



中國興業控股有限公司

CHINA INVESTMENTS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (在百慕達註冊成立之有限公司)

(Stock Code 股票代號 : 132)

Annual Report 2017
年報

目 錄

Contents

		<i>Page(s)</i>
		頁次
CORPORATE INFORMATION	公司資料	2
CHAIRMAN'S STATEMENT	主席報告書	4
CORPORATE GOVERNANCE REPORT	企業管治報告	10
DIRECTORS' REPORT	董事會報告書	27
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	環境、社會及管治報告	41
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告書	49
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收益表	63
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	65
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	67
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	69
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	72
FIVE YEARS FINANCIAL SUMMARY	五年財務概要	179
PARTICULARS OF MAJOR PROPERTIES	主要物業資料	180

公司資料

Corporate Information

Executive Directors	He Xiangming (<i>Chairman</i>) Lin Pingwu (<i>Managing Director</i>) You Guang Wu (<i>Director</i>) Huang Zhihe (<i>Deputy Managing Director</i>) Wang Xin (<i>Deputy Managing Director</i>)	執行董事	何向明 (主席) 林平武 (董事總經理) 游廣武 (董事) 黃志和 (董事副總經理) 王欣 (董事副總經理)
Independent Non-Executive Directors	Chan Kwok Wai Chen Da Cheng Deng Hong Ping	獨立非執行董事	陳國偉 陳達成 鄧宏平
Audit Committee	Chan Kwok Wai (<i>Chairman</i>) Chen Da Cheng Deng Hong Ping	審核委員會	陳國偉 (主席) 陳達成 鄧宏平
Remuneration Committee	Chen Da Cheng (<i>Chairman</i>) Chan Kwok Wai Deng Hong Ping He Xiangming Lin Pingwu	薪酬委員會	陳達成 (主席) 陳國偉 鄧宏平 何向明 林平武
Nomination Committee	He Xiangming (<i>Chairman</i>) Lin Pingwu Chan Kwok Wai Chen Da Cheng Deng Hong Ping	提名委員會	何向明 (主席) 林平武 陳國偉 陳達成 鄧宏平
Registered Office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	註冊辦事處	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal Place of Business	Unit 501, Wing On Plaza 62 Mody Road Tsimshatsui Kowloon, Hong Kong	主要營業地點	香港 九龍尖沙咀 麼地道62號 永安廣場501室

公司資料

Corporate Information

Registrar	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda	股份過戶登記處	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Branch Registrar	Tricor Progressive Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong	股份過戶 登記分處	卓佳廣進有限公司 香港 皇后大道東183號 合和中心22樓
Principal Bankers	Bank of China Bank of Communications Bank of East Asia Limited OCBC Wing Hang Bank Limited Hang Seng Bank	主要來往銀行	中國銀行 交通銀行 東亞銀行 華僑永亨銀行 恒生銀行
Solicitors	Woo, Kwan, Lee & Lo	律師	胡關李羅律師行
Auditor	HLM CPA Limited <i>Certified Public Accountants</i>	核數師	恒健會計師行有限公司 <i>執業會計師</i>
Secretary	Lo Tai On	公司秘書	羅泰安
Stock Code	132	股份代號	132
Website	http://chinainvestments.oceanwir.com	網址	http://chinainvestments.oceanwir.com

主席報告書

Chairman's Statement

BUSINESS REVIEW

For the year ended 31 December 2017, the Group recorded total revenue of HK\$29,846,000, representing a year-on-year increase of 21.6%. As the revenue from investment properties and rental income increased HK\$17,751,000 as well as exchange gain of HK\$8,775,000 arising from the appreciation of the Renminbi, the Group recorded operating profit of HK\$27,630,000, reversing the loss recorded last year.

HOTEL BUSINESS

Coffotel Guilin Plaza ("Guilin Plaza") underwent renovation work from March to October in 2017, leading to significant decrease of 77.9% to HK\$4,423,000 in annual operating income. In addition, due to the business reorganization of Guilin Plaza, reduction in the number of hotel rooms, increase in room for rental properties, demand for labor decreased and severance payment of HK\$3,555,000 was incurred, resulting in a year-on-year increase of 230% to HK\$17,133,000 in the operating loss of Guilin Plaza.

Guilin Plaza reopened in November 2017 and the business operation gradually returned to normal. With more efficient use of room resources, decrease in operating costs and increase in rental income, the operating performance of the hotel is expected to improve.

In order to expand the diversified business related to the hotel industry, the Group formed China Select Small Hotel Union Limited (a 51%-owned joint venture of the Group) with T-Box Union (China) Financial Holdings Investments Limited and T-Box Union Investments Limited on 29 September 2017, in an effort to provide integrated service in the homestay inn and small hotel industry, including offering quickly-constructed T-BOX® mobile homes with zero-sewage discharge environmental-friendly system as well as homestay inn sales management software and financing solutions. On 14 December 2017, China Select Small Hotel Union Limited and China New Town Development Company Limited entered into strategic cooperation framework agreement for joint development of the homestay inn tourist services industry fund.

業務回顧

截至二零一七年十二月三十一日止年度，本集團總收入為港幣29,846,000元，比去年增加21.6%。由於投資物業銷售收益及出租物業租金收入增加港幣17,751,000元及人民幣上升所產生匯兌收益港幣8,775,000元，本集團全年錄得經營利潤港幣27,630,000元，扭轉去年虧損情況。

酒店業務

喆啡桂林觀光酒店（「觀光酒店」）由二零一七年三月至十月期間進行全面更新改造工程，因而導致全年營業收入大幅減少77.9%至港幣4,423,000元。此外，由於觀光酒店業務重組，壓縮住宿房間數目，增加出租物業空間，對勞動力需求減少，因此而產生員工遣散費用港幣3,555,000元，致使觀光酒店全年經營虧損比去年上升230%至港幣17,133,000元。

觀光酒店已於二零一七年十一月重新開業，經營運作逐步回復正軌，在更有效利用空間資源、經營成本減少及租金收入增加的情況下，預期酒店的經營表現將有所改善。

為拓展酒店相關多元化業務，本集團於二零一七年九月二十九日與盒盟（中國）金融集團投資控股有限公司和盒盟投資有限公司組建興業民宿互助社有限公司（本集團持有51%股權）以致力為民宿及小而美酒店行業提供綜合服務，包括提供快速組建並配備污水零排放環保系統的T-BOX®移動房屋、民宿管理軟件及融資解決方案。於二零一七年十二月十四日，興業民宿互助社有限公司與中國新城鎮發展有限公司簽訂戰略合作框架協議，以共同發展民宿旅遊服務產業基金。

主席報告書

Chairman's Statement

PROPERTY INVESTMENTS

The Group's overall rental income in 2017 was HK\$6,373,000, representing an increase of 39.6% as compared to the same period last year. As the ancillary facilities enhancement work at Zhongkong Tower in Foshan was completed, the overall occupancy rate of Zhongkong Tower increased to 53.84% and the full-year rental income amounted to HK\$3,085,000, representing a significant increase of 292% as compared to the same period of last year. The full-year rental income of Shantou Commercial Plaza amounted to HK\$1,558,000, which was similar to last year. As most of the properties of Huizhou International Commerce Building were sold in the second half of the year, annual rental income decreased 21.67% to HK\$359,000 from last year.

In terms of property sales, during the year, the Group completed the disposal of 29 units of Huizhou International Commerce Building, 5 units of Shantou Commercial Plaza and unit A on the ground floor in Kai Yip Factory Building, San Po Kong, Hong Kong, cashing out totally HK\$49,743,000 and generating total gains of HK\$20,671,000.

As disclosed by the Company on 16 November 2017, Guangdong Sino Rock Tyco Construction Co., Ltd. ("Sino Rock Tyco"), a subsidiary of the Company and a 80%-owned joint venture of the Group, would invest in the development and construction of the high-end industrial parks project for electric vehicle and hydrogen powered fuel cell vehicle production operated in Danzao Town, Nanhai District, Foshan City. The construction of the industrial parks is expected to complete in 2019.

物業投資

本集團二零一七年整體投資物業租金收入為港幣6,373,000元，比去年同期增加39.6%，其中，由於佛山中控大廈配套設施增值工程已完成，中控大廈整體出租率上升至53.84%，全年租金收入為港幣3,085,000元，較去年同期大幅上升292%。汕頭國際商業大廈全年租金收入港幣1,558,000元，與去年相若。由於惠州國商大廈大部份物業於下半年售出，全年租金收入比去年減少21.67%至港幣359,000元。

物業出售方面，本集團於年內完成出售惠州國商大廈29個單位、汕頭國際商業大廈5個單位及香港新蒲崗啟業工廠大廈地下A部份物業，共套現港幣49,743,000元及產生收益共港幣20,671,000元。

誠如本公司於二零一七年十一月十六日所披露，本公司附屬公司廣東中岩泰科建設有限公司（「中岩泰科」）（本集團持有80%股權）將投資開發及建設營運位於佛山市南海區丹灶鎮生產電動車及氫動力燃料電池車的高端產業園項目，預期產業園建造工程將於二零一九年竣工。

主席報告書

Chairman's Statement

WELLNESS ELDERLY CARE BUSINESS

Guangdong Yibaijian Comprehensive Health Technology Ltd. ("Guangdong Yibaijian"), a 70%-owned joint venture company of the Group, has completed the whole construction work and passed the comprehensive system test of smart platform for management of integrated elderly care services in Nanhai District ("Smart Elderly Care Services Platform"). It has officially conducted pilot operation in Dali Town and Shishan Town, Nanhai District on 12 July 2017. The platform has operated smoothly so far and was planned to gradually expand to other towns in Nanhai District. On December 4, 2017, Guangdong Yibaijian won the tender of the second phase construction of the Smart Elderly Care Services Platform for further optimization of the Platform and development of various value-added services in healthy elderly care management so as to increase channels of operating income. Smart Elderly Care Services Platform is a point of entry for the Group into the wellness elderly care industry. As the elderly care project is at the initial investment and construction stage, it has yet to generate any profits or gains for the Group.

In order to focus resources on the development of wellness elderly care industry, the Group has shelved plans to invest in maternal and child health care development projects

PROFIT ON INVESTMENTS IN ASSOCIATES

Nanhai Changhai Power Company Limited, a 32.636%-owned joint venture of the Group, implemented technological transformation of its boilers at the beginning of last year. As a result, a temporary suspension of the operation of the boilers affected power generation and gas supply. As there is no such technological transformation is implemented this year, both sales volume of power and steam increased as compared to last year. Despite increased costs due to the increase in coal prices, operating performance in 2017 improved with an operating profit of HK\$180,351,000, contributing HK\$58,859,000 to the Group, representing an increase of 13% as compared to last year.

大健康養老業務

廣東壹佰健大健康科技有限公司（「廣東壹佰健」）（本集團持有70%股權）已完成南海區智慧養老綜合服務管理平臺（「智慧養老服務平臺」）的整體建設工程及已通過全面系統測試，並已於二零一七年七月十二日正式在南海區大瀝鎮和獅山鎮開展試點營運，該平台至今運作暢順，並計劃逐步推展至南海區其他鎮街。於二零一七年十二月四日，廣東壹佰健成功投得智慧養老服務平臺第二期工程，以進一步優化智慧養老服務平臺，並開拓各種健康養老管理的增值服務，以增加經營收入渠道。智慧養老服務平臺為本集團進軍大健康養老產業的切入點，並為養老項目初步投資建設階段，因而暫未能為本集團提供任何盈利收益。

為集中資源開拓大健康養老產業，本集團已擱置擬計劃投資的婦幼保健護理發展項目。

聯營公司投資收益

由於南海長海發電有限公司（本集團持有32.636%股權）去年初對鍋爐進行技改，造成短暫停鍋爐，影響發電及供氣，而今年則沒有進行相關技改，故對比去年出售電量及蒸氣量均有所增加，即使煤價上升增加了成本，二零一七年經營業績仍有所上升，錄得經營利潤幣180,351,000元，為本集團提供盈利貢獻港幣58,859,000元，比去年增加13%。

主席報告書

Chairman's Statement

As at 31 December 2017, Guangdong Financial Leasing Co., Ltd., a 25%-owned associate of the Group, recorded net operating profit of HK\$66,537,000, contributing a profit of HK\$16,635,000 to the Group, representing an increase of 6.2% as compared to last year.

Global Digital Cybersecurity Authority Co., Ltd. (formerly Guangdong Certificate Authority Company Limited), a 5%-owned joint venture of the Group, completed the listing of its shares on the National Equities Exchange and Quotations System (New Third Board) on 11 August 2017 and generated a profit of HK\$777,000 for the equity held by the Group.

FINANCIAL POSITION AND ANALYSIS

As at 31 December 2017, the Group had total assets of HK\$2,277,412,000 (31 December 2016: HK\$1,316,578,000), bank loans and other long-term liabilities of HK\$945,849,000 (31 December 2016: HK\$257,475,000), net assets of HK\$1,177,859,000 (31 December 2016: HK\$931,287,000), gearing ratio (being bank loans and long-term borrowings divided by total assets) of 41.5% (31 December 2016: 19.6%) and equity attributable to owners of the Company per share of HK59.58 cents (31 December 2016: HK54.39 cents).

The Group had net current assets of HK\$244,777,000 (31 December 2016: HK\$60,051,000), current ratio (being current assets divided by current liabilities) of approximately 1.32 times (31 December 2016: 1.39 times) and bank savings cash and cash equivalents of HK\$886,861,000 (31 December 2016: HK\$151,097,000), which is sufficient for the capital requirements of future operation and new projects or business development of the Group.

截至二零一七年十二月三十一日止，廣東粵科融資租賃有限公司（本集團持有25%股權）錄得經營利潤港幣66,537,000元，為本集團提供盈利收益港幣16,635,000元，比去年增加6.2%。

數安時代科技股份有限公司（前稱廣東數字證書認證中心有限公司）（本集團持有5%股權）於二零一七年八月十一日完成其股份在全國中小企業股份轉讓系統掛牌（新三板），並就本集團所持股權分配利潤港幣777,000元。

財務狀況及分析

截至二零一七年十二月三十一日止，本集團之總資產為港幣2,277,412,000元（二零一六年十二月三十一日：港幣1,316,578,000元），銀行貸款及其他長期負債合共港幣945,849,000元（二零一六年十二月三十一日：港幣257,475,000元），資產淨值為港幣1,177,859,000元（二零一六年十二月三十一日：港幣931,287,000元），資產負債比率（即銀行貸款及長期借貸除總資產）為41.5%（二零一六年十二月三十一日：19.6%），本公司擁有人應佔權益每股為港幣59.58仙（二零一六年十二月三十一日：港幣54.39仙）。

本集團之淨流動資產為港幣244,777,000元（二零一六年十二月三十一日：港幣60,051,000元），流動比率（即流動資產除流動負債）約為1.32倍（二零一六年十二月三十一日：1.39倍），而銀行存款及現金等價物則為港幣886,861,000元（二零一六年十二月三十一日：港幣151,097,000元），足以應付本集團的未來營運及新項目或業務發展之資金需求。

主席報告書

Chairman's Statement

PLEDGE OF ASSETS

For the year ended 31 December 2017, properties of the Group for own use and investment and bank deposit with carrying value of approximately HK\$387,660,000 were pledged to banks as the security for the bank borrowings granted to the Group (31 December 2016: properties of the Group for own use and investment with carrying value of approximately HK\$301,578,000 were pledged to banks).

FOREIGN EXCHANGE EXPOSURE

The Group's main operating income and costs are denominated in RMB. In the business operation of the Group, foreign exchange fluctuation of income and costs would be mutually offset. However, as the Hong Kong-based Group has invested substantial borrowings into domestic wholly-owned subsidiaries in the Mainland whilst owning substantial RMB monetary assets. However, the Group had invested registered capital of US\$70,000,000 into Sino Rock Tyco by the end of this year for the construction of the industrial parks project. As Sino Rock Tyco has not exchanged the US\$70,000,000 into RMB, exchange loss or gain would be generated from appreciation or depreciation of RMB before exchange. It is expected that a decrease or an increase of about HK\$17,374,000 in the profit of the year would be resulted if the exchange rate of RMB to HK dollars appreciates or depreciates by 5%. Reversely, after exchanging the US\$70,000,000 into RMB, it is expected that an increase or a decrease of about HK\$9,967,000 in the profit of the year would be resulted if the exchange rate of RMB to HK dollars appreciates or depreciates by 5%. For the past few years, RMB constantly showed an upward trend and only gradually became stable in the second half of 2008 while still maintaining an upward momentum. However, the exchange rate of RMB started to adjust downwards repeatedly in recent years while began to rebound and recorded an exchange gain of HK\$8,775,000 this year. Therefore, the Board believes that the magnitude of the downward adjustment of RMB will be limited in the medium and short term and substantial depreciation or appreciation is unlikely in the future. It is expected that RMB will be stable in the long term in the future and will not significantly pose adverse foreign exchange risk to the Group in the long run. Accordingly, at the moment, it is not necessary for the Group to hedge against foreign exchange risk.

資產抵押

截至二零一七年十二月三十一日止，本集團之自用及投資物業及銀行存款之賬面值約港幣323,697,000元已抵押予銀行，作為本集團獲銀行借款之抵押品。（二零一六年十二月三十一日：本集團之自用及投資物業之賬面值約港幣301,578,000元已抵押予銀行）。

外匯風險

本集團主要賺取人民幣並承擔以人民幣計算的成本，在本集團的業務營運中對收入與成本的匯率波動影響會相互衝減。不過，本集團以香港為基地對國內全資附屬公司投放了大量往來借款，同時本集團亦擁有大量人民幣貨幣資產，然而集團於今年底已向中岩泰科投入了7千萬美元註冊股本，建設產業園項目，由於中岩泰科尚未將7千萬美元兌換為人民幣，故在兌換前暫時會導致因人民幣升值或降價而帶來匯兌虧損或收益，預計人民幣兌港幣升值或貶值5%，則會影響本年度盈利遞減或增加約港幣17,374,000元；反之，將7千萬美元兌換為人民幣後，情況將會逆轉，人民幣升值或降價將會帶來匯兌收益或虧損，預計人民幣兌港幣升值或貶值5%，則會影響本年度盈利增加或遞減約港幣9,967,000元。綜觀過去數年，人民幣均呈現上升趨勢，直至二零零八年下半年升勢才漸趨平穩，仍持續向好。不過，近年人民幣卻開始反覆調整下跌，但今年已開始出現了反彈，錄得匯兌收益港幣8,775,000元，故董事會認為人民幣中、短期再反覆調整下跌幅度有限，未來大幅度貶值或升值之機會不大，未來將會長期持續平穩，不會對本集團長期構成重大不利外匯風險。因此，本集團暫沒有任何為外匯風險作出對沖的需要。

主席報告書

Chairman's Statement

OUTLOOK

During transformation and upgrade in the past few years, the Group has basically confirmed its development focus and direction by continuous exploration and survey, steady investment, and gaining of industry experience. In addition to keep advancing the traditional businesses of real estate, hotels and industrial sectors for guaranteeing stable recurring revenue, the Group will seize opportunities for market development in finance, technology and wellness elderly care sectors in coming years. In terms of the finance sector, the Group has established a wholly-owned subsidiary Canton Risen Financial Leasing Co., Ltd* (廣東粵盛科融資租賃有限公司) leveraged on its accumulated experience in the financial leasing industry in order to further develop the financial leasing business; In terms of the technology sector, taking advantage of the opportunity of the Nanhai District new smart city construction plan, the Group actively research on and develop the Big Data industry projects; In terms of the wellness elderly care sector, the Group shall continue to develop towards constructing the 3-folded elderly care system of Nanhai District organization, community and domestics based on the foundation of the Smart Elderly Care Services Platform. Through the above development plans, it shall expand the Group's business and gradually achieve the goal of improving returns for shareholders.

展望

本集團在過去數年轉型升級過程中，不斷探索調研、穩步投資、吸取行業經驗，基本確定了集團發展重點及方向。除了繼續推進原有房地產、酒店、工業等傳統性業務，以保障集團穩定經常性收益外，本集團在來年將把握市場發展機遇，朝金融、科技、大健康養老板塊發展。在金融板塊方面，憑藉本集團在融資租賃行業所積累的經驗，本集團已成立一間全資附屬公司廣東粵盛科融資租賃有限公司以進一步拓展融資租賃業務；在科技板塊方面，藉着南海區新型智慧城市建設計劃的契機，積極調研發展大數據產業項目；大健康養老板塊方面，在智慧養老服務平台的基礎上，繼續向構建南海區機構、社區及居家三級養老體系方向發展。通過以上發展計劃，擴大本集團業務領域，逐步實現提升股東回報收益的目標。

企業管治報告

Corporate Governance Report

China Investments Holdings Limited (the “Company”) puts great emphasis on corporate governance and is committed to maintaining the high standard of corporate governance which is reviewed and strengthened on a continued basis. The board of directors (the “Board”) and the management of the Company maintains and enhances the policies and practices of the Company in a timely, transparent, effective and responsible manner, so as to maintain good, solid and reasonable corporate governance structure. The Board believes that the Company and shareholders as a whole can derive maximum benefits from good corporate governance.

The Company has adopted all the code provisions under the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) as its own code on corporate governance.

For the year ended 31 December 2017, the Company has complied with all code provisions under the CG Code.

CORPORATE GOVERNANCE STRUCTURE

The Company’s corporate governance structure includes the Board and three committees under the Board, namely audit committee, remuneration committee and nomination committee. The Board stipulates the terms of reference of all committees in writing and specifies clearly the power and responsibilities of the committees.

中國興業控股有限公司（「本公司」）對企業管治極為重視，持續檢討及加強企業管治的措施，致力維持高水平的企業管治標準。本公司董事會（「董事會」）及管理層採取及時、透明、有效及負責的方式保持及改進本公司的政策和常規，維持一個良好、穩固及合理之企業管治架構。董事會深信良好的企業管治能確保本公司及整體股東的最佳利益。

本公司採納《香港聯合交易所有限公司證券上市規則》（「上市規則」）附錄14所載的企業管治守則（「企業管治守則」）的所有守則條文為本公司的企業管治守則。

截至二零一七年十二月三十一日止年度，本公司一直遵守企業管治守則的所有守則條文。

公司管治架構

本公司的公司管治架構包括董事會及董事會轄下的三個委員會，即審核委員會、薪酬委員會及提名委員會，董事會以書面訂明各委員會的職權範圍，清楚說明委員會的職權和責任。

企業管治報告

Corporate Governance Report

THE COMPOSITION OF THE BOARD

The Board currently comprises eight directors, comprising five executive directors who have extensive business experience, and three independent non-executive directors who possess appropriate professional qualifications. Throughout the year 2017 and up to the date of this report, the composition of the Board is set out below:

Executive Directors

Mr. He Xiangming (*Chairman*)
Mr. Lin Pingwu (*Managing Director*)
Mr. You Guang Wu (*Director*)
Mr. Huang Zhihe (*Deputy Managing Director*)
Ms. Wang Xin (*Deputy Managing Director*)

Independent Non-Executive Directors

Mr. Chan Kwok Wai
Mr. Chen Da Cheng
Mr. Deng Hong Ping

Every director has sufficient time and attention to deal with the affairs of the Group. Each director discloses to the Company for the number and nature of offices held in public companies or organizations and other significant commitments every year. The Board considers the composition of executive and non-executive directors is rational and appropriate and provides adequate checks and balances to safeguard the interests of shareholders and the Group.

The independent non-executive directors provide the Group with diversified experience and expertise. Their suggestions, opinions and participation in the meetings of the Board and each committee bring independent opinions, suggestions and judgements on issues relating to the Group's strategy, development, operations, performance, risk control and conflicts of interest, to ensure that the interests of all shareholders are taken into account.

董事會的組成

董事會現由八名董事組成，包括五名於本公司業務上具有豐富經驗的執行董事及三名具備適當專業資格的獨立非執行董事。於二零一七年度內及於本報告日期，董事會的組成如下：

執行董事

何向明先生 (*主席*)
林平武先生 (*董事總經理*)
游廣武先生 (*董事*)
黃志和先生 (*董事副總經理*)
王欣女士 (*董事副總經理*)

獨立非執行董事

陳國偉先生
陳達成先生
鄧宏平先生

董事均有足夠時間及精神以處理本集團的事務。董事每年向本公司披露其於公眾公司或組織擔任職位的數目及性質，以及其他重大承擔的職務。董事會認為執行董事及非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。

獨立非執行董事為本集團帶來多元化的經驗及專業知識。他們提出的提議及意見，以及透過彼等參與董事會及各個委員會會議，為本集團的策略及發展、業務營運及表現、風險控制及利益衝突等事宜上，提供獨立意見、提議及判斷，以確保股東之權益均獲得考慮。

企業管治報告

Corporate Governance Report

In accordance with the bye-laws of the Company, subject to the manner of retirement by rotation of directors as from time to time prescribed under the Listing Rules and 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 (including those appointed for a specific term) shall be subject to retirement at least once every three years.

Individual information and responsibilities of all directors are contained in this annual report on pages 31 to 34.

There are no business, financial, family and other relevant interests among directors.

THE OPERATION OF THE BOARD

The Board is principally responsible for establishing the development direction of the Group, formulating targets and business development plans, approving major agreements and matters, monitoring the performance of senior management and is responsible for corporate governance with a view to increasing shareholders' value. Led by the managing director, the management is responsible for implementing the strategies and plans developed by the Board. The Board authorizes the management to manage the day-to-day business operations of the Group. Each committee under the Board has its own specified terms of reference which clearly define their powers and responsibilities.

The Company has developed a schedule of matters reserved to the Board for its decision and has separately identified those functions reserved to the Board. The Board will review those arrangements on a regular basis to ensure that the arrangements meet the needs of the Company.

根據本公司的公司細則，遵照上市規則不時規定之董事輪值告退方式，以及儘管委任或聘任任何董事時訂立了任何合約性或其他性質之條款，於每次股東週年大會上，三分之一在任董事（或若其數目並非三之倍數，則為最接近之數目，惟不得少於三分之一）須輪值告退，惟每位董事（包括具有指定任期者）必須至少每三年退任一次。

所有董事的個人資料及責任的資料已詳列於本年報的第31至34頁。

各董事彼此間並沒有任何關係，包括業務、財務、家屬及其他相關利益。

董事會的運作

董事會主要負責建立本集團的發展路向、訂立目標及業務發展計劃、審批重大協議及事項、監控高級管理人員的表現及為公司管治負責，目標為增加股東價值。管理層由董事總經理帶領，負責推行董事會制訂的策略及計劃。董事會授權管理層管理本集團的日常業務。董事會下設的委員會有其特定的職權範圍，明確界定他們的權力和責任。

本公司已訂立一份保留予董事會決定的事項表，將那些保留予董事會的職能分別確定，董事會會定期檢討該等安排，以確保有關安排符合本公司的需要。

企業管治報告

Corporate Governance Report

The Board also performs the obligations regarding corporate governance, including:

1. develop and review the Company's policies and practices on corporate governance;
2. review and monitor the training and continuous professional development of directors and senior management;
3. review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
5. review the Company's compliance with Appendix 14 (Corporate Governance Code and Corporate Governance Report) to the Listing Rules.

The Board convenes at least four regular meetings each year (approximately once each quarter) and will convene meetings when necessary. When a regular board meeting is convened, the Board papers will be sent to directors for review before the meeting pursuant to the deadline as required by the Listing Rules and the code provisions so that directors can keep abreast of the information to perform their duties and responsibilities.

董事會並且負責履行的企業管治職責，包括下列各項：

1. 制訂及檢討本公司的企業管治政策及常規；
2. 檢討及監察董事及高級管理人員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. 制訂、檢討及監察僱員及董事適用的操守守則及合規手冊；及
5. 檢討本公司遵守上市規則附錄14(企業管治守則及企業管治報告)的情況。

董事會每年最少召開四次定期會議(約每季度一次)，亦會在有需要時召開會議。在召開定期董事會會議時，董事會文件乃根據上市規則及守則條文的規定期限於會議前送交予董事審閱，使董事能夠掌握有關資料，以便履行其職責和責任。

企業管治報告

Corporate Governance Report

All members of the Board have actively participated in the Company's Board meetings to discuss the overall strategy and business of the Group. The Board convened nine meetings in 2017 and the attendance of directors is as follows:

董事會成員皆積極參與本公司的董事會會議，討論本集團的整體策略及業務。董事會於二零一七年共召開九次會議，及董事出席情況如下：

Name of Directors	董事名稱	Number of Attendance/ Number of Meetings 出席次數/ 舉行次數	Attendance Rate 出席率
<i>Executive Directors</i>			
Mr. He Xiangming (<i>Chairman</i>)	何向明先生 (主席)	9/9	100%
Mr. Lin Pingwu (<i>Managing Director</i>)	林平武先生 (董事總經理)	9/9	100%
Mr. You Guang Wu (<i>Director</i>)	游廣武先生 (董事)	9/9	100%
Mr. Huang Zhihe (<i>Deputy Managing Director</i>)	黃志和先生 (董事副總經理)	9/9	100%
Ms. Wang Xin (<i>Deputy Managing Director</i>)	王欣女士 (董事副總經理)	9/9	100%
<i>Independent Non-Executive Directors</i>			
Mr. Chan Kwok Wai	陳國偉先生	9/9	100%
Mr. Chen Da Cheng	陳達成先生	9/9	100%
Mr. Deng Hong Ping	鄧宏平先生	9/9	100%

The remuneration of directors is determined with reference to their functions and responsibilities and the results of the Company in accordance with the remuneration and performance assessment programme of directors and senior management which was approved by the shareholders of the Company at the annual general meeting held on 25 May 2017. Any director is not allowed to participate in determining his/her own remuneration. The remuneration received by directors from the Group during the year is set out in note 13 to the financial statements.

董事酬金乃參考彼等各自的職責及本公司業績並根據已於二零一七年五月二十五日舉行之股東週年大會上取得本公司股東批准的董事及高級管理層薪酬及績效考核方案釐定。任何董事不得參與訂定本身的酬金。董事於本年度向本集團收取酬金的詳情已載於財務報表附註13。

The Board has set up an independent professional consulting procedure for directors and upon reasonable request, the directors are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

董事會已訂立一套董事諮詢獨立專業意見的程序，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本公司支付。

企業管治報告

Corporate Governance Report

ROLES AND DUTIES OF CHAIRMAN AND MANAGING DIRECTOR

The chairman and the managing director have different roles. The chairman is responsible for the operation of the Board and the managing director is responsible for managing the operations of the Group. Their functions have been clearly divided to ensure a balanced distribution of power and authority so that they will not concentrate on a single individual.

In 2017, the chairman was Mr. He Xiangming and the managing director was Mr. Lin Pingwu. The deputy managing directors were Mr. Huang Zhihe and Ms. Wang Xin.

The chairman of the Board is principally responsible for leading the Board and ensures the Board acts in the best interests of the Company. The chairman shall ensure the Board operates effectively and performs its proper duties and discusses all important and proper matters in a timely manner. The chairman is responsible for convening board meetings, consulting, determining and approving the agenda of each board meeting, and ensuring that directors are provided sufficient information on current matters in a timely manner. The chairman is also responsible for ensuring that the Company formulates good corporate governance practice and procedure.

The managing director is principally responsible for the daily operation and management of the Group's overall operations and implementing the Board's operating strategy and policy and delegating tasks to all departments for implementation so as to realize the Board's objectives and decisions. In addition, the managing director is also responsible for coordinating close cooperation among all departments, uniting efforts of staff and encouraging the initiative of staff so as to ensure smooth and effective operation of the Company's operations and systems.

主席及董事總經理的角色及責任

主席及董事總經理的角色不同。主席負責董事會運作，而董事總經理負責管理本集團業務，兩者之間的職務已清楚區分，以確保權力和授權分佈均衡，不致集中在一位人士。

於二零一七年，董事會主席由何向明先生擔任，董事總理由林平武先生擔任，而董事副總經理則由黃志和先生及王欣女士擔任。

主席之主要職責包括領導董事會，確保董事會行事符合公司最佳利益。主席須確保董事會有效地運作及履行應有職責，並及時就所有重要的、適當的事項進行討論；主席負責召開董事會會議，諮詢、釐定及批准每次董事會會議的議程，並確保董事及時獲悉當前的事項及充分的資料。主席同時負責確保公司制訂良好的企業管治常規及程序。

董事總經理之主要職責包括負責集團整體業務日常運作的經營及管理，貫徹董事會的經營策略及方針，下達任務至各部門執行，以實現董事會的目標和決定。此外，董事總經理並負責協調各部門的緊密合作關係，團結員工的力量，鼓勵員工積極性，確保公司業務及制度暢順而有效地運行。

企業管治報告

Corporate Governance Report

TRAININGS OF DIRECTORS

All newly appointed directors are provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations. The Company Secretary and representative of auditor update directors on the latest development and changes regarding the Listing Rules, accounting standards and other relevant regulatory requirements from time to time.

In addition, the directors are provided with monthly updates on the Company's performance and position to enable the Board as a whole and each director to discharge their duties.

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. According to the records provided by the directors, all directors have participated in continuous professional development for the year ended 31 December 2017.

During the year under review, all directors of the Company participated in continuous professional development to update their knowledge and skills by reading materials relevant to the directors' duties and responsibilities and/or their relevant professional and by attending the training programs arranged by the Company. In addition, Mr. Chan Kwok Wai also had attended talks and seminars organised by different professional institutions in relation to the knowledge of the Listing Rules and directors' responsibility etc.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by directors. After making specific enquiries, all directors have confirmed that, in respect of the year ended 31 December 2017, they have complied with the required standard as set out in the Model Code.

董事培訓

所有新委任的董事均獲提供必要的就任需知及資料，確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下的責任有適當程度的了解。公司秘書及核數師代表亦不時為董事提供上市規則、會計準則及其他相關監管規定的最新發展及變動資料。

此外，董事亦獲提供本公司表現及狀況的每月更新資料，以便董事會整體及各董事履行其職務。

本公司鼓勵所有董事參與持續專業發展，發掘並更新彼等的知識及技能。根據董事所提供的紀錄，全體董事已於截至二零一七年十二月三十一日止年度內參與持續專業發展。

於回顧年度內，本公司所有董事均參與持續專業發展，透過閱覽與董事職責及／或與其相關專業有關的材料及出席由本公司安排的專業培訓課程更新彼等的知識及技能。此外，陳國偉先生亦出席由不同專業機構舉辦有關上市規則及董事責任等方面的座談及研討會。

董事進行證券交易

本公司已採納上市規則附錄10所載列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時的操守準則。經作出特定查詢後，全體董事已確認彼等於截至二零一七年十二月三十一日止年度內一直遵守標準守則所載的規定。

企業管治報告

Corporate Governance Report

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors with extensive experience in accounting or legal aspects. The audit committee is mainly responsible for reviewing the financial statements, annual reports and accounts and risk management and internal control systems of the Company, providing advice to the Board, and making recommendations on the appointment and remuneration of the auditor of the Company and any matters related to the termination of appointment. Mr. Chan Kwok Wai is the chairman of the audit committee and is responsible for reporting the meeting results and recommendations of the audit committee to the Board after each meeting.

