.

董事謹此呈報截至二零一七年十二月三十一日止年度之董事會報告及本集團之經審核財務報表。

主要業務及業務回顧

本公司主要從事投資控股，其主要附屬公司之主要業務詳情載於財務報表附註1。

按公司條例附表5(香港法例第622章)要求對這些業務的進一步討論及分析，包括本集團面對的主要風險和不確定因素的描述和集團業務的可能未來發展的指示可以在載於本年報第3至12頁的主席報告以及管理層討論及分析中找到。主席報告以及管理層討論及分析是本董事會報告的一部份。

業績及股息

本集團截至二零一七年十二月三十一日止年度之溢利及本集團於該日之財務狀況載於本年報第74頁至第232頁之財務報表。

董事並不建議派付截至二零一七年十二月三十一日止年度之任何股息。

財務資料概要

本集團最近五個財政年度之已公佈業績及資產、負債及非控股權益之概要(摘錄自經審核財務報表)載於本年報第234頁。該概要並非經審核財務報表的組成部份。

股本

年內，本公司之法定或已發行股本並沒有變動。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to HK\$39,324,000. In addition, the Company's share premium account, in the amount of HK\$609,080,000, may be distributed in the form of fully paid bonus shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of the Group's purchases attributable to the Group's major suppliers are as follows:

優先購買權

本公司細則或百慕達法例均無優先購買權條文，規定本公司必須按當時股東之持股比例向其發售新股。

可供分派儲備

按百慕達公司法一九八一之條文規定計算，於二零一七年十二月三十一日，本公司之可供分派儲備達39,324,000港元。此外，本公司之股份溢價賬609,080,000港元可以繳足紅股形式予以分派。

購入、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購入、贖回或出售本公司任何上市證券。

主要供應商及客戶

本集團主要供應商所佔本集團之採購額百分比如下：

		2017 二零一七年 %	2016 二零一六年 %
Percentage of purchases:	佔採購額百分比：		
From the largest supplier	來自最大供應商	6	18
From the five largest suppliers	來自五大供應商	8	47

REPORT OF THE DIRECTORS 董事會報告

The percentages of the Group's sales attributable to the Group's major customers are as follows:

本集團主要客戶所佔本集團之銷售百分比如下：

		2017 二零一七年 %	2016 二零一六年 %
Percentage of sales:	佔銷售百分比：		
To the largest customer	來自最大客戶	1	26
To the five largest customers	來自五大客戶	3	57

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

董事或其任何緊密聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東概無擁有本集團五大供應商和客戶任何權益。

DIRECTORS

The Board during the year and up to the date of this report comprises:

董事

於年內及截至本報告日期，董事會包括：

Executive Directors:

Liu Hongde
 Pan Linwu
 Lai Weixuan
 Zhou Chunhua
 Xu Hongge

執行董事：

劉洪德
 潘林武
 賴偉宣
 周春華
 徐洪舸

Non-executive Director:

Chow Wai Kam

非執行董事：

周偉淦

Independent Non-executive Directors:

Chu Yu Lin, David
 Li Ka Fai, David
 Zhang Ping (appointed on 26 May 2017)
 Li Zhaoxi (retired on 26 May 2017)

獨立非執行董事：

朱幼麟
 李家暉
 張平 (於二零一七年五月二十六日獲委任)
 李兆熙 (於二零一七年五月二十六日退任)

Pursuant to the Bye-laws of the Company, Mr. Pan Linwu, Mr. Xu Hongge and Mr. Chu Yu Lin, David will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

根據本公司細則，潘林武先生、徐洪舸先生及朱幼麟先生將於應屆股東週年大會上輪席退任，且合資格並願意重選連任。

REPORT OF THE DIRECTORS

董事會報告

The Company has received an annual confirmation from each of the Independent Non-executive Directors of his independence pursuant to rule 3.13 of the Listing Rules on the Stock Exchange. The Company, as at the date of this report, still considered all the Independent Non-executive Directors as independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 13 to 18 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

REMUNERATION POLICY

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

本公司已接獲各獨立非執行董事根據聯交所上市規則第3.13條有關其獨立性之年度確認函。截至本報告日期，本公司仍認為所有獨立非執行董事均屬獨立人士。

董事及管理高層之履歷

董事及本集團管理高層之履歷載於本年報第13頁至第18頁。

董事之服務合約

擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立僱主不可於一年內無償(法定賠償除外)終止之未到期的服務合約。

薪酬政策

僱員的薪酬(包括董事及本集團管理高層)乃參考彼等之資歷、於行業之專業知識與經驗、能力、於本集團之職責、本集團之業績表現及盈利能力，以及市場指標和當時市場情況而釐定。僱員亦有資格收取本集團根據其絕對酌情權，經考慮(其中包括)本集團之經營業績、市場狀況以及僱員個人表現，而適時發放的酌情年終獎勵花紅，以及酌情購股權。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or entities connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of the Company's holding companies, subsidiaries or fellow subsidiaries was a party during or at the end of the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Except for certain Directors who had non-beneficial interests in certain subsidiaries of the Company held for the benefits of the Company, as at 31 December 2017, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (a) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"); or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.

董事於交易、安排或合約之權益

年內或年末，董事或董事之關連實體於本公司或本公司的任何控股公司、附屬公司或同系附屬公司所訂立之任何有關本集團業務之重要交易、安排或合約中概無直接或間接擁有重大權益。

董事及行政總裁於股份、相關股份及債券之權益及淡倉

除若干董事代本公司於若干附屬公司持有非實益股權外，於二零一七年十二月三十一日，概無董事及本公司行政總裁於本公司或其任何相聯法團之股份、相關股份或債券中擁有(a)須記入本公司根據證券及期貨條例(「證券及期貨條例」)第352條須予備存之登記冊內之權益或淡倉；或(b)根據聯交所上市規則附錄十所載的標準守則須知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section of "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above and in the section of "SHARE OPTION SCHEME" below, during the year no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company had been granted to any of the Directors or their respective spouses or children under 18 years of age; no such rights had been exercised by them; and none of the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. The share option scheme is valid and effective for a period of 10 years from the date of its adoption. Further details of the share option scheme are disclosed in note 35 to the financial statements.

Since the adoption of the share option scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2017.

董事認購股份或債券之權利

除上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」項下及下文「購股權計劃」項下所披露外，於年內，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；本公司或其任何控股公司、附屬公司或同系附屬公司亦無參與任何安排，致使董事可於任何其他法人團體中取得該等權利。

購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃，目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。該購股權計劃自採納日期起的十年期間內有效。有關該購股權計劃之進一步詳情載於財務報表附註35。

自採納該購股權計劃以來，於二零一七年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東及其他人士於股份及相關股份之權益

As at 31 December 2017, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

於二零一七年十二月三十一日，本公司根據證券及期貨條例第336條存置之權益登記冊所記錄的本公司5%或以上已發行股本權益如下：

Long positions:

好倉：

Name of shareholders 股東名稱	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital as at 31 December 2017 於二零一七年十二月三十一日佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	(a)	Beneficial owner 實益擁有人	1,895,559,000	34.34
AVIC International (HK) Group Limited ("AVIC International (HK) Group") 中航國際(香港)集團有限公司 (「中航國際(香港)集團」)	(a)	Through a controlled corporation 通過一間受控法團	1,895,559,000	34.34
AVIC International Holding Corporation ("AVIC International") 中國航空技術國際控股有限公司(「中航國際」)	(a)	Through a controlled corporation 通過一間受控法團	1,895,559,000	34.34
Aviation Industry Corporation of China, Ltd ("AVIC") 中國航空工業集團有限公司(「中航工業」)	(a)	Through a controlled corporation 通過一間受控法團	1,895,559,000	34.34
Cheung Kong (Holdings) Limited ("CKH")	(b)	Through controlled corporations 通過受控法團	450,000,000	8.15
CK Hutchison Holdings Limited ("CKHH") 長江和記實業有限公司(「長江和記」)	(b)	Through controlled corporations 通過受控法團	450,000,000	8.15

REPORT OF THE DIRECTORS 董事會報告

Notes:

(a) According to notices of disclosure of interests filed with the Company, Tacko is a wholly-owned subsidiary of AVIC International (HK) Group, which in turn is a wholly-owned subsidiary of AVIC International, AVIC International is a non wholly-owned subsidiary of AVIC (62.52% interest controlled by AVIC as at 31 December 2017). Accordingly, each of AVIC International (HK) Group, AVIC International and AVIC is deemed to be interested in the shares held by Tacko.

(b) According to notices of disclosure of interests filed with the Company, 225,000,000 shares are held by Worsdale Investments Limited ("Worsdale") and 225,000,000 shares are held by Hutchison International Limited ("HIL").

Worsdale is a wholly-owned subsidiary of Arra International Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Investment Company Limited ("CKIV"). CKIV is a wholly-owned subsidiary of CKH. CKH is deemed to be interested in 225,000,000 shares held by Worsdale. Meanwhile, HIL is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). HWL is deemed to be interested in 225,000,000 shares held by HIL. CKH is entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL. Accordingly, CKH is also deemed to be interested in 225,000,000 shares held by HIL. In addition, CKH is a wholly-owned subsidiary of CKHH and accordingly, CKHH is deemed to be interested in the aggregate shares directly held by Worsdale and HIL.

Save as disclosed above, as at 31 December 2017, no person had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

附註:

(a) 根據提交給本公司之權益披露通知書，Tacko為中航國際(香港)集團之全資附屬公司，而中航國際(香港)集團為中航國際之全資附屬公司。中航國際為中航工業之非全資附屬公司(於二零一七年十二月三十一日，由中航工業控制62.52%權益)。因此，中航國際(香港)集團、中航國際及中航工業均被視為於Tacko持有之股份中擁有權益。

(b) 根據提交給本公司之權益披露通知書，Worsdale Investments Limited(「Worsdale」)持有225,000,000股股份及Hutchison International Limited(「HIL」)持有225,000,000股股份。

Worsdale為Arra International Limited之全資附屬公司，而Arra International Limited為Cheung Kong Investment Company Limited(「CKIV」)之全資附屬公司。CKIV為CKH之全資附屬公司。CKH被視為於Worsdale持有之225,000,000股股份中擁有權益。與此同時，HIL為和記黃埔有限公司(「HWL」)之全資附屬公司。HWL被視為於HIL持有之225,000,000股股份中擁有權益。CKH有權於HWL之股東大會上行使或控制行使三分之一以上之投票權。因此，CKH亦被視為於HIL持有225,000,000股股份中擁有權益。此外，CKH為長江和記之全資附屬公司，長江和記因此相應地被視為於Worsdale及HIL直接持有之股份總數中擁有權益。

除上文所披露外，於二零一七年十二月三十一日，概無人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條而備存之登記冊內之權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Charter 14A of the Listing Rules.

(a) Pre-handover real estate management services

On 31 May 2016, the Company and CATIC Property Management Co., Ltd (“AVIC Real Estate Management”), an associate of a controlling shareholder of the Company, namely, AVIC International, entered into a framework agreement for the engagement of AVIC Real Estate Management to provide pre-handover real estate management services for the relevant properties in real estate development projects of the Group. The management fees comprise the management costs based on the annual budget proposed by the relevant developers of the Group and the management commission of 10% of the total management costs incurred for each development project.

(b) Tender agency services

On 31 May 2016, the Company and China National Aero-Technology Trade and Economic Development company Limited (“AVIC TED”), an associate of AVIC International, entered into a framework agreement for the engagement of AVIC TED to provide tender agency services for the construction projects of the Group. The fees for tender agency services is calculated by applying the marginal rates to the relevant actual sum of the tender awarded or contracted on a progressive scale as prescribed by the Provisional Measures on the Administration of Service Fees Charged for Tender Agency Services (招標代理服務收費管理暫行辦法) with such further discounts as the parties agree to in each engagement.

持續關連交易

於年內，本集團有以下持續關連交易，若干詳情已按上市規則第14A章之規定予以披露。

(a) 前期物業管理服務

於二零一六年五月三十一日，本公司及其控股股東中航國際的之聯繫人中航物業管理有限公司（「中航物業管理」）訂立框架協議，以聘用中航物業管理為本集團房地產發展項目內之相關物業提供前期物業管理服務。管理費包括基於本集團相關發展商建議之年度預算的管理費用及各發展項目所產生之管理成本總額的百分之十的管理佣金。

(b) 招標代理服務

於二零一六年五月三十一日，本公司及中航國際的之聯繫人中航技國際經貿發展有限公司（「中航經貿」）訂立框架協議，以聘用中航經貿就本集團之建設項目提供招標代理服務。招標代理服務之費用是根據招標代理服務收費管理暫行辦法規定之差額定率累進法於已批出或已訂約標書之相關中標金額中計算，而訂約方可於各聘約中協定其他折扣。

REPORT OF THE DIRECTORS

董事會報告

The continuing connected transactions contemplated under the framework agreements for pre-handover real estate management services and tender agency services would only be subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under the Listing Rules. The Group has followed the pricing policies and guidelines set out in the relevant announcement of the Company dated 31 May 2016 when the pricing and terms of the above continuing connected transaction were determined. Further details were disclosed in that announcement.

These continuing connected transactions of the Group are disclosed as related party transactions in note 43 to the financial statements.

The Independent Non-executive Directors have reviewed the above continuing connected transactions pursuant to Rule 14A.55 of the Listing Rules, and have confirmed that these continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the terms of the two framework agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amounts of the pre-handover real estate management services fees and tender agency services fees disclosed above during the year under review have not exceeded the annual caps amounts of HK\$24 million and HK\$5.8 million respectively.

根據前期物業管理服務及招標代理服務的框架協議項下擬進行的持續關連交易只須遵守上市規則下之申報、公告及年度審閱規定，惟獲豁免獨立股東批准之規定。在確定上述持續關連交易之定價及條款時，本集團已遵守本公司日期為二零一六年五月三十一日有關公告所載之定價政策及指引。有關詳情在該公告中披露。

本集團的這些持續關聯交易在財務報表附註43中作為關聯交易披露。

獨立非執行董事已根據上市規則第14A.55條審閱上述持續關連交易，並已確認該等持續關連交易：

- (1) 在本集團的日常業務中訂立；
- (2) 按照一般商務條款或更佳條款進行；及
- (3) 根據這兩個框架協議的條款進行，條款公平合理，並且符合本公司股東的整體利益。

於回顧年度內，上文所披露的前期物業管理服務費及招標代理服務費的總金額分別未超過年度上限金額24,000,000港元及5,800,000港元。

REPORT OF THE DIRECTORS

董事會報告

Ernst & Young, the Company's external auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *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. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the said letter has been provided to the Stock Exchange by the Company.

Save as disclosed above, the related party transactions that did not constitute connected transactions or continuing connected transactions of the Company made during the year are disclosed in note 43 to the financial statements. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director had interests in the following businesses conducted through the company named below which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules:

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
Chow Wai Kam 周偉淦	CK Asset Holdings Limited 長江實業集團有限公司	Executive director 執行董事	– Property development and investment ("Excluded Businesses") – 物業發展及投資 (「豁除業務」)

本公司已委聘核數師安永會計師事務所，遵照香港會計師公會發出的《香港核證聘用準則3000》(經修訂)的「歷史財務資料審計或審閱以外的核證聘用」並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。安永會計師事務所已根據上市規則第14A.56條發出其無保留意見函件，當中載有其有關本集團於上文所披露之持續關連交易的結果及結論。本公司已經向聯交所提交核數師函件之副本。

除上述披露外，於年內進行且不構成本公司關聯交易或持續關聯交易的之關聯方交易披露於財務報表附註43。董事確認本公司已遵守上市規則第14A章之規定予以披露。

董事於競爭性業務上之權益

年內，下列董事透過下述公司持有下列業務的權益，而該等業務根據上市規則定義被視為與本集團的業務有競爭或可能有直接或間接競爭：

REPORT OF THE DIRECTORS

董事會報告

The Board is of the view that the Group is capable of carrying on its business independently of, and at arms length from the Excluded Businesses. When making decisions on the businesses of the Excluded Businesses of the Group, Mr. Chow, in the performance of his duties as Director, has acted and will continue to act in the best interest of the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year 2017.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

AUDITORS

The financial statements of the Company and the Group for the year ended 31 December 2017 have been audited by Ernst & Young who shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

AVIC International Holding (HK) Limited

Liu Hongde

Chairman

Hong Kong

14 March 2018

董事會認為本集團有能力獨立地及基於各自利益來經營豁除業務。在本集團就其豁除業務進行決策時，周先生在執行其董事職務時，已經並將繼續以本集團之最佳利益行事。

獲准許的彌償條文

獲准許的的彌償條文(定義見「香港公司條例」)正於惠及本公司的董事的情況下有效，並於二零一七年全年有效。

公眾持股量

根據本公司循公眾途徑獲得的資料及據董事所知，截至本報告日期，公眾人士至少持有本公司已發行股本總額之25%。

核數師

本公司與本集團截至二零一七年十二月三十一日止年度之財務報表經由安永會計師事務所審核。安永會計師事務所應於應屆股東週年大會上退任，而一項續聘彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

AVIC International Holding (HK) Limited

中國航空工業國際控股(香港)有限公司

主席

劉洪德

香港

二零一八年三月十四日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



Ernst & Young
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To the shareholders of AVIC International Holding (HK) Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of AVIC International Holding (HK) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 74 to 232, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 disclosure requirements of the Hong Kong Companies Ordinance.

致AVIC International Holding (HK) Limited

中國航空工業國際控股(香港)有限公司全體股東
(於百慕達註冊成立之有限公司)

意見

我們已審計AVIC International Holding (HK) Limited中國航空工業國際控股(香港)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第74頁至第232頁的綜合財務報表,此綜合財務報表包括二零一七年十二月三十一日的綜合財務狀況表,及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註(包括重大會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而中肯地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況,及其於截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港公司條例的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已於本報告核數師就審計綜合財務報表承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。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。

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，而我們不會對這些事項提供單獨意見。我們對下述每一事項在審計中是如何處理作描述。

我們已經履行了本報告核數師就審計綜合財務報表承擔的責任一節闡述的責任，包括與該等關鍵審計事項相關的責任。因此，我們的審計工作包括執行設計的程序以應對我們對綜合財務報表的重大錯誤陳述風險的評估。我們執行審計程序的結果，包括處理下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Recoverability of trade receivables</i> 應收貿易賬款的可收回性</p>	
<p>As at 31 December 2017, the Group had trade receivables of HK\$77 million. Management performs an impairment assessment on a regular basis, with the impairment provision estimated through the application of judgement and use of subjective assumptions.</p> <p>Relevant disclosures are included in note 21 to the financial statements.</p> <p>於二零一七年十二月三十一日，貴集團的應收貿易賬款為77,000,000港元。管理層定期進行減值評估，且採用判斷及主觀假設估計所需減值撥備。</p> <p>相關披露載於財務報表附註21。</p>	<p>We have evaluated the inputs and assumptions used by management in their impairment assessment, and management's procedures over aged receivables or amounts in dispute. We have also tested the ageing classification of receivables and assessed the reasonableness of the impairment provision as of the end of the reporting period, taking into account factors such as the payment history, the subsequent settlement of the receivables and other relevant information.</p> <p>我們已評估管理層於減值評估中所使用的輸入數據及假設，及管理層對逾期應收賬款或有爭議金額所執行的程序。我們已檢測該等應收款項於報告期末之賬齡分類，亦已根據過往付款記錄、應收款項之其後清還以及其他相關資料等因素，以評估於報告期末減值撥備的合理性。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<i>Valuation of investment properties</i> 投資物業估值	
<p>As at 31 December 2017, the Group had investment properties measured at fair value amounting to approximately HK\$369 million, with the corresponding fair value gain of HK\$33 million recognised in profit or loss. The valuation process is inherently subjective, and dependent on a number of estimates. The Group engaged an external valuer to perform the valuation for the properties.</p> <p>Relevant disclosures are included in note 14 to the financial statements.</p> <p>於二零一七年十二月三十一日，貴集團按公平值計量的投資物業約為369,000,000港元，於損益中確認的相應公平值利潤為33,000,000港元。估值過程中牽涉內在主觀性，及取決於多個估計因素。貴集團委聘了外部估值師對物業進行估值。</p> <p>相關披露載於財務報表附註14。</p>	<p>We have evaluated the objectivity, independence and competency of the external valuer. We have also involved our internal valuation specialists to assist us to assess the reasonableness of the bases and assumptions adopted in the valuation for estimating the fair value of the investment properties and performed benchmarking the value of investment properties held by the Group to other comparable properties.</p> <p>我們已評估外部估值師的客觀性、獨立性及能力。我們亦已聘用內部估值專家協助我們評估投資物業公平值於估值中所採用的基準及假設的合理性，及對貴集團所持投資物業與其他相似物業進行標杆比較。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Impairment provision in a joint venture</i> 於合營公司的減值撥備</p>	
<p>As at 31 December 2017, the Group had interest in a joint venture amounting to HK\$42 million. As the joint venture sustained losses, management performed an impairment assessment on the assets of the joint venture. The determination of the recoverable amounts of the assets of the joint venture is dependent on a range of estimates (amongst others, estimated future cash flows and discount rate).</p> <p>Relevant disclosures are included in note 15 to the financial statements.</p> <p>於二零一七年十二月三十一日，貴集團於合營公司之權益為42,000,000港元。由於合營公司持續虧損，管理層對合營公司的資產進行減值評估。釐定合營公司資產的可收回數額乃取決於多個估計（其中包括估計未來現金流量及折現率）。</p> <p>相關披露載於財務報表附註15。</p>	<p>We have evaluated the appropriateness and application of the valuation methodology for estimating the recoverable amounts of the assets of the joint venture and key valuation parameters. We have involved our internal valuation experts to assist us to assess the reasonableness of the bases and assumptions adopted in the valuation.</p> <p>我們已評估估算合營公司資產可回收金額的估值方法及主要估值參數的適當性及適用性。我們已聘用內部估值專家協助我們評估於估值中所採用的基準及假設的合理性。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<i>Valuation of convertible bonds</i> 可換股債券估值	
<p>As at 31 December 2017, the Group had convertible bonds with fair value of HK\$82 million. The valuation process is inherently subjective, and dependent on a number of estimates, including risk free rate and credit spreads. The Group engaged an external valuer to perform the valuation for the convertible bonds.</p> <p>Relevant disclosures are included in notes 18 and 19 to the financial statements.</p> <p>於二零一七年十二月三十一日，貴集團可換股債券的公平值為82,000,000港元。估值過程中牽涉內在主觀性，及取決於多個估計因素，包括無風險利率和信用利差。貴集團委聘了外部估值師對可換股債券進行估值。</p> <p>相關披露載於財務報表附註18及19。</p>	<p>We have evaluated the objectivity, independence and competency of the external valuer. We have also involved our internal valuation specialists to assist us to assess the reasonableness of the bases and assumptions adopted in the valuation for estimating the fair value of the convertible bonds.</p> <p>我們已評估外部估值師的客觀性、獨立性及能力。我們亦已聘用內部估值專家協助我們評估可換股債券公平值於估值中所採用的基準及假設的合理性。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

<p>Key audit matter 關鍵審計事項</p>	<p>How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項</p>
<p><i>Impairment review of properties under development and completed properties held for sale (the "Properties")</i> 發展中物業及持作出售之已完成物業(「物業」)的減值審閱</p>	
<p>As at 31 December 2017, the Group held the Properties with carrying amounts of HK\$2,937 million. The aggregate carrying amount of the Properties represented 67% of the total assets of the Group as at 31 December 2017 and is significant to the consolidated financial statements.</p> <p>The Group considered the budgeted and actual selling prices on sales contracts and has engaged an external valuer to perform a valuation of the Properties as at 31 December 2017 to assess if the net realisable values of these assets are higher than their carrying amounts.</p> <p>於二零一七年十二月三十一日，貴集團持有物業的賬面值為2,937,000,000港元。物業的總賬面值佔貴集團於二零一七年十二月三十一日的資產總值的67%，並對綜合財務報表而言屬重大。</p> <p>貴集團已考慮銷售合同的預算及實際售價，並委聘了外部估值師對物業於二零一七年十二月三十一日的價值進行評估，以評估物業的可變現淨值是否高於其賬面值。</p>	<p>We evaluated the objectivity, independence, competency and relevant experiences of the external valuer engaged by management of the Group. We also involved our internal valuation specialists to assist us with our audit in evaluating the valuation models, assumptions and parameters adopted in the valuation. We also evaluated the inputs for the valuation including the unit rate per square metre and the gross floor area.</p> <p>我們已評估貴集團管理層所委聘之外部估值師的客觀性、獨立性、能力及相關經驗。我們亦已聘用內部估值專家在我們的審計中協助我們評估估值中採用的估值模式、假設及參數。我們亦已評估估值的輸入數據，包括每平方米單位價格及總建築面積。</p>

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p><i>Impairment review of properties under development and completed properties held for sale (the "Properties") (continued)</i> 發展中物業及持作出售之已完成物業(「物業」)的減值審閱(續)</p>	
<p>Different valuation models were applied by the external valuer on different types of the Properties held by the Group.</p> <p>We identified this as a key audit matter because the aggregate carrying amount of the Properties is significant to the Group and significant estimations are involved in determining the net realisable values of the Properties. The determination of valuation models adopted also involves judgements.</p> <p>Relevant disclosures are included in note 20 to the financial statements.</p> <p>外部估值師對 貴集團持有的不同類型的物業採用不同的估值模式。</p> <p>我們將此列為關鍵審計事項，因為物業的賬面總值對 貴集團而言屬重大，且於釐定物業的可變現淨值時涉及重大估計。所採用的估值模式的釐定亦涉及判斷。</p> <p>相關披露載於財務報表附註20。</p>	

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS 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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

年報所載的其他信息

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

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

董事就綜合財務報表承擔的責任

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

在擬備綜合財務報表時，貴公司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，除非貴公司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。

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們的報告依據百慕達公司法一九八一第90條僅為閣下（作為法人團體）編製，而並不可作其他用途。我們不會就本報告的內容向其他任何人士負上或承擔責任。

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Sai Yu.