In 2017, the audit committee convened two meetings. Members and their attendance are as follows:

審核委員會

審核委員會由三名獨立非執行董事組成，彼等在會計或法律方面有豐富經驗。審核委員會主要負責審閱本公司的財務報表、年度報告及賬目和風險管理及內部監控系統並向董事會提供意見、就本公司核數師的委任、薪酬及任何與終止委聘有關事宜等提出建議。陳國偉先生為審核委員會的主席，負責於每次會議後向董事會報告審核委員會的會議結果及推薦意見。

於二零一七年，審核委員會共召開兩次會議，成員及出席情況如下：

Name of Members	成員名稱	Number of Attendance/ Number of Meetings 出席次數/ 舉行次數	Attendance Rate
Chan Kwok Wai (<i>Chairman of the audit committee</i>)	陳國偉 (審核委員會主席)	2/2	100%
Chen Da Cheng	陳達成	2/2	100%
Deng Hong Ping	鄧宏平	2/2	100%

Tasks undertaken by the audit committee during the year included reviewing the 2016 audited financial statements and the annual results announcement, reviewing the interim report and the interim results announcement for the six months ended 30 June 2017, considering the accounting standards adopted, reviewing the financial reporting, internal control and risk management systems, reviewing the effectiveness of the Company's internal audit function, reviewing the management letter about audit work of the auditor submitted to the management and the response of the management and the basis of opinion made by the auditor in their report, etc.

審核委員會在年度內所做的工作包括審閱二零一六年度經審核財務報表及年度業績通告、審閱截至二零一七年六月三十日止六個月的中期報告及中期業績通告、考慮所採納的會計準則、審閱財務匯報、風險管理及內部監控系統、審閱本公司內部審核功能的有效性、審閱核數師提交管理層的審核情況說明函件及管理層回應、核數師在其報告書所作的意見基準等事項。

企業管治報告

Corporate Governance Report

REMUNERATION COMMITTEE

The remuneration committee comprises three independent non-executive directors and two executive directors. The remuneration committee is principally responsible for reviewing and approving remuneration plans for directors and senior management, making recommendations to the Board on the remuneration package of executive directors and senior management, including benefits, pension rights and payment of compensation. Mr. Chen Da Cheng is the chairman of the remuneration committee and is responsible for reporting the meeting results and recommendations of the remuneration committee to the Board after each meeting.

In 2017, the remuneration committee convened two meetings. Members and their attendance are as follows:

薪酬委員會

薪酬委員會由三名獨立非執行董事及兩名執行董事組成。薪酬委員會主要負責審閱及批准董事及高級管理人員的薪酬方案，向董事會建議執行董事及高級管理人員的薪酬待遇，包括利益、退休金權利及賠償支付。陳達成先生現為薪酬委員會的主席，負責於每次會議後向董事會報告薪酬委員會的會議結果及推薦意見。

於二零一七年，薪酬委員會曾舉行兩次會議，成員及出席情況如下：

Name of Members	成員名稱	Number of Attendance/ Number of Meetings 出席次數/ 舉行次數	Attendance Rate 出席率
Chen Da Cheng (<i>Chairman of the remuneration committee</i>)	陳達成 (薪酬委員會主席)	2/2	100%
Chan Kwok Wai	陳國偉	2/2	100%
Deng Hong Ping	鄧宏平	2/2	100%
He Xiangming	何向明	2/2	100%
Lin Pingwu	林平武	2/2	100%

Tasks undertaken by the remuneration committee during the year included reviewing the emoluments and incentive scheme of the Group, determining the emoluments of the directors and senior management and considering the incentive payment and making recommendations to the Board. The remuneration committee also ensures that no director or senior management member determines his/her own remuneration.

薪酬委員會在年度內所做的工作包括檢討集團的薪酬情況及獎金制度、釐定董事及高級管理人員的薪酬待遇及考慮獎金派發等，並向董事會提出建議。薪酬委員會並確保沒有董事或高級管理人員自行釐定其本人的薪酬。

企業管治報告

Corporate Governance Report

The remuneration policy of the Group is to determine the remuneration based on the responsibilities, qualifications and working performance of staff (including directors). In addition, the Group adopted the share option scheme for a term of 10 years on 26 April 2013. Since adoption of the share option scheme, the Group has not granted any share options.

本集團的薪酬政策是以員工（包括董事）的職責、資歷及工作表現而釐定其酬金。此外，本集團已於二零一三年四月二十六日採納了為期十年的購股權計劃，自採納購股權計劃，本集團並沒有授出任何購股權。

NOMINATION COMMITTEE

The nomination committee comprises three independent non-executive directors and two executive directors. The nomination committee is responsible for reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. It shall consider the suitability of a candidate to act as a director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company, and assess the independence of independent non-executive directors under the requirements set out in Rule 3.13 of the Listing Rules.

In 2017, the nomination committee convened one meeting and members and their attendance are as follows:

提名委員會

提名委員會由三名獨立非執行董事及兩名執行董事組成。提名委員會負責檢討董事會的架構、人數及組成，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議。提名委員會就候選人的資格、經驗、品格及對本公司作貢獻的潛力考慮出任董事的合適人選，並評核上市規則第3.13條所載的獨立性規定評核獨立非執行董事的獨立性。

於二零一七年，提名委員會曾舉行一次會議，成員及出席情況如下：

Name of Members	成員名稱	Number of Attendance/ Number of Meetings 出席次數/ 舉行次數	Attendance Rate 出席率
He Xiangming (<i>Chairman of the nomination committee</i>)	何向明 (<i>提名委員會主席</i>)	1/1	100%
Lin Pingwu	林平武	1/1	100%
Chan Kwok Wai	陳國偉	1/1	100%
Chen Da Cheng	陳達成	1/1	100%
Deng Hong Ping	鄧宏平	1/1	100%

企業管治報告

Corporate Governance Report

The work carried out by the nomination committee during the year included reviewing the Board structure of the Company, assessing the independence of independent non-executive directors, considering and reviewing the Board diversity policy and making recommendations to the Board.

All independent non-executive directors of the Company have complied with the requirements of the Listing Rules and have presented annual confirmations of independence issued pursuant to Rule 3.13 of the Listing Rules to the Company. The nomination committee has assessed their independence and confirms that all independent non-executive directors are independent parties as defined in the Listing Rules. The term of office of Mr. Chan Kwok Wai and Mr. Chen Da Cheng is for two years until 21 September 2018. The term of office of Mr. Deng Hong Ping is for two years until 5 April 2020. They are subject to the retirement by rotation and re-election requirements of the bye-laws of the Company.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board. With a view to maintaining competitive advantage, the Company sees increasing diversity at the Board level as an essential element. Therefore, the Company adopted the Board diversity policy in 2013. The policy set out that the nomination committee of the Company reviews and assesses the composition of the Board, makes recommendations to the Board on appointment of new directors of the Company, oversees the conduct of the annual review of the effectiveness of the Board in order to achieve the objective of Board diversity. In addition, mechanisms including supervising, reporting and policy reviewing etc. ensure that the Board diversity policy will be implemented effectively.

The nomination committee has reviewed from time to time the diversity of the Board of the Company to ensure that the policy will be implemented effectively and considered that there is no immediate need for setting up the measurable objectives.

提名委員會在年度內所做的工作包括檢討本公司的董事會架構、評核獨立非執行董事的獨立性及檢討董事會多元化政策，並向董事會提出建議。

本公司各獨立非執行董事已符合上市規則的要求，向本公司出示根據上市規則第3.13條發出的獨立性週年確認書。提名委員會已評估彼等的獨立性，並確認所有獨立非執行董事均屬上市規則所界定的獨立人士。陳國偉先生及陳達成先生的任期為兩年至二零一八年九月二十一日止，而鄧宏平先生的任期為兩年至二零二零年四月五日。彼等須遵守本公司細則內有關輪值退任及重選連任的規定。

董事會多元化政策

本公司了解及認同具有多元化董事會成員的裨益，並視在董事會層面的多元化為維持競爭優勢的重要元素。因此本公司於二零一三年採納董事會多元化政策。其政策列明有關提名委員會審閱及評估董事會組成、推薦人選以委任加入董事會及監管董事會有效性年度審閱時的方針，從而達致董事會成員多元化的目標；並設有監察、報告及政策覆核等機制，以確保董事會多元化政策能有效地執行。

提名委員會已就本公司董事會多元化不時作出檢討以確保其政策能有效地執行，及認為無即時需要訂立計量目標。

企業管治報告

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the audit committee and the senior management of the Company. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring design, implementation and control of the risk management and internal control systems, so as to ensure the Group has set up and maintained a suitable and effective risk management and internal control systems. Such 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 or loss.

The Group has formulated and adopted Corporate Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the senior management identifies risks that would affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has established an internal audit function to assist the Board and the audit committee in ongoing monitoring of the risk management and internal control systems of the Group, identify deficiencies in the design and implementation of risk management and internal controls and recommend proposal for improvement. Significant risk management and internal control deficiencies will be reported to the audit committee and the Board on a timely basis to ensure prompt remediation actions are taken.

風險管理及內部監控

本集團的風險管理及內部監控系統的特點是以清晰的治理架構、政策程序及彙報機制，促進本集團管理各業務範疇的風險。

本集團已成立風險管理組織架構，由本公司董事會、審核委員會及管理層組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，亦負責監督管理層對風險管理及內部監控系統的設計、實施及監察，以確保本集團設立及維持合適及有效的風險管理及內部監控系統。此系統旨在管理而非消除未能達成業務目標的風險，及只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團亦已制定及採納企業風險管理制度，提供有效的辨認、評估及管理重大風險的政策程序。管理層至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評價及排序，對主要風險制定風險緩解計畫及指定風險負責人。

此外，本集團設有內部審核職能，以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別風險管理及內部控制設計及運行中的缺陷並提出適當的改進意見。如發現嚴重的風險管理及內部監控缺失，會及時向審核委員會及董事會彙報，以確保得以及時採取改善措施。

企業管治報告

Corporate Governance Report

Risk management report and internal control report are submitted to the audit committee and the Board at least once a year. The Board had performed annual review on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions and the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

Procedures and internal controls for the handling and dissemination of inside information

The Company has adopted a policy on disclosure of inside information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the Securities Future Ordinance. The Group ensures the information is kept strictly confidential before the information is fully disclosed to the public, if the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading, or false or misleading through omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

風險管理報告和內部審核報告均至少每年提交審核委員會覆核並最終提交董事會審批。董事會已就本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗和員工所接受的培訓課程及有關預算是否足夠，以及本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險及內部監控系統的工作範疇及素質、內部審核工作、向董事會傳達監控結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響，以及遵守《上市規則》規定的程序是否有效等。董事會認為現有的風險管理及內部監控系統行之有效。

處理及發放內幕消息的程序和內部監控措施

本公司已制定內幕消息披露政策，訂明內幕消息的處理及發放的責任、指引及程序，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於《證券及期貨條例》下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團亦致力確保公告中所載的資料不屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，以清晰和均衡的方式披露正反兩面的事實。

企業管治報告

Corporate Governance Report

COMPANY SECRETARY

The Company Secretary is Mr. Lo Tai On, who is engaged and appointed by the Company from an external secretarial services provider. The primary contact persons with the Company Secretary of the Company are Mr. He Xiangming (Executive Director and Chairman), Mr. You Guang Wu (Executive Director) and Ms. Chong Ching Mui (Assistant to Chairman). During the year, the Company Secretary of the Company duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's constitutional documents.

ACCOUNTABILITY AND AUDIT

Directors acknowledge their responsibility in preparing financial statements of the Group.

The financial department of the Company is managed by a qualified accountant. With the assistance of the financial department, the Board will ensure the preparation of the financial statements of the Group complies with relevant regulations and applicable accounting standards.

For the year ended 31 December 2017, the audit fee was approximately HK\$1,200,000 and the non-audit services fee was approximately HK\$106,000.

The statement of reporting responsibility issued by HLM CPA Limited, the auditor of the Company, in respect of the financial statements of the Group is set out in the independent auditor's report on pages 49 to 62.

公司秘書

本公司秘書為羅泰安先生，是由本公司向外聘秘書服務機構聘用而委任的。供本公司公司秘書聯絡的主要人士為執行董事兼主席何向明先生、執行董事游廣武先生及主席助理莊青梅女士。於年度內，本公司公司秘書已適當遵守上市規則第3.29條有關培訓規定。

組織章程文件

於回顧年度內，本公司的組織章程文件並無變動。

問責及審核

董事確認須就編製本集團財務報表承擔有關責任。

本公司由合資格會計師負責管理財務監管部，在財務監管部的協助下，董事會確保本集團財務報表的編製符合有關法規及適用的會計準則。

截至二零一七年十二月三十一日止年度，審核費用約為港幣1,200,000元，而非審核之服務費用約為港幣106,000元。

本公司核數師恒健會計師行有限公司就本集團財務報表所發表的申報責任聲明已載於第49至62頁的獨立核數師報告書中。

企業管治報告

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

The Company understands the importance of good communication with shareholders and investors, and recognizes the value of providing current and relevant information to shareholders and investors. The Board has established a shareholders' communication policy setting out the principles of the Company in relation to shareholders' communication, with the objective of ensuring that both shareholders and investors can obtain the complete, identical and current information of the Company in a timely manner.

The Company has maintained communication with shareholders through the annual general meeting or other general meetings and encourages them to participate in general meetings. Registered shareholders receive notices of general meetings by post. The notice of general meeting contains the agenda, the proposed resolutions and the voting form. Any registered shareholder is entitled to attend the annual general meeting and special general meetings provided that their shares must be registered in the register of members. Shareholders who are unable to attend the general meeting can fill in the proxy form attached with the notice of general meeting and return the same to the Company so as to appoint their representatives or the chairman of the meeting as their proxies.

At the annual general meeting held on 25 May 2017, all directors were present to answer questions raised by shareholders and separate resolution in respect of each separate issue was proposed for shareholders to vote thereon. The Company appointed branch share registrar of the Company to act as scrutineers and to ensure votes cast are properly counted and recorded, and announced the results of the poll on the websites of the Stock Exchange and the Company in accordance with the bye-laws of the Company and the Listing Rules.

與股東的溝通

本公司明白與股東及投資者保持良好溝通的重要性，也認識到向股東及投資者提供當前及相關資訊的價值。董事會制訂了股東通訊政策，列出本公司有關股東通訊之原則，旨在確保股東及投資者，均可適時取得全面、相同及當前本公司的資料。

本公司透過股東週年大會或其他股東大會與股東一直保持溝通，並鼓勵彼等參與股東大會。登記股東以郵遞方式收取股東大會通告。大會通告載有議程、提呈的決議案及投票表格。任何登記股東有權出席股東週年大會及股東特別大會，惟彼等的股份必須登記於股東名冊內。未能出席股東大會的股東可填妥隨附於大會通告的代表委任表格並交回本公司，以委任彼等之代表或大會主席擔任彼等的代表。

在二零一七年五月二十五日舉行的股東週年大會，所有董事均有出席上述股東週年大會，並回應股東的提問，在會上就每項獨立的事宜，分別提出獨立議案給予股東以投票表決方式表決。本公司委任本公司股份過戶登記分處擔任監票員，確保所有票數均適當點算及記錄在案，並按本公司的公司細則及上市規則的要求，在聯交所及本公司的網站公佈投票表決結果。

企業管治報告

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Procedures for special general meetings requisitioned by the shareholders

Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company ("Requisitionists") shall have the right to require a special general meeting to be called and propose any matter to be considered at the general meeting of the Company. The Requisitionists may deposit the written requisition for special general meeting (which shall specify the full name of the Requisitionists, the business and proposal to be considered at the general meeting of the Company, and shall be signed by the Requisitionists) to the principal place of business of the Company for the attention of the Board. If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting in specified days as provided by the bye-laws of the Company and the Listing Rules, the Requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

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

In accordance with Bye-law 88 of the Company, no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless not less than seven (7) days before the date appointed for the general meeting there shall have been lodged at the office or at the head office notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected provided that the period for lodgment of the aforesaid notice shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. For further information, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director" published on the Company's website at <http://chinainvestments.oceanwir.com>.

股東權利

股東要求召開股東特別大會之程序

持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東(「提呈人」)可要求召開股東特別大會及提呈於本公司股東大會上考慮的事宜。有關提呈人可將召開股東特別大會的書面要求(當中須列明有關提呈人之全名、當中述明於本公司股東大會上將予考慮之事項及提案,並須由提呈人簽署)遞交至本公司主要營業地點,抬頭註明本公司董事會收啟。倘董事會並無於發出書面要求之日起計二十一日內召開將根據公司細則及遵守上市規則規定之相關日數內舉行股東特別大會,有關提呈人可根據不時修訂之百慕達一九八一年公司法第74(3)條舉行。

股東提名他人選舉為董事之程序

根據本公司公司細則第88條,除非獲董事推薦參選,否則除會上退任董事外,概無任何人士有資格於任何股東大會上參選董事,除非由正式合資格出席大會並於會上投票的股東(並非擬參選人士)簽署通告,其內表明建議提名該人士參選的意向,該通告須於指定進行股東大會日起計至少七(7)日前呈交往辦事處或總辦事處,另外,由獲提名人士簽署及表明願意參選之通告須於指定進行該項選舉之股東大會通告寄發翌日及不遲於該股東大會舉行日期前七(7)日提交。有關資料,可瀏覽本公司網站<http://chinainvestments.oceanwir.com>登載之「股東提名候選董事之程序」。

企業管治報告

Corporate Governance Report

Procedures for shareholders to put forward proposals at general meetings

Pursuant to the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company (“Proposers”), or not less than 100 of such registered shareholders can request the Company in writing to: (a) give to shareholders of the Company entitled to receive notice of the next 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 Proposers may consist of several documents in like form, each signed by one or more of the Proposers; and it must be deposited at the principal place of business of the Company with a sum reasonably sufficient to meet the Company’s relevant expenses, not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that 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.

For any enquiry to the Board, shareholders may put forward a written enquiry to the Company setting out details of contact (including name, address, telephone number and email address etc.) by the following means:

Address: Unit 501, Wing On Plaza, 62 Mody Road,
Tsimshatsui, Kowloon, Hong Kong
Fax No.: 852-23013878
Email: general@cihl.com.hk

股東於股東大會提出提案之程序

根據百慕達公司法，持有本公司附帶權利可於本公司股東大會投票之繳足股本不少於二十分之一(5%)之登記股東(「提案人」)，或不少於100名有關登記股東，可向本公司提交書面要求：(a)向有權接收下一次股東大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

由所有提案人簽署之呈請可由若干相同格式之文件組成，各自須經一名或以上提案人簽署；且呈請須在不少於(倘為要求通知決議案之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週，遞交至本公司主要營業地點，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。

如欲向董事會作出任何查詢，股東可從以下途徑向本公司提交載有聯絡詳情(包括名稱、地址、電話號碼及電郵地址等)的書面查詢：

地址：香港九龍尖沙咀麼地道62號
永安廣場501室
傳真：852-23013878
電郵：general@cihl.com.hk

董事會報告書

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 36 to the financial statements.

BUSINESS REVIEW

The Group's fair review of the business during the year and discussion on the future business development of the Group are set out in the "Chairman's Statement" on pages 4 to 9 of this report. In addition, the discussion on the principal risks and uncertainties which the Group is exposed to the relationships with the Group's suppliers, customers and key stakeholders, the Group's environmental policies and performance and compliance with relevant laws and regulations which have a significant impact on the Group are set out in below paragraphs and the section on employees under page 39 of this report.

An analysis of the Group's performance during the year with financial key performance indicators is set out in the "Chairman's statement" on pages 4 to 8 of this report.

There were no events significantly affecting the Group that have occurred since the end of 31 December 2017 and up to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including business risks, operational risks and financial management risks.

The details of financial risk management policies and practices of the Group is set out in note 5 to the financial statements.

There may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

董事會呈交截至二零一七年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司之主要業務載於財務報表附註36。

業務審視

本集團於本年度的業務中肯審視及本集團未來對業務發展之討論分別載於本年報第4至9頁之「主席報告」。此外，有關本集團之主要風險及不確定因素，與本集團的供應商、客戶及其他持份者之關係，對集團的環境政策及表現，和對集團有重大影響的有關法律法規之合規的討論將在以下段落及本年報第39頁有關員工之章節內詳盡介紹。

財務關鍵表現指標對本集團本年度表現作出之分析載於本年報第4至8頁的主席報告書中。

於二零一七年十二月三十一日後及至本年報日期，並無發生任何對本集團有重大影響的事件。

主要風險及不確定因素

本集團之財務狀況、經營業績、業務及前景將受眾多風險及不確定因素影響，包括業務風險、營運風險及金融管理風險。

本集團之金融風險管理政策及常規載於財務報表附註5。

除於上述提及外，亦可能存在其他本集團未知之風險及不確定因素，或目前未必屬於重大但日後可能變成重大之其他風險及不確定因素。

董事會報告書

Directors' Report

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers and customers to meet its immediate and long-term goals. The hotel management continuously enhance relationships with individual and corporate customers, which enjoys good relationship with suppliers and customers. During the year of 2017, there were no material and significant dispute between the Group and its suppliers and/or customers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in the Group's managed hotel. Such initiatives include recycling of used papers, energy saving measures and water saving practices. An environmental, social and governance report is set out on pages 41 to 48 of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries established in the mainland China while the Company itself is incorporated in Bermuda with its shares listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in Bermuda, mainland China and Hong Kong. During the year ended 31 December 2017 and up to the date of this report, we have complied with all the relevant laws and regulations in the mainland China, Hong Kong and the Bermuda that have a significant impact on the Group.

與供應商、客戶及其他持份者之關係

本集團瞭解與其供應商及客戶保持良好關係對達到其短期及長期目標之重要性。酒店管理部門不斷提升與個人及公司客戶之關係，其享有與供應商及客戶之良好關係。於二零一七年年末，本集團與其供應商及／或客戶之間概無嚴重及重大糾紛。

環境政策及表現

本集團致力於其經營所在環境及社區之長期可持續性。本集團以對環境負責之方式行事，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團管理之酒店已採納綠色倡議及措施。該等倡議包括廢紙回收、節約能源措施及節約用水行動。一份環境、社會及管治報告已載於本年報第41至48頁。

遵守法律及法規

本集團的業務主要由本公司於中國內地成立的附屬公司進行，而本公司本身於百慕達註冊成立，其股份於聯交所上市。因此，本集團之成立及營運須遵守百慕達、中國內地及香港的有關法律及法規。於截至二零一七年十二月三十一日止年度及直至本報告日期，本集團已遵守所有中國內地、香港及百慕達的對本集團有重大影響的法律及法規。

董事會報告書

Directors' Report

RESULTS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 63.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at the year ended date. There was a revaluation surplus of HK\$1,094,000 for the year ended 31 December 2017. No revaluation surplus nor deficit was incurred for the year ended 31 December 2016. Details of such revaluation are set out in note 17 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year of the Group's property, plant and equipment are set out in note 18 to the financial statements.

Particulars regarding the Group's major properties are set out on pages 180 to 184 of this report.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29 to the financial statements.

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

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 67 and note 38 to the consolidated financial statements.

業績

本集團截至二零一七年十二月三十一日止年度之業績載於第63頁之綜合損益及其他全面收益表。

投資物業

本集團於年結日重估其所有投資物業。於二零一七年十二月三十一日重估盈餘為港幣1,094,000元。於二零一六年十二月三十一日並沒有重估盈餘或虧損。重估詳情載於財務報表附註17。

物業、廠房及設備

本集團本年度之物業、廠房及設備之變動詳情載於財務報表附註18。

本集團持有之主要物業詳列於本年報第180至184頁。

股本

本公司在本年度內股本變動之詳情，載於財務報表附註29。

年內，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

儲備

本集團及本公司年內之儲備變動詳情載於第67頁之綜合權益變動表及財務報表附註38。

董事會報告書

Directors' Report

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2017, the Company had no reserves available for cash distribution and/or distribution in specie, except that under the laws of Bermuda, the Company's share premium account, in the amount of approximately HK\$725,199,000, may be distributed in the form of fully paid bonus shares.

DIRECTORS

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

Executive Directors

Mr. He Xiangming (*Chairman*)
Mr. Lin Pingwu (*Managing Director*)
Mr. You Guang Wu (*Director*)
Mr. Huang Zhihe (*Deputy Managing Director*)
Ms. Wang Xin (*Deputy Managing Director*)

Independent Non-Executive Directors

Mr. Chan Kwok Wai
Mr. Chen Da Cheng
Mr. Deng Hong Ping

In accordance with the provisions of the Company's Bye-laws, Mr. Lin Pingwu, Mr. Chen Da Cheng and Mr. Deng Hong Ping shall retire by rotation from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The term of office of each independent non-executive director is two years.

本公司可供分派之儲備

於二零一七年十二月三十一日，本公司並無可供現金分派及／或實物分派之儲備，惟根據百慕達法例，本公司之股份溢價約港幣725,199,000元可以繳足紅股之形式分派。

董事

本年度內及截至本報告書提呈之日，本公司之董事如下：

執行董事

何向明先生 (*主席*)
林平武先生 (*董事總經理*)
游廣武先生 (*董事*)
黃志和先生 (*董事副總經理*)
王欣女士 (*董事副總經理*)

獨立非執行董事

陳國偉先生
陳達成先生
鄧宏平先生

根據本公司之公司細則，林平武先生、陳達成先生及鄧宏平先生於即將召開之股東週年大會上依章輪值退任，惟彼等符合資格並願意膺選連任。

即將在下屆股東週年大會上膺選連任之董事概無訂立任何本集團不得於一年內免付補償（法定補償除外）而予以終止之服務合約。

各獨立非執行董事之任職年期為兩年。

董事會報告書

Directors' Report

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員個人資料

Executive Directors

執行董事

He Xiangming, aged 51, was appointed as an executive director and chairman of the Board of the Company on 23 July 2014. Mr. He is the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. He holds a master degree in Geography from South China Normal University. He has extensive experience in business management and environmental public utilities. Prior to joining the Company, Mr. He was the chairman of Grandblue Environment Co., Ltd. (a company listed on the Shanghai Stock Exchange). He is also the chairman of Guilin Plaza, the chairman and legal representative of Foshan City Nanhai Canmanage Investments Holdings Limited* (佛山市南海康美投資有限公司), Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited* (中創興科(深圳)投資有限公司), Guangdong Sino Rock Tyco Construction Co., Ltd.* (廣東中岩泰科建設有限公司) and a director in a number of subsidiaries of the Company.

何向明，51歲，於二零一四年七月二十三日獲委任為本公司執行董事及董事會主席。何先生現為提名委員會主席以及薪酬委員會成員。何先生持有華南師範大學地理系碩士學位，在企業管理及環保公用事業領域擁有豐富經驗。於加入本公司前，彼曾擔任瀚藍環境股份有限公司（一間於上海證券交易所上市之公司）之董事長。彼亦為桂林觀光酒店的董事長、佛山市南海康美投資有限公司、中創興科（深圳）投資有限公司和廣東中岩泰科建設有限公司的董事長及法定代表人以及本公司若干附屬公司的董事。

* For identification purpose only

董事會報告書

Directors' Report

Lin Pingwu, aged 50, was appointed as an executive director and the managing director of the Company on 20 January 2016. He is a member of the nomination committee and the remuneration committee of the Company, the chairman of Foshan Zhong Chuang Property Service Company Limited* (佛山市中創物業服務有限公司) and Guangdong Yibaijian Comprehensive Health Technology Ltd.* (廣東壹佰健大健康科技有限公司), the chairman and legal representative of Canton Risen Financial Leasing Co., Ltd* (廣東粵盛科融資租賃有限公司) and China Select Small Hotel Union Limited* (廣東盒盟中興民宿服務有限公司) and a director in a number of subsidiaries of the Company. Mr. Lin holds a degree in History from South China Normal University. He has extensive experience in business management and finance. Prior to joining the Company, Mr. Lin worked as 南海市教育局計財科科長 (Chief of the Planning and Finance Section of Nanhai Education Office*), manager of a company which engaged in the education industry, 南海區西樵鎮鎮長 (Township Head of Xiqiao Town, Nanhai District*), 南海區外事僑務局 (旅遊局) 局長 (Director of Nanhai Foreign Affairs & Overseas Chinese Affairs Office (Travel and Tourism Administration)*), 南海區委副秘書長 (Deputy Secretary-General of Nanhai District Committee*), 南海區法制辦公室主任 (Director of Nanhai Legislative Office*) and 南海區財政局常務副局長 (Deputy Director of Nanhai Finance Office*).

You Guang Wu, aged 53, was appointed as independent non-executive director of the Company on 22 September 2004 until 6 April 2006 when he was redesignated as vice chairman of the board and executive director of the Company. On 26 February 2009, Mr. You was appointed as the chairman of the board and on 23 July 2014 resigned as the chairman of the board. Mr. You is now an executive director of the Company, managing director of Canton Risen Financial Leasing Co., Ltd* (廣東粵盛科融資租賃有限公司) and a director in a number of subsidiaries of the Company. Mr. You is a senior accountant in the PRC. He holds a master degree in economics. He has accumulated extensive experience in investment, financing and financial management.

林平武，50歲，於二零一六年一月二十日起獲委任為本公司執行董事及董事總經理。彼亦是本公司提名委員會及薪酬委員會成員、佛山市中創物業服務有限公司及廣東壹佰健大健康科技有限公司的董事長、廣東粵盛科融資租賃有限公司和廣東盒盟中興民宿服務有限公司的董事長及法定代表人及本公司多間附屬公司董事。林先生持有華南師範大學歷史學學位。彼在企業管理及財務領域擁有豐富經驗。在加入本公司前彼曾擔任南海市教育局計財科科長、教育工業公司經理、南海區西樵鎮鎮長、南海區外事僑務局(旅遊局)局長、南海區委副秘書長、南海區法制辦公室主任及南海區財政局常務副局長。

游廣武，53歲，於二零零四年九月二十二日起出任為本公司獨立非執行董事職位，直至二零零六年四月六日獲調任為本公司董事會副主席及執行董事，並於二零零九年二月二十六日獲委任為董事會主席及於二零一四年七月二十三日辭任董事會主席。彼現為本公司執行董事、廣東粵盛科融資租賃有限公司董事總經理及本公司多間附屬公司董事。游先生為中國高級會計師，持有經濟學碩士學位，彼在投資、融資及財務管理方面積累豐富經驗。

董事會報告書

Directors' Report

Huang Zhihe, aged 49, was appointed as an executive director and the deputy managing director of the Company on 5 August 2013. Mr. Huang is also the managing director of Foshan City Nanhai Canmanage Investments Holdings Limited* (佛山市南海康美投資有限公司) and a director in a number of subsidiaries of the Company. Mr. Huang holds a bachelor degree in industrial management and engineering and a master of business administration from South China University of Technology. He has extensive experience of investment and development in real estate and management in hotel industry.

Wang Xin, aged 46, was appointed as an executive director and the deputy managing director of the Company on 1 May 2014. Ms. Wang holds a master degree in economics from Jiangxi University of Finance and Economics. She has extensive experience in corporate business operation, strategic financial planning and management, team building and management innovation. Ms. Wang is the managing director of Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited* (中創興科(深圳)投資有限公司), the managing director and legal representative of Foshan Zhong Chuang Property Service Company Limited* (佛山市中創物業服務有限公司) and Guangdong Yibaijian Comprehensive Health Technology Ltd.* (廣東壹佰健大健康科技有限公司) and a director in a number of subsidiaries of the Company.

Independent Non-Executive Directors

Chan Kwok Wai, aged 59, was appointed as an independent non-executive director of the Company on 22 September 2004 and is the chairman of the audit committee and a member of the nomination committee and the remuneration committee of the Company. Mr. Chan holds a bachelor degree in Accounting and Commerce, and is member of the CPA Australia and a member of Hong Kong Securities Institute. He has over 30 years of experience in the finance and accounting industry. Mr. Chan is also currently independent non-executive director of 4 other listed public companies in Hong Kong, namely Chinese Estates Holdings Limited, Tern Properties Company Limited, National Electronics Holdings Limited and Far East Consortium International Limited.

黃志和，49歲，於二零一三年八月五日獲委任為本公司執行董事及董事副總經理。黃先生亦為佛山市南海康美投資有限公司董事總經理以及本公司若干附屬公司的董事。黃先生持有華南理工大學工業管理工程學士學位及工商管理碩士學位，彼在房地產的投資發展及酒店行業的經營管理方面擁有豐富經驗。

王欣，46歲，於二零一四年五月一日獲委任為本公司執行董事及董事副總經理。王女士持有江西財經大學經濟學碩士。彼在集團企業運作、財務戰略規劃及管理、團隊建設、創新管理等方面累積豐富經驗。王女士現為中創興科(深圳)投資有限公司的董事總經理、佛山市中創物業服務有限公司及廣東壹佰健大健康科技有限公司的董事總經理和法定代表人及本公司若干附屬公司的董事。

獨立非執行董事

陳國偉，59歲，於二零零四年九月二十二日獲委任為本公司獨立非執行董事，並為本公司審核委員會主席、提名委員會及薪酬委員會成員。陳先生持有會計及商業學士學位，並為澳洲會計師公會以及香港證券專業學會會員。彼在財務及會計方面擁有逾30年經驗。陳先生亦為另外4間香港上市公司之獨立非執行董事，包括華人置業集團有限公司、太興置業有限公司、樂聲電子有限公司及遠東發展有限公司之獨立非執行董事。

董事會報告書

Directors' Report

Chen Da Cheng, aged 53, was appointed as an independent non-executive director of the Company on 22 September 2004 and is the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. Chen graduated from the Sun Yat-sen University, PRC. He is a practicing solicitor in the PRC and the executive director of Guangdong Lawyers Association. He has over 27 years of experience in legal services.

Deng Hong Ping, aged 44, was appointed as an independent non-executive director of the Company on 6 April 2006 and is a member of the audit committee, the nomination committee and the remuneration committee of the Company. Mr. Deng holds a Bachelor Degree in marine engineering of the Ocean University of China in Guangdong and graduated in master of economics and legal studies of Huazhong University of Science and Technology. Mr. Deng is a practicing lawyer in the PRC and he has accumulated extensive experience in legal sectors, particularly in enterprises mergers and acquisition and debt reorganization.

Note: The Group's businesses are under the direct responsibility of the above executive directors who are the senior management of the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

陳達成，53歲，於二零零四年九月二十二日獲委任為本公司獨立非執行董事，陳先生為本公司薪酬委員會主席、審核委員會及提名委員會成員。陳先生畢業於中山大學，為中國執業律師，並擔任廣東省律師協會常務理事，在法律行業上擁有逾27年經驗。

鄧宏平，44歲，於二零零六年四月六日獲委任為本公司獨立非執行董事，並為本公司審核委員會、提名委員會及薪酬委員會成員。鄧先生持有廣東海洋大學工程學士學位，並於華中科技大學經濟法學碩士研究生畢業。鄧先生為中國執業律師，彼在法律行業，尤其於企業併購、資產重組方面累積豐富經驗。

附註： 本集團之業務由上列執行董事（即本公司的高級管理人員）直接負責。

董事於交易、安排或合約之權益

本公司之董事於本年結算日或本年度內之任何時間，並無直接或間接擁有由本公司或其任何附屬公司參與之其他交易、安排或重大合約之重大權益。

董事會報告書

Directors' Report

DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interest of the Company's directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

Long positions in the shares of the Company

董事於股份、相關股份及債券的權益

於二零一七年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條設置的登記冊所記錄，或根據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」）而須知會本公司及聯交所的規定，本公司董事在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）擁有的股份、相關股份及債券的權益如下：

於本公司股份的好倉

Name of director	Capacity	Nature of Interest	Number of ordinary shares held	Approximate percentage of total issued shares as at 31 December 2017
董事姓名	身份	權益性質	所持普通股數目	於二零一七年十二月三十一日約佔全部已發行股份之百分比
He Xiangming 何向明	Beneficial owner 實益擁有人	Personal 個人	1,441,000	0.08%

董事會報告書

Directors' Report

Save as disclosed above, as at 31 December 2017, none of the directors or chief executive of the Company had any interest or short positions in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, according to the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, the persons who were interested in 5% or more in the shares and underlying shares of the Company are as follows:

Names	Number of shares/ underlying shares	Notes	Capacity	Approximate percentage of total issued shares as at 31 December 2017 於二零一七年十二月三十一日約佔全部已發行股份之百分比
名稱	股份／相關股份數目	附註	身份	
廣東南海控股投資有限公司 (Guangdong Nanhai Holding Investment Co., Ltd.*) 廣東南海控股投資有限公司	1,426,439,842	1	Corporate interest 公司權益	83.30%
Nam Keng Van Investment Company Limited 南景灣投資有限公司	121,864,487	2	Beneficial owner 實益擁有人	7.12%
Cui Guo Jian 崔國堅	121,864,487	2	Corporate interest 公司權益	7.12%
Pu Jian Qing 蒲劍清	121,864,487	2	Corporate interest 公司權益	7.12%

* For identification purpose only

除上文所披露者外，於二零一七年十二月三十一日，本公司的董事或最高行政人員概無持有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券權益或淡倉（包括根據證券及期貨條例的有關條文被視為或當作擁有的權益或淡倉），或根據證券及期貨條例第352條須載入該條例所指的登記冊，或根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東

於二零一七年十二月三十一日，根據本公司按照證券及期貨條例第336條存置之主要股東登記冊記錄，擁有本公司股份及相關股份5%或以上之權益之股東如下：

董事會報告書

Directors' Report

Notes:

1. These 1,426,439,842 shares comprises (i) 1,207,713,527 shares held by Prize Rich Inc. which was wholly-owned by 廣東南海控股投資有限公司 (Guangdong Nanhai Holding Investment Co., Ltd.); and (ii) 218,726,315 new shares to be allotted and issued by the Company to Prize Rich Inc. upon the exercise of conversion rights attaching to the convertible bonds issued by the Company to Prize Rich Inc. pursuant to an acquisition agreement as part of the consideration.
2. These 121,864,487 shares were held by Nam Keng Van Investment Company Limited which was wholly-owned by Mr. Cui Guo Jian and Mr. Pu Jian Qing equally.

Save as disclosed above, no other parties were recorded in the register as having an interest in 5% or more of the issued share capital of the Company.

CONNECTED TRANSACTION

During the year, there were no connected transactions which need to be disclosed as connected transactions pursuant to Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 35 to the financial statements. Those related party transactions constituted exempt connected transactions under the Listing Rules.

附註：

1. 該1,426,439,842股股份包括(i) 1,207,713,527股股份由Prize Rich Inc.所持有，而廣東南海控股投資有限公司全資擁有Prize Rich Inc.；及(ii) 於行使本公司根據收購協議向Prize Rich Inc.發行可換股債券（作為代價的一部分）附有之換股權後，本公司將向Prize Rich Inc.配發及發行218,726,315股新股份。
2. 該121,864,487股股份由南景灣投資有限公司持有，而崔國堅先生及蒲劍清先生相等地全資擁有該公司。

除上文所披露者外，於登記冊內概無任何人士擁有本公司已發行股本5%或以上權益之記錄。

關連交易

於本年度內，概無須根據上市規則第14A章須披露為關連交易的關連交易。

關聯交易

關聯交易詳情載於綜合財務報表附註35。該等關聯交易為根據上市規則受豁免的關連交易。

董事會報告書

Directors' Report

SHARE OPTION SCHEME

A share option scheme was adopted by shareholders of the Company at the annual general meeting held on 26 April 2013 (the "Share Option Scheme"). The Share Option Scheme is for a term of 10 years from the date of adoption. No option has been granted since the adoption of the Share Option Scheme.

The purpose of the Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants for their contribution or future contribution to the Group and to strengthen the many long-term relationships that the participants may have with the Group.

For details of terms of the Share Option Scheme, please refer to note 30 to the financial statements.

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

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed shares.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules of the Stock Exchange of Hong Kong Limited.

CHARITABLE DONATIONS

During the year, HK\$115,000 charitable donations were made within the Group (2016: Nil).

購股權計劃

本公司股東於二零一三年四月二十六日舉行之股東週年大會上採納一項購股權計劃（「購股權計劃」），購股權計劃由採納日起計為期十年。自採納購股權計劃以來，並未曾授出購股權。

購股權計劃旨在讓本集團可透過靈活之方式，讓參與者為本集團現時或將來作出之貢獻給予激勵、獎勵、酬報、補償及／或福利，並加強參與者與本集團之間之長期關係。

有關購股權計劃條款之詳情，請參閱財務報表附註30。

購入、出售或贖回本公司之上市股份

於本年度內，本公司或其任何附屬公司概無購入、出售或贖回任何本公司之上市股份。

公眾持股量

根據本公司所取得之資料，以及就董事所知，於本報告日期，本公司之已發行股份之公眾持股量維持在不低於香港聯合交易所有限公司上市規則所規定之25%足夠水平。

慈善捐款

於本年度內，本集團的慈善捐款支出為港幣115,000元（二零一六年：無）。

董事會報告書

Directors' Report

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the largest supplier accounted for 16% of the Group's purchases and the five largest suppliers accounted for 42% of the Group's total purchases. The largest customer accounted for 11% of the Group's turnover and the five largest customers accounted for 24% of the Group's total turnover.

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

EMPLOYEES

The total number of employees of the Group is approximately 113 (2016: 161). The remuneration of the employees of the Group is determined on the basis of performance and responsibility of the employees. The Group provides education allowances to the employees. The Group also provides internal training to its employees to enable them to achieve self-improvement and to enhance their job related skills. The Group also operates a share option scheme, under which qualified employees may exercise their options at an agreed price to subscribe for shares of the Company.

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.

主要供應商及客戶

於本年度內，最大供應商佔本集團之採購額16%，而五個最大供應商則佔本集團之採購額42%。最大客戶佔本集團之營業額11%，而五個最大客戶則佔本集團之營業額24%。

概無任何董事、彼等之聯繫人或任何股東（以董事所知，佔有本集團股權超過5%者）擁有本集團五個最大供應商及客戶之權益。

員工

本集團員工總數約為113人（二零一六年：161人）。本集團員工之薪酬是以員工之職責及工作表現作釐定。本集團為所有員工提供教育津貼。本集團亦為員工提供內部培訓，藉以自我改進及提升與工作有關之技能。本集團亦設立一項認股權計劃，有資格獲得該認股權之員工可以行使認股權，以協定價格認購本公司股票。

優先購買權

本公司之公司細則或百慕達法例並無優先購買權之規定，以規定本公司按比例基準向現有股東發售新股份。

董事會報告書

Directors' Report

PERMITTED INDEMNITY

The Company's Bye-laws provided that the Directors for the time being of the Company shall be indemnified and secured harmless out of the assets and profit of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Company.

EQUITY-LINKED AGREEMENTS

Save for the convertible notes and share option scheme as disclosed in notes 27 and 30 to the financial statements, no equity-linked agreements were entered into by the Company during the year ended 31 December 2017.

AUDITOR

The consolidated financial statements for the year ended 31 December 2017 were audited by HLM CPA Limited who will retire and seek for re-election at the forthcoming annual general meeting.

On behalf of the Board
China Investments Holdings Limited

He Xiangming
Chairman

Hong Kong, 27 March 2018

獲准許之彌償

本公司細則規定，本公司當時的董事將獲得以本公司資產及利潤作為彌償保證及擔保，使其不會因彼等或彼等任何一方於執行其各自的職務的職責或假定職責期間或關於執行職責而作出、同意或遺漏的任何行為而將會或可能招致或蒙受的一切訴訟、費用、收費、損失、損害及開支而蒙受損害，惟因其本身故意疏忽或故意失責或欺詐或不忠誠而招致或蒙受者（如有），則作別論。

本公司已就本公司之董事可能面對任何訴訟時產生的責任和相關的費用購買保險。

股票掛鈎協議

除載於財務報表附註27及30有關披露可換股票據及認股權計劃外，本公司於本年度截至二零一七年十二月三十一日或年內概無訂立任何股票掛鈎協議。

核數師

截至二零一七年十二月三十一日止年度的綜合財務報表已由恒健會計師行有限公司審核，彼將於應屆股東週年大會上退任，並擬膺選連任。

代表董事會
中國興業控股有限公司

主席
何向明

香港，二零一八年三月二十七日

環境、社會及管治報告

Environmental, Social and Governance Report

The Company always puts great emphasis on environmental protection, is particularly dedicated to reducing emission of greenhouse gas and promoting resource utilization efficiency and waste management, etc., and paying the highest attention to its hotel business. An environmental, social and governance (“ESG”) task team has been established by Guilin Plaza Hotel to formulate relevant policies for hotel under the 5R principle (replace, reduce, reuse, recover and recycle), plan and organize the implementation of various relevant tasks and constantly put forward administrative measures, in an effort to save energy and reduce resource consumption. Dedicated to environmental and resource protection and thanks to excellent performance, the hotel has passed and maintained the certification of Chinese Tourist Hotels “Silver Leaf Green Tourist Hotel” since 2007 up to date.

EXHAUST GAS

- Boilers and other combustion facilities have been installed flue gas purification devices that have passed the standardized test of the environmental protection administration, so as to minimize the emission of harmful gas.
- Fuel have been changed from using diesel with a lot of nitric oxide emission to clean using natural gas, so as to reduce emission of sulfur dioxide and particles.
- Exhaust gas emission has passed the test of environmental protection administration, with emission indicators has met the statutory and regulatory standards.
- All vehicles in the hotel use highly efficient fuel detergents to reduce fuel consumption and hydrocarbon emissions.
- During the year, the emissions of nitrogen oxides, cerium oxides and particulates amounted to 286.6 kg, 1.5 kg and 9.7 kg, respectively.

本公司一直對環境保護非常重視，特別專注於減少溫室氣體排放、提高資源利用效率及廢物管理等，而本公司對酒店業務則最為關注，桂林觀光酒店成立環境、社會及管治工作小組，根據5R原則（指取代、減省、再用、回收及循環），制定酒店相關的政策，計劃、組織各項相關工作的實施，不斷提出各種管理方法，努力節約能源和減少耗用資源。由於酒店一直致力於環境資源保護，並獲得良好的績效，自二零零七年通過了中國旅遊飯店「銀葉級綠色旅遊飯店」認證，一直保持至今。

廢氣

- 鍋爐等燃燒設施均安裝了經環保部門檢測達標的煙氣淨化裝置，最大限度降低有害氣體的排放量。
- 燃料由使用排放氮氧化物較多的柴油轉為使用較清潔的天然氣，減少排放二氧化硫及微粒。
- 有關廢氣排放亦經環保部門檢測，排放指標符合法規及規定的標準。
- 酒店所有的車輛均使用高效燃油清淨劑，以節省油耗，更使碳氫化合物的排放減少。
- 於年內，氮氧化物、硫氧化物及顆粒分別排放286.6公斤、1.5公斤及9.7公斤

環境、社會及管治報告

Environmental, Social and Governance Report

GREENHOUSE GAS

The greenhouse gas emitted by the Company mainly comes from electric consumption. The hotel also tries our best to reduce electric consumption and carbon footprint in the following ways.

Electricity consumption

- During the year, the hotel enhanced the solar water heating function of its solar power system, using clean and environmentally-friendly renewable energy and further reducing power consumption.
- The hotel used more LED semiconductor lamps in its lighting system during the refurbishment, which reduces 75% of power consumption under the same lighting effect.
- The hotel has worked out Regulations on Energy Saving and Environmental Protection, advocating active adoption of up-to-date saving techniques and management methods in the energy-saving management of the hotel, so as to practically reinforce the capacity of energy management and control, carry out energy saving and consumption reduction works, reduce operation cost and protect the environment.
- The hotel adheres to the guideline of "Full Attention and Participation by all, Constant Persistence and innovation". Therefore, we are not only dedicated to educating and training our employees and strictly enforcing relevant regulations, but also encouraging employees to put forward feasible advices to continuously improve our energy saving and control, in a bid to continuously intensify and develop energy saving of the hotel.
- During the year, the electricity consumption and greenhouse gas emissions of the Company totalled 1,489,061 units and 1,257.9 tons respectively.

溫室氣體

本公司之溫室氣體排放主要來自於電力使用，酒店亦透過以下方法盡力減低電力耗用及碳足跡。

電耗用

- 酒店已建立太陽能發電系統，於年內亦加強其太陽能熱水功能，使用既清潔又環保之可再生能源，更進一步減少電力耗用。
- 酒店裝修過程中對照明系統中增加使用LED半導體燈，在同樣的照明效果下，可以節約75%的電耗。
- 酒店制定《節約能源與環境保護守則》，倡導在酒店節能管理中，積極引入最新的節約技術和管理方法，切實強化能源管理控制能力，有效開展節能降耗工作，降低企業運營成本及保護好環境。
- 酒店之方針為「思想重視，全員參與，持之以恆，不斷創新」，故致力對每員進行教育及培訓，對有關守則嚴格執行，更鼓勵員工提出可行的建議，以不斷豐富能源的節約控制工作，以推動酒店節能工作的不斷深入和發展。
- 於年內，公司之電耗用及溫室氣體排放總量分別為1,489,061度及1,257.9噸。

環境、社會及管治報告

Environmental, Social and Governance Report

ENVIRONMENT AND RESOURCE CONSUMPTION

Water Consumption

- The water consumption of the Company focuses on the hotel business. In all guest rooms of the hotel, we apply water-saving pedestal pans which meet the Class-1 standards of water use efficiency. We guide guests to correctly use the pedestal pans according to different standards for bowel movement and urination. We also encourage employees to use water frugally in daily life. We also install the intelligent inductive water-saving system in employees' bathrooms. These measures can effectively control the intensity and total amount of water consumption.
- During the year, the hotel employed technological transformation in the refurbishment to recycle a large amount of condensed water vapour by the cooling tower, thereby significantly reducing the loss of plume.
- Strengthened water consumption regulation at the hotel: Water leakage detection and water balance testing were conducted and water tanks were cleaned on a regular basis. Ledgers were established to conduct measurement and assessment by installing separate water meters and water-saving faucets so as to exercise control over water consumption. Water-saving signs are placed in guest rooms to guide guests as a reminder, and change of cotton fabric products is made on a per guest basis instead of the previous daily basis, all aiming to reduce water consumption and minimize pollution to water resources.
- The hotel also enhanced employees' water-saving awareness to promote good habits and culture of saving water and other resources, in hope to convey the concept of resources conservation and environmental protection to guests.

環境及資源耗用

水耗用

- 本公司之水耗用主要在酒店業務方面，酒店所有客房均採用達到用水效率1級標準的節水型坐便器，用水分大解小解，引導客人正確使用，並鼓勵員工在日常生活中節約用水，在員工浴室可安裝智能感應式節水系統。這些措施可有效管理用水密度及使用量。
- 於年內，酒店在裝修過程中，通過改變技術改造，將建築物冷卻塔形成大量的水霧回收，大大降低水霧飄灑的損耗。
- 酒店加強用水規範：定期進行漏水檢測和水平衡測試，水箱定期進行清洗，並有建立台賬，通過採用節水型水龍頭，安裝單獨水表計量考核，控制用水量；以及客房放置用提示卡引導客人，棉織品一日一換改為一客一換等措施，節約水資源及減少對水資源的污染。
- 酒店更提升員工節水意識，促進良好的節約用水及其他資源之習慣及文化，同時希望能將節約環保理念傳達給賓客。

環境、社會及管治報告

Environmental, Social and Governance Report

- During the year, the hotel carried out refurbishment and renovations, and endeavoured to incorporate energy conservation and environmental protection elements to the hotel during the design process. Through transformation of technology and equipment, the hotel reduced unnecessary actual consumption of resources as compared with the past. During the refurbishment process, the hotel improved fitting-out project management by adopting green building materials such as water-based paints and plates with low binder content. During and after the implementation of the project, the indoor air has been kept fresh and in good ventilation conditions to maintain good indoor air quality. The hotel also reduced production of refurbishment waste and disposed of the remaining waste under the 5R principle.
- 於年內，酒店進行更新改造工程，在設計過程中，已盡力將節能環保原素加到酒店之內，透過技術及設備之改造，將過去在實際使用情況中產生之不必要耗用減少。在裝修過程中，酒店做好裝修工程管理，採用環保建材如水劑漆料及黏合劑含量低的板材；在工程進行期間及之後，確保室內空氣清新及流通，以維持室內空氣質素良好；以及減少裝修廢物和以5R原則處置剩餘廢物。
- During the year, the water consumption in total of the Company totalled 38,690 m³.
- 於年內，公司之總耗水量為38,690立方米。

Consumption of Other Resources

- The Company tries to save the use of paper by advocating “paperless office”. Moreover, we reduce the use of disposable stationery, print both sides of paper, and deliver waste paper to the environmental recycling company for disposal.
- 本公司盡力節省用紙，開展無紙化辦公，更減少一次性文具使用，紙張作雙面打印，廢紙亦交由環保回收本公司處理。
- The hotel reduces resource consumption by reducing guest supplies, minimizing packages and preventing the use of disposable tableware.
- 酒店透過減少客人耗用品、包裝物減量化及不使用一次性餐具等措施，減少耗用資源。

The non-hazardous wastes produced during the production and operation of the hotel are mainly household garbage and kitchen waste. The hotel has established a garbage house which meets the standards of the Star Rating and Assessment on China Tourism Hotels (《中國旅遊飯店星級劃分與評定》). All these non-hazardous wastes are collected and treated by the environment and hygiene management agencies designated by the government. Kitchen waste is processed mainly to animal feeds and composts. Therefore, it is considered as zero emission of harmless waste and the impact on the surrounding environment is minimized.

其他資源耗用

酒店生產及營運過程中所產生的無害廢棄物主要是生活垃圾及廚餘，酒店設有達到《中國旅遊飯店星級劃分與評定》標準的垃圾房，所有這些無害廢棄物均由政府指定的環境衛生管理機構進行回收、處理，廚餘主要用作動物飼料及堆肥，因此，可視為零排放及對周邊環境的影響降到了最低的程度。

環境、社會及管治報告

Environmental, Social and Governance Report

In relation to the Hotel Business nature, Company not use any packaging material. Except for the abovementioned, Company's business activities do not make any significant impacts on the environment and natural resources.

CORPORATE RESPONSIBILITY

In the spirit of a good corporate citizen, the Company actively participates in various activities with regard to caring community and environmental protection, tries to be a conscientious enterprise, offers all-round security to our employees, and makes due contribution to building a better community.

EMPLOYMENT AND LABOR

In order to promote employees' sense of belonging to the Company, the Company launches various games for employees every year, including simulated ball game, outdoor activities, etc. In addition, the Company tries to promote employees' job skill and sense of superiority by instruction, activities, skill competition and other trainings.

The Company has set up the Employee Manual, wherein all articles and the formulation and release procedures of the Employee Manual meet relevant legal requirements. The Company has established a trade union to offer guidance to employees.

The Company treats each employee equally, and recruits, compensates and promotes employees according to the same standards irrespective of their ethnology, race, nationality, sex, religion, age, sexual orientation, political faction, marital status and other social identities.

As at the end of the year, the Company had a total of 113 employees, among which 54 and 59 of them were male and female, accounting for 48% and 52% respectively. Specifically, 15 employees were below 30 years old, accounting for 13% of headcount; 75 employees were between 31 to 50 years old, accounting for 66%; and 23 employees were above 50 years old, accounting for 20%.

由於酒店業務之關係，公司並無任何使用包裝材料。而除卻以上所述，公司之業務活動並無對環境及天然資源有重大影響。

企業責任

本公司秉承良好企業公民的精神，積極參與各項關懷社區和環保的活動，作良心企業，讓僱員全方位得到保障，為建設更美好的社區出一分力。

僱傭及勞工

為提高員工對本公司的歸屬感，本公司每年會為員工舉辦各類運動，包括球類比賽、戶外活動等。此外，本公司通過教授、活動及技能競賽等培訓為提升員工工作技能及優越感。

本公司已制定員工守則，全部條款及制訂、發佈程序均符合相關法規要求。並為員工定立公會，為員工提供指引。

本公司平等對待每一位員工，不因員工的民族、種族、國籍、性別、宗教、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用、待遇及陞遷。

於年末公司共有員工113人，其中男性及女性為54人及59人，分別佔48%及52%；而年齡低於30歲人數為15人，佔13%、年齡31歲至50歲為75人，佔66%；及年齡大於50歲23人，佔20%。

環境、社會及管治報告

Environmental, Social and Governance Report

HEALTH AND SAFETY

The Company is dedicated to providing employees with a safe working environment, trying our best to prevent work from bringing any risk to the public, and paying attention to employees' health. The orientation training of the hotel employees includes the labor safety course, so as to promote employees' safety awareness and self-protection capacity. We have worked out safe-operation procedures for each job that may bring about any risk. In addition, we carry out daily safety supervision and monthly safety check.

In addition, we provide all employees with free professional health check every year.

TRAINING AND SKILL DEVELOPMENT

The Company invests sufficient resources in employee training and development, so as to maintain the competitiveness, professional level and moral standards of employees. All new employees must receive training of industry knowledge, health and safety and job skill. Furthermore, guided by Annual Employee Training Program, we continuously offer expertise and skill training to employees every year, so that they can possess a high professional quality, maintain their competitiveness, fulfill their duties and reach the highest service standards.

In addition, we select and assign employees to pursue advanced studies at domestic well-known professional academies, with a view to bringing up professional talents with a broad vision and versed in industry operation and management.

In 2017, each employee of the hotel received 8-day training of 6 courses on average.

健康與安全

本公司致力於為員工提供安全的工作環境，全力避免工作給公眾帶來任何危險，並關注員工的健康。酒店員工入職培訓包括勞動安全課程，以提高員工的安全意識和自保能力，任何有機會致危險發生的工作，都制定了安全操作規程，同時進行每日安全監察及每月安全檢查。

此外，每年我們還為所有員工提供免費的專業健康檢查。

培訓和技能發展

本公司對員工培訓和發展投入充分資源，以保持員工的競爭力、專業水平與道德標準。所有新入職的員工須經過行業知識、健康安全、工作技能的培訓，此外，我們每年以《年度員工培訓大綱》為指引，持續不斷地有對員工進行專業知識和技能培訓，讓員工具有良好的專業素養，保持競爭力，以履行其職責，從而達到服務的最高標準。

此外，我們還選派員工赴國內知名專業院校學習深造，致力於培養具有開闊視野及熟悉行業經營管理的專業人才。

2017年度，酒店維持每位員工平均接受8天、6個課程的培訓。

環境、社會及管治報告

Environmental, Social and Governance Report

LABOR REGULATIONS

With regard to labor standards and human right policy, the Company strictly abides by relevant laws. The internal labor policy formulated by the Company contains a strict ban on child labor or forced labor. In each of the previous years, we smoothly passed the annual check of labor supervision by relevant government authorities.

PRIVACY POLICY

The hotel aims to safeguard the personal data and information of all stakeholders basis by formulating strict privacy protection policies and complying with internationally recognized standards to the greatest extent. The privacy policy of the hotel applies to the data and information on its guests and other individuals who have business contacts with the hotel, as well as the management of such data and information in electronic or written form. The hotel is committed to the safe personal information collection, personal data processing, personal information use, personal information disclosure and daily record management. All business activities are in compliance with relevant national laws and regulations as well as internationally recognized privacy protection standards.

SUPPLY CHAIN MANAGEMENT

The supplier management of the hotel is always an important link of quality control system. The hotel has worked out strict purchase control measures, so as to ensure the quality and safety of all purchased raw materials. All food suppliers must provide inspection and quarantine certificates issued by the government authorities of hygiene and disease control. Materials supplied by other suppliers must also have national quality and safety (QS) certificates. The hotel has formulated and implemented a strict cargo receipt and inspection system, ensuring the quality and safety of all materials (including raw materials) purchased by us.

勞工準則

有關勞工標準和人權的政策，本公司嚴格遵從相關法律，制定的內部勞工政策有嚴格禁止僱傭童工或強制勞工的規定。歷年均順利通過政府部門的勞動監察年度審核。

隱私政策

酒店透過制定嚴謹的隱私保護政策，並盡可能按照國際公認標準來保障所有權益人個人資料及信息安全。酒店隱私保障政策適用於客人以及與酒店有業務往來的其它個人之資料與信息，還適用於以電子或書面等任何形式對這些資料與信息進行的管理。酒店對個人信息收集、個人資料的處理、個人信息使用、個人信息的透露、日常記錄管理等，作出安全承諾，所有的業務活動都遵守國家相關法規並遵從國際公認隱私保護標準。

供應鏈管理

酒店之供應商管理一直是質量控制體系的重要環節，酒店制定了嚴格的採購管控措施，以確保所有採購的原材料的質量安全。所有食品供能商必須提供政府衛生防疫機構出具的檢驗檢疫合格證明，其他供應商的提供物料用品亦必須取得國家質量安全(QS)認證，酒店同時制定並實施嚴格的收貨驗貨制度，確保我們採購的所有原材料及物料用品的質量安全。

環境、社會及管治報告

Environmental, Social and Governance Report

PRODUCT LIABILITY

In the opinion of the Company, products represent the core competitiveness of an enterprise. In order to practically improve product quality and ensure customers' rights and interests, we have taken an active part in the event of "Brand Creation Year" organized by the local government, formulated and implemented the standardized management procedures of product quality, and successfully applied for a brand enterprise.

ANTI-CORRUPTION

The Company carries out a zero-tolerance policy toward any act of bribery, fraud or money-laundering. Both the Employee Manual and Financial System formulated by the Company contain control procedures for preventing bribery, fraud or money-laundering from occurring. Moreover, the Company has set up a reporting mechanism, through which employees can report any surreptitious irregular act.

COMMUNITY INVESTMENT

For many years, the hotel has been helping local student groups through cash donation, material donation and employee participation, so as to meet our commitment to community service.

In addition, the hotel always pays high attention to the impact of our operation on our community and environment, and tries to minimize such impact, so as to fulfill our obligation as a member of our community.

產品責任

本公司認為產品是企業的核心競爭力。為切實提高產品質量，確保客戶權益，我們積極參與與本地政府組織「品牌創建年」活動，制定並實施產品的質量標準化管理程序，成功的進行了品牌企業申報。

反貪污

本公司對任何賄賂、欺詐及洗黑錢的行為零容忍的政策，制定的《員工守則》和《財務制度》中均有防止賄賂、欺詐及洗黑錢的發生的管控規程。本公司更設立舉報機制，僱員可就暗中發生的不正當行為向本公司舉報。

社區投資

多年來，酒店透過現金捐贈、物質捐贈及員工參與，幫助當地學生群體，實踐對社區服務的承諾。

此外，酒店一直高度重視並致力將營運對周邊的社區及環境的影響降到最低，以作為社區一分子作己任。

獨立核數師報告書

Independent Auditor's Report

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

**TO THE MEMBERS OF
CHINA INVESTMENTS HOLDINGS LIMITED**

中國興業控股有限公司

(Incorporated in Bermuda with limited liability)

致中國興業控股有限公司股東

(於百慕達註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Investments Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 63 to 178, which comprise the consolidated statement of financial position as at 31 December 2017, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

本核數師(以下簡稱「我們」)已審計列載於第63頁至第178頁的中國興業控股有限公司及其附屬公司(稱為「貴集團」)的綜合財務報表(稱為「集團財務報表」),此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表的附註,包括主要會計政策概要。

我們認為,集團財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已按照香港公司條例之披露規定妥為編製。

獨立核數師報告書

Independent Auditor's Report

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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 year. 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.

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們就該等準則承擔的責任在本報告「核數師就審計集團財務報表承擔的責任」部分中闡述。根據香港會計師公會的《職業會計師道德守則》（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

關鍵審核事項為我們的專業判斷中，審核本期間綜合財務報表中最重要的事項。我們於審核整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter: Valuation of investment properties and hotel property

關鍵審計事項: 投資物業及酒店物業的估值

Notes 17 & 18 to the consolidated financial statements

請參閱綜合財務報表附註17及18

We identified the valuation of the Group's hotel property and other properties, which are classified as property, plant and equipment, and investment properties as significant to our audit because the determination of fair value of hotel buildings and investment properties is based on several key inputs that require significant management judgements, assumptions, estimations and other inputs.

我們確認 貴集團分類為物業、廠房及設備及投資物業的酒店物業及其他物業的估值對我們的審計非常重要，因為釐定酒店樓宇及投資物業的公平值乃根據多項主要因素，包括重大管理判斷、假設、估計和其他因素。

The Group has properties with aggregate carrying values of HK\$458,197,000, as at 31 December 2017, of which the hotel property is approximately HK\$115,000,000 and the other properties are approximately HK\$343,197,000. Following a review of the business, the outlook for the industry and the Group's operating plans, management has assessed these carrying values.

貴集團於2017年12月31日之總帳面值達港幣458,197,000元的樓宇，其中酒店物業約港幣115,000,000元及其他物業約港幣343,197,000元。在審閱該業務、該行業的前景和營運計畫後，管理層評估了該等帳面值。

Management has estimated the fair value of the Group's investment properties to be HK\$232,525,000 as at 31 December 2017. The valuations are dependent on certain key assumptions that require significant management judgement including fair market rents, and no impairment provision is provided. These conclusions are dependent upon significant management judgement.

管理層估計，貴集團投資物業於2017年12月31日的公平值為港幣232,525,000元。估值視乎若干關鍵假設，且需要管理層以公平市值租金作出重大判斷，並無需要作出減值撥備。該等結論取決於管理層的重大判斷。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

關鍵審計事項 (續)

How we addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to the management's valuation of investment properties and hotel property included:

我們就管理層對投資物業及酒店物業評估執行的程序包括：

assessing the valuation methodologies used by the external valuer;

評估外聘估值師的估值方法；

assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the business and industry;

根據我們對物業行業的知識，評估所採用的方法和關鍵假設是否適當。

evaluating the independent external valuer's competence and capabilities and objectivity; and

評估獨立外聘估值師的資歷、能力和客觀性；及

considering the appropriateness of the estimated resale values based on the recent transaction price in the PRC and Hong Kong's property industry.

依據我們對香港及中國大陸物業就年內鄰近物業出售所得的價值，考慮外聘估值師估計的重售價值是否適當。

Based on available evidence we found management's assumptions in relation to the valuation are reasonable.

我們發現，根據所得憑證，管理層就作出關於估值的假設是合理。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter: Revenue recognition

關鍵審計事項: 收益確認

Refer to note 6 to the consolidated financial statements

請參閱綜合財務報表附註6

Revenue from hotel operation amounted to HK\$4,423,000 for the year ended 31 December 2017. Revenue from hotel room and restaurant is recorded when the related service is provided. Hotel management adjusted on the room rates according to the market condition.

酒店截至2017年12月31日止的收益為港幣4,423,000元。客房和餐飲的收益在相關的服務提供後確認。酒店管理層會按照市場的狀況，對價格進行調整。

Rental income from the investment property amounted to HK\$6,373,000 for the year ended 31 December 2017. Rental income under operating lease is recognised on a straight line method over the relevant lease term.

物業投資截至2017年12月31日止的收益為港幣6,373,000元。租金收入由營運租約之物業出租之租金收入按有關租約期以直線法確認。

The revenue from sale of property, which amounted to HK\$15,944,000 for the year ended 31 December 2017, was recorded when the Group enter into a legally binding contract and the ownership of the property was transferred to the buyer. Management set the prices with reference to the recent transaction price,

銷售物業截至2017年12月31日之收入為港幣15,944,000元在簽訂具法律約束力之合約及買家取得物業之擁有權時始作確認。管理層會參考市場的最近成交價，作出最後定價。

Revenue from wellness elderly care business amounted to HK\$3,106,000 for the year ended 31 December 2017. Revenue from wellness elderly care business is recorded when the related service is provided.

大健康養老業務截至2017年12月31日之收入為港幣3,106,000元。大健康養老業務的收入在相關的服務提供後確認。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

How we addressed the Key Audit Matter

Our procedures in relation to revenue recognition included:

- assessing the appropriateness of the Group's revenue recognition accounting policy in line with HKFRS; and
- scrutinising journals and sale and purchase contracts related to revenue to assess the cut-off and reliability of the revenue.

We found that the amount and the timing of the revenue recorded were supported by the available evidence.

Key Audit Matter: Interests in associates – Nanhai Changhai Power Company Limited ("Changhai")

Note 19 to the consolidated financial statements

The Group's 32.636% interest in Changhai is accounted for under the equity method and considered for impairment in case of a significant decline in value. The Group's share of the profit after tax from Changhai for the year ended 31 December 2017 was HK\$58,859,000 and the Group's share of Changhai's net asset was HK\$504,268,000 as at 31 December 2017. The accounting for the results and investments in Changhai is significant to our audit due to the share in profits and the carrying value of the investment are substantial, and critical management judgement is required in determining if there is any decline in value of the investment. In the context of our audit of the Group's financial statements, the key audit matters relating to the Group's share of the profits and net assets of Changhai are summarised below:

Revenue recognition – Changhai's revenue amounted to HK\$1,275,128,000 for the year ended 31 December 2017. Revenue from the sale of electricity and steam is recognised when the related products are delivered.