從與審核委員會溝通的事項中，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，如果合理預期在本報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在本報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳世宇。

Ernst & Young

Certified Public Accountants

Hong Kong
14 March 2018

安永會計師事務所

執業會計師

香港
二零一八年三月十四日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

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 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註			
CONTINUING OPERATIONS		持續經營業務		
REVENUE		收益	1,520,710	102,786
Cost of sales		銷售成本	(1,706,522)	(74,269)
Gross profit/(loss)		毛利/(損)	(185,812)	28,517
Other income and gains		其他收入及利潤	41,681	12,765
Selling and distribution expenses		銷售及營銷費用	(26,130)	(31,694)
Administrative expenses		行政管理費用	(73,718)	(41,611)
Other operating expenses		其他經營開支	(21,463)	(54,633)
Finance costs		財務開支	(38,761)	(77)
Gain on disposal of convertible loans		出售可換股貸款之利潤	87,151	-
Net gain on deemed disposal of associates		被視為出售聯營公司之淨利潤	-	3,386
Share of profits and losses of:		分佔溢利及虧損：		
Joint venture		合營公司	(19,043)	(215,369)
Associates		聯營公司	222	(3,013)
Impairment of available-for-sale investments (transfer from available-for-sale investment reevaluation reserve)		可供出售的投資之減值 (從可供出售投資重估 儲備轉入)	(67,280)	(134,107)
Fair value loss of available-for-sale investments (transfer from equity on derecognition)		可供出售的投資之公平值虧損 (於終止確認時從權益轉入)	-	(490)
Fair value loss on derivative financial instruments		衍生金融工具之公平值虧損	(11,337)	(108,558)
Fair value loss on an equity investment at fair value through profit or loss		按公平值計入損益之股本 投資之公平值虧損	(6,857)	(198,094)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		來自持續經營業務之除稅前 虧損	(321,347)	(742,978)
Income tax credit/(expense)		所得稅抵免/(開支)	(15,196)	6,685
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		來自持續經營業務之本年虧損	(336,543)	(736,293)
DISCONTINUED OPERATION		已終止經營業務		
Profit for the year from a discontinued operation		來自已終止經營業務之本年溢利	-	27,362
LOSS FOR THE YEAR		本年虧損	(336,543)	(708,931)
Attributable to:		下列人士應佔：		
Owners of the parent		母公司所有者	(288,481)	(685,842)
Non-controlling interests		非控股權益	(48,062)	(23,089)
			(336,543)	(708,931)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		母公司普通股權益持有人 應佔每股虧損		
Basic and diluted		基本及攤薄	(HK5.23 cents)	(HK12.43 cents)
– For loss for the year		– 本年虧損	(5.23港仙)	(12.43港仙)
– For loss from continuing operations		– 來自持續經營業務之虧損	(HK5.23 cents)	(HK12.97 cents)
			(5.23港仙)	(12.97港仙)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

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 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註		
LOSS FOR THE YEAR	本年虧損	(336,543)	(708,931)
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	於其後期間將會重新分類至損益之其他全面收益：		
Available-for-sale investments:	可供出售的投資：		
Changes in fair value	公平值變動	18 (86,017)	(119,876)
Reclassification adjustments for losses included in the consolidated statement of profit or loss	計入綜合損益表之虧損之重新分類調整		
– Loss on derecognition	– 終止確認之虧損	18 –	490
– Impairment loss	– 減值虧損	18 67,280	134,107
		(18,737)	14,721
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	97,554	(125,145)
Reclassification adjustment for a foreign operation disposed of during the year	本年出售之海外業務之重新分類調整	38 –	(1,223)
		97,554	(126,368)
Share of other comprehensive income of a joint venture	分佔合營公司之其他全面收益	2,905	(8,905)
NET OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	於其後期間將會重新分類至損益之其他全面收益淨額及本年其他全面收益(扣除稅項後)	81,722	(120,552)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年全面收益總額	(254,821)	(829,483)
Attributable to:	下列人士應佔：		
Owners of the parent	母公司所有者	(240,767)	(764,262)
Non-controlling interests	非控股權益	(14,054)	(65,221)
		(254,821)	(829,483)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

			2017 二零一七年	2016 二零一六年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房和設備	13	22,444	24,975
Investment properties	投資物業	14	368,639	315,866
Investment in a joint venture	合營公司之投資	15	42,464	58,602
Investments in associates	聯營公司之投資	16	14,385	13,378
Financial asset under Project EC120	EC120項目之財務資產	17	-	-
Available-for-sale investments	可供出售的投資	18	110,380	278,745
Derivative financial instruments	衍生金融工具	19	-	11,338
Trade receivable	應收貿易賬款	21	-	20,178
Deferred tax assets	遞延稅項資產	33	-	10,025
Total non-current assets	非流動資產總值		558,312	733,107
CURRENT ASSETS	流動資產			
Properties under development and completed properties held for sale	發展中物業及持作出售之 已完成物業	20	2,937,160	4,105,317
Trade receivables	應收貿易賬款	21	76,977	69,442
Due from fellow subsidiaries	應收同系附屬公司	29	1,664	10,960
Due from an intermediate holding company	應收中間控股公司	28	-	5,282
Due from an associate	應收聯營公司	16	10,441	-
Loans to associates	向聯營公司提供的貸款	16	-	9,497
Loan to a related company	向聯營公司提供的貸款	22	-	16,760
Prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款	23	5,095	42,978
Available-for-sale investments	可供出售的投資	18	82,348	-
Equity investment at fair value through profit or loss	按公平值計入損益之 股本投資	24	80,761	87,619
Derivative financial instruments	衍生金融工具	19	1	-
Prepaid taxes	預付稅項	25	4,176	16,186
Cash and cash equivalents	現金及現金等值	26	627,140	605,925
Total current assets	流動資產總值		3,825,763	4,969,966

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註			
CURRENT LIABILITIES		流動負債		
Due to non-controlling shareholders of subsidiaries	27	應付附屬公司之非控股股東	138,852	88,444
Due to an intermediate holding company	28	應付中間控股公司	16,681	-
Due to fellow subsidiaries	29	應付同系附屬公司	5,492	1,643
Loans from a fellow subsidiary	29	來自同系附屬公司的貸款	366,864	586,592
Trade payables	30	應付貿易賬款	122,511	41,213
Other payables and accruals	31	其他應付款項及應計費用	34,198	17,223
Customer deposits		客戶按金	217,981	920,238
Tax payable		應付稅項	78,403	37,449
Total current liabilities		流動負債總值	980,982	1,692,802
NET CURRENT ASSETS		流動資產淨值	2,844,781	3,277,164
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	3,403,093	4,010,271
NON-CURRENT LIABILITIES		非流動負債		
Loans from an intermediate holding company	28	來自中間控股公司的貸款	503,550	475,419
Loans from a fellow subsidiary	29	來自同系附屬公司的貸款	556,213	648,045
Interest-bearing bank borrowings	32	計息銀行貸款	-	230,134
Deferred tax liabilities	33	遞延稅項負債	71,398	129,920
Total non-current liabilities		非流動負債總值	1,131,161	1,483,518
Net assets		資產淨值	2,271,932	2,526,753
EQUITY		權益		
Equity attributable to owners of the parent		母公司所有者應佔權益		
Issued capital	34	已發行股本	551,959	551,959
Reserves	36	儲備	1,180,546	1,421,313
			1,732,505	1,973,272
Non-controlling interests		非控股權益	539,427	553,481
Total equity		權益總值	2,271,932	2,526,753

Lai Weixuan
賴偉宣
Director
董事

Zhou Chunhua
周春華
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account
		已發行股本	股份溢價賬
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	551,959	609,080
Loss for the year	本年虧損	-	-
Other comprehensive income for the year:	本年其他全面收益：		
Changes in fair value of available-for-sale investments, net of tax	可供出售的投資之公平值變動 (扣除稅項後)	-	-
Share of other comprehensive income of a joint venture	分佔合營公司之其他全面收益	-	-
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-
Total comprehensive income for the year	本年全面收益總額	-	-
Transfer to reserve fund	轉撥至儲備金	-	-
Disposal of a subsidiary	出售附屬公司	-	-
At 31 December 2016	於二零一六年十二月三十一日	551,959	609,080*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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 parent
 母公司所有者應佔權益

Available- for-sale investment revaluation reserve 可供出售 投資重估儲備 HK\$'000 千港元	Reserve fund 儲備金 HK\$'000 千港元 (note 36) (附註36)	Exchange fluctuation reserve 匯兌波動 儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
10,665	18,477	(23,199)	1,570,552	2,737,534	594,124	3,331,658
-	-	-	(685,842)	(685,842)	(23,089)	(708,931)
14,721	-	-	-	14,721	-	14,721
-	-	(8,905)	-	(8,905)	-	(8,905)
-	-	(84,236)	-	(84,236)	(42,132)	(126,368)
14,721	-	(93,141)	(685,842)	(764,262)	(65,221)	(829,483)
-	121	-	(121)	-	-	-
-	(93)	-	93	-	24,578	24,578
25,386*	18,505*	(116,340)*	884,682*	1,973,272	553,481	2,526,753

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Issued capital	Share premium account
		已發行股本 <i>HK\$'000</i> 千港元	股份溢價賬 <i>HK\$'000</i> 千港元
At 1 January 2017	於二零一七年一月一日	551,959	609,080
Loss for the year	本年虧損	-	-
Other comprehensive income for the year:	本年其他全面收益：		
Changes in fair value of available-for-sale investments, net of tax	可供出售的投資之公平值變動 (扣除稅項後)	-	-
Share of other comprehensive income of a joint venture	分佔合營公司之其他全面收益	-	-
Exchange differences related to foreign operations	與海外業務有關之匯兌差額	-	-
Total comprehensive income for the year	本年全面收益總額	-	-
Transfer to reserve fund	轉撥至儲備金	-	-
At 31 December 2017	於二零一七年十二月三十一日	551,959	609,080*

* These reserve accounts comprise the consolidated reserves of HK\$1,180,546,000 (2016: HK\$1,421,313,000) in the consolidated statement of financial position.

* 該等儲備賬構成綜合財務狀況表中的綜合儲備1,180,546,000港元(二零一六年: 1,421,313,000港元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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 parent
母公司所有者應佔權益

Available- for-sale investment revaluation reserve 可供出售 投資重估儲備 HK\$'000 千港元	Reserve fund 儲備金 HK\$'000 千港元 (note 36) (附註36)	Exchange fluctuation reserve 匯兌波動 儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
25,386	18,505	(116,340)	884,682	1,973,272	553,481	2,526,753
-	-	-	(288,481)	(288,481)	(48,062)	(336,543)
(18,737)	-	-	-	(18,737)	-	(18,737)
-	-	2,905	-	2,905	-	2,905
-	-	63,546	-	63,546	34,008	97,554
(18,737)	-	66,451	(288,481)	(240,767)	(14,054)	(254,821)
-	5,150	-	(5,150)	-	-	-
6,649*	23,655*	(49,889)*	591,051*	1,732,505	539,427	2,271,932

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Loss before tax:	除稅前虧損:		
From continuing operations	來自持續經營業務	(321,347)	(742,978)
From a discontinued operation	來自已終止經營業務	11	(5,075)
Adjustments for:	調整:		
Finance costs	財務開支	38,761	1,265
Share of profits and losses of a joint venture and associates	分佔合營公司及聯營公司之溢利及虧損	18,821	218,382
Bank interest income	銀行利息收入	(6,239)	(2,176)
Interest income on a convertible bond	可換股債券之利息收入	5	(1,036)
Interest income on loans to associates	向聯營公司提供的貸款之利息收入	5	(577)
Interest income on a loan to a related company	向關聯公司提供的貸款之利息收入	5	(1,076)
Gain on disposal of convertible loans	出售可換股貸款之利潤	23	-
Net gain on deemed disposal of associates	被視為出售聯營公司之淨利潤	16	(3,386)
Depreciation	折舊	13	2,487
Amortisation of customer relationship	客戶關係之攤銷	-	95
Recognition of prepaid land lease payments	確認預付土地租賃款	-	13
Provision for impairment of loans to related companies	向關聯公司提供的貸款之減值撥備	6	12,608
Provision for impairment of other receivables	其他應收賬款之減值撥備		4,345
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之虧損/(利潤)	5, 6	(222)
Fair value losses/(gains) on investment properties	投資物業之公平值虧損/(利潤)	5, 6	34,047
Impairment of an investment in a joint venture	合營公司之投資之減值	6	7,745
Write-down of properties under development and properties held for sale to net realisable value	發展中物業及持作出售之已完成物業減值至可變現淨值	6	-
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益之股本投資之公平值虧損		198,094
Fair value loss of available-for-sale investments (transfer from equity on derecognition)	可供出售的投資之公平值虧損(於終止確認時從權益轉入)	18	490
Impairment of available-for-sale investments	可供出售的投資之減值	18	134,107
Fair value loss on derivative financial instruments, net	衍生金融工具之公平值虧損淨額	19	108,558
		12,467	(34,290)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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 千港元	2016 二零一六年 HK\$'000 千港元
	Notes 附註		
Decrease/(increase) in properties under development and completed properties held for sale	發展中物業及持作出售之 已完成物業減少/(增加)	1,149,205	(172,696)
Decrease in inventories	存貨減少	-	502
Decrease in trade receivables	應收貿易賬款減少	17,165	83,708
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收 賬款減少	32,441	12,108
Decrease in amounts due from fellow subsidiaries	應收同系附屬公司款項減少	9,950	34,671
Decrease in an amount due from a non-controlling shareholder of a subsidiary	應收附屬公司之非控股股東 款項減少	-	323
Increase/(decrease) in trade payables	應付貿易賬款增加/(減少)	79,219	(31,988)
Increase in other payables and accruals	其他應付款項及應計費用增加	16,225	6,696
Increase/(decrease) in customer deposits	客戶按金增加/(減少)	(748,686)	689,909
Cash generated from operations	營運產生之現金	567,986	588,943
Overseas tax paid	已付海外稅項	(16,986)	(41,544)
Net cash flows from operating activities	經營活動產生之現金流量淨額	551,000	547,399
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生之現金流量			
Purchases of items of property, plant and equipment	購入物業、廠房和設備項目	13 (28)	(96)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房和設備項目 所得款項	793	746
Proceeds from disposal of available-for-sale investments	出售可供出售的投資所得 款項	-	1,800
Proceeds from disposal of convertible loans	出售可換股貸款所得款項	23 87,151	-
Repayment of loans to related companies	關聯公司償還貸款	-	22
Disposal of a subsidiary	出售附屬公司	38 -	3,716
Bank interest received	已收銀行利息	6,214	2,072
Interest received on a convertible bond	已收可換股債券之利息	1,036	1,036
Interest received on loans to associates	已收聯營公司貸款利息	774	427
Interest received on a loan to a related company	已收關聯公司貸款利息	1,079	790
Increase in pledged time deposits	已抵押定期存款增加	-	(2,815)
Net cash flows from investing activities	投資活動產生之現金流量淨額	97,019	7,698

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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	2016 二零一六年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量			
New bank loans	新銀行貸款		-	230,134
Repayment of bank loans	償還銀行貸款		(230,134)	-
Repayment of loans from a fellow subsidiary	償還來自同系附屬公司的貸款		(373,852)	(495,008)
Increase in amounts due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東款項增加		45,946	28,817
Decrease in an amount due to an intermediate holding company	應付中間控股公司款項減少		-	(15,189)
Increase in amounts due to fellow subsidiaries	應付同系附屬公司款項增加		4,726	713
Interest paid	已付利息		(88,593)	(162,359)
Net cash flows used in financing activities	融資活動所用之現金流量淨額		(641,907)	(412,892)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值增加淨額		6,112	142,205
Cash and cash equivalents at beginning of year	年初之現金及現金等值		605,925	473,330
Effect of foreign exchange rate changes, net	匯率變動影響淨額		15,103	(9,610)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值		627,140	605,925
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘之分析			
Cash and bank balances	現金及銀行結存	26	301,921	307,215
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日不足三個月之無抵押定期存款	26	325,219	298,710
			627,140	605,925

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

AVIC International Holding (HK) Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

During the year, the Group was mainly involved in the property development and investment business.

The Group disposed of the knitting and textile business in the prior year. Details of the disposal are included in note 38 to the financial statements.

In the opinion of the directors, the ultimate holding company of the Company is Aviation Industry Corporation of China, which is incorporated in the People's Republic of China (the "PRC").

1. 公司及集團資料

AVIC International Holding (HK) Limited 中國航空工業國際控股(香港)有限公司為一間於百慕達註冊成立之有限公司。本公司之註冊辦事處為Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda。

年內，本集團主要從事物業發展及投資業務。

本集團已於去年出售其針織及紡織業務。出售之詳情載於財務報表附註38。

董事認為本公司最終控股公司為中國航空工業集團公司，該公司於中華人民共和國（「中國」）註冊成立。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CATIC Helicopter Development (Shenzhen) Limited ("CATIC Helicopter SZ")** 中航技直升機技術服務 (深圳)有限公司 (「中航技直升機深圳」)**	PRC/Mainland China 中國/中國內地	HK\$42,000,000 42,000,000港元	-	100	Investment holding 投資控股
Billirich Investment Limited#	British Virgin Islands/Hong Kong 英屬處女群島/ 香港	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Ease Triumph International Limited 拓業國際有限公司	Hong Kong/ Hong Kong 香港/香港	HK\$250,000,002 250,000,002港元	100	-	Investment holding 投資控股
重慶航龍置業有限公司 (「重慶航龍」)**#	PRC/Mainland China 中國/中國內地	US\$62,530,000 62,530,000美元	-	99	Property developer of residential and commercial projects 住宅及商業項目的 物業發展
大連航華置業有限公司 (「大連航華」)**#	PRC/Mainland China 中國/中國內地	US\$96,000,000 96,000,000美元	-	52.08	Property developer of residential and commercial projects 住宅及商業項目的 物業發展

1. 公司及集團資料 (續)

有關附屬公司的資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
CATIC General Aviation Holdings Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$2 2美元	100	-	Dormant 暫無營業
Wahman Investment Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Dormant 暫無營業
Kingspot Investment Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	HK\$1 1港元	100	-	Investment holding 投資控股
Yipon Investment Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1美元	100	-	Dormant 暫無營業
CATIC Helicopter (H.K.) Limited [#]	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$2 2美元	100	-	Investment holding 投資控股

* CATIC Helicopter SZ is registered as a wholly-foreign-owned enterprise under PRC law.

** 重慶航龍 and 大連航華 are registered as Sino-foreign co-operative joint ventures under PRC law.

None of the statutory financial statements of these subsidiaries was audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

本公司主要附屬公司之詳情如下：
(續)

* 中航技直升機深圳根據中國法例註冊為外商獨資企業。

** 重慶航龍及大連航華根據中國法例註冊為中外合資企業。

所有此等附屬公司的法定財務報表均非由安永香港或安永全球網絡其他成員公司審核。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

The above tables list the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

In the prior year, the Group disposed of its 51% equity interest in 浙江東陽金牛針織製衣有限公司 (“Zhejiang Dongyang Jinniu”). Further details of the above disposal are included in note 38 to the financial statements.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, an equity investment at fair value through profit or loss, certain available-for-sale investments, and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司及集團資料 (續)

有關附屬公司的資料 (續)

上表列出董事會認為對本集團本年度業績有重大影響或佔本集團資產淨值之重大部份之本公司之附屬公司。董事認為倘列出其他附屬公司之資料，將使篇幅過於冗長。

去年，本集團出售其擁有51%股本權益之浙江東陽金牛針織製衣有限公司（「浙江東陽金牛」）。有關上述出售之進一步詳情載於財務報表附註38。

2.1 編製基準

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）（其中包括全部香港財務報告準則、香港會計準則（「香港會計準則」）和詮釋）、香港普遍採用之會計原則以及香港公司條例的披露規定編製。本財務報表根據歷史成本法編製，惟投資物業、按公平值計入損益之股本投資、若干可供出售的投資、以及衍生金融工具除外（以公平值計量）。本財務報表以港元呈列，且所有價值均四捨五入至最接近之千位數（除非另有說明）。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準 (續)

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度之財務報表。附屬公司乃本公司直接或間接控制之實體(包括結構性實體)。當本集團就參與被投資公司營運所得之可變動回報有風險承擔或享有權利,並能夠向被投資公司運用其權力以影響回報金額(即現存之權利以致本集團能夠指示被投資公司之相關活動),即代表本集團擁有控制權。

倘本公司直接或間接擁有被投資公司的投票權或類似權利少於大多數,則本集團於評估其是否擁有對被投資公司之權力時會考慮一切相關事實及情況,包括:

- (a) 與被投資公司其他投票持有人之合約安排;
- (b) 其他合約安排所產生之權利;及
- (c) 本集團之投票權及潛在投票權。

附屬公司財務報表的報告期間與本公司相同,並採用與本公司一致之會計政策編製。附屬公司業績乃自本集團取得控制權當日起計入綜合財務報表內,並一直計入直至該控制權終止當日止。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

即使會導致非控股權益產生虧絀結餘，損益及其他全面收益之各組成部份仍歸屬於本集團母公司所有者及非控股權益。與本集團成員公司間之交易相關之所有集團內公司間資產及負債、權益、收入、費用及現金流量均於綜合時悉數抵銷。

倘事實及情況反映上文所述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資公司。附屬公司之擁有權權益發生變動，但並未失去控制權時，按權益交易入賬。

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計換算差額；並確認(i)已收代價之公平值；(ii)任何獲保留投資之公平值；及(iii)任何因此而產生並計入損益之盈餘或虧絀。先前於其他全面收益中確認之本集團應佔成份，乃按倘本集團直接出售相關資產或負債所要求之相同基準，視乎情況重新分類至損益或留存溢利。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 39 to the financial statements upon the adoption of amendments to HKAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2.2 會計政策及披露之變動

本集團已於本年度的財務報表中首次採納以下經修訂香港財務報告準則。

香港會計準則 第7號的修訂	披露動議
香港會計準則 第12號的修訂	就未變現虧損確認 遞延稅項資產
香港財務報告 準則第12號的 修訂(納入 香港財務 報告準則 二零一四年至 二零一六年週 期年度改進)	於其他實體權益之 披露:釐清香港財務 報告準則第12號的 範疇

上述經修訂香港財務報告準則對本財務報表並無重大財務影響。香港會計準則第7號的修訂規定實體須披露資料，讓財務報表使用者可評估融資活動所產生的負債變動(包括因現金流量及非現金流量產生的變動)。本集團已於採納該修訂後在財務報表附註39中作出披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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2.3 ISSUED BUT NOT YET EFFECTIVE
HONG KONG FINANCIAL REPORTING
STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於本財務報表內應用以下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2號的修訂	股份償付交易之分類及計量 ¹
香港財務報告準則第4號的修訂	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號的修訂	具有負補償的提早還款特性 ²
香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂	投資者與其聯營公司或合營公司之間的資產出售或注資 ⁴
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第15號的修訂	澄清香港財務報告準則第15號客戶合約收益 ¹
香港財務報告準則第16號	租賃 ²

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 40	<i>Transfers of Investment Property</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²
HKFRS 17	<i>Insurance Contracts</i> ³
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ²
Annual Improvements 2014-2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i> 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 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港會計準則	投資物業轉移 ¹ 第40號的修訂
香港會計準則	於聯營公司及合營 第28號的修訂 公司的長期權益 ²
香港財務報告 準則第17號	保險合約 ³
香港(國際財務 報告詮釋委員 會) – 詮釋 第22號	外幣交易及預付代價 ¹
香港(國際財務 報告詮釋委員 會) – 詮釋 第23號	所得稅處理的不確定 性 ²
二零一四年至 二零一六年 週期的年度 改進	香港財務報告準則 第1號及香港會計 準則第28號的修訂 ¹
二零一五年至 二零一七年週 期的年度改進	香港財務報告準則 第3號、香港財務 報告準則第11號、 香港會計準則 第12號及香港會計 準則第23號的修訂 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 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 尚未釐定強制生效日期惟可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below. Of those standards, HKFRS 9 and HKFRS 15 will be applicable for the Group's financial year ending 31 December 2018 and are expected to have a significant impact upon adoption. Whilst management has performed a detailed assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group, including expectations of the application of transitional provision options and policy choices. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards and the transitional provisions and policy options finally adopted.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

預期將適用於本集團之該等香港財務報告準則之進一步資料載列如下。於該等準則中，香港財務報告準則第9號及香港財務報告準則第15號將於本集團截至二零一八年十二月三十一日止財政年度適用，並預期於採用時將產生重大影響。管理層雖已對該等準則的估計影響進行詳細評估，惟該評估乃基於本集團目前掌握之資料（包括預期應用過渡性條文選擇及政策選擇）而作出。採納後的實際影響可能與下述者有別，視乎本集團於應用該等準則及過渡性條文以及最終選用的政策時所得額外合理及輔助資料而定。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報 告準則(續)

香港會計師公會於二零一六年八月頒佈之香港財務報告準則第2號的修訂涉及三個主要方面：歸屬條件對以現金結算股份償付交易之計量之影響；具有就預扣若干金額進行淨額結算之特點之股份償付交易之分類，以符合有關股份償付之僱員扣稅責任；及將其分類由以現金結算轉變為以股本結算的對股份償付交易之條款及條件之修訂的會計處理。該等修訂釐清，用於計量以股本結算股份償付之歸屬條件之方法，亦適用於以現金結算股份償付。該等修訂引入一項例外情況，使為符合僱員扣稅責任之具有就預扣若干金額進行淨額股份結算特點之股份償付可於若干條件達成時完全分類為以股本結算股份償付交易。此外，該等修訂釐清，倘以現金結算股份償付交易之條款經修訂，並成為以股本結算股份償付交易，則有關交易將自修訂日期起作為以股本結算交易入賬。於採納時，實體須應用該等修訂而無需重列過往期間，惟倘其選擇採納全部三項修訂及符合其他標準，則允許追溯應用，本集團將自二零一八年一月一日採納該等修訂。預期該等修訂不會對本集團的財務報表有任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale and at fair value through profit or loss will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised. Convertible bonds currently separated into derivative financial instruments and available-for-sale debt instruments will be measured at fair value through profit or loss as HKFRS 9 should be applied to an entire financial asset.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自二零一八年一月一日起採納香港財務報告準則第9號。本集團不會重列比較資料，並將於二零一八年一月一日的期初權益結餘中確認任何過渡調整。於二零一七年期間，本集團已就採納香港財務報告準則第9號的影響作出詳細評估。與分類及計量以及減值規定有關的預期影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號將不會對其財務資產的分類及計量產生重大影響。本集團預期將繼續以公平值計量其目前按公平值持有的全部財務資產。目前持有的可供出售並按公平值計入損益之股本投資將按公平值計入其他全面收益，此乃由於本集團有意於可預見之未來持有該等投資，且本集團預期將選擇於其他全面收益呈列公平值變動。該等股本投資終止確認時，其他全面收益中錄得的利潤及虧損不得重新計入損益。目前分割為衍生金融工具及可供出售債務工具兩部份的可換股債券，將會整個按公平值計入損益，因為香港財務報告準則第9號應應用於整個財務資產。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The amendments are not expected to have any significant impact on the Group's provision for impairment.