Depreciation of fixed asset – The management determined the useful life of the fixed asset and its related depreciation expense based on past experience of the actual useful life of fixed asset with similar nature and function.

關鍵審計事項 (續)

我們的審計如何處理關鍵審計事項

我們就收益確認執行的程序包括：

- 以香港財務報告準則來評估集團收益確認的會計政策之適合性；及
- 詳細審查與收益有關的分錄和合同，以評估收益記賬的截止性和真實性。

我們發現，該等收益紀錄的價值和時間性已獲所得憑證的支持。

於聯營公司之權益南海長海發電有限公司 (「長海」)

請參閱綜合財務報表附註19

貴集團採用權益法將持有長海的32.636%及在價值明顯下降的情況下考慮減值。截至2017年12月31日止，貴集團應占長海的除稅後溢利為港幣58,859,000元。而於2017年12月31日，貴集團應占長海的淨資產為港幣504,268,000元。長海對於我們的審計是重要的，尤其是應佔盈利、投資的賬面值和投資價值下降時需要作出判斷。在我們審計貴集團財務報表的涵義下，與貴集團應占長海溢利和淨資產有關的關鍵審計事項概述如下：

收益確認—長海截至2017年12月31日止的收益為港幣1,275,128,000元。電和蒸汽的收益於相關的產品送抵或移交後確認。

固定資產之折舊—管理層釐定固定資產的可使用年期及相關折舊支出，該估計基於性質及功能相若的固定資產的實際可使用期的以後經驗計算。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter: Interests in associates – Nanhai Changhai Power Company Limited (“Changhai”) (Continued)

於聯營公司之權益南海長海發電有限公司 (「長海」) (續)

Maintenance provisions – The management estimates the repair and maintenance expenses and determine such expenses based on systems and engineer’s past experience. Determining the provisions requires significant management judgement and complex estimates, including the maintenance schedule of boiler and electricity generation set, projected repair and maintenance costs and anticipated maintenance risks.

維修費用的計提—管理層估計維修成本，並以系統及工程師過往經驗的方式計提該等成本。釐定計提需要管理層的重大判斷和複雜估計，包括鍋爐及發電機組的維修進度、預計維修成本和預計維修時的風險。

Management analysed Changhai’s cash flow and operating plan and no abnormal items were found. Management concludes that there is no impairment of interest in the associate.

管理層分析長海的現金流及其營運方案並無異常，結論為於聯營公司之權益無需減值。

How we addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Changhai is a significant associate of the Group and we had performed an audit of Changhai’s financial statements in accordance with HKSA’s for the purpose of inclusion in the Group’s financial statements. We have evaluated management’s assessment of the impairment indicators of Changhai. We have determined that the audit work performed and evidence obtained were sufficient for our purpose. The procedures performed on the respective key audit matters included:

長海是 貴集團的重大聯營公司。根據香港審計準則，我們對長海的財務報表進行審計，以供載入 貴集團的財務報表。我們評估管理層對於長海減值的指標。我們所執行的審計工作和取得的憑證，就我們而言是充足的。就各關鍵審計事項執行的程序包括：

For revenue recognition:

收益確認方面

- conducting substantive analytical procedures on revenue;
- evaluating journal entries posted to revenue accounts, on a sample basis, and comparing details of these journal entries with relevant underlying documentation; and
- assessing whether the revenue took place before and after the year-end to determine whether the revenue was recognized in the proper period.

- 對收益執行實質性分析程序；
- 以選取樣本方式，對收入的會計分錄進行評價，並將會計分錄明細與相關支持性文件進行核對；及
- 評估年底前後進行的銷售，以確定收入是否於適當期間確認。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

How we addressed the Key Audit Matter (Continued)

我們的審計如何處理關鍵審計事項 (續)

For depreciation of fixed asset:

固定資產之折舊方面

- scrutinising depreciation-related entries to assess accuracy and consistency of depreciation policy; and
- testing the depreciation charges through reperformance of a sample of depreciation calculations and assessing the useful lives of assets.

- 詳細審查與折舊有關的分錄，以評估折舊的準確性及折舊政策的一貫性；及
- 透過以抽樣方式重新計算折舊來測試折舊開支，並評估資產的可使用年限。

For maintenance provisions:

維修費用的計提方面

- examining the bases of management's assessment and estimates of the repair and maintenance expenses; and
- performing recalculation of the provision with reference to underlying documentation.

- 審查管理層對於維修費用評估及估計的基礎；及
- 重新計算計提維修費用及核對相關支持性文件。

We found the assumptions adopted in relation to these impairment assessments to be supportable and reasonable based on available evidence.

我們發現，集團在此等減值評估中採用的假設獲得之憑證支持並為合理。

Key Audit Matter: Interests in associates – Guangdong Financial Leasing Co.,Ltd (“Financial Leasing”)

於聯營公司之權益廣東粵科融資租賃有限公司 (「粵科」)

Refer to note 19 to the consolidated financial statements

請參閱綜合財務報表附註19

The Group's 25% interests in Financial Leasing are accounted for under the equity method and considered for impairment in case of a significant decline in value. The Group's share of the profit after tax from Financial Leasing for the year ended 31 December 2017 was HK\$16,635,000 and the Group's share of Financial Leasing's net asset was HK\$241,303,000 as at 31 December 2017. The accounting for the results and investments in Financial Leasing is significant to our audit due to the share in profits and the carrying value of the investment are substantial, and critical management judgement applied in determining if there is any decline in value.

貴集團採用權益法將持有粵科的25%入賬及在價值明顯下降的情況下考慮減值。截至2017年12月31日止，貴集團應占粵科的除稅後溢利為港幣16,635,000元。而於2017年12月31日，貴集團應占和粵科的淨資產為港幣241,303,000元。粵科對於我們的審計是重要的，尤其是應佔盈利、投資的賬面值和價值下降時需要作出判斷。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key Audit Matter: Interests in associates – Guangdong Financial Leasing Co.,Ltd (“Financial Leasing”) (Continued)

於聯營公司之權益廣東粵科融資租賃有限公司(「粵科」) (續)

Our audit of the Group's share of the profits and net assets of Financial Leasing are summarised below:

在我們審計 貴集團財務報表的涵義下，與 貴集團應占粵科溢利和淨資產有關的關鍵審計事項概述如下：

Revenue recognition – Financial Leasing's revenue amounted to HK\$265,965,000 for the year ended 31 December 2017. Revenue from rental income is recognised on a straight-line basis over the term of the relevant leases and consultancy fee is recorded when the related services are provided.

收益確認－粵科截至2017年12月31日止的收益為港幣265,965,000元。融資租賃業務乃按相關租約年期以直線法確認及融資租賃諮詢的收益於待提供相關服務時確認。

Recoverability assessment – Financial Leasing's management considers any change in the credit quality of the accounts receivable from the date credit was initially granted to the end of the reporting period.

可收回性評估－粵科管理層考慮應收融資租賃專案信貸素質自授出信貸起及直至報期末的任何變動。

Management analysed Financial Leasing's cash flow and operating plan and no abnormal items were found. Management concludes that there is no impairment of interest in associate.

管理層分析投資方的現金流及其營運方案並無異常，結論為於聯營公司之權益無需減值。

How we addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Financial Leasing is a significant associate of the Group and is audited by an auditor not related to us (“the FL Auditor”). Our audit procedure in the investment in this associate included, among other things, instructing the FL Auditor on the relevant financial information of Financial Leasing for the purpose of the consolidated financial statements of the Group. We met with the FL Auditor and discussed their risks assessment and their audit strategy and approach and reviewed their working papers. Together with the report to us from the FL Auditor, and our additional procedures performed, we have determined that the audit work performed and evidence obtained were sufficient for our purpose.

粵科是 貴集團的重大聯營公司，其由非本所核數師審計。我們對於粵科的財務報表的審計程序包括給予粵科核數師的審計指引。我們曾與粵科核數師會面，討論他們的風險評估及審計策略和方針，並審閱他們的工作底稿連同他們的報告及我們額外的程序，我們認為所執行的審計工作和取得的憑證，就我們的目的而言是充足的。

獨立核數師報告書

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

How we addressed the Key Audit Matter (Continued)

我們的審計如何處理關鍵審計事項 (續)

We have evaluated management's assessment of the impairment indicators of Financial Leasing. The additional audit procedures that we had performed on the key audit matter included:

我們評估管理層對於粵科減值的指標。我們已執行額外審計程序於各關鍵審計事項：

For revenue recognition:

收益確認方面

- conducting substantive analytical procedures on revenue; and
- reviewing contracts and repayment schedules related to revenue to assess the timing of revenues recorded.

- 對收益執行實質性分析程序；及
- 詳細審查與收益有關的合同及其還款計畫表，以評估收益記賬的時間性。

For recoverability assessment:

可收回性評估方面

- checking, on a sample basis, the repayment schedules and periodic risk reports to ensure that adequate provision for impairment loss is provided for the recoverable amount;
- scrutinising credit approval document for each new project to ensure that the credit amount of the project is reasonable; and
- assessing the insurance coverage on the lease asset.

- 運用抽樣基準，檢查還款記錄表及定期風險報告，以確保可收回金額作出足夠的減值準備；
- 詳細檢查每個新專案的信貸審批檔，以確保該專案的信貸額的合理性；及
- 評估租賃資產保險範圍。

We found the assumptions adopted in relation to these impairment assessments to be supportable and reasonable based on available evidence.

我們發現，集團在此等減值評估中採用的假設獲得之憑證支持並為合理。

獨立核數師報告書

Independent Auditor's Report

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

年報內的其他信息

董事需對其他信息負責。其他信息包括本年報內的所有資料，但不包括集團財務報表及我們就此發出的核數師報告（「其他信息」）。

我們對集團財務報表的意見並不涵蓋其他信息，我們亦不對其他信息發表任何形式的鑒證結論。

在我們審計集團財務報表時，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與集團財務報表或我們在審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他信息有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就集團財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的集團財務報表，並對其認為為使集團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必需的內部控制負責。

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

審核委員會協助董事履行監督貴集團財務報告過程的責任。

獨立核數師報告書

Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose.

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

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

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

核數師就審計集團財務報表承擔的責任

我們的目標，是對整體集團財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照百慕達公司法第90條報告，除此之外本報告別無其他目的。

合理保證是高水平的保證，但不能保證按《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，如果合理預期它們個別或匯總起來可能影響集團財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致集團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，以及取得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比較因錯誤而導致的重大錯誤陳述的風險為高。
- 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資料的合理性。

獨立核數師報告書

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審計集團財務報表承擔 的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者對集團財務報表中的相關披露資料的關注。假若有關的披露資料不足，則我們須出具非無保留意見的核數師報告。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價集團財務報表的整體列報方式、結構和內容，包括披露資料，以及集團財務報表是否公允反映交易和事項。
- 就集團中實體或業務活動的財務資料獲取充分、適當的審計證據，以對集團財務報表發表意見。我們負責指導、監督和執行集團審計。我們僅為我們的審核意見承擔責任。

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

獨立核數師報告書

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

HLM CPA Limited

Certified Public Accountants

Ng Fai Fiona

Practicing Certificate Number P4986

Hong Kong, 27 March 2018

核數師就審計集團財務報表承擔 的責任 (續)

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

從與治理層溝通的事項中，我們決定哪些事項對本年集團財務報表的審計最為重要，因而構成關鍵審計事項。我們會在核數師報告中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

恒健會計師行有限公司

執業會計師

吳暉

執業證書編號P4986

香港，二零一八年三月二十七日

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Continuing operations	持續經營之業務			
Revenue	收入	6	29,846	24,554
Cost of sales and services	銷售及服務成本		(22,551)	(11,403)
Gross profit	毛利		7,295	13,151
Other operating income	其他經營收入	8	12,741	3,982
Selling and distribution costs	銷售及分銷開支		(123)	(701)
Administrative expenses	行政開支		(53,623)	(60,564)
Net gain on disposal of an investment property	出售投資物業之淨收益		14,472	-
Share of profit of associates	應佔聯營公司盈利		75,494	67,747
Increase in fair value of investment properties	投資物業之公允值增加		1,094	-
Finance costs	財務支出	9	(25,449)	(22,362)
Profit before taxation	除稅前盈利		31,901	1,253
Income tax expense	所得稅開支	10	(4,271)	(3,956)
Profit/(loss) for the year from continuing operations	持續經營業務之本年盈利/(虧損)	12	27,630	(2,703)
Discontinued operation	已終止經營之業務			
Loss for the year from discontinued operation	已終止經營業務之本年虧損	11	-	(1,628)
Profit/(loss) for the year	本年度盈利/(虧損)		27,630	(4,331)
Other comprehensive income/(expenses), net of income tax	其他綜合收益/(開支), 除稅後			
Item that will not be reclassified to profit or loss: Surplus on revaluation of hotel property	不會重新分類至損益之項目: 酒店物業重估盈餘		2,818	4,072
Items that may be reclassified subsequently to profit or loss: Exchange differences arising on translation of foreign operations	可能重新分類至損益之項目: 換算海外業務時產生之外匯差額		6,544	(1,598)
Share of exchange difference of associates	應佔聯營公司外匯差額		49,690	(41,275)
Other comprehensive income/(expenses) for the year, net of income tax	年度其他綜合收益/(開支)·扣除所得稅		59,052	(38,801)
Total comprehensive income/(expenses) for the year	年度綜合收益/(開支)總額		86,682	(43,132)

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit/(loss) for the year attributable to:	年度盈利／（虧損）			
Owners of the Company	歸屬： 本公司擁有人		31,266	(4,331)
Non-controlling interests	非控股權益		(3,636)	—
			27,630	(4,331)
Total comprehensive income/(expenses) attributable to:	年度全面盈利／（開支）			
Owners of the Company	歸屬： 本公司擁有人		88,947	(43,132)
Non-controlling interests	非控股權益		(2,265)	—
			86,682	(43,132)
Earnings/(loss) per share	每股盈利／（虧損）	16		
From continuing and discontinued operations	持續經營及 已終止經營之業務			
Basic	基本		HK1.83 cents 港幣1.83仙	(HK0.25 cent) (港幣0.25仙)
Diluted	攤薄		HK1.83 cents 港幣1.83仙	(HK0.25 cent) (港幣0.25仙)
From continuing operations	持續經營之業務			
Basic	基本		HK1.83 cents 港幣1.83仙	(HK0.16 cent) (港幣0.16仙)
Diluted	攤薄		HK1.83 cents 港幣1.83仙	(HK0.16 cent) (港幣0.16仙)

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一七年十二月三十一日 As at 31 December 2017

		Notes	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
		附註		
Non-current assets	非流動資產			
Investment properties	投資物業	17	232,525	229,917
Property, plant and equipment	物業、廠房及設備	18	283,080	244,354
Interests in associates	於聯營公司之權益	19	745,571	620,387
Available for sale financial asset	可供出售金融資產	20	9,172	8,527
			1,270,348	1,103,185
Current assets	流動資產			
Properties held for sale	待售物業	21	47,820	55,028
Inventories	存貨	22	494	781
Trade and other receivables	應收賬款及 其他應收款項	23	7,926	6,487
Pledged bank deposit	已抵押銀行存款	24	63,963	-
Cash and cash equivalents	現金及現金等價物	24	886,861	151,097
			1,007,064	213,393
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款項	25	130,852	110,704
Tax payables	應納稅金		7,137	6,634
Borrowings	借款	26	624,298	36,004
			762,287	153,342
Net current assets	流動資產淨額		244,777	60,051
Total assets less current liabilities	總資產減流動負債		1,515,125	1,163,236
Capital and reserves	股本及儲備			
Share capital	股本	29	171,233	171,233
Reserves	儲備		849,001	760,054
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,020,234	931,287
Non-controlling interests	非控股權益	31	157,625	-
			1,177,859	931,287

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一七年十二月三十一日 As at 31 December 2017

			2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
		Notes 附註		
Non-current liabilities	非流動負債			
Borrowings	借款	26	185,965	100,379
Convertible notes	可換股票據	27	135,586	121,092
Deferred tax liabilities	遞延稅項負債	28	15,715	10,478
			337,266	231,949
			1,515,125	1,163,236

The consolidated financial statements on pages 63 to 178 were approved and authorised for issue by the Board of Directors on 27 March 2018 and are signed on its behalf by:

第63頁至第178頁之財務報表已於二零一八年三月二十七日獲董事會批准及授權刊發，並由以下董事代表簽署：

HE XIANGMING

何向明

Director

董事

LIN PINGWU

林平武

Director

董事

綜合權益變動表

Consolidated Statement of Changes in Equity

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

		Attributable to owners of the Company									
		本公司擁有人應佔權益									
		Share capital	Share premium	Statutory reserve	Hotel property revaluation reserve*	Exchange reserve	Convertible note equity reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	法定公積	酒店物業重估儲備	匯兌儲備	可換股票據權益儲備	保留溢利	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
THE GROUP	本集團										
At 1 January 2017	於二零一七年一月一日	171,233	725,199	79,481	46,108	(129,285)	34,700	3,851	931,287	-	931,287
Profit/(loss) for the year	本年度盈利/(虧損)	-	-	-	-	-	-	31,266	31,266	(3,636)	27,630
Other comprehensive income/(expenses) for the year	本年度其他全面收益/(開支)										
- Surplus on revaluation of hotel property	- 酒店物業重估盈餘	-	-	-	2,818	-	-	-	2,818	-	2,818
- Release of revaluation reserve of hotel properties	- 酒店物業重估儲備撥回	-	-	-	(1,740)	-	-	1,740	-	-	-
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	-	5,173	-	-	5,173	1,371	6,544
- Share of exchange difference of associates	- 應佔聯營公司匯兌差額	-	-	-	-	49,690	-	-	49,690	-	49,690
Other comprehensive income/(expenses) for the year	本年度其他全面收益/(開支)	-	-	-	1,078	54,863	-	1,740	57,681	1,371	59,052
Total comprehensive income/(expenses) for the year	本年度總全面收益/(開支)	-	-	-	1,078	54,863	-	33,006	88,947	(2,265)	86,682
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	159,890	159,890
Transfer to statutory reserve	轉撥至法定公積	-	-	17,658	-	-	-	(17,658)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	171,233	725,199	97,139	47,186	(74,422)	34,700	19,199	1,020,234	157,625	1,177,859

* Item that will not be reclassified to profit or loss

* 不會重新分類至損益之項目

綜合權益變動表

Consolidated Statement of Changes in Equity

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

		Attributable to owners of the Company 本公司擁有人應佔權益							
		Share capital	Share premium	Statutory reserve	Hotel property revaluation reserve*	Exchange reserve	Convertible note equity reserve	Retained earnings	Total equity
		股本	股份溢價	法定公積	酒店物業重估儲備	匯兌儲備	可換股票據權益儲備	保留溢利	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
THE GROUP	本集團								
At 1 January 2016	於二零一六年一月一日	171,233	725,199	63,858	43,621	(86,412)	34,700	22,220	974,419
Loss for the year	本年度虧損	-	-	-	-	-	-	(4,331)	(4,331)
Other comprehensive income/ (expenses) for the year	本年度其他全面收益/ (開支)								
- Surplus on revaluation of hotel property	- 酒店物業重估盈餘	-	-	-	4,072	-	-	-	4,072
- Release of revaluation reserve of hotel property	- 酒店物業重估儲備撥回	-	-	-	(1,585)	-	-	1,585	-
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	-	(1,598)	-	-	(1,598)
- Share of exchange difference of associates	- 應佔聯營公司匯兌差額	-	-	-	-	(41,275)	-	-	(41,275)
Other comprehensive income/ (expenses) for the year	本年度其他全面收益/ (開支)	-	-	-	2,487	(42,873)	-	1,585	(38,801)
Total comprehensive income/ (expenses) for the year	本年度總全面收益/ (開支)	-	-	-	2,487	(42,873)	-	(2,746)	(43,132)
Transfer to statutory reserve	轉撥至法定公積	-	-	15,623	-	-	-	(15,623)	-
At 31 December 2016	於二零一六年十二月三十一日	171,233	725,199	79,481	46,108	(129,285)	34,700	3,851	931,287

綜合現金流量表

Consolidated Statement of Cash Flows

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

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Operating activities	經營活動		
Profit/(loss) for the year	本年度盈利／(虧損)	27,630	(4,331)
Adjustment for:	就以下項目作出調整：		
Interest income	利息收入	(3,015)	(3,343)
Interest expense	利息開支	25,449	22,362
Income tax expenses	所得稅開支	4,271	3,956
Increase in fair value of investment properties	投資物業之公允價值增加	(1,094)	-
Share of profit of associates	應佔聯營公司盈利	(75,494)	(67,747)
Net gain on disposal of an investment property	出售投資物業的淨收益	(14,472)	-
Loss/(gain) on disposal of property, plant and equipment	出售投資物業、廠房及設備減值虧損／(盈利)	928	(328)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,556	10,957
Impairment loss on trade and other receivables	應收賬款及其他應收款項減值虧損	240	2
Net foreign exchange (gain)/loss	淨匯兌(收入)／虧損	(8,775)	16,578
Operating cash flow before movements in working capital	營運資金變動前之經營現金流量	(33,776)	(21,894)
Decrease in inventories	存貨減少	287	282
Decrease in properties held for sale	出售待售物業減少	7,208	-
Increase in trade and other receivables	應收賬款及其他應收款項之增加	(2,772)	(1,873)
Increase in trade and other payables	應付賬款及其他應付款項之增加	18,987	6,242
Cash used in operations	經營流出現金	(10,066)	(17,243)
Tax paid	已付稅金	(6)	(3,038)
Net cash used in operating activities	經營活動之現金流出淨額	(10,072)	(20,281)

綜合現金流量表

Consolidated Statement of Cash Flows

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

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Investing activities	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(42,873)	(11,589)
Addition to investment properties	購置投資物業	(5,991)	-
Decrease/(increase) in time deposits with more than three months to maturity when placed	於存入時到期日超過三個月之定期存款減少／(增加)	16,741	(13,161)
Dividend received	已收股息	777	31,036
Placement of pledged bank deposit	已抵押存款	(63,963)	-
Interest received	已收利息	3,331	3,341
Net proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項淨額	548	11,212
Net proceeds from disposal of an investment property	出售投資物業的所得款項淨額	33,472	-
Net cash (used in)/generated from investing activities	投資活動之現金(流出)／流入淨額	(57,958)	20,839

綜合現金流量表

Consolidated Statement of Cash Flows

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

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Financing activities	融資活動		
Capital injection from non-controlling interests	非控股權益注資	159,890	-
Interest paid	已付利息	(9,794)	(9,737)
Repayment of bank loans	償還銀行貸款	(10,441)	(3,507)
Proceeds from borrowings	借貸所得款項	674,801	-
Net cash generated from/(used in) financing activities	融資活動之現金流入／(流出)淨額	814,456	(13,244)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額	746,426	(12,686)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	134,356	155,372
Effect of foreign exchange rates changes	匯率變動之影響	6,079	(8,330)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	886,861	134,356
Analysis of the balances of cash and cash equivalents, being:	現金及現金等值項目結餘分析由以下項目組成:		
Bank balances and cash	銀行結餘及現金	886,861	151,097
Less: time deposits with maturity over three months	減: 超過三個月之定期存款	-	(16,741)
		886,861	134,356

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is Prize Rich Inc, which was incorporated in the British Virgin Islands (“BVI”) and the ultimate holding company is Guangdong Nanhai Holding Investment Co., Ltd, which was incorporated in the People’s Republic of China (“the PRC”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

During the year, the principal activities of the Group are property development and investment, hotel operation and investment holding. The principal activities of the Company and its subsidiaries (the “Group”) are described in note 36.

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is their Company’s functional and the Group’s presentation currency.

1. 簡介

本公司乃於百慕達註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。其直接控股公司為於英屬處女群島（「英屬處女群島」）註冊成立之Prize Rich Inc及其最終控股公司為於中華人民共和國（「中國」）註冊成立之廣東南海控股投資有限公司。本公司註冊辦事處及主要營業地點的地址於年報「公司資料」部份中披露。

本年度期間，本集團之主要業務為物業發展及投資、酒店經營及投資控股。本公司及其附屬公司（「本集團」）之主要業務已載於附註36。

功能及呈列貨幣

本集團內各實體的財務報表所載項目乃採用該實體營運所在的主要經濟環境所使用的貨幣（「功能貨幣」）計量。綜合財務報表乃以港幣（「港幣」）呈列，港幣為本公司的功能貨幣及本集團的呈列貨幣。

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA which are or have become effective for the Group’s financial year beginning on 1 January 2017:

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

The adoption of new or revised HKFRSs has no material effect on the Group’s financial performance and positions for the current or prior accounting period. Accordingly, no prior period adjustment is required.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團於二零一七年一月一日開始或之後的財政年度首次採用香港會計師公會（「香港會計師公會」）頒佈之下述新訂及經修訂香港財務報告準則：

香港會計準則 第7號（修訂）	披露計畫
香港會計準則 第12號（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（修訂）	作為香港財務 報告準則 二零一四年至 二零一六年 週期之年度 改進部分

本年度應用之新訂及經修訂香港財務報告準則對於本年度之綜合財務報表所載列之財務表現，以及／或披露，並無重大影響。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

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

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9	Financial Instrument ¹
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Lease ²
HKFRS 17	Insurance Contracts ³
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle ²

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早採納以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。本集團董事預計，應用此等新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況造成任何重大影響。

香港財務報告準則第2號（修訂）	以股份為基礎的支付交易之分類及計量 ¹
香港財務報告準則第4號（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（修訂）	具有負補償之提前還款特性 ²
香港財務報告準則第10號及香港會計準則第28號（修訂）	投資者與其聯營公司或合資公司之間的資產出售或注資 ⁴
香港財務報告準則第15號	來自客戶合約的收入及有關修訂本 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港財務報告準則（修訂）	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

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

HKAS 28 (Amendments)	As part of the Annual Improvements HKFRSs 2014-2016 Cycle ¹
HKAS 28 (Amendments)	Long-term Interest in Associated and Joint Ventures ²
HKAS 40 (Amendments)	Transfers of Investment Property ¹
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments 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 Effective for annual periods beginning on or after a date to be determined.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第28號（修訂）	作為香港財務報告準則二零一四年至二零一六年週期之年度改進部分 ¹
香港會計準則第28號（修訂）	於聯營公司及合營公司的長期權益 ²
香港會計準則第40號（修訂）	轉撥投資物業 ¹
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	所得稅處理之不確定性 ²

- ¹ 於二零一八年一月一日或之後開始的年度期間生效，並可提早應用
- ² 於二零一九年一月一日或之後開始的年度期間生效，並可提早應用
- ³ 於二零二一年一月一日或之後開始的年度期間生效，並可提早應用
- ⁴ 尚待厘訂之日期或之後開始之年度期間生效

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), the collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance (“CO”).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical costs are generally based on the fair value of the consideration given in exchange for assets.

Fair Value

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

3. 重要會計政策

合規聲明

綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」），包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定的適用披露事項。

編製基準

綜合財務報表已按歷史成本基準編製，惟若干物業及金融工具以公允值計量除外，並在以下所載之會計政策中解釋。歷史成本一般根據買賣資產時給出的代價之公允值計算。

公允值

公允值是於計量日市場參與者間於有序交易中出售資產所收取或轉讓負債所支付之價格，而不論該價格是否可直接觀察取得或使用其他估值方法估計。於估計資產或負債之公允值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公允值乃按此基準釐定，惟屬於香港財務報告準則第2號範疇之以股份支付交易及屬於香港會計準則第17號範疇之租賃交易，以及與公允值之計量存在相似之處但並非公允值（例如香港會計準則第2號之可變現淨值或香港會計準則第36號之使用價值）之計量除外。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

Basis of consolidation

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

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

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

3. 重要會計政策 (續)

此外，就財務報告而言，公允值計量可按公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體之重要性劃分為第一、二或三級，闡述如下：

- 第一級輸入數據為實體於計量日在活躍市場可得之相同資產或負債之報價（未經調整）；
- 第二級輸入數據為第一級報價以外之輸入數據，而該等數據乃就有關資產或負債直接或間接可觀察之輸入數據；及
- 第三級輸入數據為就有關資產或負債之不可觀察輸入數據。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司所控制實體（包括結構化實體）之財務報表。倘本公司達成以下事項，則視為取得控制：

- 對被投資方擁有權力；
- 就參與被投資方所得可變回報面臨風險或擁有權利；及
- 擁有行使其權力以影響其回報之能力。

倘有事實及情況顯示上述三項控制元素之一項或多項有變，則本集團會重估是否控制被投資方。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

3. 重要會計政策 (續)

綜合基準 (續)

倘本集團於被投資方之投票權未能佔大多數，則當投票權足以賦予本集團實際能力以單方面指揮被投資方的相關活動時即對被投資方擁有權力。本集團於評估本集團於被投資方的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相較其他投票權持有人所持投票權的數量及分散情況，本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生的權利；及
- 於需要作出決定時，本集團目前能夠或不能夠指揮相關活動的任何額外事實及情況（包括過往股東會議上的投票模式）。

本集團取得附屬公司控制權時開始將附屬公司綜合入賬，於喪失附屬公司控制權時終止入賬。具體而言，年內收購或出售之附屬公司收入及開支自本集團取得控制權日期起直至本集團不再控制附屬公司之日止計入損益表。

損益及各其他全面收益各項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此會導致非控股權益出現虧絀結餘。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses have been eliminated on consolidation.

Business combination

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

3. 重要會計政策 (續)

綜合基準 (續)

如有需要，附屬公司財務報表會作出調整，以使其會計政策與本集團其他成員公司所用者一致。

所有集團內之交易、結餘、收入及開支均於綜合時悉數對銷。

業務合併

收購業務乃以收購法列賬。業務合併所轉讓之代價按公允價值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之股權於收購日之公允價值之總額。有關收購之成本一般於產生時於損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公允價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付安排或本集團訂立以股份支付安排取代被收購方以股份支付安排有關之負債或股本工具，於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combination (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

3. 重要會計政策 (續)

業務合併 (續)

- 根據香港財務報告準則第5號「待售之非流動資產及已終止經營業務」分類為待售的資產(或出售組合)根據該項準則計量。

商譽乃以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值(如有)的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後,所收購可識別資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值(如有)的總和,則超出部分即時於損益賬內確認為廉價收購產生之收益。

屬現時所有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值的非控股權益,可初步按公允值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按公允值或(如適用)。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combination (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from the interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. 重要會計政策 (續)

業務合併 (續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公允值計量，並計入於業務合併轉讓之代價之一部分。符合資格為計量期間調整之或然代價公允值變動將予追溯調整，相應調整就商譽作出。計量期間調整為於「計量期間」（不可超過自收購日期起計一年）取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

不合資格為計量期間調整之或然代價後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價於後續報告日期以公允值重新計量，相應之盈虧於損益內確認。

倘業務合併分階段達成，本集團以往所持的被收購方股本權益於收購日期按公允值重新計量，所產生的盈虧（如有）在損益賬中確認。倘出售於被收購方權益，則以往在其他全面收益中確認的從該等於被收購方的權益於收購日期前產生的金額重新分類至損益（如此處理方法合適）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combination (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

3. 重要會計政策 (續)

業務合併 (續)

倘業務合併的初步會計處理於合併產生的報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間內作出調整，或確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

於附屬公司之投資

於附屬公司之投資乃按成本減任何已識別減值虧損計入本公司財務狀況表。

於聯營公司之投資

聯營公司為本集團對其擁有重大影響力之實體。重大影響力指有權參與被投資方之財務及營運政策決定，但非對該等政策擁有控制權。

聯營公司之業績及資產與負債乃採用權益會計法計入此等綜合財務報表。以權益會計法處理之聯營公司之財務報表乃按與本集團就於類似情況之下之交易及事件所採用者相同之會計政策編制。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後作出調整，以確認本集團分佔之聯營公司損益及其他全面收益。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates *(Continued)*

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 重要會計政策 (續)

於聯營公司之投資 (續)

如本集團應佔一家聯營的虧損等於或超過其在該聯營的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營已產生法律或推定債務或已代聯營作出付款。

於聯營公司之投資自被投資方成為聯營公司當日起採用權益法入賬。在收購於聯營公司之投資時，投資成本超出本集團應佔被投資方可識別資產及負債淨公允值之任何部分確認為商譽，計入投資賬面值內。本集團應佔可識別資產及負債淨公允值超出投資成本之任何部分，經重新評估後，即時於收購投資期間在損益確認。

本集團採納香港會計準則第39號之規定，以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。倘需要，投資之全部賬面值（包括商譽）會根據香港會計準則第36號「資產減值」作為單一資產與可收回金額（即使用價值與公允值減出售成本之較高者）及賬面值進行比較，測試是否減值。任何已確認減值虧損構成該項投資之賬面值之一部份。有關減值虧損之任何撥回根據香港會計準則第36號確認，惟以其後增加之可收回投資金額為限。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition within the scope of HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate that are not related to the Group.

3. 重要會計政策 (續)

於聯營公司之投資 (續)

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的損益於損益確認。倘本集團保留於前聯營公司之權益且該保留權益為金融資產，則本集團會於該日按公允值計量保留權益，而該公允值被視為根據香港會計準則第39號於初步確認時之公允值。聯營公司於終止採用權益法當日之賬面值與任何保留權益及出售聯營公司相關權益之任何所得款項公允值間之差額，會於釐定出售該聯營公司之收益或虧損時入賬。此外，本集團會將先前在其他全面收益就有關該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認之收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於終止採用權益法時將收益或虧損由權益重新分類至損益（作為重新分類調整）。

倘本集團削減其於聯營公司之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收益確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

倘集團實體與本集團之聯營公司進行交易（例如出售或注入資產），僅在聯營公司之權益與本集團無關之情況下，與聯營公司進行交易所產生之盈利及虧損，方會於本集團綜合財務報表中確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

Property, plant and equipment

i. Hotel property

Hotel property is stated at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and any subsequent impairment losses. Fair value is determined with reference to appraisals by external professional valuers with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

3. 重要會計政策 (續)

投資物業

投資物業乃為賺取租金及／或資本升值目的而持有的物業（包括用作有關目的之在建物業）。投資物業初步按其成本（包括交易成本）計量。於初步確認後，投資物業則按公允值計量。因投資物業公允值變動所產生的盈虧於產生期間計入損益內。

投資物業於出售後，或永久停止使用該投資物業及預期出售該投資物業不會產生未來經濟利益時取消確認。取消確認該物業所產生的任何盈虧（按出售所得款項淨額與該資產賬面值之間的差額計算）計入取消確認物業期間的損益內。

物業、廠房及設備

i. 酒店物業

酒店物業按重估金額（即於重估日期之公允值減其後累計折舊及任何其後減值虧損）列賬。公允值乃由外聘專業估值師在足夠規範下進行之評估而釐定，以確保賬面值與於報告期末將用以釐定者不會有重大差異。於重估日期之任何累計折舊會與資產之總賬面值相抵銷，而淨額會重列至資產之重估金額。所有其他物業、廠房及設備均按收購成本減累計折舊及累計減值虧損列賬。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

i. Hotel property (Continued)

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

ii. Property, plant and equipment (other than Hotel properties)

Property, plant and equipment (other than hotel property) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

3. 重要會計政策 (續)

物業、廠房及設備 (續)

i. 酒店物業 (續)

重估酒店物業所產生之任何盈餘於其他全面收益確認並於權益項目下之物業重估儲備累計，除非該資產之賬面值先前曾蒙受重估減值或減值虧損則另作別論。以先前曾於損益確認之任何減值為限，重估增值計入損益，而其餘增值部分則於其他全面收益處理。因重估或減值測試產生之酒店物業之賬面淨值減少，會於其他全面收益確認，並以與相同資產有關之物業重估儲備內之重估盈餘為限，其餘減值則於損益確認。

ii. 物業、廠房及設備 (不包括酒店物業)

物業、廠房及設備 (不包括酒店物業) 按成本值減其後累計折舊及累計減值虧損列賬。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

ii. Property, plant and equipment (other than hotel property) (Continued)

Depreciation is provided to write off the cost of items of property, plant and equipment (other than hotel property) over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Land and buildings	2% to 10%
Furniture, equipment and leasehold improvements	10% to 30%
Plant and machinery	10% to 30%
Motor vehicles	15% to 30%

iii. Construction in progress

Construction in progress represents property, plant and equipment in the course of construction for production or for own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when it is completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit or loss.

3. 重要會計政策 (續)

物業、廠房及設備 (續)

ii. 物業、廠房及設備 (不包括酒店物業) (續)

物業、廠房及設備 (不包括酒店物業) 項目之折舊乃按其估計可使用年期並計及其估計殘值以直線法按下列年率撇銷其成本:

土地和樓宇	2%至10%
傢俬、設備及樓宇裝修	10%至30%
廠房及機器	10%至30%
汽車	15%至30%

iii. 在建工程

在建工程乃指為生產或自用目的之物業、廠房及設備。在建工程以成本減任何確認減值虧損列賬。在建工程於完成及可作使用後將分類至合適的物業、廠房及設備類別中。該等資產之折舊乃按其他物業資產之相同基準於可作擬定用途時開始計提。

資產出售或報廢時產生之收益或虧損乃根據有關資產銷售所得款項與其賬面值之差額而釐定，並於損益表中確認。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

3. 重要會計政策 (續)

待售物業

待售物業乃按成本值及可變現淨值之較低者入賬。

金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時在綜合財務狀況表確認。金融資產及金融負債初步按公允值確認。收購或發行金融資產及金融負債直接應佔之交易成本(透過損益以公允值列賬之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債之公允值或自金融資產或金融負債之公允值內扣除(如合適)。收購透過損益以公允值列賬之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

金融資產

本集團的金融資產主要分類為貸款及應收賬款之金融資產以及可供出售金融資產。分類取決於金融資產的性質及目的，並於初步確認時予以釐定。所有以正規途徑購買或銷售之金融資產乃按交易日期基準確認及取消確認。正規途徑買賣或銷售乃要求於市場法規或慣例所確定之時間框架內交付資產之金融資產買賣或銷售。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Available for sale ("AFS") financial assets

AFS financial assets are non-derivative that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Dividend on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, prepayments and deposits and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

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

3. 重要會計政策 (續)

金融工具 (續)

可供出售金融資產

可供出售金融資產乃被指定作為可供出售或並無被分類為(a)貸款及應收款項、(b)持有至到期日投資或(c)透過損益按公允值計算之金融資產之非衍生工具。

可供出售權益投資的股息於本集團收取股息的權利獲確定時在損益中確認。並無活躍市場之已報市價及其公允值無法可靠地計量之可供出售股本投資乃於各個申報期結束時按成本減任何已識別減值虧損計量(見下文有關金融資產之減值虧損之會計政策)。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款而在活躍市場並無報價之非衍生金融資產。貸款及應收款項(包括應收賬款及其他應收款項、預付款項及存款以及現金及現金等價物)採用實際利率法以攤銷成本減任何減值虧損計量。除利息確認影響甚微之短期應收款項外,利息收入按實際利率確認。

金融資產減值

金融資產於各報告期末會評估有否減值跡象。倘有客觀證據顯示,金融資產之估計未來現金流量因於初步確認該金融資產後發生一項或多項事件而受到影響時,則金融資產作出減值。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for financial asset because of financial difficulties.

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

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

3. 重要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就金融資產而言，減值之客觀證據可包括：

- 發行人或合約方遭遇重大財政困難；或
- 違反合約，例如欠付或拖欠償還利息或本金；或
- 借款人有可能面臨破產或進行財務重組；或
- 因為財務困難而導致金融資產失去活躍市場。

就若干類別的金融資產（如應收賬款及其他應收款項）而言，獲評估為不會單獨作出減值的資產會另外一併評估減值。應收賬款組合出現減值的客觀證據包括本集團過往收款紀錄、組合內超過信貸期的延期還款數目上升，以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按攤銷成本列賬的金融資產而言，減值虧損金額乃該資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值的差額。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

3. 重要會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就所有金融資產而言，金融資產之賬面值直接按減值虧損減值，惟貿易應收賬款除外，其賬面值乃透過使用撥備賬目而減值。當貿易應收賬款無法收回時，將於撥備賬款中撇銷。隨後收回先前經撇銷的金額將計入撥備賬款中。撥備賬款的賬面值變動乃於損益中確認。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

金融負債及股本

集團實體發行之金融負債及股本工具乃根據訂立之合同安排之性質與金融負債及股本工具之定義分類。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Convertible notes

The component parts of the compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component estimated by using the prevailing market interest rate.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

3. 重要會計政策 (續)

金融工具 (續)

可換股票據

本公司所發行複合工具(可換股票據)之組成部分乃根據合約安排之內容以及金融負債及股本工具之定義,分別分類為金融負債及權益。將以定額現金或另一項金融資產交換定額現金或以另一項資產交換固定數目之本公司自有股本工具之方式結算之換股期權為股本工具。

於發行日期,負債部份公允價值按類似之不可換股工具當時之市場利率評估。

分類為權益之換股期權乃透過從整體複合工具之公允值中扣減負債部分金額釐定。其將於扣除所得稅影響後在權益確認及記賬,且隨後不予重新計量。此外,分類作權益之換股期權將一直保留於權益內,直至該換股期權獲行使為止,在此情況下,權益內確認之結餘將轉入股份溢價。倘換股期權於可換股票據到期日仍未獲行使,則權益內確認之結餘將轉入保留盈利。換股期權獲兌換時或到期時將不會於損益內確認任何收益或虧損。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Convertible notes (Continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity components are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPI.

3. 重要會計政策 (續)

金融工具 (續)

可換股票據 (續)

與發行可換股票據有關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分有關之交易成本會直接自權益確認。與負債部分有關之交易成本則計入負債部分之賬面值，並於可換股票據年期內採用實際利率法攤銷。

其他金融負債

其他金融負債(包括借款)於其後採用實際利率法按攤銷成本計算。

實際利率法

實際利率法為於有關期間計算金融負債攤銷成本及分配利息開支的方法。實際利率指於金融負債預期年期或(如適用)較短期間內將估計未來現金付款(包括所有屬於實際利率一部分的已付或已收費用及息率、交易成本及其他溢價或折扣)準確貼現至初步確認時的賬面淨值的利率。

利息開支按實際利息基準確認，惟透過損益按公允值列賬之金融負債除外。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's statement of financial position (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period, and are discounted to present value where the effect is material.

3. 重要會計政策 (續)

取消確認

若從資產收取現金流之權利已到期，或金融資產已轉讓及本集團已將金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於股本確認之累計損益之總和之差額，將於損益賬中確認。

就金融負債而言，則於本集團之財務狀況表中移除（即倘於有關合約之特定責任獲解除、取消或到期）。取消確認之金融負債賬面值與已付或應付代價之差額乃於損益賬中確認。

存貨

存貨乃按成本值及可變現淨值之較低者入賬。存貨之成本以加權平均法計算。可變現淨值代表存貨之估計售價減去所有估計完工成本及成功出售所需之成本。

撥備

撥備乃當本集團因過往事件須承擔現有法律或推定責任時確認，而本集團可能將需償付該債務。撥備乃按董事於各報告期末對償付該債務所需開支之最佳估計計量，並折讓至現值（倘有重大影響）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses (other than goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

(i) Hotel operation and elderly wellness and care business

Revenue arising from hotel operation and elderly wellness and care business is recognised when the relevant services are rendered.

3. 重要會計政策 (續)

有形及無形資產之減值虧損 (商譽除外)

本集團於各報告期末評估其有形及無形資產之賬面值，以釐定該等資產有否減值虧損之跡象。倘若一項資產之可收回值估計低於其賬面值，則該項資產之賬面值即被減至其可收回值。減值虧損應立即確認為支出。

倘減值虧損於其後撥回，該資產之賬面值可調高至經修訂估計之可收回值，惟因此增加之賬面值不可高於該資產於過往年度如無確認減值虧損而應釐定之賬面值。撥回之減值虧損可即時被確認為收入。

當有跡象表明資產可能出現減值時，本集團會對具有年限之無形資產進行減值測試。

收益確認

收益按已收或應收代價之公允值計量，相當於日常業務過程中所提供貨品及服務之已扣除折扣及銷售相關稅項的應收賬款。

(i) 酒店經營及大健康養老業務

酒店經營及大健康養老業務之收益待提供有關服務時確認。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

(ii) Sales of goods

Sales of goods other than properties are recognised when goods are delivered and title has been passed.

(iii) Sales of properties

Revenue from the sale of properties are recognised when goods are delivered and title has been passed.

(iv) Rental income

Rental income arising from properties let under operating leases is recognised on a straight-line basis over the periods of the respective leases.

(v) Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(vi) Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3. 重要會計政策 (續)

收益確認 (續)

(ii) 貨物銷售

除物業外之貨物銷售乃於有關貨物送抵及產權移交時予以確認。

(iii) 銷售物業

銷售物業之收入在簽訂具法律約束力之合約及客戶取得物業之擁有權時始作確認。

(iv) 租金收入

藉由營運租約之物業出租之租金收入按有關租約期以直線法確認。

(v) 利息收入

利息收入乃參考未還本金及適用之實際利率按時間基準計算。

(vi) 股息收入

投資所得股息收入乃於股東收取款項之權利確立時確認(假設經濟利益可能流入本集團及收入能夠可靠地計算)。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

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

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

3. 重要會計政策 (續)

稅項

所得稅開支指本期應付稅項及遞延稅項兩者之總額。

本期應付稅項乃按照本年度之應課稅盈利計算。應課稅盈利與綜合損益及其他全面收益表中所呈報之稅前純利有所不同，此乃由於應課稅盈利不包括於其他年度之應課稅或可減免收入或開支項目，並且亦不包括毋須課稅或可減免扣稅之項目所致。本集團之本期稅項負債乃按於各報告期末已實行或大致上已實行之稅率計算。

綜合財務報表資產及負債之賬面值與計算應課稅盈利所用相應稅基間的暫時性差額確認為遞延稅項。遞延稅項負債一般按所有應課稅暫時性差額予以確認，而遞延稅項資產則以可動用可抵扣暫時性差額之應課稅盈利為限予以確認。倘若暫時性差額乃因商譽或由於初步確認（並非業務合併）交易中之其他資產與負債而產生，且對應課稅盈利或會計盈利不造成影響，則不會確認該等資產及負債。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangement, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 重要會計政策 (續)

稅項 (續)

遞延稅項負債按於附屬公司及聯營公司之投資以及於合營安排之權益所引致的應課稅暫時性差額而予以確認，惟本集團可控制撥回的暫時性差異及不大可能於可見將來撥回的暫時性差異則除外。與該等投資及權益有關的可抵稅暫時性差額所產生的遞延稅項資產僅於可能有足夠應課稅盈利可動用暫時性差額的利益，且預期於可見將來撥回時方會予以確認。

遞延稅項資產之賬面值於各報告期末作檢討，並再無可能會有充裕應課稅盈利供收回全部或部分資產為限作調減。

遞延稅項乃按預期於償還債項或變現資產期間內可應用之稅率以於匯報期間結束時已施行或大部份施行之稅率（及稅法）之稅率為基準。

遞延稅項負債及資產之計量反映於報告期末將自本集團預期收回或清償其資產及負債之賬面值方式產生之稅務後果。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Borrowing costs

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

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

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

3. 重要會計政策 (續)

稅項 (續)

就計量使用公允值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，除非該假設被駁回，否則有關物業之賬面值乃假定為透過銷售全部收回。於投資物業為可折舊及按目標為隨時間耗用投資物業內含之絕大部分經濟利益之商業模式持有，而非透過銷售持有的情況下，則有關假設被駁回。

本期及遞延稅項於損益內確認，惟倘其與於其他全面收益或直接於股本確認的項目有關，在該情況下，本期及遞延稅項亦分別於其他全面收益或直接於股本確認。倘因對業務合併進行初始會計處理而產生本期稅項或遞延稅項，則稅務影響計入業務合併的會計處理內。

借款成本

直接歸屬於收購、興建或生產合資格資產（指必須經一段長時間處理以作其預定用途或銷售之資產）的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

指定借款用於合資格資產前作暫時性投資所賺取投資收入，於合資格撥充資本之借貸成本扣減。

所有其他借款成本在產生期內的損益中確認。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefits scheme

Payments to defined contribution retirement benefit plans, including the Mandatory Provident Fund Scheme (the “MPF Scheme”) and state-managed retirement benefit scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Leases

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. 重要會計政策 (續)

退休福利計劃

界定供款退休福利計劃(包括強制性公積金計劃(「強積金計劃」)及中國國營退休福利計劃)之供款於僱員提供服務以享有該等供款時確認為開支。

租約

當租約條款將所涉及擁有權之絕大部分風險及回報轉讓予承租人時，租約乃分類為融資租約。所有其他租約均分類為營運租約。

本集團作為出租人

營運租約之租金收入乃按相關租約年期以直線法於損益表確認。於協商及安排時引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認為一項支出。

本集團作為承租人

根據營運租約之應付租金乃按相關租約年期以直線法於損益扣除。因訂立一項營運租約作為獎勵之已收及應收利益乃以直線法按租約年期確認作租金支出減少。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

3. 重要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以該實體的功能貨幣（即該實體經營的主要經濟環境的貨幣）以外的貨幣（外幣）所進行的交易乃按交易日期之適用匯率以相關功能貨幣入賬。於報告期末，以外幣為計值之貨幣項目均按當日適用之匯率重新換算。按公允值以外幣計值之非貨幣項目乃按於公允值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認，惟組成本集團海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表之股本中確認。以公允值定值之非貨幣項目經重新換算後產生之匯兌差額於該期間列作損益，惟換算直接於股本內確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本內確認。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of each reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 重要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按各報告期末之適用匯率換算為本集團之列賬貨幣（如港幣），而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動，於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額（如有）乃確認作股本之獨立部分（匯兌儲備）。該等匯兌差額乃於海外業務被出售之期間內於損益賬內確認。

於出售海外業務（即出售本集團於海外業務的全部權益，或涉及失去對附屬公司（包括海外業務）控制權的出售，或部分出售聯營公司（包括海外業務）的權益（其中保留權益變為金融資產））時，就本公司擁有人應佔該業務而於股本累計的全部匯兌差額乃重新分類至損益。

此外，就部分出售附屬公司（包括海外業務）並未導致本集團失去對附屬公司的控制權而言，按比例所佔的累計匯兌差額乃重新撥歸至非控股權益，且不會於損益確認。就所有其他部分出售（即不會導致本集團失去重大影響力的聯營公司的部分出售）而言，按比例所佔的累計匯兌差額乃重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange reserve.

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);

3. 重要會計政策 (續)

外幣 (續)

於二零零五年一月一日或以後，於收購海外業務而產生之商譽及所收購可識別資產之公允值調整乃視作該海外經營業務之資產及負債，並於報告期末之適用匯率進行換算。所產生之匯兌差額乃於匯兌儲備內確認。

關連人士

倘屬以下人士，則被視作與本集團有關連：

- (a) 有關人士為下述人士或身為下述人士之直系親屬：
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；或
- (b) 有關人士為適用下列任何條件之實體：
 - (i) 該實體與本集團為同一集團的成員公司；
 - (ii) 該實體為另一間實體（或另一間實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

(b) (Continued)

- (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;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related 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 reporting entity or to the parent of the reporting entity.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. 重要會計政策 (續)

關連人士 (續)

(b) (續)

- (iii) 該實體及本集團為同一第三方的合營企業；
- (iv) 該實體為第三方的合營企業，而另一實體為該名第三方的聯營公司；
- (v) 該實體為本集團或與本集團有關連的實體的員工福利而設之退休福利計劃；
- (vi) 該實體受(a)段所述人士的控制或共同控制；
- (vii) (a)(i)段所述之人士對該實體擁有重大影響力或為該實體（或該實體之母公司）之主要管理人員；及
- (viii) 實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

任何人士之近親為該名人士與實體進行買賣時可能影響該名人士或受該名人士影響之家庭成員。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, time deposits with banks and other financial institutions, and short-term liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition. For the purpose of the consolidated statement of cash flows, bank overdrafts or bank loans, if any, which are repayable on demand and form an integral part of an enterprise's cash managements are also included as component of cash and cash equivalents.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3. 重要會計政策 (續)

現金及現金等價物

現金及現金等價物指銀行存款及現金、銀行及其他財務機構的定期存款及於收購時年期為三個月以內、可供即時兌換為已知現金金額且價值變動風險不大之短期流動投資。就綜合現金流量表而言，於要求時償還並為企業現金管理一部份的銀行透支及銀行貸款（如有），亦計為現金及現金等值項目的組成部份。

4. 重大會計判斷及估算不確定因素的主要來源

管理層在應用附註3載述本集團會計政策時，須就未能即時明顯從其他來源得知的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃根據以往經驗及其他被認為相關因素作出。實際結果可能會有別於該等估計。

估計及相關假設均會按持續審閱。倘會計估計修訂僅影響該期間，則修訂只會在修訂估計期間確認，或倘修訂同時影響現時及未來期間，則會在修訂期間及未來期間確認。

會計政策應用的重大判斷

以下乃管理層於應用本集團之會計政策過程所作出且對已於綜合財務報表確認之金額造成重大影響之關鍵判斷（涉及估計者除外）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Deferred taxation on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Directors have reviewed that Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. Moreover, the fair value of the Group's investment properties is lower than acquisition cost. As a result, the Group has not recognised any deferred taxes on change in fair value of investment properties as the Group is not subject to any incomes taxes on disposal of its investment properties.

Deferred taxation on hotel property

By comparing the initial cost and the revaluated value of PRC hotel properties of the Group, the Directors considered that no capital gain may generate and does not constitute a timing difference and not expect to settle the carrying amount of the tax liabilities. Therefore, deferred tax has not been recognised in respect of the valuation surplus relating to hotel property.

Key sources of estimation uncertainty

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

4. 重大會計判斷及估算不確定因素的主要來源 (續)

投資物業的遞延稅項

就計量因按採用公允值模式計量之投資物業所產生之遞延稅項負債或遞延稅項資產而言，本公司董事已審閱本集團之投資物業組合，並認為本集團之投資物業並非根據目標為隨時間而非透過銷售消耗投資物業所包含之絕大部份經濟利益之商業模式而持有。因此，於計量本集團之投資物業之遞延稅項時，本公司董事已釐定，採用公允值模式計量之投資物業賬面值乃全部透過出售予以收回之假設並未被駁回。此外，本集團位於國內的投資物業之公允值低於收購成本，以及本集團出售位於香港的投資物業時毋須繳納任何所得稅。因此，本集團並無就投資物業公允值變動確認任何遞延稅項，原因是本集團毋須就出售其投資物業繳付任何所得稅。

酒店物業的遞延稅項

年內，並無就酒店物業之重估盈餘計提遞延稅項撥備，因為賬面值並未超過總投資成本及董事認為，並無應課稅經濟利益流入本集團。

不確定因素的主要來源

以下為於報告期末對有關未來之主要假設及不確定性估計之其他主要來源，對此可能導致下一個財政年度之資產及負債賬面值作出重大調整。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Estimated the useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to previously estimated, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Estimated impairment of property, plant and equipment

Machinery and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the higher of fair value of the machinery and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise. As at 31 December 2017 the Group reported no impairment loss for certain machinery, equipment and motor vehicles (2016: Nil).

Estimate of impairment of hotel properties

Hotel properties are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use of the hotel properties. Management makes judgements on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount.

4. 重大會計判斷及估算不確定因素的主要來源 (續)

物業、廠房及設備的可使用期

本集團釐定物業、廠房及設備的估計可使用期及相關折舊支出。該估計基於性質及功能相若的物業、廠房及設備的實際可使用期的以往經驗計算。管理層會於可使用期有別於原先估計時修訂折舊支出，或會撇銷或撇減技術陳舊或已廢棄或出售的非策略資產。

物業、廠房及設備減值

倘有事件或情況變動顯示機器及設備之賬面值高於其可收回金額，則就該等資產進行減值評估。可收回數額乃參考機器及設備之公允值減銷售成本或使用價值兩者中較高者而釐定。減值虧損按資產賬面值與可收回金額之差額計量。倘可收回金額少於預期，則可能產生重大減值虧損。於二零一七年十二月三十一日，本集團沒有物業、廠房及設備之減值虧損（二零一六年：無）。

酒店物業減值

當發生事件或環境變化表明酒店物業的賬面值不可收回時，管理層對其進行減值審核。可收回金額是指公允值減銷售成本及酒店物業的使用價值中較高者。管理層對該等事件及環境變化是否發生作出判斷中，並對可收回金額進行估計。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimation of fair value of the Group's other assets and liabilities

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The Financial Controller reports the findings of the qualified external valuers to the board of Directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 5, 17 and 18 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

4. 重大會計判斷及估算不確定因素的主要來源 (續)

集團其他資產及負債之公允值

本集團的部分資產及負債乃按公允值計量以用於財務申報目的。

於估計資產或負債之公允值時，本集團使用可用市場可觀察數據。倘第一級輸入值不可用，本集團會委聘第三方合資格估值師進行估值。合資格外聘估值師制定合適之估值技術及模式輸入值。為說明資產及負債公允值波動之原因，財務總監每年度向本公司董事會呈報合資格外聘估值師之調查結果。

本集團採用包括並非以可觀察市場數據為依據之輸入值在內之估值技術估計若干類金融工具之公允值。附註5、17及18載列釐定各類資產及負債之公允值時所用之估值技術、輸入值及主要假設之詳盡資料。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimation of fair value of the Group's properties

The Group's properties were revalued as at 31 December 2017 based on appraised market values provided by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimate of fair value, the Group considers information from current prices in an active market for similar properties in the same location and condition and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The carrying amounts of investment properties and hotel property at 31 December 2017 was HK\$232,525,000 and HK\$115,000,000 respectively (2016: HK\$229,917,000 and HK\$112,000,000).

Estimation of net realisable value of properties held for sale

Management reviews the recoverable amount of properties held for sale at the end of each reporting period. The recoverable amount is the estimated selling price of the properties less costs to sell. Management makes estimates in determining the recoverable amount.

4. 重大會計判斷及估算不確定因素的主要來源 (續)

集團物業公允值

於作出公允值估計時，本集團已考慮活躍市場中類似於同一地域及性質的物業之現行市價，並運用主要根據各報告期末之市況作出之假設。集團物業於二零一七年十二月三十一日按獨立專業估值師所評估之市值進行重估。有關估值乃根據若干假設進行，故當中仍有不明確因素且或會與實際結果有重大差異。

於二零一七年十二月三十一日投資物業及酒店物業之賬面值分別為港幣232,525,000元及港幣115,000,000元（二零一六年：港幣229,917,000元及港幣112,000,000元）。

待出售物業可變現淨值

管理層於各報告末對待出售物業的可收回金額進行測試。可收回金額是指該物業估計的銷售價格扣除可銷售成本。管理層對可收回金額進行估計。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated allowance for doubtful debts of trade and other receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are made on trade and other receivables whenever there is any objective evidence that the balances may not be collectible. In determining whether an allowance for bad and doubtful debts is required, the Group takes into consideration the aging status and the likelihood of collection. Following the identification of doubtful debts, Management investigates the relevant debts and reports on the recoverability. Specific allowance is only made for those trade and other receivables that are unlikely to be collected. Where the expectation on the recoverability of trade and other receivables is different from the original estimate, such difference will impact the carrying amounts of debtors and doubtful debt expenses in the periods in which such estimate has been changed.

The carrying amount of trade and other receivables at 31 December 2017 is HK\$7,926,000 (2016: HK\$6,487,000). Details of the recoverable amount calculation are disclosed in note 23.

5. FINANCIAL RISK MANAGEMENT

The Group's businesses are principally conducted in the PRC and Hong Kong and accordingly are subject to special considerations and several risks.

4. 重大會計判斷及估算不確定因素的主要來源 (續)

應收賬款及其他應收款項呆賬撥備

本集團根據應收賬款及其他應收款項的可收回性評估作出呆賬撥備。倘任何客觀跡象顯示應收賬款及其他應收款項的結餘可能不能收回，則就其作出撥備。於釐定是否需就呆賬作出撥備時，本集團會考慮賬齡分析及是否可收回。於識別呆賬後，管理層會對相關債項進行調查，並報告可收回性。僅於應收賬款及其他應收款項不大可能收回時，方會作出特定撥備。倘應收賬款及其他應收款項的預期可收回性有別於原本估計，則有關差異將影響該估計出現變動期間的債務人及呆賬開支的賬面值。

於二零一七年十二月三十一日，應收賬款及其他應收款項的賬面值分別為港幣7,926,000元（二零一六年：港幣6,487,000元）。計算可收回數額的詳情於附註23中披露。

5. 財務風險管理

本集團主要在中國及香港經營業務，因此，須支付特別代價及面對多項風險。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Foreign Exchange Exposure

The Group mainly earned revenue and incurred costs in Renminbi (“RMB”) and Hong Kong Dollar. The effect of exchange rate fluctuation on earned revenue and incurred costs would be able to offset each other in the business operation of the Group. RMB had been in the trend of appreciation and gradually became stable until the second half of 2008. But where the exchange rate of RMB started to move downward in recent years. The Directors expected that RMB’s exchange rate will not fluctuate drastically on cause material adverse foreign exchange risk on the Group in the long run. Therefore, the Group currently does not have any specific need for foreign exchange risk hedging.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

5. 財務風險管理 (續)

外匯風險

本集團賺取的收益及產生的成本主要以人民幣(「人民幣」)及港幣列賬。匯率波動對賺取的收益與產生的成本的影響在本集團的業務營運中會相互衝減，人民幣兌港幣匯率一直不斷上調，直至二零零八年下半年趨於穩定。不過，近年人民幣卻開始反覆調整下跌，董事認為人民幣匯率將不會急劇大幅度貶值，以及不會對本集團長期構成重大不利外匯風險。因此，本集團現時並無任何就此為特定外匯風險作出對沖的需要。

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		At 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Assets			
Denominated in Renminbi	資產 人民幣結算	258,672	116,428
Denominated in US dollars	美元結算	643,440	16,671
		902,112	133,099
Liabilities			
Denominated in Renminbi	負債 人民幣結算	211,931	153,086
Denominated in US dollars	美元結算	546,826	-
		758,757	153,086

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Foreign Exchange Exposure (Continued)

The following shows the sensitivity analysis of a 5% increase/decrease in RMB against Hong Kong dollars. The sensitivity analysis includes only RMB denominated monetary items and adjusts their translation at the year end for a 5% change in RMB dollars rates. If there is a 5% increase/decrease in RMB exchange rate against Hong Kong dollars, the effect in the profit for the year is as follows:

Increase/decrease in profit for the year 年度損益增加／減少

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt (which includes bank loans and convertible notes) and equity attributable to owners of the Company (comprising issued share capital, share premium, reserves and retained earnings).

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and will balance its overall capital structure through issue of new shares as well as the issue of new debts or the redemption of existing debts.

5. 財務風險管理 (續)

外匯風險 (續)

下表展示人民幣兌港幣升值／貶值5%的敏感度分析。該敏感度分析僅包括以人民幣計值的貨幣項目，於年終因應人民幣匯率變動5%而調整換算。倘人民幣兌港幣升值／貶值5%，則對年度損益的影響如下：

At 31 December 於十二月三十一日	
2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Increase/decrease in profit for the year	10,978
年度損益增加／減少	17,374

資金風險管理

本集團的資金管理政策是保障本集團能繼續營運，以為股東提供回報及為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。為了維持或調整資本結構，本集團可能會調整支予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。

本集團之資本結構包括債項淨額（包括銀行貸款及可換股票據）以及本公司股東應佔權益（包括已發行股本、股份溢價、儲備及保留溢利）。

本公司董事每半年檢討資本架構。作檢討之一部分，董事考慮資金成本，並將透過發行新股及發行新債券或贖回現有債務來平衡其整體資本架構。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Capital risk management (Continued)

The directors monitor capital on the basis of net debt-to-equity ratio. This ratio is calculated based on net debt and equity. Net debt is calculated as total interest-bearing bank loans and debt component of convertible bonds less cash and bank balances. The Group's policy is to keep the debt-to-equity ratio at a reasonable level.

The net debt-to-equity ratio at the end of the reporting period is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Debts (Note 1)	負債 (附註1)	945,849	257,475
Cash and cash equivalents	現金及現金等價物	(886,861)	(151,097)
Net debt	淨負債	58,988	106,378
Equity (Note 2)	權益 (附註2)	1,020,234	931,287
Net debt to equity ratio	淨負債與權益比率	6%	11%

Notes:

- 1) Debt comprises long-term and short-term bank loans and debt component of convertible notes as detailed in notes 26 and 27 respectively.
- 2) Equity includes all capital and reserves attributable to owners of the Company

5. 財務風險管理 (續)

資金風險管理 (續)

董事以淨負債與權益比率為基準監控資本。該比率以負債淨額及權益計算。負債淨額乃按計息銀行總額加可換股債券的負債部分減現金及銀行結餘及已抵押銀行存款計算。本集團政策是使淨負債與權益比率維持在合理的水平。

於報告期末，負債淨額與權益比率如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Debts (Note 1)	負債 (附註1)	945,849	257,475
Cash and cash equivalents	現金及現金等價物	(886,861)	(151,097)
Net debt	淨負債	58,988	106,378
Equity (Note 2)	權益 (附註2)	1,020,234	931,287
Net debt to equity ratio	淨負債與權益比率	6%	11%

附註：

- 1) 債務包括長期及短期銀行貸款及可換股票據的負債部分之詳情分別載於附註26及附註27。
- 2) 權益包括本公司擁有人應佔所有資本及儲備。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed interest rate borrowings from banks (see note 26 for details of these borrowings). The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk mainly arises from the Group's RMB denominated borrowings. It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the end of the reporting period. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2016: 50 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2016: 50 basis points) higher/lower and all other variables held constant, the Group's post-tax profit for the year ended 31 December 2017 would decrease/increase by HK\$518,000 (2016: HK\$572,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

5. 財務風險管理 (續)

利率風險

本集團公允值利率風險主要與浮動利率之銀行借貸有關(該等借貸之詳情請參閱附註26)。本集團目前並無使用任何衍生工具合約對沖其面對之公平值利率風險。然而，管理層將於有需要時考慮對沖重大利率風險。

本集團之現金流量利率風險，主要來自本集團以人民幣計值之借貸。本集團之政策為將借貸保持以浮息計息，以將公平值利率風險減至最低。

利率敏感度分析

以下敏感度分析乃基於面對於報告期末借貸的利率風險釐定，分析乃假設於報告期末借貸於整個年度仍為未償還而編製。當向內部主要管理人員報告利率風險時，採用利率增加或減少50基點(二零一六年：50基點)，代表管理層對利率合理可能變動之評估。

倘若利率上升/下調50基點(二零一六年：50基點)而所有其他變量維持不變，則本集團截至二零一七年十二月三十一日止年度之除稅後虧損將增加/減少港幣518,000元(二零一六年：港幣572,000元)，為本集團就其浮息借貸承受利率風險所導致。

5. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 31 December 2017, the Group's net current assets amounted to HK\$244,777,000 (2016: HK\$60,051,000) and current ratio (being current assets divided by current liabilities) was approximately 1.32 times (2016: 1.39 times) while total current assets amounted to HK\$1,007,064,000 (2016: HK\$213,393,000), which is sufficient to meet the capital requirement of the Group's operations and development in the foreseeable future.

5. 財務風險管理 (續)

流動資金風險管理

董事會為流動資金風險管理最終負責人。就管理流動資金風險而言，本集團監控及維持管理層視為足夠的現金及現金等值項目水平，以支付本集團的經營並減低現金流量波動的影響。管理層會監控銀行貸款的使用情況，以及確保遵守貸款協議。

於二零一七年十二月三十一日，本集團之淨流動資產為港幣244,777,000元（二零一六年：港幣60,051,000元），流動比率（即流動資產除流動負債）約為1.32倍（二零一六年：1.39倍），而總流動資產則為港幣1,007,064,000元（二零一六年：港幣213,393,000元），足以應付本集團的未來營運及發展之資金需求。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk management (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

5. 財務風險管理 (續)

流動資金風險管理 (續)

本集團之金融負債根據剩下之年期由報告期末至合約到期日作為相關到期分類在下表分析。而下表之金額乃根據合約未折現之現金流量披露：

		2017 二零一七年					Total undiscounted cash flows	Total carrying amount
		Weighted average interest rate	On demand	Within 1 year	1-3 years	4-5 years	Over 5 years	
		加權 平均利率 %	應要求 HK\$'000 港幣千元	一年以內 HK\$'000 港幣千元	一至三年 HK\$'000 港幣千元	四至五年 HK\$'000 港幣千元	五年以上 HK\$'000 港幣千元	未貼現現金 流量總額 HK\$'000 港幣千元
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	總賬面值 HK\$'000 港幣千元
Trade and other payables	應付賬款及 其他應付款項	-	130,852	-	-	-	-	130,852
Borrowings	借貸							
- Short term borrowings	- 短期借貸	2.38	-	56,633	648,347	3,605	22,079	730,664
- Long term borrowings	- 長期借貸	6.15	-	17,148	32,532	41,743	38,140	129,563
Convertible notes issued on 13th October 2014	於二零一四年 十月十三日 已發行 可換股票據	14.16	-	3,325	169,557	-	-	172,882
			<u>130,852</u>	<u>77,106</u>	<u>850,436</u>	<u>45,348</u>	<u>60,219</u>	<u>1,163,961</u>
								<u>1,076,701</u>

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5. 財務風險管理 (續)

Liquidity risk management (Continued)

流動資金風險管理 (續)

		2016 二零一六年					Total undiscounted cash flows 未貼現現金 流量總額	Total carrying amount 總賬面值	
		Weighted average interest rate 加權 平均利率 %	On demand 應要求 HK\$'000 港幣千元	Within 1 year 一年以內 HK\$'000 港幣千元	1-3 years 一至三年 HK\$'000 港幣千元	4-5 years 四至五年 HK\$'000 港幣千元	Over 5 years 五年以上 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade and other payables	應付賬款及 其他應付款項	-	110,704	-	-	-	110,704	110,704	
Borrowings	借貸								
- Short term borrowings	- 短期借貸	2.09	-	1,802	3,605	3,605	23,881	32,893	
- Long term borrowings	- 長期借貸	6.15	-	14,175	31,338	34,663	54,452	134,628	
Convertible notes issued on 13th October 2014	於二零一四年 十月十三日 已發行 可換股票據	14.16	-	3,325	172,881	-	-	176,206	
			<u>110,704</u>	<u>19,302</u>	<u>207,824</u>	<u>38,268</u>	<u>78,333</u>	<u>454,431</u>	
								<u>368,179</u>	

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. In order to minimise the credit risk, Management of the Group has delegated a team responsible for determining of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, there is no concentration of accounts receivable. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

Details of the Group's credit policies are included in note 23.