2.3 已頒佈但尚未生效之香港財務報 告準則(續)

(b) 減值

香港財務報告準則第9號規定，以攤銷成本或按公平值計入其他全面收益的債務工具、租賃應收款項、貸款承擔及根據香港財務報告準則第9號無需按公平值計入損益的財務擔保合約的減值，應基於十二個月或全期基準按預期信用損失模式入賬。本集團將運用簡化的方法，並基於所有應收貿易賬款剩餘年期所有現金短缺的現值估計記錄全期預期損失。此外，本集團將採用一般方式，並將基於未來十二個月內其他應收賬款可能遭遇的違約事件所估計的十二個月的預期信貸虧損入賬。預計該等修訂不會對本集團的減值撥備產生重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數利潤或虧損。當涉及資產的交易不構成一項業務時，由該交易產生的利潤或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將於生效後應用。香港會計師公會已於二零一六年一月撤銷香港財務報告準則第10號及香港會計準則第28號(二零一一年)的修訂先前的強制性生效日期，而新強制性生效日期將於對聯營公司及合營公司之會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時已可供採納。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of HKFRS 15 will not be material. However, the expected changes in accounting policies, as further explained below, will have a material impact on the Group's financial statements from 2018 onwards. During 2017, the Group has performed a detailed assessment on the impact of the adoption of HKFRS 15.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

香港財務報告準則第15號(於二零一四年七月頒佈)訂立新五步驟模型,以把來自客戶合約的收入列賬。根據香港財務報告準則第15號,收益按能反映實體預期就向客戶轉讓貨物或服務而有權轉回獲得的代價之金額確認。香港財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定,包括分拆收益總額,關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。初次應用該準則時需要進行全面追溯應用或經修訂追溯採納。於二零一六年六月,香港會計師公會頒佈香港財務報告準則第15號的修訂,以此闡述識別履約責任的實施問題、委託人與代理人以及知識產權許可的應用指引以及過渡。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致地應用及降低應用有關準則的成本及複雜性。本集團計劃採納香港財務報告準則第15號之過渡性條文來確認初始採納之累計效應,並對二零一八年一月一日留存溢利之期初結餘作出調整。此外,本集團計劃僅就二零一八年一月一日前未完成之合約應用新規定。本集團預期於香港財務報告準則第15號初始採納後,於二零一八年一月一日作出之過渡性調整將不會重大。然而,誠如下文進一步詳述,會計政策的預期變動將對本集團自二零一八年起的財務報表產生重大影響。於二零一七年,本集團已對採納香港財務報告準則第15號的影響進行詳細評估。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The expected impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) Sale of completed properties held for sale

The timing of revenue recognition for the sale of completed properties held for sale which is currently based on whether significant risk and reward of ownership of properties transfer, in accordance with the policies set out for "Revenue recognition" below, may be different under the control transfer model. The Group expects that those sales of completed properties held for sale with control of the properties that are not transferred to customers before 1 January 2018 and the corresponding cost of sales will be adjusted to the opening balance of retained earnings at 1 January 2018. The Group is in the process of calculating the opening retained earnings impacts of the above.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

採納香港財務報告準則第15號對本集團的預期影響概述如下：

(a) 出售持作出售之已完成物業

根據下文「收益之確認」所載的政策，出售持作出售之已完成物業的收益確認時間目前乃基於物業擁有權的重大風險及回報是否已經轉移，此收益確認時間在控制權轉移模式下可能會有所不同。本集團預期於二零一八年一月一日之前持作出售之已完成物業已銷售而其控制權尚未轉移至客戶者，該銷售及相應銷售成本將於二零一八年一月一日在留存溢利的期初餘額進行調整。本集團現正在計算上述對期初留存溢利的影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The expected impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:
(continued)

(b) Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by HKFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

採納香港財務報告準則第15號對本集團的預期影響概述如下：(續)

(b) 呈列及披露

香港財務報告準則第15號之呈列及披露規定較現時香港會計準則第18號所列者更為詳細。該等呈列規定和現有做法相比有重大變化，且會引致須於本集團財務報表披露之內容大幅增加。香港財務報告準則第15號中之多項披露規定為新規定，而本集團認為當中部份披露規定將產生重大影響。尤其是，本集團預期財務報表附註將會增加，原因是需要披露釐定該等合約之交易價格（包括可變代價）、將交易價格分配至履約責任之方式所作之重大判斷以及估計各項履約責任之獨立售價所作之假設。此外，根據香港財務報告準則第15號之規定，本集團將把自客戶合約確認之收益分拆為不同類別，描述經濟因素如何影響收益及現金流量之性質、金額、時間及不確定性。本集團亦將對分拆收益之披露與各須呈報分部披露的收益資料之間的關係之資料作出披露。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 January 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

於二零一六年五月頒佈之香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會) – 詮釋第4號釐定安排是否包括租賃、香港(常務詮釋委員會) – 詮釋第15號經營租賃 – 優惠及香港(常務詮釋委員會) – 詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免 – 低價值資產租賃及短期租賃。於租賃起始日，承租人將確認作為租賃付款的負債(即租賃負債)及代表可於租賃期內使用相關資產的權利的資產(即使用權資產)。除非使用權資產符合香港會計準則第40號對投資物業的定義，或與應用重估模式之物業、廠房和設備類別相關，否則使用權資產其後按成本減累積折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。承租人可選擇以全面追溯應用或經修訂追溯應用方式應用該準則。本集團預期自二零一九年一月一日起採納香港財務報告準則第16號。本集團現正評估採納香港財務報告準則第16號的影響，且正考慮會否選擇利用現有可行權宜方式，以及將會採用的過渡方式及寬免。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 40, issued in April 2017, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報 告準則(續)

於二零一七年四月頒佈之香港會計準則第40號之修訂澄清實體應將物業(包括建設中或發展中物業)轉撥至或轉撥自投資物業之時間。該等修訂指明,當物業符合或不再符合投資物業之定義且有證據證明用途發生變動,則用途出現變動。僅因管理層有關使用物業之意向有變動不足以證明其用途有所變動。實體應在首次應用該等修訂的年度報告期初或其後,當出現物業用途變動時,以未來適用法應用該等修訂。實體應重新評估於該等修訂首次應用當日所持有的物業分類,並(如適用)重新分類物業以反映當日的實際情況。倘毋須採用事後確認,方可追溯應用。本集團預期將於二零一八年一月一日起以未來適用法採用該等修訂。預期該等修訂不會對本集團的財務報表產生重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

於二零一七年六月頒佈之香港(國際財務報告詮釋委員會)－詮釋第22號就實體以外幣收取或支付預付代價並確認非貨幣資產或負債之情況下，當應用香港會計準則第21號時如何釐定交易日期提供指引。該詮釋澄清，就釐定初始確認有關資產、開支或收入(或其部份)時所使用匯率而言，交易日期乃為實體初始確認由預付代價之支付或收取而產生之非貨幣資產(如預付款項)或非貨幣負債(如遞延收入)之日期。倘確認有關項目有多筆預付款項的支付或收取，則實體必須就每筆預付款項的支付或收取釐定交易日期。實體可以自實體首次應用該詮釋的報告期初起或實體首次應用該詮釋的報告期的財務報表內比較資料所示前一報告期初起按全面追溯基準或未來適用基準應用該詮釋。本集團預期將於二零一八年一月一日起以未來適用法採納該詮釋。該詮釋預期不會對本集團的財務報表造成重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.3 已頒佈但尚未生效之香港財務報 告準則 (續)

於二零一七年七月頒佈之香港(國際財務報告詮釋委員會)一詮釋第23號針對當稅務處理涉及影響應用香港會計準則第12號之不確定性(常稱為「不確定稅務狀況」)時之所得稅(即期及遞延)之會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵費,亦尤其不包括與不確定稅務處理相關之利息及罰款之規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅務處理;(ii)實體對稅務機關審查稅務處理所作假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率;(iv)實體如何考慮事實及情況之變化。該詮釋應不採用事後確認地全面追溯應用、或於初始應用當日把應用的累積效應在期初權益調整以作追溯應用,兩者皆無須重列比較資料。本集團預期將於二零一九年一月一日起採納該詮釋。該詮釋預期不會對本集團的財務報表造成重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and the joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or the joint venture is included as part of the Group's investments in associates or the joint venture.

2.4 重大會計政策概要

聯營公司及合營公司之投資

聯營公司乃指本集團對其擁有長期權益及一般為不少於20%股本投票權並可對其施加重大影響力之實體。重大影響力為可參與被投資公司之財務及營運政策決定，而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排之共同控制權之各方均有權享有合營公司之資產淨值。共同控制權乃按合約協定下共享控制權之安排，其僅在相關活動決策必須獲共享控制權之各方一致同意方存在。

本集團於聯營公司及合營公司之投資乃根據權益會計法按本集團分佔之資產淨值減任何減值虧損後列於綜合財務狀況表。已就可能存在之不相似會計政策作出調整，以確保一致。本集團分佔聯營公司及合營公司收購後之業績及其他全面收益，分別載於綜合損益表及綜合其他全面收益表。此外，倘聯營公司或合營公司於其權益直接確認任何變動，則本集團在綜合權益變動表確認分佔其任何變動（倘適用）。本集團與其聯營公司或合營公司間之交易所產生之未變現利潤及虧損與本集團於聯營公司或合營公司之投資抵銷，惟未變現虧損證明被轉讓資產出現減值情況則除外。收購聯營公司或合營公司產生之商譽，乃包括在本集團於聯營公司或合營公司之投資之部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and a joint venture (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 重大會計政策概要(續)

聯營公司及合營公司之投資(續)

倘聯營公司之投資成為合營公司之投資或相反，則保留之權益不會進行重新計量，該投資反而將繼續按權益法進行核算。在所有其他情況下，當不再對聯營公司擁有重大影響力或對合營公司擁有共同控制權時，本集團會按公平值計量並確認任何保留之投資。於本集團失去對聯營公司之重大影響力或對合營公司之共同控制權後，聯營公司或合營公司之賬面值與保留之投資之公平值及出售所得款項之差額乃於損益確認。

業務合併及商譽

業務合併乃以購買法入賬。轉讓之代價乃以收購日期之公平值計量，該公平值為本集團所轉讓資產於收購日期之公平值、本集團向被收購方之前擁有人承擔之負債、及本集團為換取被收購方控制權而發行之股本權益之總和。於各業務合併中，本集團選擇以公平值或應佔被收購方可識別資產淨值之比例，計算於被收購方之非控股權益（即現有之擁有權權益，賦予持有人權利在進行清算時按適當比例分佔資產淨值）。非控股權益之所有其他組成部份均以公平值計量。收購成本於產生時支銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

本集團收購業務時會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之財務資產及負債，以作出合適分類及標示，其中包括從被收購方的主合約中把嵌入式衍生工具分離。

倘業務合併分階段進行，先前所持股本權益以其收購日期之公平值重新計量，並透過損益確認所產生之任何利潤或虧損。

收購方將予轉讓之任何或然代價將於收購日期按公平值確認。分類為資產或負債之或然代價乃按公平值計量，其公平值變動乃於損益確認。分類為權益之或然代價並不重新計量，而其後結算乃於權益中入賬。

商譽初始按成本值計量，即已轉讓代價、已確認非控股權益及本集團先前持有之被收購方股權之任何公平值的總額，所超逾與所收購可識別資產淨值及所承擔負債之差額。倘此代價及其他項目的總額低於所收購資產淨值之公平值，其差額將於重新評估後於損益中確認為議價收購收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

於初始確認後，商譽乃按成本值減任何累積減值虧損計量。商譽需每年進行減值測試，或在某些事項或情形之變動顯示賬面值可能發生減值時更頻繁地進行減值測試。本集團於十二月三十一日進行商譽年度減值測試。就減值測試而言，於業務合併收購之商譽自收購當日起分配至預期可從合併之協同效益得益之本集團之現金產生單元或現金產生單元組別，而不需理會本集團之其他資產或負債是否已分配至該些單元或單元組別。

減值乃根據與商譽相關之現金產生單元(現金產生單元組別)之估計可收回金額而釐定。如現金產生單元(現金產生單元組別)之可收回金額比賬面值低，則須確認減值虧損。就商譽確認之減值虧損不會於往後期間撥回。

如商譽被分配至現金產生單元(或現金產生單元組別)，而該單元之部份營運被出售，則計算出售之利潤或虧損時，應把與被出售之營運聯繫之商譽包括在該營運之賬面值內。在此情況下，被出售之商譽按被出售之營運及仍保留在現金產生單元之部份之相對價值計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and certain equity investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重大會計政策概要 (續)

公平值計量

於各報告期末，本集團按公平值計量其投資物業、衍生金融工具及若干股本投資。公平值為計量日期市場參與者在有序交易中出售資產所得或轉讓負債所付出的作價。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非財務資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

本集團使用適合其情況並有足夠數據之估值技術來計量公平值，並盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要 (續)

公平值計量 (續)

所有其公平值載於財務報表計量或披露之資產及負債均按對其公平值計量整體而言屬重大之最低層輸入參數(見以下描述)分類至公平值等級制度:

- 第一級 – 根據相同資產或負債於活躍市場的報價(未調整)
- 第二級 – 根據對公平值計量而言屬重大的可觀察(直接或間接)最低層輸入參數的估值技術
- 第三級 – 根據對公平值計量而言屬重大的最低層不可觀察輸入參數的估值技術

就經常性於財務報表確認之資產及負債而言,本集團透過於各報告期末重新評估分類(按對其公平值計量整體而言屬重大的最低層輸入參數)以確定是否發生不同等級轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 重大會計政策概要 (續)

非財務資產之減值

每逢出現減值跡象，或於每年需就資產(存貨、財務資產及投資物業除外)進行減值測試時，便須估計該資產之可收回數額。資產之可收回數額以該資產或現金產生單元之使用價值及公平值減銷售成本兩者之較高者為準，並以個別資產釐定，惟倘該資產並不產生很大程度上獨立於其他資產或資產組別之現金流入則當別論，在此情況下，其可收回數額按該資產所屬之現金產生單元釐定。

減值虧損僅於資產賬面值超逾其可收回數額時確認。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值和資產特有風險評估的除稅前折現率折現至現值。減值虧損按該減值資產之功能所屬之開支分類計入產生期間的損益表中。

每個報告期末均須作出評估，以考慮是否有跡象顯示先前已確認之減值虧損可能不再存在或有所減少。如有任何該等跡象，則須估計可收回數額。該資產(商譽除外)之先前確認之減值虧損僅於釐定資產可收回數額之估計出現變動時回撥，惟回撥後之賬面值不得超越假設過往年度並無就該資產確認減值虧損之賬面值之數額(扣除任何折舊/攤銷)。減值虧損之回撥於產生期間計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 重大會計政策概要 (續)

關聯方

任何一方如屬以下情況，即被視為與本集團有關聯：

- (a) 該方為一名人士或其所屬家庭之親密成員，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

- (b) 該方為實體，且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一間實體（或另一間實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方之合營公司；
 - (iv) 一間實體為第三方實體之合營公司，而另一間實體為該第三方實體之聯營公司；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 重大會計政策概要 (續)

關聯方 (續)

(b) (續)

- (v) 該實體為本集團或與本集團有關聯之實體僱員福利設立之離職後福利計劃；
- (vi) 該實體受(a)定義之人士控制或共同控制；
- (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員；及
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理層成員服務。

物業、廠房和設備及折舊

物業、廠房和設備乃按原值減累積折舊及任何減值虧損入賬。物業、廠房和設備之項目之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	Over the lease terms
Plant and machinery	10% – 20%
Furniture, fixtures and equipment	20% – 33%
Motor vehicles	20% – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要 (續)

物業、廠房和設備及折舊 (續)

物業、廠房和設備項目投入運作後所涉及之費用(如維修保養費用)一般會在支出期間在損益表中扣除。在符合確認準則的情況下,相關主要檢查的支出可按撥充資本計入作為重置之資產賬面值。倘物業、廠房和設備的重要部份需要不時重置,本集團將確認該部份為個別具有特定使用年期之資產並相應計提折舊。

物業、廠房和設備按各項目之估計可用年期以直線法計算折舊,以撇銷其成本或估值至其殘值。就此所採用之主要年率如下:

土地及樓宇	租期
廠房及機器	10% – 20%
傢俬、裝置及設備	20% – 33%
汽車	20% – 25%

倘物業、廠房和設備項目之組成部份有不同之可用年期,則該項目之成本按合理之基準分配至各組成部份,每個組成部份獨立計算折舊。殘值、可用年期及折舊方法至少於每個財政年度末進行檢討及調整(如適用)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 重大會計政策概要 (續)

物業、廠房和設備及折舊 (續)

物業、廠房和設備項目(包括初始確認之重要部件項目)將在被出售,或預計其使用或出售不再產生未來經濟利益時終止確認。出售或棄用所產生之任何利潤或虧損於資產終止確認當年在損益表中確認,其數額為出售有關資產所得款項淨額與賬面值之差額。

投資物業

投資物業為就賺取租金收入及/或資本增值而持有之土地及樓宇之權益(包括如符合投資物業之定義,以經營租約持有之物業之租賃權益),而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。該等物業初始以成本(包括交易成本)計算。於初始確認後,投資物業按於報告期末按反映市況之公平值列賬。

投資物業公平值變動所產生之利潤或虧損,於其產生年度計入損益表內。

棄用或出售投資物業之任何利潤或虧損,於棄用或出售年度在損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of total development cost, including capitalised borrowing cost, attributable to the unsold units. Net realisable value is determined on the basis of anticipated sales proceeds, or estimated by management based on the prevailing market conditions, less all estimated costs to completion and selling expenses, on an individual property basis.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 重大會計政策概要 (續)

投資物業 (續)

由投資物業轉為自用物業或存貨時，該物業其後會計之認定成本為改變用途當日之公平值。由存貨轉為投資物業時，該物業於當日的公平值與先前的賬面值之任何差額於損益表確認。

發展中物業及持作出售之物業

發展中物業及持作出售之物業乃按成本及可變現淨值之較低者列賬。成本乃藉分配未出售單位應佔之總發展成本(包括已撥作資本性借貸成本)而釐定。可變現淨值乃根據個別物業基準計算，按預計銷售所得款項，或按管理層就當時市況而作出之估計，減去直至完成時之所有估計成本及銷售費用。

無形資產 (商譽除外)

單獨購買之無形資產於初始確認時按成本計量。於業務合併時收購之無形資產之成本以收購日期之公平值計量。無形資產之可用年期可評估為有限或無限。年期有限之無形資產其後於可使用經濟年期內攤銷，並於該無形資產出現減值跡象時進行減值評估。可用年期有限之無形資產之攤銷期及攤銷方法須至少於每個財政年度末檢討一次。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Customer relationship

Customer relationship is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 6 years.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. When the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

2.4 重大會計政策概要 (續)

無形資產(商譽除外) (續)

客戶關係

客戶關係按照成本減任何減值虧損呈列，並根據其估計使用年期6年按照直線基準攤銷。

租賃

將資產擁有權(法定業權除外)之大部份回報與風險轉讓至本集團之租約列為融資租約處理。自融資租約開始時，租賃資產之成本按最低租賃付款額之現值予以資本化，並連同債務(不計利息)列賬，以反映購入及融資情況。按已資本化之融資租約持有之資產(包括融資租約下之預付土地租賃款)計入物業、廠房和設備內，並按資產之租賃期及估計可用年期之較短者計算折舊。該等租約之融資成本於損益表內扣除，以於租賃期計算固定費用。

凡資產擁有權之大部份回報及風險由出租人承擔之租約均列為經營租約。倘本集團為承租人，根據經營租約之應付租金(經扣除自出租人收取之任何優惠後)，按直線法於租賃期內自損益表扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 重大會計政策概要 (續)

租賃 (續)

經營租賃下之預付土地租賃款初始以成本列賬，其後在租賃期內以直線法確認。當租賃付款無法可靠地在土地和樓宇兩部份之間進行分配時，則整個租賃款作為物業、廠房和設備之融資租賃，包括在土地和樓宇之成本中。

投資及其他財務資產

初始確認及計量

於初始確認時，財務資產分類為按公平值計入損益之財務資產、貸款及應收款項，以及可供出售的財務投資（如適用）。初始確認財務資產時，乃按公平值加收購財務資產相關之交易成本列賬，惟按公平值計入損益之財務資產除外。

財務資產之所有一般買賣均於交易日（即本集團承諾買賣資產當日）確認。一般買賣指必須於市場所在地法例或規例一般指定之時間內交付資產之財務資產買賣。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purposes of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 重大會計政策概要 (續)

投資及其他財務資產 (續)

其後計量

財務資產之其後計量取決於其分類如下：

按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作買賣的財務資產及於初始確認時指定為按公平值計入損益的財務資產。倘收購財務資產之目的是為在短期內出售，則該等資產分類為持作買賣。各項衍生工具(包括已分割之嵌入式衍生工具)亦分類為持作買賣，惟若彼等被指定為有效對沖工具(定義見香港會計準則第39號)則除外。

按公平值計入損益之財務資產按公平值列入財務狀況表，公平值變動淨額乃於損益表確認，該等公平值變動淨額不包括就該等財務資產所賺取之任何股息或利息，股息及利息根據下文「收益之確認」所載政策確認。

於初始確認時指定為按公平值計入損益之財務資產，僅可於初始確認日指定，並須符合香港會計準則第39號之要求。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss
(continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other operating expenses for loans and receivables.

2.4 重大會計政策概要 (續)

投資及其他財務資產 (續)

其後計量 (續)

按公平值計入損益之財務資產 (續)

倘嵌入於主合約之衍生工具之經濟特質及風險與主合約中之經濟特質及風險無密切關係，且主合約並非持作買賣或指定為按公平值計入損益，則該等嵌入於主合約之衍生工具將視作獨立衍生工具並按公平值列賬。該等嵌入式衍生工具按公平值計量，公平值變動於損益表確認。只有當合約條款出現變動，而該變動將大幅改變所規定之現金流量，又或當財務資產重新從按公平值計入損益類別分類出來時，方會重新進行評估。

貸款及應收款項

貸款及應收款項乃具有固定或可確定付款金額，但並無活躍市場報價之非衍生財務資產。於初始計量後，有關資產其後乃以攤銷成本（按實際利率法計算）減去任何減值撥備計量。計量攤銷成本時已考慮到獲得時的任何折現或溢價，並已包括實際利率組成部份之費用或成本。實際利率攤銷計入損益表之其他收入及利潤內。貸款及應收款項減值產生的虧損於損益表內之其他經營開支中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities and a financial asset under Project EC120 as set out in notes 20 and 19, respectively, to the financial statements. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other operating expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要 (續)

投資及其他財務資產 (續)

其後計量 (續)

可供出售的財務投資

可供出售的財務投資是指分別載於財務報表附註20及19之上市及非上市股本投資及債務證券中之非衍生財務資產以及EC120項目之財務資產。分類為可供出售的股本投資指既未分類為持作買賣亦未指定為按公平值計入損益的投資。該類別中之債務證券指有意無限期持有之債務證券，且該等債務證券可能會因應流動資金需求或應對市況變動而出售。

在初始確認後，可供出售的財務投資其後按照公平值計量，未變現利潤或虧損於可供出售投資重估儲備中確認為其他全面收益，直至該投資終止確認，此時累積利潤或虧損於損益表確認，或直至該投資釐定為減值，此時累積利潤或虧損由可供出售投資重估儲備重新分類至損益表之其他經營開支。持有可供出售的財務投資期間產生之利息及股息應根據下文「收益之確認」所載政策分別以利息收入及股息收入於損益表之其他收入項下確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 重大會計政策概要 (續)

投資及其他財務資產 (續)

其後計量 (續)

可供出售的財務投資 (續)

當因為(a)合理之公平值估計範圍之變動對該投資而言是重大或(b)在上述範圍內之各種估計價之概率不能夠合理地評估和用於估計公平值，而導致不能可靠計算非上市股本投資之公平值時，該類投資以成本減任何減值虧損列賬。

本集團會評估於近期出售其可供出售的財務資產之能力及意向是否仍屬適宜。在極少數情況下，本集團因市場不活躍而無法買賣該等財務資產，倘管理層有能力和意圖在可預見的期間或到期前持有該等資產，則本集團可選擇重新分類該等財務資產。

對於重新從可供出售類別分類出來之財務資產，採用重新分類當日之公平值賬面值為其新攤銷成本，有關該資產之前已於權益確認之任何利潤或虧損，於該投資之尚餘年期內採用實際利率在損益攤銷。新攤銷成本與到期金額之間之任何差額亦於資產之尚餘年期內採用實際利率攤銷。倘該資產其後釐定為減值，則記錄在權益之賬項將被重新分類至損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 重大會計政策概要 (續)

終止確認財務資產

在下列情況下，財務資產（或（如適用）一項財務資產的部份或一組同類財務資產的部份）基本終止確認（即自本集團綜合財務狀況表剔除）：

- 收取該項資產所得現金流量之權利經已屆滿；或
- 本集團已轉讓收取該項資產所得現金流量之權利，或須根據一項「轉付」安排，對第三方承擔全數支付（沒有嚴重延緩）已收取現金流量之責任；而且(a)本集團已轉讓該資產之絕大部份風險及回報；或(b)本集團並無轉讓或保留該資產之絕大部份風險及回報，但已轉讓該資產之控制權。

倘本集團轉讓其收取該資產所得現金流量的權利或已訂立一項轉付安排，本集團會評估其是否保留擁有該項資產的風險及回報以及其保留程度。倘本集團並無轉讓或保留該資產的大部份風險及回報，亦並無轉讓該資產的控制權，則本集團在持續參與該資產的前提下繼續確認該已轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留權利及責任的基準計量。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 重大會計政策概要 (續)

終止確認財務資產 (續)

以經轉讓資產擔保方式的持續參與按該項資產的原賬面值及本集團或須償還的代價的最高金額之間的較低者計量。

財務資產之減值

在每個報告期末，本集團評估是否存在客觀證據顯示一項財務資產或一組財務資產發生減值。倘於初始確認資產後發生的一項或多項事件對該項或該組財務資產能可靠估計之估計未來現金流量造成影響，則存在減值。減值跡象可包括一名或一群債務人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如拖欠數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的財務資產

就按攤銷成本列賬的財務資產而言，本集團首先單獨評估個別重大的財務資產或整體評估個別不重大的財務資產是否存在減值。倘本集團釐定經單獨評估的財務資產（無論重大與否）並無存在客觀減值證據，則會將該資產納入一組具有類似信貸風險特性的財務資產內，然後作整體減值評估。作單獨減值評估的資產在被確認或持續被確認存在減值虧損時，則不會被納入整體減值評估內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in the statement of profit or loss.

2.4 重大會計政策概要 (續)

財務資產之減值 (續)

按攤銷成本列賬的財務資產 (續)

減值虧損金額按資產的賬面值與估計未來現金流量(不包括尚未產生的日後信貸損失)的現值之間的差額計算。估計未來現金流量的現值按財務資產原有實際利率(即初始確認時的實際利率)折現得出。

資產的賬面值可透過使用備抵賬調低，虧損在損益表中確認。利息收入繼續按減少後之賬面值採用計量減值虧損時用以折現未來現金流量的利率計算。倘未來無實際可能收回，且所有抵押品已變現或轉讓至本集團，則貸款與應收款項連同任何相關之備抵應一併撇銷。

倘於後續期間，於確認減值後發生事件而導致估計減值虧損金額增加或減少，則先前確認的減值虧損可透過調整備抵賬予以增加或減少。倘撇銷數額其後收回，收回的數額則計入損益表內其他經營開支中。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment of financial assets (continued)****Available-for-sale financial investments**

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 重大會計政策概要 (續)**財務資產之減值 (續)****可供出售的財務投資**

就可供出售的財務投資而言，本集團於每個報告期末評估是否存在客觀證據顯示一項投資或一組投資發生減值。

倘可供出售的資產發生減值，其成本（扣除任何本金付款及攤銷）與其現行公平值兩者間的差異減去先前在損益表內確認之任何減值虧損的所得金額，將從其他全面收益中移除，並於損益表內確認。

就被分類為可供出售的股本投資而言，客觀證據包括該項投資的公平值大幅或長期跌至低於其成本值。「大幅」乃相對於投資的原成本而評估，而「長期」則相對於出現公平值低於其原成本的時間而評估。倘出現減值之證據，則累積虧損（按收購成本與現時公平值的差額減該項投資先前在損益表內確認的任何減值虧損計量）將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可透過損益表回撥，於減值後其公平值的增加乃直接於其他全面收益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

2.4 重大會計政策概要 (續)

財務資產之減值 (續)

可供出售的財務投資 (續)

釐定「重大」或「持久」需要判斷。在作出此項判斷時，本集團評估(包括其他因素)投資的公平值低於其成本的持續時間或數額。

就分類為可供出售的債務工具而言，減值評估乃按與按攤銷成本列賬的財務資產相同的標準進行。然而，所記錄之減值金額乃按攤銷成本與現時公平值之間的差額減該項投資先於損益表中確認的任何減值虧損計量之累積虧損。未來利息收入繼續按該項資產減少後之賬面值採用計量減值虧損時用以折現未來現金流量的利率計算。利息收入記錄為其他收入的一部份。倘債務工具的公平值的後續增加能與其在損益表確認減值虧損後發生的事件客觀相連，則該債務工具的減值虧損可以通過損益表回撥。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include amounts due to fellow subsidiaries, an intermediate holding company and non-controlling shareholders of subsidiaries, loans from fellow subsidiaries and an intermediate holding company, trade payables, other payables and certain accruals and interest-bearing bank borrowings.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要 (續)

財務負債

初始確認及計量

財務負債於初始確認時分類為按公平值計入損益的財務負債或(如適用)貸款及借貸。

所有財務負債初始按公平值確認,而倘為貸款及借貸,則扣減直接歸屬的交易成本確認。

本集團的財務負債包括應付同系附屬公司款項、應付中間控股公司款項、應付附屬公司之非控股股東款項、來自同系附屬公司的貸款、來自中間控股公司的貸款、應付貿易賬款、其他應付款項及若干應計費用以及計息銀行貸款。

貸款及借貸的其後計量

於初始確認後,計息貸款及借貸其後以實際利率法按攤銷成本計量,但如折現之影響甚微,則按成本列賬。利潤及虧損乃於負債終止確認時及按實際利率進行攤銷程序時於損益表中確認。

計算攤銷成本時須計及購入時的任何折讓或溢價,亦計入作為實際利率組成部份的費用或成本。實際利率攤銷乃計入損益表的財務開支內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 重大會計政策概要 (續)

終止確認財務負債

當負債項下的責任獲解除或取消或屆滿時，則終止確認財務負債。

倘現有財務負債被來自同一借款人但條款極不相同的另一項負債所取代，或對現有負債的條款進行大幅修改，上述更替或修訂將會按終止確認原有負債並確認新負債處理，而有關賬面值的差額於損益表內確認。

金融工具的抵銷

倘目前有可執行法定權利抵銷已確認金額並擬按淨額基準結算，或同時變賣資產及償還負債時，財務資產及財務負債才會互相抵銷，並在財務狀況表內以淨額列示。

存貨

存貨乃按成本及可變現淨值兩者中之較低者入賬。成本按加權平均法釐定，且就在製品及製成品而言，包括直接物料、直接勞工及適當比例的經常費用。可變現淨值則根據估計售價減任何完成及出售估計所需成本計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要 (續)

現金及現金等值

就綜合現金流量表而言，現金及現金等值指手頭現金及活期存款，以及可隨時轉換為已知現金額而價值變動風險不大且期限較短（一般自取得起計三個月內到期）之短期高流通性投資，減須於要求時償還並屬於本集團整體現金管理組成部份之銀行透支。

就綜合財務狀況表而言，現金及現金等值指手頭及銀行現金，包括定期存款，及無使用限制而性質與現金相若之資產。

撥備

當因過往事件而產生即期債務（法定或推定）並可能須於日後撥出資源以償還該債務時，倘能可靠估計有關債務金額，則須就此確認撥備。

倘折現影響重大，則按預期須於未來就該債務所作之開支於報告期末之現值來確認撥備。隨著時間過去而增加的折現現值於損益表內列為財務開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要 (續)

所得稅

所得稅包括當期及遞延稅項。與在損益以外確認之項目相關之所得稅，乃於損益以外(其他全面收益或直接於權益)確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或實質頒佈的稅率(及稅法)，經計及本集團經營所在國家的現行詮釋及慣例，按預期自稅務機關收回或向其繳付的金額計算。

遞延稅項採用負債法，就於報告期末資產與負債之稅基及其用作財務報告之賬面值之間之所有臨時差額作出撥備。

所有應課稅臨時差額均確認為遞延稅項負債，惟以下情況例外：

- 在一項非業務合併之交易中初始確認商譽或資產或負債而產生之遞延稅項負債，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關應課稅臨時差額而言，倘能控制有關臨時差額之回撥時間，而且於可見將來可能不會回撥。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損予以確認，但僅限於可能取得應課稅溢利以供動用可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損之部份，惟以下情況例外：

- 與在一項非企業合併之交易中初始確認資產或負債而產生之可抵扣臨時差額相關之遞延稅項資產，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關可抵扣臨時差額而言，則僅限於可能臨時差額可於可見將來回撥，並有應課稅溢利以供動用臨時差額予以抵銷之部份，方會確認遞延稅項資產。

遞延稅項資產之賬面值於每個報告期末檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產時，則遞延稅項資產將相應減少。未確認之遞延稅項資產則於每個報告期末重新評估，倘可能有足夠應課稅溢利以抵銷全部或部份遞延稅項資產時，則予以確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions would be complied with. When the grant relates to an expense item, it was recognised as income on a systemic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債乃根據於報告期末已頒佈或實質頒佈之稅率(及稅法),按預期實現有關資產或清償有關負債期間之適用稅率釐定。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷,且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時,擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關,則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助金

若能合理肯定可以收取政府補助金及可達至所有附帶條件,則按補助金之公平值確認入賬。倘補助金與支出項目相關,則在補助金擬補償之成本被支銷期間有系統地確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of properties, when the significant risks and rewards of the properties are passed to the purchasers when (i) an irrevocable sale and purchase contract has been entered into by both buyer and seller; (ii) the seller has received or retained the right to receive all the consideration of the sale; (iii) the construction has been completed, and its quality has been inspected and accepted by the relevant government authorities; (iv) the ready-for-delivery conditions under the sale and purchase contract have been fulfilled; and (v) the notices of property delivery have been sent to the buyer or the buyer has inspected and accepted the quality of the property;
- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms;

2.4 重大會計政策概要 (續)

收益之確認

當本集團可能獲得經濟利益並且能可靠衡量其數額時，會以下列準則確認收益：

- (a) 銷售物業之收益乃於物業之重大風險及收益轉移至買方時確認：即(i)買賣雙方簽訂了不可撤銷之買賣合同；(ii)賣方已收取所有銷售代價或保留收取所有銷售代價之權利；(iii)建築工程已竣工及其質量經相關政府部門驗收通過；(iv)已達到買賣合同之到期交付條件；及(v)已向買方發出物業交付通知書或買方已檢查及接受物業質量；
- (b) 銷售貨品之收益乃於擁有權之重大風險及回報已轉移予買方時確認，前提是本集團須不再保留一般與擁有權相連之管理權，亦不再對該出售之貨品保留任何實際控制權；
- (c) 租金收入乃按租賃年期之時間比例確認；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (d) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;
- (e) dividend income, when the shareholders' right to receive payment has been established; and
- (f) from the development, manufacture and distribution of helicopters, when the Group's right to receive its share of profit from Project EC120 has been established (note 17).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted.

2.4 重大會計政策概要 (續)

收益之確認 (續)

- (d) 利息收入按應計基準採用實際利率法確認，以該息率把金融工具於其估計年期或較短期間(倘適用)內的估計未來所獲現金數額準確折現為該財務資產的賬面淨值；
- (e) 股息收入於股東收取款項的權利獲確立時確認；及
- (f) 直升機開發、製造及分銷之收入乃於本集團收取其分佔EC120項目溢利之權益獲確立時確認(附註17)。

股份償付

本公司設有購股權計劃，旨在鼓勵及嘉獎為本集團業務之成功作出貢獻之合資格參與者。本集團僱員(包括董事)以股份償付形式收取酬金，並據此提供服務作為取得股本工具的代價(「股本結算交易」)。

於二零零二年十一月七日後授出之與僱員進行股本結算交易之成本乃參考授出當日之公平值計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 重大會計政策概要 (續)

股份償付 (續)

股本結算交易之成本連同權益之相應增加額，於達致表現及／或服務條件之期間內於僱員福利開支確認。於歸屬日期之前，於每個報告期末就股本結算交易確認之累計開支，反映歸屬期已屆滿部份之開支以及本集團對最終歸屬之股本工具數量之最佳估計。期間於損益表扣除或計入之款額指於期初及期末確認之累積費用之變動。

釐定獎勵之授出日公平值並不考慮服務及非市場表現條件，惟能達成條件之可能性則被評定為將最終歸屬為本集團股本工具數目之最佳估計之一部份。市場表現條件於授出日公平值內反映。附帶於獎勵中但並無相關聯服務要求之任何其他條件皆視為非歸屬條件。非歸屬條件乃於獎勵之公平值中反映並導致獎勵即時支銷，除非亦包含有服務及／或表現條件則另作別論。

對於因未能達至非市場表現及／或服務條件而最終未歸屬之獎勵，不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該交易均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of earnings per share.

The cost of cash-settled transactions is measured initially at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is measured at the end of each reporting period up to and including the settlement date, with changes in fair value recognised in the Group's statement of profit or loss.

2.4 重大會計政策概要 (續)

股份償付 (續)

在股本結算報酬原有條款經已履行之情況下，倘若修訂報酬條款，則最少確認假設並無修訂有關條款時所產生的開支。此外，倘修訂導致股份償付之總公平值增加，或對僱員帶來其他利益，均會按修訂當日之計量確認開支。

倘若取消股本結算報酬，則被視為於取消當日即已歸屬，並立即確認尚未就該報酬確認之任何開支，包括在本集團或僱員控制下之非歸屬條件並未達成之任何報酬。然而，倘以新報酬替代已取消報酬，並於授出當日被指定為替代報酬，則如上段所述，已取消及新報酬被視為對原始報酬之修訂。

尚未行使購股權(若有)之攤薄影響反映為計算每股盈利時之額外股份攤薄。

現金結算交易成本乃計及工具授出所依據之條款及條件初始按授出當日之公平值計量。公平值乃於直至歸屬日止期間列為開支，並確認相應負債。負債於每個報告期末至結算日期(包括該日)計量，而公平值變動則於本集團之損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 重大會計政策概要 (續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例，為所有合資格參與之僱員提供定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時計入損益表。強積金計劃之資產乃獨立於本集團之資產，並由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸於僱員。

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休金計劃。該等附屬公司須按其薪金成本的若干百分比向該中央退休金計劃供款。有關供款於根據該中央退休金計劃之規則須支付時計入損益表。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 重大會計政策概要 (續)

借貸成本

收購、建造或生產合資格資產(即需頗長時間才可作擬定用途或銷售之資產)之直接歸屬的借貸成本撥充資本作為該等資產之部份成本。有關借貸成本在資產大致可作擬定用途或銷售時不再撥充資本。在特定借貸撥作合資格資產之支出前暫時用作投資所賺獲之收入須自撥充資本之借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借用資金產生之利息及其他成本。

外幣

本財務報表乃以港元呈列，港元為本公司的功能貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。由本集團實體列賬之外幣交易初始按交易日期彼等各自的適用功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債按報告期末的適用功能貨幣匯率換算。結算或換算貨幣項目產生之匯兌差額於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Foreign currencies (continued)**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint venture and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

2.4 重大會計政策概要 (續)**外幣 (續)**

按歷史成本並以外幣計量的非貨幣項目按最初交易日期適用的匯率換算。按公平值並以外幣計量的非貨幣項目按釐定公平值當日的適用匯率換算。換算按公平值計量的非貨幣項目產生之利潤或虧損按確認該項目之公平值變動產生之利潤或虧損處理(即其公平值利潤或虧損已於其他全面收益或損益表確認之項目,其換算差額亦分別於其他全面收益或損益表內確認)。

若干海外附屬公司、合營公司及聯營公司之功能貨幣乃港元以外之貨幣。於報告期末,該等實體之資產及負債乃以報告期末之匯率換算成港元,而損益表則按年內加權平均匯率換算成港元。

所產生之匯兌差額乃於其他全面收益中確認,並於匯兌波動儲備中累積。於出售境外業務時,與該特定境外業務有關之其他全面收益部份乃於損益表內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.4 重大會計政策概要 (續)

外幣 (續)

因收購海外業務而產生的任何商譽及對因該收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以結算匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按有關之現金流量產生日期之匯率換算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之加權平均匯率換算為港元。

3. 重要會計估計

管理層擬備本集團的財務報表時，須作出估計及假設，而該等估計及假設對所呈報之收益、開支、資產及負債的金額及各自的相關披露事項以及或然負債之披露均會有影響。由於有關假設和估計存在不確定因素，因此可能導致未來需對受影響的資產或負債的賬面值作出重大調整。

估計的不確定性

下文說明有關可能導致資產及負債的賬面值於下個財政年度出現重大調整的重大風險的未來主要假設及其他主要估計不確定性來源。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2017 was HK\$26,656,000 (2016: HK\$38,056,000). Further details are included in note 33 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

3. 重要會計估計 (續)

估計的不確定性 (續)

遞延稅項資產

確認遞延稅項資產只限於可能取得應課稅溢利以供動用虧損之未動用之稅項虧損之部份。管理層須作重大判斷，根據未來應課稅溢利可能之時間及水平以及未來稅務規劃策略，以釐定可確認之遞延稅項資產金額。於二零一七年十二月三十一日，已確認稅項虧損之遞延稅項資產之賬面值為26,656,000港元(二零一六年：38,056,000港元)。進一步詳情載於財務報表附註33。

投資物業之公平值估計

倘缺乏同類物業於活躍市場之現有價格，則本集團會考慮從多個途徑所蒐集資料，包括：

- (a) 不同性質、狀況或地點之物業於活躍市場之現有價格(經調整以反映各項差異)；
- (b) 活躍程度稍遜之市場所提供同類物業近期價格(經調整以反映自從按該等價格進行交易當日以來經濟狀況之任何變動)；及
- (c) 根據未來現金流量所作可靠估計預測之經貼現現金流量，此項預測以任何現有租約及其他合約之條款以及(在可行情況下)外來證據(如地點及狀況相同之類似物業現有市場租值)為憑證，並採用可反映有關現金流量之金額及時間不確定因素之當前市場評估之貼現率。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES

*(continued)***Estimation uncertainty** *(continued)***Estimation of fair value of investment properties***(continued)*

The aggregate carrying amount of investment properties at 31 December 2017 was HK\$368,639,000 (2016: HK\$315,866,000). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are included in note 14 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. They are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計估計 (續)

估計的不確定性 (續)

投資物業之公平值估計 (續)

投資物業於二零一七年十二月三十一日之總賬面值為368,639,000港元(二零一六年: 315,866,000港元)。進一步詳情(包括用作公平值計量及敏感度分析之主要假設)載於財務報表附註14。

非財務資產(商譽除外)之減值

本集團會於每個報告期末評估全部非財務資產是否存在任何減值跡象，並於出現其賬面值可能不可收回之跡象時進行減值測試。當資產或現金產生單元之賬面值超逾其可收回金額(其公平值減銷售成本與其使用價值中之較高者)時，即出現減值。公平值減銷售成本乃根據同類資產以公平進行的交易方式從具法律約束力之銷售交易中可獲得的數據、或可觀察市價減出售資產之增量成本計算。當計算使用價值時，管理層必須估計來自資產或現金產生單元之預期未來現金流量，並選擇合適之折現率以計算該等現金流量之現值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of trade receivables and deposits and other receivables

The Group maintains an allowance for estimated losses arising from the inability of the customers or borrowers to make the required payments. The Group makes the estimates based on the ageing of trade receivables and deposits and other receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of the customers or borrowers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and the future results would be affected. The carrying amounts of trade receivables and deposits and other receivables as at 31 December 2017 were HK\$76,977,000 (2016: HK\$89,620,000) and HK\$820,000 (2016: HK\$15,407,000), respectively. Further details are included in notes 21 and 23 to the financial statements.

Estimation of recoverable amounts of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information. The Group has engaged an external valuer to perform a valuation of the Group's properties under development and completed properties held for sale as at 31 December 2017 to assess if the net realisable values of these assets are lower than their carrying amounts. As at 31 December 2017, the carrying amounts of properties under development and completed properties held for sale were HK\$2,937,160,000 (2016: HK\$4,105,317,000).

3. 重要會計估計 (續)

估計的不確定性 (續)

應收貿易賬款以及按金及其他應收賬款之減值

本集團保留備抵賬處理當客戶或借款人無力償還要求之款項時所產生之估計損失，該估計乃本集團根據應收貿易賬款以及按金及其他應收賬款餘額之賬齡、客戶之信譽及過往註銷經驗而作出。如客戶或借款人之財務狀況將惡化以致實際減值虧損可能高於預期時，本集團必須修改備抵賬之計量基礎，而本集團之未來業績亦隨之受到影響。於二零一七年十二月三十一日，應收貿易賬款以及按金及其他應收賬款之賬面值分別為76,977,000港元(二零一六年：89,620,000港元)及820,000港元(二零一六年：15,407,000港元)。進一步詳情載於財務報表附註21及23。

估計發展中物業及持作出售之已完成物業之可收回金額

發展中物業及持作出售之已完成物業以成本值與可變現淨值兩者中之較低者列賬。估計之可變現淨值乃以估計售價減銷售開支及估計完工成本(倘有)計算，並根據最可靠的資料作出估計。本集團已委聘外部估值師對本集團於二零一七年十二月三十一日之發展中物業及持作出售之已完成物業進行估值，評估該等資產之可變現淨值是否低於彼等賬面值。於二零一七年十二月三十一日，發展中物業及持作出售之已完成物業之賬面值為2,937,160,000港元(二零一六年：4,105,317,000港元)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Land appreciation tax

Under the Detailed Rules for the Implementation of Provisional Regulations on Land Appreciation Tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from the transfer of real estate properties in Mainland China with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to LAT. However, the implementation of LAT varies amongst various Mainland China cities and the Group has not finalised certain of its LAT returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and provisions of LAT in the period in which such determination is made.

3. 重要會計估計 (續)

估計的不確定性 (續)

土地增值稅

根據於一九九五年一月二十七日所頒佈之中國土地增值稅(「土地增值稅」)暫行條例實施細則,自一九九四年一月一日起於中國大陸轉讓房地產物業產生之所有收益,須按介乎30%至60%之土地增值稅累進比率就土地增值額繳納土地增值稅。土地增值額指出售物業所得款項減可扣減開支,包括土地使用權攤銷、借貸成本及所有物業發展開支。

本集團附屬公司於中國大陸從事物業發展業務亦須繳納土地增值稅。然而,中國大陸不同城市對土地增值稅之實施不盡相同,而本集團並未完成向不同稅務機關申報若干土地增值稅。因此,於釐定土地增值額及有關稅項時須作出重大判斷。在通常業務過程中最終稅項釐定存在不確定性。本集團基於管理層的最佳估計確認該等負債。當該等事宜之最終稅項結果與初始列賬之數額出現差異時,該等稅項差額將於有關稅項釐定期間對所得稅及土地增值稅撥備構成影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES
(continued)**Estimation uncertainty** (continued)**Fair values of convertible bonds**

The fair values of convertible bonds that are not traded in an active market are estimated by management based on the valuation performed by an independent professional valuer using the Binomial Model. This valuation requires the Group to make estimates on dividend yield, net asset value volatility, option life, risk-free interest rate, credit risk, and stock volatility of comparable companies, and hence they are subject to uncertainty. The fair values of the derivative embedded in and bond components of the convertible bonds held by the Group at 31 December 2017 were HK\$1,000 (2016: HK\$11,338,000) and HK\$82,348,000 (2016: HK\$129,164,000), respectively. Further details are included in notes 19 and 18 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one (2016: two) reportable operating segment, the property development and investment business segment, which engages in the property development of residential and commercial projects. The trading business is not identified as a reportable operating segment in the current year as that business recorded no revenue and no profit or loss for both 2017 and 2016.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss for the year from continuing operations. The adjusted loss for the year from continuing operations is measured consistently with the Group's loss for the year from continuing operations except that certain income and gains or losses relating to investments in a joint venture and associates and financial instruments, the gain on disposal of convertible loans, as well as head office and corporate expenses and unallocated income tax are excluded from such measurement.

3. 重要會計估計 (續)

估計的不確定性 (續)**可換股債券之公平值**

並未在活躍市場買賣的可換股債券之公平值乃由管理層根據獨立專業估值師按二項式模式進行的估值而釐定。該估值需要本集團就派息率、資產淨值波幅、期權年期、無風險利率、信貸風險及可比公司的股價波幅率作出估計，因此，彼等會受到不確定因素影響。於二零一七年十二月三十一日，本集團持有的可換股債券的嵌入式衍生工具及債券部份的公平值分別為1,000港元(二零一六年：11,338,000港元)及82,348,000港元(二零一六年：129,164,000港元)。進一步詳情載於財務報表附註19及18。

4. 經營分部資料

為方便管理，本集團按產品及服務劃分其業務單元，並有一個(二零一六年：兩個)須呈報之經營分部——物業發展及投資業務分部，從事住宅及商業項目的物業發展。由於貿易業務於二零一七年和二零一六年皆無錄得收益及無溢利或虧損，因此本年度不再被識別為須呈報之經營分部。

管理層會分開監察本集團業務分部之業績，以決定如何分配資源及評估表現。分部表現乃根據來自持續經營業務之經調整本年虧損而計量之須呈報分部虧損來作出評估。來自持續經營業務之經調整本年虧損之計量方法與本集團來自持續經營業務之本年虧損一致，惟若干收入和與合營公司及聯營公司及金融工具之投資相關之利潤或虧損、出售可換股貸款之利潤、以及總辦事處及企業開支和未分配所得稅則不包括於該計量中。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable operating segment for the year ended 31 December.

4. 經營分部資料 (續)

以下為截至十二月三十一日止年度本集團來自持續經營業務之收益及業績按須呈報之經營分部作出之分析。

		Property development and investment 物業發展及投資業務		Total 合計	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Segment revenue:	分部收益:				
Sales to external customers	外部客戶銷售	1,498,255	85,987	1,498,255	85,987
Gross rental income	毛租金收入	22,455	16,799	22,455	16,799
Revenue from continuing operations	來自持續經營業務之收益	1,520,710	102,786	1,520,710	102,786
Segment results	分部業績	(267,833)	(47,058)	(267,833)	(47,058)
<i>Reconciliation:</i>	<i>調節表:</i>				
Unallocated other income	未分配其他收入			6,227	5,985
Corporate and other unallocated expenses	企業及其他未分配開支			(58,517)	(38,592)
Net gain on deemed disposal of associates	被視為出售聯營公司之淨利潤			-	3,386
Gain on disposal of convertible loans	出售可換股貸款之利潤			87,151	-
Share of profits and losses of: Joint venture	分佔溢利及虧損: 合營公司			(19,043)	(215,369)
Associates	聯營公司			222	(3,013)
Impairment of an available-for-sale investment	可供出售之投資之減值			(67,280)	(134,107)
Fair value loss of available-for-sale investments	可供出售之投資之公平值虧損			-	(490)
Fair value loss on derivative financial instruments	衍生金融工具之公平值虧損			(11,337)	(108,558)
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益之股本投資之公平值虧損			(6,857)	(198,094)
Unallocated income tax credit/ (expense)	未分配所得稅抵免/(開支)			724	(383)
Loss for the year from continuing operations	來自持續經營業務之本年虧損			(336,543)	(736,293)
Other segment information:	其他分部資料:				
Bank interest income	銀行利息收入	2,341	1,789	2,341	1,789
Unallocated bank interest income	未分配銀行利息收入			3,898	385
				6,239	2,174
Finance costs	財務開支	(38,761)	(77)	(38,761)	(77)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information

(a) Revenue from external customers

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Mainland China	中國內地	1,520,710	102,786

The revenue information of continuing operations above is based on the location of the customers.

(b) Non-current assets

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	22,424	23,211
Mainland China	中國內地	425,508	389,610
		447,932	412,821

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

4. 經營分部資料 (續)

地區資料

(a) 來自外部客戶收益

上述持續經營業務之收益資料乃按有關客戶之所在地劃分。

(b) 非流動資產

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產及遞延稅項資產。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the sale of properties; and gross rental income received and receivable from investment properties during the year.

An analysis of revenue, other income and gains from continuing operations is as follows:

5. 收益、其他收入及利潤

收益乃指年內物業銷售額及自投資物業已收及應收的毛租金收入。

來自持續經營業務之收益、其他收入及利潤分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益		
Sale of properties	物業銷售	1,498,255	85,987
Gross rental income	毛租金收入	22,455	16,799
		1,520,710	102,786
Other income	其他收入		
Bank interest income	銀行利息收入	6,239	2,174
Interest income on a convertible bond	可換股債券之利息收入	1,036	1,036
Interest income on loans to associates	向聯營公司提供的貸款之 利息收入	586	577
Interest income on a loan to a related company	向關聯公司提供的貸款之 利息收入	536	1,076
Government grant*	政府補助金*	172	7,534
Others	其他	9	146
		8,578	12,543
Gains	利潤		
Fair value gains on investment properties (note 14)	投資物業之公平值利潤 (附註14)	33,103	-
Gain on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之 利潤	-	222
		41,681	12,765

* This represents subsidies from municipal government in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

* 此項指中國內地市政府的補助。就該等補助並無未滿足的條件或制約。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

6. 除稅前虧損

本集團來自持續經營業務之除稅前虧損已扣除/(計入):

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of properties sold*	物業銷售成本*		1,409,674	74,269
Write-down of properties under development and completed properties held for sale to net realisable value*	發展中物業及持作出售之已完成物業減值至可變現淨值*	20	296,848	—
Depreciation	折舊		1,098	2,174
Minimum lease payments under operating leases	經營租約之最低租金		698	2,511
Employee benefit expense (excluding directors' remuneration (note 8)):	僱員福利費用 (不包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		29,399	26,204
Pension scheme contributions**	退休金計劃供款**		1,832	2,382
			31,231	28,586
Other operating expenses:	其他經營開支:			
Loss on disposal of items of property, plant and equipment	出售物業、廠房和設備項目之虧損		764	—
Fair value losses on investment properties	投資物業之公平值虧損	14	—	34,047
Impairment of an investment in a joint venture	合營公司之投資之減值	15	—	7,745
Provision for impairment of loans to related companies	向關聯公司提供的貸款之減值撥備	22	—	12,608
Provision for impairment of other receivables	其他應收賬款之減值撥備		20,699	233
			21,463	54,633
Auditor's remuneration	核數師酬金		1,665	1,500
Foreign exchange differences, net	外匯兌換差額淨額		17	(51)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	為賺取租金的投資物業所產生的直接營運費用(包括修理及維修)		373	790

* Included in "cost of sales" in the consolidated statement of profit or loss

** At 31 December 2017, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2016: Nil).

* 包括在綜合損益表中「銷售成本」內。

** 於二零一七年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休金計劃供款(二零一六年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on bank loans and other loans	銀行貸款及其他貸款之利息	109,529	156,816
Less: Interest capitalised	減：資本化利息	(70,768)	(156,739)
		38,761	77

7. 財務開支

來自持續經營業務之財務開支分析如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁之酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Fees	袍金	1,063	840
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	-	-
Pension scheme contributions	退休金計劃供款	-	-
		-	-
		1,063	840

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent Non-executive Directors

The fees paid to Independent Non-executive Directors during the year were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Chu Yu Lin, David	朱幼麟	300	240
Li Ka Fai, David	李家暉	300	240
Li Zhaoxi	李兆熙	31	60
Zhang Ping	張平	132	-
		763	540

There were no other emoluments payable to the Independent Non-executive Directors during the year (2016: Nil).