信貸風險

信貸風險指金融工具的交易方未能根據金融工具之條款履行其責任，導致本集團產生財務虧損。為盡量降低信貸風險，本集團的管理層已委派一組人員負責釐定信貸額、信貸審批及其他監察程序以確保採取跟進措施收回逾期債務。此外，應收賬款並沒有過度集中。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

本集團之信貸政策詳情載於附註23。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5. 財務風險管理 (續)

Fair value

公允值

i) Fair values of financial instruments carried at other than fair value

i) 以非公允值入賬之金融工具之公允值

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

除下表所詳述者外，本公司董事認為按攤銷成本記錄於綜合財務報表之其他金融資產及金融負債賬面值與其公允值相若：

		2017 二零一七年		2016 二零一六年	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公允值 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公允值 HK\$'000 港幣千元
Financial liability	金融負債				
Liability component of convertible notes	可換股票據之負債部分	135,586	135,586	121,092	121,092

The fair value of the liability component of convertible notes is determined assuming there will not be any early redemption and at a 14.16% discount rate.

可換股票據之負債部份之公允值是基於沒有提早贖回及貼現率為14.16%。

ii) The fair values of financial assets and financial liabilities are determined as follows:

ii) 金融資產及金融負債之公允值按以下項目釐定：

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

- 附有標準條款及條件之金融資產於活躍流動市場買賣，其公允值分別按市場之活躍買賣盤報價及詢價釐定；及
- 其他金融資產及金融負債之公允值乃根據貼現現金流量分析之公認定價模式，使用可觀察現行市場交易之價格或數率作為輸入數據釐定。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

5. FINANCIAL RISK MANAGEMENT (Continued)

5. 財務風險管理 (續)

Summary of financial assets and liabilities by category

按類別劃分之金融資產及負債概要

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting period are categorised as follows. See Note 3 for explanations about how the classification of financial instruments affects their subsequent measurement.

本集團於結算日確認之金融資產及負債帳面值可按以下類別劃分。金融工具分類對其後計量之影響說明可參閱附註3。

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Financial assets			
Available for sale financial assets	金融資產 可出售之金融資產	9,172	8,527
Loans and receivables:	貸款及應收款項：		
Trade and other receivables	應收賬款及其他 應收款項	1,302	2,096
Pledged bank deposit	已抵押銀行存款	63,963	-
Cash and cash equivalents	現金及現金等價物	886,861	151,097
		961,298	161,720
Financial liabilities			
Financial liabilities measured at amortised cost:	金融負債 按攤銷成本計量之 金融負債：		
Convertible notes	可換股票據	135,586	121,092
Trade and other payables	應付賬款及其他 應付款項	107,910	92,000
Borrowings	借款	810,263	136,383
		1,053,759	349,475

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

6. REVENUE

Revenue represents the gross amounts received and receivable for revenue arising on hotel operation and elderly wellness and care business, and goods or properties sold by the Group to external customers, less return and allowances and gross rental income during the year.

The amount of each significant category of revenue recognised during the year is as follows:

6. 收入

收入乃指年內由酒店營運及大健康養老業務、銷售物業、本集團向外界客戶銷售貨品扣除退貨及折扣以及租金收入總額所產生之已收及應收之收入總額。

年內已在收入中確認的各項重要類別的金額如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Food and beverage	餐飲	538	7,783
Service income from hotel operation	酒店客房收入	1,392	9,887
Rental income from hotel property	酒店租金收入	2,493	2,318
Rental income from investment properties and properties held for sale	投資物業及待售物業 租金收入	6,373	4,566
Sales of properties	出售物業	15,944	—
Service income from Wellness elderly care	大健康養老服務收入	3,106	—
		29,846	24,554

7. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions – hotel operation, property investments and wellness elderly care business. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Hotel operation – hotel ownership and management
- Property investments – holding investment properties and properties held for sale
- Wellness elderly care business – comprehensive elderly care services

For the property investment operations, management reviews the financial information of each property investment, hence each property investment constitutes a separate operating segment. However, the properties investment possess similar economic characteristics, with similar development and selling activities as well as similar customer bases. Therefore, all properties investment are aggregated into one reportable segment for segment reporting purposes.

Wood processing operation was discontinued in the year ended 31 December 2016. The segment information reported below does not include any amount for this discontinued operation, which is described in more details in note 11.

7. 分部資料

為管理目的，本集團現時劃分為三個經營業務分部－酒店業務、物業投資及大健康養老業務。本集團乃以此等分部為基準呈報其首要分部資料。

主要業務如下：

- 酒店業務 – 酒店擁有權及管理
- 物業投資 – 持有投資物業及待售物業
- 大健康養老業務 – 養老綜合服務

就物業投資業務而言，本集團管理層審閱每項投資物業的財務資料，故每項投資物業構成獨立經營分部。然而，投資物業具有類似的經濟特性，且發展及銷售活動相似，客戶基礎亦相若。因此，所有投資物業均歸類為一個報告分部，以供分部呈報之用。

於二零一六年十二月三十一日，木片業務已終止經營。於本附註作載之分部資料並不包括任何已終止經營業務，更多詳情載於附錄11中。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

7. SEGMENT INFORMATION (Continued)

Segment information about these continuing operations is presented below:

7. 分部資料 (續)

有關該等持續經營業務之分部資料呈列如下：

		Segment Revenue		Segment result	
		分部收入		分部業績	
		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
		港幣千元	港幣千元	港幣千元	港幣千元
Hotel operation	酒店業務	4,423	19,988	(17,133)	(5,196)
Property investments	物業投資	22,317	4,566	20,547	(2,421)
Wellness elderly care business	大健康養老業務	3,106	–	(5,561)	–
Total	總計	29,846	24,554	(2,147)	(7,617)
Interest income	利息收入			3,015	3,343
Professional fees	專業費用			(2,574)	(1,027)
Net central administration costs	中央行政成本淨額			(25,213)	(22,253)
Net exchange gain/(loss)	匯兌收益／(虧損)淨額			8,775	(16,578)
Share of profit of associates	應佔聯營公司盈利			75,494	67,747
Finance costs	財務支出			(25,449)	(22,362)
Profit before taxation	除稅前盈利			31,901	1,253
Income tax expense	所得稅開支			(4,271)	(3,956)
Profit/(loss) for the year	本年盈利／(虧損)			27,630	(2,703)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2016: Nil).

Segment result represents the profit/(loss) generated by each segment without allocation of interest income, professional fees, net central administration costs, net exchange gain/(loss), share of profit of associates and finance costs. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

以上呈報之分部收入指來自外界客戶之收入。於本年度，並無分部間銷售（二零一六年：無）。

分部業績指在並無分配利息收入、專業費用、中央行政成本淨額、匯兌收益或虧損淨額、應佔聯營公司盈利及財務支出的情況下，各分部所賺取的盈利／(虧損)。這是向本集團管理層呈報的資料，以助調配資源及評估分部表現之用。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

7. SEGMENT INFORMATION (Continued)

7. 分部資料 (續)

Segment assets and liabilities

分部資產及負債

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Segment assets	分部資產		
Continuing operations	持續經營之業務		
Hotel operation	酒店業務	160,802	122,243
Property investments	物業投資	292,463	296,241
Wellness elderly care business	大健康養老業務	550	-
Total segment assets	總分部資產	453,815	418,484
Assets relating to discontinued operation	已終止營業業務之資產	-	391
Pledged bank deposit	已抵押銀行存款	63,963	-
Cash and cash equivalents	現金及現金等價物	886,861	151,097
Interests in associates	於聯營公司之權益	745,571	620,387
Available for sale financial assets	可供出售金融資產	9,172	8,527
Unallocated assets	未分配資產	118,030	117,692
Consolidated assets	綜合資產	2,277,412	1,316,578
Segment liabilities	分部負債		
Continuing operations	持續經營之業務		
Hotel operation	酒店業務	14,837	3,919
Property investments	物業投資	108,475	115,710
Wellness elderly care business	大健康養老業務	2,380	-
Total segment liabilities	總分部負債	125,692	119,629
Liabilities relating to discontinued operation	已終止營業業務之負債	-	1,028
Convertible notes	可換股票據	214,407	199,911
Borrowings	借款	702,293	27,075
Unallocated liabilities	未分配負債	57,161	37,648
Consolidated liabilities	綜合負債	1,099,553	385,291

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

7. SEGMENT INFORMATION (Continued)

Other segment information

2017

Continuing operations

		Hotel operation	Property investments	Wellness elderly care business 大健康	Total
		酒店業務 HK\$'000 港幣千元	物業投資 HK\$'000 港幣千元	養老業務 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Depreciation	折舊	5,416	2,180	5	7,601
Additions to investment property	投資物業增添	-	5,991	-	5,991
Additions to property, plant and equipment	物業、廠房及設備添置	37,825	4,770	38	42,633
Net gain on disposal of investment property	出售投資物業之淨收益	-	14,472	-	14,472
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,031)	-	-	(1,031)

2016

Continuing operations

		Hotel operation	Property investments	Wellness elderly care business 大健康	Total
		酒店業務 HK\$'000 港幣千元	物業投資 HK\$'000 港幣千元	養老業務 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Depreciation	折舊	5,876	1,913	-	7,789
Additions to property, plant and equipment	物業、廠房及設備添置	2,445	5,493	-	7,938
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/盈利	(5)	446	-	441

7. 分部資料 (續)

其他分部資料

二零一七年

持續經營之業務

		Hotel operation	Property investments	Wellness elderly care business 大健康	Total
		酒店業務 HK\$'000 港幣千元	物業投資 HK\$'000 港幣千元	養老業務 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Depreciation	折舊	5,416	2,180	5	7,601
Additions to investment property	投資物業增添	-	5,991	-	5,991
Additions to property, plant and equipment	物業、廠房及設備添置	37,825	4,770	38	42,633
Net gain on disposal of investment property	出售投資物業之淨收益	-	14,472	-	14,472
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,031)	-	-	(1,031)

二零一六年

持續經營之業務

		Hotel operation	Property investments	Wellness elderly care business 大健康	Total
		酒店業務 HK\$'000 港幣千元	物業投資 HK\$'000 港幣千元	養老業務 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Depreciation	折舊	5,876	1,913	-	7,789
Additions to property, plant and equipment	物業、廠房及設備添置	2,445	5,493	-	7,938
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/盈利	(5)	446	-	441

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

7. SEGMENT INFORMATION (Continued)

Geographical segments

The Group's hotel operation and wellness elderly care business are located in the People's Republic of China (the "PRC"), other than Hong Kong.

Property investments are located in both the PRC and Hong Kong.

The Group's revenue from continuing operations from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

		Revenue from external customer 外部客戶之銷售收益		Non-current assets* 非流動資產*	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
The PRC	中國	28,475	22,798	378,902	319,805
Hong Kong	香港	1,371	1,756	19,512	38,516
		29,846	24,554	398,414	358,321

* Non-current assets excluded interests in associates, available for sale financial assets and unallocated non-current assets

7. 分部資料 (續)

經營地區分部資料

本集團之酒店業務及大健康養老業務位於中華人民共和國(「中國」, 不包括香港)。

物業投資均位於中國及香港。

本集團來自外部客戶持續經營業務之收益按經營位置劃分及其非流動資產按資產位置劃分之資料, 詳述如下:

* 非流動資產不包括於聯營公司之權益、可供出售金融資產及未分配非流動資產。

Information about major customers

During the year, out of the Group's revenues of HK\$29,846,00, HK\$3,106,000 arising from comprehensive elderly care service which was contributed by one customer who accounted for more than 10% of Group's total revenue.

主要客戶資料

於年內, 本集團主營業務收入為港幣29,846,000元中有綜合養老服務為港幣3,106,000元的收入來自集團一位主要客戶, 而來自該主要客戶收入則各佔本集團之營業額超出10%。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

8. OTHER OPERATING INCOME

Other operating income included the following items:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Continuing operations	持續經營之業務		
Bank interest income	銀行利息收入	3,015	3,343
Net exchange gain	淨匯兌收益	8,775	–

8. 其他經營收入

其他經營收入包括以下項目：

9. FINANCE COSTS

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Continuing operations	持續經營之業務		
Interest on:	下列各項之利息：		
Bank loans	銀行貸款	6,686	6,412
Convertible notes	可換股票據	17,819	15,950
Loan from immediate holding company	直接控股公司貸款	249	–
Loan from an associate	聯營公司之貸款	695	–
		25,449	22,362

9. 財務支出

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

10. INCOME TAX EXPENSE

10. 所得稅開支

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Continuing operations	持續經營之業務		
Tax charges comprise:	本年稅項開支包括：		
Current tax:	本年稅項		
Provision for PRC Enterprise Income Tax	— 中國企業所得稅撥備	—	(1,906)
Provision for Hong Kong Profits Tax	— 香港所得稅撥備	(6)	—
Deferred tax (see note 28):	遞延稅項(附註28)：		
Temporary differences arising in current year	本年之暫時性差異	(4,265)	(2,050)
		(4,271)	(3,956)

Hong Kong Profits Tax has been made at 16.5% (2016: Nil) as the Group has assessable profits in Hong Kong for the year ended 31 December 2017. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the year ended 31 December 2016.

由於本集團截至二零一七年十二月三十一日止有香港應課稅溢利，故按16.5%之稅率繳納香港利得稅(二零一六年十二月三十一日止：無)。截至二零一六年十二月三十一日於中國的附屬公司乃按25%之稅率繳納中國企業所得稅。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

10. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支 (續)

根據綜合損益及其他全面收益表，年內稅項支出可與盈利對賬，並載述如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before taxation	除稅前盈利	31,901	1,253
Tax at the rates applicable to profit in the countries concerned	按有關國家的盈利適合之稅率計算之稅項	(2,489)	1,422
Tax effect of share of profit of associates	應佔聯營公司盈利之稅務影響	8,185	7,222
Tax effect of non deductible expenses	不開扣稅開支之稅務影響	(6,652)	(9,837)
Tax effect of non taxable revenue	非應課稅收入之稅務影響	5,353	1,846
Tax effect of tax loss not recognised	未確認稅項虧損之稅務影響	(8,668)	(4,609)
Tax effect for the year	本年度之稅務影響	(4,271)	(3,956)

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

11. DISCONTINUED OPERATION

In prior year, Foshan City Nanhai District Safety Supervision Authority, Jiujiang Division (“Safety Supervision Authority”) issued a notice to Foshan City Nanhai Kang Sheng Timber Company Limited (“Kang Sheng”), a wholly-owned subsidiary, requiring it to upgrade its production facilities to a higher level of environmental protection standard.

In this regard, the Board resolved to cease the Group’s wood processing business (“discontinued operation”) on 31 December 2016 after considering the cost of upgrading the existing machineries.

The results of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2016 are set out below.

11. 已終止經營業務

於去年，佛山市南海區九江鎮安全監管局（「安全監管局」）向全資附屬公司佛山市南海康盛木業有限公司（「康盛」）發出整改通知，要求提升生產設備達致高等級的環保標準要求。

就此而言，經考慮升級現有的機器之成本後，董事會已於二零一六年十二月三十一日決議終止本集團之木片處理業務（「終止經營業務」）。

計入截至二零一六年十二月三十一日止年度綜合損益及其他全面收益表及綜合現金流量表之已終止經營業務之業績載於下文。

		2016 二零一六年 HK\$'000 港幣千元
Revenue	收入	2,278
Cost of sales	銷售成本	(2,842)
Gross loss	毛虧	(564)
Selling and distribution costs	銷售及分銷開支	(495)
Administrative expenses	行政開支	(569)
Loss before taxation from discontinued operation	已終止經營業務除稅前虧損	(1,628)
Income tax expense	所得稅開支	—
Loss for the year from discontinued operation and attributable to owners of the Company	已終止經營業務本年虧損及本公司擁有人應佔虧損	(1,628)

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

11. DISCONTINUED OPERATION (Continued)

Loss from discontinued operation for the year ended 31 December 2016 includes the following:

		2016 二零一六年 HK\$'000 港幣千元
Auditor's remuneration	核數師酬金	-
Depreciation	折舊	235

Cash flows from discontinued operation

		2016 二零一六年 HK\$'000 港幣千元
Net cash outflows from operating activities	來自經營活動現金流出淨額	(411)
Net cash outflows	現金流出淨額	(411)

None of the assets or liabilities related to the discontinued operation was classified as held for sale.

11. 已終止經營業務 (續)

截至二零一六年十二月三十一日止年度
已終止經營業務虧損包括以下各項：

2016
二零一六年
HK\$'000
港幣千元

已終止經營業務現金流

2016
二零一六年
HK\$'000
港幣千元

沒有已終止經營業務之資產或負債被分類為待出售資產。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

12. PROFIT/(LOSS) FOR THE YEAR

12. 本年盈利／（虧損）

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Continuing operations	持續經營之業務		
Profit/(loss) for the year has been arrived at after crediting/(charging):	本年度盈利／（虧損）已計入／（扣除）：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(10,556)	(10,722)
Auditor's remuneration	核數師酬金		
Audit service	審計服務	(1,200)	(1,150)
Non-audit service	非審計服務	(106)	(4)
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之（虧損）／盈利	(928)	328
Net gain on disposal of an investment property	出售投資物業之淨收益	14,472	-
Net gain on disposal of properties held for sale	出售待售物業之淨收益	6,199	-
Impairment loss on trade and other receivables	應收賬款及其他應收款項之減值虧損	(240)	(2)
Net exchange gain/(loss)	匯兌盈利／（虧損）淨額	8,775	(16,578)
Cost of properties held for sale recognized as expense	確認為開支之待售物業成本	7,208	-
Cost of inventories recognized as expense	確認為開支之存貨成本	5,551	11,373
Total staff costs	總員工成本		
Directors' remuneration (note 13)	董事酬金	(8,149)	(6,105)
Other staff costs	其他員工成本	(12,394)	(13,771)
Retirement benefit scheme contributions for other staff	其他員工之退休福利計劃供款	(929)	(1,300)
Termination benefits	終止合約福利	(3,555)	-
		(25,027)	(21,176)
Gross rental income from investment properties	投資物業之總租金收入	6,373	4,566
Less:	減：		
Direct operating expenses from investment properties that generated rental income during the year	年內有租金收入之投資物業之直接經營開支	(21)	(29)
Direct operating expenses from investment properties that did not generate rental income during the year	年內無租金收入之投資物業之直接經營開支	(2,037)	(2,585)
		4,315	1,952

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a. Directors' emoluments

The emoluments paid or payable to each of the eight (2016: nine) Directors were as follows:

Fees	袍金	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Executive directors			
Mr. He Xiangming	執行董事 何向明先生	120	-
Mr. Lin Pingwu	林平武先生	120	-
Mr. You Guang Wu	游廣武先生	120	-
Mr. Huang Zhihe	黃志和先生	120	130
Ms. Wang Xin	王欣女士	120	130
Mr. Su Wenzhao (resigned on 20 January 2016)	蘇文釗先生 (於二零一六年 一月二十日辭任)	-	-
Independent non-executive directors			
Mr. Chan Kwok Wai	獨立非執行董事 陳國偉先生	120	100
Mr. Chen Da Cheng	陳達成先生	120	100
Mr. Deng Hong Ping	鄧宏平先生	120	100
		960	560

13. 董事及員工酬金

a. 董事酬金

已付或應付八名(二零一六年:九名)董事個人之酬金如下:

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Salaries and other benefits	薪金及其他福利
Executive directors	執行董事
Mr. He Xiangming	何向明先生
Mr. Lin Pingwu	林平武先生
Mr. You Guang Wu	游廣武先生
Mr. Huang Zhihe	黃志和先生
Ms. Wang Xin	王欣女士
Mr. Su Wenzhao (resigned on 20 January 2016)	蘇文釗先生 (於二零一六年 一月二十日辭任)
Independent non-executive directors	獨立非執行董事
Mr. Chan Kwok Wai	陳國偉先生
Mr. Chen Da Cheng	陳達成先生
Mr. Deng Hong Ping	鄧宏平先生

13. 董事及員工酬金 (續)

a. 董事酬金 (續)

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Executive directors		
Mr. He Xiangming	600	1,244
Mr. Lin Pingwu	600	1,028
Mr. You Guang Wu	600	1,244
Mr. Huang Zhihe	413	304
Ms. Wang Xin	413	304
Mr. Su Wenzhao (resigned on 20 January 2016)	-	170
Independent non-executive directors		
Mr. Chan Kwok Wai	-	-
Mr. Chen Da Cheng	-	-
Mr. Deng Hong Ping	-	-
	2,626	4,294

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Performance-based or discretionary bonus	按表現或酌情發放之花紅
Executive directors	執行董事
Mr. He Xiangming	何向明先生
Mr. Lin Pingwu	林平武先生
Mr. You Guang Wu	游廣武先生
Mr. Huang Zhihe	黃志和先生
Ms. Wang Xin	王欣女士
Mr. Su Wenzhao (resigned on 20 January 2016)	蘇文釗先生 (於二零一六年一月二十日辭任)
Independent non-executive directors	獨立非執行董事
Mr. Chan Kwok Wai	陳國偉先生
Mr. Chen Da Cheng	陳達成先生
Mr. Deng Hong Ping	鄧宏平先生

Retirement benefits scheme contribution	退休福利計劃供款
Executive directors	執行董事
Mr. He Xiangming	何向明先生
Mr. Lin Pingwu	林平武先生
Mr. You Guang Wu	游廣武先生
Mr. Huang Zhihe	黃志和先生
Ms. Wang Xin	王欣女士
Mr. Su Wenzhao (resigned on 20 January 2016)	蘇文釗先生 (於二零一六年一月二十日辭任)
Independent non-executive directors	獨立非執行董事
Mr. Chan Kwok Wai	陳國偉先生
Mr. Chen Da Cheng	陳達成先生
Mr. Deng Hong Ping	鄧宏平先生

13. 董事及員工酬金 (續)

a. 董事酬金 (續)

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
936	136
936	120
936	136
655	140
655	140
-	130
4,118	802

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
102	112
102	90
85	89
78	71
78	71
-	16
445	449

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

a. Directors' emoluments *(Continued)*

The executive directors' and independent non-executive directors' emoluments disclosed above include their services in connection with the management of the affairs of the Company, and its subsidiary. No Directors had waived any emoluments for both years. Save as disclosed above, no other emoluments were paid or payable to any Director.

During the year ended 2017 and 2016, no emoluments had been paid by the Group to the Directors or the five highest-paid individuals referred to in (d) below as an inducement to join or upon joining the Group or as a compensation for loss of office.

b. Directors' material interests, transactions, arrangements or contracts

No transactions, arrangements and contracts of significance to which the Group as a party and in which a Director of the Group had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

c. Loans, quasi-loans and other dealings in favour of directors

No loans, quasi-loans and other dealings in favour of directors of the Group or body corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the year or at any time during the year.

13. 董事及員工酬金 *(續)*

a. 董事酬金 *(續)*

上表披露之執行及獨立非執行董事董事酬金包括彼等就本公司及其附屬公司之事務所提供之管理服務。於兩個年度內，並無董事放棄任何酬金。除以上披露者外，任何董事並無收取其他酬金。

截至二零一七年及二零一六年止年度，本集團並無向董事或下文(d)所提及及五名最高薪酬人士支付酬金作為促使其加入或在加入本集團時之獎金或作為失去職位之賠償。

b. 董事於交易、安排或合約之重大權益

本集團概無訂立本集團董事直接或間接擁有重大權益而於年末或年內任何時間仍然存續之重大交易、安排及合約。

c. 以董事為受益人之貸款、準貸款及其他交易

概無以本集團董事或受該等董事控制之法團或該等董事之關連實體為受益人而於年末或年內任何時間仍然存續之貸款、準貸款及其他交易。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

d. Five highest-paid individuals

During the year, the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2017 are directors whose emoluments are reflected in the analysis presented in note 13a. No individual other than the directors has been included in the five-higher-paid individuals.

Salaries and other benefits	薪金及其他福利
Retirement benefits scheme contributions	退休福利計劃供款

In prior year, the emoluments of the above two highest paid individuals are less than HK\$1,000,000.

13. 董事及員工酬金 (續)

d. 五名最高薪酬人士

於年內，本集團五名最高薪酬人士亦為董事，其酬金在附註13a分析。除了董事之外，沒有任何其他人士被納入五名最高薪酬人士。

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Salaries and other benefits	-	1,379
Retirement benefits scheme contributions	-	42
	-	1,421

於去年，上述兩名薪金最高人士之酬金總額少於港幣1,000,000元。

14. RETIREMENT BENEFIT SCHEME

The Group contributes to a defined contribution retirement scheme which is available to Hong Kong permanent employees under the Occupational Retirement Scheme Ordinance. This retirement scheme is administered by independent trustees with their assets held separately from those of the Group. Contributions under the staff retirement scheme for each year are based on a percentage of the eligible employees' salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as incurred. The total contribution to the scheme amounted to HK\$37,650 (2016: HK\$37,650) for the year and has been charged to the consolidated statement of profit or loss and other comprehensive income. Forfeited employer contributions in respect of former employees from the staff retirement scheme before vesting period may be used by the Group to reduce its ongoing employer contributions. There is no forfeited contribution utilised during the year.

14. 僱員退休計劃

本集團根據職業退休計劃條例為香港永久僱員提供界定供款員工退休計劃。本退休計劃下之資產由獨立信託人管理，與本集團之資產分開持有。員工退休計劃之供款乃根據合資格僱員薪金之某個百分比計算，並已於綜合損益及其他全面收益表內扣除。今年該計劃之總供款為港幣37,650元（二零一六年：港幣37,650元），現已於綜合損益及其他全面收益表內扣除。前任員工在僱員退休計劃之供款於歸屬期前離職而被沒收之供款，可由本集團用以減低僱主供款。在本年度內，並無已動用之沒收供款。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

14. RETIREMENT BENEFIT SCHEME (Continued)

At the end of the reporting period, there is no balance of forfeited contributions available to reduce the contribution payable in the future years.

Since the introduction of the Mandatory Provident Fund (“MPF”) Scheme in Hong Kong, the Group has also participated in an approved MPF Scheme with Bank Consortium Trust Company Limited effective 1 December 2001 to provide an MPF Scheme to all employees. The contributions borne by the Group are calculated at 5% of the salaries and wages (monthly contribution is limited at 5% of HK\$30,000 for each eligible employee) under the MPF legislation. During the year under review, the total amount contributed by the Group to the MPF Scheme and charged to the consolidated statement of profit or loss and other comprehensive income amounted to HK\$74,118 (2016: HK\$74,440).

Employees in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

15. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2017 (31 December 2016: Nil).

16. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share is based on the profit attributable to the owners of the Company of approximately HK\$31,266,000 (2016: loss of HK\$4,331,000) and on the number of 1,712,329,142 ordinary shares (2016: 1,712,329,142 ordinary shares) in issue during the year.

14. 僱員退休計劃 (續)

於報告期間結束時，並無被沒收供款結餘，可用以減少來年之應付供款。

自香港推行強制性公積金（「強積金」）以來，本集團亦於二零零一年十二月一日起參加了銀聯信託有限公司之認可強積金計劃，向所有員工提供強積金計劃。本集團之供款乃根據強積金法例按薪金及酬勞之5%計算（各合資格員工之每月供款限於港幣30,000元之5%）。於本回顧年度，本集團向強積金計劃供款且已於綜合損益及其他全面收益表扣除之總額達港幣74,118元（二零一六年：港幣74,440元）。

中國附屬公司之僱員為中國政府經營的國家管理退休福利計劃的成員。中國附屬公司須按其工資總額的一定比例向退休福利計劃以資助有關福利。本集團就退休福利計劃的唯一責任是根據該所規定的供款計劃。

15. 股息

董事不建議就截至二零一七年十二月三十一日止（二零一六年十二月三十一日：無）年度派付任何股息。

16. 每股盈利／（虧損）

來自持續經營及已終止經營業務

每股基本及攤薄盈利／（虧損）乃根據本集團擁有人應佔本年度盈利約港幣31,266,000元（二零一六年：虧損約港幣4,331,000元）及本年度已發行1,712,329,142普通股（二零一六年：1,712,329,142普通股）計算。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

16. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

No diluted earnings/(loss) per share has been presented as there were no diluting events existing for both years.

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

Profit/(loss) for the year attributable to owners of the Company	本年度本公司擁有人應佔盈利／（虧損）
Add:	加：
Loss for the year from discontinued operation	年內已終止經營業務虧損
Earnings/(loss) for the purpose of basic and diluted earnings per share from continuing operation	用於計算持續經營業務之每股基本及攤薄盈利／（虧損）

Number of shares

Number of Ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利之普通股數目
---	------------------

The denominators used are the same as those detailed above for both the basic and diluted earnings per share.

For the year ended 31 December 2017 and 2016, no dilutive earnings per share has been presented as the exercise of the convertible bonds would have an anti-dilutive effect on the basic earnings per share.

16. 每股盈利／（虧損）

來自持續經營及已終止經營業務

由於本集團截至二零一七年及二零一六年概無發生任何攤薄股份事項，故並無呈列每股攤薄盈利／（虧損）。

本公司擁有人應佔持續經營業務之每股基本及攤薄盈利／（虧損）之計算乃基於下列數據：

盈利／（虧損）數據按下列方式計算：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit/(loss) for the year attributable to owners of the Company	31,266	(4,331)
Add:		
Loss for the year from discontinued operation	-	1,628
Earnings/(loss) for the purpose of basic and diluted earnings per share from continuing operation	31,266	(2,703)

股份數量

	2017 二零一七年 '000 千元	2016 二零一六年 '000 千元
Number of Ordinary shares for the purpose of basic earnings per share	1,712,329	1,712,329

所使用之分母與上文所詳述每股基本盈利所詳述者相同。

截至二零一七年及二零一六年十二月三十一日止年度，並無呈列每股攤薄盈利，因為有關行使可換股票據將產生對每股盈利的反攤薄影響。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

17. INVESTMENT PROPERTIES

17. 投資物業

		In the PRC held under medium-term leases 於中國持有之 中期租約 HK\$'000 港幣千元	In Hong Kong held under medium-term leases 於香港持有之 中期租約 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
FAIR VALUE OF INVESTMENT PROPERTIES	投資物業之公允值			
As at 1 January 2016	於二零一六年一月一日	204,666	117,597	322,263
Transferred to property, plant and equipment	轉撥至物業、 廠房及設備	-	(79,097)	(79,097)
Exchange difference	匯兌差額	(13,249)	-	(13,249)
As 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	191,417	38,500	229,917
Additions	添置	5,991	-	5,991
Disposals	出售	-	(19,000)	(19,000)
Increase in fair value recognised in profit or loss	已於綜合損益表確認之 公允值增加	1,094	-	1,094
Exchange difference	匯兌差額	14,523	-	14,523
As at 31 December 2017	於二零一七年 十二月三十一日	213,025	19,500	232,525

All of the Group's property interests held to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The carrying amount of investment properties amounting to HK\$213,025,000 (2016: HK\$191,417,000) has been pledged to secure general banking facilities and mortgage loans to the Group.

Investment properties were revalued at their open market value at 31 December 2017 by Associated Surveyors & Auctioneers Ltd., an independent firm of professional valuers, on an open market value basis. The valuation gave rise to a revaluation surplus of HK\$1,094,000 (2016: Nil), which has been recognised in profit or loss.

本集團所有持有以賺取租金或作資本增值用途之物業權益均以公允值模式計量，並分類及入賬為投資物業。

投資物業之賬面值為港幣213,025,000元（二零一六年：港幣191,417,000元）已抵押以擔保授予本集團之一般銀行融資及抵押款。

投資物業於二零一七年十二月三十一日由獨立專業估值師協聯估值及拍賣行按其公開市值重新估值列賬。於本年度重估盈餘港幣1,094,000元已計入綜合損益表（二零一六年：無）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

17. INVESTMENT PROPERTIES (Continued)

Associated Surveyors & Auctioneers Ltd is a member of the Institute of Valuers of Hong Kong, and has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

There has been changes from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group's investment properties were classified under level 3 of the fair value hierarchy as at 31 December 2017 with significant unobservable inputs while the investment properties were classified under level 2 with significant observable inputs of the fair value hierarchy as at 31 December 2016. Therefore, there was a transfer out of level 2 during the year.

The following table gives information about how the fair values of the investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 3) based on the degree to which the inputs to the fair value measurements is unobservable.