8. 董事及行政總裁之酬金 (續)

(a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Chu Yu Lin, David	300	240
Li Ka Fai, David	300	240
Li Zhaoxi	31	60
Zhang Ping	132	-
	763	540

於年內並無其他應付予獨立非執行董事的酬金(二零一六年：無)。

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Directors

	Fees	Salaries, allowances and benefits	Pension scheme	Total remuneration
		in kind	contributions	
	袍金	薪金、津貼及實物利益	退休金計劃供款	酬金總額
2017	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一七年	千港元	千港元	千港元	千港元
Executive Directors: 執行董事:				
Liu Hongde 劉洪德	36	-	-	36
Pan Linwu 潘林武	36	-	-	36
Lai Weixuan 賴偉宣	36	-	-	36
Zhou Chunhua 周春華	36	-	-	36
Xu Hongge* 徐洪舸*	36	-	-	36
	180	-	-	180
Non-executive Director: 非執行董事:				
Chow Wai Kam 周偉淦	120	-	-	120
	300	-	-	300

* Xu Hongge is also the chief executive of the Group.

* 徐洪舸亦為本集團行政總裁。

8. 董事及行政總裁之酬金 (續)

(b) 執行董事及非執行董事

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Directors (continued)

		Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	Fees	薪金、津貼及 袍金 實物利益	退休金計劃 供款	酬金總額
	袍金	薪金、津貼及 實物利益	退休金計劃 供款	酬金總額
2016	HK\$'000	HK\$'000	HK\$'000	HK\$'000
二零一六年	千港元	千港元	千港元	千港元
Executive Directors:	執行董事:			
Liu Hongde (appointed on 30 December 2016)	劉洪德 (於二零一六年十二月三十日獲委任)	-	-	-
Pan Linwu	潘林武	36	-	36
Lai Weixuan	賴偉宣	36	-	36
Zhou Chunhua (appointed on 30 December 2016)	周春華 (於二零一六年十二月三十日獲委任)	-	-	-
Xu Hongge*	徐洪舸*	36	-	36
Wu Guangquan (resigned on 30 December 2016)	吳光權 (於二零一六年十二月三十日辭任)	36	-	36
Xiao Nan (resigned on 30 December 2016)	肖楠 (於二零一六年十二月三十日辭任)	36	-	36
		180	-	180
Non-executive Director:	非執行董事:			
Chow Wai Kam	周偉淦	120	-	120
		300	-	300

* Xu Hongge is also the chief executive of the Group.

* 徐洪舸亦為本集團行政總裁。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2016: Nil).

年內並無任何安排致使董事放棄或同意放棄任何酬金(二零一六年:無)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees did not include executive directors (2016: Nil). Details of the remuneration for the year of the five (2016: five) highest paid employees who are not a director of the Company are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	3,238	2,333
Pension scheme contributions	退休金計劃供款	87	79
Performance related bonuses	工作表現相關花紅	1,625	610
		4,950	3,022

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000	零至1,000,000港元	2	4
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	3	1
		5	5

9. 五名最高薪僱員

五名最高薪僱員並不包括執行董事(二零一六年:無)。本年五名(二零一六年:五名)最高薪僱員(並非本公司董事)之酬金詳情如下:

酬金在下列範圍之最高薪非董事僱員數目:

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10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2016: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The provision of LAT has been estimated according to the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

10. 所得稅

由於本集團於年內並無任何源於香港之應課稅溢利，故並無作出香港利得稅撥備（二零一六年：無）。其他地區應課稅溢利之稅項開支按本集團經營所在國家／管轄區域當時之稅率計算。

土地增值稅之撥備已按有關中國法例及規條所載之規定作出估計。土地增值稅按增值價值減除若干可扣減之費用後，按遞增稅率之幅度作出撥備。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current – Hong Kong:	即期—香港：		
Overprovision in prior years	過往年度之超額撥備	(277)	–
Current – Elsewhere:	即期—其他地區：		
Charge for the year	本年開支	25,361	1,155
Deferred	遞延	(55,505)	(15,225)
LAT in Mainland China	中國內地之土地增值稅	45,617	7,385
Total tax charge/(credit) for the year from continuing operations	來自持續經營業務之本年稅項開支／(抵免)總額	15,196	(6,685)

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10. INCOME TAX (continued)

A reconciliation of the tax credit applicable to loss before tax from continuing operations at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax credit at the effective rate for the year is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax from continuing operations	來自持續經營業務之 除稅前虧損	(321,347)	(742,978)
Tax at the statutory tax rates	按法定稅率計算之稅項	(70,317)	(148,280)
Profits and losses attributable to the joint venture and associates	分佔合營公司及聯營公司之 溢利及虧損	4,705	54,596
Income not subject to tax	毋須繳稅收入	(1,867)	(1,385)
Expenses not deductible for tax	不得扣稅之開支	47,492	80,999
LAT in Mainland China	中國內地之土地增值稅	45,617	7,385
Tax losses utilised from previous periods	動用過往期間稅項虧損	(21,788)	-
Tax losses not recognised	未確認稅項虧損	11,354	-
Tax charge/(credit) at the Group's effective rate of -4.7% (2016: 0.9%)	按本集團實際稅率-4.7% (二零一六年: 0.9%) 計算之稅項開支/(抵免)	15,196	(6,685)

Share of tax charge attributable to associates of HK\$91,000 (2016: HK\$67,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

There was no tax charge attributable to the joint venture shared by the Group during the year (2016: Nil).

11. DISCONTINUED OPERATION

In the prior year, the Group disposed of Zhejiang Dongyang Jinniu, a 51%-owned subsidiary, to an independent third party. Zhejiang Dongyang Jinniu engaged in the production and distribution of knitting and textile products, knitted fabrics and clothing. The Group decided to dispose of this subsidiary and cease its knitting and textile business because it had been loss-making in recent years.

10. 所得稅(續)

按本公司及其主要附屬公司所在國家／管轄區域之法定稅率計算適用於來自持續經營業務之除稅前虧損的稅項抵免與本年按實際稅率之稅項抵免之對賬如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax from continuing operations	(321,347)	(742,978)
Tax at the statutory tax rates	(70,317)	(148,280)
Profits and losses attributable to the joint venture and associates	4,705	54,596
Income not subject to tax	(1,867)	(1,385)
Expenses not deductible for tax	47,492	80,999
LAT in Mainland China	45,617	7,385
Tax losses utilised from previous periods	(21,788)	-
Tax losses not recognised	11,354	-
Tax charge/(credit) at the Group's effective rate of -4.7% (2016: 0.9%)	15,196	(6,685)

分佔聯營公司之稅項開支91,000港元(二零一六年: 67,000港元)已計入綜合損益表之「分佔聯營公司之溢利及虧損」內。

年內,本集團並無分佔合營公司之稅項開支(二零一六年:無)。

11. 已終止經營業務

去年,本集團出售其擁有51%之附屬公司浙江東陽金牛予一名獨立第三方。浙江東陽金牛從事針織及紡織品、針織面料及服裝的生產及分銷。本集團決定出售該附屬公司及終止其針織及紡織業務,因為該業務近幾年一直虧損。

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11. DISCONTINUED OPERATION (continued)

The results of Zhejiang Dongyang Jinniu included in the Group's consolidated statement of profit or loss as a discontinued operation are presented below:

11. 已終止經營業務(續)

包括在本集團綜合損益表中，作為已終止經營業務之浙江東陽金牛之業績呈列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
REVENUE	收益	-	18,616
Cost of sales	銷售成本	-	(17,621)
Gross profit	毛利	-	995
Other income	其他收入	-	112
Administrative expenses	行政管理費用	-	(882)
Other operating expenses	其他經營開支	-	(4,112)
Finance costs	財務開支	-	(1,188)
Loss before tax from the discontinued operation	來自己終止經營業務之 除稅前虧損	-	(5,075)
Income tax expense	所得稅開支	-	(16)
Loss after tax from the discontinued operation	來自己終止經營業務之 除稅後虧損	-	(5,091)
Pre-tax gain on disposal of a subsidiary (note 38)	出售附屬公司之稅前利潤 (附註38)	-	32,453
Tax expense	稅項開支	-	-
After-tax gain on disposal of a subsidiary	出售附屬公司之稅後利潤	-	32,453
Profit for the year from the discontinued operation	來自己終止經營業務之 本年溢利	-	27,362
Attributable to:	下列人士應佔：		
Owners of the parent	母公司所有者	-	29,857
Non-controlling interests	非控股權益	-	(2,495)
		-	27,362
Earnings per share:	每股盈利：		
Basic and diluted, from the discontinued operation	基本及攤薄，來自己終止 經營業務	-	HK0.54 cent 0.54港仙

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11. DISCONTINUED OPERATION (continued)

The calculation of basic and diluted earnings per share from the discontinued operation is based on:

11. 已終止經營業務(續)

來自己終止經營業務之每股基本及攤薄盈利的計算乃根據：

		2017 二零一七年	2016 二零一六年
Profit attributable to ordinary equity holders of the parent from the discontinued operation	母公司普通權益持有人應佔來自己終止經營業務之溢利	-	HK\$29,857,000 29,857,000港元
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數	5,519,591,000	5,519,591,000

The net cash flows incurred by Zhejiang Dongyang Jinniu are as follows:

浙江東陽金牛產生的現金流量淨額如下：

		2017 二零一七年 <i>HK\$'000</i> 千港元	2016 二零一六年 <i>HK\$'000</i> 千港元
Operating activities	經營活動	-	5,354
Investing activities	投資活動	-	(2,814)
Financing activities	融資活動	-	(962)
Net cash inflow	現金流入淨額	-	1,578

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12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 5,519,591,000 (2016: 5,519,591,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2017 and 2016 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

The calculation of basic and diluted loss per share is based on:

12. 母公司普通權益持有人應佔每股虧損

每股基本虧損金額乃根據母公司普通權益持有人應佔本年虧損及年內已發行普通股之加權平均數5,519,591,000股(二零一六年: 5,519,591,000股)計算。

本集團於截至二零一七年及二零一六年十二月三十一日止年度並無任何有潛在攤薄影響之已發行普通股，因此並無對該等年度呈報之每股基本虧損金額作出有關攤薄之調整。

每股基本及攤薄虧損的計算乃根據：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit/(loss) attributable to ordinary equity holders of the parent:	母公司普通權益持有人應佔溢利/(虧損)：		
From continuing operations	來自持續經營業務	(288,481)	(715,699)
From a discontinued operation	來自已終止經營業務	-	29,857
		(288,481)	(685,842)

		Number of shares 股份數目	
		2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數	5,519,591,000	5,519,591,000

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房和設備

		Land and buildings	Furniture, fixtures and equipment	Motor vehicles	Total
		土地及樓宇	傢私、裝置 及設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2017	二零一七年十二月三十一日				
At 31 December 2016 and 1 January 2017:	於二零一六年 十二月三十一日及 二零一七年一月一日:				
Cost	成本	30,350	4,958	4,214	39,522
Accumulated depreciation	累積折舊	(7,257)	(4,101)	(3,189)	(14,547)
Net carrying amount	賬面淨值	23,093	857	1,025	24,975
At 1 January 2017, net of accumulated depreciation	於二零一七年一月一日， 扣除累積折舊	23,093	857	1,025	24,975
Additions	添置	-	28	-	28
Disposals	出售	-	(609)	(948)	(1,557)
Depreciation provided during the year	年內折舊撥備	(757)	(207)	(134)	(1,098)
Exchange realignment	匯兌調整	-	39	57	96
At 31 December 2017, net of accumulated depreciation	於二零一七年 十二月三十一日， 扣除累積折舊	22,336	108	-	22,444
At 31 December 2017:	於二零一七年 十二月三十一日:				
Cost	成本	30,350	3,304	2,571	36,225
Accumulated depreciation	累積折舊	(8,014)	(3,196)	(2,571)	(13,781)
Net carrying amount	賬面淨值	22,336	108	-	22,444

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13. PROPERTY, PLANT AND EQUIPMENT
(continued)

13. 物業、廠房和設備(續)

		Land and buildings	Plant and machinery	Furniture, fixtures and equipment 傢私、裝置 及設備	Motor vehicles 汽車	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 December 2016	二零一六年 十二月三十一日					
At 1 January 2016:	於二零一六年 一月一日:					
Cost	成本	34,565	11,493	5,223	10,385	61,666
Accumulated depreciation and impairment	累積折舊及減值	(7,567)	(11,493)	(3,879)	(7,132)	(30,071)
Net carrying amount	賬面淨值	26,998	-	1,344	3,253	31,595
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年 一月一日, 扣除 累積折舊及減值	26,998	-	1,344	3,253	31,595
Additions	添置	-	-	96	-	96
Disposals	出售	-	-	-	(524)	(524)
Disposal of a subsidiary (note 38)	出售附屬公司 (附註38)	(3,004)	-	(36)	(488)	(3,528)
Depreciation provided during the year	年內折舊撥備	(901)	-	(490)	(1,096)	(2,487)
Exchange realignment	匯兌調整	-	-	(57)	(120)	(177)
At 31 December 2016, net of accumulated depreciation	於二零一六年 十二月三十一日, 扣除累積折舊	23,093	-	857	1,025	24,975
At 31 December 2016:	於二零一六年 十二月三十一日:					
Cost	成本	30,350	-	4,958	4,214	39,522
Accumulated depreciation	累積折舊	(7,257)	-	(4,101)	(3,189)	(14,547)
Net carrying amount	賬面淨值	23,093	-	857	1,025	24,975

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14. INVESTMENT PROPERTIES

14. 投資物業

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	315,866	373,425
Net gain/(loss) from a fair value adjustment (notes 5 and 6)	公平值調整的利潤/(虧損)淨額(附註5及6)	33,103	(34,047)
Exchange realignment	匯兌調整	19,670	(23,512)
Carrying amount at 31 December	於十二月三十一日之賬面值	368,639	315,866

The Group's investment properties consist of commercial properties in Mainland China. The Group's investment properties were revalued on 31 December 2017 based on valuations performed by Jones Lang LaSalle Corporate Appraisal & Advisory Limited, independent professionally qualified valuers, at HK\$368,639,000. Each year, the Group's chief financial officer decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's chief financial officer has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 40 to the financial statements.

Further particulars of the Group's investment properties are included on page 233.

本集團的投資物業包括中國內地的商用物業。本集團的投資物業於二零一七年十二月三十一日根據由仲量聯行企業評估及諮詢有限公司(獨立專業合資格估值師)進行的估值重估為368,639,000港元。每年,本集團之財務總監決定委任外部估值師負責對本集團投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團之財務總監每年兩次會在就中期及年度財務申報目的進行估值時與估值師就估值假設及估值結果進行商討。

投資物業以經營租賃出租予第三方,進一步詳情載於財務報表附註40。

有關本集團投資物業的進一步詳情載於第233頁。

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14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業(續)

公平值等級制度

下表列示本集團的投資物業的公平值計量等級：

Fair value measurement as at 31 December 2017 using
於二零一七年十二月三十一日使用以下各項進行公平值計量

		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
Recurring fair value measurement for:	經常性公平值計量：				
Commercial properties	商用物業	-	-	368,639	368,639

Fair value measurement as at 31 December 2016 using
於二零一六年十二月三十一日使用以下各項進行公平值計量

		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
Recurring fair value measurement for:	經常性公平值計量：				
Commercial properties	商用物業	-	-	315,866	315,866

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

年內，第一級及第二級之間無公平值計量轉撥，亦無轉入或轉出第三級(二零一六年：無)。

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14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range or weighted average 範圍或者加權平均數	
			2017	2016
			二零一七年	二零一六年
Commercial properties 商用物業	Term and reversion method 年期及復歸法	Term yield 年期收益率	5.5%	6%
		Reversionary yield 復歸收益率	6%	6.5%
		Market rent (per sq.m. and per month) 市值租金(每平方米及每月)	HK\$104 104港元	HK\$102 to HK\$108 102港元至 108港元

The term and reversion method measures the fair value of the property by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties. A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties.

14. 投資物業(續)

公平值等級制度(續)

以下為投資物業估值所用的估值方法及主要輸入數據之概要:

年期及復歸法經考慮來自現有租約的租金收入，並計及租約的可復歸潛在收入作出適當的考慮來計量物業的公平值，然後按適當利率將價值撥充資本。

年期收益率及復歸收益率單獨大幅上升(下降)將導致投資物業公平值大幅減少(增加)。市值年租金單獨大幅上升(下降)將導致投資物業公平值大幅增加(減少)。

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15. INVESTMENT IN A JOINT VENTURE

15. 合營公司之投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Share of net assets	分佔資產淨值	42,464	58,602
Goodwill on acquisition	收購所產生之商譽	7,745	7,745
		50,209	66,347
Provision for impairment	減值撥備	(7,745)	(7,745)
		42,464	58,602

The investment in a joint venture represented the Group's right to enjoy certain economic benefits derived from a 69.4% equity interest in CATIC Siwei Co., Ltd. ("CATIC Siwei") held by third parties through trust arrangements. CATIC Siwei is registered as a co-operative joint venture under PRC law and is holding an investment in China which operates in aero-technology business and in investment holding.

In the opinion of the directors, notwithstanding that the Group has the right to enjoy certain economic benefits from the 69.4% equity interest in CATIC Siwei, none of the shareholders of CATIC Siwei has unilateral control over the economic activity of CATIC Siwei pursuant to the provisions in the articles and association of CATIC Siwei. Since the Group does not have any power to control the financial and operating activities of CATIC Siwei, the directors consider it is appropriate to account for the investment as an investment in a joint venture using the equity method of accounting as at 31 December 2017 and 2016.

合營公司之投資指本集團有權享有由第三方透過信託安排持有之四維遙感遙感有限公司(「四維遙感」)69.4%股本權益之若干經濟利益。四維遙感根據中國法例註冊為合資企業，並於中國持有營運航空技術業務和投資控股之投資。

董事認為，雖然本集團擁有四維遙感69.4%股本權益的若干經濟收益權，但根據四維遙感的公司章程規定，概無四維遙感股東對四維遙感之經濟活動擁有單方面控制權。由於本集團無權控制四維遙感之財務及經營活動，董事認為適宜把該權益以權益會計法處理，並於二零一七年及二零一六年十二月三十一日計入合營公司之投資。

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15. INVESTMENT IN A JOINT VENTURE

(continued)

The above entity was not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

In the prior year, an impairment of HK\$7,745,000 (*note 6*) was recognised for the investment in the joint venture because the joint venture had been loss-making in recent years. The impairment was determined based on value in use calculation using cash flow projections based on financial budgets. The discount rate applied to cash flow projections was 16%.

The following table illustrates the summarised financial information of CATIC Siwei adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

15. 合營公司之投資 (續)

以上實體非由安永香港或安永全球網絡其他成員公司審核。

去年，由於合營公司最近數年一直虧損，因此已就合營公司之投資確認減值7,745,000港元(附註6)。該減值乃基於採用現金流量預測的使用價值計算而釐定，有關現金流量預測乃以財務預算為基礎。現金流量預測所應用之折現率為16%。

下表列出四維遙感之財務資料概要(已就會計政策之任何差異作出調整，並與綜合財務報表內之賬面值進行對賬)：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值	2,462	7,140
Other current assets	其他流動資產	29,129	49,494
Current assets	流動資產	31,591	56,634
Non-current assets	非流動資產	78,084	149,490
Current liabilities	流動負債	(44,776)	(115,380)
Non-current liabilities	非流動負債	(956)	(828)
Net assets	資產淨值	63,943	89,916
Less: Net assets attributable to non-controlling interests	減：非控股權益應佔 資產淨值	(2,756)	(5,475)
		61,187	84,441

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15. INVESTMENT IN A JOINT VENTURE

(continued)

The following table illustrates the summarised financial information of CATIC Siwei adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:
(continued)

15. 合營公司之投資 (續)

下表列出四維遙感之財務資料概要(已就會計政策之任何差異作出調整,並與綜合財務報表內之賬面值進行對賬):
(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Reconciliation to the Group's interest in the joint venture:	與本集團於合營公司權益之對賬:		
Proportion of the Group's ownership	本集團擁有權之比例	69.4%	69.4%
Group's share of net assets of the joint venture	本集團分佔合營公司之資產淨值	42,464	58,602
Goodwill on acquisition	收購所產生之商譽	7,745	7,745
Provision for impairment	減值撥備	(7,745)	(7,745)
Carrying amount of the investment	投資之賬面值	42,464	58,602
Revenue	收益	1,305	17,756
Interest income	利息收入	2,972	2,900
Depreciation and amortisation	折舊及攤銷	-	(17,380)
Impairment provision*	減值撥備*	(22,196)	(224,155)
Interest expenses	利息開支	-	-
Tax	稅項	-	-
Loss for the year	本年虧損	(30,158)	(311,141)
Other comprehensive income	其他全面收益	4,185	(12,831)
Total comprehensive income for the year	本年全面收益總額	(25,973)	(323,972)

* The impairment has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 16%.

* 該減值乃基於採用現金流量預測的使用價值計算而釐定,有關計算乃基於高級管理層批准的五年期財務預算。現金流量預測所應用之折現率為16%。

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15. INVESTMENT IN A JOINT VENTURE (continued)

* (continued)

Assumptions used in the cash flow projections to undertake impairment testing are as follows:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

15. 合營公司之投資 (續)

* (續)

減值測試之現金流量預測所使用之假設如下：

預算毛利率 – 預算毛利率之數值乃根據預算年度前一年所實現的平均毛利率計算，並因應預期效能改善而增加。

折現率 – 所採用之折現率乃未扣除稅項並反映有關個別單元之特定風險。

關鍵假設之價值與外部數據來源一致。

16. INVESTMENTS IN ASSOCIATES

16. 聯營公司之投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Share of net assets	分佔資產淨值	14,211	13,204
Goodwill on acquisition	收購所產生之商譽	7,500	7,500
		21,711	20,704
Less: Provision for impairment	減：減值撥備	(7,326)	(7,326)
		14,385	13,378
Due from an associate included in the Group's current assets	計入本集團流動資產之應收聯營公司款項	10,441	–
Loans to associates included in the Group's current assets:	計入本集團流動資產之向聯營公司提供的貸款：		
Loans to associates – current	向聯營公司提供的貸款 – 流動	–	37,430
Less: Impairment of loans to associates	減：向聯營公司提供的貸款之減值	–	(27,933)
		–	9,497

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16. INVESTMENTS IN ASSOCIATES (continued)

As at 31 December 2016, the loans to associates were unsecured, bore interest at 4.5% to 6% per annum and were repayable within one year. During the year, the loan to 北京華信泰科技有限公司 (“北京華信泰”) of HK\$10,059,000 has matured and was reclassified as an amount due from an associate. The remaining loans to associates represented fully-impaired loans to 星聯商務航空有限公司 (“星聯航空”) of HK\$27,933,000 which had convertible options allowing the Group to convert the loans into ordinary shares of 星聯航空 at an established conversion rate (i.e. RMB1 per share). Impairment was recognised because 星聯航空 had been loss-making in recent years. In the opinion of the directors, the fair values of the convertible options did not have significant financial effect and were therefore not recognised in these financial statements.

The amount due from an associate is unsecured and is repayable on demand.

During the year, the Group's equity interest in 星聯航空 has been diluted and the Group no longer had any significant influence over it. Accordingly, the investment in 星聯航空 was reclassified to an available-for-sale investment and the fully-impaired loans to 星聯航空 were reclassified to other receivables.

16. 聯營公司之投資(續)

於二零一六年十二月三十一日，向聯營公司提供的貸款乃無抵押、按年利率4.5厘至6厘計息且須於一年內償還。年內，向北京華信泰科技有限公司（「北京華信泰」）提供的貸款10,059,000港元已到期並重新分類為應收聯營公司賬款。餘下向聯營公司提供的貸款指全數減值的向星聯商務航空有限公司（「星聯航空」）提供的貸款27,933,000港元，其附帶可換股權，本集團可按既定轉換價（即每股1元人民幣）將貸款轉換為星聯航空之普通股。由於星聯航空近年一直虧損，因此已確認減值。董事認為，可換股權之公平值並無重大財務影響，因此沒有在本財務報表確認。

應收聯營公司賬款乃無抵押且須按要求償還。

年內，本集團於星聯航空之股本權益已被攤薄且本集團不再於該公司擁有重大影響力。因此，本集團於星聯航空之投資重新分類至可供出售的投資，而已全數減值之向星聯航空提供的貸款則重新分類至其他應收賬款。

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16. INVESTMENTS IN ASSOCIATES (continued)

The movements in the provision for impairment of the loans to associates are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	27,933	29,940
Exchange realignment	匯兌調整	-	(2,007)
Reclassified to other receivables (note 23)	重新分類至其他應收賬款 (附註23)	(27,933)	-
At 31 December	於十二月三十一日	-	27,933

16. 聯營公司之投資(續)

向聯營公司提供的貸款之減值撥備變動如下：

Particulars of the material associate are as follows:

重大聯營公司之詳情如下：

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
名稱	所持有已發行股份詳情	註冊成立/註冊及營業地點	本集團應佔擁有權益百分比	主要業務
北京華信泰*	Registered capital of RMB1 each 每股1元人民幣的註冊資本	PRC/Mainland China 中國/中國內地	35.6	Research and development of engineering technology and electronics communication technology 工程技術及電子通信技術的研究及開發

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

* 並非由安永香港或安永全球網絡其他成員公司審核。

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16. INVESTMENTS IN ASSOCIATES (continued)

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

In the prior year, the Group had discontinued the recognition of its share of losses of 星聯航空 because the share of losses of 星聯航空 exceeded the Group's interest in it and the Group had no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of 星聯航空 for the prior year and cumulatively were HK\$10,574,000 and HK\$54,995,000, respectively.

In the prior year, the Group's equity interest in 北京華信泰 was diluted subsequent to the capital contribution by other shareholders of 北京華信泰. A gain on deemed disposal of an associate of HK\$3,386,000 was recognised in the consolidated statement of profit or loss for that year.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

16. 聯營公司之投資(續)

上表列出董事認為主要影響本年度業績或構成本集團資產淨值主要部份之本集團聯營公司。董事認為倘詳列其他聯營公司資料將過份冗長。

去年，本集團已終止確認分佔星聯航空的虧損，此乃由於分佔星聯航空之虧損已超逾本集團於該公司的權益，而本集團已無責任承擔進一步虧損。本集團去年未確認的應佔星聯航空虧損金額及累積金額分別為10,574,000港元及54,995,000港元。

去年，於北京華信泰其他股東注資後，本集團於北京華信泰之股本權益已被攤薄，且被視為出售聯營公司之利潤3,386,000港元已於該年的綜合損益表中確認。

下表列示本集團個別非重大聯營公司之合計財務資料：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Share of the associates' profit/(losses) for the year	分佔聯營公司之本年溢利／(虧損)	222	(3,013)
Share of the associates' total comprehensive income	分佔聯營公司之全面收益總額	222	(3,013)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司之投資之賬面值總額	14,385	13,378

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17. FINANCIAL ASSET UNDER PROJECT EC120

The balance represents the carrying value of the Group's interest in 80% of the interest of AVIC International Holding Corporation ("AVIC International"), a substantial shareholder of the Company, in the net income in relation to Project EC120, a jointly-controlled operation established by AVIC International and certain independent third parties, to develop, manufacture and globally distribute the multi-purpose EC120 helicopters.

AVIC International's net income derived from Project EC120 is limited to AVIC International's share of income, net of all expenses, to be derived from its interest in Project EC120.

The investment represents a contractual right to receive cash in the future from another enterprise and has been classified as a non-current available-for-sale financial asset and stated at cost less any impairment losses because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value could not be measured reliably.

As at 31 December 2017, the directors has made a full provision for impairment of the value of the financial asset and the cost less accumulated impairment losses of the financial asset is analysed as follows:

17. EC120項目之財務資產

結餘指本公司之主要股東中國航空技術國際控股有限公司(「中航國際」)於EC120項目應計之淨收入之80%權益之權益賬面值。EC120項目是一項由中航國際與若干獨立第三方成立之共同控制項目。該等公司透過此項目合作開發、製造及全球經銷EC120型號之多用途直升機。

中航國際來自EC120項目之淨收入，限於中航國際在EC120項目權益所產生之應佔收入減所有開支。

該項投資指日後從另一家企業收取現金之合約權利，並已分類為非流動可供出售的財務資產，且按成本減任何減值虧損列賬，此乃由於合理公平值估計之範圍過大，故董事認為無法可靠計量其公平值。

於二零一七年十二月三十一日，董事已就該項財務資產之價值作出全數減值撥備，財務資產之成本減累積減值虧損之分析如下：

		HK\$'000 千港元
At 1 January 2016, 31 December 2016, 1 January 2017 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、二零一七年 一月一日及二零一七年 十二月三十一日：	
Cost	成本	39,759
Accumulated impairment	累積減值	(39,759)
Carrying amount	賬面值	-

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18. AVAILABLE-FOR-SALE INVESTMENTS

18. 可供出售的投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current:	非流動：		
Unlisted investments, at fair value:	非上市投資，按公平值：		
PMH Bonds (note (a))	天下圖控股債券 (附註(a))	-	83,420
AVIC Joy Bond (note (b))	幸福控股債券 (附註(b))	-	45,744
		-	129,164
Listed equity investment, at fair value (note (c))	上市股本投資，按公平值 (附註(c))	110,380	149,581
Unlisted equity investments, at cost (note (d))	非上市股本投資，按成本值 (附註(d))	-	-
		110,380	278,745
Current:	流動：		
Unlisted investments, at fair value:	非上市投資，按公平值：		
PMH Bonds (note (a))	天下圖控股債券 (附註(a))	42,400	-
AVIC Joy Bond (note (b))	幸福控股債券 (附註(b))	39,948	-
		82,348	-

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

18. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Notes:

- (a) Peace Map Holding Limited ("PMH") is a company whose shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The convertible bonds issued by PMH ("PMH Convertible Bonds") held by the Group are non-interest-bearing, convertible into 400,000,000 ordinary shares of PMH at HK\$0.25 per share (subject to adjustment upon the change in the capital structure of PMH) and will mature in five years from the date of the issuance.

PMH Convertible Bonds are hybrid instruments that include non-derivative host contracts and embedded derivatives. The non-derivative host contracts, representing the bond components ("PMH Bonds"), have been designated as available-for-sale investments. The embedded derivatives, representing the conversion options which allow the Group to convert PMH Convertible Bonds into ordinary shares of PMH at an established conversion rate (i.e., HK\$0.25 per share), have been designated as derivative financial instruments ("PMH Derivatives") as detailed in note 19(a) to the financial statements.

As at 31 December 2017, the fair value of PMH Bonds was stated at HK\$42,400,000 (2016: HK\$83,420,000) based on a valuation performed by an independent professionally qualified valuer, and a fair value loss of HK\$41,020,000 (2016: gain of HK\$12,422,000) in respect of PMH Bonds was recognised as other comprehensive income for the year ended 31 December 2017.

The directors consider that there is objective evidence that PMH Bonds have been impaired and an impairment loss of HK\$18,795,000 (2016: Nil), which included a reclassification from other comprehensive income of HK\$18,795,000 (2016: Nil), has been recognised in the consolidated statement of profit or loss for the year.

18. 可供出售的投資 (續)

附註:

- (a) 天下圖控股有限公司(「天下圖控股」)為一間其股份於香港聯合交易所有限公司(「聯交所」)上市之公司。本集團持有之由天下圖控股發行的可換股債券(「天下圖控股可換股債券」)不計息、可按每股0.25港元(將因應天下圖控股資本架構之變動予以調整)轉換為400,000,000股天下圖控股之普通股，且將於發行日起計五年到期。

天下圖控股可換股債券為包含非衍生工具主合約及嵌入式衍生工具之混合工具。非衍生工具主合約代表債券部份(「天下圖控股債券」)，已被指定為可供出售的投資。嵌入式衍生工具代表允許本集團按既定轉換價(即每股0.25港元)將天下圖控股可換股債券轉換為天下圖控股之普通股的換股期權，已被指定為財務報表附註19(a)詳述之衍生金融工具(「天下圖控股衍生工具」)。

於二零一七年十二月三十一日，天下圖控股債券之公平值根據獨立專業合資格估值師進行之估值列值為42,400,000港元(二零一六年：83,420,000港元)，天下圖控股債券之公平值虧損41,020,000港元(二零一六年：利潤12,422,000港元)於截至二零一七年十二月三十一日止年度確認為其他全面收益。

董事認為，有客觀證據顯示天下圖控股債券已減值，減值虧損18,795,000港元(二零一六年：零)(包括從其他全面收益重新分類之18,795,000港元(二零一六年：零))年內已於綜合損益表中確認。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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18. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Notes: (continued)

- (b) AVIC Joy is a company whose shares are listed on the Stock Exchange. The convertible bond issued by AVIC Joy ("AVIC Joy Convertible Bond") bears interest at 2% per annum, is convertible into 225,112,487 ordinary shares of AVIC Joy at HK\$0.23 per share (subject to adjustment upon the change in the capital structure of AVIC Joy) and will mature in three years from the date of the issuance.

AVIC Joy Convertible Bond is a hybrid instrument that includes a non-derivative host contract and an embedded derivative. The non-derivative host contract, representing the bond component ("AVIC Joy Bond"), has been designated as an available-for-sale investment. The embedded derivative, representing the conversion option which allows the Group to convert AVIC Joy Convertible Bond into ordinary shares of AVIC Joy at an established conversion rate (i.e., HK\$0.23 per share) before the maturity date of AVIC Joy Convertible Bond, has been designated as a derivative financial instrument ("AVIC Joy Derivative") as detailed in note 19(b) to the financial statements.

As at 31 December 2017, the fair value of AVIC Joy Bond was stated at HK\$39,948,000 (2016: HK\$45,744,000) based on a valuation performed by an independent professionally qualified valuer, and a fair value loss of HK\$5,796,000 (2016: gain of HK\$2,299,000) in respect of AVIC Joy Bond was recognised as other comprehensive income for the year ended 31 December 2017.

18. 可供出售的投資 (續)

附註：(續)

- (b) 幸福控股為一間其股份於聯交所上市之公司。幸福控股發行之可換股債券(「幸福控股可換股債券」)按年利率2厘計息，可按每股0.23港元(將因應幸福控股資本架構之變動予以調整)轉換為225,112,487股幸福控股之普通股，且將自發行日起計三年到期。

幸福控股可換股債券為包含非衍生工具主合約及嵌入式衍生工具之混合工具。非衍生工具主合約代表債券部份(「幸福控股債券」)，已被指定為可供出售的投資。嵌入式衍生工具代表允許本集團於幸福控股可換股債券之到期日前按既定轉換價(即每股0.23港元)將幸福控股可換股債券轉換為幸福控股之普通股的換股期權，已被指定為財務報表附註19(b)詳述之衍生金融工具(「幸福控股衍生工具」)。

於二零一七年十二月三十一日，幸福控股債券之公平值根據獨立專業合資格估值師進行之估值列值為39,948,000港元(二零一六年：45,744,000港元)，幸福控股債券之公平值虧損5,796,000港元(二零一六年：利潤2,299,000港元)於截至二零一七年十二月三十一日止年度確認為其他全面收益。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

18. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Notes: (continued)

- (c) During the year, a fair value loss of HK\$39,201,000 (2016: HK\$134,107,000) in respect of the Group's investment in AVIC Joy was recognised as other comprehensive income for the year.

There has been a significant decline in the market value of AVIC Joy shares during the year. The directors consider that such a decline indicates that the investment in AVIC Joy has been impaired and an impairment loss of HK\$48,485,000 (2016: HK\$134,107,000), which included a reclassification from other comprehensive income of HK\$48,485,000 (2016: HK\$134,107,000), has been recognised in the consolidated statement of profit or loss for the year.

- (d) As detailed in note 16 to the financial statements, the Group's equity interest in 星聯航空 has been diluted during the year and the Group no longer had any significant influence over it. The Group's investment in 星聯航空 was reclassified to an available-for-sale investment. This investment was designated as an available-for-sale financial asset and has no fixed maturity date or coupon rate.

As at 31 December 2017, the unlisted equity investments were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably. The investments have been fully impaired in the prior year. The Group does not intend to dispose of them in the near future.

- (e) During the year ended 31 December 2016, the Group disposed of club debentures for a cash consideration of HK\$1,800,000. As a result, a fair value loss of HK\$490,000 was recognised as other comprehensive income and the same fair value loss was then released from the available-for-sale investment revaluation reserve to the consolidated statement of profit or loss for that year.

18. 可供出售的投資 (續)

附註: (續)

- (c) 年內，就本集團於幸福控股之投資之公平值虧損39,201,000港元(二零一六年: 134,107,000港元)於年內確認為其他全面收益。

年內，幸福控股股票之市價出現大幅下跌。董事認為，相關下跌顯示於幸福控股之投資已減值，減值虧損48,485,000港元(二零一六年: 134,107,000港元)(包括從其他全面收益重新分類之48,485,000港元(二零一六年: 134,107,000港元)年內已於綜合損益表中確認。

- (d) 如財務報表附註16所詳述，年內，本集團於星聯航空之股本權益已被攤薄，且本集團對其再無任何重大影響力。本集團於星聯航空之投資已重新分類至可供出售的投資。該投資被指定為可供出售財務資產且並無固定到期日或息率。

於二零一七年十二月三十一日，非上市股本投資以成本減去減值列值，此乃由於合理公平值估計之範圍過大，故董事認為無法可靠計量其公平值。該等投資於去年已全數減值。本集團並無打算在不久的將來出售該等投資。

- (e) 於截至二零一六年十二月三十一日止年度內，本集團以1,800,000港元之現金代價出售會所債券。因此，公平值虧損490,000港元於該年確認為其他全面收益，然後相同公平值虧損從可供出售投資重估儲備解除至綜合損益表。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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18. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

During the year, a net fair value loss of HK\$86,017,000 (2016: HK\$119,876,000), in aggregate, in respect of the Group's available-for-sale investments was recognised as other comprehensive income for the year, of which fair value losses of Nil (2016: HK\$490,000) and HK\$67,280,000 (2016: HK\$134,107,000) were reclassified from other comprehensive income to the consolidated statement of profit or loss for the year on derecognition and impairment, respectively.

The fair values of certain of the unlisted available-for-sale investments have been estimated using valuation techniques based on assumptions that are supported by observable market prices or rates. The valuation requires the directors to make estimates about the expected future cash flows including expected future dividends, the risk-free rate and the credit spreads of the underlying shares. The directors believe that the estimated fair values resulting from the valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair value, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

18. 可供出售的投資 (續)

年內，有關本集團可供出售的投資之公平值淨虧損總額86,017,000港元(二零一六年：119,876,000港元)已確認為年內其他全面收益，其中公平值虧損零(二零一六年：490,000港元)及67,280,000港元(二零一六年：134,107,000港元)分別於終止確認及減值時從其他全面收益重新分類至本年度綜合損益表。

若干非上市可供出售的投資之公平值乃利用估值技術根據假設估計得出，而該等假設乃以可觀察市場價格或息率作支持。該估值須董事對預期未來現金流量，包括預期未來股息、無風險利率及相關股份信貸差額等作出估計。董事相信，以該估值技術所得並於綜合財務狀況表內記錄之估計公平值，以及於其他全面收益中記錄之相應公平值變動乃屬合理，且為於報告期末之最合適價值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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19. DERIVATIVE FINANCIAL INSTRUMENTS

19. 衍生金融工具

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets:	非流動資產：		
PMH Derivatives (note (a))	天下圖控股衍生工具 (附註(a))	-	9,277
AVIC Joy Derivative (note (b))	幸福控股衍生工具 (附註(b))	-	2,061
		-	11,338
Current asset:	流動資產：		
AVIC Joy Derivative (note (b))	幸福控股衍生工具 (附註(b))	1	-

The Group's derivative financial instruments are managed and their performance is evaluated on a fair value basis. Any fair value gain or loss is recognised in the consolidated statement of profit or loss.

The fair values of the derivative financial instruments have been estimated using valuation techniques based on assumptions that are supported by observable market prices or rates. The valuations require the directors to make estimates, including expected cash flows and volatility of the underlying securities. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair value, which are recorded in the consolidated statement of profit or loss, are reasonable, and that they are the most appropriate values at the end of the reporting period.

本集團之衍生金融工具乃按公平值基準管理，其表現亦按公平值基準評價。任何公平值利潤或虧損均於綜合損益表內確認。

衍生金融工具之公平值已利用估值技術根據假設估計得出，而該等假設具有可觀察市場價格或息率作支持。估值須董事作出估計，包括預期現金流量及相關證券之波幅。董事相信使用估值技術得出而在綜合財務狀況表入賬之估計公平值、以及在綜合損益表入賬之相應公平值變動皆屬合理，並為報告期末之最合適價值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

19. DERIVATIVE FINANCIAL INSTRUMENTS
(continued)

Notes:

- (a) PMH Derivatives represent the derivatives embedded in PMH Convertible Bonds as detailed in note 18(a) to the financial statements.

As at 31 December 2017, the fair value of PMH Derivatives was stated at Nil (2016: HK\$9,277,000) based on a valuation performed by an independent professionally qualified valuer, and a fair value loss of HK\$9,277,000 (2016: HK\$81,167,000) in respect of PMH Derivatives was recognised in the consolidated statement of profit or loss for the year.

- (b) AVIC Joy Derivative represents the derivative embedded in AVIC Joy Convertible Bond as detailed in note 18(b) to the financial statements. As at 31 December 2017, the fair value of AVIC Joy Derivative was stated at HK\$1,000 (2016: HK\$2,061,000) based on a valuation performed by an independent professionally qualified valuer, and a fair value loss of HK\$2,060,000 (2016: HK\$27,391,000) was recognised in the consolidated statement of profit or loss for the year.

During the year, an aggregate fair value loss of HK\$11,337,000 (2016: HK\$108,558,000) in respect of the Group's derivative financial instruments was recognised in the consolidated statement of profit or loss for the year.

19. 衍生金融工具 (續)

附註:

- (a) 如財務報表附註18(a)所詳述，天下圖控股衍生工具代表天下圖控股可換股債券中之嵌入式衍生工具。

於二零一七年十二月三十一日，天下圖控股衍生工具之公平值根據獨立專業合資格估值師進行之估值列值為零(二零一六年：9,277,000港元)，天下圖控股衍生工具之公平值虧損9,277,000港元(二零一六年：81,167,000港元)於本年度綜合損益表內確認。

- (b) 如財務報表附註18(b)所詳述，幸福控股衍生工具代表幸福控股可換股債券中之嵌入式衍生工具。於二零一七年十二月三十一日，幸福控股衍生工具之公平值根據獨立專業合資格估值師進行的估值列值為1,000港元(二零一六年：2,061,000港元)，公平值虧損2,060,000港元(二零一六年：27,391,000港元)於本年度綜合損益表內確認。

年內，於本年度綜合損益表確認之本集團衍生金融工具之公平值虧損總額為11,337,000港元(二零一六年：108,558,000港元)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

20. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

The analysis of the costs of the Group's properties under development and completed properties held for sale situated in the PRC is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Properties under development	預期收回之發展中物業：		
expected to be recovered:			
Within one year	一年內	-	1,239,303
After one year	一年以後	1,817,160	2,150,603
		1,817,160	3,389,906
Properties held for sale	持作出售之物業	1,120,000	715,411
		2,937,160	4,105,317

During the year, the properties under development and completed properties held for sale have been written down to net realisable value based on valuations performed by an independent professionally qualified valuer, and a loss of HK\$296,848,000 (2016: Nil) (*note 6*) was recognised in the cost of sales in the consolidated statement of profit or loss.

At 31 December 2016, certain of the Group's properties under development with an aggregate carrying amount of approximately HK\$1,658,082,000 were pledged to secure the banking facilities granted to the Group (*note 32(a)*).

20. 發展中物業及持作出售之已完成物業

本集團位於中國之發展中物業及持作出售之已完成物業之成本分析如下：

年內，發展中物業及持作出售之已完成物業已根據獨立專業合資格估值師進行之估值減值至可變現淨值，而虧損296,848,000港元（二零一六年：無）（附註6）已於綜合損益表中的銷售成本確認。

於二零一六年十二月三十一日，本集團賬面值總額約1,658,082,000港元之若干發展中物業經已抵押，作為本集團銀行信貸之擔保（附註32(a)）。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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21. TRADE RECEIVABLES

21. 應收貿易賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收貿易賬款	76,977	89,620
Less: Non-current portion	減：非流動部份	-	(20,178)
Current portion	流動部份	76,977	69,442

Trade receivables from sale of properties in respect of the property development and investment business are payable pursuant to the terms of sale and purchase agreements.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

物業發展及投資業務之物業銷售之應收貿易賬款乃根據買賣合約條款償付。

本集團務求對未清還之應收賬款維持嚴格監管。管理高層定期檢討逾期結餘。鑒於以上所述及本集團之應收貿易賬款乃來自大量分散之客戶的事實，因此並無重大信貸集中風險。本集團並無就其應收貿易賬款之結餘持有任何抵押品或其他信貸保證。應收貿易賬款並無計算利息。

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21. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 month	一個月內	-	2,089
1 to 2 months	一至兩個月	-	-
2 to 3 months	二至三個月	-	-
Over 3 months	超過三個月	76,977	87,531
		76,977	89,620

The movements in the provision for impairment of the trade receivables are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At beginning of year	年初	-	11,685
Disposal of a subsidiary	出售附屬公司	-	(11,685)
At end of year	年終	-	-

21. 應收貿易賬款(續)

於報告期末，應收貿易賬款按發票日期及扣除撥備之賬齡分析如下：

應收貿易賬款之減值撥備變動如下：

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21. TRADE RECEIVABLES (continued)

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	22,206	22,266
Less than 1 month past due	逾期少於一個月	-	21,940
1 to 3 months past due	逾期一至三個月	54,771	45,414
		76,977	89,620

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment was necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22. LOAN TO A RELATED COMPANY

As at 31 December 2016, a loan to a related company represented the loan to 易拍全球(北京)科貿有限公司("易拍全球"), a former associate of an intermediate holding company, which was unsecured, bore interest at 6.15% per annum and was repayable within one year. During the year, the loan to 易拍全球 was reclassified to other receivable as 易拍全球 is no longer an associate of an intermediate holding company.

21. 應收貿易賬款(續)

未被認為個別或整體已減值之應收貿易賬款之賬齡分析如下:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	22,206	22,266
Less than 1 month past due	-	21,940
1 to 3 months past due	54,771	45,414
	76,977	89,620

未逾期亦未減值之應收賬款涉及眾多多元化客戶，該類客戶並無最近違約歷史。

已逾期惟尚未減值之應收賬款涉及眾多與本集團擁有良好過往記錄之獨立客戶。根據過往經驗，本公司董事認為，無須就該等結餘作出任何減值撥備，因信貸質量尚無重大變動且結餘現仍被視為可全部收回。

22. 向關聯公司提供的貸款

於二零一六年十二月三十一日，向關聯公司提供的貸款乃向易拍全球(北京)科貿有限公司("易拍全球")，前為一間中間控股公司之聯營公司)提供的貸款，為無抵押、按年利率6.15厘計息及須於一年內償還。年內，由於易拍全球不再為一間中間控股公司之聯營公司，故向易拍全球提供的貸款重新分類至其他應收賬款。

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22. LOAN TO A RELATED COMPANY

(continued)

In the prior year, impairment losses of HK\$12,608,000 (note 6) were recognised for the loans to 北京勝和幢科技有限責任公司 (“北京勝和幢”) and 上海匯聯皆景信息技術有限公司 (“上海匯聯皆景”) because 北京勝和幢 had been loss-making in recent years and 上海匯聯皆景 was liquidated in 2016, and the related loans were written off.

Particulars of loans to related companies are disclosed as follows:

22. 向關聯公司提供的貸款 (續)

去年，就向北京勝和幢科技有限責任公司(「北京勝和幢」)及上海匯聯皆景信息技術有限公司(「上海匯聯皆景」)提供的貸款已確認減值虧損12,608,000港元(附註6)，因為北京勝和幢近年一直虧損及上海匯聯皆景於二零一六年已清算。該些貸款隨後已被撇銷。

向關聯公司提供的貸款詳情載列如下：

		At 31 December 2017	Maximum amount outstanding during the year at 31 December 2017	At 31 December 2016 and 1 January 2017	Maximum amount outstanding during the prior year	At 1 January 2016
		於 二零一七年 十二月 三十一日 HK\$'000 千港元	於 二零一七年 十二月 三十一日 年內最高 未清償額 HK\$'000 千港元	於 二零一六年 十二月 三十一日及 二零一七年 一月一日 HK\$'000 千港元	於 二零一六年 十二月 三十一日 去年最高 未清償額 HK\$'000 千港元	於 二零一六年 一月一日 HK\$'000 千港元
易拍全球	易拍全球	-	16,760	16,760	16,760	16,272
北京勝和幢	北京勝和幢	-	-	-	958	958
上海匯聯皆景	上海匯聯皆景	-	-	-	11,976	11,976
		-		16,760		29,206
Less: Non-current portion	減：非流動部份	-		-		(11,976)
Current portion	流動部份	-		16,760		17,230

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Prepayments	預付款項	4,275	27,571
Deposits and other receivables	按金及其他應收賬款	52,895	52,516
Impairment	減值	(52,075)	(37,109)
		5,095	42,978

Deposits and other receivables that were not impaired relate to receivables for which there is no recent history of default.

During the year, the Group disposed of fully-impaired convertible loans to an independent third party at a consideration of HK\$87,151,000. As a result, a gain on disposal of convertible loans of HK\$87,151,000 (2016: Nil) was recognised in the consolidated statement of profit or loss for the year.

尚未減值之按金及其他應收賬款涉及無最近違約歷史的應收賬款。

年內，本集團以代價87,151,000港元向一名獨立第三方出售已全數減值的可換股貸款。因此，出售可換股貸款之利潤87,151,000港元（二零一六年：無）已於本年度綜合損益表確認。

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The movements in the provision for impairment of other receivables are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At beginning of year	年初	37,109	73,914
Disposal of convertible loans	出售可換股貸款	(35,754)	-
Disposal of a subsidiary	出售附屬公司	-	(38,501)
Reclassified from loans to an associate (note 16)	自向聯營公司提供的貸款重新分類(附註16)	27,933	-
Impairment losses recognised	已確認減值虧損	20,699	4,345
Provision written off	已撇銷撥備	(233)	-
Exchange realignment	匯兌調整	2,321	(2,649)
At end of year	年終	52,075	37,109

Included in the above provision for impairment is a provision for individually impaired other receivables of HK\$52,075,000 (2016: HK\$37,109,000), with the same carrying amounts before provision.

23. 預付款項、按金及其他應收賬款(續)

其他應收賬款之減值撥備變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At beginning of year	年初	37,109	73,914
Disposal of convertible loans	出售可換股貸款	(35,754)	-
Disposal of a subsidiary	出售附屬公司	-	(38,501)
Reclassified from loans to an associate (note 16)	自向聯營公司提供的貸款重新分類(附註16)	27,933	-
Impairment losses recognised	已確認減值虧損	20,699	4,345
Provision written off	已撇銷撥備	(233)	-
Exchange realignment	匯兌調整	2,321	(2,649)
At end of year	年終	52,075	37,109

上述減值撥備乃個別已減值之其他應收賬款之撥備52,075,000港元(二零一六年：37,109,000港元)，與撥備前之賬面值相同。

24. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Listed equity investment, at market value	上市股本投資，按市值	80,761	87,619

The above equity investment is managed and its performance is evaluated on a fair value basis. The Group designated this investment as a financial asset at fair value through profit or loss upon initial recognition.

24. 按公平值計入損益之股本投資

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Listed equity investment, at market value	上市股本投資，按市值	80,761	87,619

上述股本投資乃按公平值基準管理，其表現亦按公平值基準評價。本集團於初步確認時指定該投資為按公平值計入損益的財務資產。

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25. PREPAID TAXES

Balance represents taxes and surcharges prepaid for the sales deposits received from pre-sales of properties in the PRC.