	Fair value Hierarchy 公允值等級	Valuation Techniques 估值方式	Significant unobservable inputs 主要難以觀察之數據	Relationship of unobservable inputs to fair value 難以觀察之數據與公允值的關係
Commercial unit located in Hong Kong 位於香港之商業單位	Level 3 第三級	Direct comparison method 直接比較法	Estimated market unit sale price per square feet 估計市場單位每平方米售價	The increase/decrease in the market unit sale price would result in an increase/ decrease in the fair value of the property 市場單位銷售價格增加/減少可導致物業公允值增加/減少
Commercial units located in PRC 位於中國之商業單位	Level 3 第三級	Direct comparison method 直接比較法	Estimated market unit sales price per square feet 估計市場單位每平方米售價	The increase/decrease in the market unit sale price would result in an increase/ decrease in the fair value of the property 市場單位銷售價格增加/減少可導致物業公允值增加/減少

17. 投資物業 (續)

協聯估值及拍賣行為香港估值師學會會員，並擁有合適資格及有近期於相關地區估值類似物業之經驗。有關估值乃遵照國際估值準則及參考類似物業交易市價後釐定。

上年度使用之估值方式與年內有變動。在估算物業的公允值時，目前定為物業的最高及最佳用途。

於二零一七年十二月三十一日，本集團之投資物業被分類為公允值等級的第三級由於估值方式涉及難以觀察之數據。於二零一六年十二月三十一日，本集團之投資物業被分類為公允值等級的第二級由於估值方式涉及可觀察之數據。所以本年有轉出於第二級。

下表為提供如何制定投資物業之公允值資料，（特別是估值方法及使用之輸入值），以及根據公允值難以觀察程度分類在公允值計量中其公允值等級歸類（第三級）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

2017

二零一七年

		Hotel property in the PRC	Land and Buildings in HK and the PRC	Construction in progress	Furniture equipment and leasehold improvements 傢俬、 設備及 樓宇裝修	Plant and machinery 廠房及 機器	Motor vehicles 汽車	Total
		於中國持有之 酒店物業 HK\$'000 港幣千元	於香港及中國 持有之樓宇 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	總額 HK\$'000 港幣千元
COST AND VALUATION 成本及估值								
At 1 January 2017	於二零一七年 一月一日	112,000	113,126	314	45,399	16,086	3,125	290,050
Additions	添置	4,408	1,212	4,752	15,234	17,267	-	42,873
Transfer	轉撥	-	-	(987)	987	-	-	-
Disposals and write off	出售及撇賬	-	-	-	(20,605)	(14,985)	-	(35,590)
Deficit on revaluation	重估虧損	(1,408)	-	-	-	-	-	(1,408)
Exchange difference	匯兌差額	-	2,574	74	3,684	1,929	95	8,356
At 31 December 2017	於二零一七年 十二月三十一日	115,000	116,912	4,153	44,699	20,297	3,220	304,281
Comprising:	包括:							
At cost	成本	-	116,912	4,153	44,699	20,297	3,220	189,281
At valuation - 2017	估值 - 二零一七年	115,000	-	-	-	-	-	115,000
		115,000	116,912	4,153	44,699	20,297	3,220	304,281
DEPRECIATION 折舊								
At 1 January 2017	於二零一七年 一月一日	-	2,965	-	25,854	13,875	3,002	45,696
Provided for the year	年度撥備	4,226	3,130	-	2,789	296	115	10,556
Eliminated on disposals and write off	於出售及撇賬時 撇銷	-	-	-	(19,973)	(14,079)	-	(34,052)
Eliminated on revaluation	於重估時撇銷	(4,226)	-	-	-	-	-	(4,226)
Exchange difference	匯兌差額	-	145	-	1,935	1,062	85	3,227
At 31 December 2017	於二零一七年 十二月三十一日	-	6,240	-	10,605	1,154	3,202	21,201
CARRYING VALUES 賬面淨值								
At 31 December 2017	於二零一七年 十二月三十一日	115,000	110,672	4,153	34,094	19,143	18	283,080

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

2016

18. 物業、廠房及設備 (續)

二零一六年

		Hotel property in the PRC	Land and Buildings in HK and the PRC	Construction in progress	Furniture equipment and leasehold improvements 傢俬、 設備及 樓宇裝修	Plant and machinery 廠房及 機器	Motor vehicles 汽車	Total 總額
		於中國持有之 酒店物業 HK\$'000 港幣千元	於香港及中國 持有之樓宇 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
COST AND VALUATION 成本及估值								
At 1 January 2016	於二零一六年 一月一日	112,000	47,944	1,716	38,013	17,095	3,214	219,982
Additions	添置	-	-	313	11,186	90	-	11,589
Transferred from investment properties	轉撥自投資物業	-	79,097	-	-	-	-	79,097
Transfer	轉撥	-	-	(1,604)	1,604	-	-	-
Disposals and write off	出售及撇賬	-	(11,560)	-	(1,532)	-	-	(13,092)
Exchange difference	匯兌差額	-	(2,355)	(111)	(3,872)	(1,099)	(89)	(7,526)
At 31 December 2016	於二零一六年 十二月三十一日	112,000	113,126	314	45,399	16,086	3,125	290,050
Comprising:	包括:							
At cost	成本	-	113,126	314	45,399	16,086	3,125	178,050
At valuation - 2016	估值 - 二零一六年	112,000	-	-	-	-	-	112,000
		112,000	113,126	314	45,399	16,086	3,125	290,050
DEPRECIATION 折舊								
At 1 January 2016	於二零一六年 一月一日	-	988	-	25,878	13,993	2,870	43,729
Provided for the year	年度撥備	4,072	2,843	-	3,014	825	203	10,957
Eliminated on disposals and write off	於出售及撇賬時 撇銷	-	(794)	-	(1,414)	-	-	(2,208)
Exchange difference	匯兌差額	-	(72)	-	(1,624)	(943)	(71)	(2,710)
Eliminated on revaluation	於重估時撇銷	(4,072)	-	-	-	-	-	(4,072)
At 31 December 2016	於二零一六年 十二月三十一日	-	2,965	-	25,854	13,875	3,002	45,696
CARRYING VALUES 賬面淨值								
At 31 December 2016	於二零一六年 十二月三十一日	112,000	110,161	314	19,545	2,211	123	244,354

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Fair value measurement of the Group's buildings

The Group's hotel property situated in the PRC was valued on 31 December 2017 and 31 December 2016 by Associated Surveyors & Auctioneers Ltd., an independent valuer not related to the Group.

The fair value of the buildings were determined based on the market comparable approach that reflects recent transaction prices for similar properties, adjusted for differences in the nature, location and condition of the buildings under review. There has been no change to the valuation technique during the year.

There has been changes from the valuation technique used in the prior year. The Group's hotel property was classified under level 3 of the fair value hierarchy as at 31 December 2017 with significant unobservable inputs while the hotel property was classified under level 2 with significant observable inputs of the fair value hierarchy as at 31 December 2016. Therefore, there was a transfer out of level 2 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

If the hotel property had not been revalued, it would have been included in these financial statements at historical cost less accumulated depreciation of HK\$66,870,000 (2016: HK\$65,062,000).

18. 物業、廠房及設備 (續)

集團樓宇公允價值計量

本集團位於中國之酒店物業於二零一七年十二月三十一日及二零一六年十二月三十一日由獨立專業估值師協聯估值及拍賣行按其公開市價重新估值。

建築物之公允價值是根據直接市場比較方法，透過近期交易價格，並考慮位置、樓宇狀況等各項因素以作出調整，年內該估值方法並無轉變。

上年度使用之估值方式與年內有變動。於二零一七年十二月三十一日，本集團之酒店物業被分類為公允價值等級的第三級由於估值方式涉及難以觀察之數據。於二零一六年十二月三十一日，本集團之酒店物業被分類為公允價值等級的第二級由於估值方式涉及可觀察之數據。所以本年有轉出於第二級。

於估計物業之公允價值時，物業之最高及最好之價值乃彼等之現時價值。

倘並無重估酒店物業，則酒店物業將按歷史成本減折舊為港幣66,870,000元（二零一六年：港幣65,062,000元）計入綜合財務報表。

	Fair value Hierarchy 公允價值等級	Valuation Techniques 估值方式	Significant unobservable inputs 主要難以觀察之數據	Relationship of unobservable inputs to fair value 難以觀察之數據與公允價值的關係
Hotel property in PRC 於中國之酒店物業	Level 3 第三級	Combination of direct comparison method and income capitalisation method 直接比較法及收入資本化法組合	Estimated market unit rent per square feet and estimated market unit sales price per square feet 估計市場單位每平方呎租值及估計市場單位每平方呎售價	The increase/decrease in the market unit rent and the increase/decrease in the market unit 市場單位出租及/或銷售價格增加/減少可導致物業公平價值增加/減少

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

19. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

		Guangdong Financial Leasing Co., Ltd 廣東粵科 融資租賃 有限公司	Nanhai Changhai Power Company Limited 南海長海 發電 有限公司	Total	Total
		2017 二零一七年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Initial cost of investments in associates	投資聯營公司之成本				
Unlisted	非上市	191,977	485,042	677,019	677,019
Less: Distribution from pre-acquisition profit	減：收購前之股息分配	-	(143,562)	(143,562)	(143,562)
		191,977	341,480	533,457	533,457
Share of post-acquisition profits	應佔收購後盈利	55,044	181,873	236,917	161,423
Share of exchange differences	應佔匯兌差額	(5,718)	(19,085)	(24,803)	(74,493)
		241,303	504,268	745,571	620,387

19. 於聯營公司權益

本集團於聯營公司權益詳情載列如下：

Details of each the Group's material associates at the end of the reporting period are as follows:

於報告期末本集團各重大聯營公司詳情如下：

Entity Name	Form of the entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group	Proportion of voting rights held by the Group	Principal activities
實體名稱	實體形式	註冊地點	主要營運地點	所持股份類別	本集團所持擁有權權益比例	本集團所持投票權比例	主要業務
Guangdong Financial Leasing Co., Ltd	Incorporated	The PRC	The PRC	Ordinary	25%	25%	Finance leasing business and related advisory and guarantee services
廣東粵科融資租賃有限公司	註冊成立	中華人民共和國	中華人民共和國	普通股			金融租賃業務及相關諮詢及擔保服務
Nanhai Changhai Power Company Limited	Incorporated	The PRC	The PRC	Ordinary	32.636%	32.636%	Generation and sale of electricity and heated steam
南海長海發電有限公司	註冊成立	中華人民共和國	中華人民共和國	普通股			發電與售電及蒸汽供應

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

19. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Guangdong Financial Leasing Co., Ltd

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current assets	流動資產	2,078,057	1,185,626
Non-current assets	非流動資產	2,739,712	2,395,519
Current liabilities	流動負債	(1,201,146)	(699,069)
Non-current liabilities	非流動負債	(2,478,007)	(1,893,538)
Net asset value	資產淨值	<u>1,138,616</u>	<u>988,538</u>

19. 於聯營公司權益 (續)

有關本集團各重大聯營公司之財務資料概要載列如下。以下財務資料概要呈列於聯營公司之財務報表之金額，是按照香港財務報告準則編制。

所有該等聯營公司乃於此等綜合財務報表內使用權益法入賬。

廣東粵科融資租賃有限公司

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收益	265,965	209,826
Profit for the year	年內盈利	66,537	62,670
Exchange differences for the year	年內匯兌差額	64,295	(55,574)
Total comprehensive income for the year	年內全面收益總額	<u>130,832</u>	<u>7,096</u>

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

19. INTERESTS IN ASSOCIATES (Continued)

Guangdong Financial Leasing Co., Ltd (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associate recognised in the consolidated financial statements:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net assets of the associate	聯營公司之資產淨值	1,138,616	988,538
Non-controlling interest of the associate's subsidiary	聯營公司之非控股權益	(173,404)	(154,158)
		965,212	834,380
Proportion of the Group's ownership interests in Guangdong Financial Leasing Co., Ltd	本集團於廣東粵科融資租賃有限公司擁有權益所佔百分率	25%	25%
Carrying amount of the Group's interests in Guangdong Financial Leasing Co., Ltd	本集團於廣東粵科融資租賃有限公司權益之賬面值	241,303	208,595

Nanhai Changhai Power Company Limited

19. 於聯營公司權益 (續)

廣東粵科融資租賃有限公司 (續)

於綜合財務報表中確認聯營公司權益之賬面值與上述財務資料概述對賬：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current assets	流動資產	978,943	669,576
Non-current assets	非流動資產	879,475	903,480
Current liabilities	流動負債	(313,290)	(311,285)
Net asset value	資產淨值	1,545,128	1,261,771

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收益	1,275,128	1,022,321
Profit for the year	年內盈利	180,351	159,577
Exchange differences for the year	年內匯兌差額	103,006	(83,903)
Total comprehensive income for the year	年內全面收益總額	283,357	75,674

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

19. INTERESTS IN ASSOCIATES (Continued)

Nanhai Changhai Power Company Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interests in the associate recognised in the consolidated financial statements:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net assets of the associate	聯營公司之資產淨值	1,545,128	1,261,771
Proportion of the Group's ownership interests in Nanhai Changhai Power Company Limited	本集團於南海長海發電有限公司之擁有權權益所佔百分率	32.636%	32.636%
Carrying amount of the Group's interests in Nanhai Changhai Power Company Limited	本集團於南海長海發電有限公司權益之賬面值	504,268	411,792

19. 於聯營公司權益 (續)

南海長海發電有限公司 (續)

於綜合財務報表中確認聯營公司權益之賬面值與上述財務資料概述對賬：

20. AVAILABLE FOR SALE FINANCIAL ASSETS

20. 可供出售金融資產

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Investment, at cost	投資，按成本	9,172	8,527

Movement of available-for-sale financial asset is analysed as follows:

可供出售金融資產的變動分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At the beginning of the year	期初	8,527	9,117
Exchange differences	匯兌差額	645	(590)
At the end of the year	期末	9,172	8,527

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

20. AVAILABLE FOR SALE FINANCIAL ASSETS

(Continued)

The above equity investments represent investments in equity securities issued by private entities in the PRC. It is measured at cost less impairment at the end of the reporting period as there are no sufficient market comparables and the Directors of the Company are of the opinion that its fair values cannot be measured reliably.

21. PROPERTIES HELD FOR SALE

Properties held for sale are stated at net realisable value. They are held under medium-term lease in the PRC.

The cost of properties held for sale occurred and recognised as expenses during the year is HK\$7,208,000 for the year ended 31 December 2017 (2016: Nil).

22. INVENTORIES

At Cost

Food, beverages and hotel supplies

成本

食品、飲料及酒店
供應品

The cost of inventories recognised as expenses and included in cost of sales amounts to HK\$5,551,000 for the year ended 31 December 2017 (2016: HK\$11,373,000).

The Directors considered the provision for inventory obsolescence is not required. (2016: Nil).

20. 可供出售金融資產 (續)

上述股本投資指投資於在中國成立之私營實體發行的股本證券。由於沒有足夠市場比較資料作為輸入數據值，本公司董事認為其公允價值不能準確地評估，故股本投資於報告期末以成本減去減值計算。

21. 待售物業

待售物業乃以可變現淨值列示。該等物業位於中國以中期租約持有。

截止二零一七年十二月三十一日止年度，確認為開支並計入成本之待售物業成本為港幣7,208,000元（二零一六年：無）。

22. 存貨

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	494	781

截至二零一七年十二月三十一日止年度，確認為開支並計入銷售成本之存貨成本為港幣5,551,000元（二零一六年：港幣11,373,000元）。

本集團董事認為無須就持續經營業務之存貨計提減值撥備（二零一六年：無）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

23. TRADE AND OTHER RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group allows an average credit period of 90 days to its customers.

The following is an aging analysis of the Group's trade receivables after deducting the allowance for doubtful debts presented based on invoice dates at the end of the reporting period:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
0-60 days	0至60日	799	1,160
61-90 days	61至90日	163	140
91-120 days	91至120日	51	128
Over 120 days	超過120日	79	180
Trade receivables	應收賬款	1,092	1,608
Other receivables	其他應收款項及 預付款	6,834	4,879
		7,926	6,487

The Group does not hold any collateral or other credit enhancements over these balances.

The Group's largest trade receivables balance was amounting to HK\$510,000 (2016: HK\$166,000) at the end of the year. Four (2016: two) other trade receivables balance represented more than 5% of the total balance of trade receivables and amounted to HK\$956,000 (2016: HK\$195,000).

At as 31 December 2017, trade receivables over 90 days amounting to HK\$130,000 (2016: HK\$308,000) were past due but not impaired as the balance were related to debtors with sound repayment history and no recent history of default.

23. 應收賬款及其他應收款項

除新客戶通常須預先付款外，本集團與客戶之交易條款主要以信貸進行。本集團給予其客戶平均90日之信貸期。

本集團於報告期末根據發票日期呈列之應收賬款（經扣呆賬撥備）之賬齡分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
0-60 days	0至60日	799	1,160
61-90 days	61至90日	163	140
91-120 days	91至120日	51	128
Over 120 days	超過120日	79	180
Trade receivables	應收賬款	1,092	1,608
Other receivables	其他應收款項及 預付款	6,834	4,879
		7,926	6,487

本集團並無就該等結餘持有任何抵押品或其他改善信貸條件。

本集團之最大應收賬款結餘為港幣510,000元（二零一六年：港幣166,000元）四名（二零一六年：兩名）其他應收賬款結餘佔總額5%以上，而應收賬款結餘總額為港幣956,000元（二零一六年：港幣195,000元）。

於二零一七年十二月三十一日，超過90日的應收賬款金額港幣130,000元（二零一六年：港幣308,000元）為逾期但由於相關債務人有良好之付款記錄及近期無拖欠記錄，故並未作出減值。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

23. TRADE AND OTHER RECEIVABLES

(Continued)

An aging analysis of receivables that are past due but not impaired:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
91-120 days	91至120日	51	128
Over 120 days	超過120日	79	180
		130	308

Movement in the allowance for doubtful debts:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Balance at the beginning of the year	於年初結餘	241	255
Impairment recognised on receivables	就應收款項確認之 減值	254	2
Impairment written back on receivables	就應收款項之 減值回撥	(14)	-
Foreign exchange translation gains and losses	外幣匯兌盈虧	17	(16)
Balance at the end of the year	於年終結餘	498	241

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

As at 31 December 2017, trade receivables over 120 days approximately amounting to HK\$254,000 (2016: HK\$2,000) were impaired and fully provided for.

23. 應收賬款及其他應收款項

(續)

逾期但未減值之應收賬款的賬齡如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
91-120 days	51	128
Over 120 days	79	180
	130	308

呆賬撥備變動：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Balance at the beginning of the year	241	255
Impairment recognised on receivables	254	2
Impairment written back on receivables	(14)	-
Foreign exchange translation gains and losses	17	(16)
Balance at the end of the year	498	241

在釐定應收賬款的可收回性時，本集團考慮應收賬款信貸素質自授出信貸起及直至報告期末的任何變動。由於客戶基礎龐大及互無關聯，信貸風險集中程度有限。

於二零一七年十二月三十一日，超過120日的應收賬款金額約港幣254,000元（二零一六年：港幣2,000元），已全面計提減值準備。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

23. TRADE AND OTHER RECEIVABLES

(Continued)

The carrying amounts of the trade and other receivables that were neither past due nor impaired relate to other debtors for whom there was no recent history of default. The Directors considered that the carrying amounts of trade and other receivables approximates their fair value.

24. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSIT

(a) Cash and cash equivalents comprise:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cash at bank and on hand	銀行及現金結餘	179,884	54,014
Short-term bank deposit	短期銀行存款	617,879	96,183
Short-term liquid investment	短期流動投資	153,061	—
		950,824	151,097
Less: pledged bank deposit	減：已抵押銀行存款	63,963	—
Cash and cash equivalents	現金及現金等價物	886,861	151,097

Cash and cash equivalents comprise cash held by the Group, short-term bank deposits and short-term liquid investment with an original maturity dates of three months or less and cash equivalents.

Bank balances are interest bearing at respective saving deposits rate in the Hong Kong and the PRC, and the effective interest rates of the Group's bank balances ranged from 0.79% to 4.05% per annum in Hong Kong and 1.43% to 1.95% per annum in the PRC. (2016: 0.01% to 1.76% per annum in Hong Kong and 0.3% to 1.95% in PRC).

23. 應收賬款及其他應收款項

(續)

未逾期或未減值的應收賬款及其他應收款項之賬面值與其他近期不曾拖欠任何付款的債務人有關。董事認為，應收賬款及其他應收款項之賬面值與其公允值相若。

24. 銀行結餘及現金／已抵押銀行存款

(a) 現金及現金等價物包括：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
銀行及現金結餘	179,884	54,014
短期銀行存款	617,879	96,183
短期流動投資	153,061	—
	950,824	151,097
減：已抵押銀行存款	63,963	—
現金及現金等價物	886,861	151,097

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下的短期銀行存款及短期流動投資。

銀行結餘乃按香港及中國各自的存款利率計息，而本集團銀行結餘的實際年利率在香港介乎0.79厘至4.05厘，在中國介乎1.43厘至1.95厘（二零一六年：在香港介乎0.01厘至1.76厘，在中國介乎0.03厘至1.95厘）。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

24. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSIT (Continued)

(a) Cash and cash equivalents comprise: (Continued)

Pledged bank deposit represents deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to approximately HK\$63,963,000 (2016: Nil) have been pledged to secure a bank borrowing.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

Hong Kong Dollars	港幣
Renminbi	人民幣
United States Dollars	美元

As at 31 December 2017, the Group's cash and bank balances with an aggregate amount of approximately HK\$250,944,000 (2016: HK\$110,206,000) were denominated in RMB which is not a freely convertible currency in the international market. The government of the PRC has implemented foreign exchange control and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

24. 銀行結餘及現金／已抵押銀行存款 (續)

(a) 現金及現金等價物包括：(續)

已抵押銀行存款指抵押予銀行以取得授予本集團銀行融資之存款。約港幣63,963,000元(二零一六年：無)的存款已作為銀行借貸的抵押，因此分類為流動資產。

銀行結餘及現金及已抵押銀行存款的賬面金額以下列貨幣計值：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	56,440	24,220
	250,944	110,206
	579,477	16,671
	886,861	151,097

於二零一七年十二月三十一日，本集團以人民幣計值的現金及銀行結餘總額約為港幣250,944,000元(二零一六年：110,206,000港幣)，這並非國際市場上可自由兌換的貨幣。中國政府已實施外匯管制，而將這些資金匯出中國須遵守中國政府實施的匯兌限制。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

24. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSIT (Continued)

b) Reconciliation of liabilities arising from financing activities

		Borrowings 借款 HK\$'000 港幣千元	Convertible notes 可換股票據 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	136,383	121,092	257,475
Proceeds from borrowings	借貸所得款項	674,801	-	674,801
Repayment of bank loans	償還銀行貸款	(10,441)	-	(10,441)
Interest paid	已付利息	-	(3,325)	(3,325)
		800,743	117,767	918,510
Exchange adjustment	匯兌差額	9,520	-	9,520
Interest expense	利息開支	-	17,819	17,819
At 31 December 2017	於二零一七年十二月三十一日	810,263	135,586	945,849

24. 銀行結餘及現金／已抵押銀行存款 (續)

b) 融資活動所產生的負債對賬

25. TRADE AND OTHER PAYABLES

The credit period granted by the Group's suppliers ranges from 30 days to 90 days.

The following is an aging analysis of the Group's trade payables based on invoice dates at the end of the reporting period:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
0-60 days	0至60日	615	1,177
61-90 days	61至90日	302	120
91-120 days	91至120日	-	101
Over 120 days	超過120日	89	168
Trade payables	應付賬款	1,006	1,566
Other payables	其他應付款項	129,846	109,138
		130,852	110,704

25. 應付賬款及其他應付款項

本集團授予供應商之信貸期介乎30日至90日。

本集團於報告期末，按發票日期進行之應付賬款之賬齡分析如下：

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

25. TRADE AND OTHER PAYABLES (Continued)

Other payables included the following items:

Other tax payables	其他應付稅項
Payable on convertible notes and interest payable (Note 1)	應付可換股票據及利息之應付款項 (附註1)
Others (Note 2)	其他 (附註2)

Notes:

- 1 On 9 May 2002, the Group issued HK\$230,000,000 convertible notes (the "2002 CB") which were due on 9 May 2007 (the "Maturity Date"), bearing interest at 1% per annum and in units of HK\$1,000,000 each. As at 31 December 2017 and 2016, the balance of HK\$75,000,000 2002 CB were due but not converted. Such principal monies together with all interest accrued thereon up to Maturity Date, amounting to HK\$3,819,000 (2016: HK\$3,819,000), were reclassified as other payables and become repayable on demand.
- 2 Others include accrued staff salaries and welfare, deposits received from hotel customers and other temporary receipts.

The Directors considered that the carrying amount of trade and other payable approximates their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

25. 應付賬款及其他應付款項 (續)

其他應付款項包括下列項目：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Other tax payables	11,412	8,946
Payable on convertible notes and interest payable (Note 1)	78,819	78,819
Others (Note 2)	39,615	21,373
	129,846	109,138

附註：

- 1 於二零零二年五月九日，本集團發行港幣230,000,000元之可換股票據（「2002可換股票據」），到期日為二零零七年五月九日（「到期日」），年息為1厘，每份港幣1,000,000元。於二零一七年及二零一六年十二月三十一日，餘額港幣75,000,000元之2002可換股票據已到期但未有兌換。有關本金連同應計至到期日之所有利息港幣3,819,000元（二零一六年：港幣3,819,000元）重新分類為其他應付款項並於要求時償還。
- 2 其他包括應計員工薪金及福利、酒店客戶已收按金及其他臨時收據。

董事認為，本集團的應付賬款及其他應付款項之賬面值與其公允值相若。本集團已制定財務風險管理政策，以確保所有應付款項均於信貸期限內支付。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

26. BORROWINGS

26. 借款

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Bank loans	銀行借貸	680,647	136,383
Loan from an associate	聯營公司之貸款	39,616	-
Loan from immediate holding company	直接控股公司之貸款	90,000	-
		810,263	136,383
Secured	有抵押	680,647	136,383
Unsecured	無抵押	129,616	-
		810,263	136,383
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內*	624,298	36,004
More than one year, but not exceeding two years	超過一年但不超過兩年	24,010	22,322
More than two years, but not more than five years	超過兩年但不超過五年	126,014	27,902
More than five years	超過五年	35,941	50,155
		810,263	136,383
Less: Amount shown under current liabilities	減：列入流動負債之款項	624,298	36,004
		185,965	100,379

During the year, the Group settled loans amounting to HK\$10,441,000.

於本年度，本集團已償還銀行貸款為港幣10,441,000元。

On 12 April 2017, the Group obtained a one-year short-term loan amounting to RMB33,000,000 from the Group's associate, Nanhai Changhai Power Company Limited, which is unsecured with a fixed interest rate at 2.6% per annum.

於二零一七年四月十二日，本集團向本集團聯營公司南海長海發電有限公司取得為期一年的短期貸款人民幣33,000,000元，該貸款為無抵押，固定利率每年2.6%。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

26. BORROWINGS (Continued)

On 5 December 2017, the Group obtained a three-year loan amounting to HK\$90,000,000 from the Group's immediate holding company, Prize Rich Inc. which is unsecured with a fixed interest rate at 3% per annum.

On 6 December 2017, the Group's has obtained a loan facility from a bank of approximately USD110,090,000 for which a controlling shareholder has provided the necessary corporate guarantee. As at 31 December 2017, the Group has draw-down an amount of USD70,000,000.

According to HK Int 5, which requires the classification of whole instalment loans containing the repayment on demand clause as current liabilities, the aggregate carrying amount of HK\$572,677,000 (2016: HK\$27,075,000) has been classified from non-current liabilities to current liabilities as at 31 December 2017.

Bank loans of HK\$680,647,000 (2016: HK\$136,383,000) are secured by the Group's investment properties and property, plant and equipment of approximately HK\$323,697,000 (2016: HK\$301,578,000) which are situated at Block 1 of Guangdong-Hongkong Finance & Technology Park, 6 Jinke Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province, the PRC and Unit 01, 14 and 15 on 5th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong respectively and a pledged bank deposit amounting to HK\$63,963,000. The weighted average effective rate on the bank loans is from 2.03% to 6.15% (2016: from 2.11% to 6.15%) per annum and repayable within ten years.

The fair values of current borrowings equal their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 2.03% (2016: 2.11%) and are within Level 2 of the fair value hierarchy.

26. 借款 (續)

於二零一七年十二月五日，本集團向本集團之直接控股公司，Prize Rich Inc.，取得為期三年的港幣90,000,000元貸款，該貸款為無抵押，固定利率為每年3%。

於二零一七年十二月六日，本集團向銀行取得約110,090,000美元的貸款融資，主要股東將無償提供必要公司擔保。截至二零一七年十二月三十一日，本集團已提取70,000,000美元貸款融資。

根據香港註釋第5號（其規定含有按要求償還條款之全部定期貸款分類為流動負債），截至二零一七年十二月三十一日，該非流動負債約港幣572,677,000元（二零一六年十二月三十一日：港幣27,075,000元）歸類為流動負債。

有抵押銀行貸款港幣680,647,000元（二零一六年：港幣136,383,000元）由本集團之投資物業及物業、廠房及設備（位於中國廣東省佛山市南海區桂城街道金科路6號粵港金融科技園1座及香港尖沙咀永安廣場5樓01，14及15室）合共約港幣323,697,000元（二零一六年：港幣301,578,000元）抵押，及已抵押銀行存款為港幣63,963,000元。銀行貸款之加權平均實際年利率為2.03厘至6.15厘（二零一六年：2.11厘至6.15厘），並需在十年內償還。

由於貼現之影響並不重大，流動負債的公允值與賬面值相若。公允值是根據借貸年利率2.03%（二零一六年：2.11%）以貼現現金流量計算，且屬於公允值等級第二級。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

26. BORROWINGS (Continued)

The Group's borrowings are denominated in the following currencies:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong Dollars	港幣	115,851	27,075
Renminbi	人民幣	147,586	109,308
United States Dollars	美元	546,826	—
		810,263	136,383

26. 借款 (續)

本集團之借款以如下的貨幣計值：

27. CONVERTIBLE NOTES

On 9 May 2002, the Group issued HK\$230,000,000 convertible notes (the "2002 CB") which were due on 9 May 2007 (the "Maturity Date"), bearing interest at 1% per annum and in units of HK\$1,000,000 each. As at 31 December 2017 and 2016, the balance of HK\$75,000,000 2002 CB were due but not converted. Such principal monies together with all interest accrued thereon up to maturity date, amounting to HK\$3,819,000 (2016: HK\$3,819,000), were reclassified as other payables and become repayable on demand.

27. 可換股票據

於二零零二年五月九日，本集團發行港幣230,000,000元可換股票據（「2002可換股票據」）。票據於二零零七年五月九日（「到期日」）到期，按年利率1厘計息，及每單位為港幣1,000,000元。於二零一七年及二零一六年十二月三十一日，餘額港幣75,000,000元的2002可換股票據已逾期，但未兌換。該等本金額連同截至到期日所有應計利息為港幣3,819,000元（二零一六年：港幣3,819,000元），重新分類為其他應付款項並於要求時償還。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

27. CONVERTIBLE NOTES (Continued)

On 13 October 2014, the Company issued convertible notes in the principal amount of HK\$166,232,000 (the “2014 CB”) (of which its fair value at the issuance date was approximately HK\$129,270,000) as part of the consideration for the acquisition of Southern Limited. The 2014 CB bears coupon rate at 2% per annum and are convertible into shares of the Company at a conversion price of HK\$0.76 per share at any time following the third anniversary of the issue date up to the maturity date on 13 October 2019. At any time prior to the maturity date of the 2014 CB, the Company is entitled to redeem in whole or in part of the 2014 CB. Unless previously redeemed, converted or purchased and cancelled, the 2014 CB will be redeemed on the maturity date on 13 October 2019. The 2014 CB carries interest at a rate of 2% per annum, which is payable annually in arrears or upon the conversion or redemption of the bonds.

The convertible notes contain two components, liability and equity components. The equity component is presented in equity under heading “convertible note equity reserve”. The values of the liability component and the equity conversion component were determined at the issuance of the notes.

27. 可換股票據 (續)

於二零一四年十月十三日，本公司發行本金額為港幣166,232,000元（其公允值於發行日約為港幣129,270,000元）之可換股票據（「2014可換股票據」）作為收購南大有限公司之部份代價。2014可換股票據按年票息率2%計息，及於發行三週年後任何時間直至到期日二零一九年十月十三日期間可按轉換價每股港幣0.76元轉換為本公司股份。於2014可換股票據到期日前任何時間，本公司有權贖回全部或部分2014可換股票據。除非先前已贖回、轉換或購買及註銷，否則2014可換股票據將於到期日二零一九年十月十三日贖回。2014可換股票據乃按年利率2厘計息，利息每年或於票據轉換或贖回時支付。

可換股票據包括兩部分－負債及權益部分。權益部分呈列於權益項下之可換股票據儲備。負債部分及權益部分的價值於發行債券時釐定。

		Liability component
		負債部分
		HK\$'000
		港幣千元
At 1 January 2016	於二零一六年一月一日	108,467
Interest charged calculated at an effective interest rate of 14.16%	按實際利率14.16厘計算之利息開支	15,950
Interest paid	已付利息	(3,325)
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	121,092
Interest charged calculated at an effective interest rate of 14.16%	按實際利率14.16厘計算之利息開支	17,819
Interest paid	已付利息	(3,325)
At 31 December 2017	於二零一七年十二月三十一日	135,586

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

27. CONVERTIBLE NOTES *(Continued)*

The fair value of the liability component of the convertible notes is calculated using cash flows discounted at market interest rate of 14.16% (2016: 14.16%) and is within Level 2 of the fair value hierarchy.

28. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

27. 可換股票據 (續)

可換股票據負債部分之公允值以按 14.16% (二零一六年: 14.16%) 之市場利率折現之現金流量計算, 且屬於公允價值等級第二級。

28. 遞延稅項

以下為於當前及過往年度之已確認遞延稅項負債及其變動:

		Undistributed profits of an associate 聯營公司之未分配盈利 HK\$'000 港幣千元
At 1 January 2016	於二零一六年一月一日	9,109
Credit to profit or loss	計入損益	2,050
Exchange difference	匯兌差額	(681)
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	10,478
Credit to profit or loss	計入損益	4,265
Exchange difference	匯兌差額	972
At 31 December 2017	於二零一七年十二月三十一日	15,715

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為遞延稅項結餘之分析以作財務申報之用:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Deferred tax liabilities	遞延稅項負債	15,715	10,478

No deferred tax has been provided in respect of the valuation surplus relating to the hotel property for the year as the carrying amount does not exceed the total investment cost and the Directors considered that there is no taxable flow of economic benefits to the Group.

本年度概無就酒店物業有關之估值盈餘計提遞延稅項, 乃因酒店物業的賬面值並無超過總投資額及董事認為對本集團而言並無稅務上的經濟收益。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

28. DEFERRED TAX LIABILITIES (Continued)

At the end of the reporting period, the Group has unused tax losses of HK\$34,672,000 (2016: HK\$19,644,000) available for offset against future profits. No deferred tax asset has been recognised in respect of that tax losses due to the unpredictability of future profit streams.

Pursuant to the PRC Corporate Income Tax Law dependent upon the nationality and domicile of the foreign investors, a 5% to 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has become 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%.

As at 31 December 2017, the unrecognised deferred tax liabilities were approximately HK\$18,000 (2016: approximately HK\$16,700), relating to withholding tax that would be payable for undistributed profits of PRC subsidiaries, as the Directors consider that the timing for reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these PRC subsidiaries as at 31 December 2017 amounted to approximately HK\$180,000 (2016: approximately HK\$167,000).