26. CASH AND CASH EQUIVALENTS

25. 預付稅項

結餘指就預售中國物業所收到的銷售按金而預付的稅項及附加費。

26. 現金及現金等值

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Time deposits	定期存款	301,921	298,710
Cash and bank balances	現金及銀行結存	325,219	307,215
Cash and cash equivalents	現金及現金等值	627,140	605,925

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$301,810,000 (2016: HK\$253,965,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣（「人民幣」）計值之現金及銀行結存及定期存款為301,810,000港元（二零一六年：253,965,000港元）。人民幣不可自由轉換為其他貨幣，然而根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權開展外幣兌換業務之銀行將人民幣兌換為其他貨幣。

銀行存款按每日銀行存款利率計算的浮動利率計息。視乎本集團的即時現金需求，存作介乎一日至一年等不同期間的短期定期存款，並按有關短期定期存款利率計息。銀行結存及定期存款均存放於無近期拖欠歷史且信譽昭著之銀行。

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27. DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment.

28. BALANCES WITH AN INTERMEDIATE HOLDING COMPANY

The loans from an intermediate holding company are unsecured, bear interest at 6% (2016: 6%) per annum and are not repayable within one year.

The amount due from/to an intermediate holding company is unsecured, non-interest-bearing and has no fixed terms of repayment.

29. BALANCES WITH FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, non-interest-bearing and repayable within one year.

The amounts due to fellow subsidiaries are unsecured, non-interest-bearing and have no fixed terms of repayment.

The loans from a fellow subsidiary are unsecured and bear interest at 6% (2016: 6%) per annum.

The loans from a fellow subsidiary which are not repayable within one year were included in the Group's non-current liabilities. The loans from fellow subsidiaries which are repayable within one year were included in the Group's current liabilities.

27. 應付附屬公司之非控股股東

應付附屬公司之非控股股東款項乃無抵押、不計息及無固定償還期限。

28. 與中間控股公司之結餘

來自中間控股公司的貸款乃無抵押、按年利率6厘(二零一六年:6厘)計息及毋須於一年內償還。

應收/付中間控股公司款項乃無抵押、不計息及無固定償還期限。

29. 與同系附屬公司之結餘

應收同系附屬公司款項乃無抵押、不計息及須於一年內償還。

應付同系附屬公司款項乃無抵押、不計息及無固定償還期限。

來自同系附屬公司的貸款乃無抵押、按年利率6厘(二零一六年:6厘)計息。

毋須於一年內償還之來自同系附屬公司的貸款計入本集團非流動負債。須於一年內償還之來自同系附屬公司的貸款計入本集團流動負債。

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30. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within 1 month	一個月內	85,604	10,249
1 to 2 months	一至兩個月	-	28,005
2 to 3 months	二至三個月	-	-
Over 3 months	超過三個月	36,907	2,959
		122,511	41,213

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

該等應付貿易賬款乃不計息及一般按90日期限清還。

31. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付賬款	10,832	10,918
Accruals	應計費用	23,366	6,305
		34,198	17,223

Other payables are non-interest-bearing and have an average term of three months.

其他應付款項乃不計息及平均期限為三個月。

30. 應付貿易賬款

於報告期末，應付貿易賬款按發票日期之賬齡分析如下：

31. 其他應付款項及應計費用

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32. INTEREST-BEARING BANK BORROWINGS 32. 計息銀行貸款

		2017 二零一七年			2016 二零一六年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 實際利率 (%)	Maturity 到期日	HK\$'000 千港元
Non-current:	非流動:						
Bank loans – secured	銀行貸款—有抵押	-	-	-	5.4625	2018	230,134

Notes:

- (a) As at 31 December 2016, the Group's banking facilities were secured by pledges of certain of the Group's properties under development with an aggregate carrying value of HK\$1,658,082,000 (note 20).
- (b) All bank borrowings are denominated in RMB.

附註:

- (a) 於二零一六年十二月三十一日，本集團之銀行信貸以抵押本集團賬面總額1,658,082,000港元之若干發展中物業作為擔保(附註20)。
- (b) 所有銀行借貸均以人民幣結算。

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33. DEFERRED TAX

The movements in the Group's deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

遞延稅項負債

33. 遞延稅項

本集團遞延稅項負債及資產於年內之變動如下：

		Revaluation of investment properties 投資物業之重估 HK\$'000 千港元	Fair value adjustments arising from acquisition of subsidiaries 收購附屬公司產生的公平值調整 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	182	187,019	187,201
Disposal of a subsidiary (note 38)	出售附屬公司(附註38)	-	(548)	(548)
Deferred tax credited to the statement of profit or loss during the year	年內計入損益表之遞延稅項	(182)	(3,026)	(3,208)
Exchange realignment	匯兌調整	-	(11,686)	(11,686)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	-	171,759	171,759
Deferred tax charged/ (credited) to the statement of profit or loss during the year	年內扣除/(計入)損益表之遞延稅項	318	(75,393)	(75,075)
Exchange realignment	匯兌調整	422	8,840	9,262
Gross deferred tax liabilities at 31 December 2017	於二零一七年十二月三十一日之遞延稅項負債總額	740	105,206	105,946

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33. DEFERRED TAX (continued)

The movements in the Group's deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax assets

遞延稅項資產

33. 遞延稅項(續)

本集團遞延稅項負債及資產於年內之變動如下:(續)

		Revaluation of investment properties	Provision for LAT	Losses available for offsetting against future taxable profits	Total
		投資物業 之重估 HK\$'000 千港元	土地增值稅 撥備 HK\$'000 千港元	可供抵銷未來 應課稅溢利 之虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	-	5,786	37,448	43,234
Deferred tax credited to the statement of profit or loss during the year	年內計入損益表之 遞延稅項	8,330	473	3,264	12,067
Exchange realignment	匯兌調整	(372)	(409)	(2,656)	(3,437)
At 31 December 2016 and 1 January 2017	於二零一六年十二月 三十一日及二零一七年 一月一日	7,958	5,850	38,056	51,864
Deferred tax credited/ (charged) to the statement of profit or loss during the year	年內計入/(扣除) 損益表之遞延稅項	(7,958)	1,647	(13,259)	(19,570)
Exchange realignment	匯兌調整	-	395	1,859	2,254
Gross deferred tax assets at 31 December 2017	於二零一七年十二月 三十一日之遞延稅項 資產總額	-	7,892	26,656	34,548

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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33. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

33. 遞延稅項(續)

為方便列示，若干遞延稅項資產及負債已於綜合財務狀況表中抵扣。以下為本集團之遞延稅項結餘就財務報告用途所作分析：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net deferred tax assets recognised in the consolidated statement of financial position	-	10,025
Net deferred tax liabilities recognised in the consolidated statement of financial position	(71,398)	(129,920)
	(71,398)	(119,895)

At 31 December 2017, the Group had aggregate tax losses arising in Hong Kong of approximately HK\$15,456,000 (2016: HK\$15,456,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose and tax losses arising in Mainland China of HK\$96,615,000 (2016: HK\$14,934,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

於二零一七年十二月三十一日，本集團在香港產生之稅項虧損總額約為15,456,000港元（二零一六年：15,456,000港元），可無限期用作抵銷出現虧損公司之未來應課稅溢利，而中國內地產生之稅項虧損96,615,000港元（二零一六年：14,934,000港元），可於一至五年內用作抵銷未來應課稅溢利。由於該等虧損來自長時期出現虧損之公司，而且並不認為可能有應課稅溢利以供動用稅項虧損，故此並無確認遞延稅項資產。

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33. DEFERRED TAX (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rates range from 5% to 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2017, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, joint venture and associates established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, joint venture and associates will distribute such earnings in the foreseeable future. As at 31 December 2017, the aggregate amount of temporary differences of approximately HK\$178,300,000 (2016: HK\$117,573,000) is associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

33. 遞延稅項(續)

根據中國企業所得稅法，在中國內地成立之外資企業向外國投資者宣派之股息須徵收10%預扣稅。該規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後之收益。倘中國內地與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%至10%。本集團因而須為在中國內地成立之附屬公司就自二零零八年一月一日起產生之收益所分派之股息承擔預扣稅。

於二零一七年十二月三十一日，並無就本集團在中國內地成立之附屬公司、合營公司及聯營公司之未匯出收益所應付之預扣稅確認遞延稅項。董事認為，該等附屬公司、合營公司及聯營公司不大會在可見將來分派該等收益。於二零一七年十二月三十一日，尚未就於中國內地之附屬公司之投資確認之遞延稅項負債之臨時差額合共約為178,300,000港元(二零一六年：117,573,000港元)。

本公司向股東派發之股息對所得稅概無影響。

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34. SHARE CAPITAL

Shares

股份

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Authorised:	法定：		
10,000,000,000 ordinary shares of HK\$0.10 each	10,000,000,000股每股面值0.10港元之普通股	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
5,519,591,000 ordinary shares of HK\$0.10 each	5,519,591,000股每股面值0.10港元之普通股	551,959	551,959

34. 股本

35. SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. Since the adoption of the Scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2017.

Major terms of the Scheme include:

1. The purpose of the Scheme is to provide incentives to the participants.
2. The participants of the Scheme are any individual being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof whether employed in Hong Kong or any part of the world.

35. 購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃（「該計劃」），目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。自採納該計劃以來，於二零一七年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

該計劃之主要條款包括：

1. 該計劃旨在向參與者提供激勵。
2. 該計劃之參與者為本公司或其任何附屬公司在香港或世界各地僱用之僱員、高級職員或顧問等個別人士，包括任何執行或非執行董事。

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35. SHARE OPTION SCHEME (continued)

3. The total number of shares of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not in aggregate represent more than 10% of the total number of the Shares in issue as at the date of adoption of the Scheme. The Company may refresh this 10% limit at any time subject to prior approval given by its shareholders at a general meeting. The overall limit on the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme, together with all outstanding options granted and yet to be exercised under any other share option schemes of any member of the Group, must not exceed 30% of the total number of the Shares in issue from time to time. No options may be granted under the Scheme and any other share option schemes of any member of the Group if such grant will result in the said 30% limit being exceeded. As at the date of this annual report, the total number of securities available for issue under the Scheme is 461,959,100 Shares, representing approximately 4.97% of the total number of the Shares in issue as at the date of this annual report.
4. The total number of Shares issued and to be issued upon exercise of the options (whether exercised, cancelled or outstanding) granted or to be granted under the Scheme and any other share option schemes of the Company to each eligible participant under the Scheme in any 12-month period shall not exceed 1% of the total number of the Shares in issue as at the proposed grant date.

35. 購股權計劃 (續)

3. 因行使根據該計劃授出之所有購股權，連同根據本集團任何成員公司的任何其他購股權計劃授出之所有購股權而可能發行之本公司股份(「股份」)總數，不得超過於該計劃採納當日已發行股份總數之10%。本公司可隨時更新該10%上限，惟須於股東大會上獲股東事先批准。因行使根據該計劃授出而尚未行使之所有尚未行使購股權，連同行使根據本集團任何成員公司的任何其他購股權計劃授出而尚未行使之所有尚未行使購股權而可能發行之股份總數，不得超過不時已發行股份總數之30%。倘根據該計劃及本集團任何成員公司的任何其他購股權計劃授出購股權將致令超出上述30%之上限，則不予授出購股權。於本年報日期，根據該計劃可供發行之證券總數為461,959,100股，相當於本年報日期已發行股份總數之約4.97%。
4. 於任何十二個月期間因行使根據該計劃及本公司任何其他購股權計劃已向或將向該計劃項下各合資格參與者授出之購股權(不論已行使、已註銷或尚未行使)而發行及將予發行之股份總數，不得超過建議授出日期已發行股份總數之1%。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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35. SHARE OPTION SCHEME (continued)

5. An option may be exercised in accordance with the terms of the Scheme at any time during a period of 10 years commencing on the date which the Board may determine at its discretion but such date shall not be earlier than three months after the date of the grant of such option is made.
6. An option granted shall remain open for acceptance by eligible participants for a period of 28 days from the date of the grant of such option together with a non-refundable payment of HK\$1.00.
7. The exercise price of an option shall be the highest of:
 - (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
 - (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and
 - (c) the nominal value of the Shares.

35. 購股權計劃(續)

5. 購股權可根據該計劃之條款於自董事會可酌情釐定的日期(惟相關日期不得早於相關購股權授出日期後三個月)起計十年期間內隨時行使。
6. 授出的購股權於授出日期後28日期間內維持可供合資格參與者接納,並須支付不可退回款項1.00港元。
7. 購股權之行使價須為下列之最高者:
 - (a) 於購股權授出日期(須為營業日)聯交所每日報價表所列之收市價;
 - (b) 於緊接購股權授出(須獲接納)日期前五個營業日於聯交所每日報價表所列之股份平均收市價;及
 - (c) 股份面值。

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35. SHARE OPTION SCHEME (continued)

8. The Scheme shall be valid and effective for a period of 10 years commencing on 28 May 2014 and thereafter for as long as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

Share options did not confer rights on the holders to dividends or to vote at shareholders' meetings.

At the end of the reporting period and at the date of approval of these financial statements, there were no share options outstanding (2016: Nil).

36. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 78 to 81 of this annual report.

Pursuant to the articles of association of certain subsidiaries operating as foreign-owned enterprises in Mainland China and the relevant PRC Company Law, the subsidiaries shall make an allocation from their profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiaries. Part of the statutory surplus reserve may be capitalised as the subsidiaries' registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital of the subsidiaries. The statutory reserve will be reclassified to retained profits upon the disposal of the subsidiaries.

35. 購股權計劃 (續)

8. 該計劃由二零一四年五月二十八日起計十年期間有效及具效力，而於上述十年期屆滿前已授出及接納之尚未行使購股權仍可行使。

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

於報告期末及本財務報表獲批准當日，並無尚未行使之購股權（二零一六年：無）。

36. 儲備

本集團本年度及過往年度之儲備額及儲備變動載於本年報第78頁至第81頁之綜合權益變動表內。

根據若干於中國內地以外資企業方式經營之附屬公司之公司章程及相關中國公司法例，該等附屬公司須將其除稅後溢利之10%撥至法定公積金，直至有關儲備達至該等附屬公司註冊資本之50%。部份法定公積金可撥充為該等附屬公司之註冊資本，惟規定資本化後之餘下結餘不少於該等附屬公司註冊資本之25%。法定儲備於該等附屬公司被出售時將重新分類至留存溢利。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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37. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

37. 有重大非控股權益之非全資附屬公司

有重大非控股權益之本集團附屬公司詳情披露如下：

		2017 二零一七年	2016 二零一六年
Percentage of equity interest held by non-controlling interests of 大連航華	大連航華非控股權益持有的股本權益百分比	47.92%	47.92%
		2017 二零一七年 <i>HK\$'000</i> 千港元	2016 二零一六年 <i>HK\$'000</i> 千港元
Loss for the year allocated to non-controlling interests of 大連航華	分配予大連航華非控股權益之本年虧損	(46,527)	(20,560)
Dividend paid to non-controlling interests of 大連航華	已付大連航華非控股權益之股息	-	-
Accumulated balances of non-controlling interests of 大連航華 at the reporting date	於報告日期的大連航華非控股權益累積結餘	536,193	548,868

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37. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following table illustrates the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

大連航華

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	1,520,710	102,786
Cost of sales and total expenses	銷售成本及總開支	(1,617,803)	(145,691)
Loss for the year	本年虧損	(97,093)	(42,905)
Total comprehensive income for the year	本年全面收益總額	(26,450)	(130,113)
Current assets	流動資產	2,205,247	3,424,363
Non-current assets	非流動資產	403,187	368,913
Current liabilities	流動負債	(827,341)	(1,606,924)
Non-current liabilities	非流動負債	(662,159)	(1,040,968)
Net cash flows from operating activities	經營活動產生之現金流量淨額	563,886	553,053
Net cash flows from investing activities	投資活動產生之現金流量淨額	-	-
Net cash flows used in financing activities	融資活動所用之現金流量淨額	(630,849)	(414,003)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值增加/ (減少)淨額	(66,963)	139,050

37. 有重大非控股權益之非全資附屬公司(續)

下表說明上述附屬公司的財務資料概要。所披露的金額並未扣除任何公司間的抵銷：

大連航華

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38. DISPOSAL OF A SUBSIDIARY

In the prior year, the Group disposed of its 51% equity interest in Zhejiang Dongyang Jinniu. An analysis of the disposal is as follows:

38. 出售附屬公司

去年，本集團出售其擁有51%股本權益之浙江東陽金牛。有關出售之分析如下：

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
Net assets disposed of:	出售之資產淨值：			
Property, plant and equipment	物業、廠房和設備	13	-	3,528
Prepaid land lease payments	預付土地租賃款		-	2,872
Intangible asset	無形資產		-	285
Inventories	存貨		-	4,062
Trade receivables	應收貿易賬款		-	3,151
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		-	2,174
Pledged time deposits	已抵押定期存款		-	3,174
Cash and cash equivalents	現金及現金等值		-	1,934
Due to a non-controlling shareholder of a subsidiary	應付附屬公司之非控股股東		-	(18)
Trade and bills payables	應付貿易賬款及票據		-	(13,420)
Other payables and accruals	其他應付款項及應計費用		-	(19,017)
Interest-bearing bank borrowings	計息銀行貸款		-	(37,964)
Tax payable	應付稅項		-	(371)
Deferred tax liabilities	遞延稅項負債	33	-	(548)
Non-controlling interests	非控股權益		-	24,578
			-	(25,580)
Exchange fluctuation reserve	匯兌波動儲備		-	(1,223)
			-	(26,803)
Gain on disposal of a subsidiary	出售附屬公司之利潤	11	-	32,453
			-	5,650
Satisfied by:	支付方式：			
Cash	現金支付		-	5,650

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38. DISPOSAL OF A SUBSIDIARY (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash consideration	現金代價	-	5,650
Cash and bank balances disposed of	所出售之現金及銀行結存	-	(1,934)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售附屬公司的現金及現金等值流入淨額	-	3,716

38. 出售附屬公司(續)

有關出售附屬公司的現金及現金等值流入淨額分析如下：

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

39. 綜合現金流量表附註

融資活動所產生的負債變動

		Interest-bearing bank borrowings 計息銀行貸款 HK\$'000 千港元	Loans from an intermediate holding company 來自中間控股公司的貸款 HK\$'000 千港元	Loans from a fellow subsidiary 來自同系附屬公司的貸款 HK\$'000 千港元	Due to non-controlling shareholders of subsidiaries 應付附屬公司之非控股股東 HK\$'000 千港元	Due to an intermediate holding company 應付中間控股公司 HK\$'000 千港元	Due to fellow subsidiaries 應付同系附屬公司 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	230,134	475,419	1,234,637	88,444	-	1,643
Changes from financing cash flows	融資現金流量變動	(230,134)	-	(373,852)	45,946	-	4,726
Foreign exchange movement	外匯變動	-	28,131	62,292	4,462	-	49
Interest expense	利息支出	-	-	-	-	16,681	-
Interest paid	已付利息	-	-	-	-	-	(926)
At 31 December 2017	於二零一七年十二月三十一日	-	503,550	923,077	138,852	16,681	5,492

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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40. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases its investment properties (note 14 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 10 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	23,974	19,441
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	30,953	39,724
After five years	五年後	3,817	7,385
		58,744	66,550

41. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但尚未撥備:		
Property development expenditure	物業開發支出	371,009	328,655

40. 經營租約安排

作為出租人

本集團根據經營租約安排出租其投資物業(財務報表附註14), 議定租期為一至十年。租約條款一般亦要求租戶繳交保證金及規定根據現行市況定期調整租金。

於二零一七年十二月三十一日, 根據與租戶訂立之不可撤銷經營租約, 本集團持有之日後租約最低應收租金總額載列如下:

41. 承擔

本集團於報告期末有以下承擔:

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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42. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

42. 或然負債

於報告期末，並未於財務報表作出撥備之或然負債如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Guarantees given to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date of loans being granted to the purchasers up to the date of issuance of property title certificates to the purchasers	104,012	76,085

The fair value of the guarantees is not significant and the directors consider that in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding loan principals together with the accrued interest and penalties and therefore no provision for the guarantees has been made in the financial statements for the year ended 31 December 2017 (2016: Nil).

該擔保之公平值並不重大，而且董事認為，萬一買家拖欠付款，相關物業之可變現淨值將足夠以抵銷償還尚欠之貸款本金以及應計利息和罰款，因此並未於截至二零一七年十二月三十一日止年度之財務報表就該擔保作任何撥備（二零一六年：無）。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

43. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions described elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

43. 關聯方交易

- (a) 除財務報表另有所述之交易外，本集團於年內曾進行以下關聯方交易：

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
Interest income on a loan to a related company	向關聯公司提供的貸款之利息收入	(i)	536	1,076
Interest income on loans to associates	向聯營公司提供的貸款之利息收入	(ii)	586	577
Fellow subsidiaries:	同系附屬公司：			
Interest expense on loans from a fellow subsidiary	來自同系附屬公司的貸款之利息支出	(iii)	(101,293)	(130,038)
Management fee paid to a fellow subsidiary	支付給同系附屬公司的管理費	(iv)	(5,443)	(6,619)
Agency fee paid to a fellow subsidiary	支付給同系附屬公司的代理費	(iv)	(115)	(177)
Purchases of materials from a fellow subsidiary	自同系附屬公司購買材料	(v)	-	(8,035)
Interest expenses on loans from an intermediate holding company	來自中間控股公司的貸款之利息支出	(vi)	(38,598)	(7,548)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

43. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

Notes:

- (i) Details of the loan to a related company are set out in note 22 to the financial statements.
- (ii) Details of the loans to associates are set out in note 16 to the financial statements.
- (iii) Details of the loans from a fellow subsidiary are set out in note 29 to the financial statements.
- (iv) The management fee and agency fee paid to fellow subsidiaries are determined between the Group and the fellow subsidiaries.
- (v) The cost of purchases from a fellow subsidiary was made at pre-determined prices agreed between the parties.
- (vi) Details of the loans from an intermediate holding company are set out in note 28 to the financial statements.

(b) Outstanding balances with related parties:

- (i) Details of the Group's balances with associates are disclosed in note 16 to the financial statements.
- (ii) Details of the Group's loan to a related company are disclosed in note 22 to the financial statements.
- (iii) Details of the Group's balances with non-controlling shareholders of subsidiaries are disclosed in note 27 to the financial statements.

43. 關聯方交易 (續)

(a) (續)

附註:

- (i) 向關聯公司提供的貸款之詳情載於財務報表附註22。
- (ii) 向聯營公司提供的貸款之詳情載於財務報表附註16。
- (iii) 來自同系附屬公司的貸款之詳情載於財務報表附註29。
- (iv) 支付給同系附屬公司的管理費及代理費乃由本集團與同系附屬公司釐定。
- (v) 自同系附屬公司購買的成本乃按訂約方協定的預先釐定價格。
- (vi) 來自中間控股公司的貸款之詳情載於財務報表附註28。

(b) 與關聯方之未清償結餘:

- (i) 本集團於聯營公司的結餘之詳情於財務報表附註16披露。
- (ii) 本集團向關聯公司提供的貸款之詳情於財務報表附註22披露。
- (iii) 本集團與附屬公司之非控股股東之結餘之詳情於財務報表附註27披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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43. RELATED PARTY TRANSACTIONS

(continued)

(b) (continued)

(iv) Details of the Group's balances with an intermediate holding company are disclosed in note 28 to the financial statements.

(v) Details of the Group's balances with fellow subsidiaries are disclosed in note 29 to the financial statements.