With regard to the Group's investment properties, as none of them is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

28. 遞延稅項 (續)

於報告期末，本集團有未用稅項虧損為港幣34,672,000元（二零一六年：港幣19,644,000元）可銷未來溢利。由於未能預測未來溢利流量，並無就上述稅項虧損確認遞延稅項資產。

根據中國企業所得稅法，就外國投資者的國籍及住所，在中國內地設立的外商投資企業在宣派予外國投資者的股息中徵收5%至10%暫繳所得稅。該規定自二零零八年一月一日生效及適用於二零零七年十二月三十一日之盈利。倘中國大陸與境外投資者所屬之司法權區已簽訂相關稅務協議，則適用更低之預扣稅稅率。本集團的適用稅率為5%至10%。

於二零一七年十二月三十一日，未確認的遞延稅項負債約為港幣18,000元（二零一六年：約港幣16,700元），有關中國附屬公司將派發之未分配利潤而衍生的暫繳所得稅，本公司董事認為，就時間逆轉有關暫時性差異為可控制，並且該暫時性差異不會在可預見的未來逆轉。中國附屬公司的未分派利潤總額於二零一七年十二月三十一日約達港幣180,000元（二零一六年：約港幣167,000元）。

有關本集團之投資物業，因為全部並非以隨著時間將所有重大經濟效益包含在投資物業內為目標的一種商業模式下持有，而非通過出售，由於本集團出售其投資物業並不需繳交任何所得稅，本集團並未確認投資物業公允價值改變之任何遞延稅項。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

29. SHARE CAPITAL

29. 股本

		Number of shares 股份數目		Share Capital 股本	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
<i>Authorised:</i>	法定股本：				
Ordinary shares of HK\$0.1 each	每股面值港幣0.1元之 普通股	3,000,000,000	3,000,000,000	300,000	300,000
<i>Issued and fully paid:</i>	已發行及繳足股本：				
At beginning of year and the end of year	期初及期末	1,712,329,142	1,712,329,142	171,233	171,233

A share option scheme was adopted by shareholders of the Company at the annual general meeting held on 26 April 2013 (the "New Scheme").

The purpose of the New Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to participants for their contribution or future contribution to the Group and to strengthen the many long-term relationships that the participants may have with the Group. Eligible participants means any person falling within any of the following classes (a) any employee; (b) any business associate of the Company or any subsidiary; (c) any other groups or classes of participants which the Board, in its absolute discretion, considers having contributed or will contribute, whether by way of business alliance or other business arrangements, to the development and growth of the Group. The New Scheme became effective on 26 April 2013 and, will remain in force for 10 years.

本公司股東於二零一三年四月二十六日舉行之股東週年大會上採納一購股權計劃（「計劃」）。

計劃旨在向本公司提供靈活方法，給予參與者獎勵、獎賞、報酬、補償及／或利益，以表彰彼等對本集團作出或將作出之貢獻，以及鞏固參與者與本集團之眾多長期關係。於釐定各參與者之資格基準時，董事會將考慮其可能酌情認為恰當之有關因素，包括各參與者對本集團之貢獻或未來貢獻及鞏固該參與者與本集團之長期關係之必要性。符合資格參與者屬於以下任何一個類別之任何人士：(a)任何僱員；(b)本公司或任何附屬公司之任何業務聯繫人；(c)董事會全權酌情認為已經或將透過締結業務聯盟或其他業務安排對本集團之發展及增長作出貢獻之任何其他組別或類別參與者。計劃於二零一三年四月二十六日生效，並於該日起十年內有效。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

30. SHARE OPTION SCHEME

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10 per cent of the total number of shares in issues as at the date of adoption of the New Scheme (i.e. 118,832,914 Shares of the Company) unless the Company obtains a fresh approval from the shareholders.

No option shall be granted to any participant such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to such participant under the New Scheme and any other option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such grant shall exceed 1 per cent. of the total number of shares in issue.

Under the Scheme, where the Board proposes to grant any option to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, which would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to him or her under the Scheme and any other option schemes of the Company in the 12-month period up to and including the date of such grant; (i) representing in aggregate more than 0.1 per cent. of the total number of shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, such proposed grant of options must be approved by the shareholders of the Company in general meeting with all connected persons of the Company abstaining from voting (except that any connected persons may vote against the relevant resolution at such general meeting provided that his intention to do so is stated in the circular to the shareholders of the Company). Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

30. 購股權計劃

根據計劃可授出之購股權所涉及之股份總數，除非獲得本公司股東事先批准情況下，與其他購股權計劃加總不得超過本公司於採納該計劃當日已發行股份之10%（即118,832,914本公司股份）。

向任何參與者授出購股權，不得致使於截至授出日期（包括該日）止十二個月內，根據購股權計劃及本公司任何其他購股權計劃已授予及將授予該參與者之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而發行及將發行之股份總數超過已發行股份總數之1%。

倘董事會建議向身為本公司主要股東、獨立非執行董事或彼等各自之聯繫人之參與者授出任何購股權，將導致於截至授出日期（包括該日）止十二個月內根據購股權計劃及任何其他購股權計劃已授予及將授予其之所有購股權（包括已行使、已註銷及尚未行使之購股權）獲行使而發行及將發行之股份：(i)合共超過已發行股份總數0.1%；及(ii)根據授出日期股份收市價計算之總值超過港幣5,000,000元，則授出購股權之建議必須經本公司股東在股東大會上批准，而本公司所有其他關連人士均不得投票，惟關連人士可於股東大會上投票反對有關決議案（但其須於致股東之通函中載述其作出此舉之意向）。在這情況下，該等購股權需在大會上將以投票方式表決以批准並授出。

30. SHARE OPTION SCHEME (Continued)

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted when the duplicate letter comprising acceptance of the offer, duly signed by the grantee with the number of share in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 1 month from the offer date.

The subscription price of share options granted under the New Scheme shall be a price solely determined by the Board and notified to a participant in the offer letter and shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the offer date; (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the offer date; and (c) the nominal value of a share on the offer date.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share options schemes of the Company shall not exceed 30 per cent. (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

No option has been granted under the New Scheme since its adoption.

30. 購股權計劃 (續)

購股權之承受人須於購股權授出日期起計一個月內決定是否接納獲授之購股權，並須於接納時繳交港幣1.00元之象徵式代價。當收訖邀約函件之複本（包括由承授人正式簽署接納並清楚註明所接納之股份數目），購股權將被視為已授出及被接納。

根據計劃，購股權之行使價由董事釐定，惟以下三者之最高者：(a)本公司股份於授予購股權日期在聯交所之收市價；(b)緊接本公司股份於授予購股權日期前五個交易日在聯交所之平均收市價；及(c)本公司股份於授出購股權日期之面值。

因根據新購股權計劃及本公司任何其他購股權計劃授出而尚未行使之所有購股權獲行使而發行之股份總數，最多不得超過不時已發行股份總數30%（或上市規則可能准許之較高百分比）。

自計劃採納起並無授出購股權。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

31. NON-CONTROLLING INTERESTS

The table below shows details of the non-wholly owned subsidiaries of the Company that has material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests held by non-controlling interests 非控股權益所持所有權權益比例		Proportion of voting right held by non-controlling interests 非控股權益所持投票權比例		Profit/(loss) allocated to non-controlling interests 非控股權益應佔盈利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Guangdong Yibaijian Comprehensive Health Technology Ltd*	PRC	30%	-	30%	-	(1,747)	-	(547)	-
廣東壹佰健大健康科技有限公司	中華人民共和國								
Guangdong Sino Rock Tyco Construction Co., Ltd.*	PRC	20%	-	20%	-	14	-	153,675	-
廣東中岩泰科建設有限公司	中華人民共和國								
China Select Small Hotel Union Limited	PRC	49%	-	49%	-	-	-	3,600	-
興業民宿互助社有限公司	中華人民共和國								

Summarised financial information in respect of the Group's subsidiaries that has a material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. All these subsidiaries were set up in 2017, therefore, no comparative for 2016 is presented.

31. 非控股權益

下表載列本公司擁有重大非控股權益的非全資控股附屬公司的詳情：

有關本集團各重大非控股權益的非全資附屬公司之財務資料概要載列如下。以下財務資料概要呈列集團內對銷前之金額。所有非全資附屬公司於二零一七年成立，故沒有二零一六年的比較呈列。

* For identification purposes only

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

31. NON-CONTROLLING INTERESTS (Continued)

Guangdong Yibaijian Comprehensive Health Technology Ltd (“Yibaijian”)

31. 非控股權益 (續)

廣東壹佰健大健康科技有限公司 (「壹佰健」)

		2017 二零一七年 HK\$'000 港幣千元
Current assets	流動資產	5,649
Non-current assets	非流動資產	33
Current liabilities	流動負債	(1,904)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	4,325
Non-controlling interests	非控股權益	(547)
Loss for the period	期內虧損	(5,592)
Loss for the period attributable to:	期內虧損歸屬：	
Owners of the Company	本公司擁有人	(3,915)
Non-controlling interests of Yibaijian	壹佰健之 非控股權益	(1,677)
		(5,592)

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

31. NON-CONTROLLING INTERESTS (Continued)

Guangdong Yibaijian Comprehensive Health Technology Ltd (“Yibaijian”) (Continued)

31. 非控股權益 (續)

廣東壹佰健大健康科技有限公司 (「壹佰健」) (續)

		2017 二零一七年 HK\$'000 港幣千元
Other comprehensive expenses, net of income tax:	其他綜合開支，除稅後：	
Exchange difference arising on translation of foreign operations:	換算海外業務時產生之匯兌差額：	
Owners of the Company	本公司擁有人	(164)
Non-controlling interests of Yibaijian	壹佰健之非控股權益	(70)
		<u>(234)</u>
Loss and comprehensive expenses attributable to:	期內全面開支歸屬：	
Owners of the Company	本公司擁有人	(4,079)
Non-controlling interests of Yibaijian	壹佰健之非控股權益	(1,747)
		<u>(5,826)</u>
Net cash outflow from operating activities	經營活動現金流出淨額	<u>(3,964)</u>
Net cash outflow from investing activities	投資活動現金流出淨額	<u>(33)</u>
Net cash inflow from financing activities	融資活動現金流入淨額	<u>9,604</u>
Net cash inflow	現金流入淨額	<u>5,607</u>

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

31. NON-CONTROLLING INTERESTS (Continued)

31. 非控股權益 (續)

Guangdong Sino Rock Tyco Construction Co., Ltd. (“Sino Rock”)

廣東中岩泰科建設有限公司(「中岩泰科」)

		2017 二零一七年 HK\$'000 港幣千元
Current assets	流動資產	700,500
Current liabilities	流動負債	(78)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	546,747
Non-controlling interests	非控股權益	153,675
Loss for the period	期內虧損	(7,229)
Loss for the period attributable to:	期內虧損歸屬：	
Owners of the Company	本公司擁有人	(5,783)
Non-controlling interests of Sino Rock	中岩泰科之 非控股權益	(1,446)
		(7,229)
Other comprehensive expenses, net of income tax:	其他綜合收益， 除稅後：	
Exchange difference arising on translation of foreign operations:	換算海外業務時 產生之匯兌差額：	
Owners of the Company	本公司擁有人	5,841
Non-controlling interests of Sino Rock	中岩泰科之 非控股權益	1,460
		7,301
Loss and comprehensive expenses attributable to:	期內全面收益歸屬：	
Owners of the Company	本公司擁有人	58
Non-controlling interests of Sino Rock	中岩泰科之 非控股權益	14
		72

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

31. NON-CONTROLLING INTERESTS (Continued)

Guangdong Sino Rock Tyco Construction Co., Ltd. (“Sino Rock”) (Continued)

Net cash outflow from operating activities	經營活動現金 流出淨額
Net cash inflow from financing activities	融資活動現金 流入淨額
Net cash inflow	現金流入淨額

31. 非控股權益 (續)

廣東中岩泰科建設有限公司(「中岩泰科」) (續)

	2017 二零一七年 HK\$'000 港幣千元
	(7,151)
	700,350
	693,199

China Select Small Hotel Union Limited

興業民宿互助社有限公司

	2017 二零一七年 HK\$'000 港幣千元	
Current assets	流動資產	9,720
Equity attributable to owners of the Company	本公司擁有人 應佔權益	6,120
Non-controlling interests	非控股權益	3,600
Net cash inflow from financing activities	融資活動現金 流入淨額	9,720
Net cash inflow	現金流入淨額	9,720

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

32. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group's property rental income during the year was approximately HK\$6,373,000 (2016: HK\$4,566,000). All of the properties held have committed tenants to leases of 1 to 11 years (2016: 4 to 5 years).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

32. 營運租約安排

本集團為出租人

本集團於年內已賺得物業租金收入約為港幣6,373,000元(二零一六年:港幣4,566,000元)。所持部分物業於未來一至十一年(二零一六年:四至五年)均已訂約租戶。

於結算日,本集團已與租戶訂約之未來最低租金如下:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	於一年內	9,197	6,611
In the second to fifth year inclusive	於第二年至第五年 (包括首尾兩年)	19,952	10,228
Over five years	五年以上	11,955	3,757
		41,104	20,596

33. COMMITMENTS

Commitments for the acquisition of property, plant and equipment	購入物業、廠房及設備之承擔	1,957	56
Commitments for the refurbishment of investment properties	投資物業裝修之資本承擔	-	584
Commitments for the investment cost of establishment of subsidiary	成立子公司投資成本之資本承擔	837,462	2,344

33. 承擔

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Commitments for the acquisition of property, plant and equipment	購入物業、廠房及設備之承擔	1,957	56
Commitments for the refurbishment of investment properties	投資物業裝修之資本承擔	-	584
Commitments for the investment cost of establishment of subsidiary	成立子公司投資成本之資本承擔	837,462	2,344

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

34. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities to the Group or borrowings of the Group (see note 26):

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Investment properties	投資物業	213,025	191,417
Property, plant and equipment	物業、廠房及設備	110,672	110,161
Pledged bank deposit	已抵押銀行存款	63,963	–
		387,660	301,578

34. 資產抵押

具有以下賬面值的資產已抵押以擔保授予本集團的一般銀行融資或本集團的借貸(附註26)：

35. RELATED PARTY TRANSACTIONS

- A) On 1 May 2016, the Group entered into a rental agreement for a period of 48 months at RMB19,000 (equivalent to approximately HK\$21,900) per month with the Group's associate, Guangdong Financial Leasing Co., Ltd in which the Group received rental income amounting to approximately HK\$251,000 (2016: HK\$163,000). The leased property is situated at Flat 301 and 302 of Phase 1 Guangdong Hong Kong Finance & Technology Park Guicheng Street, Nanhai District Foshan City, Guangdong Province, the PRC*.
- B) On 24 March 2017, the Group's non-wholly owned subsidiary, Guangdong Yibaijian Comprehensive Health Technology Ltd** ("Yibaijian"), entered into a service agreement in a total amount of RMB3,729,000 (equivalent to approximately HK\$4,291,000) with its non-controlling interest, Shenzhen e-ling Info-Tech Co., Ltd ("Shenzhen e-ling"), in which Yibaijian paid Shenzhen e-ling for Management of Comprehensive Elderly Care Services in Nanhai district. During the period, the Group had paid RMB3,524,000 (equivalent to approximately HK\$4,059,000) to Shenzhen e-ling*.

35. 關聯交易

- A) 於二零一六年五月一日，本集團與聯營公司廣東粵科融資租賃有限公司訂立一份租賃協議為期48個月，每月租金為人民幣19,000元(相等於約港幣21,900元)，其中，本集團收到租金收入約港幣251,000元(二零一六年：港幣163,000元)。租賃物業位於廣東省佛山市南海區桂城街道粵港金融科技園1座301及302室*。
- B) 於二零一七年三月二十四日，本集團的非全資擁有附屬公司廣東壹佰健大健康科技有限公司(「壹佰健」)與其非控股權益—深圳壹零後資訊技術有限公司(「深圳壹零後」)簽定為人民幣3,729,000元(相等於約港幣4,291,000元)的服務合約，以支付深圳壹零後於南海區養老服務管理平台。於本期內，本集團已付深圳壹零後人民幣3,524,000元(相等於約港幣4,059,000元)。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

35. RELATED PARTY TRANSACTIONS (Continued)

C) On 12 April 2017, the Group obtained one-year short-term loan amounting to RMB33,000,000 from the Group's associate, Nanhai Changhai Power Company Limited with a fixed interest rate at 2.6% per annum.

D) On 5 December 2017, the Group obtained a three-year loan amounting to HK\$90,000,000 from the Group's immediate holding company, Prize Rich Inc. which is unsecured and with a fixed interest rate at 3% per annum.

E) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year is as follows:

Short-term employee benefits	短期僱員福利
Post-employment employee benefits	退休僱員福利

The remuneration of Directors and key management personnel is proposed by the remuneration committee having regard to the performance of individuals and market trends.

* The transaction constituted an exempt connected transaction under the Hong Kong Listing Rules.

35. 關聯交易 (續)

C) 於二零一七年四月十二日，本集團向其聯營公司—南海長海發電有限公司借了一筆短期貸款人民幣33,000,000元，年利率為2.6%並於一年內歸還。

D) 於二零一七年十二月五日，中興向直接控股公司—Prize Rich Inc.借了一筆港幣90,000,000元的三年期貸款，年利率為3%，利息按季支付，本金於到期日一次性歸還。

E) 主要管理人員薪酬

董事及其他主要管理人員於年內之薪酬如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Short-term employee benefits	8,484	6,406
Post-employment employee benefits	462	468
	8,946	6,874

董事及其他主要管理人員之薪酬由薪酬委員會參考個別人士之表現及市場趨勢後建議。

* 該交易根據上市規則獲豁免關連交易。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

36. PRINCIPAL SUBSIDIARIES

Particulars of the Group's principal subsidiaries at 31 December 2017 are as follows:

36. 主要附屬公司

本公司之主要附屬公司於二零一七年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立 或註冊/ 營運地點	Issued and fully paid ordinary share capital/ registered capital 已發行及 繳足普通股 股本/註冊 資本之面值	Percentage held 持有 百分比	Principal activity 主要業務
Direct subsidiary 直接附屬公司				
China Investments Limited 中國興業股份有限公司	Hong Kong 香港	HK\$1,000 港幣1,000元	100	Investment holding 投資控股
Indirect subsidiaries 間接附屬公司				
Airlane Development Limited 雅南發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Barmax Development Limited 柏美發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Botex Development Limited 保得發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Canton Risen Financial Leasing Co., Ltd (Note) 廣東粵盛科融資租賃有限公司(附註)	PRC 中國	RMB\$500,000,000 人民幣500,000,000元	100	Financial leasing 融資租賃
Centon Development Limited 勝祥發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Charland Investment Limited 祥南投資有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
China Alliance Industries 華盟實業有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
China Industrial Development Limited 中國工業發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Investment holding 投資控股
China Select Small Hotel Union Limited 興業民宿互助社有限公司	Hong Kong 香港	HK\$12,000,000 港幣12,000,000元	100	Hotel management 酒店管理
CIH Finance Investments Holdings Limited 中國興業金融投資控股有限公司	Hong Kong 香港	HK\$4 港幣4元	100	Financial Investment 金融投資
CIH Leasing Company Limited 中國興業租賃有限公司	Hong Kong 香港	HK\$1 港幣1元	100	Financial leasing 融資租賃
CIH Leasing Investments Limited 中國興業租賃投資有限公司	Hong Kong 香港	HK\$1 港幣1元	100	Financial leasing 融資租賃
Cyro Holdings Limited	British Virgin Islands/Hong Kong 英屬處女群島/香港	US\$1 1美元	100	Investment holding 投資控股

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

36. PRINCIPAL SUBSIDIARIES (Continued)

36. 主要附屬公司 (續)

Name of subsidiary	Place of incorporation or registration/ operation	Issued and fully paid ordinary share capital/ registered capital	Percentage held	Principal activity
附屬公司名稱	註冊成立或註冊/營運地點	已發行及繳足普通股股本/註冊資本之面值	持有百分比	主要業務
Expert Target Development Limited 傑泰發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Greenswood Property Limited 建和物業有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property investment 物業投資
Guangdong Sino Rock Tyco Construction Co., Ltd (Note) 廣東中岩泰科建設有限公司(附註)	PRC 中國	RMB\$910,000,000 人民幣910,000,000元	80	Industrial parks 產業園
Guangdong Yibaijian Comprehensive Health Technology Ltd (Note) 廣東壹佰健大健康科技有限公司(附註)	PRC 中國	RMB\$10,000,000 人民幣10,000,000元	70	Comprehensive elderly care services 養老綜合服務
Guilin Plaza Hotel (Note) 桂林觀光酒店(附註)	PRC 中國	US\$10,400,000 10,400,000美元	100	Hotel operations 酒店經營
Jofra Company Limited	Hong Kong 香港	HK\$1,000 港幣1,000元	100	Investment holding 投資控股
Foshan City Nanhai Jia Shun Timber Company Limited* (Note) 佛山市南海佳順木業有限公司(附註)	PRC 中國	HK\$39,800,000 港幣39,800,000元	100	Manufacturing and trading of medium density fibreboards 製造和買賣中等密度纖維板
Foshan City Nanhai Kang Sheng Timber Company Limited* (Note) 佛山市南海康盛木業有限公司(附註)	PRC 中國	HK\$81,000,000 港幣81,000,000元	100	Wood processing 木片處理
Foshan City Nanhai Canmanage Investments Holdings Limited* (Note) 佛山市南康美投資有限公司(附註)	PRC 中國	RMB\$30,000,000 人民幣30,000,000元	42	Property investment 物業投資
Foshan Zhong Chuang Property Service Company Limited (Note) 佛山市中創物業服務有限公司(附註)	PRC 中國	RMB\$5,000,000 人民幣5,000,000元	42	Property management 物業管理
Langmax Investment Limited 隆美投資有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Lina Development Limited 恩華發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Metropolitan Development Limited 都市發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Rich Asset Development Limited 益兆發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Rich Horn Development Limited 裕凱發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

36. PRINCIPAL SUBSIDIARIES (Continued)

36. 主要附屬公司 (續)

Name of subsidiary	Place of incorporation or registration/ operation	Issued and fully paid ordinary share capital/ registered capital	Percentage held	Principal activity
附屬公司名稱	註冊成立或註冊/營運地點	已發行及繳足普通股股本/註冊資本之面值	持有百分比	主要業務
Senicon Investment Limited 潤光投資有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Sabrina Limited	British Virgin Islands/Hong Kong 英屬處女群島/香港	US\$1 1美元	100	Investment holding 投資控股
Sino Sense Development Limited 華思發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Southern Limited	Hong Kong	HK\$10,000	100	Investment holding and property investment 投資控股及物業投資
南大有限公司	香港	港幣10,000元		
Trener Investment Limited 正南投資有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Universal Talent Development Limited 宇駿發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	Property trading 物業買賣
Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited (Note)	PRC	RMB\$8,000,000	100	Investment holding
中創興科(深圳)投資有限公司 (附註)	中國	人民幣8,000,000元	100	投資控股

Note: Wholly foreign owned enterprise.

附註：外商獨資企業。

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

各附屬公司概無任何於年末或年內任何時間仍未償還之債務證券。

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

上表所列者乃董事認為對本集團之業績或資產有重要影響之本公司附屬公司。董事認為詳列其他附屬公司之資料將導致篇幅過於冗長。

37. COMPARATIVE AMOUNTS

37. 比較數字

Certain comparative amounts have been reclassified to conform to the current year presentation.

若干比較數字已經重列以符合本年度之呈列方式。

* For identification propose only

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY 38. 本公司財務狀況表及儲備

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current asset	非流動資產		
Investments in subsidiaries	於附屬公司之投資	23,607	23,607
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	1,278,730	736,838
Deposits and other receivables	按金及其他應收款項	-	224
Pledged bank deposits	已抵押銀行存款	63,963	-
Bank balances and cash	銀行結餘及現金	26,283	798
		1,368,976	737,860
Current liabilities	流動負債		
Bank loan	銀行貸款	546,826	-
Other payables	其他應付款項	80,061	79,124
		626,887	79,124
Net current assets	流動資產淨額	742,089	658,736
Total assets less current liabilities	總資產減流動負債	765,696	682,343
Capital and reserves	股本及儲備		
Share capital	股本	171,233	171,233
Reserves	儲備	368,877	390,018
Equity attributable to owners of the Company	權益總額	540,110	561,251
Non-current liabilities	非流動負債		
Convertible notes	可換股票據	135,586	121,092
Loan from immediate holding company	直接控股公司之貸款	90,000	-
		225,586	121,092
		765,696	682,343

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2018 and are signed on its behalf by:

本公司財務狀況表已於二零一八年三月二十七日獲董事會批准及授權刊發，並由以下董事代表簽署：

HE XIANGMING
何向明
Director 董事

LIN PINGWU
林平武
Director 董事

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

38. 本公司財務狀況表及儲備 (續)

Movement in the Company's reserves

本公司儲備之變動

		Share Premium	Convertible note equity reserve	Accumulated losses	Total
		股份溢價	可換股票據 權益儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2016	於二零一六年一月一日	725,199	34,700	(350,703)	409,196
Loss for the year	本年度虧損	-	-	(19,178)	(19,178)
At 31 December 2016	於二零一六年				
1 January 2017	十二月三十一日及	725,199	34,700	(369,881)	390,018
	二零一七年一月一日				
Loss for the year	本年度虧損	-	-	(21,141)	(21,141)
At 31 December 2017	於二零一七年	725,199	34,700	(391,022)	368,877
	十二月三十一日				

39. NATURE AND PURPOSE OF RESERVES

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not attributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchases of shares.

(ii) Statutory reserve

Statutory reserve represents general reserve and enterprise expansion fund which are set up by subsidiaries established and operating in the PRC by way of appropriation from the profit after taxation in accordance with the relevant laws and regulations in the PRC. The rate of appropriation of the general reserve and enterprise expansion fund is subject to the decision of the Board of Directors of the PRC subsidiaries, but the minimum appropriation rate for the general reserve is 10% of the profit after taxation for each year, until when the accumulated balance reaches 50% of the total registered capital of the subsidiary. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the general reserve can be used to set off accumulated losses or to increase the capital, and the enterprise expansion fund can be used to increase the capital.

39. 儲備之性質及目的

(i) 股份溢價

股份溢價指因按超過每股面值之價格發行股份所產生之溢價，該等溢價不予分派，惟本公司可動用該等溢價，以繳足本公司擬以繳足紅股形式向本公司股東發行之未發行股份。

(ii) 法定公積

法定公積包括儲備基金及企業發展基金，是由在中華人民共和國（「中國」）成立及營運之附屬公司及聯營公司，根據中國有關法例及法規規定，自除稅後盈利中撥出款項而設立。儲備基金及企業發展基金之撥款比率經由中國附屬公司及聯營公司之董事會釐定，惟儲備基金之最低撥款比率為每年除稅後盈利10%，直至累積結餘達到該附屬公司及聯營公司之總註冊資本50%為止。根據中國有關法例及法規規定，若取得有關政府當局批准，則儲備基金可用作彌補累計虧損或增加資本，而企業發展基金則可用作增加資本。

綜合財務報表附註

Notes to the Consolidated Financial Statements

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

39. NATURE AND PURPOSE OF RESERVES

(Continued)

(iii) Hotel property revaluation reserve

Hotel property are revalued annually based on independent professional valuations on an open market value basis. Changes in the values of hotel property are dealt with as movement in the hotel property revaluation reserve. If the reserve is insufficient to cover a revaluation deficit, the excess of the deficit is charged to the profit or loss for the year.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the foreign subsidiaries of the Group whose reporting currency is not Hong Kong dollars. The reserve is dealt with in accordance with the accounting policies of foreign currencies set out in Note 3 to the consolidated financial statements.

(v) Convertible note equity reserve

Convertible note equity reserve represents the value of the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy for convertible notes set out in Note 3 to the consolidation financial statements.

39. 儲備之性質及目的 (續)

(iii) 酒店物業重估儲備

酒店物業每年乃按採用公開市值基準進行之獨立專業估值重估。酒店物業價值變更於酒店物業重估儲備中列為變動處理。倘於個別基準上此項不足以彌補重估減值，則超逾減值之差額自損益賬中扣除。

(iv) 匯兌儲備

匯兌儲備包括所有由換算本集團以非港幣呈列的海外子公司財務報表所產生之匯兌差額。該儲備根據綜合財務報表附註3載列之外幣會計政策作處理。

(v) 可換股票據權益儲備

可換股票據權益儲備指本公司所發行之可換股債券未行使權益部份之價值，乃根據綜合財務報表附註3載列就金融工具中可換股債券所採納的會計政策確認。

五年財務概要

Five Years Financial Summary

		Year ended 31 December 截至十二月三十一日止年度				2017
		2013	2014	2015	2016	二零一七年
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
RESULTS	收入					
Continuing operations	持續經營之業務					
Revenue	營業額	29,616	32,448	39,275	24,554	29,846
Profit/(loss) for the year	本年度盈利／(虧損)	(11)	81,038	5,773	(2,703)	27,630
Discontinued operations	已終止經營業務					
loss for the year	本年度虧損	(1,408)	–	–	(1,628)	–
Profit/(loss) for the year	本年度本公司擁有人					
attributable to owners	應佔盈利／(虧損)	(1,419)	81,038	5,773	(4,331)	31,266
Earnings/(loss) per share	每股盈利／(虧損)					
From continuing and	持續經營及					
discontinued operations	已終止經營之業務					
Basic	基本	(HK港元 0.12 cent)	HK港元 6.22 cents	HK港元 0.34 cents	(HK港元 0.25 cent)	HK港元 1.83 cents
Diluted	攤薄	(HK港元 0.12 cent)	HK港元 6.22 cents	HK港元 0.34 cents	(HK港元 0.25 cent)	HK港元 1.83 cents

		Year ended 31 December 截至十二月三十一日止年度				2017
		2013	2014	2015	2016	二零一七年
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	715,412	1,458,734	1,352,241	1,316,578	2,277,412
Total liabilities	負債總值	(123,354)	(463,152)	(377,822)	(385,291)	(1,099,553)
Non-controlling interests	非控股權益	–	–	–	–	(157,625)
Equity contributable to	本公司擁有人應佔權益					
owners		592,058	995,582	974,419	931,287	1,020,234

* The result for each of the years 2013-2015 have not been represented for the discontinued operation.

* 二零一二至二零一五年各年之業績並無就已終止經營業務進行重列。

主要物業資料

Particulars of Major Properties

Particulars of major properties held by the Group as at 31 December 2017 are as follows:

於二零一七年十二月三十一日，本集團持有之主要物業資料詳述如下：

Name/Location 名稱／地點	Effective % held 實際持有百分比	Category of lease 租賃類別	Type 類型	Total gross floor area on completion 完成時之總建築面積 (s.m.) (平方米)	Stage 進展情況	Expected year of completion 預期完成年份
Hotel property 酒店物業						
Guilin Plaza, 20 Li Jiang Lu Guilin, Guangxi, The PRC. 中國廣西省桂林市灑江路 20號桂林觀光酒店	100	Medium 中期	Hotel 酒店	29,746	Existing 現有	N/A 不適用
Properties 物業						
Unit No. 1, 14 & 15 on 5th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon. 香港 尖沙咀 麼地道62號 永安廣場5樓 1、14及15室	100	Medium 中期	Commercial 商業	429	Existing 現有	N/A 不適用

主要物業資料

Particulars of Major Properties

Name/Location 名稱/地點	Effective % held 實際持有 百分比	Category of lease 租賃類別	Type 類型	Total gross floor area on completion 完成時之 總建築面積 (s.m.) (平方米)	Stage 進展情況	Expected year of completion 預期 完成年份
Properties (Continued) 物業 (續)						
12th to 13th Floor of Block A, Phase 1 Guangdong – Hong Kong Finance & Technology Park Guicheng Street, Nanhai District Foshan City, Guangdong Province The PRC 中國廣東省 佛山市南海區 桂城街道金科路6號 粵港金融科技園1座 12-13樓	100	Medium	Commercial	3,048	Existing	N/A
	100	中期	商業	3,048	現有	不適用
Investment properties 投資物業						
17th Floor SingHo Finance Building, Nos. 166/168 Gloucester Road, Hong Kong.	100	Medium	Commercial	112	Existing	N/A
香港 告士打道 166/168號 信和財務大廈17樓	100	中期	商業	112	現有	不適用

主要物業資料

Particulars of Major Properties

Name/Location	Effective % held 實際持有百分比	Category of lease 租賃類別	Type 類型	Total gross floor area on completion 完成時之總建築面積 (s.m.) (平方米)	Stage 進展情況	Expected year of completion 預期完成年份
---------------	-----------------------------	---------------------------	------------	--	---------------	---------------------------------------

Investment properties (Continued)

投資物業 (續)

1st to 11th Floor of Block A, Phase 1 Guangdong – Hong Kong Finance & Technology Park Guicheng Street, Nanhai District Foshan City, Guangdong Province The PRC	100	Medium	Commercial	15,818	Existing	N/A
中國廣東省 佛山市南海區 桂城街道金科路6號 粵港金融科技園1座 1-11樓	100	中期	商業	15,818	現有	不適用

主要物業資料

Particulars of Major Properties

Name/Location	Effective % held 實際持有百分比	Category of lease 租賃類別	Type	Total gross floor area on completion 完成時之總建築面積 (s.m.) (平方米)	Stage 進展情況	Expected year of completion 預期完成年份
Properties held for sale 待售物業						
Levels 5, 7, 9, 12-14, 17, 20-22 of Block A and all shopping spaces in the podium under Block B & C of Shantou Commercial Plaza at the junction of Jinsha Road East and Huashan Road, Shantou Special Economic Zone, Guangdong Province, The PRC.	100	Medium	Commercial/ Residential	11,017	Existing	N/A
中國廣東省 汕頭經濟特區 金砂東路與 華山路交界 汕頭國際商業大廈A座 5、7、9、12-14、17、20-22樓 以及B及C座 平台之全部商場面積	100	中期	商業／住宅	11,017	現有	不適用

主要物業資料

Particulars of Major Properties

Name/Location 名稱／地點	Effective % held 實際持有 百分比	Category of lease 租賃類別	Type 類型	Total gross floor area on completion 完成時之 總建築面積 (s.m.) (平方米)	Stage 進展情況	Expected year of completion 預期 完成年份
6th, 8th and 11th, Floors of Building A, International Commerce Building, Banzhang Lake, South Riverside, Huizhou City, Guangdong Province, The PRC. 中國廣東省 惠州市 河南岸 斑樟湖 國商大廈 B座10樓以及 A座6、8及11樓	100	Long	Commercial/ Office	848	Existing	N/A
	100	長期	商業／ 寫字樓	848	現有	不適用