(c) Compensation of key management personnel of the Group:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,470	370
Post-employment benefits	僱用後福利	36	14
Total compensation paid to key management personnel	支付關鍵管理人員之報酬總額	2,506	384

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of item (a)(iv) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

43. 關聯方交易 (續)

(b) (續)

(iv) 本集團與中間控股公司之結餘之詳情於財務報表附註28披露。

(v) 本集團與同系附屬公司之結餘之詳情於財務報表附註29披露。

(c) 本集團關鍵管理人員之報酬：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short term employee benefits	2,470	370
Post-employment benefits	36	14
Total compensation paid to key management personnel	2,506	384

有關董事酬金之進一步詳情載於財務報表附註8。

有關以上(a)(iv)項之關聯方交易亦構成上市規則第14A章所定義之關連交易。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2017

二零一七年

Financial assets

財務資產

44. 金融工具分類

於報告期末，各類別之金融工具賬面值如下：

		Financial assets at fair value through profit or loss - held for trading 按公平值 計入損益之 財務資產－ 持作買賣 HK\$'000 千港元	Loans and receivables 貸款及 應收賬款 HK\$'000 千港元	Available- for-sale financial assets 可供出售的 財務資產 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Available-for-sale investments	可供出售的投資	-	-	192,728	192,728
Derivative financial instruments	衍生金融工具	1	-	-	1
Trade receivables	應收貿易賬款	-	76,977	-	76,977
Due from fellow subsidiaries	應收同系附屬公司	-	1,664	-	1,664
Due from an associate	應收聯營公司	-	10,441	-	10,441
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收賬款的財務資產	-	820	-	820
Equity investment at fair value through profit or loss	按公平值計入損益之 股本投資	80,761	-	-	80,761
Cash and cash equivalents	現金及現金等值	-	627,140	-	627,140
		80,762	717,042	192,728	990,532

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY
 (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2017 (continued)

二零一七年(續)

Financial liabilities

財務負債

44. 金融工具分類(續)

於報告期末,各類別之金融工具賬面值如下:(續)

		Financial liabilities at amortised cost 按攤銷成本列賬 的財務負債 HK\$'000 千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	138,852
Due to an intermediate holding company	應付中間控股公司	16,681
Due to fellow subsidiaries	應付同系附屬公司	5,492
Loans from a fellow subsidiary	來自同系附屬公司的貸款	923,077
Trade payables	應付貿易賬款	122,511
Other payables and accruals	其他應付款項及應計費用	34,198
Loans from an intermediate holding company	來自中間控股公司的貸款	503,550
		1,744,361

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2016

二零一六年

Financial assets

財務資產

44. 金融工具分類 (續)

於報告期末，各類別之金融工具賬面值如下：(續)

		Financial assets at fair value through profit or loss – held for trading 按公平值計入損益之財務資產 – 持作買賣 HK\$'000 千港元	Loans and receivables 貸款及應收賬款 HK\$'000 千港元	Available-for-sale financial assets 可供出售的財務資產 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Loans to associates	向聯營公司提供的貸款	–	9,497	–	9,497
Available-for-sale investments	可供出售的投資	–	–	278,745	278,745
Derivative financial instruments	衍生金融工具	11,338	–	–	11,338
Trade receivables	應收貿易賬款	–	89,620	–	89,620
Due from fellow subsidiaries	應收同系附屬公司	–	10,960	–	10,960
Loan to a related company	向關聯公司提供的貸款	–	16,760	–	16,760
Due from an intermediate holding company	應收中間控股公司	–	5,282	–	5,282
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收賬款的財務資產	–	15,407	–	15,407
Equity investment at fair value through profit or loss	按公平值計入損益之股本投資	87,619	–	–	87,619
Cash and cash equivalents	現金及現金等值	–	605,925	–	605,925
		98,957	753,451	278,745	1,131,153

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2016 (continued)

二零一六年(續)

Financial liabilities

財務負債

44. 金融工具分類(續)

於報告期末,各類別之金融工具賬面值如下:(續)

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	88,444
Due to fellow subsidiaries	應付同系附屬公司	1,643
Loans from a fellow subsidiary	來自同系附屬公司的貸款	1,234,637
Trade payables	應付貿易賬款	41,213
Other payables and accruals	其他應付款項及應計費用	17,223
Interest-bearing bank borrowings	計息銀行貸款	230,134
Loans from an intermediate holding company	來自中間控股公司的貸款	475,419
		2,088,713

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

45. 金融工具之公平值及公平值等級制度

本集團金融工具之賬面值及公平值(其賬面值與公平值合理相若者除外)載列如下:

		Carrying amounts		Fair values	
		賬面值		公平值	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets	財務資產				
Trade receivable (non-current portion)	應收貿易賬款 (非流動部份)	-	20,178	-	18,862
Available-for-sale investments	可供出售的投資	192,728	278,745	192,728	278,745
Equity investment at fair value through profit or loss	按公平值計入損益之股本投資	80,761	87,619	80,761	87,619
Derivative financial instruments	衍生金融工具	1	11,338	1	11,338
		273,490	397,880	273,490	396,564
Financial liabilities	財務負債				
Loans from an intermediate holding company	來自中間控股公司的貸款	503,550	475,419	502,961	473,114
Loans from a fellow subsidiary (non-current portion)	來自同系附屬公司的貸款(非流動部份)	556,213	648,045	555,274	646,682
Interest-bearing bank borrowings	計息銀行貸款	-	230,134	-	227,430
		1,059,763	1,353,598	1,058,235	1,347,226

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of trade receivables (current portion), balances with fellow subsidiaries (current portion), an intermediate holding company (current portion), non-controlling shareholders of subsidiaries, associates and a related company, financial assets included in prepayments, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals and interest-bearing bank borrowings (current portion) approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer and then reported to the chief executive officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

45. 金融工具之公平值及公平值等級制度 (續)

管理層評估後認為，應收貿易賬款(流動部份)、與同系附屬公司(流動部份)、中間控股公司(流動部份)、附屬公司之非控股股東、聯營公司及關聯公司之結餘、計入預付款項、按金及其他應收賬款的財務資產、現金及現金等值、應付貿易賬款、其他應付款項及應計費用、以及計息銀行貸款(流動部份)之公平值與其各自之賬面值相若，主要是由於該等工具於短期內到期。

由財務總監領導之本集團之財務部門負責釐定金融工具公平值計量之政策及程序。於每個報告日期，財務部門分析金融工具的價值變動並釐定估值中適用的主要參數。估值由財務總監審核及批准，繼而報告予行政總裁。估值過程及結果每年兩次於中期及年度財務申報時與審核委員會進行討論。

財務資產及負債之公平值計入自願(而非強迫或清盤出售)交易雙方於當前交易中可互換工具之金額內。

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The following methods and assumptions were used to estimate the fair values:

The fair values of trade receivables (non-current portion), loans from an intermediate holding company, loans from a fellow subsidiary (non-current portion) and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for loans from an intermediate holding company and loans from a fellow subsidiary as at 31 December 2017 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted available-for-sale investments and derivative financial instruments have been estimated using a valuation technique based on assumptions that are supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

45. 金融工具之公平值及公平值等級制度(續)

於估計公平值時，會使用下列方式及假設：

應收貿易賬款(非流動部份)、來自中間控股公司的貸款、來自同系附屬公司的貸款(非流動部份)及計息銀行貸款的公平值乃按具有類似條款、信貸風險及剩餘年期之工具現行之利率折現預期未來現金流量計算。於二零一七年十二月三十一日，本集團本身來自中間控股公司的貸款及來自同系附屬公司的貸款的不履約風險被評估為不重大。

上市股本投資之公平值乃以所報市價作為基礎。非上市可供出售的投資及衍生金融工具之公平值乃以估值技術來估量，該估值技術採納之假設皆有可觀察市價或比率作為支持。董事認為，綜合財務狀況表記錄之按估值技術所估量之公平值以及其他全面收益及綜合損益表內記錄之公平值相關變動乃屬合理，於報告期末，其價值最為恰當。

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group enters into derivative financial instruments with various counterparties. Derivative financial instruments were measured using valuation models which incorporate various market observable inputs including the credit quality of counterparties and interest rate curves. The carrying amounts of derivative financial instruments were the same as their fair values. As at 31 December 2017, the marked to market value of the above derivative asset position was net of a credit valuation adjustment attributable to derivative counterparty default risk.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2017:

45. 金融工具之公平值及公平值等級制度(續)

本集團與多個交易方訂立衍生金融工具合約。衍生金融工具採用結合多項市場可觀察輸入數據的估值模型進行計量，包括交易方的信貸質量及利率曲線。衍生金融工具的賬面值等於其公平值。於二零一七年十二月三十一日，上述衍生資產持倉的市值已扣除因衍生工具交易方違約風險而產生的信貸估值調整。

以下為於二零一七年十二月三十一日金融工具估值之重大不可觀察輸入數據連同定量敏感度之分析概要：

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 公平值對輸入數據之敏感度
Unlisted available-for-sale debt investments 非上市可供出售的債務投資	Discounted cash flow 貼現現金流量	Default risks 違約風險	2017: 23% to 65% 二零一七年： 23%至65%	1% increase/(decrease) in default rate would result in decrease/(increase) in fair value by HK\$518,000 違約風險增加/(減少)1%將導致公平值減少/(增加)518,000港元

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

45. 金融工具之公平值及公平值等級制度(續)

公平值等級制度

下表列示本集團金融工具之公平值計量等級：

以公平值計量之資產：

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Available-for-sale investments:	可供出售的投資：				
Equity investments	股本投資	110,380	-	-	110,380
Debt investments	債務投資	-	-	82,348	82,348
Equity investment at fair value through profit or loss	按公平值計入損益之 股本投資	80,761	-	-	80,761
Derivative financial instruments	衍生金融工具	-	1	-	1
		191,141	1	82,348	273,490
As at 31 December 2016	於二零一六年十二月三十一日				
Available-for-sale investments:	可供出售的投資：				
Equity investments	股本投資	149,581	-	-	149,581
Debt investments	債務投資	-	129,164	-	129,164
Equity investment at fair value through profit or loss	按公平值計入損益之 股本投資	87,619	-	-	87,619
Derivative financial instruments	衍生金融工具	-	11,338	-	11,338
		237,200	140,502	-	377,702

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets measured at fair value: (continued)

Except for the fair value measurement of available-for-sale debt investments that was transferred from Level 2 to Level 3 as a result of significant unobservable input adopted in the valuation model during the year ended 31 December 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2016: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

45. 金融工具之公平值及公平值等級制度 (續)

公平值等級制度 (續)

下表列示本集團金融工具之公平值計量等級：(續)

以公平值計量之資產：(續)

於截至二零一七年十二月三十一日止年度，除因估值模式採用重大不可觀察輸入數據而導致可供出售的債務投資的公平值計量由第二級轉入第三級外，第一級及第二級公平值計量之間並無財務資產及財務負債轉移，亦無轉入或轉出第三級(二零一六年：無)。

年內，第三級公平值計量的變動如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Available-for-sale debt investments:	可供出售的債務投資：		
At 1 January	於一月一日	-	-
Transfer from Level 2	從第二級轉入	129,164	-
Total losses recognised in other comprehensive income	已於其他全面收益確認的虧損總額	(46,816)	-
At 31 December	於十二月三十一日	82,348	-

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets for which fair values are disclosed:

45. 金融工具之公平值及公平值等級制度(續)

公平值等級制度(續)

下表列示本集團金融工具之公平值計量等級:(續)

有披露公平值之資產:

	Fair value measurement using 使用以下各項進行公平值計量			Total 合計
	Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	
As at 31 December 2016	於二零一六年十二月三十一日			
Trade receivable (non-current portion)	應收貿易賬款 (非流動部份)	-	18,862	-
				18,862

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Liabilities for which fair values are disclosed:

45. 金融工具之公平值及公平值等級制度(續)

公平值等級制度(續)

下表列示本集團金融工具之公平值計量等級:(續)

有披露公平值之負債:

		Fair value measurement using 使用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Loans from an intermediate holding company	來自中間控股公司的貸款	-	502,961	-	502,961
Loans from a fellow subsidiary (non-current portion)	來自同系附屬公司的貸款 (非流動部份)	-	555,274	-	555,274
		-	1,058,235	-	1,058,235
As at 31 December 2016	於二零一六年十二月三十一日				
Loans from an intermediate holding company	來自中間控股公司的貸款	-	473,114	-	473,114
Loans from a fellow subsidiary (non-current portion)	來自同系附屬公司的貸款 (非流動部份)	-	646,682	-	646,682
Interest-bearing bank borrowings	計息銀行貸款	-	227,430	-	227,430
		-	1,347,226	-	1,347,226

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group's foreign currency exposures primarily arise from certain sales or purchases by operating units in RMB. In view of the fact that the Group tries to match its assets and liabilities with the same currency, the Group's exposure to foreign currency risk is minimal.

Interest rate risk

The Group has no significant interest rate risk because the Group's interest-bearing debts, including loans from an intermediate holding company and a fellow subsidiary and interest-bearing bank borrowings, are arranged on a fixed rate basis.

46. 財務風險管理目標及政策

本集團的主要金融工具(而非衍生)包括銀行貸款及現金及短期存款。此等金融工具的主要用途是為本集團的營運提供財源。本集團亦有各樣的其他財務資產及負債,例如應收貿易賬款及應付貿易賬款,乃直接由營運而產生。

本集團的金融工具所產生的主要風險是外匯風險、利率風險、信貸風險、流動性風險及股價風險。董事會已審議並批准管理此等風險的政策,概述如下。

外匯風險

本集團的外匯風險主要產生自營運單位以人民幣進行的若干銷售或採購。鑒於本集團致力把相同貨幣的資產及負債配合,因此本集團所承受的外匯風險很低。

利率風險

由於本集團的計息債務(包括來自中間控股公司和同系附屬公司的貸款以及計息銀行貸款)是以固定利率計息,因此本集團並無重大利率風險。

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale investments, derivative financial instruments, deposits and other receivables, and loans to associates and a related company, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

46. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與經認可的及信譽良好的第三方進行交易。本集團的政策是所有有意進行信貸交易的客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項的結餘，因此壞賬的風險並不重大。

本集團其他財務資產(包括現金及現金等值、可供出售的投資、衍生金融工具、按金及其他應收賬款、以及向聯營公司及關聯公司提供的貸款)的信貸風險，乃由交易對方違約而產生，有關風險以該等工具的賬面值為限。

由於本集團僅與經認可的及信譽良好的第三方進行交易，因此並無收取抵押品的需要。集中信貸風險透過客戶／交易對方管理，按地區及行業分類。由於本集團應收貿易賬款的客戶基礎分佈於不同產業及行業，故集團無內部集中信貸風險。

有關本集團面臨來自應收貿易賬款的信貸風險的更多量化數據乃於財務報表附註21披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from a fellow subsidiary and an intermediate holding company. The Group's policy is to minimise borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		2017 二零一七年				
		On demand	Less than 3 months	less than 12 months	1-5 years	Total
		於要求時 HK\$'000 千港元	少於三個月 HK\$'000 千港元	十二個月 三個月及 少於 HK\$'000 千港元	一至五年 HK\$'000 千港元	合計 HK\$'000 千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	138,852	-	-	-	138,852
Due to an intermediate holding company	應付中間控股公司	16,681	-	-	-	16,681
Due to fellow subsidiaries	應付同系附屬公司	1,002	4,490	-	-	5,492
Loans from a fellow subsidiary	來自同系附屬公司的貸款	-	-	409,775	664,495	1,074,270
Trade payables	應付貿易賬款	-	122,511	-	-	122,511
Other payables and accruals	其他應付款項及應計費用	-	34,198	-	-	34,198
Loans from an intermediate holding company	來自中間控股公司的貸款	-	7,553	22,660	558,186	588,399
Guarantee given to banks (note 42)	向銀行提供之擔保(附註42)	104,012	-	-	-	104,012
		260,547	168,752	432,435	1,222,681	2,084,415

46. 財務風險管理目標及政策(續)

流動性風險

本集團利用經常性流動規劃工具監控資金短缺風險。該工具衡量金融工具及財務資產(如應收貿易賬款)的到期日期及規劃營運產生的現金流量。

本集團的目標乃是透過利用銀行貸款及來自同系附屬公司及中間控股公司的貸款,以保持融資的持續性和靈活性的平衡。本集團的政策是將借貸減至最低。

於報告期末,本集團基於已訂約但未貼現付款之財務負債到期情況如下:

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: (continued)

		2016 二零一六年				
		On demand	Less than 3 months	less than 12 months	1-5 years	Total
		於要求時	少於三個月	十二個月	一至五年	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Due to non-controlling shareholders of subsidiaries	應付附屬公司之非控股股東	88,444	-	-	-	88,444
Due to fellow subsidiaries	應付同系附屬公司	717	-	926	-	1,643
Loans from a fellow subsidiary	來自同系附屬公司的貸款	-	566,006	30,922	707,765	1,304,693
Trade payables	應付貿易賬款	-	41,213	-	-	41,213
Other payables and accruals	其他應付款項及應計費用	-	17,223	-	-	17,223
Interest-bearing bank borrowings	計息銀行貸款	-	3,143	12,571	242,705	258,419
Loans from an intermediate holding company	來自中間控股公司的貸款	-	7,131	21,394	553,863	582,388
Guarantee given to banks (note 42)	向銀行提供之擔保(附註42)	76,085	-	-	-	76,085
		165,246	634,716	65,813	1,504,333	2,370,108

46. 財務風險管理目標及政策(續)

流動性風險(續)

於報告期末，本集團基於已訂約但未貼現付款之財務負債到期情況如下：(續)

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk

Equity price risk is the risk that the fair values of financial instruments decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from a listed equity investment classified as a trading equity investment (note 24) as at 31 December 2017. The Group's listed equity investment is listed on the Stock Exchange and is valued at quoted market price at the end of the reporting period.

The market equity index for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year was as follows:

	31 December 2017 二零一七年 十二月 三十一日	High/low 2017 高/低 二零一七年	31 December 2016 二零一六年 十二月 三十一日	High/low 2016 高/低 二零一六年
Hong Kong – Hang Seng Index	29,919	30,200/21,884	22,001	22,070/21,819

香港—恒生指數

46. 財務風險管理目標及政策 (續)

股價風險

股價風險即因股票指數水平及個別證券價值變動而使金融工具公平值降低的風險。於二零一七年十二月三十一日，本集團承受分類為買賣股本投資(附註24)之上市股本投資所產生之股價風險。本集團上市股本投資乃於聯交所上市，並按報告期末所報市價估值。

年內最接近報告期末交易日收市時下列證券交易所市場股價指數及其於年內之最高及最低點數如下：

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

The following table demonstrates the sensitivity to every 1% change in the fair values of the listed equity investments and the underlying equity investments of the derivative financial instruments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

46. 財務風險管理目標及政策 (續)

股價風險 (續)

下表呈列，在所有其他可變因素維持不變且不計稅項影響的條件下，基於報告期末上市股本投資及衍生金融工具之相關股本投資之賬面值，其公平值每改變1%的敏感度。

		Carrying amount of financial instruments 金融工具之賬面值 HK\$'000 千港元	Increase/ (decrease) in profit before tax 稅前溢利增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/(減少)* HK\$'000 千港元
2017	二零一七年			
Investment listed in Hong Kong	於香港上市之投資			
– Available-for-sale investment	– 可供出售的投資	110,380	–	1,104/ (1,104)
– Equity investment at fair value through profit or loss	– 按公平值計入損益之股本投資	80,761	808/ (808)	–
PMH Derivatives	天下圖控股衍生工具	–	–	–
AVIC Joy Derivative	幸福控股衍生工具	1	–	–

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

		Carrying amount of financial instruments 金融工具之 賬面值 HK\$'000 千港元	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in equity* 權益增加/ (減少)* HK\$'000 千港元
2016	二零一六年			
Investment listed in Hong Kong	於香港上市之投資			
– Available-for-sale investment	– 可供出售的投資	149,581	–	1,496/ (1,496)
– Equity investment at fair value through profit or loss	– 按公平值計入損 益之股本投資	87,619	877/ (877)	–
PMH Derivatives	天下圖控股衍生工具	9,277	176/ (176)	–
AVIC Joy Derivative	幸福控股衍生工具	2,061	70/ (155)	–

* Excluding retained profits

* 不包括留存溢利

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

資本管理

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，爭取最大的股東價值。

46. 財務風險管理目標及政策 (續)

股價風險 (續)

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. Except for the composition of debt in the calculation of the gearing ratio, no changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 31 December 2016.

The Group monitors capital using a gearing ratio, which is the interest-bearing debts divided by equity attributable to owners of the parent plus the interest-bearing debts. Interest-bearing debts include loans from an intermediate holding company, loans from a fellow subsidiary and interest-bearing bank borrowings.

The gearing ratios as at the end of the reporting periods were as follows:

46. 財務風險管理目標及政策 (續)

資本管理 (續)

本集團根據經濟情況的變動及相關資產的風險特徵，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息、向股東退回資本或發行新股。本集團不會受制於任何外部施加之資本需求。除計算資本負債率時之負債構成外，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內，資本管理之目標、政策或程序並無改變。

本集團以資本負債率(計息債務除以母公司所有者應佔權益加計息債務)監控資本的情況。計息債務包括來自中間控股公司的貸款、來自同系附屬公司的貸款及計息銀行貸款。

報告期末之資本負債率如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loans from an intermediate holding company	來自中間控股公司的貸款	503,550	475,419
Loans from a fellow subsidiary	來自同系附屬公司的貸款	923,077	1,234,637
Interest-bearing bank borrowings	計息銀行貸款	-	230,134
Interest-bearing debts	計息債務	1,426,627	1,940,190
Equity attributable to owners of the parent	母公司所有者應佔權益	1,732,505	1,973,272
Equity attributable to owners of the parent plus the interest-bearing debts	母公司所有者應佔權益加計息債務	3,159,132	3,913,462
Gearing ratio	資本負債率	45%	50%

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

47. EVENTS AFTER THE REPORTING PERIOD

- (a) On 7 February 2018, the Company completed the acquisition of the entire issued share capital of Motto Investment Limited (“Motto”) and the shareholder’s loan owing by Motto to AVIC International (HK) Group Limited, a substantial shareholder of the Company (the “Acquisition”), at an aggregate consideration of HK\$2,400,000,000, out of which HK\$1,000,000,000 was satisfied by cash and HK\$1,400,000,000 was satisfied by way of allotment and issue of shares of the Company. Further details of the Acquisition were included in the circular of the Company dated 29 December 2017. Accordingly, immediately after the completion of the Acquisition, the issued share capital of the Company increased to HK\$930,337,478, and the total number of issued shares increased to 9,303,374,783.

Because the Acquisition was effected shortly before the date of approval of these financial statements, it is not practicable to disclose further details about the Acquisition.

- (b) On 6 March 2018, AVIC Joy Convertible Bond with a principal amount of HK\$51,776,000 matured and was redeemed by AVIC Joy.

47. 報告期後事項

- (a) 於二零一八年二月七日，本公司完成收購Motto Investment Limited (「Motto」)之全部已發行股本及Motto所欠本公司主要股東中航國際(香港)集團有限公司之股東貸款(「收購事項」)，總代價為2,400,000,000港元，其中1,000,000,000港元以現金結清，而1,400,000,000港元則以本公司股份配發及發行方式償付。收購事項的進一步詳情已載於本公司於二零一七年十二月二十九日之通函內。因此，緊隨收購事項完成後，本公司已發行股本增至930,337,478港元，而已發行股份總數增至9,303,374,783股。

由於收購事項於本財務報表獲批准前不久才達成，故現時披露收購事項之進一步詳情並不切實可行。

- (b) 於二零一八年三月六日，由幸福控股所發行本金額為51,776,000港元之可換股債券到期，並已由幸福控股贖回。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

48. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料載列如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房和設備	22,424	23,211
Investments in subsidiaries	附屬公司之投資	863,978	1,726,465
Total non-current assets	非流動資產總值	886,402	1,749,676
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	370	840
Due from a subsidiary	應收附屬公司	-	955
Cash and cash equivalents	現金及現金等值	319,818	346,020
Total current assets	流動資產總值	320,188	347,815
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	6,227	2,358
NET CURRENT ASSETS	流動資產淨值	313,961	345,457
Net assets	資產淨值	1,200,363	2,095,133
EQUITY	權益		
Issued capital	已發行股本	551,959	551,959
Reserves (Note)	儲備(附註)	648,404	1,543,174
Total equity	權益總值	1,200,363	2,095,133

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	609,080	5,243	29,936	644,259
Total comprehensive income for the year	本年全面收益總額	-	-	898,915	898,915
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	609,080	5,243	928,851	1,543,174
Total comprehensive income for the year	本年全面收益總額	-	-	(894,770)	(894,770)
At 31 December 2017	於二零一七年十二月三十一日	609,080	5,243	34,081	648,404

The contributed surplus of the Company represents the excess of the consolidated net asset value of Far East Aluminium (B.V.I.) Limited on 20 November 1991, when its entire issued share capital was acquired by the Company pursuant to a group reorganisation, over the nominal amount of the Company's shares issued in consideration for such acquisition, net of accumulated losses of the Company set off in the prior years. Under the Companies Act of 1981 of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

The Company's share premium account of HK\$609,080,000 (2016: HK\$609,080,000) as at 31 December 2017 may be distributed in the form of fully paid bonus shares.

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 March 2018.

48. 本公司財務狀況表(續)

附註：

本公司儲備概述如下：

本公司之繳入盈餘為本公司根據集團重組安排於一九九一年十一月二十日購入 Far East Aluminium (B.V.I.) Limited 全部已發行股本時，Far East Aluminium (B.V.I.) Limited 之綜合資產淨值超過本公司作為收購代價而發行之股份面值之金額，並已扣除於過往年度抵銷之本公司累積虧損。根據百慕達公司法一九八一，本公司之繳入盈餘在若干情況下可供分派予各股東。

本公司於二零一七年十二月三十一日之股份溢價賬 609,080,000 港元 (二零一六年：609,080,000 港元) 可以繳足紅股方式分派。

49. 財務報表之批准

財務報表已於二零一八年三月十四日經董事會批准及授權刊發。

PARTICULARS OF PROPERTIES 物業資料

31 December 2017 二零一七年十二月三十一日

INVESTMENT PROPERTIES

投資物業

Location 地點	Use 用途	Tenure 租期	Attributable interest of the Group 本集團 應佔權益
3/F to 13/F, Phase A The International Square Shahekou District Dalian City Liaoning Province The PRC 中國遼寧省大連市沙河口區 中航國際廣場 A期三至十三樓	Office 辦公室	Medium term 中期	52.08%

PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

發展中物業／持作出售之已完成物業

Location 地點	Use 用途	Site area 地盤面積 (sq.m.) (平方米)	Gross floor area 總建築面積 (sq.m.) (平方米)	Stage of completion 工程 完成階段	Attributable interest of the Group 本集團 應佔權益
The International Square Shahekou District Dalian City Liaoning Province The PRC 中國遼寧省大連市沙河口區 中航國際廣場	Commercial/ residential 商業／住宅	46,938	435,609	Partly completed and partly work in progress 部份已竣工及 部份工程進行中	52.08%
Liangjiangxin District Chongqing City The PRC 中國重慶市兩江新區	Commercial/ residential 商業／住宅	375,252	401,514	Work in progress 工程進行中	99%

FIVE YEAR FINANCIAL SUMMARY 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. This summary is not part of the audited financial statements.

本集團過去五個財政年度的業績及資產、負債和非控股權益概述如下，乃摘錄自己刊發經審核財務報表，並已作適當重列／重新分類。此等概要並非經審核財務報表的部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	1,520,710	102,786	2,154,988	17,443	-
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	(321,347)	(742,978)	205,573	50,025	483,143
Income tax credit/(expense)	所得稅抵免／(開支)	(15,196)	6,685	(108,057)	(569)	(81,117)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之本 年溢利／(虧損)	(336,543)	(736,293)	97,516	49,456	402,026
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	來自已終止經營業務之本 年溢利／(虧損)	-	27,362	(14,056)	(43,509)	(5,351)
PROFIT/(LOSS) FOR THE YEAR	本年溢利／(虧損)	(336,543)	(708,931)	83,460	5,947	396,675
Attributable to:	下列人士應佔：					
Owners of the parent	母公司所有者	(288,481)	(685,842)	41,820	27,266	397,242
Non-controlling interests	非控股權益	(48,062)	(23,089)	41,640	(21,319)	(567)
		(336,543)	(708,931)	83,460	5,947	396,675
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	資產總值	4,384,075	5,703,073	6,417,546	8,680,613	2,348,352
Total liabilities	負債總值	(2,112,143)	(3,176,320)	(3,085,888)	(5,318,852)	(118,040)
Non-controlling interests	非控股權益	(539,427)	(553,481)	(594,124)	(578,390)	(5,082)
		1,732,505	1,973,272	2,737,534	2,783,371	2,225,230

CORPORATE INFORMATION 公司資料

DIRECTORS

Liu Hongde (*Chairman*)
Pan Linwu (*Deputy Chairman*)
Lai Weixuan
Zhou Chunhua
Xu Hongge (*Chief Executive Officer*)
Chow Wai Kam *
Chu Yu Lin, David**
Li Ka Fai, David**
Zhang Ping**

* *Non-executive Director*

** *Independent Non-executive Directors*

AUDIT COMMITTEE

Chu Yu Lin, David (*Chairman*)
Li Ka Fai, David
Zhang Ping

REMUNERATION COMMITTEE

Chu Yu Lin, David (*Chairman*)
Liu Hongde
Li Ka Fai, David

COMPANY SECRETARY

Tsui Choi Yee, Connie

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Ernst & Young

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda

董事

劉洪德(主席)
潘林武(副主席)
賴偉宣
周春華
徐洪舸(行政總裁)
周偉淦*
朱幼麟**
李家暉**
張平**

* 非執行董事

** 獨立非執行董事

審核委員會

朱幼麟(主席)
李家暉
張平

薪酬委員會

朱幼麟(主席)
劉洪德
李家暉

公司秘書

徐彩儀

主要銀行

香港上海匯豐銀行有限公司

核數師

安永會計師事務所

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton, HM 12, Bermuda

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 15th Floor, United Centre
95 Queensway, Hong Kong

SHARE REGISTRARS

Principal registrars

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

Hong Kong registrars

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Rooms 1712-1716, 17th Floor, Hopewell Centre
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股份過戶登記處

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

香港股份過戶登記處

香港中央證券登記有限公司
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股份代號

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AVIC International Holding (HK) Limited
中國航空工業國際控股(香港)有限公司